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(Stock Exchange Code 6309)
January 11, 2023

To Shareholders with Voting Rights:

Hitoshi Yamamoto
President
Tomoe Engineering Co., Ltd.
5-15 Kitashinagawa 5-chome,
Shinagawa-ku, Tokyo, Japan

**NOTICE OF
THE 93RD ANNUAL SHAREHOLDERS MEETING**

Dear Shareholders:

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

Please be informed that the 93rd Annual Shareholders Meeting of Tomoe Engineering Co., Ltd. (the “Company”) will be held for the purposes as described below.

You can exercise your voting rights in writing by mail or through electromagnetic means such as the Internet, etc. Please review the attached “Reference Documents for the Shareholders Meeting,” and exercise your voting rights using one of the methods written on page 3 (Japanese original) by 5:30 p.m. on Thursday, January 26, 2023, Japan time.

- 1. Date and Time:** Friday, January 27, 2023 at 10:00 a.m., Japan time
- 2. Place:** “Diamond 30” on the 30th floor of the Main Tower of Shinagawa Prince Hotel located at 10-30, Takanawa 4-chome, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:** (1) The Business Report, Consolidated Financial Statements for the Company’s 93rd Fiscal Year (from November 1, 2021 to October 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 - (2) Non-consolidated Financial Statements for the Company’s 93rd Fiscal Year (from November 1, 2021 to October 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Five Directors (excluding Directors serving as Audit & Supervisory Committee Members)
- Proposal 4:** Election of Four Directors serving as Audit & Supervisory Committee Members
- Proposal 5:** Election of One Substitute Director serving as Audit & Supervisory Committee Member
- Proposal 6:** Revision of the Amount of Remuneration, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members)
- Proposal 7:** Revision of the Amount of Remuneration, etc. for Directors serving as Audit & Supervisory Committee Members
- Proposal 8:** Payment of Bonuses to Officers
- Proposal 9:** Continuation of Countermeasures against Large-Scale Purchases, Etc. of the Company’s Shares, etc. (Takeover Defense Measures)

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Also, for the purposes of resource conservation, please bring this notice along with you.
 - ◎ Should the Reference Documents for the Shareholders Meeting, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.tomo-e.co.jp/>).
 - ◎ From among the documents to be attached to this notice, the Consolidated Statements of Changes in Shareholders' Equity of the Consolidated Financial Statements and Notes to the Consolidated Financial Statements as well as the Non-consolidated Statements of Changes in Shareholders' Equity of the Non-consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company's website (<https://www.tomo-e.co.jp/>) in accordance with laws and ordinances and the provisions in Article 14 of the Articles of Incorporation of the Company. Therefore, they are not stated in the Appendix provided with this notice. The Consolidated Financial Statements and Non-consolidated Financial Statements stated in the Appendix provided with this notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing audit reports and accounting audit reports, respectively.

Reference Documents for the Shareholders Meeting

Proposals and References

Proposal 1: Appropriation of Surplus

1. Matters regarding the year-end dividend

As its basic policy, the Company will implement appropriate and stable dividends while seeking to increase internal reserves to reinforce its financial position and management foundation, and by considering consolidated operating results, the group's medium-term business strategy and other factors in a comprehensive manner.

Based on the above policy, the Company proposes a year-end dividend of 28 yen per share for the current fiscal year, an increase of 3 yen per share from the previous fiscal year, taking into consideration the status of its financial position, operating results for the fiscal year ended October 31, 2022, and the future outlook.

- (1) Matters regarding the assignment of assets to be distributed to shareholders and the total amount thereof
28 yen per share of the Company's common stock, in a total amount of 279,391,280 yen
As the Company has already paid the interim dividend of 25 yen per share, the annual dividend for the fiscal year ended October 31, 2022 will amount to 53 yen per share.
- (2) The date on which dividends of retained earnings become effective
January 30, 2023

2. Matters regarding appropriation of surplus

Regarding the internal reserves, the Company proposes as follows to reinforce the management foundation in preparation for the future business development.

- (1) Item of surplus to be increased and the amount thereof
General reserve of 2,000,000,000 yen
- (2) Item of surplus to be decreased and the amount thereof
Retained earnings brought forward of 2,000,000,000 yen

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) In accordance with the enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) on September 1, 2022, which provides for the establishment of a system for the electronic provision of materials for general meetings of shareholders, the Company will establish new provisions that will enable the Company to electronically provide reference documents for general meetings of shareholders, as well as limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it. (Article 14 of the proposed amendments)
In addition, the current provisions on Internet disclosure and deemed provision of reference documents for general meetings of shareholders, etc. will become unnecessary and will therefore be deleted, and supplementary provisions regarding the transitional measures accompanying these changes will be newly established. (Article 14 of the current Articles of Incorporation, Paragraphs 2 and 3 of the Supplementary Provisions to the Proposed Amendment)
- (2) The Company will introduce an executive officer system to promote the separation of management’s supervisory functions from its business execution functions and clarify the division of responsibilities, thereby enhancing each function and improving corporate governance. Accordingly, the following necessary changes will be made to the current Articles of Incorporation.
 - 1) The convener and the chairperson for general meetings of shareholders shall be changed from the president and director to the president and representative director. (Article 13 of the proposed amendments)
 - 2) In order to improve the efficiency and speed of management following the introduction of the executive officer system, the maximum number of directors is to be reduced. (Article 18 of the proposed amendments)
 - 3) The proposal clarifies the functions of representative directors as representing the Company externally and executing the Company’s business. (Article 21, Paragraph 2 of the proposed amendments)
 - 4) The provision for directors with specific titles shall be removed, and provisions for executive officers and executive officers with specific titles shall be newly established. (Article 22 of the current Articles of Incorporation and Article 28 of the proposed amendments)
 - 5) The proposal specifies that the president shall be selected from among the representative directors. (Article 28, Paragraph 2 of the proposed amendments)
- (3) Changes to the wording, article numbers, and other elements of the Articles of Incorporation shall be carried out to the extent necessitated by the newly established provisions and changes to and deletions of the existing provisions mentioned above.

2. Details of amendments

Details of the proposed amendments are as follows.

The partial amendments to the Articles of Incorporation under this proposal shall become effective at the conclusion of this Annual Shareholders Meeting.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3 General Meetings of Shareholders (Convener and Chairman) Article 13 The president and director shall convene general meetings of shareholders as the chairperson; (2) If the president and director cannot attend such meetings or the position of the president and director is vacant, one of the other directors shall convene the general meetings of shareholders and act as chairperson in order of precedence previously determined by the Board of Directors.</p> <p><u>(Internet Disclosure and Deemed Presentation of Reference Documents for General Meetings of Shareholders)</u> Article 14 <u>When convening the general meetings of shareholders, it may be deemed that the Company has provided shareholders with the necessary information as described or indicated in the reference documents for general meetings of shareholders, business reports, accounting reports, and consolidated financial statements on the condition that such information is disclosed via the Internet in accordance with the Ministry of Justice Ordinances.</u></p> <p>(Newly established)</p>	<p>Chapter 3 General Meetings of Shareholders (Convener and Chairman) Article 13 The president and <u>representative</u> director shall convene general meetings of shareholders as the chairperson; (2) If the president and <u>representative</u> director cannot attend such meetings or the position of the president and <u>representative</u> director is vacant, one of the other directors shall convene the general meetings of shareholders and act as chairperson in order of precedence previously determined by the Board of Directors.</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u> Article 14 <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> (2). <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 4 <u>Directors and Board of Directors</u></p> <p>(Number)</p> <p>Article 18 The number of directors (excluding directors serving as Audit & Supervisory Committee Members) of the Company shall not exceed <u>twelve (12)</u>.</p> <p>(Representative Directors)</p> <p>Article 21. Representative directors shall be elected from among directors (excluding directors serving as Audit & Supervisory Committee Members) by a resolution of the Board of Directors.</p> <p>(Newly established)</p> <p><u>(Directors with Specific Titles)</u></p> <p><u>Article 22. The Board of Directors may elect one (1) chairperson and one (1) director, president and director, and one (1) or more vice presidents and directors, senior managing directors, and managing directors.</u></p> <p>Articles <u>23-28</u> (Omitted)</p> <p>(Newly established)</p> <p>(Supplementary Provisions)</p> <p>With respect to any acts performed prior to the conclusion of the 87th ordinary general meeting of shareholders, the Board of Directors of the Company may, pursuant to the provisions of paragraph 1 of Article 426 of the Corporate Law, pass a resolution to exempt corporate auditors (including former corporate auditors) from liability for any damage that may result from failure to execute their duties to the extent required by laws and ordinances.</p>	<p>Chapter 4 <u>Directors, Board of Directors and Executive Officers</u></p> <p>(Number)</p> <p>Article 18 The number of directors (excluding directors serving as Audit & Supervisory Committee Members) of the Company shall not exceed <u>seven (7)</u>.</p> <p>(Representative Directors)</p> <p>Article 21 (Unchanged)</p> <p><u>(2) The president and representative director shall represent the Company and execute the Company's business.</u></p> <p>(Deleted)</p> <p>Articles <u>22-27</u> (Unchanged)</p> <p><u>(Executive Officers)</u></p> <p><u>Article 28 The Company may elect executive officers and assign them to execute the Company's business by a resolution of the Board of Directors.</u></p> <p><u>(2) The Board of Directors may, by its resolution, elect the president from among the representative directors, and one (1) or more other executive officers with specific titles from among executive officers.</u></p> <p>(Supplementary Provisions)</p> <p>(Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>(2) Notwithstanding the provisions of Article 14 of the Articles of Incorporation (Measures for Electronic Provision, Etc.), the Article 14 before the change (Internet Disclosure and Deemed Presentation of Reference Documents for General Meetings of Shareholders) shall remain in force with respect to a general meeting of shareholders held on or before February 28, 2023.</u></p>
(Newly established)	<p><u>(3) Supplementary provisions (2) and (3) shall be deleted on March 1, 2023, or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Five Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The term of office of all ten Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of five Directors is proposed. With regard to this proposal, based on the Nomination & Remuneration Advisory Committee's report and the Audit & Supervisory Committee's opinion, all candidates have been deemed to qualify as a Director of the Company after each candidate's execution of duties, performance and remarks made at the Board of Directors during the fiscal year ended October 31, 2022, and past experience, etc. were reviewed.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities, etc. at the Company	Attributes	Attendance at Board of Directors meetings
1	Akitomo Tamai	Senior Managing Director General Manager, Machinery & Equipment Div.	Reappointment	100% (22/22)
2	Akiyoshi Shinoda	Managing Director General Manager, Chemical Products Div.	Reappointment	100% (22/22)
3	Tetsuyuki Azuma	Director Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Industrial Materials Dept., and Minerals Dept.)	Reappointment	100% (22/22)
4	Osamu Fujii	Director In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div.	Reappointment	100% (22/22)
5	Kazuyuki Kitta	General Manager, Accounting Div.	New appointment	—

