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Securities code: 6282

Date of sending by postal mail: June 12, 2024

Start date of measures for electronic provision: May 31, 2024

To our shareholders:

Yoshikazu Sakairi,
President
OILES CORPORATION
8 Kirihara-cho, Fujisawa-
shi, Kanagawa 252-0811,
Japan

Notice of the 73rd Ordinary General Meeting of Shareholders

We are pleased to announce the 73rd Ordinary General Meeting of Shareholders of OILES CORPORATION (the “Company”), which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 73rd Ordinary General Meeting of Shareholders” on the following websites. Please access any of the websites by using the Internet address shown below to review the information.

Company Website:

<https://www.oiles.co.jp/en/ir/>

(Please access the above website.)

Informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/6282/teiji/> (in Japanese only)

Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website by using the Internet address shown above, enter “OILES CORPORATION” in “Issue name (company name)” or the Company’s securities code “6282” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

You may exercise your voting rights in advance **by electromagnetic means (via the Internet, etc.) or by postal mail** in lieu of in-person attendance. Please review the “Reference Documents for the General Meeting of Shareholders” below and exercise your voting rights **by 5:30 p.m. on Wednesday, June 26, 2024.**

[When exercising your voting rights by electromagnetic means (the Internet, etc.)]

Please read the Information about Exercising Your Voting Rights on pages 7 through 8* (in Japanese only) and enter your approval or disapproval of the proposals by the voting deadline as indicated above.

[When exercising your voting rights by postal mail]

Please indicate your approval or disapproval of the proposals on the enclosed Voting Form and return the form to us so that it reaches us by the voting deadline as indicated above.

- 1. Date and time** Thursday, June 27, 2024, at 10:00 a.m.
2. Venue Multi-purpose hall, 4th floor of R&D Building, Fujisawa Head office
8 Kirihara-cho, Fujisawa-shi, Kanagawa 252-0811, Japan

3. Purposes

Matters to be reported

1. Business Report and Consolidated Financial Statements for the 73rd Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 73rd Term (from April 1, 2023 to March 31, 2024)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members
Proposal No. 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
Proposal No. 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
Proposal No. 6: Determination of the Amount of Compensation for Directors Who Are Not Audit and Supervisory Committee Members
Proposal No. 7: Determination of the Amount of Compensation for Directors Who Are Audit and Supervisory Committee Members
Proposal No. 8: Determination of Board Benefit Trust for Directors, Etc. Who Are Not Audit and Supervisory Committee Members
Proposal No. 9: Continuation of the Company's Policy for Responding to Large-Scale Purchases of the Company's Shares (Takeover Response Policy)

4. Matters to be decided at the time of convocation

- (1) In the event that voting rights were exercised via both the Internet and postal mail, the voting rights exercised via the Internet will take precedence as the valid exercise of your voting rights. If voting rights were exercised multiple times via the Internet, the last vote exercised will take precedence as a valid exercise of your voting rights.
 - (2) If no indication of approval or disapproval is made for each proposal on the Voting Form, it will be treated as an indication of approval.
 - (3) If a proxy attends the General Meeting of Shareholders, the proxy shall be one other shareholder of the Company with voting rights in accordance with the provisions of Article 18 of the Articles of Incorporation of the Company. In such an event, please note that the proxy will be required to submit documentation proving his/her authority of representation.
- When attending the meeting, please present the enclosed Voting Form at the reception desk. Also, please bring this Notice with you.
 - Please note that Company personnel will be dressed in "cool-biz" style, or in suits without neckties on the day of the meeting.
 - No gifts will be provided to shareholders attending the General Meeting of Shareholders. We appreciate your understanding.
 - Please refrain from taking any photographs or audio recordings in the venue using a camera, smartphone or mobile phone.

-Matters not included in the documents delivered to shareholders-

- In accordance with the amendment to the Companies Act, in principle, only shareholders who have accessed the websites listed on page 1 and have made a request for the delivery of documents by the record date will be sent matters subject to measures for electronic provision. However, for this General Meeting of Shareholders, documents stating matters subject to measures for electronic provision will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents.

Please note that the following matters among the matters subject to measures for electronic provision are posted on each Internet website listed on page 1 in accordance with laws and regulations as well as Article 15 of the Company's Articles of Incorporation, and therefore are not included in the documents delivered to shareholders.

- “Main Business Content”; “Main Sales Branches and Plants”; “Employee Data”; “Information Regarding Major Lenders”; “Other Important Matters Regarding the Current Status of the Corporate Group”; “Share Information”; “Information Regarding Stock Acquisition Rights, Etc.”; “Outline of the Contents of Liability Limitation Agreements”; “Outline, Etc. of the Contents of Liability Insurance Agreements for Officers”; “Information Regarding the Accounting Auditor”; “Summary of Systems to Ensure the Adequate Business Operations and the Operation of Such Systems”; “Policy for Determining Dividends of Surplus, Etc.”; and “Basic Policy on Control of the Company,” as in the Business Report.

- “Consolidated Statement of Changes in Shareholders' Equity” and “Notes on Consolidated Financial Statements” as in the Consolidated Financial Statements, as well as “Balance Sheet,” “Statement of Income,” “Statement of Changes in Shareholders' Equity,” and “Notes on Non-Consolidated Financial Statements” as in the Non-Consolidated Financial Statements.

- “Accounting Audit Report on the Consolidated Financial Statements by the Accounting Auditor,” “Accounting Audit Report on the Financial Statements by the Accounting Auditor,” and “Audit Report by the Audit & Supervisory Board” as in the Audit Report.

Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including the above matters.

- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each website listed on page 1.

* Please note that the material referred to is not included in the English translation and exists in the original Japanese only.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

Regarding year-end dividends for the 73rd Term, the Company proposes the following, taking into consideration the business results for the current term as well as future business development, while adhering to the basic policy of stable and continuous dividend payments to shareholders:

1. Types of dividend property

Cash

2. Matters concerning the allocation of dividend property and the total amount thereof

The Company proposes to set the dividend at ¥40 per common share.

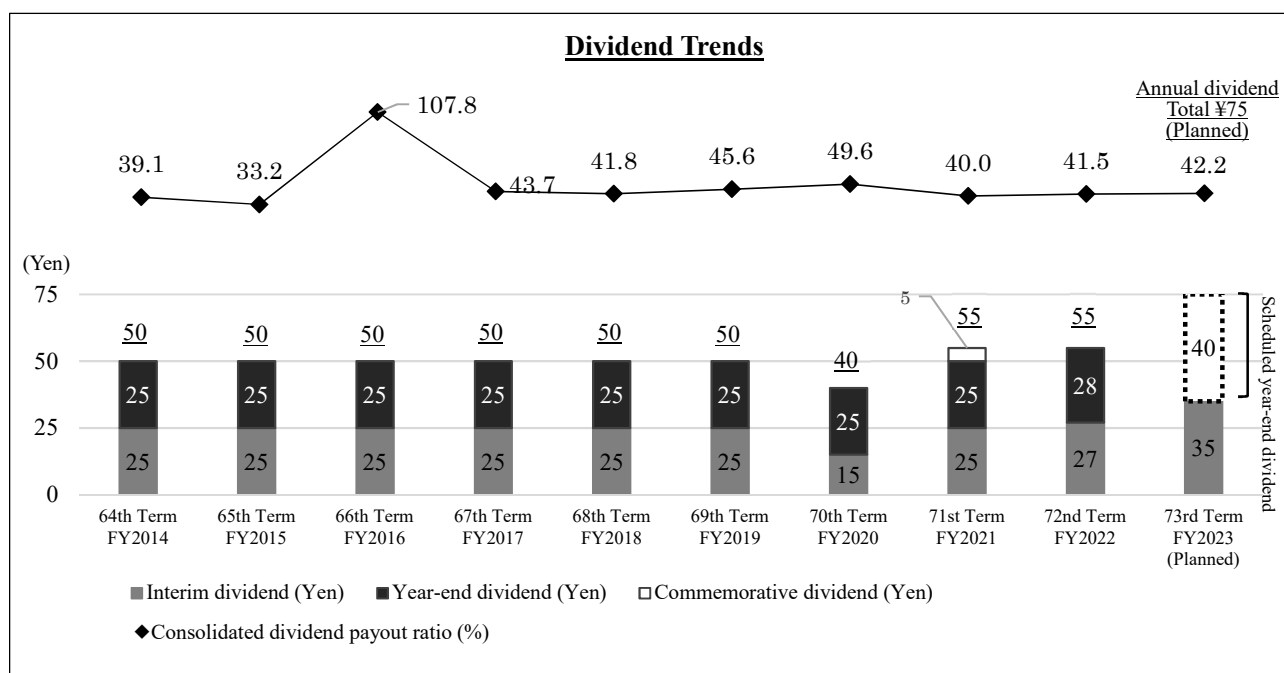
In this case, the total dividend amount would be ¥1,238,248,160.

3. Effective dates of the dividend of surplus

The Company proposes to set the date to June 28, 2024.

Including the interim dividend, the annual dividend for the 73rd Term will be ¥75 per share.

<Reference>



Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendment

- (1) In order to enable prompt management decision-making and business execution, to strengthen the supervisory function of the Board of Directors by appointing Directors who are Audit and Supervisory Committee Members with the voting rights, etc., at Board of Directors meetings, and to further improve corporate governance, the Company will transition from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee. Accordingly, the Company is making necessary changes, including the insertion of new provisions regarding the Audit and Supervisory Committee and Audit and Supervisory Committee Members, the deletion of provisions regarding Audit & Supervisory Board Members, and the insertion of new provisions regarding the delegation of key decisions concerning business execution. This amendment to the Articles of Incorporation shall become effective at the conclusion of this General Meeting of Shareholders.
- (2) Article 2 (Purpose) of the current Articles of Incorporation will be amended to reflect the current state of the Company's business. (Proposed amendment to Article 2)
- (3) In order to be able to flexibly determine the location where the General Meeting of Shareholders is held, Article 13, Paragraph 2 of the current Articles of Incorporation, which limits the location where the General Meeting of Shareholders is held, will be deleted. (Proposed amendment to Article 13)
- (4) In order to enable Directors to perform their expected roles to the fullest extent, a provision stipulating that Directors will be partially exempted from their liabilities within the scope of the law by resolution of the Board of Directors will be inserted (Article 426, Paragraph 1 of the Companies Act), and the scope of officers who can enter into liability limitation agreements will be changed (Article 427, Paragraph 1 of the Companies Act). The consent of each Audit & Supervisory Board Member has been obtained for such insertions and changes. (Proposed amendment to Article 27)
- (5) In addition, we will revise the wording to reflect the above changes, as well as make other necessary changes such as improving the wording.

2. Details of the amendment

The details of the amendment are as follows:

(Changes are indicated with underlines)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses. 1.-6. (Omitted) <u>7. Indemnity insurance and life insurance agency business</u> 8. Lease and management of real estate 9. All business related to or incidental to the fields mentioned above</p>	<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses. 1.-6. (As currently written) (Deletion) 7. Lease and management of real estate <u>8. All business related to or incidental to the fields mentioned above</u></p>
<p>(Bodies) Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following bodies. (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor</p>	<p>(Bodies) Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following bodies. (1) Board of Directors (Deletion) (2) <u>Audit and Supervisory Committee</u> (3) <u>Accounting Auditor</u></p>
<p>(Convocation) Article 13 1. The Company's Ordinary General Meeting of Shareholders shall be convened within three months of the end of each fiscal year, and Extraordinary General Meetings of Shareholders shall be convened whenever necessary. <u>2. The General Meeting of Shareholders convened pursuant to the preceding paragraph shall be held where the Head Office is located, or an area adjacent thereto, or in Fujisawa City, Kanagawa Prefecture.</u></p>	<p>(Convocation) Article 13 (As currently written) (Deletion)</p>
<p>(Matters to be Resolved at the General Meeting of Shareholders) Article 16 1. The Company may pass resolutions at the General Meeting of Shareholders regarding the introduction, amendment, continuation, or abolition of <u>Measures to Address</u> Large-Scale Purchases of the Company's Shares (<u>Takeover Defense Measures</u>). 2. The Company may make decisions regarding matters related to the gratis allotment of stock acquisition rights by resolution of the General Meeting of Shareholders or by resolution of the Board of Directors mandated by resolution of the General Meeting of Shareholders, as well as by resolution of the Board of Directors.</p>	<p>(Matters to be Resolved at the General Meeting of Shareholders) Article 16 1. The Company may pass resolutions at the General Meeting of Shareholders regarding the introduction, amendment, continuation, or abolition of <u>the Policy for Responding to</u> Large-Scale Purchases of the Company's Shares. (As currently written)</p>
<p>(Number of Members) Article 19 The Company shall have no more than ten (10) Directors. (New insertion)</p>	<p>(Number of Members) Article 19 1. The Company shall have no more than ten (10) Directors. <u>2. Of the Directors in the preceding paragraph, no more than four (4) Directors shall be Audit and Supervisory Committee Members.</u></p>
<p>(Method of Election) Article 20 (New insertion)</p>	<p>(Method of Election) Article 20 1. <u>Directors shall be elected at the General Meeting of Shareholders, distinguishing between those who are not Audit and Supervisory Committee Members and those who are Audit and Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>1.</u> Resolutions for electing Directors shall be approved by a majority of the voting rights of shareholders present at a General Meeting of Shareholders, who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights.</p> <p><u>2.</u> Resolutions for the election of Directors of the Company shall not be by cumulative voting. (New insertion)</p>	<p><u>2.</u> (As currently written)</p> <p><u>3.</u> (As currently written)</p> <p><u>4.</u> <u>If a substitute Director who is an Audit and Supervisory Committee Member is selected, it shall be effective until the start of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years of such a resolution.</u></p>
<p>(Term of Office)</p> <p>Article 21</p> <p>The term of office for <u>Directors</u> shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year of their election.</p> <p>(New insertion)</p> <p>(New insertion)</p>	<p>(Term of Office)</p> <p>Article 21</p> <p>1. The term of office for <u>Directors who are not Audit and Supervisory Committee Members</u> shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year of their election.</p> <p>2. <u>The term of office for Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years of their election.</u></p> <p>3. <u>The term of office for a Director who is an Audit and Supervisory Committee Member who has been elected as a substitute for a Director who is an Audit and Supervisory Committee Member who has retired before the expiration of his/her term of office shall be until the term of office of the Director who is an Audit and Supervisory Committee Member who has retired expires.</u></p>
<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 22</p> <p>1. The Board of Directors shall select Representative Directors by its resolution.</p> <p>2. The Board of Directors may, by its resolution, appoint, in addition to one (1) President, <u>a Chairman, a Vice-Chairman, a Vice-President, a Senior Managing Director, and a Managing Director as necessary.</u></p> <p>(New insertion)</p>	<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 22</p> <p>1. The Board of Directors shall, by its resolution, select a Representative Director <u>from among Directors who are not Audit and Supervisory Committee Members.</u></p> <p>2. The Board of Directors may, by its resolution, select one (1) President <u>from among Directors who are not Audit and Supervisory Committee Members, as well as other Directors with Special Titles that the Board of Directors deems necessary.</u></p>
<p>(Delegation of Key Decisions Concerning Business Execution to Directors)</p> <p>Article 25</p> <p>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 key decisions concerning business execution (excluding matters listed in each item of Paragraph 5 of the same Article), in whole or in part, to Directors.</p>	<p>(Delegation of Key Decisions Concerning Business Execution to Directors)</p> <p>Article 25</p> <p>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 key decisions concerning business execution (excluding matters listed in each item of Paragraph 5 of the same Article), in whole or in part, to Directors.</p>
<p>(Compensation, etc.)</p> <p>Article 25</p> <p>Compensation for Directors, including bonuses and other financial benefits received from the Company as consideration for the execution of their duties (hereinafter referred to as “Compensation, etc.”), shall be determined by resolution of the General Meeting of Shareholders. However, the details shall be determined by the Board of Directors.</p>	<p>(Compensation, etc.)</p> <p>Article 26</p> <p>Compensation for Directors, including bonuses and other financial benefits received from the Company as consideration for the execution of their duties (hereinafter referred to as “Compensation, etc.”), shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing between those Directors who are not Audit and Supervisory Committee Members and those who are Audit and Supervisory Committee Members.</u> However, the details shall be determined by the Board of Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Liability Limitation Agreements with Outside Directors)</p> <p><u>Article 26</u></p> <p>(New insertion)</p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>outside Directors</u> to limit their liability for damages due to neglect of duties. However, the maximum amount of liability based on such agreements shall be the amount stipulated by law.</p>	<p>(Exemption of Liability for Directors)</p> <p><u>Article 27</u></p> <p>1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of <u>the Board of Directors, exempt Directors (including former Directors) from liability for damages due to neglect of duties to the extent permitted by law.</u></p> <p>2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Directors (excluding those who are executive directors)</u> to limit their liability for damages due to neglect of duties. However, the maximum amount of liability based on such agreements shall be the amount stipulated by law.</p>
<p>(Convening Authority and Chairperson)</p> <p><u>Article 27</u></p> <p>1. Unless otherwise provided by law, Board of Directors meetings shall be convened and chaired by the Representative Director.</p> <p>2. If there is more than one Representative Director, or if the Representative Director is unable to act, the procedure shall be in accordance with the order previously determined by the Board of Directors.</p> <p>(New insertion)</p>	<p>(Convening Authority and Chairperson)</p> <p><u>Article 28</u></p> <p>(As currently written)</p> <p>2. (As currently written)</p> <p>3. <u>Notwithstanding the provisions of the preceding two paragraphs, Audit and Supervisory Committee Members designated by the Audit and Supervisory Committee may convene Board of Directors meetings.</u></p>
<p>(Notice of Convocation)</p> <p><u>Article 28</u></p> <p>1. Notice of convocation of a Board of Directors meeting shall be issued to <u>each Director and Audit & Supervisory Board Member</u> at least three (3) days before the meeting date. However, if there is an urgent need, this period may be shortened.</p> <p>2. A Board of Directors meeting may be held without following the procedures for convening a meeting if <u>all Directors and Audit & Supervisory Board Members</u> give their unanimous consent.</p>	<p>(Notice of Convocation of Board of Directors Meetings)</p> <p><u>Article 29</u></p> <p>1. Notice of convocation of a Board of Directors meeting shall be issued to <u>each Director</u> at least three (3) days before the meeting date. However, if there is an urgent need, this period may be shortened.</p> <p>2. A Board of Directors meeting may be held without following the procedures for convening a meeting if <u>all Directors</u> give their unanimous consent.</p>
<p>(Method of Resolution)</p> <p><u>Article 29</u></p> <p>1. Resolutions of the Board of Directors shall be approved by a majority vote in the presence of a majority of Directors who are eligible to take part in voting.</p> <p>(New insertion)</p> <p>2. <u>Regarding matters to be resolved at Board of Directors meetings, the Company shall deem there to have been a resolution by the Board of Directors approving of a matter to be resolved, if all Directors (limited to those who are eligible to take part in voting on that matter to be resolved) have expressed their consent in writing or by electronic records. However, this shall not apply if an Audit & Supervisory Board Member expresses an objection regarding the matter to be resolved.</u></p>	<p>(Method of Resolution for Board of Directors Meetings)</p> <p><u>Article 30</u></p> <p>(As currently written)</p> <p>2. <u>Directors who have a special interest in the resolution set forth in the preceding paragraph may not take part in the voting.</u></p> <p>3. <u>When a Director makes a proposal regarding a matter that is the object to be resolved at the Board of Directors meeting, the Company shall deem there to have been a resolution by the Board of Directors approving of the proposal, if all Directors (limited to those who are eligible to take part in voting on that matter) have expressed their consent in writing or by electronic records regarding that proposal.</u></p>
<p>(Board of Directors Regulations)</p> <p><u>Article 30</u></p> <p>Matters concerning the Board of Directors shall be subject to the Board of Directors Regulations established by the Board of Directors, unless otherwise provided by law or these Articles of Incorporation.</p>	<p>(Board of Directors Regulations)</p> <p><u>Article 31</u></p> <p>(As currently written)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 5 <u>Audit & Supervisory Board Members and the Audit & Supervisory Board</u></p>	<p style="text-align: center;">Chapter 5 <u>Audit and Supervisory Committee</u></p>
<p><u>(Number of Members)</u></p>	
<p><u>Article 31</u></p>	(Deletion)
<p><u>The Company shall have no more than four (4) Audit & Supervisory Board Members.</u></p>	
<p><u>(Method of Election)</u></p>	
<p><u>Article 32</u></p>	(Deletion)
<p><u>1. Resolutions for electing Audit & Supervisory Board Members shall be approved by a majority of the voting rights of shareholders present at a General Meeting of Shareholders, who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights.</u></p>	
<p><u>2. The Audit & Supervisory Board shall select full-time Audit & Supervisory Board Members from among the Audit & Supervisory Board Members.</u></p>	<p><u>(Full-time Audit and Supervisory Committee Members)</u></p>
<p><u>(Term of Office)</u></p>	
<p><u>Article 33</u></p>	(Deletion)
<p><u>1. The term of office for Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four (4) years of their election.</u></p>	
<p><u>2. The term of office for an Audit & Supervisory Board Member who has been elected as a substitute for an Audit & Supervisory Board Member who has retired before the expiration of his/her term of office shall be until the term of office of the Audit & Supervisory Board Member who has retired expires.</u></p>	(Deletion)
<p><u>(Compensation, etc.)</u></p>	
<p><u>Article 34</u></p>	(Deletion)
<p><u>Compensation, etc. for Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders. However, the details shall be determined by discussion among Audit & Supervisory Board Members.</u></p>	
<p><u>(Exemption of Liability for Outside Audit & Supervisory Board Members)</u></p>	
<p><u>Article 35</u></p>	(Deletion)
<p><u>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with outside Audit & Supervisory Board Members to limit their liability for damages due to neglect of duties. However, the maximum amount of liability based on such agreements shall be the amount stipulated by law.</u></p>	
<p><u>(Convening Authority and Chairperson)</u></p>	
<p><u>Article 36</u></p>	(Deletion)
<p><u>1. Audit & Supervisory Board meetings shall be convened by Audit & Supervisory Board Members designated in advance by the Audit & Supervisory Board. However, meetings may be convened by other Audit & Supervisory Board Members if necessary.</u></p>	
<p><u>2. The person who has convened the Audit & Supervisory Board meeting pursuant to the preceding paragraph shall serve as its chairperson.</u></p>	(Deletion)

