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(Securities code: 6490)

May 30, 2025

(Start date for electronic provision of documents: May 23, 2025)

To Shareholders with Voting Rights:

Yoshinobu Iwanami
President
PILLAR Corporation
1-7-1 Shinmachi, Nishi-ku, Osaka City

**NOTICE OF
THE 77TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

Please be informed that the 77th Ordinary General Meeting of Shareholders of PILLAR Corporation (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters to be provided electronically) in electronic format, and has posted the information on the Company’s website. Please access the website to view the information.

The Company’s website: <https://www.pillar.co.jp/en/ir/shareholder/meeting/>

Matters to be provided electronically will also be posted on the Tokyo Stock Exchange, Inc. (TSE) website. Please access the TSE website (TSE Listed Company Search) below, enter and search for “PILLAR” in the “Issue name (company name)” search box or the Company’s securities code “6490” in the “Code” search box, then select “Basic information” and “Documents for public inspection/PR information” in order before checking “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” listed under “Filed information available for public inspection.”

TSE website (TSE Listed Company Search):

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

If you are unable to attend the Meeting, you may exercise your voting rights via the Internet, etc., or in writing (by mail). Please refer to the “Guidance on How to Exercise your Voting Rights” below, and exercise your voting rights by 5:00 p.m. on Thursday, June 19, 2025, Japan time after reviewing the Reference Documents for the General Meeting of Shareholders.

- 1. Date and Time:** Friday, June 20, 2025 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** Conference room on the 4th floor at the Company’s head office located at
1-7-1 Shinmachi, Nishi-ku, Osaka City
- 3. Agenda:**
Matters to be reported:
 1. Business Report and report on Consolidated Financial Statements and Non-consolidated Financial Statements for the 77th Fiscal Year (from April 1, 2024 to March 31, 2025)
 2. Report on results of audits of the Consolidated Financial Statements for the 77th Fiscal Year by the Accounting Auditor and the Audit & Supervisory Committee

Proposals to be resolved:

- | | |
|--------------------|--|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members) |
| Proposal 3: | Election of Three (3) Directors who are Audit & Supervisory Committee Members |
| Proposal 4: | Revision of the amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) |
| Proposal 5: | Revision of the amount of remuneration, etc. for Directors who are Audit & Supervisory Committee Members |
| Proposal 6: | Revision of the amount of remuneration for granting restricted shares to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) |

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- * **When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.**
 - * **Please be advised that if any of the matters to be provided electronically need to be revised, the revised versions will be posted on each internet website.**

Information on the Exercise of Voting Rights

- (1) Matters partially omitted from the documents to be delivered

The following matters are not stated in the documents delivered to shareholders who have requested delivery of documents based on the provisions of laws and regulations and the Company's Articles of Incorporation. For this General Meeting of Shareholders, the same documents will be uniformly sent to all shareholders regardless of whether or not a request for delivery of the documents was made.

- 1) Overview of the System to Ensure the Appropriateness of Business and the Operational Status of the System described in the Business Report
- 2) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements"
- 3) "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements"

The matters above are part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing the audit report.

- (2) Treatment if there is no indication of approval or disapproval on the Voting Rights Exercise Form
If there is no indication of approval or disapproval for each proposal, it will be treated as an indication of approval.
- (3) Treatment of voting rights exercised more than once via the Internet and in writing
In the event that voting rights are exercised both via the Internet and in writing, the exercise via the Internet will be considered the valid exercise of voting rights.
- (4) Treatment of voting rights exercised more than once via the Internet
In the event that voting rights are exercised more than once via the Internet, the last exercise of voting rights will be considered the valid exercise of voting rights.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers that returning profits to its shareholders is one of its major management priorities, and its basic policy is to endeavor to pay stable dividends on an ongoing basis and improve the level of dividends.

Based on the aforementioned policy, it is proposed that the year-end dividend for the 77th Fiscal Year be 71 yen per share, in consideration of the Company's operating results in the 77th Fiscal Year.