New appointment	Candidate for new Director
Reappointment	Candidate for reappointment as Director
Outside Director	Candidate for Outside Director
Independent Officer	Candidate for independent officer stipulated by stock exchanges, etc.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	Akitomo Tamai (February 12, 1957) Reappointment	<p>April 1980 Joined JDC CORPORATION</p> <p>April 1988 Joined Elkem Japan K.K.</p> <p>April 2000 Joined the Company</p> <p>November 2005 General Manager, Industrial Materials Dept., Chemical Products Div.</p> <p>January 2011 Director Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept., Industrial Materials Dept., and Fine Chemicals Dept.) President, Tomoe Butsuryu Co., Ltd.</p> <p>November 2012 President, Tomoe Trading (Shenzhen) Co., Ltd.</p> <p>January 2013 Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept. and Industrial Materials Dept.) and General Manager, China Business Promotion Dept., Chemical Products Div. of the Company</p> <p>November 2017 Deputy General Manager, Chemical Products Div. (in charge of Plastics Dept. and Industrial Materials Dept.)</p> <p>January 2018 Managing Director General Manager, Chemical Products Div.</p> <p>January 2021 Senior Managing Director (current position) General Manager, Machinery & Equipment Div. (current position)</p>	25,030
(Reasons for selecting the candidate for Director) Mr. Akitomo Tamai has abundant operational knowledge and experience on the Company's overall business with focus on the machinery and equipment business and chemical products business. Since assuming office as a Director in January 2011, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.			
2	Akiyoshi Shinoda (August 23, 1961) Reappointment	<p>April 1985 Joined Nippon Kaiji Kentei Kyokai</p> <p>September 1989 Joined the Company</p> <p>November 2011 General Manager, Chemical Products Sales Dept., Osaka Branch Office</p> <p>April 2014 General Manager, Fine Chemicals Dept., Chemical Products Div.</p> <p>January 2015 Director Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Electronic Materials Dept.) and General Manager, Fine Chemicals Dept.</p> <p>April 2015 Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Electronic Materials Dept., and Fine Chemicals Dept.)</p> <p>January 2018 Deputy General Manager, Chemical Products Div. (in charge of Fine Chemicals Dept., Electronic Materials Dept., and Plastics Dept.) President, Tomoe Butsuryu Co., Ltd.</p> <p>January 2021 Managing Director of the Company (current position) General Manager, Chemical Products Div. (current position)</p> <p>March 2021 President, Tomoe Trading (Shenzhen) Co., Ltd. (current position)</p>	21,592
(Reasons for selecting the candidate for Director) Mr. Akiyoshi Shinoda has abundant operational knowledge and experience on the Company's overall business with focus on the chemical products business. Since assuming office as a Director in January 2015, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
3	Tetsuyuki Azuma (August 16, 1960) Reappointment	April 1984 November 2009 January 2018 April 2018 November 2019 January 2021	Joined the Company General Manager, Advanced Materials Dept., Chemical Products Div. Director (current position) Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Industrial Materials Dept.) and General Manager, Advanced Materials Dept. Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept. and Industrial Materials Dept.) Deputy General Manager, Chemical Products Div. (in charge of Advanced Materials Dept., Industrial Materials Dept., and Minerals Dept.) (current position) President, Tomoe Butsuryu Co., Ltd. (current position)	10,391
(Reasons for selecting the candidate for Director) Mr. Tetsuyuki Azuma has abundant operational knowledge and experience on the Company's overall business with focus on the chemical products business. Since assuming office as a Director in January 2018, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				
4	Osamu Fujii (December 10, 1963) Reappointment	April 1987 April 2013 January 2020 November 2020 January 2022	Joined the Company General Manager, General Affairs Div. Director (current position) In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div. In charge of General Affairs Div. and Business Coordination Div. In charge of General Affairs Div. and Business Coordination Div. and General Manager, General Affairs Div. (current position)	9,675
(Reasons for selecting the candidate for Director) Mr. Osamu Fujii has abundant operational knowledge and experience on the Company's overall business with focus on the administrative division. Since assuming office as a Director in January 2020, he has duly performed duties in general as Director. Therefore, the Company believes that he is qualified as a Director of the Company and reappoints him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
5	Kazuyuki Kitta (January 5, 1964) New appointment	April 1987	Joined The Fuji Bank, Limited	197
		April 2015	General Manager of Sendai Branch, Mizuho Bank, Ltd.	
		February 2019	Joined the Company	
		November 2019	General Manager, Accounting Div. (current position)	
(Reasons for selecting the candidate for Director)				
Mr. Kazuyuki Kitta has abundant knowledge and experience on finance and accounting. Therefore, the Company expects that he is capable of duly performing his duties as a Director and appoints him as a candidate for Director.				

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate includes those held by the Tomoe Engineering Officer Shareholding Association or the Tomoe Engineering Employee Shareholding Association.
3. The Company has concluded a directors and officers liability insurance policy provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Any damage that may arise as a result of an insured person assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability shall be covered by the said insurance policy, provided, however, that there are exemptions that damage arising from the insured person's acts committed with the knowledge that they are in violation of laws and regulations shall be outside the scope of coverage. The insurance premiums are fully borne by the Company for all insured persons. If this proposal is approved as originally proposed, each candidate will become an insured person under the said insurance policy. Furthermore, at the next renewal, the Company plans to renew the insurance policy with the same contents.

Proposal 4: Election of Four Directors serving as Audit & Supervisory Committee Members

The term of office of all four Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of four Directors serving as Audit & Supervisory Committee Members is proposed.

The Audit & Supervisory Committee has given its consent to this proposal.

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows:

No.	Name	Current positions and responsibilities, etc. at the Company	Attributes	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Committee meetings
1	Toshiaki Yakura	Director In charge of Accounting Div. and Management Planning Dept.	New appointment	100% (22/22)	—
2	Kenji Yahiro	Outside Director (Director serving as Audit & Supervisory Committee Member)	Reappointment Outside Director Independent Officer	100% (22/22)	100% (14/14)
3	Tatsuo Hasunuma	Outside Director (Director serving as Audit & Supervisory Committee Member)	Reappointment Outside Director Independent Officer	100% (22/22)	100% (14/14)
4	Rei Sugihara	—	New appointment Outside Director Independent Officer	—	—

New appointment	Candidate for new Director
Reappointment	Candidate for reappointment as Director
Outside Director	Candidate for Outside Director
Independent Officer	Candidate for independent officer stipulated by stock exchanges, etc.

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
1	Toshiaki Yakura (May 31, 1958) New appointment	April 1981	Joined The Fuji Bank, Limited	15,015
		April 2008	General Manager, Americas Business Operations Department, Mizuho Corporate Bank, Ltd.	
October 2012	Joined the Company			
April 2014	General Manager assistant to Accounting Div.			
January 2015	General Manager, Accounting Div. Director (current position)			
November 2019	In charge of Accounting Div. and Management Planning Dept. and General Manager, Accounting Div. In charge of Accounting Div. and Management Planning Dept. (current position)			
(Reasons for selecting the candidate for Director) Mr. Toshiaki Yakura has experience as a Director in charge of Accounting Div. and Management Planning Dept. after working in the Accounting Div. of the Company, and has financial, accounting and legal knowledge necessary for the execution of duties. Therefore, the Company believes that he is qualified and appoints him as a candidate for Director serving as Audit & Supervisory Committee Member.				
2	Kenji Yahiro (November 24, 1959) Reappointment Outside Director Independent Officer	April 1983	Joined Yasuda Life Insurance Company	1,193
		April 2014	General Manager, Contract Services Div., Meiji Yasuda Life Insurance Company	
April 2017	Director and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.			
April 2018	Executive Officer and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.			
April 2020	Deputy Manager, Business Support Div., Meiji Yasuda Office Partners Co., Ltd.			
January 2021	Outside Director (Director serving as Audit & Supervisory Committee Member) of the Company (current position)			
(Reasons for selecting the candidate for Outside Director and overview of expected roles) Mr. Kenji Yahiro has long been engaged in life insurance and general insurance, and has experience in corporate management. He has fulfilled an appropriate role in supervising the business execution as an Outside Director by expressing his opinions as necessary from his professional viewpoint at Board of Directors meetings. Therefore, the Company believes that he will be able to perform his duties appropriately as an Outside Director, and reappoints him as a candidate for Outside Director serving as Audit & Supervisory Committee Member. The Company expects that if he is elected, he will continue to fulfill the above roles.				
3	Tatsuo Hasunuma (September 8, 1952) Reappointment Outside Director Independent Officer	April 1971	Joined the Tokyo Regional Taxation Bureau	1,050
		July 2002	Professor, Research Department, National Tax College	
July 2008	Chief Examiner, Second Examination Group, Tokyo Regional Taxation Bureau			
July 2012	District Director, Nerima-nishi Tax Office			
September 2013	Opened Tatsuo Hasunuma Certified Public Tax Accountant Office (to the present)			
January 2019	Outside Director (Director serving as Audit & Supervisory Committee Member) of the Company (current position)			
(Reasons for selecting the candidate for Outside Director and overview of expected roles) Although Mr. Tatsuo Hasunuma has never been directly involved in corporate management except as an Outside Director, he has long been engaged in corporate taxation. He has fulfilled an appropriate role in supervising the business execution as an Outside Director by expressing his opinions as necessary from his professional viewpoint at Board of Directors meetings. Therefore, the Company believes that he will be able to perform his duties appropriately as an Outside Director, and reappoints him as a candidate for Outside Director serving as Audit & Supervisory Committee Member. The Company expects that if he is elected, he will continue to fulfill the above roles.				

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	Rei Sugihara (October 25, 1958) <div style="border: 1px solid black; padding: 2px;">New appointment Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Officer</div>	April 1986 Appointed Assistant Judge, Tokyo District Court April 1995 Registered as Attorney-at-law, Tokyo Bar Association January 1996 Joined Koga Sogo Law Office June 2006 Koga Sogo Law Office Renamed Kasumi Sogo Law Office Partner lawyer (to the present) March 2015 Outside Audit & Supervisory Board Member, TACHIKAWA CORPORATION (current position) June 2020 Outside Director and Audit & Supervisory Committee Member, Ushio Inc. (current position)	0
		(Significant concurrent positions) Outside Audit & Supervisory Board Member, TACHIKAWA CORPORATION Outside Director and Audit & Supervisory Committee Member, Ushio Inc.	
(Reasons for selecting the candidate for Outside Director and overview of expected roles) Although Ms. Rei Sugihara has never been directly involved in corporate management except as an Outside Director, she is well versed in corporate legal affairs as an attorney-at-law. Based on her abundant experience and knowledge, the Company expects that she will play an appropriate role in supervising the business execution as an Outside Director of the Company, and appoints her as a candidate for Outside Director serving as Audit & Supervisory Committee Member.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate includes those held by the Tomoe Engineering Officer Shareholding Association.
3. Messrs. Kenji Yahiro, Tatsuo Hasunuma and Ms. Rei Sugihara are candidates for Outside Directors.
4. Messrs. Kenji Yahiro and Tatsuo Hasunuma satisfy the criteria for independence of outside officers stipulated by the Company, in addition to the criteria for independent officers stipulated by the Tokyo Stock Exchange. Therefore, the Company believes that each candidate's independence has been fully secured. If this proposal is approved, the Company will once again notify the Tokyo Stock Exchange of each candidate as an independent officer stipulated by the Exchange. In addition, Ms. Rei Sugihara also satisfies the criteria for independence of outside officers stipulated by the Company, in addition to the criteria for independent officers stipulated by the Tokyo Stock Exchange. Therefore, the Company believes that her independence has been fully secured. If this proposal is approved, the Company will notify the Tokyo Stock Exchange of her as an independent officer stipulated by the Exchange.
5. Messrs. Kenji Yahiro and Tatsuo Hasunuma are currently serving as Outside Directors serving as Audit & Supervisory Committee Members. They will have served as Outside Directors serving as Audit & Supervisory Committee Members for two years and four years, respectively, at the conclusion of this Annual Shareholders Meeting.
6. There are no special interests between TACHIKAWA CORPORATION, where Ms. Rei Sugihara serves as an Outside Audit & Supervisory Board Member, and the Company, or between Ushio Inc., where she serves as Outside Director, and the Company, and the Company.
7. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Messrs. Kenji Yahiro and Tatsuo Hasunuma, current Directors serving as Audit & Supervisory Committee Members, to limit their liabilities stipulated in Article 423, Paragraph 1 of the Companies Act. The limit on liability for damages under the agreement is the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved and the two candidates are reelected as Directors serving as Audit & Supervisory Committee Members, the Company intends to enter into liability limitation agreements with each of them under the same terms and conditions. In addition, if this proposal is approved and Mr. Toshiaki Yakura and Ms. Rei Sugihara are elected as Directors serving as Audit & Supervisory Committee Members, the Company intends to enter into liability limitation agreements with each of them under the same terms and conditions.
8. The Company has concluded a directors and officers liability insurance policy provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Any damage that may arise as a result of an insured person assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability shall be covered by the said insurance policy, provided, however, that there are exemptions that damage arising from the insured person's acts committed with the knowledge that they are in violation of laws and regulations shall be outside the scope of