Current Articles of Incorporation	Proposed Amendments
<p>(Notice of Convocation)</p> <p><u>Article 37</u></p> <p>1. Notice of convocation of an <u>Audit & Supervisory Board meeting</u> shall be issued to each <u>Audit & Supervisory Board Member</u> at least three (3) days before the meeting date. However, if there is an urgent need, this period may be shortened.</p> <p>2. An <u>Audit & Supervisory Board meeting</u> may be held without following the procedures for convening a meeting if <u>all Audit & Supervisory Board Members</u> give their unanimous consent.</p>	<p>(Notice of Convocation of <u>Audit and Supervisory Committee Meetings</u>)</p> <p><u>Article 33</u></p> <p>1. Notice of convocation of an <u>Audit and Supervisory Committee meeting</u> shall be issued to each <u>Audit and Supervisory Committee Member</u> at least three (3) days before the meeting date. However, if there is an urgent need, this period may be shortened.</p> <p>2. An <u>Audit and Supervisory Committee meeting</u> may be held without following the procedures for convening a meeting if <u>all Audit and Supervisory Committee Members</u> give their unanimous consent.</p>
<p>(Method of Resolution)</p> <p><u>Article 38</u></p> <p><u>Resolutions of the Audit & Supervisory Board</u> shall be approved by a majority vote of <u>the Audit & Supervisory Board Members</u>, unless otherwise provided by law.</p> <p style="text-align: center;">(New insertion)</p>	<p>(Method of Resolution for <u>Audit and Supervisory Committee Meetings</u>)</p> <p><u>Article 34</u></p> <p>1. <u>Resolutions of the Audit and Supervisory Committee</u> shall be approved by a majority vote <u>in the presence of a majority of Audit and Supervisory Committee Members who are eligible to take part in voting.</u></p> <p>2. <u>Audit and Supervisory Committee Members who have a special interest in the resolution set forth in the preceding paragraph may not take part in the voting.</u></p> <p>(<u>Audit and Supervisory Committee Regulations</u>)</p>
<p>(<u>Audit & Supervisory Board Regulations</u>)</p> <p><u>Article 39</u></p> <p>Matters concerning the <u>Audit & Supervisory Board</u> shall be subject to the <u>Audit & Supervisory Board Regulations established by the Audit & Supervisory Board</u>, unless otherwise provided by law or these Articles of Incorporation.</p>	<p>(<u>Audit and Supervisory Committee Regulations</u>)</p> <p><u>Article 35</u></p> <p>Matters concerning the <u>Audit and Supervisory Committee</u> shall be subject to the <u>Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee</u>, unless otherwise provided by law or these Articles of Incorporation.</p>
<p>Articles <u>40</u> to <u>43</u> (Omitted) (New insertion)</p>	<p>Articles <u>36</u> to <u>39</u> (As currently written) <u>Supplementary Provisions</u></p> <p>(<u>Transitional Measures Regarding the Exemption of Liability for Audit & Supervisory Board Members</u>)</p>
<p>(New insertion)</p>	<p><u>Article 1</u></p> <p>Pursuant to the provisions of Article 426, Paragraph 1 of the <u>Companies Act</u>, the <u>Company</u> may, by resolution of the <u>Board of Directors</u>, exempt former <u>Audit & Supervisory Board Members</u> from liability for damages due to neglect of <u>duties to the extent permitted by law.</u></p>

Proposal No. 3: Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee, and the terms of office of all six (6) Directors will expire at the time the amendments to the Articles of Incorporation come into effect. Accordingly, the Company proposes the election of six (6) Directors who are not Audit and Supervisory Committee Members, including two (2) outside Directors. If this proposal and Proposal No. 4, “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members,” are approved as proposed, the Board of Directors will consist of four (4) independent outside Directors (one of whom will be a female Director), with independent outside Directors making up over one-third of the total. The selection of candidates for Directors who are not Audit and Supervisory Committee Members is conducted by the Board of Directors, which determines each candidate based on anticipated skills and the nomination policy and procedures, and after receiving findings from a voluntary Nominating Committee, the majority of which are independent outside Directors. This proposal will become effective on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, and that the amendments to the Articles of Incorporation come into effect by the resolution of said Proposal. The candidates for Directors who are not Audit and Supervisory Committee Members are as follows, and matters concerning each candidate are available on pages 12 through 17.

List of Candidates for Director who is not an Audit and Supervisory Committee Member

Allocated responsibilities are stated in square parentheses.


Candidate No.	Name	Current position and responsibilities in the Company	Board of Directors meeting attendance ¹	Term as Director ⁴
1	<input type="checkbox"/> Reelection Masami Iida	Chairman, Chairperson of the Board of Directors [Overall Management]	100% (17/17 times)	13 years
2	<input type="checkbox"/> Reelection Yoshikazu Sakairi	President, Chief Operating Officer, Nominating Committee member ³ , Compensation Committee member ³ [Overall Management, R&D]	100% (17/17 times)	2 years
3	<input type="checkbox"/> Reelection Kazuharu Tanabe	Director [Overall Business, Quality Assurance, SDGs]	100% (17/17 times)	8 years
4	<input checked="" type="checkbox"/> New election Misao Yoneyama	Operating Officer, General Manager of Corporate Planning & Administrative Division	-% (-/- times)	-
5	<input type="checkbox"/> Reelection <input checked="" type="checkbox"/> Independent <input type="checkbox"/> Outside Yasuji Omura	Outside Director (Independent officer) Special Committee member ² , Nominating Committee Chairperson ³ , Compensation Committee Chairperson ³	100% (17/17 times)	4 years
6	<input type="checkbox"/> Reelection <input checked="" type="checkbox"/> Independent <input type="checkbox"/> Outside Rika Miyagawa	Outside Director (Independent officer), Special Committee member ² , Nominating Committee member ³ , Compensation Committee member ³	100% (17/17 times)	3 years


*1: Board of Directors meeting attendance refers to attendance in Board of Directors meetings held during FY 2023 (April 1, 2023 to March 31, 2024).


*2: Members of the Special Committee for “Policy for Responding to Large-Scale Purchase of the Company’s Shares (Takeover Response Policy)”


*3: The Company is a company with an Audit & Supervisory Board, but has established a voluntary Nominating Committee and Compensation Committee as consultative bodies to the Board of Directors. At the Board of Directors meeting held on March 27, 2024, a resolution was passed to change the Chairperson of the Nominating Committee from Masami Iida to Yasuji Omura, and to change a Nominating Committee member and Compensation Committee member from Masami Iida to Yoshikazu Sakairi, effective April 1, 2024.


*4: Period at the conclusion of this General Meeting of Shareholders.


Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
1	 <p data-bbox="352 869 592 949">Masami Iida (Date of Birth: February 24, 1957)</p> <p data-bbox="432 981 512 1032">Age: 67 Male</p> <p data-bbox="416 1061 528 1093">Reelection</p> <p data-bbox="389 1122 555 1173">Term as Director 13 years</p> <p data-bbox="373 1205 571 1317">FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p>	<p data-bbox="617 286 1209 1173"> April 1979 Joined the Company December 2003 Plant Manager, Shiga Plant, Production Division June 2006 Operating Officer, Plant Manager, Shiga Plant, Production Division October 2006 Operating Officer, Vice-Division Manager of Production Division June 2009 Operating Officer, Vice-Division Manager of Bearing Division June 2010 Senior Operating Officer, Vice-Division Manager of Bearing Division June 2011 Director, Senior Operating Officer, Vice-Division Manager of Bearing Division July 2011 Director, Senior Operating Officer, Division Manager of Bearing Division 1 April 2013 Director, Senior Operating Officer, Vice-General Manager of Corporate Planning & Administrative Division January 2014 Director, Senior Operating Officer, General Manager of Production Innovation Center April 2015 Director, Senior Operating Officer, General Manager of Corporate Planning & Administrative Division June 2016 Director, Managing Operating Officer, General Manager of Corporate Planning & Administrative Division June 2017 President, Chief Operating Officer April 2024 Chairman (current position) </p> <p data-bbox="617 1182 1375 1518"> [Reason for selection as candidate for Director who is not an Audit and Supervisory Committee Member, and overview of expected role] Masami Iida has broad and abundant experience and advanced knowledge gained through his responsibilities as not only the on-site manager of the production department, but also as leader of the Bearing Department and Corporate Planning Department. The Company expects that he can contribute to the management of the Company, based on his experience as the President of the Company and his resolute handling of the Corporate Group's management priorities including the Medium-Term Management Plan that began in FY 2021. For such reasons, the Company has determined that he is qualified for the position of Director who is not an Audit and Supervisory Committee Member, and hereby requests his reelection. </p>	30,509

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
2	 <p>Yoshikazu Sakairi (Date of Birth: August 10, 1966)</p> <p>Age: 57 Male</p> <p>Reelection</p> <p>Term as Director 2 years</p> <p>FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p>	<p>April 1989 Joined the Company</p> <p>April 2014 Department Manager of Engineering & Design Dept., Bearing Division 2</p> <p>March 2016 President of Oiles India Private Limited</p> <p>June 2018 Operating Officer, President of Oiles India Private Limited</p> <p>October 2018 Operating Officer, Department Manager of Corporate Strategy Dept., Corporate Planning & Administrative Division</p> <p>April 2019 Operating Officer, General Manager of Planning Control, Department Manager of Corporate Strategy Dept., Corporate Planning & Administrative Division</p> <p>April 2021 Senior Operating Officer, General Manager of Planning Control, Department Manager of Corporate Strategy Dept., Corporate Planning & Administrative Division</p> <p>April 2022 Senior Operating Officer, General Manager of Corporate Planning & Administrative Division, General Manager of Planning Control, Department Manager of Corporate Strategy Dept., Corporate Planning & Administrative Division</p> <p>June 2022 Director, Senior Operating Officer, General Manager of Corporate Planning & Administrative Division, General Manager of Planning Control, Department Manager of Corporate Strategy Dept., Corporate Planning & Administrative Division</p> <p>April 2023 Director, Operating Officer, General Manager of Corporate Planning & Administrative Division, General Manager of Planning Control, Department Manager of Corporate Strategy Dept., Corporate Planning & Administrative Division</p> <p>October 2023 Director, Operating Officer, General Manager of Corporate Planning & Administrative Division, General Manager of Planning Control</p> <p>April 2024 President, Chief Operating Officer (current position)</p>	7,666
<p>[Reason for selection as candidate for Director who is not an Audit and Supervisory Committee Member, and overview of expected role]</p> <p>Yoshikazu Sakairi has broad and abundant experience and advanced knowledge gained through his experience as the manager in charge of engineering & design in the Automotive Department of the Bearing Division, as President of a subsidiary in India, and as the manager in charge of the Corporate Strategy Department and Corporate Planning Department. The Company expects that he can exercise strong leadership that produces results, steadily implementing the new Medium-Term Management Plan starting in FY 2024 and resolutely handling the Corporate Group's management priorities. For such reasons, the Company has determined that he is qualified for the position of Director who is not an Audit and Supervisory Committee Member, and hereby requests his reelection.</p>			

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
3	 <p>Kazuharu Tanabe (Date of Birth: September 19, 1962)</p> <p>Age: 61 Male</p> <p><u>Reelection</u></p> <p>Term as Director 8 years</p> <p>FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p>	<p>April 1986 Joined the Company</p> <p>June 1999 President, Oiles Tribomet GmbH (current Oiles Deutschland GmbH)</p> <p>June 2008 Department Manager of Corporate Strategy Dept., Management Planning Division</p> <p>April 2010 Plant Manager, Shiga Plant, Production Division</p> <p>June 2011 Operating Officer, Plant Manager, Shiga Plant, Production Division</p> <p>May 2013 Operating Officer, President of OILES ECO CORPORATION</p> <p>June 2015 Senior Operating Officer, President of OILES ECO CORPORATION</p> <p>June 2016 Director, Senior Operating Officer, President of OILES ECO CORPORATION</p> <p>April 2017 Director, Senior Operating Officer, Division Manager of Damping & Isolation Division</p> <p>April 2021 Director, Managing Operating Officer, Division Manager of Bearing Division</p> <p>April 2023 Director (current position)</p> <p>[Reason for selection as candidate for Director who is not an Audit and Supervisory Committee Member, and overview of expected role]</p> <p>Kazuharu Tanabe has extensive experience as President of a subsidiary in Europe and in leadership roles in the Corporate Strategy Department and at production sites. In addition, his broad and abundant experience and high level of ability and insight gained through leadership roles as President of OILES ECO CORPORATION in the Architectural Devices Business Department and leadership roles in the Damping & Isolation Department and the Bearing Department have greatly contributed to such departments' enhancement of structure and the strengthening of business foundation and corporate value. Based on such experiences, the Company expects that he can contribute to the management of the Company. For such reasons, the Company has determined that he is qualified for the position of Director who is not an Audit and Supervisory Committee Member, and hereby requests his reelection.</p>	29,518