Matters concerning year-end dividend

- (1) Type of dividend property
Cash
- (2) Matters concerning allocation of dividend property to shareholders and total amount thereof
71 yen per share of the Company's common stock
Total amount: 1,656,584,922 yen
As an interim dividend of 54 yen per share has been paid, the annual dividend for the 77th Fiscal Year will be 125 yen per share.
- (3) Effective date of payment of dividend
June 23, 2025

Proposal 2: Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Director Junichi Komamura passed away on December 18, 2024, and retired as Director on the same date. Therefore, the Company proposes the election of six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members).

The Audit & Supervisory Committee has given its opinion on this Proposal to the effect that all candidates are competent.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

No.	Name	Positions and responsibilities at the Company	Board of Directors Meeting attendance (FY2024)
1	Kiyohisa Iwanami Reappointment	Chairman	100% 7/7
2	Yoshinobu Iwanami Reappointment	President President and Executive Officer	100% 7/7
3	Katsuhiko Shukunami Reappointment	Executive Vice President and Executive Officer General Manager of Administration Headquarters	100% 7/7
4	Masato Wada New candidate	Senior Executive Officer In charge of Technological Development and Quality Assurance General Manager of Sanda Factory	—
5	Yoshinori Suzuki Reappointment Outside Independent	Outside Director	100% 7/7
6	Haruhiko Maki New candidate Outside Independent	—	—

(Notes)

