Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code 7609
March 6, 2025

To our shareholders

Shinsuke Tsuchiya
President and COO
**Daitron Co., Ltd.**
6-11, Miyahara 4-chome, Yodogawa-ku, Osaka

# Notice of the 73rd Annual General Meeting of Shareholders

We are pleased announce the 73rd Annual General Meeting of Shareholders of Daitron Co., Ltd. (the "Company"), which will be held as indicated below.

Regarding this Annual General Meeting of Shareholders, information to be referenced in the meeting (matters to be provided electronically) are to be provided electronically as well as posted across the websites below. We ask that you please take the time to confirm the documents by accessing one of the listed websites below.

[Official Company Website]
https://www.daitron.co.jp/ir/meeting.html (in Japanese)

[Website of General Meeting of Shareholders Materials]
https://d.sokai.jp/7609/teiji/ (in Japanese)

[Tokyo Stock Exchange Website (TSE Listed Company Information Service)]
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

(Please access the above TSE website, enter "Daitron" in the "Issue (Company Name)" field or our securities code "7609" in the "Code" field, select "Basic Information" and "Documents for Public Inspection/PR Information" in that order, and then access the "Notice of Shareholders' Meeting/Shareholders' Meeting Materials" under "Documents for Public Inspection.")

**If you will not attend the meeting in person, you may exercise your voting rights in advance via the internet, etc. or in writing (by postal mail). Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the instruction described below no later than the closing time of our daily business hours (5:30 p.m.) on Thursday, March 27, 2025 (JST).**

1. **Date and Time:** Friday, March 28, 2025, at 10:00 a.m. (Reception desk will open at 9:00 a.m.) (JST)

2. **Venue:** The Company's 6th floor Large Conference Room
6-11, Miyahara 4-chome, Yodogawa-ku, Osaka

3. **Purpose of the Meeting**

**Matters to be reported:**

1. 73rd fiscal year (January 1, 2024, through December 31, 2024)
Report on Business Report and Consolidated Financial Statements, as well as the audit results of Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors
2. 73rd fiscal year (January 1, 2024, through December 31, 2024)
Report on Non-consolidated Financial Statements

**Matters to be resolved:**

**Proposal No. 1:** Appropriation of Surplus

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

**Proposal No. 3:** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

**Proposal No. 4:** Election of Four Directors Who Are Audit and Supervisory Committee Members

**Proposal No. 5:** Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

**Proposal No. 6:** Determination of Amounts of Remuneration for Directors Who Are Audit and Supervisory Committee Members

**Proposal No. 7:** Determination of Share Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Non-Executive Directors including Outside Directors)

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1. If you attend the meeting in person, please submit the voting form included along with this notice to the reception desk.
2. In the event of any modification to the electronic documents provided, a notice will be posted on each of the above listed websites, as well as records of modified and unmodified versions of the documents.
3. With this Annual General Meeting of Shareholders, regardless of whether or not a request for delivery of documents has been made, all shareholders will receive documents stating matters to be provided electronically. Of the matters to be provided electronically, the following matters are not stated in the documents delivered to shareholders based on laws and regulations and the provisions of Article 19, paragraph (2) of the Company's Articles of Incorporation.
Subsequently, the Business Report, Consolidated Financial Statements, Non-consolidated Financial Documents stated in such documents are included as a part of the documents audited by the Financial Auditor when preparing their audit report and by the Corporate Auditors when preparing their audit report.
   - "Basic Policy on Control of Company" in the Business Report
   - "Consolidated Statement of Changes in Equity" in Consolidated Financial Statements
   - "Notes on Consolidated Financial Statements" in Consolidated Financial Statements
   - "Non-consolidated Statement of Changes in Equity" in Non-consolidated Financial Statements
   - "Notes on Non-consolidated Financial Statements" in Non-consolidated Financial Statements

**Reference Documents for the General Meeting of Shareholders**

**Proposals and reference information**

**Proposal No. 1:** Appropriation of Surplus

The Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to appropriate surplus for the 73rd fiscal year as follows:
Year-end dividends

(1) Type of dividend property
To be paid in cash.

(2) Allotment of dividend property and their aggregate amount
¥100 per common share of the Company.
Total payment: ¥1,110,613,200
As the Company has already paid an interim dividend of ¥55 per share, the annual dividend for the fiscal year will be ¥155 per share.

(3) Effective date of dividends of surplus
March 31, 2025

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

1. Reasons for the Proposal
   (1) In order to strengthen the supervisory function of the Board of Directors by adding Audit and Supervisory Committee Members as Board members responsible for auditing the execution of duties by the Directors, and to further enhance corporate governance by further strengthening its oversight structure, the Company plans to transition from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee. To this end, the Company proposes changes necessary for the transition to a company with an Audit and Supervisory Committee, including the establishment of new provisions regarding Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and the deletion of provisions regarding Corporate Auditors and the Board of Corporate Auditors.

   (2) The Company also proposes amendments such as alterations in the number of articles and wording in accordance with the aforementioned changes. The consent of each Corporate Auditor has been obtained for the proposed amendments to Article 30.