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
4	 <p>Misao Yoneyama (Date of Birth: April 20, 1963)</p> <p>Age: 61 Male</p> <p>New election</p> <p>Term as Director - years</p> <p>FY 2023 Board of Directors meeting attendance - % (-/ - times)</p>	<p>January 2018 Joined the Company, Department Manager of General Affairs Dept., Corporate Planning & Administrative Division</p> <p>April 2021 Operating Officer, Department Manager of General Affairs Dept., Corporate Planning & Administrative Division</p> <p>April 2024 Operating Officer, General Manager of Corporate Planning & Administrative Division (current position)</p> <p>[Reason for selection as candidate for Director who is not an Audit and Supervisory Committee Member, and overview of expected role]</p> <p>Misao Yoneyama possesses expertise and a wealth of knowledge in the fields of corporate governance and sustainability based on his experience as the manager in charge of the General Affairs Department, as well as a deep understanding of the corporate financial planning field, and has been actively promoting IR and SR activities. Based on such experience and abilities, the Company has determined that he is qualified for the position of Director who is not an Audit and Supervisory Committee Member, and hereby requests his election.</p>	2,099

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
5	 <p data-bbox="352 837 590 913">Yasuji Omura (Date of Birth: February 14, 1954)</p> <p data-bbox="432 947 512 999">Age: 70 Male</p> <p data-bbox="416 1028 528 1059">R reelection</p> <p data-bbox="408 1086 536 1117">Independent</p> <p data-bbox="408 1144 536 1176">Outside</p> <p data-bbox="389 1200 555 1252">Term as Director 4 years</p> <p data-bbox="373 1279 571 1391">FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p>	<p data-bbox="617 288 1174 340">April 1979 Joined Mitsui Petrochemical Industries Ltd. (current Mitsui Chemicals, Inc.)</p> <p data-bbox="617 351 1209 486">June 2005 Executive Officer, Business Sector General Manager of Basic Chemicals Planning & Coordination Division, and Business Sector General Manager of Raw Materials Purchasing Division</p> <p data-bbox="617 497 1145 577">June 2009 Managing Director, General Manager of Corporate Planning Division, and Representative in China</p> <p data-bbox="617 589 1161 669">June 2011 Senior Managing Director, responsible for corporate planning/new business promotion/responsible care</p> <p data-bbox="617 680 1139 792">April 2013 Representative Director, Executive Vice President, Executive of Production & Technology Center and responsible for SCM/logistics/purchasing</p> <p data-bbox="617 804 1197 855">June 2016 Executive Vice President and Business Sector President of Basic Materials Business Sector</p> <p data-bbox="617 866 1114 918">April 2018 Special Assistant to the President and responsible for Vietnam Project</p> <p data-bbox="617 929 930 960">April 2019 Special Counselor</p> <p data-bbox="617 972 1083 1003">April 2020 Counselor (resigned in June 2020)</p> <p data-bbox="617 1014 1158 1066">June 2020 Outside Director of the Company (current position)</p> <p data-bbox="617 1077 1200 1128">June 2021 Outside Director of Gun Ei Chemical Industry Co., Ltd. (current position)</p> <p data-bbox="617 1140 1342 1220">[Reason for selection as candidate for outside Director who is not an Audit and Supervisory Committee Member, and overview of expected role]</p> <p data-bbox="617 1232 1361 1572">Yasuji Omura has provided timely and appropriate opinions and recommendations based on his extensive knowledge and experience as a corporate officer in management for many years and expressed the opinions and advice at meetings of the Board of Directors, and as member of the voluntary Nominating Committee and Chairman of the Compensation Committee, he attended all such committee meetings held during the fiscal year under review. Based on the above experience and knowledge, he contributes to strengthening the supervisory function of the Company's management, while ensuring and improving the fairness of the Company's management. The Company has thus determined that the Company can expect him to provide useful opinions and advice on the management of the Corporate Group as an outside Director who is not an Audit and Supervisory Committee Member, and the Company hereby requests his reelection.</p>	2,334

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
6	 <p>Rika Miyagawa (Date of Birth: August 26, 1960)</p> <p>Age: 63 Female</p> <p><input checked="" type="checkbox"/> Reelection</p> <p><input checked="" type="checkbox"/> Independent</p> <p><input type="checkbox"/> Outside</p> <p>Term as Director 3 years</p> <p>FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p>	<p>April 1983 Joined Fujitsu Micon Systems Co., Ltd.</p> <p>April 1985 Joined Fujitsu OA Co., Ltd.</p> <p>November 1989 Joined "K" LINE AIR SERVICE, LTD. (current "K" LINE LOGISTICS, LTD.)</p> <p>July 2013 General Manager, Business Process Improvement Division and General Manager, Internal Audit Division</p> <p>July 2014 General Manager, Business Process Improvement Division</p> <p>June 2016 Director (responsible for Business Process Improvement Division, Information System Department) (resigned in June 2019)</p> <p>June 2021 Outside Director of the Company (current position)</p>	24,000
		<p>[Reason for selection as candidate for outside Director who is not an Audit and Supervisory Committee Member, and overview of expected role]</p> <p>Rika Miyagawa has a high level of expertise and extensive knowledge and experience in the field of information systems, including knowledge and experience in management as a corporate officer and the development of legal compliance systems. In addition to the opinions and advice she has expressed at Board of Directors meetings, the Company believes that her experience and insight will contribute to strengthening governance in terms of DX and HR. In addition, as a member of the voluntary Nominating and Compensation Committees, she attended all such committee meetings held during the fiscal year under review and provided timely and appropriate opinions and suggestions. The Company has thus determined that the Company can expect her to provide useful opinions and advice on the management of the Corporate Group as an outside Director who is not an Audit and Supervisory Committee Member, and the Company hereby requests her reelection.</p>	








- (Notes) 1. There is no special interest between each candidate and the Company.
2. Matters concerning the candidates for outside Director who is not an Audit and Supervisory Committee Member are as follows:
- (1) Candidates Yasuji Omura and Rika Miyagawa are candidates for outside Director who is not an Audit and Supervisory Committee Member. As of the time of conclusion of this General Meeting of Shareholders, the years that each candidate who is currently an outside Director has held office as outside Director are four (4) years for Yasuji Omura and three (3) years for Rika Miyagawa.
 - (2) Neither candidate is scheduled to receive, nor has ever received in the past two years, any large amounts of money or other assets from the Company or any entity in a special relationship with the Company.
 - (3) Neither candidate is a spouse, relative within the third degree of relationship, or other similar person of a business executive of the Company or an entity in a special relationship with the Company.
 - (4) Neither candidate has ever been a business executive of the Company or any entity in a special relationship with the Company in the past 10 years.
 - (5) If the two candidates are elected, the Company will continue its agreement entered into with both persons to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of said Act, in accordance with the provisions of Article 427, Paragraph 1 of said Act and Article 27 of the Articles of Incorporation of the Company as amended by Proposal No. 2, submitted to this General Meeting of Shareholders.
 - (6) The Company has registered both persons as independent officers as stipulated by the Tokyo Stock Exchange. If the two candidates are elected, the Company will continue to appoint both as independent officers.
3. The Company has entered into an officers' liability insurance policy with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The policy covers compensation for damages, litigation costs, etc. for insured persons, including the Company's Directors who are not Audit and Supervisory Committee Members. If each candidate is elected and assumes office as a Director who is not an Audit and Supervisory Committee Member, he/she will be insured under the policy. The insurance policies are scheduled to be renewed under the same terms and conditions at the next renewal.

Proposal No. 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee, and the terms of office of all four (4) Audit & Supervisory Board Members will expire at the time the amendments to the Articles of Incorporation come into effect. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members, including two (2) outside Directors. The selection of candidates for Directors who are Audit and Supervisory Committee Members is conducted by the Board of Directors, which determines each candidate based on anticipated skills and the nomination policy and procedures, and after receiving findings from a voluntary Nominating Committee, the majority of which are independent outside Directors. This proposal will become effective on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, and that the amendments to the Articles of Incorporation come into effect by the resolution of said Proposal. Regarding this proposal, in view of the purpose of Article 344-2, Paragraph 1 of the Companies Act, the consent of the Audit & Supervisory Board has been obtained in lieu of the consent of the Audit and Supervisory Committee that is stipulated in said Paragraph. In addition, following the transition to a company with an Audit and Supervisory Committee, the Audit and Supervisory Committee will consist of fewer members compared to the four (4) members that made up the Audit & Supervisory Board. However, we have established a system that will enable us to maintain and promote an appropriate audit system, by further strengthening the Company’s audit system through such measures as cooperation with the internal audit department. The candidates for Director who is an Audit and Supervisory Committee Member are as follows, and matters concerning each candidate are available on pages 19 through 22.

List of Candidates for Director who is an Audit and Supervisory Committee Member


Allocated responsibilities are stated in square parentheses.


Candidate No.	Name	Current position and responsibilities in the Company	Attendance ¹		Term ³	
			Board of Directors meetings	Audit & Supervisory Board meetings	As Director	As Audit & Supervisory Board Member
1	 Satoshi Miyazaki	Director [Overall Business, Procurement, Internal Control]	100% (17/17 times)	- % (-/- times)	6 years	—
2	   Tatsuhiro Maeda	Outside Audit & Supervisory Board Member, Special Committee member ²	100% (17/17 times)	100% (14/14 times)	—	6 years
3	   Takeo Sakakibara	Outside Audit & Supervisory Board Member	100% (13/13 times)	100% (10/10 times)	—	1 year


1: Attendance records for Board of Directors meetings and Audit & Supervisory Board meetings refer to attendance in Board of Directors meetings and Audit & Supervisory Board meetings held in FY 2023 (from April 1, 2023 to March 31, 2024). Takeo Sakakibara assumed office on June 29, 2023 (the day of the 72nd Ordinary General Meeting of Shareholders), and thus the number of meetings subject to his attendance differs from that of other candidates for Directors who are Audit and Supervisory Committee Members.

2: Members of the Special Committee for “Policy for Responding to Large-Scale Purchase of the Company’s Shares (Takeover Response Policy)”

3: Period at the conclusion of this General Meeting of Shareholders.

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
1	 <p>Satoshi Miyazaki (Date of Birth: November 20, 1960)</p> <p>Age: 63 Male</p> <p>New election</p> <p>Term as Director 6 years</p> <p>FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p> <p>FY 2023 Audit & Supervisory Board meeting attendance record -% (-/- times)</p>	<p>July 2013 Joined the Company, Department Manager of Financial & Accounting Dept., Corporate Planning & Administrative Division</p> <p>April 2015 Vice-General Manager of Corporate Planning & Administrative Division, Department Manager of Financial & Accounting Dept.</p> <p>June 2015 Operating Officer, Vice-General Manager of Corporate Planning & Administrative Division, Department Manager of Financial & Accounting Dept.</p> <p>June 2017 Senior Operating Officer, General Manager of Corporate Planning & Administrative Division</p> <p>June 2018 Director, Senior Operating Officer, General Manager of Corporate Planning & Administrative Division</p> <p>April 2021 Director, Managing Operating Officer, Division Manager, Damping & Isolation Division</p> <p>April 2023 Director (current position)</p> <p>[Reason for selection as candidate for Director who is an Audit and Supervisory Committee Member, and overview of expected role] Satoshi Miyazaki is highly knowledgeable in the fields of finance and accounting, as well as capital policy. His abundant experience and high level of ability and insight gained through leadership roles in the Corporate Planning Department and the Damping & Isolation Department has greatly contributed to such departments' enhancement of structure and the strengthening of business foundation and corporate value. Based on such experience and abilities, the Company has determined that he can appropriately audit the legality and appropriateness of business execution, and contribute to the strengthening of corporate governance from an objective and neutral perspective, and the Company hereby requests his election as a Director who is an Audit and Supervisory Committee Member.</p>	8,702

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
2	 <p>Tatsuhiro Maeda (Date of Birth: April 21, 1961)</p> <p>Age: 63 Male</p> <p>New election</p> <p>Independent</p> <p>Outside</p> <p>Term as Audit & Supervisory Board Member 6 years</p> <p>FY 2023 Board of Directors meeting attendance 100% (17/17 times)</p> <p>FY 2023 Audit & Supervisory Board meeting attendance record 100% (14/14 times)</p>	<p>October 1989 Joined Tohmatsu Awoki & Sanwa (current Deloitte Touche Tohmatsu LLC) (resigned in December 2006)</p> <p>August 1994 Registered Certified Public Accountant</p> <p>February 2007 Registered Tax Accountant</p> <p>July 2015 Outside Auditor, Nippon View Hotel Co., Ltd. (resigned in September 2019)</p> <p>June 2018 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>January 2007 Representative of Tatsuhiro Maeda Certified Public Accounting Office (current position)</p> <p>[Reason for selection as candidate for outside Director who is an Audit and Supervisory Committee Member, and overview of expected role]</p> <p>Although Tatsuhiro Maeda has no experience of being involved in corporate management other than as an outside officer, he is involved in the practice of corporate accounting as a certified public accountant, and has extensive experience and advanced knowledge regarding corporate accounting. Also, the Company has determined that, based on his opinions voiced at Board of Directors meetings and other important meetings up till now that have been aimed at ensuring the legality and appropriateness of decision-making mainly from his professional perspective as a certified public accountant, he will be able to contribute to the strengthening of corporate governance from an objective and neutral perspective, and the Company hereby requests his election as a Director who is an Audit and Supervisory Committee Member.</p>	2,200

Candidate No.	Name (Date of birth)	Career summary and position/responsibilities in the Company (significant concurrent positions)	Number of the Company's shares owned
3	 <p>Takeo Sakakibara (Date of Birth: November 22, 1960)</p> <p>Age: 63 Male</p> <p>New election</p> <p>Independent</p> <p>Outside</p> <p>Term as Audit & Supervisory Board Member 1 year</p> <p>FY 2023 Board of Directors meeting attendance 100% (13/13 times)</p> <p>FY 2023 Audit & Supervisory Board meeting attendance record 100% (10/10 times)</p>	<p>April 1983 Joined Lion Corporation</p> <p>March 2006 Director of Corporate Planning Department</p> <p>January 2008 Director of Living Care Business Department, Household Products Division</p> <p>January 2010 Executive Officer, Executive General Manager of Health Care Products Division</p> <p>January 2012 Executive Officer, President of Lion Trading Co., Ltd.</p> <p>January 2016 Executive Officer, Assistant to the President</p> <p>March 2016 Director, Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Pharmaceutical Affairs and Quality Assurance Department, and Legal Department</p> <p>March 2017 Director, Senior Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Pharmaceutical Affairs and Quality Assurance Department, and Legal Department (resigned in March 2022)</p> <p>June 2022 Outside Director of COMANY INC. (current position)</p> <p>December 2022 Advisor of DAC Holdings Co., Ltd. (current position)</p> <p>June 2023 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>September 2002 Representative of Takeo Sakakibara Tax Accountant Office (current position)</p>	219
		<p>[Reason for selection as candidate for outside Director who is an Audit and Supervisory Committee Member, and overview of expected role]</p> <p>Takeo Sakakibara has the knowledge and experience gained from many years as a corporate officer responsible for management, as well as a high level of expertise and extensive knowledge regarding corporate accounting. In addition, he has provided timely and appropriate opinions and suggestions at Board of Directors meetings and other important meetings up till now from a management and marketing perspective. Therefore, the Company has determined that he will be able to contribute to the strengthening of corporate governance from an objective and neutral perspective, and the Company hereby requests his election as a Director who is an Audit and Supervisory Committee Member.</p>	

- (Notes)
- There is no special interest between each candidate and the Company.
 - If candidate Satoshi Miyazaki is elected, the Company will enter into an agreement with said candidate to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of said Act, in accordance with the provisions of Article 427, Paragraph 1 of said Act and Article 27 of the Articles of Incorporation of the Company as amended by Proposal No. 2, submitted to this General Meeting of Shareholders.
 - Matters concerning the candidates for outside Directors who are Audit and Supervisory Committee Members are as follows:
 - Candidates Tatsuhiro Maeda and Takeo Sakakibara are candidates for outside Director who is an Audit and Supervisory Committee Member. As of the time of conclusion of this General Meeting of Shareholders, the years that each candidate who is currently an outside Audit & Supervisory Board Member has held office as

outside Audit & Supervisory Board Member are six (6) years for Tatsuhiro Maeda and one (1) year for Takeo Sakakibara.

- (2) Neither candidate is scheduled to receive, nor has ever received in the past two years, any large amounts of money or other assets from the Company or any entity in a special relationship with the Company.
 - (3) Neither candidate is a spouse, relative within the third degree of relationship, or other similar person of a business executive of the Company or an entity in a special relationship with the Company.
 - (4) Neither candidate has been a business executive of the Company or any entity in a special relationship with the Company in the past 10 years.
 - (5) If the two candidates are elected, the Company will enter anew into an agreement with them to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of said Act, in accordance with the provisions of Article 427, Paragraph 1 of said Act and Article 27 of the Articles of Incorporation of the Company as amended by Proposal No. 2, submitted to this General Meeting of Shareholders.
 - (6) The Company has registered the two candidates as independent officers as stipulated by the Tokyo Stock Exchange. If the two candidates are elected, the Company will continue to appoint both as independent officers.
 - (7) Tatsuhiro Maeda worked for Tohmatsu Awoki & Sanwa (hereinafter referred to as Deloitte Touche Tohmatsu), the predecessor to our accounting auditor, from October 1989 to December 2006, but left in December 2006 and established Tatsuhiro Maeda Certified Public Accounting Office in January 2007, where he is at today. Accordingly, since it will be 17 years and 6 months as of June of this year since the candidate left from Deloitte Touche Tohmatsu, which the Company believes to be a sufficient period to have resolved any conflict of interest with his past employer.
4. The Company has entered into an officers' liability insurance policy with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The policy covers compensation for damages, litigation costs, etc. for insured persons, including the Company's Directors who are Audit and Supervisory Committee Members. If each candidate is elected and assumes office as a Director who is an Audit and Supervisory Committee Member, he will be insured under the policy. The insurance policies are scheduled to be renewed under the same terms and conditions at the next renewal.