1. There is no special interest between any candidate for Director and the Company.
2. Mr. Yoshinori Suzuki and Mr. Haruhiko Maki are candidates for Outside Director.
3. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Yoshinori Suzuki to limit his liability for damages under Article 423, paragraph 1 of the same act. The amount of liability for damages under said agreement is limited to the amount prescribed by laws and regulations. The Company plans to continue said agreement if his election in this Proposal is approved. In addition, the Company plans to conclude a similar agreement with Mr. Haruhiko Maki if his election is approved.
4. The Company has concluded a Directors and Officers Liability Insurance (D&O Insurance) contract that insures all the Directors, and plans to renew the contract in August 2025. In summary, the contract covers any damage that may result from the Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. The candidates for reappointment are insured under the insurance contract, and will remain so after being elected. In addition, the new candidate will be insured under the insurance contract after being elected.
5. The Company has designated Mr. Yoshinori Suzuki as an independent director pursuant to the provisions of the Tokyo Stock Exchange, Inc. (TSE) and has notified TSE to that effect. In addition, Mr. Haruhiko Maki will be an independent director pursuant to the provisions of the TSE if his election in this Proposal is approved.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kiyohisa Iwanami (December 14, 1948) <u>Reappointment</u>	August 1978 Joined the Company Director of the Company February 1985 Managing Director of the Company August 1987 Executive Vice President of the Company June 1989 President of the Company June 2007 President of the Company President and Executive Officer of the Company June 2020 Chairman of the Company (to present)	749,489
	[Reason for nomination as a candidate for Director] Mr. Kiyohisa Iwanami, who has been in charge of the management of the Group as a Representative Director of the Company for many years, is renominated as a candidate for Director in consideration of his accomplishments in serving as the driving force of the Group as a whole by demonstrating his leadership, as well as his significant insight, achievements, capabilities and wealth of experience concerning management.		
2	Yoshinobu Iwanami (September 5, 1979) <u>Reappointment</u>	June 2010 Joined the Company Executive Officer of the Company June 2012 Director of the Company June 2014 Managing Executive Officer of the Company June 2018 Senior Executive Officer of the Company General Manager of Sales Headquarters of the Company June 2020 President of the Company President and Executive Officer (to present)	93,469
	[Reason for nomination as a candidate for Director] Mr. Yoshinobu Iwanami, who has been in charge of the management of the Company and demonstrated strong leadership as President of the Company, is renominated as a candidate for Director in consideration of his wealth of experience and broad insight in the Sales Division in Japan and abroad and his expertise in corporate management in general, among other factors.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Katsuhiko Shukunami (May 27, 1959) <u>Reappointment</u>	May 2014 Joined the Company General Manager of Corporate Planning Dept. of the Company June 2014 Director of the Company (to present) Executive Officer of the Company June 2016 Managing Executive Officer of the Company March 2017 General Manager of Security Export Control Dept. of the Company General Manager of System Dept. of the Company June 2018 General Manager of Administration Headquarters of the Company (to present) June 2020 Senior Executive Officer of the Company April 2025 Executive Vice President and Executive Officer of the Company (to present)	29,505
	[Reason for nomination as a candidate for Director] Mr. Katsuhiko Shukunami has demonstrated leadership in areas such as corporate planning, accounting & finance, general affairs, and personnel as General Manager of Administration Headquarters. He is renominated as a candidate for Director in consideration of his substantial accomplishments and his wealth of knowledge based on past experience.		
4	Masato Wada (January 30, 1965) <u>New candidate</u>	April 1989 Joined the Company March 2015 General Manager of Sanda Engineering Dept., Engineering Headquarters of the Company June 2018 Executive Officer of the Company General Manager of 2nd Sales Dept., Sales Headquarters of the Company April 2020 General Manager of Engineering Headquarters of the Company April 2023 Managing Executive Officer of the Company Representative Director and President of TANKEN SEAL SEIKO CO., LTD. April 2025 Senior Executive Officer of the Company (to present) In charge of Technological Development and Quality Assurance of the Company (to present) General Manager of Sanda Factory of the Company (to present)	3,300
	[Reason for nomination as a candidate for Director] Mr. Masato Wada is newly nominated as a candidate for Director in consideration of his achievements and a wealth of experiences and insight, having engaged in important roles such as developing new products and strengthening the sales force mainly in the Technological Development Division.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yoshinori Suzuki (April 27, 1952) Reappointment Outside Independent	April 1975 Joined Tateisi Electronics Co. (current OMRON Corporation) June 2003 Executive Officer of OMRON Corporation June 2006 Managing Executive Officer of OMRON Corporation April 2013 Senior Managing Executive Officer of OMRON Corporation June 2013 Senior Managing Director and CFO of OMRON Corporation April 2014 Visiting Professor of Doshisha Business School, Doshisha University June 2014 Representative Director, Vice President and CFO of OMRON Corporation June 2019 Outside Director of the Company (to present)	3,000
[Attendance at FY2024 Board of Directors Meeting: 100%] [Reason for nomination as a candidate for Outside Director and the summary of expected roles] Mr. Yoshinori Suzuki has a wealth of knowledge and experience and broad insight as a management executive of business corporations which he has gained throughout his career. Mr. Suzuki is renominated as a candidate for Outside Director because the Company considers that, by leveraging such knowledge, experience and insight, he will be able to duly oversee the management of the Company as an independent director while also providing objective and useful advice and proposals. He will have served as Outside Director for six (6) years at the conclusion of this General Meeting of Shareholders.			
6	Haruhiko Maki (March 21, 1958) New candidate Outside Independent	April 1982 Joined Kaneka Corporation (current KANEKA CORPORATION) November 2008 General Manager of Shiga Manufacturing Site of KANEKA CORPORATION April 2013 Executive Officer, General Manager of Electrical & Electronic Materials Division of KANEKA CORPORATION March 2016 Executive Officer, General Manager of Shiga Manufacturing Site of KANEKA CORPORATION April 2020 Managing Executive Officer, General Manager of Shiga Manufacturing Site of KANEKA CORPORATION April 2022 Advisor of Shiga Manufacturing Site of KANEKA CORPORATION October 2023 Representative Director of MAKI Corporation (to present) June 2024 Outside Director of E-ThermoGentek Co., Ltd. (to present) (Significant concurrent positions) Representative Director of MAKI Corporation Outside Director of E-ThermoGentek Co., Ltd. Director of the Association for Promotion of Eco Business	—
[Reason for nomination as a candidate for Outside Director and the summary of expected roles] Mr. Haruhiko Maki has a wealth of knowledge and experience and broad insight as a director and a strategic consultant in the production division, etc. of business corporations which he has gained throughout his career. Mr. Maki is newly nominated as a candidate for Outside Director because the Company considers that, by leveraging such knowledge, experience and insight, he will be able to duly oversee the management of the Company as an independent director while also providing objective and useful advice and proposals.			