coverage. The insurance premiums are fully borne by the Company for all insured persons. If this proposal is approved as originally proposed, each candidate will become an insured person under the said insurance policy. Furthermore, at the next renewal, the Company plans to renew the insurance policy with the same contents.

Proposal 5: Election of One Substitute Director serving as Audit & Supervisory Committee Member

In preparation for the contingency that the number of Directors serving as Audit & Supervisory Committee Members falls below the number stipulated by laws and ordinances, the election of one Substitute Director serving as Audit & Supervisory Committee Member is proposed. The resolution of this proposal will expire at the beginning of the annual shareholders meeting held for the last business year ending within two years after the resolution.

The Audit & Supervisory Committee has given its consent to this proposal.

The candidate for Substitute Director serving as Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held	
Takashi Sato (September 21, 1961) Outside Director Independent Officer	April 1984	0	
	July 2009		Joined the Tokyo Regional Taxation Bureau
	July 2010		Professor, General Education Department, National Tax College
	July 2018		Professor, Research Department, National Tax College
	July 2018		Director, Fourth Division, Information and Examination Division, First Taxation Department, Tokyo Regional Taxation Bureau
	July 2020		Director, International Division (Criminal Investigation), Criminal Investigation Department, Tokyo Regional Taxation Bureau
July 2021	District Director, Meguro Tax Office		
September 2022	Opened Takashi Sato Certified Public Tax Accountant Office (to the present)		
(Reasons for selecting the candidate for Substitute Outside Director and overview of expected roles) Although Mr. Takashi Sato has never been directly involved in corporate management, he has long been engaged in corporate taxation. Based on his abundant experience and knowledge, the Company expects that he will fulfill an appropriate role in supervising the business execution as an Outside Director of the Company, and appoints him as a candidate for Substitute Outside Director serving as Audit & Supervisory Committee Member.			

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Takashi Sato is a candidate for Outside Director.
3. Mr. Takashi Sato satisfies the criteria for independence of outside officers stipulated by the Company, in addition to the criteria for independent officers stipulated by the Tokyo Stock Exchange. Therefore, the Company believes that his independence has been fully secured.
4. In the event that Mr. Takashi Sato assumes office as a Director serving as Audit & Supervisory Committee Member, the Company will, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an agreement to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. The limit on liability for damages under the agreement will be the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
5. The Company has concluded a directors and officers liability insurance policy provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Any damage that may arise as a result of an insured person assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability shall be covered by the said insurance policy, provided, however, that there are exemptions that damage arising from the insured person's acts committed with the knowledge that they are in violation of laws and regulations shall be outside the scope of coverage. The insurance premiums are fully borne by the Company for all insured persons. If Mr. Takashi Sato assumes office as a Director serving as Audit & Supervisory Committee Member, he will become an insured person under the said insurance policy. Furthermore, at the next renewal, the Company plans to renew the insurance policy with the same contents.

Proposal 6: Revision of the Amount of Remuneration, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The 87th Annual Shareholders Meeting held on January 27, 2017 adopted a resolution to set the amount of remuneration for Directors of the Company (excluding Directors serving as Audit & Supervisory Committee Members) at 20 million yen or less per month (10 persons were eligible for payment as of the date of resolution), and the resolution remains valid. Subject to the approval of Proposal 2: Partial Amendments to the Articles of Incorporation, however, the Company is to introduce an executive officer system. Taking into consideration the change in the number and composition of Directors and the further increase in the roles and responsibilities of Directors against the backdrop of recent changes in the economic situation and business environment, the Company proposes to revise the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) to 16 million yen or less per month.

There are ten Directors (excluding Directors serving as Audit & Supervisory Committee Members). If Proposal 2 and Proposal 3 are approved as originally proposed, the Company will have five Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The Company has formulated a policy for determining the remuneration of individual Directors (excluding Directors serving as Audit & Supervisory Committee Members), an overview of which is stated on pages 51 to 52 (Japanese original). The Board of Directors has confirmed that, with respect to the remuneration of individual Directors (excluding Directors serving as Audit & Supervisory Committee Members) for the fiscal year under review, the method of determination and the details of the remuneration were in line with the aforementioned policy, and that the report from the Nomination & Remuneration Advisory Committee has been respected. The Board of Directors has thus determined that the remuneration of the individual Directors (excluding Directors serving as Audit & Supervisory Committee Members) conforms to the said determination policy.

Furthermore, the resolution of this proposal shall become effective on the condition that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed and the amendments to the Articles of Incorporation become effective as a result of the resolution of Proposal 2.

Proposal 7: Revision of the Amount of Remuneration, etc. for Directors serving as Audit & Supervisory Committee Members

The 87th Annual Shareholders Meeting held on January 27, 2017 adopted a resolution to set the amount of remuneration for Directors serving as Audit & Supervisory Committee Members of the Company at 5 million yen or less per month (4 persons were eligible for payment as of the date of resolution), and the resolution remains valid. However, taking into consideration the increasing roles of Directors serving as Audit & Supervisory Committee Members in ensuring the effectiveness of the corporate governance system, and the need to attract talent with knowledge, expertise, and experience that will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value, we propose to revise the amount of compensation to 7 million yen or less per month.

There are four Directors serving as Audit & Supervisory Committee Members. If Proposal 4 is approved as originally proposed, the Company will have four Directors serving as Audit & Supervisory Committee Members.

This proposal was determined with reference to various circumstances, including the scale of the Company's business, the number of Directors serving as Audit & Supervisory Committee Members, the remuneration system and its level of payment, etc., and the Company has concluded that the proposal is appropriate.

Having reviewed the responsibilities required of Directors serving as Audit & Supervisory Committee Members and the nature of their remuneration, the Company proposes that, from the 94th fiscal year onward, the payment of bonuses to Directors serving as Audit & Supervisory Committee Members be discontinued and only fixed remuneration be paid within the above revised compensation amount.

Proposal 8: Payment of Bonuses to Officers

By considering the operating results for the fiscal year ended October 31, 2022 and other factors, payment of bonuses to three Directors (excluding Directors serving as Audit & Supervisory Committee Members) and four Directors serving as Audit & Supervisory Committee Members in the total amount of 95,021,000 yen (62,544,000 yen for Directors (excluding Directors serving as Audit & Supervisory Committee Members), and 32,477,000 yen for Directors serving as Audit & Supervisory Committee Members) is proposed. Regarding the amount to be paid to each Director, we would like to ask our shareholders to leave the decision on the amount to the Board of Directors for the amount paid to Directors (excluding Directors serving as Audit & Supervisory Committee Members) and to a discussion among Directors serving as Audit & Supervisory Committee Members for the amount paid to Directors serving as Audit & Supervisory Committee Members. The Company has formulated a policy for determining details of individual remuneration, etc. of Directors (excluding Directors serving as Audit & Supervisory Committee Members), and an overview of the said policy is stated on pages 51 to 52 (Japanese original). The Nomination & Remuneration Advisory Committee and the Audit & Supervisory Committee have confirmed that the procedures to decide the total amount of bonuses and the specific method of calculation, etc. are in line with the said policy, and it is judged that this proposal is appropriate.

Proposal 9: Continuation of Countermeasures against Large-Scale Purchases, Etc. of the Company's Shares, etc. (Takeover Defense Measures)

At a meeting held on December 20, 2022, the Company's Board of Directors determined a basic policy regarding persons who are to control the determination of financial and business policies of the Company (as defined in the introductory clause of Item 3 of Article 118 of the Regulations for Enforcement of the Companies Act; hereinafter referred to as the "Basic Policy Concerning Company Control"). At the same meeting, the Board of Directors also resolved to introduce the following countermeasures against large-scale purchases, etc. of the Company's shares (hereinafter referred to as the "Plan") as efforts to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person in light of the Basic Policy Concerning Company Control (as defined in Article 118, Item 3, (b)-2 of the aforementioned regulations).

The Plan, which was introduced based on the above resolution of the Board of Directors, will remain in effect until the conclusion of the Company's annual shareholders meeting scheduled for January 27, 2023 (hereinafter referred to as the "Annual Shareholders Meeting" in this proposal), and a proposal on the continuation of the Plan will be submitted to the shareholders at the Annual Shareholders Meeting.

Therefore, we request shareholders to agree to the purpose of the Plan, and approve the continuation of the Plan as described below in "III Details of the Plan (Efforts to Prevent Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Basic Policy Concerning Company Control)." If this proposal does not receive affirmative votes representing a majority of the voting rights of the shareholders present at this Annual Shareholders Meeting, the Plan shall be abolished at the conclusion of this Annual Shareholders Meeting.

The introduction and continuation of the Plan were unanimously approved at a meeting of the Company's Board of Directors, which included four Directors serving as Audit & Supervisory Committee Members (of whom three are Outside Directors).

Details

I Basic Policy Concerning Company Control

1 Basic Policy Regarding Persons Who Are to Control the Determination of Financial and Business Policies of the Company

The Company believes that persons who are to control the determination of financial and business policies of the Company should fully understand the Company's management philosophy and business, maintain a relationship of trust with shareholders and various other stakeholders, and ensure and enhance the Company's corporate value and the common interests of shareholders over the medium to long term.

Given that the Company is a listed company, its shares are allowed to be freely traded on the stock market

by numerous shareholders and investors. Therefore, we believe that in the event of a large-scale purchase of shares that controls the determination of the Company's financial and business policies, the final decision as to whether or not to accept such a purchase offer should be made by the free will of the Company's shareholders.

However, when considering the purposes of some large-scale purchases of shares or proposals of large-scale purchases of shares, some of them do not contribute to the corporate value of the target company or the common interests of its shareholders. For example, they may obviously damage the target company's corporate value and, in turn, the common interests of its shareholders, or effectively force shareholders to sell their shares.