[Reference]

The Company's Director candidates' skills matrix (after approval of Proposal No.3 and Proposal No.4)

Considering the management policies and strategies of the Corporate Group, and given the objective of contributing to sustainable growth and increasing corporate value over the medium to long term, we understand the expertise and experience required of the Board of Directors to be as shown in the table below. In addition, we will revise the composition of the Board of Directors as appropriate, taking into consideration the balance of knowledge, experience, and abilities that the Board of Directors should possess, as well as the diversity and size of the Board of Directors, while taking into account such matters as the business environment and management priorities surrounding the Corporate Group and Medium-Term Management Plans.

Candidate no.	Name and position	Consultation Committee to be appointed to		Particularly anticipated skills				
		Nominating	Compensation	Corporate management	Finance/Accounting	Legal/Risk	Technology/R&D/Production	
Director who is not an Audit and Supervisory Committee Member	1	Chairman Masami Iida			•	•	•	•
	2	President Yoshikazu Sakairi	○	○	•	•	•	•
	3	Director Kazuharu Tanabe					•	•
	4	Director Misao Yoneyama				•	•	
	5	Independent outside Director Yasuji Omura	◎	◎	•		•	•
	6	Independent outside Director Rika Miyagawa	○	○	•		•	
Director who is an Audit and Supervisory Committee Member	1	Director (Full-time Audit and Supervisory Committee Member) Satoshi Miyazaki				•	•	
	2	Independent outside Director (Audit and Supervisory Committee Member) Tatsuhiro Maeda	○	○	•	•	•	
	3	Independent outside Director (Audit and Supervisory Committee Member) Takeo Sakakibara			•	•	•	

Candidate no.	Name and position	Particularly anticipated skills					
		Marketing	Internationality	IT/DX	Sustainability	HR	
Director who is not an Audit and Supervisory Committee Member	1	Chairman Masami Iida					
	2	President Yoshikazu Sakairi		•			•
	3	Director Kazuharu Tanabe	•	•		•	
	4	Director Misao Yoneyama			•	•	•
	5	Independent outside Director Yasuji Omura	•	•			
	6	Independent outside Director Rika Miyagawa			•		•
Director who is an Audit and Supervisory Committee Member	1	Director (Full-time Audit and Supervisory Committee Member) Satoshi Miyazaki				•	•
	2	Independent outside Director (Audit and Supervisory Committee Member) Tatsuhiro Maeda					
	3	Independent outside Director (Audit and Supervisory Committee Member) Takeo Sakakibara	•				•

* The positions listed above denote what each candidate would be if they were elected at this General Meeting of Shareholders.

* The items marked with a ● denote the skills we particularly anticipate from each Director, and do not represent the totality of each Director's knowledge or experience.

* The items marked with a ○ denote a consultation committee to be appointed. The items marked with a ◎ denote the committee chairperson.

[Nomination Policy]

The Company's Board of Directors appoints as top management (Directors and Operating Officers) persons who can help make the Board of Directors effective and who can contribute to the sustainable growth of the Company and increase its value in the medium to long term.

[Nomination Procedures]

In order to establish an independent, objective, and transparent nomination process for top management, the Company has established a voluntary Nominating Committee, comprised of a majority of independent outside Directors, and has in place a system whereby nominations for top management are made by the Board of Directors after a consultation and findings process to the Nominating Committee.

[Reference]

If this proposal and Proposal No. 3, “Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members,” are approved as proposed, the composition of Directors and Operating Officers after this General Meeting of Shareholders will be as follows:

<Directors>

Allocated responsibilities are stated in square parentheses.

Position	Name	Attributes and Responsibilities
Chairman	Masami Iida	Chairperson of the Board of Directors [Overall Management]
President	Yoshikazu Sakairi	Chief Operating Officer, Nominating Committee member ² , Compensation Committee member ² [Overall Management, R&D, Internal Control]
Director	Kazuharu Tanabe	[Overall Business, Quality Assurance]
Director	Misao Yoneyama	Operating Officer, General Manager of Corporate Planning & Administrative Division [Corporate Planning & Administration, Risk Management, Compliance, Procurement]
Director	Yasuji Omura	Independent outside Director, Special Committee member ¹ , Nominating Committee Chairperson ² , Compensation Committee Chairperson ²
Director	Rika Miyagawa	Independent outside Director, Special Committee member ¹ , Nominating Committee member ² , Compensation Committee member ²
Director	Satoshi Miyazaki	Full-time Audit and Supervisory Committee Member
Director	Tatsuhiko Maeda	Audit and Supervisory Committee Member, independent outside Director, Special Committee member ¹ , Nominating Committee member ² , Compensation Committee member ²
Director	Takeo Sakakibara	Audit and Supervisory Committee Member, independent outside Director, Special Committee member ¹

*1 A member of the Special Committee for the “Policy for responding to Large-scale Purchase of the Company’s shares (Takeover Response Policy).” If this proposal and Proposal No. 3, “Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members,” are approved at this General Meeting of Shareholders and subsequent Board of Directors meeting as proposed, the Special Committee will consist of four (4) Director candidates, Yasuji Omura, Rika Miyagawa, Tatsuhiko Maeda and Takeo Sakakibara.

*2 If this proposal and Proposal No. 3, “Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members,” are approved at this General Meeting of Shareholders and subsequent Board of Directors meeting as proposed, the Nominating Committee and the Compensation Committee will consist of four (4) Director candidates, Yoshikazu Sakairi, Yasuji Omura, Rika Miyagawa and Tatsuhiko Maeda.

<Operating Officers>

Position	Name	Responsibility
Operating Officer	Kazuhiro Yamamoto	Division Manager of Production Division
Operating Officer	Kiyofumi Okutsu	President of UNIPLA CORPORATION
Operating Officer	Toshihiko Sekine	Division Manager of General Bearing Division
Operating Officer	Hikaru Ozaki	Division Manager of Automotive Bearing Division
Operating Officer	Koichi Masuda	Division Manager of Damping & Isolation Division

* Operating Officers who concurrently serve as Directors are listed under <Directors>.

Proposal No. 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, in case there is a shortfall in the number of Directors who are Audit and Supervisory Committee Members as stipulated by law, we would like to ask in advance for the election of one (1) substitute Director who is an Audit and Supervisory Committee Member, in accordance with the provisions of Article 329, Paragraph 3 of the Companies Act. This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” take effect. The election under this proposal shall be effective until the start of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years of this resolution. Regarding this proposal, in view of the purpose of Article 344, Paragraph 1 of the Companies Act, the consent of the Audit & Supervisory Board has been obtained in lieu of the consent of the Audit and Supervisory Committee that is stipulated in said Paragraph.

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

Name (Date of birth)	Career summary (significant concurrent positions)
Minoru Togawa (July 10, 1963) Age: 60 Male Number of the Company’s shares owned -	October 1991 Joined Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC) (resigned in September 1998) August 1995 Registered Certified Public Accountant November 1998 Registered Tax Accountant [Significant concurrent positions] October 1998 Representative of Togawa Accounting Firm (current position)
[Reason for selection as candidate for substitute outside Director who is an Audit and Supervisory Committee Member, and overview of expected role] Minoru Togawa has not been directly involved in corporate management in the past; however, the Company expects him to audit the Company’s management from an objective and fair standpoint based on his abundant business experience and professional knowledge as a certified public accountant and tax accountant, and believes that he can appropriately perform his duties as a Director who is an Audit and Supervisory Committee Member, and therefore the Company requests his election.	

- (Notes)
1. There is no special interest between the candidate and the Company.
 2. Matters concerning the candidate for substitute outside Director who is an Audit and Supervisory Committee Member are as follows:
 - (1) Candidate Minoru Togawa is a candidate for substitute Director who is an Audit and Supervisory Committee Member.
 - (2) The candidate is not scheduled to receive, nor has he ever received in the past two years, any large amounts of money or other assets from the Company or any entity in a special relationship with the Company.
 - (3) The candidate is not a spouse, relative within the third degree of relationship, or other similar person of a business executive of the Company or an entity in a special relationship with the Company.
 - (4) The candidate has never been a business executive or non-executive officer of the Company or any entity in a special relationship with the Company in the past 10 years.
 - (5) If said candidate assumes office as a Director who is an Audit and Supervisory Committee Member, the Company will enter into an agreement with said candidate to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act up to the minimum liability amount stipulated in Article 425, Paragraph 1 of said Act, in accordance with the provisions of Article 427, Paragraph 1 of said Act and Article 27 of the Articles of Incorporation of the Company as amended by Proposal No. 2, submitted to this General Meeting of Shareholders.
 - (6) If said candidate assumes office as a Director who is an Audit and Supervisory Committee Member, the Company will register him as an independent officer as stipulated by the Tokyo Stock Exchange.
 - (7) Said candidate worked for Deloitte Touche Tohmatsu, the predecessor to our accounting auditor, from October 1991 to September 1998, but left in September 1998 and established Togawa Accounting Firm in October 1998. Accordingly, since it will be 25 years and 9 months as of June of this year since the candidate resigned from Deloitte Touche Tohmatsu, the Company believes that sufficient time has passed to resolve any conflict of interest with his past employer.

3. The Company has entered into an officers' liability insurance policy with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The policy covers compensation for damages, litigation costs, etc. for insured persons, including the Company's Directors. If said candidate assumes office as a Director who is an Audit and Supervisory Committee Member, he will be insured under the policy.

Proposal No. 6: Determination of the Amount of Compensation for Directors Who Are Not Audit and Supervisory Committee Members

The amount of compensation for the Directors of the Company was approved at the 63rd Ordinary General Meeting of Shareholders held on June 27, 2014, to not exceed 350 million yen per year. If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, pursuant to Article 361, Paragraphs 1 and 2 of the Companies Act, we propose to abolish the current rules regarding the amount of compensation for Directors, and newly set the amount of compensation for Directors who are not Audit and Supervisory Committee Members to not exceed 350 million yen per year (for outside Directors, to not exceed 50 million yen per year).

Also, we would like to continue to exclude the employee salaries of Directors who concurrently serve as employees from the amount of compensation for Directors who are not Audit and Supervisory Committee Members.

The contents of this proposal are in accordance with the Company’s Policy on Deciding Individual Compensation for Directors, and since the proposal comprehensively takes into account the Company’s business scale, the compensation system for and payment level of executives, the current number of executives and future shifts in direction, etc., and since it has been decided by the Board of Directors following deliberation by the Compensation Committee, which is chaired by an independent outside Director, we believe it to be reasonable.

There are currently six (6) Directors (including two (2) outside Directors). If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members,” are approved as proposed, there will be six (6) Directors (including two (2) outside Directors) who are not Audit and Supervisory Committee Members to whom this proposal will apply.

This proposal will become effective on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, and that the amendments to the Articles of Incorporation come into effect by the resolution of said Proposal.

Proposal No. 7: Determination of the Amount of Compensation for Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, pursuant to Article 361, Paragraphs 1 and 2 of the Companies Act, we propose to set the amount of compensation for Directors who are Audit and Supervisory Committee Members to not exceed 70 million yen per year.

Compensation for Directors who are Audit and Supervisory Committee Members will consist of fixed compensation only.

We believe the contents of this proposal to be reasonable, since they comprehensively take into account the Company’s business scale, the compensation system for and payment level of executives, the current number of executives, future shifts in direction, etc.

There will be three (3) Directors who are Audit and Supervisory Committee Members to whom this proposal will apply, if Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” and Proposal No. 4, “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members,” are approved as proposed.

This proposal will become effective on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, and that the amendments to the Articles of Incorporation come into effect by the resolution of said Proposal.

Proposal No. 8: Determination of Board Benefit Trust for Directors, Etc. Who Are Not Audit and Supervisory Committee Members

1. Reasons for the proposal, and reasons why it is considered reasonable

Although the Company had obtained approval (hereinafter referred to as “Original Resolution”) regarding the introduction of Board Benefit Trust (BBT) (hereinafter referred to as “the Plan”), for Directors (excluding outside Directors) and Operating Officers at the 67th Ordinary General Meeting of Shareholders held on June 28, 2018, which has been in effect up till now, the Company is requesting approval to abolish the current maximum amount of compensation for Directors under the Plan, and to introduce anew the maximum amount of compensation for Directors who are not Audit and Supervisory Committee Members (excluding outside Directors) and Operating Officers (hereinafter referred to collectively as “Director(s), etc.” in this proposal) under the Plan, upon the transition of the Company to a company with an Audit and Supervisory Committee, on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved.

As with the Original Resolution, this proposal, by making the link between the compensation for Directors, etc. and the Company’s business performance and share value clearer, aims to increase their motivation to contribute to the enhancement of medium- to long-term business performance and increase in corporate value. As this is in accordance with the Company’s Policy on Deciding Individual Compensation for Directors, we believe the contents of this proposal to be reasonable.

Since, in this proposal, compensation under the Plan will be paid to Directors who are not Audit and Supervisory Committee Members (excluding outside Directors) of the Company separately from the maximum amount put forward for approval in Proposal 6, “Determination of the Amount of Compensation for Directors Who Are Not Audit and Supervisory Committee Members,” we are asking for approval regarding the specific calculation methods and specific details of the amount of compensation, etc. Regarding the details of the Plan, we would like to ask that the matter be left to the discretion of the Board of Directors, within the maximum amount stated in 2. below.

At present, there are ten (10) Directors, etc. who are eligible for the Plan (including four (4) Directors). If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members,” are approved as proposed, there will be nine (9) Directors, etc. who will be eligible for the Plan (including four (4) Directors).

This proposal will become effective on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, and that the amendments to the Articles of Incorporation come into effect by the resolution of said Proposal.

2. Specific calculation methods and specific details of the amount of compensation, etc. under the Plan

(1) Outline of the Plan

The Plan is a performance-based stock compensation plan in which the Company’s shares are acquired through a trust (the trust established under the Plan hereinafter referred to as “the Trust”) funded by money contributed by the Company, and in which the Company’s shares and cash equivalent to the amount of the Company’s shares converted to market value (hereinafter “the Company’s Shares, etc.”) are delivered to Directors, etc. through the Trust, in accordance with the Officer Stock Benefit Regulations stipulated by the Company. In principle, Directors, etc. will receive the Company’s Shares, etc. at the time of their retirement from their position as Directors, etc.

(2) Persons eligible for the Plan

Directors who are not Audit and Supervisory Committee Members (excluding outside Directors) and Operating Officers

(3) Trust term

The term shall be from August 2018 until the termination of the Trust. No specific date of termination shall be set for the term of the Trust, and the Trust shall continue as long as the Plan continues. The Plan will be terminated when the Company's shares are delisted, or when the Officer Stock Benefit Regulations are abolished, etc.

(4) Amount held in the Trust

On condition that this proposal is approved, the Company introduced the Plan for the three (3) fiscal years from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021 (hereinafter, that three-year period is referred to as the "Initial Applicable Period," and the Initial Applicable Period and each three-year period following the Initial Applicable Period are respectively referred to as the "Applicable Period") and each of the subsequent Applicable Periods, and with the aim of delivering the Company's Shares, etc. to Directors, etc., the Company contributed approximately 276 million yen of cash during said Initial Applicable Period and disposed of treasury shares through third-party allotment on August 27, 2018 in order to allow the Trust to acquire the Company's shares, and as a result, the Trust has acquired 119,000 shares.

Upon the transition of the Company this time to a company with an Audit and Supervisory Committee, the Trust shall continue to exist as a trust whose beneficiaries are Directors, etc. who meet the requirements for being beneficiaries.

Until the termination of the Plan, the Company shall, in principle, reasonably estimate the number of shares necessary to make payments to Directors, etc. under the Plan for each Applicable Period in the future, and shall contribute additional funds deemed necessary for the Trust to acquire the shares upfront. However, when contributing such additional funds, if there are Company shares (excluding Company shares that are equivalent to the number of points granted to Directors, etc. for the immediately preceding Applicable Period, and for which provision to Directors, etc. have not yet been completed) and cash remaining (hereinafter referred to as "Remaining Shares, etc.") in the trust assets, the Remaining Shares, etc. shall be used to fund the provision of shares or to fund the acquisition of shares under this Plan in subsequent Applicable Periods, and therefore the amount to be contributed additionally shall be calculated after taking the Remaining Shares, etc. into account.

If the Company decides to contribute additional funds, it will be disclosed in a timely and appropriate manner.

(5) Method of acquisition for the Company's shares

The Trust shall acquire the Company's shares through the stock market or by taking over the treasury shares the Company has disposed of, using the funds contributed as in (4) above, with no new shares being issued.

Details of the acquisition of the Company's shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Upper limit of the number of the Company's Shares, etc. to be delivered to Directors, etc.

For each fiscal year, Directors, etc. are granted a certain number of points based on the Officer Stock Benefit Regulations, which are determined by taking into consideration their positions, level of achievement regarding business performance, etc. The total number of points granted to Directors, etc. per fiscal year is capped at 39,520 points (of which 21,840 points are for Directors). This has been determined by comprehensively considering the current level of compensation for executives, directional shifts in the number of Directors, etc., and future prospects, etc., and we consider this to be reasonable.

In addition, regarding points awarded to Directors, etc., each point is converted into one share of the Company's common shares at the time of provision of the Company's Shares, etc., as in (7) below (however, if a stock split, gratis allotment of shares, or reverse stock split, etc. has been carried out regarding the Company's shares after the approval of this proposal, reasonable adjustments will be made, according to the ratio, etc., to the maximum number of points and to the number of points or the conversion ratio already granted).

In principle, the number of points granted to a Director, etc. that serves as the basis for the provision of the Company's Shares, etc. as in (7) below shall be the number of points granted to that Director, etc. by the time of his/her retirement (hereinafter, the points calculated in this manner is referred to as "the Confirmed Number of Points").