2. Details of Amendments
   Details of the amendments are as follows.

   These amendments shall come into effect at the conclusion of this Annual General Meeting of Shareholders.

(Amended parts are underlined)

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| Chapter 1<br>General Provisions | Chapter 1<br>General Provisions |
| Article 1 to Article 3 (Omitted) | Article 1 to Article 3 (Unchanged) |
| (Organizations)<br>Article 4<br>In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organizations.<br>1. Board of Directors<br>2. Corporate Auditors<br>3. Board of Corporate Auditors<br>4. Financial Auditor | (Organizations)<br>Article 4<br>In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organizations.<br>1. Board of Directors<br>2. Audit and Supervisory Committee<br>(Deleted)<br>3. Financial Auditor |
| Article 5 (Omitted) | Article 5 (Unchanged) |
| Chapter 2<br>Shares | Chapter 2<br>Shares |
| Article 6 to Article 9 (Omitted) | Article 6 to Article 9 (Unchanged) |
| (Additional purchase of shares less than one unit)<br>Article 10<br>A shareholder of the Company may, in accordance with the Shares Treatment Regulations, request the sale to him/her of a number of shares which, when combined with his/her odd-lot shares, will equal one unit of shares. | (Additional purchase of shares less than one unit)<br>Article 10<br>A shareholder of the Company may, in accordance with the Shares Treatment Rules, request the sale to him/her of a number of shares which, when combined with his/her shares constituting less than one unit, will equal one unit of shares. |
| (Administrator of Shareholder Registry)<br>Article 11<br>1. The Company shall have an Administrator of Shareholder Registry.<br>2. The Administrator of Shareholder Registry and its business office shall be determined by resolution of the Board of Directors. | (Administrator of Shareholder Registry)<br>Article 11<br>1. (Unchanged)<br>2. The Administrator of Shareholder Registry and its business office shall be determined by the Board of Directors or by a Director delegated thereto by a resolution of the Board of Directors. |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| 3. The preparation and maintenance of the Company's shareholder registry and share option registry and other affairs relating to the shareholder registry and share option registry shall be entrusted to the Administrator of Shareholder Registry and shall not be handled by the Company itself. | 3. (Unchanged) |
| (Shares Treatment Regulations)<br>Article 12<br>Handling of shares of the Company and fees therefor shall be governed by the Shares Treatment Regulations to be established by the Board of Directors in addition to laws and regulations and these Articles of Incorporation. | (Shares Treatment Rules)<br>Article 12<br>Handling of shares of the Company and fees therefor shall be governed by the Shares Treatment Rules to be established by the Board of Directors or the Director delegated thereto by resolution of the Board of Directors in addition to laws and regulations and these Articles of Incorporation. |
| Chapter 3<br>General Meeting of Shareholders | Chapter 3<br>General Meeting of Shareholders |
| Article 13 to Article 19 (Omitted) | Article 13 to Article 19 (Unchanged) |
| Chapter 4<br>Directors and Board of Directors | Chapter 4<br>Directors and Board of Directors |
| (Number of Directors)<br>Article 20<br>1. The number of Directors of the Company shall be eight or less. | (Number of Directors)<br>Article 20<br>1. The number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) shall be eight or less.<br>2. The number of Directors who are Audit and Supervisory Committee Members of the Company shall be five or less. |
| (New) | |
| (Method of Election of Directors)<br>Article 21<br>1. Directors shall be elected at a General Meeting of Shareholders. | (Method of Election of Directors)<br>Article 21<br>1. Directors shall be elected at a General Meeting of Shareholders, while making distinction between Directors who are Audit and Supervisory Committee Members and other Directors. |
| 2. Resolutions for the election of Directors shall be adopted by a majority of the voting rights of the shareholders present at the General Meeting of Shareholders where the shareholders holding one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise the voting rights are present. | 2. (Unchanged) |
| 3. Directors shall not be elected by cumulative voting. | 3. (Unchanged) |
| (Term of Office of Directors)<br>Article 22<br>1. The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after his/her election. | (Term of Office of Directors)<br>Article 22<br>1. The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the close of the Annual General Meeting of Shareholders for the last business year ending within one (1) year after his/her election. |
| (New) | 2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after his/her election. |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| 2. The term of office of a Director elected as an additional or substitute Director shall be the remaining term of office of current Directors. | (Deleted) |
| (New) | 3. The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member who retired before the expiration of his/her term of office shall be the remaining term of office of said retired Director. |
| (Notice of Convocation of Board of Directors, Convener and Chairperson)<br>Article 23<br>1. Convocation notice of a meeting of the Board of Directors shall be dispatched to each Director and Corporate Auditor no later than three (3) days prior to the date set for the meeting. However, in the case of emergency, such period may be shortened.<br>2. With the consent of all Directors and Corporate Auditors, a meeting of the Board of Directors may be held without following the convening procedures.<br>3. The Chairperson of the Board shall convene a meeting of the Board of Directors and act as chairperson thereat. If a Chairperson has not been elected, or if the Chairperson is unable to conduct his/her duty, another Director shall act in his/her place in accordance with the order predetermined by the Board of Directors. | (Notice of Convocation of Board of Directors, Convener and Chairperson)<br>Article 23<br>1. Convocation notice of a meeting of the Board of Directors shall be dispatched to each Director no later than three (3) days prior to the date set for the meeting. However, in the case of emergency, such period may be shortened.<br>2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.<br>3. (Unchanged) |