To the extent permitted by the Companies Act and other applicable laws and regulations, as well as the Company's Articles of Incorporation, the Company will take appropriate measures against any person who makes a large-scale purchase or proposes a large-scale purchase that could damage the Company's corporate value and, in turn, the common interests of the Company's shareholders.

2 Supplementary Explanations of the Basic Policy

In the event that a party attempts to conduct a large-scale purchase, etc. aiming at taking control of the determination of the Company's financial and business policies, it is essential that the large-scale purchaser provide necessary and sufficient information in order for the Company's shareholders to properly judge the impact of such a large-scale purchase, etc. on the Company's corporate value and, in turn, the common interests of its shareholders. In order for the shareholders to make a proper judgment, we must provide them with not only the information given by the large-scale purchaser, but also the outcome of the evaluation and consideration by Board of Directors of the Company regarding the large-scale purchaser's proposal.

Therefore, under the Plan, the Company will: (1) request the large-scale purchaser to provide necessary and sufficient information for the shareholders to determine the merits and demerits of the proposal, (2) have the Board of Directors evaluate and consider how the proposal of the large-scale purchaser will affect the corporate value of the Company and, in turn, the common interests of its shareholders, and will offer, if necessary, counter proposals as the Board of Directors such as management policies, etc. against the proposal by the large-scale purchaser, and negotiate or discuss with the large-scale purchaser regarding the Company's management policy, etc. and (3) establish the following procedures to ensure that shareholders have sufficient time to decide on the merits and demerits of the large-scale purchase in light of the information and evaluations described above, and take appropriate measures in case a large-scale purchase, etc. actually takes place,

In addition, as mentioned above, the Company believes that the final decision as to whether or not to accept a large-scale purchase, etc. should be made based on the collective will of shareholders. Therefore, the Board of Directors of the Company will not reject the large-scale purchase, etc. of the Company's shares if the shareholders agree that the large-scale purchase, etc. will contribute to the corporate value of the Company and the common interests of shareholders, after the shareholders have been provided with the sufficient time and information necessary to examine the purpose and details of the large-scale purchase, etc. and to decide on its merits and demerits in advance through the procedures stipulated in the Plan.

In order to respect the collective will of all shareholders, as long as the large-scale purchaser complies with the procedures stipulated in the Basic Policy, the Company shall hold a general meeting of shareholders before the Company's Board of Directors implements countermeasures under the Plan, as a forum for the shareholders of the Company to express their intentions regarding whether or not to accept the large-scale purchase, etc. (hereinafter referred to as the "General Shareholders' Meeting to Confirm Shareholders' Intentions"). If the shareholders express their intention to approve the large-scale purchase, etc., that is, if the proposal for the Company to take countermeasures against the large-scale purchase, etc. is not approved by an ordinary resolution at the General Shareholders' Meeting to Confirm Shareholders' Intentions, the Board of Directors of the Company will not take any action to prevent such a large-scale purchase, etc., as long as the large-scale purchase, etc. is conducted in accordance with the conditions and details disclosed in accordance with the Plan.

Accordingly, the countermeasures based on the Plan (specifically, the gratis allotment of stock acquisition rights) will be implemented with utmost respect for the recommendations of the Independent Committee only if (a) approval for the implementation of the countermeasures is obtained at the General Shareholders' Meeting to Confirm Shareholders' Intentions and the large-scale purchaser (defined in III below) does not withdraw the bid for large-scale purchase, etc., or (b) the large-scale Purchaser does not comply with the procedures described in III below.

II Special Initiatives that Contribute to the Achievement of the Basic Policy

1 Initiatives to enhance corporate value and the common interests of our shareholders

(1) Our Management Philosophy and Management Policy

Our management philosophy is to grow and develop with creativity and founding spirit, creating a prosperous future for all people involved with the Company; contribute to society by providing advanced technology and products of superb quality to customers; and provide employees with the chance to live fulfilling lives. To these ends, we will manufacture and sell machines based on solid-liquid centrifugal separation technology and import and sell unique raw materials for the chemical industry.

(2) Medium-term management plan to realize the management policy

In the medium-term management plan “For Sustainable Future” (November 2022 - October 2025) announced on December 14, 2022, the Basic Policy and performance plan are set forth as follows. For further details, please refer to “The Formulation of the Medium-Term Management Plan (November 2022 - October 2025)” (in Japanese only) at (https://www.tomo-e.co.jp/ir/13th_chukei.pdf).

1. Basic Policy

In this increasingly uncertain business environment that surrounds the Group, we aim to create new value not bound by existing frameworks and achieve sustainable growth using our global business base, networks, diverse knowledge, and diversity as our strengths, and proactively tackle common global issues such as the SDGs and decarbonization, to continue transformation and growth, improving our business performance and corporate value for a sustainable future.

We aim to improve our profitability through our management philosophy to “provide advanced technology and products of superb quality and contribute to society,” and enhance our corporate value by obtaining favorable valuation from the securities market through coexistence and co-prosperity with our customers and other stakeholders and return of profits to our shareholders, and by achieving sustainable growth and development as well.

2. Performance plan

In the machinery and equipment business, we will work to improve profitability by promoting production system reforms and expanding our overseas business by strengthening sales in the Chinese market, enhancing sales capabilities in the U.S. market, and developing new markets. In addition, we will drive forward initiatives related to the SDGs and decarbonization, including expansion into renewable energy fields such as binary power generation systems.

In the chemical products business, we will promote overseas business expansion by expanding business in Southeast Asia, centered on Thailand, expanding in European countries with the Czech Republic as our base, and finding new suppliers. In addition, as part of our efforts to address the SDGs and decarbonization, we will aggressively market products and services in the fields of renewable energy (such as wind power and solar power generation), EVs, and the power semiconductors that support EVs.

Through these measures, we aim to achieve consolidated net sales of 50 billion yen and ordinary income of 4 billion yen for the fiscal year ending October 31, 2025 (the 96th fiscal year), which is the final year of the plan, and we will disseminate this objective throughout the Group under the title “For Sustainable Future.”

2 Initiatives related to corporate governance

(1) The Company’s basic approach to corporate governance

In order to continuously increase corporate value and meet the expectations of our shareholders and other stakeholders, the Company respects the intent of the Corporate Governance Code and recognizes that effective corporate governance is an important management issue, the basis of which is “prompt, efficient, and proactive business management” and “ensuring sound and transparent management.” Recognizing our own social responsibility, we will work together with our group companies to put these principles into practice in accordance with our corporate philosophy, management guidelines, and code of conduct.

(2) Overview of the Company’s corporate governance system and reasons for adopting such a system

In order to further enhance its corporate governance system by strengthening the auditing and supervisory functions of the Board of Directors, the Company has adopted an institutional design of a company with an audit & supervisory committee.

The Company’s corporate governance system ensures the effectiveness of corporate governance by establishing the Audit & Supervisory Committee, which includes several independent Outside Directors and conducts audits and supervision from an independent and objective standpoint, as well as through cooperation

with various committees, including the Nomination & Remuneration Advisory Committee, which the Company has established on a voluntary basis. The Company believes that this is the most effective way to ensure the effectiveness of corporate governance at present.

III Details of the Plan (Efforts to Prevent Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Basic Policy Concerning Company Control)

1 Purpose and Outline of the Plan

The Plan is introduced in line with the aforementioned “Basic Policy Concerning Company Control” for the purpose of maximizing the Company’s corporate value and, in turn, the common interests of shareholders.

The Board of Directors of the Company believes that the decision as to whether or not to accept a large-scale purchase, etc. should ultimately rest with the shareholders from the viewpoint of maximizing the corporate value of the Company and, in turn, the common interests of its shareholders. For this purpose, the Company has established the Plan to set the rules for large-scale purchases, etc. of the Company’s shares, etc., and will request the large-scale purchaser to provide the necessary and sufficient information regarding the large-scale purchase, etc. before conducting it. In addition, the Company will secure sufficient time for the Board of Directors to fully evaluate and examine the information related to the large-scale purchase, etc., negotiate with the large-scale purchaser, and present an alternative proposal to shareholders. When the Board of Directors of the Company is to implement countermeasures under the Plan, as long as the large-scale purchaser complies with the procedures set forth in the Policy, the Board of Directors shall hold a General Shareholders’ Meeting to Confirm Shareholders’ Intentions in order to confirm the collective will of the shareholders as to whether to accept the large-scale purchase, etc. or to implement countermeasures against the large-scale purchase, etc.

The status of the Company’s major shareholders as of the end of October 2022 is as shown in Attachment 1, “Major Shareholders of the Company.” The Company has not received any notice or proposal of large-scale purchases, etc. of the Company’s shares from any specific third party as of this time, including from shareholders of the Company.

2 Establishment of Independent Committee

In order to ensure the proper operation of the Plan, prevent arbitrary decisions by the Board of Directors, and ensure the objectivity and reasonableness of the Board’s decisions, the Company will establish an Independent Committee in accordance with the Independent Committee Regulations (see Attachment 2 for an overview). The Independent Committee shall consist of at least three members. In order to ensure their fair and neutral judgments, they shall be appointed from among Outside Directors or outside experts (such as company managers, lawyers, certified public accountants, consultants, and other professionals with proven track records) who are independent of the Company’s business execution. The names and biographies of the Independent Committee member candidates installed at the time of the introduction of the Plan can be found in Attachment 3.

Prior to the implementation of countermeasures, the Board of Directors of the Company shall consult with the Independent Committee on the appropriateness of the implementation of countermeasures and other matters necessary to take actions in accordance with the Plan. The Independent Committee shall then carefully evaluate and examine the large-scale purchase, etc. from the perspective of enhancing the corporate value of the Company and the common interests of its shareholders, and shall make a recommendation to the Board of Directors as to whether or not to implement the countermeasures. Having given all due respect to the recommendations of the Independent Committee, the Board of Directors of the Company shall decide on the implementation of countermeasures. A summary of the recommendations of the Independent Committee shall be made public when appropriate.

In order to ensure that the decisions of the Independent Committee are made in a manner that contributes to the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, when necessary and at the Company’s expense, obtain advice from independent third-party outside experts (financial advisors, lawyers, certified public accountants, consultants and other professionals, etc.).

3 Eligible Large-Scale Purchases, etc.

For the purpose of this Plan, “Large-Scale Purchase, etc.” refers to the parties below (in either case, except those approved in advance by the Board of Directors of the Company), and the term “Large-Scale Purchaser” shall mean a person who conducts or intends to conduct a large-scale purchase, etc., whether alone, jointly with other persons, or in concert with other persons.

- 1) Any purchase of the Company’s Share Certificates, etc.¹ (including, but not limited to, the commencement of a tender offer) made with the purpose of increasing a specific group of shareholders’² voting rights ratio³ to 20% or more,
- 2) Any purchase of the Company’s Share Certificates, etc. (including, but not limited to, the commencement of a tender offer) that results in a specific group of shareholders holding 20% or more of the voting rights ratio,
or
- 3) Any act⁴ carried out between a specific group of shareholders of the Company and some other shareholder of the Company (including cases where there are multiple shareholders. Hereinafter, the same shall apply in this item 3)), regardless of whether or not the acts described in 1) or 2) above have been carried out, that results in the establishment of a relationship of joint ownership between the other shareholder and the specific group of shareholders, or a relationship in which either the specific group of shareholders or the other shareholder exercises practical control over the other party, or a relationship in which the two parties act jointly or in concert⁵ (however, this is limited to cases in which the sum of Share Certificates, etc. held by the specific group of shareholders and the other shareholder accounts for 20% or more of the Share Certificates, etc. issued by the Company).