(7) Specific calculation methods for delivery of the Company's shares and the amount of compensation, etc.

When a Director, etc. retires, and meets the requirements for being a beneficiary as stipulated in the Officer Stock Benefit Regulations, that Director, etc. will, in principle, by completing the prescribed procedures for determining beneficiaries, receive the number of Company shares corresponding to the Confirmed Number of Points determined in accordance with (6) above from the Trust upon his/her retirement. However, if he/she meets the requirements stipulated in the Officer Stock Benefit Regulations, he/she may receive a certain percentage of the Company's shares to be delivered as cash that is equivalent to the market value of the Company's shares.

The Trust may sell the Company's shares in order to make cash payments.

Even if a Director, etc. has been granted points, if he/she has been dismissed, or if he/she has violated the duty of due care or duty of loyalty while in office, he/she will not be entitled to receive payments. The amount of compensation, etc. received by Directors, etc., shall be based on the amount obtained by multiplying the total number of points granted to Directors, etc. by the book value per share of the Company's shares held by the Trust at the time the point are granted (however, if a stock split, gratis allotment of stock, or reverse stock split has been carried out with respect to the Company's shares, reasonable adjustments shall be made according to the ratio, etc.). In addition, for exceptional cases in which cash is paid out in accordance with the provisions of the Officer Stock Benefit Regulations, said amount shall be added to the amount, if deemed reasonable.

(8) Exercise of voting rights

Voting rights pertaining to the Company's shares held in the Trust account will not be exercised in any manner, pursuant to the instructions of the trust administrator. By adopting this method, we aim to ensure the neutrality of the exercise of voting rights pertaining to the Company's shares held in the Trust account on the Company's management.

(9) Handling of dividends

Dividends pertaining to the Company's shares in the Trust account will be received by the Trust, and will be used to acquire the Company's shares and to pay the trust fees to the trustees related to the Trust. In the event that the Trust is terminated, the dividends, etc. remaining in the Trust will be distributed on a pro rata basis to the Directors, etc. in office at that time according to the number of points held by each, in accordance with the provisions of the Officer Stock Benefit Regulations.

(10) Handling at the time of termination of the Trust

The Trust will be terminated in such cases as when the Company's shares are delisted, when the Officer Stock Benefit Regulations are abolished, etc.

Of the assets remaining in the Trust at the time of the Trust's termination, all of the Company's shares will be acquired by the Company gratis, and will be canceled by resolution of the Board of Directors. Of the assets remaining in the Trust at the time of the Trust's termination, cash remaining after excluding the money paid out to Directors, etc. in accordance with (9) above will be delivered to the Company.

Proposal No. 9: Continuation of the Company’s Policy for Responding to Large-Scale Purchases of the Company’s Shares (Takeover Response Policy)

At the Company’s Board of Directors meeting held on May 22, 2006, the Company decided to adopt the Policy for Responding to Large-Scale Purchases, and has continued with it after obtaining the approval of shareholders at the Ordinary General Meeting of Shareholders held on June 29 of the same year, and every three years thereafter upon its date of expiration (most recently at the 70th Ordinary General Meeting of Shareholders held on June 29, 2021) (the Policy for Responding to Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures) continued until most recently is referred to as “the Old Policy”).

The aim of the Old Policy was, in the event of a proposal for a large-scale purchase of the Company’s shares, to promptly provide shareholders with necessary and sufficient information, opinions, proposals, etc. from both the party proposing the large-scale purchase and the Company’s Board of Directors, and to ensure that there was necessary and sufficient time for shareholders to consider the matter in order to accurately judge the impact, etc. of that proposal on the Company’s corporate value and the common interests of its shareholders. The Old Policy is set to expire at the time of conclusion of this General Meeting of Shareholders.

The Company has been considering how best to proceed with the Old Policy, including whether to continue with it or not, from the perspective of pursuing the Company’s corporate value and ultimately the common interests of its shareholders, while taking into account subsequent changes in social and economic circumstances, trends related to policies responding to acquisitions and the developments in various debates, and the intentions underlying the Corporate Governance Code, etc.

As a result, it was decided with the approval of all Directors, including two (2) outside Directors, at the Board of Directors meeting held on May 29, 2024, to continue with the Old Policy with partial amendments, on condition that it was approved by shareholders at this General Meeting of Shareholders pursuant to Article 16 of the Company’s Articles of Incorporation (the amended Policy for Responding to Large-Scale Purchases of the Company’s Shares (Takeover Response Policy); hereinafter referred to as “the Policy”). Four (4) Audit & Supervisory Board Members of the Company, including two (2) outside Audit & Supervisory Board Members, attended that Board of Directors meeting, and all Audit & Supervisory Board Members stated their agreement to the continuation, on the condition that the Policy is implemented properly regarding the details. Also, the Policy will become effective upon approval by shareholders at this General Meeting of Shareholders, and its effective period shall be until the time of conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year among the fiscal years ending within three years from the time of conclusion of this General Meeting of Shareholders (the 76th Ordinary General Meeting of Shareholders of the Company, scheduled to be held in June 2027).

The main amendments to the Policy are as follows:

- (i) We have limited the instances in which the Company’s Board of Directors may trigger countermeasures under the Policy to instances where a resolution to trigger countermeasures has been passed at the General Meeting of Shareholders, if the large-scale purchaser adheres to the Large-Scale Purchase Rules. In addition, even if the large-scale purchaser does not adhere to the Large-Scale Purchase Rules, we have decided that in order for the Company’s Board of Directors to trigger countermeasures under the Policy, it has been established as a principle that the resolution to trigger countermeasures must be passed at the General Meeting of Shareholders. (Main relevant pages: pages 45 through 47 of this Notice of Convocation)
- (ii) We have limited the countermeasures under the Policy to the gratis allotment of stock acquisition rights. (Main relevant pages: pages 45 through 46 of this Notice of Convocation)
- (iii) We have revised the Special Committee Regulations. Specifically, following the transition to a company with an Audit and Supervisory Committee, eligibility requirements for Special Committee Members have been narrowed down to outside Directors only, instead of being

chosen from either outside Directors or outside Audit & Supervisory Board Members, and we have clarified the handling of resolutions when the vote results in a tie. We have also limited the countermeasures under the Policy described in the Special Committee Regulations to the gratis allotment of stock acquisition rights. (Main relevant pages: page 55 of this Notice of Convocation)

- (iv) In addition, we have revised the phrases and rearranged the wording to make the Policy easier to understand.

<Reasons for the Continuation of the Policy for Responding to Large-Scale Purchases of the Company's Shares (Takeover Response Policy)>

Based on our management philosophy, "To become a world leader as a general manufacturer of oil-less bearings and serve society through technology," the Corporate Group promotes initiatives to enhance corporate value, such as developing products that address customers' needs quickly and accurately and expanding globally with an emphasis on Europe, the U.S., China, India, and ASEAN countries.

On the other hand, under the current Japanese capital market and legal system, it must be said that the possibility of such large-scale purchases that would be detrimental to the Corporate Group's corporate value and ultimately also to the common interests of its shareholders continues to exist.

The Financial Instruments and Exchange Act requires that tender offers be made for certain large-scale purchases and stipulates rules regarding disclosure and procedures, but as a rule, this only applies to off-market transactions and not to on-market transactions. In addition, in the event of a sudden hostile large-scale purchase, there is a risk that shareholders may not be provided with the necessary information and the time for consideration, due to the fact that the purchaser is allowed to refuse to answer questions from the target company after stating the reason for the refusal, and the high likelihood that the maximum tender offer period will effectively be 30 business days, etc.

In light of these circumstances, we are consulting our shareholders at this General Meeting of Shareholders regarding the continuation of the Old Policy with partial amendments as detailed below, since we believe that continuing to ensure the provision of the necessary information and time for shareholders to make appropriate judgments regarding large-scale purchases of the Company's shares, and for negotiations, etc. with purchasers, etc. to be conducted according to certain reasonable rules, is in accordance with our corporate value and ultimately also with the common interests of the shareholders, and since we believe it is necessary to establish certain rules regarding the provision of information and ensuring the time for consideration.

1. Basic Policy on Control of the Company

The Company believes that parties who control decisions regarding the Company's financial and business policies should fully understand the details of the Company's finances and businesses, the various sources of the Company's corporate value, and the relationships of trust with the stakeholders that sustain the Company, and that they should be capable of ensuring and enhancing the Company's corporate value, and ultimately, the common interests of its shareholders over the medium to long term.

In the event of a large-scale purchase by a large-scale purchaser (as defined in 3. (2), "Purchases of the Company's shares that the Policy applies to" below; the same applies hereinafter), the Company believes that whether to accept it should ultimately be decided based on the will of the shareholders. In addition, the Company believes that if a large-scale purchase of the Company's shares is made, it is not necessarily something to be categorically rejected, as long as it contributes to the Company's corporate value and ultimately to the common interests of its shareholders.

However, there are quite a few large-scale purchases that do not contribute to ensuring and enhancing the Company's corporate value and ultimately the common interests of its shareholders, such as those

that may, judging by their purpose, etc., be detrimental to corporate value and ultimately also to the common interests of the shareholders, those that may effectively force shareholders to sell their shares, or those that fail to provide reasonably necessary and sufficient time or information for shareholders and the Board of Directors to review the details, etc. of the purchase offer or for the Board of Directors to present alternative proposals. In particular, in order to enhance corporate value based on the Company's vision, it is essential for us to fulfill our social responsibility as a manufacturer of oil-less bearings that possesses world-class proprietary technology, and to establish and maintain long-term relationships of trust and business with our customers. Unless the large-scale purchaser fully understands this fact, and ensures and enhances the Company's corporate value and ultimately the common interests of its shareholders over the medium to long term, the Company's corporate value and ultimately the common interests of its shareholders will be damaged.

The Company believes that parties that make such large-scale purchases that do not contribute to corporate value nor ultimately to the common interests of the shareholders are exceptionally unsuitable as parties that control decisions regarding the Company's financial and business policies, and that necessary and reasonable measures must be taken in response to large-scale purchases by such parties, in order to ensure the Company's corporate value and, ultimately, the common interests of its shareholders.

2. Special initiatives that contribute to the realization of the Basic Policy on Control of the Company

(1) The Company's corporate philosophy

The current management of the Company's business is founded on mastering the core technologies of friction, wear, and lubrication through creative R&D, deploying these globally, and thereby contributing to society, based on our management philosophy, "To become a world leader as a general manufacturer of oil-less bearings and serve society through technology."

Since its founding, the Company's corporate stance has been to contribute to society through technology, considering bearings to be not just "bearings" but "things that bear (withstand, support, convey and carry)." Based on this, we consider our mission to be to contribute to the miniaturization and improved performance of equipment, energy saving, and lower pollution in all fields of industry, and to help create a society that is considerate of people's safety and comfort as well as the global environment, and we believe that putting these into practice is the source of the Company's corporate value.

Based on this, the Company has been engaged in the development of the following up till the present:

- (i) Oil-less bearings that require no lubrication or reduce the number of lubrications, supported by superior friction, wear, and lubrication technology**
- (ii) Seismic isolation and vibration control devices that protect precious human lives, homes, and urban functions such as transportation, communication, and energy supply from earthquake damage, and ensure safety**
- (iii) Smoke exhaust and smoke shielding systems that ensure safety in the event of a fire, and lighting, shading, and ventilation systems that control natural light and use refreshing breezes to save energy and provide a comfortable and safe living environment**

We also focus our efforts on developing high-performance products and technologies that are the world's first and the world's best, while responding to technological changes and needs such as those for automobiles. By constantly introducing new products to the market, we are strengthening our competitiveness in the market as a company that is indispensable. Regarding the production of such products, we have introduced and promoted the NPS (New Production System), a superior production method, to enhance production efficiency and pursue production activities that are

environmentally friendly, acquiring ISO 14001 certification, the international standard for environmental management systems.

In addition, we are implementing an initiative for company-wide structural strengthening called “OTEC,” aimed at “Pursuing revitalization = Creating a corporate culture that generates vitality” and “Pursuing efficiency = Constantly improving and enhancing business.” We aim to continuously enhance corporate value by continuing to build a sound and strong corporate structure.

(2) Initiatives to enhance corporate value through Medium- and Long-Term Management Plans, etc.

Working toward realizing the management philosophy and sustainable improvement of corporate value, the Corporate Group has formulated “OILES 2030 VISION,” a new Long-Term Vision that lays out how we want to be in 2030. While striving to solve social issues and improve corporate value through “Tribology & Damping,” comprising technology of friction, wear, and vibration control, the Corporate Group’s core technology, we will further contribute to the realization of a sustainable society through “+X” by “generating new technology and new business” and “advancing the management foundation.” As for our targeted management indicators, we are targeting a ratio of operating profit to net sales of 15% or more and a ROE (return on equity) of 10% or more.

OILES 2030 VISION

“Contributing to the realization of a sustainable society with the technology of friction, wear, and vibration control + X”

-Targeted management indicators

- Ratio of operating profit to net sales of 15% or more
- ROE (return on equity) of 10% or more

We have formulated a new Medium-Term Management Plan 2024-2026 that starts from FY 2024 for three years as it advances towards the vision of how we want to be in 2030 based on this new Long-Term Vision. Under this medium-term management plan, the business divisions will actively conduct capital investment to drive business growth of the Oiles Group while the head office will establish a more-advanced in-house base and management infrastructure to support this growth. Together, the business divisions and the head office will work to achieve transformation and to evolve.

By pursuing the following policies of the Medium-Term Management Plan 2024-2026, we will continue to take on the challenge of achieving the growth strategies and realizing a more advanced management infrastructure.

[Medium-Term Management Policies 2024-2026]

- 1) Focus management resources on growth markets to achieve the leap forward to next-generation growth
- 2) Enhance productivity in all divisions by pursuing work reforms and production technique
- 3) Enhance corporate value in order to contribute to all stakeholders
- 4) Manage finances with capital efficiency in mind

(3) Initiatives to enhance corporate value through strengthening corporate governance, etc.

The Company positions corporate governance as an important management priority, and our basic approach is to strive to ensure and enhance the Company’s progress, corporate value, and ultimately

the common interests of its shareholders, through agile management decision-making in response to market changes, the development of a rational, sound, and highly transparent management system and organization through the delegation of authority, and implementation of necessary measures.

The corporate governance system of the Company is as follows:

(i) Outline of the System

We introduced an Operating Officer system in June 2003, in order to make the division between business execution functions and supervisory/monitoring functions clear and to strengthen the function of the Board of Directors by speeding up and improving the efficiency of decision-making regarding management strategies. In addition, we have appointed two (2) outside Directors and two (2) outside Audit & Supervisory Board Members, in order to further enhance the transparency and fairness of management through the active promotion of outside talent.

Also, we split up the Bearing Division into the General Bearing Division and the Automotive Bearing Division from April 2023 in order to speed up decision-making and to clearly define responsibilities for the businesses, and newly established the Production Division in an effort to strengthen the production system. By placing Operating Officers in charge of business divisions, we have clearly defined the roles and responsibilities of the Board of Directors and executive departments, and are promoting agile management by delegating the authority to execute business to Operating Officers.

Furthermore, we believe that it is necessary to make management decisions more agile and to further enhance the supervisory function of the Board of Directors in order to steadily promote the Medium-Term Management Plan that started in FY 2024 as well. As part of such efforts, by transitioning to a company with an Audit and Supervisory Committee, we will enable prompt management decision-making and business execution, and strengthen the supervisory function of the Board of Directors by appointing Directors who are Audit and Supervisory Committee Members with the voting rights, etc., at Board of Directors meetings.

(ii) Voluntary Nominating and Compensation Committees

Regarding the nomination of Directors and the determination of compensation for Directors and Operating Officers, a voluntary Nominating Committee and Compensation Committee were established as advisory bodies to the Board of Directors at the Board of Directors meeting held on October 25, 2018, with the aim of ensuring the objectivity, transparency, and fairness of the related decision-making processes. The Board of Directors determines the details of such nominations and compensations after going through the process of consultations and findings with both Committees.

(iii) Sustainability Promotion Council

Recognizing that initiatives to resolve sustainability issues, including the SDGs set by the United Nations, not only contribute to the sustainable development of society but also to the enhancement of the Company's corporate value, we have positioned contributing to the resolution of sustainability issues, represented by "Environment," "Social," and "Governance," as the main axis of our corporate activities. Based on this, we have established a system to understand and promote sustainability issues that will contribute to enhancing corporate value over the medium to long term, such as by establishing the Sustainability Promotion Council, which is chaired by the President and attended by all Directors.

Additionally, recognizing that thorough compliance is essential for a company to continue to exist, we are striving to establish a compliance management system based on "Liberty & Law," one of our company visions. One example is the Compliance Sub-Committee, an organization that supervises overall compliance and reports directly to the Sustainability Promotion Council. The Compliance Sub-Committee promotes, provides education on, and carries out training

regarding compliance in accordance with the Oiles Group Corporate Conduct Charter and the Corporate Code of Conduct, as well as establishing and operating a whistle-blowing system.

(iv) Evaluation of the effectiveness of the Board of Directors

Every year since FY2015, the Company has analyzed and evaluated the effectiveness of the Board of Directors based on each Director's self-evaluation, etc., in an effort to enhance the function of the Board of Directors. Regarding the evaluation of the effectiveness of the Board of Directors, we conduct a survey using a questionnaire for each Director and Audit & Supervisory Board Member who attend the Board of Directors meetings, and the Board of Directors analyzes and evaluates the aggregated results. The Company will strive to further enhance and strengthen its corporate governance system in order to further heighten the effectiveness of the Board of Directors.

(v) Basic approach to and system for risk management

Based on the Group Risk Management Rules, the Corporate Group identifies and understands in an integrated manner various risks that may affect the Company and its subsidiaries, and, in addition to preventing the risks, quickly and accurately responds to them when they arise, in order to minimize damage, prevent recurrence, and protect the Group's corporate value.