Proposal 3: Election of Three (3) Directors who are Audit & Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes electing three (3) Directors who are Audit & Supervisory Committee Members.

The approval of the Audit & Supervisory Committee has been obtained for this Proposal.

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

No.	Name	Positions and responsibilities at the Company	Board of Directors Meeting attendance (FY2024)	Audit & Supervisory Committee attendance (FY2024)
1	Tomonobu Yoshida Reappointment	Director and Full-time Audit & Supervisory Committee Member	100% 6/6	100% (8/8)
2	Kazumitsu Takaya Reappointment Outside Independent	Director and Audit & Supervisory Committee Member	100% 7/7	100% (12/12)
3	Kyoko Kobayashi Reappointment Outside Independent	Director and Audit & Supervisory Committee Member	100% 7/7	100% (12/12)

(Notes)

1. Mr. Tomonobu Yoshida's attendance reflects the meetings held after he assumed office as Director who is an Audit & Supervisory Committee Member on June 25, 2024.
2. There is no special interest between the candidates and the Company.
3. Mr. Kazumitsu Takaya and Ms. Kyoko Kobayashi are candidates for Outside Director who is an Audit & Supervisory Committee Member.
4. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Kazumitsu Takaya and Ms. Kyoko Kobayashi to limit their liability for damages under Article 423, paragraph 1 of the same act. The amount of liability for damages under said agreement is limited to the amount prescribed by laws and regulations. The Company plans to continue said agreement if their election in this Proposal is approved.
5. The Company has concluded a Directors and Officers Liability Insurance (D&O Insurance) contract that insures all the Directors, and plans to renew the contract in August 2025. In summary, the contract covers any damage that may result from the Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Each candidate is already insured under the insurance contract, and will remain so after being elected.
6. The Company has designated Mr. Kazumitsu Takaya and Ms. Kyoko Kobayashi as independent directors pursuant to the provisions of the Tokyo Stock Exchange, Inc. (TSE) and has notified TSE to that effect.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Tomonobu Yoshida (October 19, 1961) Reappointment	August 2014 Joined the Company April 2018 General Manager of Fukuchiyama Production Dept. of the Company April 2021 General Manager of Internal Audit Office of the Company April 2024 General Manager in charge of General Affairs & Personnel Dept. of the Company June 2024 Director (Full-time Audit & Supervisory Committee Member) of the Company (to present)	1,035
[Reason for nomination as a candidate for Director who is an Audit & Supervisory Committee Member] Mr. Tomonobu Yoshida is mainly engaged in overall production and internal audit and has a wealth of operational knowledge and experience in compliance and internal control. Mr. Yoshida is renominated as a candidate for Director who is an Audit & Supervisory Committee Member because the Company considers that he has the ability to properly fulfill duties as Director who is an Audit & Supervisory Committee Member based on his wealth of knowledge and experience.			
2	Kazumitsu Takaya (December 1, 1958) Reappointment Outside Independent	March 1989 Registered as a certified public accountant August 1992 Registered as a certified public tax accountant March 2004 Opened Takaya CPA Office December 2004 Representative Partner of Nexus Audit Corporation (to present) June 2016 External Director (Audit & Supervisory Committee Member) of HIRANO TECSEED Co., Ltd. June 2019 Outside Director (Audit & Supervisory Committee Member) of the Company (to present) (Significant concurrent positions) Certified public accountant, certified public tax accountant and Representative Partner of Nexus Audit Corporation	—
[Attendance at FY2024 Board of Directors Meeting: 100%] [Attendance at FY2024 Audit & Supervisory Committee Meeting: 100%] [Reason for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and the summary of expected roles] Mr. Kazumitsu Takaya has a high level of expertise and broad experience in finance and accounting as a certified public accountant. Mr. Takaya is renominated as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company considers that he will be able to duly audit the execution of the management of the Company from his professional standpoint while also providing objective and useful advice and proposals contributing to transparent management. He will have served as Outside Director who is an Audit & Supervisory Committee Member for six (6) years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kyoko Kobayashi (July 22, 1972) Reappointment Outside Independent	April 1999 Registered as an attorney at law Joined Irokawa Law Office (currently Irokawa Legal Professional Corporation) September 2009 Seconded to Legal Affairs Office, Sharp Corporation September 2014 Returned to Irokawa Law Office January 2018 Partner of Irokawa Law Office February 2018 Outside Auditor of KAWAKAMI PAINT MANUFACTURING CO., LTD. (to present) January 2020 Partner of Irokawa Legal Professional Corporation June 2020 External Director of Mitsubishi Logisnext Co., Ltd. (to present) June 2021 Outside Director (Audit & Supervisory Committee Member) of the Company (to present) January 2025 Irokawa Legal Professional Corporation (to present) (Significant concurrent positions) Attorney at law Outside Auditor of KAWAKAMI PAINT MANUFACTURING CO., LTD. External Director of Mitsubishi Logisnext Co., Ltd.	—
[Attendance at FY2024 Board of Directors Meeting: 100%] [Attendance at FY2024 Audit & Supervisory Committee Meeting: 100%] [Reason for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and the summary of expected roles] Ms. Kyoko Kobayashi has a wealth of achievements and insight primarily in corporate law as a lawyer, as well as experience of working at a listed company. Ms. Kobayashi is renominated as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company considers that she will be able to duly audit the execution of the management of the Company from her professional standpoint while also providing objective and useful advice and proposals contributing to improving corporate governance. She will have served as Outside Director who is an Audit & Supervisory Committee Member for four (4) years at the conclusion of this General Meeting of Shareholders.			