¹ “Share Certificates, etc.” refers to share certificates and other securities as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

² “Specific group of shareholders” refers to (i) holders (with “holders” as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those who are included in the holders pursuant to Paragraph 3 of the same Article) of Share Certificates, etc. (with “Share Certificates, etc.” as defined in Article 27-23, Paragraph 1 of the same Act) of the Company, and their joint holders (with “joint holders” as defined in Article 27-23, Paragraph 5 of the same Act, including those who are deemed to be joint holders pursuant to Paragraph 6 of the same Article), (ii) persons or Specially Related Parties (with “Specially Related Parties” as defined in Article 27-2, Paragraph 7 of the same Act) who make a purchase, etc. (with “purchase, etc.” as defined in Article 27-2, Paragraph 1 of the same Act, including those conducted in a financial instruments exchange market), (iii) parties related to the parties described in the aforementioned (i) or (ii) (referring to groups consisting of investment banks, securities firms, and other financial institutions that have entered into financial advisory agreements with these parties, other parties with which these parties share substantial interests, tender offer agents, lawyers, accountants, and other advisors, or other parties reasonably recognized by the Company’s Board of Directors as being substantially controlled by or acting in concert or coordination with these parties), and (iv) persons who have acquired Share Certificates, etc. of the Company from a person falling under (i) above through this (iv) in an off-market negotiated trading or in an off-floor trading session of the Tokyo Stock Exchange (ToSTNeT-1).

³ Depending on the specific method by which the specific group of shareholders has purchased Share Certificates, etc., “voting rights ratio” refers to (i) the Ownership Ratio of Share Certificates (with “Ownership Ratio of Share Certificates” as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. In this case, the number of Share Certificates, etc. held by joint owners would be included in the calculation of the number (with “number” referring to the number of Share Certificates, etc. owned, as defined in the same paragraph) of Share Certificates, etc. owned by the holder) of the Company’s Share Certificates, etc. (with “Share Certificates, etc.” as defined by Article 27-23, Paragraph 1 of the same Act) owned or jointly owned by the specific group of shareholders, or (ii) in the case that the specific group of shareholders consists of persons who purchase Share Certificates, etc. (with “Share Certificates, etc.” as defined in Article 27-2, Paragraph 1 of the same Act) of the Company and their Specially Related Parties, the sum of the Ownership Ratios of Share Certificates (with “Ownership Ratio of Share Certificates” as defined in Article 27-2, Paragraph 8 of the same Act) of those persons and their Specially Related Parties. When calculating the Ownership Ratio of Share Certificates or the possession ratio of share certificates, the most recently filed document from among the annual securities report, quarterly securities report, or report on repurchase may be used as a reference upon which to base the total number of issued shares (as defined in Article 27-23, Paragraph 4 of the same Act) or the total number of voting rights (as defined in Article 27-2, Paragraph 8 of the same Act).

⁴ The determination of whether the act described in 3) above has taken place shall be made by way of a reasonable judgment of the Company's Board of Directors (in making such a judgment, the Board of Directors shall respect the recommendations of the Independent Committee to the maximum extent possible). The Board of Directors may request the Company's shareholders to provide information to the extent necessary to determine whether or not the conditions specified in 3) above apply.

⁵ The determination of whether or not a "a relationship in which either the specific group of shareholders or the other shareholder exercises practical control over the other party, or a relationship in which the two parties act jointly or in concert" has been established shall be made based on the formation of substantial interests in the Company's Share Certificates, etc. through new investment relationships, business alliances, business transactions or contracts, concurrent directorships, funding relationships, credit granting relationships, derivatives or stock lending, and the direct or indirect influence of such specified groups of shareholders and other relevant shareholders on the Company.

4 Procedures Leading to the Implementation of Countermeasures

(1) Submission of Statement of Intent

Prior to the execution of a large-scale purchase, etc., the large-scale purchaser shall be requested to submit to the Board of Directors a document (hereinafter referred to as the "Statement of Intent") in which the large-scale purchaser pledges to comply with the procedures set forth in this Plan in the event of a large-scale purchase, etc. The Statement of Intent shall be submitted in the Japanese language in a format specified by the Company.

Specifically, the Statement of Intent must include the following items, and if the large-scale Purchaser is a corporation or other legal entity, then it must also submit its articles of incorporation, a certificate of full registry records (or equivalent), and non-consolidated and consolidated balance sheets and statements of income for the most recent five fiscal years.

1) Information on the Large-Scale Purchaser

a) Name and address or location

b) If the large-scale purchaser is a corporation or other legal entity, the names and career trajectory covering the last ten years of its representative, directors (or their equivalent positions. The same shall apply hereinafter.) and auditors (or their equivalent positions. The same shall apply hereinafter.) must be provided.

c) If the large-scale purchaser is a corporation or other legal entity, an explanation of its purposes and business activities.

d) If the large-scale purchaser is a corporation or other legal entity, outline of its direct or indirect major shareholders or investors (top 10 in terms of shareholding ratio or investment ratio) and substantial controlling shareholders (investors).

e) Domestic Contacts

f) If the large-scale purchaser is a corporation or other legal entity, the governing law of its incorporation

g) Names, head office locations, and business activities of major investees, as well as the percentage of shareholding or investment in those major investees.

2) The number of the Company's Share Certificates, etc. currently held by the large-scale purchaser and the status of transactions of the Company's Share Certificates, etc. by the large-scale purchaser during the 60 days prior to the submission of the Statement of Intent

3) An outline of the large-scale purchase, etc. proposed by the large-scale purchaser (including the type and number of the Company's Share Certificates, etc. to be acquired by the large-scale purchaser through the large-scale purchase, etc. and the purpose of the large-scale purchase, etc. (in case of acquisition of control or participation in management, pure investment or policy investment, transfer, etc. of the Company's Share Certificates, etc. to a third party after the large-scale purchase, etc., a Material Proposal,⁶ or other purposes, a statement to the effect and details thereof. If there is more than one purpose, all of them should be listed.)).

⁶ The term "Material Proposal" corresponds to the term with the same name defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act and Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, as well as to the "Acts Which Constitute the Making of Important Suggestions" in Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates. The same shall apply hereinafter.

(2) Request for Required Information

Within ten (10) business days of the day following the day on which the Company receives the Statement of Intent from the large-scale purchaser, the Board of Directors of the Company shall provide the large-scale purchaser with a written document detailing the information required for the large-scale purchase, etc. (such information hereinafter referred to as the “Required Information”, and such written document hereinafter referred to as the “Required Information List”). The large-scale purchaser will be required to submit the Required Information in writing to the Board of Directors of the Company, in accordance with the Required Information List.

General items of Required Information are listed in Attachment 4. The specific details will vary depending on the attributes of the large-scale purchaser and the details of the large-scale purchase, etc., but in all cases will be limited to the extent necessary and sufficient for the shareholders to make their decisions and for the Company’s Board of Directors to form its opinion.

From the viewpoint of prompt implementation of the procedures stipulated in the Plan, the Board of Directors of the Company may, as necessary, set a deadline for the large-scale purchaser to provide the Required Information (no later than 60 days from the date of the first delivery of the Required Information List. Hereinafter called the “Information Provision Period”). However, the Information Provision Period may be extended if requested by the large-scale purchaser based on reasonable grounds.

If, as a result of the Board of Directors’ careful examination of the Required Information initially submitted based on the above, the Board considers that such Required Information is not sufficient to adequately evaluate and consider the appropriateness of the large-scale purchase, etc., the Board may request the large-scale purchaser to provide additional information within the Information Provision Period (in making such a determination, the Board will respect the judgment of the Independent Committee to the maximum extent possible).

The Required Information provided to the Company’s Board of Directors will be submitted to the Independent Committee and, if deemed necessary for the shareholders to make a decision, will be made public in whole or in part at a time deemed appropriate by the Board of Directors.

With respect to the fact that the large-scale purchaser has made a proposal for a large-scale purchase, etc., the Board of Directors of the Company will 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.

(3) Evaluation and Review Period by the Board of Directors

After the day following the completion of the provision of the Required Information or the expiration of the Information Provision Period (whichever comes earlier), the Board of Directors of the Company shall establish a period of up to 60 days in the case of a tender offer to purchase all the shares of the Company with cash only (yen value), and up to 90 days in the case of other large-scale purchases, etc., as the period for the Board of Directors to evaluate, examine, negotiate, form an opinion, and develop an alternative proposal (hereinafter referred to as the “Board of Directors Evaluation and Review Period”), depending on the degree of difficulty of the evaluation of the large-scale purchase, etc. The Board of Directors Evaluation and Review Period may be extended only if the Board of Directors and the Independent Committee reasonably believe that the period is insufficient for the evaluation and review. Nevertheless, the extension shall be for a maximum of 30 days. In such cases, the Company will notify the purchasers, etc. of the specific extension period and the specific reasons why the extension is necessary. This information will also be disclosed to shareholders and investors.

During the Board of Directors Evaluation and Review Period, the Board of Directors of the Company will fully evaluate and review the Required Information provided, receiving advice as necessary from outside experts (financial advisors, certified public accountants, lawyers, consultants, and other professionals), who represent third parties independent of the Independent Committee. The Board of Directors will carefully formulate and announce its opinion, respecting the recommendations of the Independent Committee to the maximum extent possible. If necessary, the Board of Directors may negotiate with the large-scale purchaser to improve the terms of the large-scale purchase, etc., and present an alternative proposal to the shareholders.

The large-scale purchase, etc. may commence only after the expiration of the Board of Directors Evaluation and Review Period (however, if the General Shareholders’ Meeting to Confirm Shareholders’ Intentions is held and the proposal for the implementation of countermeasures is rejected, it may commence after the

General Shareholders' Meeting to Confirm Shareholders' Intentions. If the proposal for countermeasures is approved, it may only commence after the conclusion of the first meeting of the Company's Board of Directors held promptly after the conclusion of the General Shareholders' Meeting to Confirm Shareholders' Intentions).

(4) Response in the Event of a Large-Scale Purchase, etc.

1) If the large-scale purchaser complies with the procedures set forth in the Plan

If the large-scale purchaser complies with the procedures set forth in the Plan, the Board of Directors of the Company will evaluate, examine, negotiate, form opinions about, and develop alternative proposals for the large-scale purchase, etc., respecting the opinions of the Independent Committee to the maximum extent possible, taking into consideration the Required Information provided by the large-scale purchaser and all other circumstances. If, following its review, the Board of Directors of the Company opposes the large-scale purchase, etc. and determines with reasonable grounds that the large-scale purchase, etc. will significantly damage the corporate value of the Company and, in turn, the common interests of its shareholders, the Board of Directors will decide to hold a General Shareholders' Meeting to Confirm Shareholders' Intentions within the Board of Directors Evaluation and Review Period, and hold a general shareholders' meeting promptly after making this decision.

If the Board of Directors of the Company can determine with reasonable grounds that any of the following (i) through (vii) applies, the Board of Directors shall, in principle, determine that the acquisition would significantly damage the Company's corporate value and, in turn, the common interests of its shareholders. However, such determination shall be made only when it can be judged on a reasonable basis that the large-scale purchase, etc. will significantly damage the Company's corporate value and, in turn, the common interests of shareholders, and shall not be made solely on the basis that any of the following (i) through (vii) below formally applies.