We had established the Risk Management Sub-Committee, an organization that aimed to identify and prevent various risks related to the Company's businesses, respond quickly and accurately when a risk arises, and prevent recurrence, and which reported directly to the Sustainability Promotion Council. However, we established it as the Risk Management Committee, an advisory body to the Board of Directors, from April 2024.

By continuing to promote the measures described above, the Company will strive to strengthen and improve its corporate governance, which will lead to the further ensuring and enhancement of the Company's corporate value and ultimately the common interests of its shareholders.

(4) Proactively returning profits to shareholders

The Company will aim for a dividend payout ratio of 40% or more, in keeping with its basic policy of making stable and continuous dividend payments to shareholders, based on the business results for the full year and forecasts of future performance, while taking into consideration investments to strengthen the foundation for future management and returning profits to shareholders. In addition, the Company will consider agile responses regarding the purchase of treasury shares based on market trends, comprehensively considering internal reserves for medium- and long-term growth.

Regarding dividends, since continuing with the Old Policy, we paid an annual dividend of 55 yen per share for the fiscal year ended March 2022 (consolidated dividend payout ratio of 40.0%) and 55 yen per share for the fiscal year ended March 2023 (consolidated dividend payout ratio of 41.5%), and based on business forecasts and future growth, we plan to pay a dividend of 75 yen per share for the fiscal year ended March 2024 (consolidated dividend payout ratio of 42.2%).

We will continue to strive to return profits to shareholders from a long-term perspective in the future as well.

3. **Contents of the Policy (efforts to prevent unsuitable parties from controlling decisions regarding the Company's financial and business policies in light of the Basic Policy on Control of the Company)**

(1) **Purpose of continuing the Policy**

The Policy represents the continuation of the Old Policy with partial amendments that were made in an effort to prevent unsuitable parties from controlling decisions regarding the Company's financial and business policies, in light of the Basic Policy on Control of the Company prescribed in Article 118, Item (iii) (b) 2 of the Regulations for Enforcement of the Companies Act.

Even if a large-scale purchase of the Company's shares is made, the Company does not necessarily consider the party to be unsuitable to control decisions regarding the Company's financial and business policies, as long as its purpose, etc. contributes to ensuring and enhancing the Company's corporate value and ultimately the common interests of its shareholders. Furthermore, in the event that a large-scale purchase involving the transfer of control is made, we believe that the decision as to whether to agree to it or not should ultimately be reached based on the will of the shareholders. And in order for shareholders to make appropriate judgments, we believe that it is essential for both the large-scale purchaser and the Company's Board of Directors to provide them with necessary and sufficient information. In particular, since it is necessary to have an in-depth understanding of the Company's business content and the technologies it possesses in order to accurately grasp the Company's corporate value, it is extremely important for shareholders to consider, when evaluating and reviewing a large-scale purchase by a large-scale purchaser, not to refer only to the information provided by the large-scale purchaser, but also to evaluations and opinions regarding the large-scale purchase provided by the Company's Board of Directors, which has a thorough knowledge of the Company's business content and the technologies it possesses.

However, as described above, there are quite a few large-scale purchases that do not contribute to ensuring and enhancing the Company's corporate value and ultimately the common interests of its shareholders, such as those that may, judging by their purpose, etc., be detrimental to corporate value and ultimately also to the common interests of the shareholders, those that may effectively force shareholders to sell their shares, those that do not provide reasonably necessary and sufficient time or information for shareholders and the Board of Directors to review the details, etc. of the purchase offer or for the Board of Directors to present alternative proposals, those with conditions, etc. regarding the purchase that are markedly insufficient or inappropriate considering the Company's corporate value and the common interests of its shareholders, or those that are intended to destroy the relationships with stakeholders that are essential for maintaining and increasing the Company's corporate value.

In light of the above circumstances, the Company's Board of Directors, believing that ensuring the provision of the necessary information and time for shareholders to make appropriate judgments in the event of a large-scale purchase of the Company's shares, and for negotiations, etc. with Purchasers, etc. to be conducted according to certain reasonable rules, is in accordance with the Company's corporate value and ultimately with the common interests of the shareholders, have established certain rules regarding the provision of information and the ensuring of time for consideration at the time of a large-scale purchase, as detailed below (hereinafter referred to as "Large-Scale Purchase Rules"), as a policy for responding to large-scale purchases made by unsuitable parties in light of the Basic Policy on Control of the Company, and on condition that it is approved by shareholders at this General Meeting of Shareholders, we have decided to continue the Old Policy with partial amendments in the form of the Policy.

Please refer to Attached Document 1 (page 54 of this Notice of Convocation) for an overview of the Policy (the flow chart in the event a Large-Scale Purchase is initiated).

(2) Purchases of the Company's shares that the Policy applies to

Purchases of the Company's shares that the Policy applies to are: (1) Purchases of the Company's share certificates, etc.¹ for the purpose of increasing the percentage of voting rights² of a specific shareholder group³ to 20% or more; (2) purchases of the Company's share certificates, etc. that result in a specific shareholder group holding 20% or more of voting rights (regardless of the specific method of purchase, such as whether it was done through market transactions or tender offers, in either case), or agreements or other acts with other shareholders of the Company (including cases involving more than one shareholder; the same applies hereinafter) that would result in those other shareholders falling under the category of joint holder, or establishing⁴ relationships with those other shareholders in which one party effectively controls the other, or in which they act jointly or in cooperation⁵ (limited to cases where the percentage of voting rights of a specific shareholder group comes to 20% or more as a result. Hereinafter, acts that fall under any of the above (excluding cases which the Company's Board of Directors has agreed to in advance) are referred to as "Large-Scale Purchase(s)," and those who engage in large-scale purchases are referred to as "Large-Scale Purchaser(s)").

Note: Notes to 1 to 5 are listed on pages 52 and 53.

(3) Establishment of a Special Committee

In order to properly implement the Policy, prevent arbitrary judgments from being made by the Board of Directors, and ensure the objectivity and reasonableness of such judgments, the Company's Board of Directors will establish a Special Committee, based on the Special Committee Regulations (for the outline, please refer to Attached Document 2 (page 55 of this Notice of Convocation)). The Special Committee will consist of three (3) or more members, and will be chosen from outside Directors who are independent from the management team that executes the Company's business, in order to allow for fair and impartial judgments. Furthermore, outside Directors Yasuji Omura and Rika Miyagawa, and outside Audit & Supervisory Board Member Tatsuhiro Maeda, who are currently members of the Special Committee established under the Old Policy, will continue to serve as Special Committee members after the continuation of the Policy, with outside Audit & Supervisory Board Member Takeo Sakakibara newly appointed as a member (Please refer to Attached Document 3 (pages 56 and 57 of this Notice of Convocation) for their career summaries).

In principle, the Special Committee will be consulted when making important decisions relating to the Policy, such as executing countermeasures when a Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules as in 5. (1) below, or executing countermeasures as an exception when a Large-Scale Purchaser adheres to the Large-Scale Purchase Rules as in 5. (3) below, etc., and the Company's Board of Directors shall respect its recommendations to the fullest extent possible.

Also, in order to ensure that the Special Committee's decisions are made in a manner that contributes to the Company's corporate value and ultimately the common interests of its shareholders, the Special Committee may consult independent third parties such as lawyers, accountants, financial advisors, and other outside experts as necessary at the Company's expense.

(4) Other

If there are revisions (including changes in the names of laws and regulations, etc., and the enactment of new laws and regulations, etc. that succeed previous laws and regulations, etc.) to the Companies Act, the Financial Instruments and Exchange Act, and other laws, as well as related regulations, cabinet orders, Cabinet Office ordinances, ministerial ordinances, etc. (hereinafter collectively referred to as "Laws and Regulations, etc."), and if they come into force, the provisions of the Laws and Regulations, etc. cited in the Policy shall be replaced, unless otherwise specified by the

Company's Board of Directors, with the respective provisions of the revised Laws and Regulations, etc. that effectively succeed such provisions.

4. Contents of the Large-Scale Purchase Rules

(1) Outline

The Large-Scale Purchase Rules established by the Company state that the Large-Scale Purchaser shall provide necessary and sufficient information to the Company's Board of Directors in advance, allowing for a period of time to evaluate and review the Large-Scale Purchase on the basis of such information at meetings of the Company's Board of Directors and the General Meeting of Shareholders, and only after such a period of evaluation and review has elapsed shall the Large-Scale Purchaser be able to initiate a Large-Scale Purchase.

(2) Advance submission of a statement of intent to the Company, and provision of necessary information to the Company, by the Large-Scale Purchaser

- (i) Large-Scale Purchasers planning to make a Large-Scale Purchase shall first submit to the Company's Board of Directors a statement of intent listing the information, etc., set forth below, including a legally binding pledge to adhere to the Large-Scale Purchase Rules, in Japanese and in a format specified by the Company, before making a Large-Scale Purchase or proposing a Large-Scale Purchase.
 - (a) Name of the Large-Scale Purchaser
 - (b) Address of the Large-Scale Purchaser
 - (c) Name of the representative
 - (d) If the Large-Scale Purchaser resides overseas, the governing law of establishment and contact information in Japan
 - (e) Outline of the proposed Large-Scale Purchase
 - (f) Pledge to adhere to the Large-Scale Purchase Rules set forth in the Policy
- (ii) The Company's Board of Directors shall, within 10 business days from the day of receipt of the letter of intent listing all the information from (2)(i)(a) to (f), issue a document that sets down the necessary information regarding the Large-Scale Purchase (hereinafter referred to as "Necessary Information") in the form of a list (hereinafter referred to as "List of Necessary Information") to the Large-Scale Purchaser. Following which, the Large-Scale Purchaser shall submit a written response to the List of Necessary Information that includes the Necessary Information in Japanese to the Company's Board of Directors.

The specific contents of such Necessary Information will vary depending on the attributes of the Large-Scale Purchaser and the details of the Large-Scale Purchase, but the general items are as follows.

- (a) Details (including information related to the Large-Scale Purchaser's name, business content, career summary or history, capital structure, financial details, information regarding its internal control system, relationship with antisocial forces, etc., transactions involving the Company's share certificates, etc. by the Large-Scale Purchaser during the 60 days prior to submission of the letter of intent, experience in businesses similar to those of the Company and the Corporate Group, and potential for future competition, etc.) of the Large-Scale Purchaser and its group (includes joint holders, specially related parties, major shareholders or investors, and important subsidiaries and affiliated companies; if the Large-

Scale Purchaser is a fund or a business entity related to its investment, includes major partners and investors (whether direct or indirect), and other members, managing partners, and persons who continuously provide investment advice)

- (b) Purpose (if there is any purpose such as acquisition of control, participation in management, financial investment or strategic investment, transfer etc. of the Company's share certificates to a third party after the Large-Scale Purchase, or to make a material proposal, etc. (this refers to a "material proposal, etc." as defined in Article 27-26, paragraph (1) of the Financial Instruments and Exchange Act), or any other purpose, includes a statement to that effect and a summary thereof. In addition, if there are multiple purposes, all of them should be listed), method, and content (includes the class and number of the Company's share certificates, etc. to be acquired by the Large-Scale Purchase, the amount and type of consideration for the Large-Scale Purchase, timing of the Large-Scale Purchase, structure of related transactions, policy for recovery of invested capital, legality of the method of the Large-Scale Purchase, regulatory matters under domestic and foreign laws and regulations that may be applicable to the Large-Scale Purchase, whether permits and approvals, etc. will be maintained after completion of the Large-Scale Purchase, possibility of regulatory compliance, feasibility of the Large-Scale Purchase and related transactions, and if there are plans to further acquire the Company's shares after the completion of the Large-Scale Purchase, a statement to that effect and the reasons for such acquisition, if any, and if there is a possibility of the Company's share certificates, etc. being delisted after the completion of the Large-Scale Purchase, a statement to that effect and the reasons for such delisting, if any. Furthermore, regarding the legality of the method of the Large-Scale Purchase, a written opinion by a qualified attorney shall also be submitted.)
- (c) Basis for the calculated acquisition price for the Company's shares and how the calculation was arrived at (including facts that the calculation was based on, calculation method, what entity performed the calculation and information concerning that calculating entity, numerical information used in the calculation, details of the synergies envisioned from the series of transactions related to the Large-Scale Purchase, and the specific names of suppliers of funds (including actual providers), financing method, and details of related transactions)
- (d) Management policies, business plans, financial plans, capital policies, dividend policies, asset utilization measures, etc. regarding the Company and the Corporate Group envisaged after the completion of the Large-Scale Purchase (including opinions on specific measures to avoid conflicts of interest between the Large-Scale Purchaser and the Company and its shareholders; hereinafter referred to as "Post-Purchase Management Policies, etc.")
- (e) The envisioned composition of officers of the Company and the Corporate Group after the completion of the Large-Scale Purchase (including the names and career summaries of the candidates, whether the candidates have given their informal consent regarding the appointments, and their experience in businesses similar to those of the Company and the Corporate Group, etc.)
- (f) Whether there will be changes in the relationship between the Company and the Corporate Group and stakeholders such as customers, business partners, employees etc. of the

Company and the Corporate Group after the completion of the Large-Scale Purchase, and the details of such changes

- (g) Other information that the Company's Board of Directors reasonably determines to be necessary

The Company's Board of Directors may set a deadline, if needed, for the Large-Scale Purchaser to submit the information, from the perspective of quickly implementing the Large-Scale Purchase Rules. However, if the Large-Scale Purchaser requests an extension based on reasonable grounds, the deadline may be extended.

In addition, if, based on the above, after close examination of the Necessary Information that was initially provided, the Company's Board of Directors deems such Necessary Information to be insufficient as information needed to evaluate and review the Large-Scale Purchase for the Company's shareholders to make judgments or the Company's Board of Directors to form opinions, the Company's Board of Directors may set a reasonable time limit as appropriate (of up to 60 days from the initial date of receipt of such Necessary Information), and request the additional provision of information from the Large-Scale Purchaser until the Necessary Information is complete.

In addition, if the Large-Scale Purchaser provides a reasonable explanation regarding why it is difficult to provide parts of such Necessary Information despite the Company's Board of Directors having requested additional provision of such Information, the Board may conclude negotiations, etc. regarding the provision of information with the Large-Scale Purchaser, even if such Necessary Information requested by the Company's Board of Directors is incomplete, and begin reviewing the Information as in (3) below.

- (iii) The Company's Board of Directors shall disclose the fact that a Large-Scale Purchase has been proposed in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchange on which the Company is listed. In addition, if the Necessary Information provided to the Company's Board of Directors is deemed necessary for the Company's shareholders to make judgments, the Necessary Information shall be disclosed in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchange on which the Company is listed.

Furthermore, if the Company's Board of Directors determines that the Large-Scale Purchaser has submitted all of the Necessary Information that is necessary and sufficient to evaluate and review the Large-Scale Purchase, the Company's Board of Directors shall send a notification to that effect to the Large-Scale Purchaser, and disclose that information in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchange on which the Company is listed.

(3) Evaluation, review, etc. of the Necessary Information by the Company's Board of Directors

- (i) After the Large-Scale Purchaser has completed the submission of the Necessary Information to the Company's Board of Directors, the Company's Board of Directors shall set a period of time to evaluate, review, negotiate, form opinions, and formulate alternative proposals (hereinafter referred to as the "Board of Directors Evaluation Period") which is appropriate considering the difficulty of evaluating, etc. Large-Scale Purchases, of up to 60 days for a proposed purchase of all of the Company's shares through a tender offer with only cash (yen) as the consideration, and up to 90 days for other Large-Scale Purchases.

- (ii) During the Board of Directors Evaluation Period, the Company's Board of Directors shall thoroughly evaluate and review the Necessary Information provided, receiving advice from independent third parties such as lawyers, accountants, and financial advisors as necessary. The Company's Board of Directors, respecting the Special Committee's recommendations to the fullest extent possible, shall compile its opinions and disclose them in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.
- (iii) The Company's Board of Directors may, if necessary, conduct negotiations with the Large-Scale Purchaser regarding improvements to the terms of the Large-Scale Purchase, or provide the shareholders with alternative proposals.

(4) Resolution by the Board of Directors and convening of a General Meeting of Shareholders

The Company's Board of Directors shall respect the Special Committee's recommendations to the fullest extent possible, and after thoroughly reviewing the necessity, appropriateness, etc. of taking countermeasures (specifically, the gratis allotment of stock acquisition rights), shall pass a resolution as an organ under the Companies Act concerning whether or not to trigger countermeasures, etc.

In addition, regarding the triggering of countermeasures, in the event that a Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules and the Company's Board of Directors decides to hold a General Meeting of Shareholders to confirm the intentions of the shareholders regarding the triggering of countermeasures (see 5. (1) below), or in the event that a Large-Scale Purchaser adheres to the Large-Scale Purchase Rules (see 5. (3) below), the Company's Board of Directors shall set a period of up to 60 days (hereinafter referred to as the "Shareholder Review Period") for shareholders to thoroughly consider whether or not to trigger countermeasures pursuant to the Policy, and hold a General Meeting of Shareholders of the Company during this Shareholder Review Period.

In such cases, the Company's Board of Directors shall promptly carry out procedures for convening a General Meeting of Shareholders of the Company, at which a proposal concerning the triggering of countermeasures will be presented for approval. Specifically, it shall set a record date to determine the shareholders who are eligible to exercise voting rights at that General Meeting of Shareholders, and provide public notice at least two (2) weeks prior to the record date. The shareholders who are eligible to exercise voting rights at that General Meeting of Shareholders shall be those recorded in the final shareholder registry as of the record date.

If the Company's Board of Directors passes a resolution to convene a General Meeting of Shareholders and decides on a record date, the Board of Directors Evaluation Period shall end on that date, and the Shareholder Review Period shall begin immediately after.