[Reference] If Proposal 2 and Proposal 3 are approved as proposed, the composition of the Board of Directors of the Company will be as described below after the conclusion of this Ordinary General Meeting of Shareholders.

The following matrix is not intended to be an exhaustive list of each Director's entire expertise.

Name	Outside	Corporate management	Production, technology development	Sales and marketing	Finance and accounting	Legal affairs and compliance	Environment and sustainability
*1	Kiyohisa Iwanami	●	●	●		●	●
	Yoshinobu Iwanami	●	●	●		●	●
	Katsuhiko Shukunami	●	●		●	●	●
	Masato Wada	●	●				●
	Yoshinori Suzuki	●	●	●	●		●
	Haruhiko Maki	●	●				●
*2	Tomonobu Yoshida		●			●	
	Kazumitsu Takaya	●			●		
	Kyoko Kobayashi	●				●	

*1 Directors *2 Directors who are Audit & Supervisory Committee Members

<Reference> “Independence Standards for Independent Outside Directors” of the Company

In keeping with the Corporate Governance Code (Principle 4-9) and the independence criteria provided by financial instruments exchanges, the Company formulated the “Independence Standards for Independent Outside Directors” upon approval by the Board of Directors with the consent of the Audit & Supervisory Committee in order to clarify the standards for securing the independence of independent Outside Directors.

The Company determines that its Outside Directors or candidates for Outside Directors have sufficient independence if they are deemed to satisfy all the requirements in the items below upon the Company’s investigation within a reasonable and feasible extent.