- (i) The large-scale purchaser is considered to be seeking to purchase Company's shares for the sole purpose of driving up the stock price and causing the Company and its related parties to acquire Company shares at the elevated price (a so-called greenmailer) while having no genuine intention of participating in the management of the Company.
- (ii) The large-scale purchaser is considered to be seeking to purchase Company's shares for the purpose of so-called scorched-earth management, temporarily controlling the management of the Company to transfer the Company's intellectual property rights, expertise, trade secrets, major business partners or customers that are necessary for the Company's business management to the large-scale purchaser or its group companies.
- (iii) The large-scale purchaser is considered to be seeking to purchase Company's shares with the intention of gaining control of the management of the Company to then use the Company's assets as collateral or a source of repayment of debts of the large-scale purchaser or its group companies.
- (iv) If the large-scale purchaser is considered to be seeking to purchase the Company's shares for the purpose of temporarily controlling the management of the Company, causing the Company to dispose of valuable assets such as real estate and securities, which are presently not related to the business of the Company, by way of sale or otherwise, and causing the Company to temporarily pay high dividends with the proceeds of such disposal or selling off the Company's shares at a high price to take advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (v) If the method of purchase of the Company's shares proposed by the large-scale purchaser is considered to be a so-called coercive two-tier purchase (meaning a purchase of shares, such as a tender offer, without soliciting the purchase of all the Company's shares in the first purchase and with unfavorable or unclear conditions set for the second purchase) or other methods that could introduce the risk of restricting the opportunity or freedom of shareholders to make a decision and effectively force shareholders to sell their shares in the Company.

- (vi) If it is judged that the acquisition of control by the large-scale purchaser will lead to the deterioration of relationships with customers, employees, local communities, and other stakeholders, thereby significantly damaging the corporate value of the Company and, in turn, the common interests of its shareholders.
- (vii) If the corporate value of the Company in the event that the large-scale purchaser obtains control over the Company is considered to be significantly inferior to the corporate value of the Company in the event that the large-scale purchaser does not obtain control, in terms of comparison of medium- to long-term future corporate values, and therefore the corporate value of the Company and, in turn, the common interests of shareholders are judged to be significantly damaged.

When holding the General Shareholders' Meeting to Confirm Shareholders' Intentions, the Board of Directors of the Company shall compile documentation including the Required Information provided by the large-scale purchaser, the Board of Directors' opinion on the Required Information, the Board of Directors' alternative proposal and other matters that the Board of Directors of the Company deems appropriate, and the recommendations or opinions of the Independent Committee. The Board of Directors shall send this documentation with the notice of convocation of the General Shareholders' Meeting to all shareholders, and disclose such fact in a timely and appropriate manner. Shareholders will be asked to consider the information concerning the large-scale purchase, etc. and to express their judgment as to whether or not to accept the large-scale purchase, etc. by way of approving or disapproving the implementation of countermeasures as set forth in a proposal by the Board of Directors of the Company. If a majority of the voting rights of the shareholders present at the General Shareholders' Meeting to Confirm Shareholders' Intentions are in favor of the proposal, then the proposal for the implementation of countermeasures shall be deemed to have been approved. Whether the General Shareholders' Meeting to Confirm Shareholders' Intentions resolves to implement or not to implement the countermeasures, the Board of Directors of the Company shall comply with the resolution. Specifically, if a proposal to implement countermeasures is rejected at the General Shareholders' Meeting to Confirm Shareholders' Intentions, the Board of Directors of the Company will not implement the countermeasures. On the other hand, if a proposal to implement countermeasures is approved at the General Shareholders' Meeting to Confirm Shareholders' Intentions, a resolution necessary to implement the countermeasures will be adopted by the Board of Directors of the Company promptly after its conclusion, unless the large-scale purchaser withdraws the large-scale purchase, etc. The results of the General Shareholders' Meeting to Confirm Shareholders' Intentions will be disclosed in a timely and appropriate manner after the resolution.

2) If the large-scale purchaser fails to comply with the procedures set forth in the Plan

If the large-scale purchaser does not comply with the procedures stipulated in the Plan, regardless of the specific method of purchase, then the Board of Directors may implement countermeasures and oppose the large-scale purchase, etc. for the purpose of protecting the Company's corporate value and the common interests of its shareholders. The implementation of countermeasures shall be decided after receiving the recommendation of the Independent Committee. However, if recommended to do so by the Independent Committee, a General Shareholders' Meeting to Confirm Shareholders' Intentions may be held in accordance with 1) above, and shareholders may be asked to express their opinions by way of approving or disapproving a proposal for the implementation of countermeasures made by the Board of Directors of the Company.

In the report "Takeover Defense Measures in Light of Recent Environmental Changes," dated June 30, 2008 and issued by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry, it is stated that as long as arbitrary operations are avoided, "the board of directors would be permitted to adopt takeover defense measures and implement them against the acquirers who do not temporarily halt, violating procedures within a scope recognized as reasonable, in case of ensuring adequate time and information necessary for shareholders to appropriately decide whether to support or oppose the takeovers or opportunities for negotiation to extract better takeover terms for shareholders through negotiation with the acquirers."

In determining whether or not the large-scale purchaser has complied with the procedures set forth in the Plan, the large-scale purchaser's circumstances shall be taken into account to a reasonable extent, and the mere failure to submit some of the Required Information alone shall not be considered a failure to comply with the procedures set forth in the Plan.

In addition, the Board of Directors of the Company shall respect the opinions or recommendations of the Independent Committee to the maximum extent when judging whether or not the large-scale purchaser has complied with the procedures stipulated in the Plan and whether or not the countermeasures should be implemented due to the failure of the large-scale purchaser to comply with the procedures stipulated in the Plan.

5 Overview of Countermeasures

If the Company's Board of Directors is to implement countermeasures in accordance with the procedures set forth in 4 above, the Board of Directors will make a decision as an organization under the Companies Act, respecting the recommendations of the Independent Committee to the maximum extent possible.

In such cases, the Board of Directors of the Company will implement a gratis allotment of stock acquisition rights as a specific countermeasure, the outline of which is as provided in Attachment 5 in principle. In the event of an actual gratis allotment of stock acquisition rights, conditions will be set to ensure the effectiveness of the countermeasure, such as a condition that the shareholder shall not belong to a specific group of shareholders whose ratio of voting rights exceeds a certain percentage to exercise such rights.

6 The Impact on Shareholders and Investors

(1) Impact of the Plan on shareholders and investors at the time of the Plan's introduction

No gratis allotment of stock acquisition rights will be implemented at the time of introduction of the Plan. Therefore, at the time of its introduction, the Plan will not directly or concretely affect the rights and economic interests of shareholders and investors.

(2) Impact on shareholders and investors at the time of the gratis allotment of stock acquisition rights

Even if the Board of Directors of the Company triggers a countermeasure (specifically, a gratis allotment of stock acquisition rights) for the purpose of protecting the corporate value of the Company and, in turn, the common interests of its shareholders, the countermeasures have been structured such that shareholders (excluding the Unqualified Persons as described in item 5 of Attachment 5 "Outline of Gratis Allotment of Stock Acquisition Rights." The same also applies to the next item (3) below) are not expected to suffer detriment in terms of the legal or economic aspects.

On the other hand, shareholders who fall under the category of Unqualified Persons as set forth in item 5 of Attachment 5 "Outline of Gratis Allotment of Stock Acquisition Rights" may suffer detriment in legal or economic terms if the countermeasures are implemented.

In the event that the Board of Directors of the Company decides to take specific countermeasures, the Company will 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.

Even after a proposal to implement countermeasures has been approved at the General Shareholders' Meeting to Confirm Shareholders' Intentions (including after the gratis allotment of stock acquisition rights takes effect), in the event of circumstances such as the large-scale purchaser withdrawing the large-scale purchase, etc., for example, the Company may cancel the allotment of stock acquisition rights or acquire the stock acquisition rights with no consideration without issuing Company's shares to the stock acquisition rights by the day before the commencement date of the exercise of stock acquisition rights. In such cases, shareholders or investors who sell or otherwise dispose of their shares based on the assumption that the value per share will be diluted may suffer commensurate losses due to fluctuations in the share price.

(3) Procedures required of shareholders at the time of the gratis allotment of stock acquisition rights

If the Company implements a gratis allotment of stock acquisition rights as a countermeasure, shareholders will receive an allotment of stock acquisition rights without having to apply to receive them, and as the Company will take procedures to acquire the stock acquisition rights, shareholders will receive shares in the Company as consideration for the acquisition of the stock acquisition rights by the Company without paying money equivalent to the exercise price of the stock acquisition rights, so no application or payment procedures are required. In this case, however, the Company may separately request shareholders who are to receive an allotment of stock acquisition rights to submit a written pledge in a form specified by the Company that they themselves are not the large-scale purchaser.

7 Mechanisms to Enhance the Rationality of the Plan

In formulating the Plan, by taking the following points into consideration, the Company believes that the Plan is in line with the Basic Policy Concerning Company Control described above, is consistent with the corporate value of the Company and the common interests of its shareholders, is not intended to maintain the position of the Company's officers, and is highly reasonable.

(1) The purpose of the Guidelines Regarding Takeover Defense have been taken into consideration.

The Plan takes into consideration the purpose of the three principles (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' will, and the principle of ensuring the necessity and reasonableness) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and the "Takeover Defense Measures in Light of Recent Environmental Changes" report published on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry, as well as "Principle 1.5 Anti-Takeover Measures" of "Japan's Corporate Governance Code" published on June 1, 2015 by the Tokyo Stock Exchange, Inc. The requirements stipulated in these guidelines are also fulfilled in the Plan.

(2) The introduction of the new system is for the purpose of securing and enhancing the common interests of shareholders

As described in "1 Purpose and Outline of the Plan" above, the Plan is introduced for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, by securing necessary information and time to enable the shareholders to decide whether or not to accept a large-scale purchase, etc. of the Company's shares, or to enable the Board of Directors to present an alternative proposal, or by enabling the Board of Directors to negotiate with the large-scale purchaser on behalf of the shareholders, etc.

(3) The Plan directly reflects the intentions of shareholders (elimination of arbitrary decisions by directors)

The Plan have been introduced by a resolution of the Board of Directors, but will remain in force only if a proposal for the continuation of the Plan is approved at the Annual Shareholders Meeting to be held shortly after its introduction. Thus, the Plan is designed to directly reflect the intentions of shareholders with respect to the introduction of the Plan.

In addition, as long as the large-scale purchaser complies with the procedures set forth in the Plan, the situations in which the Board of Directors of the Company may trigger countermeasures based on the Plan are limited to cases in which a resolution to trigger countermeasures is passed at the General Shareholders' Meeting to Confirm Shareholders' Intentions. Therefore, the Plan is also designed to directly reflect the intentions of shareholders in judging the appropriateness of triggering the countermeasures.