When convening such a General Meeting of Shareholders, the Company's Board of Directors shall send shareholders written material that includes the Necessary Information submitted by the Large-Scale Purchaser, the Board of Directors' opinions of the Necessary Information, the recommendations of the Special Committee, the Board of Directors' alternative proposals and other information that the Company's Board of Directors deems appropriate, together with the notice of convocation of the General Meeting of Shareholders, and shall disclose such information in a timely and appropriate manner in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

The Company's Board of Directors shall comply with the resolutions of that General Meeting of Shareholders regarding whether or not to trigger countermeasures. Specifically, if a proposal to trigger countermeasures is rejected at that General Meeting of Shareholders, the Company's Board of Directors shall not trigger countermeasures. In such cases, the Shareholder Review Period shall end at the time of conclusion of that General Meeting of Shareholders. On the other hand, if a

proposal to trigger countermeasures is approved at that Ordinary General Meeting of Shareholders, the Company's Board of Directors shall promptly pass the resolutions needed to trigger countermeasures after the conclusion of that General Meeting of Shareholders. In such cases, the Shareholder Review Period shall end at the time of conclusion of that Board of Directors meeting. In addition, the results of that General Meeting of Shareholders shall be disclosed in a timely and appropriate manner following the resolution of that General Meeting of Shareholders, in accordance with laws and regulations and the rules of the financial instruments exchange on which the Company is listed.

(5) Large-scale purchase waiting period

If a Shareholder Review Period is not set, the large-scale purchase waiting period shall be from the date the statement of intent described in (2) (i) above is submitted to the Company's Board of Directors until the end of the Board of Directors Evaluation Period; and if a Shareholder Review Period is set, from the date the statement of intent described in (2) (i) above is submitted to the Company's Board of Directors until the end of the combined periods of the Board of Directors Evaluation Period and Shareholder Review Period. Also, Large-Scale Purchases, including the initiation of tender offers, may not be conducted during the large-scale purchase waiting period. Therefore, Large-Scale Purchases may be initiated only after the large-scale purchase waiting period is over.

5. Responses in the event of a Large-Scale Purchase

(1) If the Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules

If the Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules, regardless of the specific purchase method, the Company's Board of Directors shall, in principle, decide to hold a General Meeting of Shareholders as soon as possible in order to ensure and enhance the Company's corporate value and ultimately the common interests of our shareholders over the medium to long term, and following such a decision, shall promptly convene a General Meeting of Shareholders to ask shareholders to decide whether or not to trigger countermeasures. The holding of the General Meeting of Shareholders and subsequent responses, etc. depending on the approval or rejection of the proposal are as described in 4. (4) above.

However, if it is deemed impossible or difficult to hold a General Meeting of Shareholders before a Large-Scale Purchase is made due to the lack of cooperation on the part of the Large-Scale Purchaser in ensuring the time necessary to hold a General Meeting of Shareholders, or for any other reason, the Company's Board of Directors shall, in principle, take countermeasures to oppose the Large-Scale Purchase, regardless of the specific purchase method, in order to protect the Company's corporate value and ultimately the common interests of its shareholders. The Company's Board of Directors shall respect the Special Committee's recommendations to the fullest extent possible when judging whether the Large-Scale Purchaser has adhered to the Large-Scale Purchase Rules, judging whether it is impossible or difficult to hold a General Meeting of Shareholders before a Large-Scale Purchase is made, and judging whether countermeasures should be triggered upon deeming the Large-Scale Purchaser not to have adhered to the Large-Scale Purchase Rules. Cases where the gratis allotment of stock acquisition rights is carried out as a countermeasure are, in principle, as outlined in Attached Document 4 (page 58 and 59 of this Notice of Convocation), but when actually carrying out the gratis allotment of stock acquisition rights, the Board of Directors may set a time period and other conditions for exercising such rights with an eye toward its effectiveness as a countermeasure, such as making the exercise of stock acquisition rights conditional on the shareholder not belonging to a specific group of shareholders whose percentage of voting rights exceeds a certain percentage.

The Company's Board of Directors shall disclose a summary of the recommendations by the Special Committee and other matters deemed necessary by the Special Committee, following a resolution by the Company's Board of Directors, in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

(2) If the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules

If the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules, even if the Company's Board of Directors is opposed to that Large-Scale Purchase, it shall limit its actions to convincing shareholders by such actions as expressing its opinion against that Large-Scale Purchase or presenting alternative proposals, and, in principle, shall not execute any countermeasures against that Large-Scale Purchase.

The shareholders shall decide whether to agree to the Large-Scale Purchaser's Large-Scale Purchase, taking into consideration that Large-Scale Purchase and the opinions and alternative proposals, etc. regarding that Large-Scale Purchase presented by the Company.

(3) Exceptional measures for when a Large-Scale Purchaser adheres to the Large-Scale Purchase Rules

Even if the Large-Scale Purchase Rules are adhered to, in cases where it is determined that the Company's corporate value and ultimately the common interests of its shareholders will be significantly impaired by that Large-Scale Purchase due to its falling under, for example, any of the following (a) to (h), resulting in irreparable damage to the Company, the Company's Board of Directors, in accordance with the duty of care for Directors and upon recommendation of the Special Committee, may, as an exception, decide to hold a General Meeting of Shareholders within the Board of Directors Evaluation Period and promptly convene a General Meeting of Shareholders following such a decision to ask shareholders to decide whether or not to trigger countermeasures. The holding of the General Meeting of Shareholders and subsequent responses, etc. depending on the approval or rejection of the proposal are as described in 4. (4) above. When reviewing and determining whether or not the Large-Scale Purchase will significantly impair the Company's corporate value and ultimately the common interests of its shareholders, the Company's Board of Directors shall, in order to ensure the objectivity and reasonableness of its judgment, review the specific details of the Large-Scale Purchaser and the Large-Scale Purchase (purpose, method, target, type and amount of consideration for the acquisition, etc.) as well as the impact of that Large-Scale Purchase on the common interests of our shareholders based on the Necessary Information, including the Post-Purchase Management Policies, etc. provided by the Large-Scale Purchaser, and with the advice of outside experts such as lawyers, accountants, and financial advisors, and, after the recommendations from the Special Committee, arrive at a judgment.

In addition, as in (1) above, the Company's Board of Directors shall disclose a summary of the recommendations by the Special Committee and other matters deemed necessary by the Special Committee, following a resolution by the Company's Board of Directors, in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

(a) If it is a case of so-called "greenmail"

Cases where a party is acquiring share certificates, etc. for the sole purpose of inflating the share price and forcing Company officials to repurchase the share certificates, etc. at high prices, even though that party has no intention of truly participating in the management of the Company, or when the purpose of acquiring share certificates, etc. is primarily to realize short-term gains in profit

(b) If the purpose is so-called “scorched earth”

Cases where a party is acquiring share certificates, etc. for the purpose of so-called “scorched earth” management, by temporarily controlling the management of the Company and transferring intellectual property rights, know-how, trade secrets, major business partners, customers, etc. necessary for managing the businesses of the Company and the Corporate Group to the Large-Scale Purchaser or its group company, etc.

(c) If the purpose is to divert assets

Cases where a party is acquiring share certificates, etc. with the intention of diverting the assets of the Company or the Corporate Group as collateral for the debts of the Large-Scale Purchaser or its group company, etc., or as funds for repayment, after assuming control of the management of the Company

(d) If the purpose is to pay out high dividends or selling off and exiting

Cases where a party is acquiring share certificates, etc. to assume temporary control of the management of the Company or to force the Company to sell or otherwise dispose of high-value assets such as real estate and securities that are not currently relevant to the Corporate Group’s business, in order to use the proceeds from such disposals to force the Company to temporarily pay out high dividends, or to take advantage of a sharp rise in share prices due to temporarily high dividends in order to sell off the shares at high prices and exit

(e) If it is a coercive two-step acquisition, etc.

Cases where it is determined that the acquisition, etc. may effectively force shareholders to sell their shares in the Company, such as purchasing share certificates, etc. through tender offers, etc. without soliciting the purchase of all shares in the initial stage of the purchase and by setting unfavorable or unclear conditions for the second stage of the purchase

(f) If the purchase conditions are determined to be insufficient

If it is determined that the purchase conditions for the Company’s shares proposed by the Large-Scale Purchaser (including but not limited to the type and amount of purchase consideration, basis for calculating that amount, and the specific details, legality and feasibility of other terms) are markedly insufficient or inappropriate, in light of the Company’s corporate value and ultimately the common interests of its shareholders

(g) If the management policy is determined to be insufficient

If it is determined that, because the Large-Scale Purchaser’s Post-Purchase Management Policies, etc. are insufficient or inappropriate, the growth potential and stability of the Corporate Group’s businesses may be undermined and the Company’s corporate value and ultimately the common interests of its shareholders may be seriously impaired

(h) If corporate value is damaged

Cases where it is determined that the Company’s corporate value and the common interests of its shareholders may be significantly impaired by the acquisition of control by the Large-Scale Purchaser, by destroying the Company’s relationships not only with the Company’s shareholders but also those with its customers, business partners, employees, creditors, and other interested parties, which are essential for sustainably growing the corporate value of the Corporate Group; or, comparing future corporate value over the medium to long term, if the Company’s corporate value in the event that the Large-Scale Purchaser acquires control of the Company is determined to be significantly inferior compared to the

Company's corporate value in the event that the Large-Scale Purchaser does not acquire control of the Company

(4) Suspension of or changes in the triggering of countermeasures

If, after the Company's Board of Directors or the General Meeting of Shareholders passes a resolution to execute specific countermeasures as in (1) or (3) above, the Company's Board of Directors determines it is not necessary to trigger countermeasures for reasons such as the Large-Scale Purchaser withdrawing or making changes to the Large-Scale Purchase, the Board of Directors may suspend or change, etc. the triggering of countermeasures, respecting the Special Committee's recommendations to the fullest extent possible. In the event a gratis allotment of stock acquisition rights is carried out as a countermeasure, even after the Company's Board of Directors has resolved to carry out a gratis allotment or after a gratis allotment has already been carried out, if the Company's Board of Directors determines that the triggering of countermeasures is inappropriate due to such reasons as the Large-Scale Purchaser withdrawing or making changes to the Large-Scale Purchase, the Board of Directors may, respecting the Special Committee's recommendations to the fullest extent possible, suspend the triggering of countermeasures by canceling the gratis allotment of stock acquisition rights up till the day before the effective date of the gratis allotment of stock acquisition rights, or, if the gratis allotment of stock acquisition rights has already been carried out, having the Company acquire those stock acquisition rights gratis up till the day before the start of the exercise period. If the Company's Board of Directors suspends or changes, etc. the triggering of such countermeasures, it will disclose that fact in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

6. Impact on shareholders and investors

(1) Impact, etc. of Large-Scale Purchase Rules on shareholders and investors

The purpose of the Large-Scale Purchase Rules is to provide shareholders with the information necessary to decide whether or not to agree to a Large-Scale Purchase, as well as with the opinions, etc. of the Company's Board of Directors which is currently responsible for the management of the Company. This will enable shareholders to make appropriate decisions regarding whether or not to agree to the Large-Scale Purchase, taking into consideration sufficient information and proposals, and we believe that this will protect the Company's corporate value and ultimately the common interests of its shareholders. Therefore, we believe that the establishment of Large-Scale Purchase Rules is a prerequisite for shareholders and investors to make appropriate decisions, and will contribute to the interests of our shareholders and investors.

Also, as described in 5. "Responses in the event of a Large-Scale Purchase" above, because the Company's response to Large-Scale Purchases will differ depending on whether or not the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules, shareholders and investors are requested to pay close attention to the actions of Large-Scale Purchasers.

(2) Impact, etc. on shareholders and investors if countermeasures are triggered

If the Large-Scale Purchaser has not adhered to the Large-Scale Purchase Rules, or even if the Large-Scale Purchase Rules are adhered to, if it is determined that the Company's corporate value and ultimately the common interests of its shareholders will be significantly impaired by the Large-Scale Purchase by causing irreparable damage to the Company, the Company's Board of Directors, in order to protect the Company's corporate value and ultimately the common interests of our shareholders, may take countermeasures (gratis allotment of stock acquisition rights), but considering how the

countermeasure is structured, we do not expect a situation to arise in which our shareholders (excludes Large-Scale Purchasers who have violated the Large-Scale Purchase Rules and persons who have a certain relationship with them; as well as Large-Scale Purchasers who are carrying out Large-Scale Purchases that are deemed to significantly impair the interests of the Company's shareholders as a whole, and persons who have a certain relationship with them. The same shall apply hereinafter in this item) suffer any significant losses, either in terms of legal rights or economic aspects.

If gratis allotment of stock acquisition rights is carried out as a countermeasure, the allotment will be made to the shareholders recorded in the shareholder registry as of the allotment date of the stock acquisition rights. Shareholders will be allotted stock acquisition rights without the need to subscribe for them, and since they will receive the Company's shares as consideration for the acquisition of stock acquisition rights without paying in the money equivalent to the exercise price of the stock acquisition rights due to the Company processing their acquisition of stock acquisition rights, there is no need for procedures such as subscriptions or payments. However, in such cases, the Company may require the shareholders receiving the allotment of stock acquisition rights to separately submit a written pledge in a format designated by the Company that they are not Large-Scale Purchasers, etc.

Furthermore, even after the stock acquisition rights allotment date or after the stock acquisition rights become effective, the Company may cancel the allotment of stock acquisition rights by the day before the start date of the exercise period for stock acquisition rights, or the Company may acquire stock acquisition rights gratis without delivering Company's shares in exchange for the stock acquisition rights, due to such circumstances as, for example, the Large-Scale Purchaser withdrawing the Large-Scale Purchase, etc. In such cases, shareholders or investors who have bought or sold shares based on the premise that the value of each share will be diluted may suffer corresponding losses due to fluctuations in share price.

7. Commencement of application, effective period, continuation and abolishment of the Policy

The Policy shall become effective upon approval by shareholders at this General Meeting of Shareholders, and its effective period shall be until the time of conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year among the fiscal years ending within three (3) years from the time of conclusion of this General Meeting of Shareholders (the 76th Ordinary General Meeting of Shareholders of the Company, scheduled to be held in June 2027).

However, even after the continuation of the Policy has been approved at this General Meeting of Shareholders and the Policy has become effective, if (1) a resolution is passed at the Company's General Meeting of Shareholders to abolish the Policy, or (2) a resolution is passed by the Board of Directors consisting of Directors elected at the Company's General Meeting of Shareholders to abolish the Policy, the Policy shall be abolished at that time.

Furthermore, even during the effective period of the Policy, the Company's Board of Directors may review it from time to time from the perspective of enhancing corporate value and ultimately the common interests of the shareholders, and may make changes to the Policy with the approval of the General Meeting of Shareholders.

In this way, if a decision is made to continue, change, or abolish the Policy, the Company's Board of Directors will disclose the details in a timely and appropriate manner, in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

Furthermore, even during the effective period of the Policy, the Company's Board of Directors may change the contents of the Policy as necessary with the approval of the Special Committee, provided that such changes do not disadvantage the shareholders, if laws and regulations related to the Policy

have been newly established, revised or abolished, and it is appropriate to reflect such new establishment, revision or abolition; if it is appropriate to correct the wording due to typographical errors, etc.; and in consideration of future trends in judicial decisions, etc. and in response to financial instruments exchanges and other public institutions, etc.

If the Company's Board of Directors believes that such changes concern fundamental aspects of the Policy and it is necessary to confirm the intentions of the shareholders, the Board of Directors shall consult the shareholders anew on changes to the Policy at a General Meeting of Shareholders.

8. Reasonableness of the Policy (on the Policy being in line with the Basic Policy on Control of the Company and in accord with the Company's corporate value and ultimately the common interests of its shareholders, with its purpose not being in maintaining the position of the Company's officers)

(1) Satisfies the requirements of the guidelines on policies for responding to acquisitions

The Policy satisfies the three principles (the principle of ensuring and improving corporate value and the common interests of shareholders, the principle of prior disclosure and shareholders' intent, and the principle of ensuring necessity and reasonableness) set forth in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholder's Common Interests" released by the Ministry of Economy, Trade and Industry (METI) and the Ministry of Justice on May 27, 2005, as well as the three principles (the principle of corporate value and shareholders' common interests, the principle of shareholders' intent, and the principle of transparency) set forth in the "Guidelines for Corporate Takeovers" released by the Fair Acquisition Study Group established within METI on August 31, 2023, and is highly reasonable.

The contents of the Policy are also based on the contents of "Takeover Defense Measures in Light of Recent Environmental Changes" released by the Corporate Value Study Group established within METI on June 30, 2008, and of "Principle 1.5 Anti-Takeover Measures" in Japan's Corporate Governance Code released by Tokyo Stock Exchange, Inc. on June 1, 2015, and other practices and discussions regarding policies for responding to acquisitions.

(2) Has been introduced and is being continued with the aim of ensuring and enhancing the common interests of shareholders

As described in 3. (1) "Purpose of continuing the Policy," the Policy has been introduced and is being continued with the aim of ensuring and enhancing the Company's corporate value and ultimately the common interests of shareholders by making it possible, in the event of a Large-Scale Purchase of the Company's shares, to secure the information and time necessary for shareholders to decide whether or not to agree to the Large-Scale Purchase or for the Company's Board of Directors to present alternative proposals, and to negotiate with purchasers, etc. on behalf of the shareholders.

Furthermore, the continuation of the Policy is subject to the approval of shareholders, and since it is possible to abolish the Policy if shareholders so wish, we consider it guaranteed that the Policy will not impair the common interests of the shareholders.

(3) Reflects the will of shareholders

The Policy will become effective upon approval by shareholders at this General Meeting of Shareholders, and reflects the will of the shareholders regarding the continuation of the Old Policy.