1. The entity is currently not an executive of the Company or its affiliates (collectively, the “Group”) nor has ever been in the past
2. As for Outside Directors who are Audit & Supervisory Committee Members, the entity has never been a non-executive director or an accounting advisor (in case the accounting advisor is a corporation, a partner executing its duties) of the Group
3. The entity does not fall under any of the following items during the past three years
 - (1) The entity is not a relative within the second degree of kinship with accounting advisors, corporate officers, executive officers or managers, or any other significant employees (collectively, the “Director, etc.”) of the Group
 - (2) The entity is not a major shareholder of the Company (a shareholder with 10% or more direct or indirect holding of voting rights), the Director, etc. thereof, or the Director, etc. of a company of which the Group is a major shareholder
 - (3) The entity is not the Director, etc. of the Group’s major trading partner (a company with which payments made or received for transactions with the Group substantially account for 2% or more of consolidated net sales of the Group or the trading partner’s group)
 - (4) The entity has not received donations of 10 million yen or more from the Group in the relevant fiscal year
 - (5) The entity is not an attorney at law, certified public accountant or provider of specialized services such as consulting, etc. that received 10 million yen or more in compensation from the Group, other than compensation as a Director/Auditor in the relevant fiscal year
 - (6) There are no interlocking Outside Directorships between the Group and the company where the entity serves as Director, etc.

Proposal 4: Revision of the amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The amount of remuneration, etc. for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved at the 69th Ordinary General Meeting of Shareholders held on June 23, 2017 to be no more than 240 million yen per year (out of this amount, the amount of remuneration, etc. to Outside Directors be no more than 30 million yen per year), and the resolution remains effective until today. Considering the various circumstances, including the aim of further strengthening the management structure as well as the increasing roles and responsibilities of Directors amid the changes in the management environment, it is proposed that the amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be revised to no more than 500 million yen per year (out of this amount, the amount of remuneration, etc. to Outside Directors be no more than 50 million yen per year). The amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) does not include any employee salaries payable to Directors who are also employees.

The Company considers that this proposal is appropriate because it is based on the Company's policy for determining remuneration, etc. (please refer to "(4) Remuneration, etc. of Directors" in the Business Report for the details of such policy), and was decided by the Board of Directors after deliberation by the Remuneration Advisory Committee, a voluntary advisory body of the Board of Directors composed of a majority of Outside Directors.

There are no particular issues raised by the Audit & Supervisory Committee Members.

The current number of Directors (excluding Directors who are Audit & Supervisory Committee Members) is five (5) (including one (1) Outside Director). If Proposal 2 is approved as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (including two (2) Outside Directors).

Proposal 5: Revision of the amount of remuneration, etc. for Directors who are Audit & Supervisory Committee Members

The amount of remuneration, etc. for the Company's Directors who are Audit & Supervisory Committee Members was resolved at the 69th Ordinary General Meeting of Shareholders held on June 23, 2017 to be no more than 30 million yen per year and the resolution remains effective until today. Considering the various circumstances, including the need to secure talented people with high levels of insight and the changes in the management environment, it is proposed that the amount of remuneration, etc. for Directors who are Audit & Supervisory Committee Members shall be revised to no more than 50 million yen per year.

The Company considers that this proposal is appropriate because it is based on the Company's policy for determining remuneration, etc. (please refer to "(4) Remuneration, etc. of Directors" in the Business Report for the details of such policy), and was decided by the Board of Directors after deliberation by the Audit & Supervisory Committee Members.

If Proposal 3 is approved as proposed, the number of Directors who are Audit & Supervisory Committee Members will remain the same at three (3) (including two (2) Outside Directors).

Proposal 6: Revision of the amount of remuneration for granting restricted shares to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members)

The shareholders approved at the 72nd Ordinary General Meeting of Shareholders held on June 25, 2020 the total amount of monetary remuneration receivables to be paid for the granting of restricted shares to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members, hereinafter the “Eligible Directors”) to be no more than 50 million yen per year (not including employee salaries for Directors who also serve as employees) and the total number of the Company’s shares to be provided to Eligible Directors to be 50,000 shares or less per year. The Company would like to revise the total amount of monetary remuneration receivables to be paid for the granting of restricted shares to Eligible Directors to be no more than 200 million yen per year (not including employee salaries for Directors who also serve as employees). This is for the purpose of providing them with an incentive to boost the Company’s medium to long-term corporate value and to further align their interests with those of shareholders.

The Company considers that this proposal is appropriate because it is based on the Company’s policy for determining remuneration, etc. (please refer to “(4) Remuneration, etc. of Directors” in the Business Report for the details of such policy), and was decided by the Board of Directors after deliberation by the Remuneration Advisory Committee, a voluntary advisory body of the Board of Directors, the majority of whose members are Outside Directors.