(4) Emphasis on judgment by highly independent external parties (elimination of arbitrary decisions by Directors)

As described in “4 (4) Response in the Event of a Large-Scale Purchase, etc.” above, in order to ensure the necessity and reasonableness of the Plan and to prevent the Plan from being abused by the Directors for their own protection, the Company shall consult with the Independent Committee, which consists of members who are independent of the Company’s management in charge of business execution, regarding the appropriateness of triggering countermeasures and other matters necessary to respond in accordance with the Plan to ask for their recommendation. The Company shall respect their recommendation to the maximum extent. Thus, the Company has secured procedures to ensure the transparent operation of the Plan to eliminate arbitrary decisions by Directors and to contribute to the corporate value of the Company and the common interests of shareholders.

(5) The Plan is not a dead-hand or slow-hand takeover defense measure

The Plan may be abolished by the Board of Directors, which is composed of Directors elected at the general meeting of shareholders of the Company. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure that cannot be stopped even if a majority of the members of the Board of Directors are replaced).

Furthermore, the Company is a company with an audit & supervisory committee, and the term of office of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is one year, and the term of office of Directors serving as Audit & Supervisory Committee Members is two years. As the Company has not adopted a system of staggered terms of office for Directors serving as Audit & Supervisory Committee Members, the Plan is not a slow-hand takeover defense measure (a takeover defense measure which takes more time to stop triggering due to the fact that all members of the Board cannot be replaced at once) either. The Company does not have weighted requirements for resolutions to dismiss Directors (excluding Directors serving as Audit & Supervisory Committee Members), such as the requirement for a special resolution.

8 Procedures and Effective Period for Abolition of the Plan

The effective period of the Plan will expire at the conclusion of the Company’s Annual Shareholders Meeting scheduled for 2026. In addition, the Plan shall be abolished immediately when 1) a resolution to abolish the Plan is passed at a general meeting of shareholders of the Company, or 2) a resolution to abolish the Plan is passed by the Board of Directors of the Company.

Even during the effective period of the Plan, the Board of Directors may review the Plan from time to time from the viewpoint of enhancing corporate value and the common interests of shareholders, and may amend the Plan by a resolution of the Board of Directors with the approval of the Independent Committee. If the Company’s Board of Directors decides to amend or abolish the Plan, the Company will promptly announce the details of such decision.

Even during the effective period of the Plan, the Board of Directors may amend or revise the Plan, as necessary, with the approval of the Independent Committee, if laws and regulations concerning the Plan or the rules of the financial instruments exchanges on which the Company is listed are newly established, amended or abolished, and it is appropriate to reflect such new establishment, amendment or abolishment, or if it is appropriate to revise the wording due to typographical errors or omissions or for any other reason, as long as such amendment or revision will not cause any disadvantage to shareholders.

- End -

Attachment 1**Major Shareholders of the Company**

As of October 31, 2022, the Company's major shareholders are as follows

Shareholder	Investment in the Company	
	Number of shares held (thousand shares)	Shareholding ratio (%)
Hikari Tsushin K.K.	747	7.48
The Master Trust Bank of Japan, Ltd. (Trust Account)	696	6.97
UH Partners 2, Inc.	575	5.76
Tomoe Engineering Client Shareholding Association	551	5.53
Mariko Noda	397	3.97
Mizuho Bank, Ltd.	392	3.93
Haruko Yamaguchi	314	3.14
Tomoe Engineering Employee Shareholding Association	288	2.89
Tomoe Kikaku Co., Ltd.	245	2.46
SIL Co., Ltd.	222	2.23

*The Company holds treasury stock (554,940 shares) but is excluded from the list of major shareholders above. The shareholding ratio is calculated excluding treasury stock.

Attachment 2

Overview of the Independent Committee Regulations

- The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
- The Independent Committee shall consist of at least three members who shall be appointed by a resolution of the Board of Directors of the Company. In order to enable fair and neutral judgments, they shall be chosen from among Outside Directors or outside experts (such as company managers, lawyers, certified public accountants, consultants, and other professionals with proven track records) who are independent of the execution of the Company's business.
- The Independent Committee shall, in principle, make recommendations to the Board of Directors on matters for which it is consulted by the Board of Directors, such as a judgment as to whether or not the large-scale purchaser has complied with the procedures stipulated in the Plan, a judgment as to whether or not the large-scale purchase, etc. will materially damage the corporate value of the Company and the common interests of shareholders, a judgment as to whether or not to take countermeasures, a judgment as to whether or not to suspend countermeasures once they are taken, and so on, with reasons and grounds for such recommendations. Each member of the Independent Committee shall make such judgments from the perspective of whether or not they contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.
- The Independent Committee may, when necessary and at the Company's expense, obtain advice from independent third-party outside experts (financial advisors, lawyers, certified public accountants, consultants and other professionals, etc.).
- Resolutions of the Independent Committee shall be based on unanimous agreement.

- End -

Attachment 3

Independent Committee Member Biographies

Brief biographies of the members of the Independent Committee are given below.

[Name] Kenji Yahiro / Outside Director (Independent Officer)
[Biography] Born on November 24, 1959
April 1983 Joined Yasuda Life Insurance Company
April 2014 General Manager, Contract Services Div., Meiji Yasuda Life Insurance Company
April 2017 Director and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.
April 2018 Executive Officer and General Manager, Underwriting Div., Meiji Yasuda General Insurance Co., Ltd.
April 2020 Deputy Manager, Business Support Div., Meiji Yasuda Office Partners Co., Ltd.
January 2021 Director of the Company (Director serving as Audit & Supervisory Committee Member) (current position)

[Name] Makoto Nakamura / Outside Director (Independent Officer)
[Biography] Born on September 28, 1955
April 1988 Admitted to the TOKYO BAR ASSOCIATION
March 1993 Established Shinjuku Daiichi Law Office
January 2011 Audit & Supervisory Committee Member of the Company
January 2017 Director of the Company (Director serving as Audit & Supervisory Committee Member) (current position)
September 2017 Established Kamijikkoku Nakamura Law Office (to the present)

[Name] Tatsuo Hasunuma / Outside Director (Independent Officer)
[Biography] Born on September 8, 1952
April 1971 Joined the Tokyo Regional Taxation Bureau
July 2002 Professor, Research Department, National Tax College
July 2008 Chief Examiner, Second Examination Group, Tokyo Regional Taxation Bureau
July 2012 District Director, Nerima-nishi Tax Office
September 2013 Opened Tatsuo Hasunuma Certified Public Tax Accountant Office (to the present)
January 2019 Director of the Company (Director serving as Audit & Supervisory Committee Member) (current position)

(Note) If this proposal and Proposal No. 4 “Election of Four Directors serving as Audit & Supervisory Committee Members” are approved and passed as originally proposed, Mr. Makoto Nakamura will retire from the Independent Committee at the conclusion of this Annual Shareholders Meeting, and Ms. Rei Sugihara will be appointed as his successor at the Board of Directors meeting to be held after the conclusion of this Annual Shareholders Meeting. A brief biography of Ms. Rei Sugihara is given as follows.

[Name] Rei Sugihara
[Biography] Born on October 25, 1958
April 1986 Appointed Assistant Judge, Tokyo District Court
April 1995 Registered as Attorney-at-law, Tokyo Bar Association
January 1996 Joined Koga Sogo Law Office
June 2006 Koga Sogo Law Office Renamed Kasumi Sogo Law Office
Partner lawyer (to the present)
January 2023 To be appointed Director of the Company (Audit & Supervisory Board Member)

(Note) The Company will file a notification with the Tokyo Stock Exchange to register Ms. Rei Sugihara as an independent officer after her appointment as a Director of the Company.

Attachment 4

Information to be Requested from the Large-Scale Purchaser

1. Details (including history, specific name, capital structure, investment ratio, business description, financial condition, and whether or not there have been any violations of laws and regulations within the past 10 years (and summaries thereof, if any), as well as the names of officers, their career histories for the past 10 years, and whether or not there have been any violations of laws and regulations in the past (and summaries thereof, if any)) of the large-scale purchaser and its group (including major shareholders or investors (whether directly or indirectly. The same applies hereinafter.), material subsidiaries and affiliates, joint holders and specially related parties, and in the case of a fund, each partner, investor and other constituent members, as well as those who continuously provide advice on investment. The same applies hereinafter).
2. Specific details of the internal control system of the large-scale purchaser and its group (including the group's internal control system) and the status of the system and whether it is effective or not.
3. Purposes of the large-scale purchase, etc. (details of purposes disclosed in the Statement of Intent), its method and details (including whether or not the large-scale purchaser has an intention to participate in management, the type and amount of consideration for the large-scale purchase, etc., the timing of the large-scale purchase, etc., the structure of related transactions, the number of shares to be purchased and the ownership percentage after such purchase, and legality of the method of the large-scale purchase, etc., the feasibility of the large-scale purchase, etc. and its related transactions (if the large-scale purchase, etc. is subject to certain conditions, then the details of such conditions), and if there is a possibility that the Company's shares will be delisted after the large-scale purchase, etc., then a statement to that effect and the reasons thereof. In addition, regarding the legality of the method of the large-scale purchase, etc., a written opinion by a qualified attorney is also required to be submitted at the same time).
4. Basis of calculation of consideration for the large-scale purchase, etc. and the process of calculation (including the facts and assumptions underlying the calculation, the calculation method, the numerical data used for the calculation and details of the synergies and dis-synergies expected to be generated by the series of transactions related to the large-scale purchase, etc. and, if opinions of any third parties have been heard upon the calculation, the names of such third parties, summaries of such opinions and how the amount was determined based on such opinions).
5. Proof of funds for the large-scale purchase, etc. (including the specific name(s) of the provider(s) of funds (including the substantial providers, whether direct or indirect), the method of raising funds, whether there are any conditions required for the provision of funds (and if so, their details), whether there is any collateral or pledges required after the provision of funds (and if so, their details), and details of related transactions).
6. Whether or not there is communication on intention with any third parties in relation to the large-scale purchase, etc. (including any communication of the intent related to the Material Proposal to be made to the Company. The same applies hereinafter), and, if there is such communication, the details thereof and an overview of the third parties involved.
7. The holding status of the Company's Share Certificates, etc. by the large-scale purchaser and its group, the holding status and contractual status of derivatives and other financial derivative instruments whose underlying assets are the Company's Share Certificates, etc. or assets related to the business of the Company or its group, and the status of any lending, borrowing, short selling, etc. of the Company's Share Certificates, etc.
8. If there is any lease agreement, security agreement, repurchase agreement, sale option, or any other material agreement or arrangement in relation to the Company Share Certificates, etc. already held by the large-scale purchaser and its group (hereinafter referred to as a "Security Agreement, etc."), specific details of such Security Agreement, etc. including the type of such agreement, counterparty, and the number of

Share Certificates, etc. subject to such agreement.

9. If the large-scale purchaser plans to conclude a Security Agreement, etc. or any other agreement with a third party in relation to the Share Certificates, etc. of the Company that the large-scale purchaser plans to acquire in the large-scale purchase, etc., specific details of the agreement including the type of agreement planned to be made, the counterparty, and the number of Share Certificates, etc. subject to such agreement.
10. Management policies, business plans, financial plans, capital plans, investment plans, capital policies and dividend policies, etc. of the Company and the Company's group contemplated after the completion of the large-scale purchase, etc. (including plans for the sale, offering as collateral, or other disposition of the Company's assets after the large-scale purchase, etc.).
11. Policies regarding the treatment of the officers, employees, labor unions, trading partners and customers of the Company and the Company's group, as well as the local governments where the Company's facilities, etc. are located, and any other interested party of the Company, after the completion of the large-scale purchase, etc.
12. Specific measures for avoiding conflicts of interest with other shareholders of the Company.
13. Regulatory matters under domestic or foreign laws and regulations that may be applicable to the large-scale purchase, etc., and the possibility of obtaining approvals or permits, etc. required under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange and Foreign Trade Act, or other laws and regulations from domestic or foreign governments or third parties (with respect to these matters, a written opinion by a qualified attorney is also required to be submitted).
14. Possibility of maintaining the necessary permits and approvals under domestic and foreign laws and regulations with respect to the management of the Group and the possibility of complying with domestic and foreign laws and regulations, after the large-scale purchase, etc.
15. Whether or not there is any relationship (whether direct or indirect) with antisocial forces or terrorist organizations, and if so, the details of such relationships.