Also, even if the Policy has been continued and is still in effect, if a resolution to abolish the Policy is passed at the Company's General Meeting of Shareholders, the Policy will be abolished at that time, reflecting the will of the shareholders.

Also, under the Policy, if the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules, we have limited the instances in which the Company's Board of Directors may trigger countermeasures to instances where a resolution to trigger countermeasures has been passed at the General Meeting of Shareholders. In addition, even if the Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules, when the Company's Board of Directors triggers countermeasures under the Policy, it has been established as a principle that a resolution to trigger countermeasures must be passed at the General Meeting of Shareholders. In this way, the Policy reflects the will of the shareholders in determining whether the triggering of countermeasures is appropriate as well.

(4) Places emphasis on the judgment of highly independent outsiders

As described in 5. "Responses in the event of a Large-Scale Purchase" above, the triggering of countermeasures under the Policy requires that a Special Committee consisting of members who are independent from the management team that executes the Company's business be consulted, and the recommendations of that Committee be respected to the fullest extent possible. Procedures to guarantee the transparent implementation of the Policy are firmly in place, in order to operate the Policy appropriately, prevent arbitrary judgments from being made by the Board of Directors, and contribute to the Company's corporate value and ultimately the common interests of the shareholders.

(5) Is not a dead-hand or slow-hand type of response policy

The Policy can be abolished by the Board of Directors, which is composed of Directors elected at the Company's General Meeting of Shareholders. Therefore, the Policy is not a dead-hand type of response policy (a response policy in which the triggering of countermeasures cannot be halted even if a majority of the constituent members of the Board of Directors are replaced). In addition, while the term of office for Directors (excluding those who are Audit and Supervisory Committee Members) is one year, and the term of office for Directors who are Audit and Supervisory Committee Members is two years, since the Company does not have a staggered term system for Directors, it is not a slow-hand type of response policy either (a response policy in which it takes time to halt the triggering of countermeasures, since the constituent members of the Board of Directors cannot be replaced at once).

The Company does not have additional requirements regarding resolutions to dismiss Directors, such as the requirement for a special resolution.

¹A specific shareholder group refers to (i) holders (includes persons included as holders as stipulated in Article 27-23, paragraph (3) of the Financial Instruments and Exchange Act; the same applies hereinafter) of the Company's share certificates, etc. (refers to share certificates, etc. as stipulated in Article 27-23, paragraph (1) of the same Act) and their joint holders (refers to joint holders as stipulated in Article 27-23, paragraph (5) of the same Act, and includes persons deemed to be joint holders pursuant to paragraph (6) of the same Article; the same applies hereinafter); or (ii) persons who purchase, etc. (refers to purchases, etc. as stipulated in Article 27-2, paragraph (1) of the same Act, and includes those made on financial instruments exchange markets) share certificates, etc. (refers to share certificates, etc. as stipulated in Article 27-2, paragraph (1) of the same Act) of the Company, and their specially related parties (refers to specially related persons as stipulated in Article 27-2, paragraph (7) of the same Act). The same applies hereinafter.

²The percentage of voting rights refers to the combined total of (i) the percentage of share certificates, etc. (refers to the ownership ratio of share certificates, etc. as stipulated in Article 27-23, paragraph (4) of the Financial Instruments and

Exchange Act) held by that holder, if the specific shareholder group falls under Note 1 (i); or (ii) the percentage of share certificates, etc. (refers to the ownership ratio of share certificates, etc. as stipulated in Article 27-2, paragraph (8) of the same Act) of that Large-Scale Purchaser and those specially related persons, if the specific shareholder group falls under Note 1 (ii). Furthermore, when calculating the percentage of voting rights, whichever among the securities report, semiannual report, or reports on repurchase that has been most recently submitted to the authorities may be used to determine the total number of voting rights (as stipulated in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act) and the total number of issued shares (as stipulated in Article 27-23, paragraph (4) of the same Act). The same applies hereinafter.

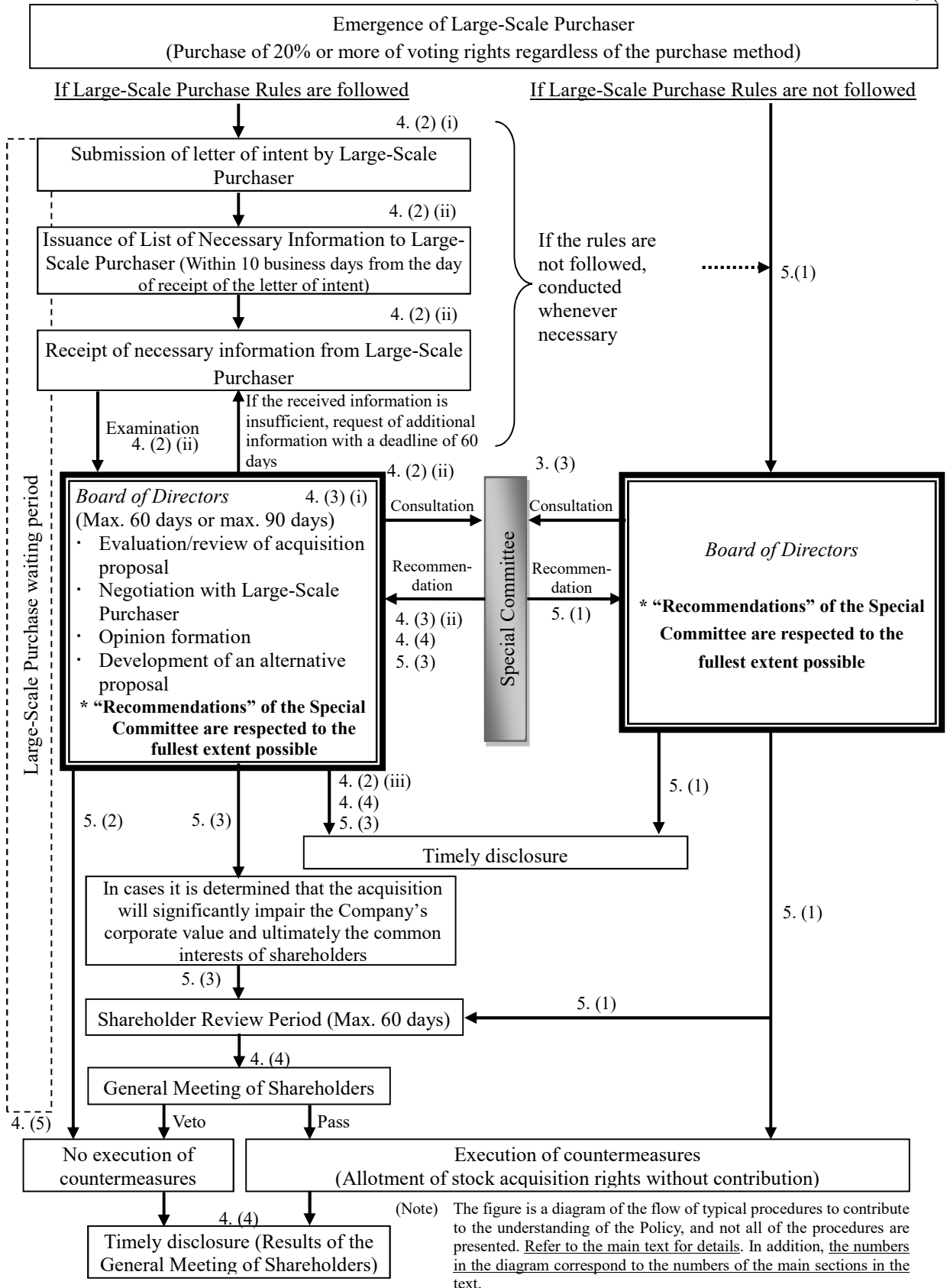
³Share certificates, etc. refer to either the share certificates, etc. stipulated in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act, or the share certificates, etc. stipulated in Article 27-2, paragraph (1) of the same Act. The same applies hereinafter.

⁴Determination of whether such actions has been taken shall be made by the Company's Board of Directors in a reasonable manner, based on the recommendations of the Special Committee. Furthermore, the Company's Board of Directors may request the Company's shareholders to provide necessary information to the extent deemed necessary to determine whether an action falls under the category of such actions.

⁵Determination of whether a relationship has been established between a certain shareholder and another shareholder in which one party effectively controls the other, or in which they act jointly or in cooperation, shall be based on whether new investment relationships, business alliances, transactions or contractual relationships, interlocking officerships, funding relationships, credit-granting relationships, etc. are formed, and the direct or indirect influence that the shareholder and the other shareholder exert on the Company.

Outline of the Policy
(Flow chart in the event a Large-Scale Purchase is initiated)

3. (2)



Outline of Special Committee Regulations

- The Special Committee shall be established by resolution of the Company's Board of Directors.

- The Special Committee shall consist of three (3) or more members, and will be chosen by resolution of the Company's Board of Directors from outside Directors of the Company who are independent from the management team that executes the Company's business, in order to allow for fair and impartial judgments.
- The chairperson of the Special Committee shall be elected from among the Committee members.
- The term of office for Special Committee members shall be three (3) years from the date of their appointment. However, if the effective period of the Policy expires, if a resolution to abolish the Policy is passed at a General Meeting of Shareholders, or if a resolution to abolish the Policy is passed by the Board of Directors, the term of office for Committee members shall expire at the same time the Policy is terminated or abolished. Additionally, if a member of the Special Committee ceases to be an outside Director, his/her term of office as a member of the Special Committee shall also end at the same time.

- The Special Committee will make decisions on the matters listed below, and will make recommendations to the Company's Board of Directors together with the reasons and rationale for the contents of such decisions. The Company's Board of Directors shall respect the recommendations of the Special Committee to the fullest extent possible in making the final decision.
 - (i) Triggering of countermeasures (the gratis allotment of stock acquisition rights) against Large-Scale Purchases (includes reviewing and judging whether or not Large-Scale Purchases significantly impair the common interests of shareholders)
 - (ii) Holding a General Meeting of Shareholders regarding the triggering of countermeasures
 - (iii) Suspending the triggering of countermeasures
 - (iv) Important matters regarding the Policy
 - (v) Other matters for which the Company's Board of Directors requests the Special Committee to make recommendations

- The Special Committee may obtain advice from independent third parties such as lawyers, accountants, financial advisors, and other outside experts as necessary and at the expense of the Company.

- Resolutions of the Special Committee shall be made by a majority vote in the presence of a majority of the Committee members. If a resolution of the Special Committee cannot be passed due to a tie vote, the chairperson of the Special Committee shall make the decision.

Career Summary of Special Committee Members

Upon the continuation of the Policy, the following four (4) members are scheduled to serve as Special Committee members.

[Reelection] Yasuji Omura (Date of Birth: February 14, 1954)

[Career summary]

April 1979 Joined Mitsui Petrochemical Industries Ltd. (current Mitsui Chemicals, Inc.)
June 2005 Executive Officer, Business Sector General Manager of Basic Chemicals Planning & Coordination Division, and Business Sector General Manager of Raw Materials Purchasing Division
June 2009 Managing Director, General Manager of Corporate Planning Division, and Representative in China
June 2011 Senior Managing Director, responsible for corporate planning/new business promotion/responsible care
April 2013 Representative Director, Executive Vice President, Executive of Production & Technology Center and responsible for SCM/logistics/purchasing
June 2016 Executive Vice President and Business Sector President of Basic Materials Business Sector
April 2018 Special Assistant to the President and responsible for Vietnam Project
April 2019 Special Counselor
April 2020 Counselor (resigned in June 2020)
June 2020 Outside Director of the Company (current position)
June 2021 Outside Director of Gun Ei Chemical Industry Co., Ltd. (current position)

* Yasuji Omura is an outside Director as defined in Article 2, Item 15 of the Companies Act.

* He is scheduled to be appointed as a Director who is not an Audit and Supervisory Committee Member after the Company's transition to a company with an Audit and Supervisory Committee.

[Reelection] Rika Miyagawa (Date of Birth: August 26, 1960)

[Career summary]

April 1983 Joined Fujitsu Micon Systems Co., Ltd.
April 1985 Joined Fujitsu OA Co., Ltd.
November 1989 Joined "K" LINE AIR SERVICE, LTD. (current "K" LINE LOGISTICS, LTD.)
July 2013 General Manager, Business Process Improvement Division and General Manager, Internal Audit Division
July 2014 General Manager, Business Process Improvement Division
June 2016 Director (responsible for Business Process Improvement Division, Information System Department) (resigned in June 2019)
June 2021 Outside Director of the Company (current position)

* Rika Miyagawa is an outside Director as defined in Article 2, Item 15 of the Companies Act.

* She is scheduled to be appointed as a Director who is not an Audit and Supervisory Committee Member after the Company's transition to a company with an Audit and Supervisory Committee.

[Reelection] Tatsuhiro Maeda (Date of Birth: April 21, 1961)

[Career summary]

October 1989 Joined Tohmatsu Awoki & Sanwa (current Deloitte Touche Tohmatsu LLC) (resigned in December 2006)
August 1994 Registered CPA
January 2007 Representative of Tatsuhiro Maeda Certified Public Accounting Office (current position)
February 2007 Registered Tax Accountant
July 2015 Outside Auditor, Nippon View Hotel Co., Ltd. (resigned in September 2019)
June 2018 Outside Audit & Supervisory Board Member of the Company (current position)

* Tatsuhiro Maeda is an outside Audit & Supervisory Board Member as defined in Article 2, Item 16 of the Companies Act.

* He is scheduled to be appointed as a Director who is an Audit and Supervisory Committee Member after the Company's transition to a company with an Audit and Supervisory Committee.

[New election] Takeo Sakakibara (Date of Birth: November 22, 1960)

[Career summary]

April 1983 Joined Lion Corporation
September 2002 Representative of Takeo Sakakibara Tax Accountant Office (current position)
March 2006 Director of Corporate Planning Department of Lion Corporation
January 2008 Director of Living Care Business Department, Household Products Division
January 2010 Executive Officer, Executive General Manager of Health Care Products Division
January 2012 Executive Officer, President of Lion Trading Co., Ltd.
January 2016 Executive Officer, Assistant to the President
March 2016 Director, Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Pharmaceutical Affairs and Quality Assurance Department, and Legal Department
March 2017 Director, Senior Executive Officer, Responsible for Risk Management, Corporate Planning Department, Finance Department, Consumer Service Center, Pharmaceutical Affairs and Quality Assurance Department, and Legal Department (resigned in March 2022)
June 2022 Outside Director of COMANY INC. (current position)
December 2022 Advisor of DAC Holdings Co., Ltd. (current position)
June 2023 Outside Audit & Supervisory Board Member of the Company (current position)

* Takeo Sakakibara is an outside Audit & Supervisory Board Member as defined in Article 2, Item 16 of the Companies Act.

* He is scheduled to be appointed as a Director who is an Audit and Supervisory Committee Member after the Company's transition to a company with an Audit and Supervisory Committee.

The Company has registered outside Directors Yasuji Omura and Rika Miyagawa and outside Audit & Supervisory Board Members Tatsuhiro Maeda and Takeo Sakakibara as independent officers as stipulated by the Tokyo Stock Exchange.

Outline of Stock Acquisition Rights

1. Shareholders eligible for gratis allotment of stock acquisition rights, and the allotment method

The Company shall allot one (1) stock acquisition right gratis for each share of the Company's common shares (this does not apply to common shares held by the Company) held by shareholders who are recorded in the last shareholder registry as of a certain date (hereinafter referred to as the "Allotment Date") set by the Company's Board of Directors.

2. Class and number of shares subject to stock acquisition rights

The class of shares to be issued upon exercise of stock acquisition rights shall be the Company's common shares, and the number of shares to be issued upon exercise of each stock acquisition right shall be one (1) share. However, if the Company carries out a stock split or a reverse split, necessary adjustments shall be made.

3. Total number of stock acquisition rights allotted to shareholders

The number obtained by subtracting the total number of outstanding shares of the Company's common shares (excluding, however, the Company's common shares held by the Company) from the Company's total number of shares authorized to be issued by the Company as of the Allotment Date shall be the upper limit. The Company's Board of Directors may allot stock acquisition rights multiple times.

4. Assets to be contributed upon exercise of each stock acquisition right, and their value

Assets to be contributed upon exercise of each stock acquisition right shall be cash, the amount of which shall be determined by the Company's Board of Directors to be one (1) yen or more. If the Company's Board of Directors decides to acquire stock acquisition rights, the Company may deliver new shares to the shareholders as consideration for the acquisition of the stock acquisition rights by the Company without paying an amount equivalent to the exercise price.

5. Restrictions on transfer of stock acquisition rights

Acquisition of stock acquisition rights through the transfer of such stock acquisition rights shall require the approval of the Company's Board of Directors.

6. Conditions for exercising stock acquisition rights

Conditions for exercising stock acquisition rights include not being a person belonging to a specific shareholder group that holds 20% or more of voting rights (this does not apply to persons approved by the Company's Board of Directors in advance). Details of conditions for exercising stock acquisition rights shall be stipulated separately by the Company's Board of Directors.

7. Stock acquisition rights exercise period, etc.

The date the allotment of stock acquisition rights becomes effective, exercise period, provisions for acquisition, and other necessary matters shall be stipulated separately by the Company's Board of Directors. Provisions for acquisition may be set to make it possible for the Company to acquire stock

acquisition rights held by parties other than those not permitted to exercise stock acquisition rights because of conditions for exercising rights in 6. above and deliver shares of the Company's common shares, the number of which shall be separately determined by the Board of Directors, per one stock acquisition right, or for the Company to acquire stock acquisition rights gratis without delivering Company shares in exchange for stock acquisition rights. However, the Company does not expect to deliver cash as consideration for the acquisition of stock acquisition rights held by parties who are not permitted to exercise stock acquisition rights.