The current number of Eligible Directors is four (4). Even if Proposal 2 (Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members)) is approved as proposed, the number of Eligible Directors will remain the same at four (4).

Outline of remuneration for granting restricted shares

A plan for granting restricted shares to Eligible Directors (hereinafter the “Plan”) has been established under which, in principle for each fiscal year, monetary remuneration receivables are granted to Eligible Directors based on a resolution of the Board of Directors of the Company for the purpose of allocating restricted shares. The receivables are contributed in kind to the Company as assets, in exchange for which the Company’s common stock is issued or disposed of and held by the recipients. The total number of the Company’s common stock to be issued or disposed of under the Plan shall be no more than 50,000 shares per year.

However, if the total number of issued shares of the Company increases or decreases as a result of a share consolidation, share split, allotment of shares without contribution, or a similar event, the maximum number of such shares shall be reasonably adjusted in proportion to such changes.

The amount to be paid per restricted share under the Plan shall be determined by the Board of Directors on the basis of the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors (or the closing price on the most recent trading day if no trading occurred on that day), and shall not be set at a particularly favorable price for the Eligible Directors receiving the shares. In addition, when issuing or disposing of the Company’s common stock under the Plan, the Company and the Eligible Directors shall enter into a restricted share allotment agreement (hereinafter, the “Allotment Agreement”) including the following matters.

Outline of the Allotment Agreement

(1) Transfer restriction period

Eligible Directors shall not transfer, pledge or otherwise dispose of the Company’s common stock allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) during the period (hereinafter the “Transfer Restriction Period”) predetermined by the Board of Directors of the Company, which shall be set between three and 50 years from the date of allotment under the Allotment Agreement (such restriction hereinafter referred to as the “Transfer Restrictions”).

(2) Treatment at retirement

In the event that an Eligible Director retires from a position predetermined by the Board of Directors of the Company before the expiration of the Transfer Restriction Period, the Company shall rightfully acquire the Allotted Shares at no cost except if such retirement is due to the expiration of his/her term of office, death or other justifiable reasons.

(3) Lifting of transfer restrictions

Notwithstanding the provision in the aforementioned (1), at the conclusion of the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on all of the Allotted Shares at the conclusion of the Transfer Restriction Period, provided that the Eligible Director has continuously held a position predetermined by the Board of Directors of the Company throughout the Transfer Restriction Period. However, in the event that such

Eligible Directors retire from the position prescribed in the aforementioned (2) before the conclusion of the Transfer Restriction Period due to the expiration of his/her term of office, death or other justifiable reasons prescribed in the aforementioned (2), the number of Allotted Shares for which the Transfer Restrictions are to be lifted and the timing of such lifting shall be reasonably adjusted as necessary. In addition, the Company shall rightfully acquire at no cost the Allotted Shares for which the Transfer Restrictions have not been lifted, immediately following the lifting of the Transfer Restrictions in accordance with the aforementioned provisions.

(4) Handling in organizational restructuring, etc.

Notwithstanding the provision in the aforementioned (1), in the event that a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly owned subsidiary, a share transfer plan or any other matters relating to organizational restructuring, etc. are approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such approval is not required) during the Transfer Restriction Period, upon resolution of the Board of Directors, the Transfer Restrictions shall be lifted before the effective date of such organizational restructuring, etc. with respect to the number of Allotted Shares reasonably determined with consideration to the period from the commencement date of the Transfer Restriction Period to the date when such organizational restructuring was approved. In addition, the Company shall rightfully acquire at no cost the Allotted Shares for which the Transfer Restrictions have not been lifted, immediately following the lifting of the Transfer Restrictions in accordance with the aforementioned provisions.

(5) Other matters

Other matters concerning the Allotment Agreement are prescribed by the Board of Directors of the Company.

The maximum amount of the monetary compensation claim pertaining to the Plan

Current contents	After revision
No more than 50 million yen per year	No more than 200 million yen per year