- End -

Attachment 5

Outline of Gratis Allotment of Stock Acquisition Rights

1. Class of shares to be issued upon exercise of the Stock Acquisition Rights
Common shares of the Company
2. Number of shares to be issued upon exercise of the Stock Acquisition Rights
The number of shares to be issued upon exercise of each Stock Acquisition Right shall be determined separately by the Board of Directors.
3. Amount of assets to be contributed upon exercise of the Stock Acquisition Rights
Contributions to be made upon the exercise of the Stock Acquisition Rights shall be cash, and the amount of cash contributed shall be the number of common shares of the Company subject to the Stock Acquisition Rights multiplied by one (1) yen.
4. Exercise period of the Stock Acquisition Rights
The exercise period of the Stock Acquisition Rights shall be separately determined by the Board of Directors.
5. Conditions for exercising the Stock Acquisition Rights
 - (a) Stock Acquisition Rights held by Unqualified Persons (including those substantially held) may not be exercised.
An “Unqualified Person” is a person who falls under any of the following categories.
 - (i) Large-Scale Purchaser
 - (ii) Joint Holders of the Large-Scale Purchaser (Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act)
 - (iii) Specially Related Parties of the Large-Scale Purchaser (Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act)
 - (iv) Any person whom the Board of Directors reasonably determines, based on the recommendation by the Independent Committee, to fall under any of the following
 - (x) Any person who has received or succeeded to the Stock Acquisition Rights from any person falling under (i) through (iv) above without the Company’s approval.
 - (y) A “related party” of any person falling under (i) through (iv) above. “Related party” refers to investment banks, securities firms, and other financial institutions that have entered into financial advisory agreements with these persons, other persons who share a substantial interest with these persons, tender offer agents, attorneys, accountants, and other advisors, or persons who are substantially controlled by these persons or who act jointly or in concert with these persons. In determining “related parties” for partnerships and other funds, the substantial identity of the fund manager and other various factors will be considered.
 - (b) Holders of Stock Acquisition Rights may exercise their rights only if they submit the a written document including representation and warranty clauses, indemnification clauses, and other clauses specified by the Company stating that they do not fall under the Unqualified Persons described in 5(a) above (in the case of exercising the rights on behalf of a third party, this includes the fact that such third party does not fall under any of the Unqualified Persons set forth in 5(a) above), and any materials showing that they fulfill the conditions required by the Company within a reasonable extent, as well as documents required by laws and regulations.
 - (c) If applicable foreign securities laws or other laws and regulations require the performance of prescribed procedures or the satisfaction of prescribed conditions for the exercise of the Stock Acquisition Rights by a person located in the jurisdiction of such laws or regulations, a person located in such jurisdiction may exercise the Stock Acquisition Rights only when the Company is satisfied that all such procedures and conditions have been performed or satisfied. Note that, even if a person located in the relevant jurisdiction would be able to exercise the Stock Acquisition Rights if the Company fulfilled or satisfied the above procedures and conditions, the Company would not be obligated to fulfill or satisfy such procedures and

conditions.

- (d) Confirmation of the fulfillment of the conditions in 5(c) above shall be made by a procedure similar to the procedure set forth in 5(b) above, as determined by the Board of Directors.

6. Acquisition clause

- (a) With regard to Stock Acquisition Rights that are exercisable yet unexercised in accordance with the provisions of 5(a) and (b) above (i.e., those held by persons who are not Unqualified Persons. This includes Stock Acquisition Rights held by persons who fall under 5(c) above, and will be referred to as “Stock Acquisition Rights Eligible for Exercise” in 6(b) below.), the Company may, on a date determined by the Board of Directors to be on or after the effective date of the gratis allotment of Stock Acquisition Rights, acquire the common shares of the Company in the number corresponding to the integer portion of the number of the Stock Acquisition Rights to be acquired, multiplied by the number of shares to be acquired per Stock Acquisition Right as consideration.
- (b) On a date determined by the Board of Directors to be on or after the effective date of the gratis allotment of Stock Acquisition Rights, the Company may, with respect to unexercised Stock Acquisition Rights other than the Stock Acquisition Rights Eligible for Exercise, acquire the Stock Acquisition Rights in exchange for the same number of Stock Acquisition Rights, with certain restrictions on the exercise by Unqualified Persons (exercise conditions as described below with other details to be determined by the Board of Directors. Such stock acquisition rights shall hereinafter be referred to as “Second Stock Acquisition Rights”).

(Exercise conditions)

Unqualified Persons may not exercise the Second Stock Acquisition Rights except in the following cases, or in cases specified by the Board of Directors.

- (x) In the event that the large-scale purchaser withdraws or suspends the large-scale purchase, etc. after the resolution of the General Shareholders’ Meeting to Confirm Shareholders’ Intentions and pledges not to implement the large-scale purchase, etc. thereafter, and the large-scale purchaser or other Unqualified Persons dispose of the Company’s shares by entrusting them to a securities company acceptable to the Company, and
 - (y) If the Ownership Ratio of Share Certificates of the large-scale purchaser after such disposition (however, in calculating the Ownership Ratio of Share Certificates in this condition (y), Unqualified Persons other than the large-scale purchaser and its joint holders shall be deemed to be joint holders of the large-scale purchaser. In addition, the calculation shall exclude the Second Stock Acquisition Rights held by Unqualified Persons for which the exercise conditions are not met) as recognized by the Board of Directors is less than 20%, the large-scale purchaser or other Unqualified Persons who made such disposition may exercise the Second Stock Acquisition Rights for the number of shares equivalent to the number of shares so disposed of only to the extent that the percentage remains less than such 20%.
- (c) The Company may acquire all of the Stock Acquisition Rights without consideration on a date separately determined by the Board of Directors of the Company if the Board of Directors of the Company deems it appropriate for the Company to acquire the Stock Acquisition Rights at any time up to the day before the commencement date of the exercise period of the Stock Acquisition Rights.

7. Transfer approval

Acquisition of the Stock Acquisition Rights by transfer requires the approval of the Board of Directors.

8. Matters related to capital stock and legal capital surplus

Matters concerning capital stock and legal capital surplus to be increased in connection with the exercise of the Stock Acquisition Rights and acquisition pursuant to the Acquisition Clause shall be determined in accordance with applicable laws and regulations.

9. Fractions

Any fraction of less than one share in the number of shares to be delivered to those who exercise the Stock Acquisition Rights shall be rounded down. However, if such stock acquisition right holders exercise more than one stock acquisition right at the same time, the fractions of the number of shares to be delivered to such stock acquisition right holders may be calculated by adding up the number of shares to be delivered upon exercise of each stock acquisition right.

10. Issuance of Certificates of Stock Acquisition Rights

No certificates will be issued for these Stock Acquisition Rights.

11. Number of the Stock Acquisition Rights to be allotted to shareholders

The Company shall allot the Stock Acquisition Rights at a ratio of one (1) Stock Acquisition Right per one (1) share of common stock of the Company (excluding common stock held by the Company).

12. Shareholders eligible for gratis allotment of the Stock Acquisition Rights

The Company shall allot the Stock Acquisition Rights to all shareholders (excluding the Company) of the Company's common stock whose names appear or are recorded in the final shareholders' register as of the record date separately determined by the Board of Directors.

13. Total Number of the Stock Acquisition Rights

The total number of Stock Acquisition Rights shall be the same as the final number of shares issued by the Company as of the record date separately determined by the Board of Directors (excluding the number of shares of common stock held by the Company).

14. Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date of the gratis allotment of the Stock Acquisition Rights shall be separately determined by the Board of Directors on a date after the record date, also to be separately determined by the Board of Directors.

- End -

- End -

(Reference)

Composition and skills matrix of the Board of Directors if Proposals 3 and 4 are approved as originally proposed

	Corporate Management	Sales & Marketing		Overseas Businesses	Production, Technologies & Development	Finance & Accounting	Human Resources & Labor	Legal Affairs & Risk Management	Outside Officers & Independence
		Manufacturers	Trading Companies						
Akitomo Tamai	●	●	●	●	●				
Akiyoshi Shinoda	●		●	●					
Tetsuyuki Azuma	●		●	●					
Osamu Fujii	●						●	●	
Kazuyuki Kitta						●			
Toshiaki Yakura	●			●		●			
Kenji Yahiro	●							●	●
Tatsuo Hasunuma						●			●
Rei Sugihara								●	●

Selection criteria for Outside Directors of the Company

Outside Directors and the candidates for Outside Director of the Company shall be the individuals satisfying the following criteria:

1. The individuals who are capable of directly supervising the matters regarding management in general, financial and legal affairs, corporate governance and other issues that are deliberated or resolved at the Board of Directors meetings.
2. The individuals who have insight, expertise and experience conducive to the sustainable growth and medium- to long-term enhancement of corporate value of the Company, and are capable of expressing useful opinions and giving advice regarding the matters related to corporate management, including business strategy, formulation of medium-term management plan, etc.

Criteria for independence of Outside Directors of the Company

Outside Directors and the candidates for Outside Director of the Company shall be the individuals that do not fall under the following criteria 1 to 5. The applicable period for the criteria 2 to 5 shall be the present and the past ten years.

1. Individual related to the Group
Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Accounting Advisor, Executive Officer, Operating Officer or employee (hereinafter, "Executive, etc.") of the Company, or subsidiaries and affiliates of the Company (hereinafter, "the Group")
2. Shareholder and individual related thereto
 - (1) A shareholder who holds 10% or more of the Company's voting rights, or Executive, etc. of such shareholder
 - (2) An Executive, etc. of the company in which the Group holds 10% or more of voting rights
3. Individual related to business partner
 - (1) Executive, etc. of a business partner that records a transaction amount with the Group equivalent to 2% or more of said entity's consolidated net sales or; Executive, etc. of a business partner with which the Group records a transaction amount equivalent to 2% or more of the Group's consolidated net sales
 - (2) Executive, etc. of a financial institution from which the Group is borrowing an amount equivalent to 2% or more of the Group's consolidated total assets
4. Attorney-at-law, certified public accountant, tax accountant, etc.
 - (1) Certified public accountant, or employee or partner of an audit corporation, which is the Accounting Auditor of the Group
 - (2) An individual who receives an annual remuneration of 10 million yen or more from the Group as attorney-at-law, certified public accountant, tax accountant or other consultant, in addition to the remuneration as an officer
5. Others
 - (1) A spouse or any family within the second degree of kinship of the individual that falls under the above criteria 1 to 4
 - (2) Executive, etc. of a company, between which and the Group directors are mutually appointed
 - (3) Executive, etc. of a company, between which and the Group mutually hold shares