| (New) | (Delegation of Decision regarding Execution of Important Duties)<br>Article 24<br>Pursuant to the provisions of Article 399-13, Paragraph (6) of the Companies Act, the Company may delegate all or part of a decision regarding execution of important duties (excluding matters set forth in items of Paragraph (5) of the same Article) to a Director by resolution of the Board of Directors. |
| Article 24 (Omitted) | Article 25 (Unchanged) |
| (Representative Directors and Directors with Special Titles)<br>Article 25<br>1. The Board of Directors shall elect Representative Directors by its resolution.<br>2. The Board of Directors shall be able to elect by its resolution one Chairperson, one President, and a small number of Vice Presidents, Senior Managing Directors and Managing Directors. | (Representative Directors and Directors with Special Titles)<br>Article 26<br>1. The Board of Directors shall elect Representative Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members) by its resolution.<br>2. The Board of Directors shall be able to elect by its resolution one Chairperson, one President, and a small number of Vice Presidents, Senior Managing Directors and Managing Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members). |
| (Regulations of the Board of Directors)<br>Article 26<br>Matters concerning the Board of Directors shall comply with the Regulations of the Board of Directors established by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation. | (Rules of the Board of Directors)<br>Article 27<br>Matters concerning the Board of Directors shall comply with the Rules of the Board of Directors established by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation. |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| (Remuneration, etc.)<br>Article 27<br>The remuneration, bonus and other financial benefits received from the Company in consideration of execution of the duty (the "remuneration, etc.") of Directors shall be determined by resolution at a General Meeting of Shareholders. | (Remuneration, etc.)<br>Article 28<br>The remuneration, bonus and other financial benefits received from the Company in consideration of execution of the duty of Directors shall be determined by resolution at a General Meeting of Shareholders, where determinations shall be made separately with respect to Directors who are Audit and Supervisory Committee Members and other Directors. |
| (Minutes of Meetings of the Board of Directors)<br>Article 28<br>The outline of proceedings at a meeting of the Board of Directors and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals of the Directors and Corporate Auditors present at the meeting. | (Minutes of Meetings of the Board of Directors)<br>Article 29<br>The outline of proceedings at a meeting of the Board of Directors and the results thereof, and other items required by laws and regulations shall be described or recorded in the minutes of the meeting, which shall bear the signatures and seals, or electronic signature of the Directors present at the meeting. |
| (Limitation of Liability of Directors)<br>Article 29<br>1. The Company may, by resolution of the Board of Directors, exempt from liability any Director (including former Directors) for acts stipulated in Article 423, Paragraph (1) of the Companies Act, if such Director acted in good faith and without gross negligence. In this event, the maximum amount of liability shall be the amount prescribed by laws and regulations.<br>2. In accordance with Article 427, Paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding Executive Directors, etc.) limiting liability stipulated by Article 423, Paragraph (1) of said Act. However, the maximum liability pursuant to said agreement shall be the amount prescribed by laws and regulations. | (Limitation of Liability of Directors)<br>Article 30<br>1. The Company may, by resolution of the Board of Directors, exempt from liability for damages any Director (including former Directors) for acts stipulated in Article 423, Paragraph (1) of the Companies Act, if such Director acted in good faith and without gross negligence. In this event, the maximum amount of liability shall be the amount prescribed by laws and regulations.<br>2. In accordance with Article 427, Paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding Executive Directors, etc.) limiting liability for damages stipulated by Article 423, Paragraph (1) of said Act. However, the maximum liability pursuant to said agreement shall be the amount prescribed by laws and regulations. |
| Chapter 5<br>Corporate Auditors and Board of Corporate Auditors | (Deleted) |
| (Number of Corporate Auditors)<br>Article 30<br>The number of Corporate Auditors of the Company shall be five (5) or less. | (Deleted) |
| (Method of Election of Corporate Auditors)<br>Article 31<br>1. Corporate Auditors shall be elected at a General Meeting of Shareholders.<br>2. Resolutions for the election of Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders present at the General Meeting of Shareholders where the shareholders holding one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise the voting rights are present. | (Deleted) |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| (Term of Office of Corporate Auditors)<br>Article 32<br>1. The term of office of Corporate Auditors shall expire at the close of the Annual General Meeting of Shareholders for the last business year ending within four (4) years after his/her election.<br>2. The term of office of a Corporate Auditor elected as a substitute shall be the remaining term of office of the retired Corporate Auditor. | (Deleted) |
| (Convocation of Meetings of Board of Corporate Auditors)<br>Article 33<br>1. Convocation notice of a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor no later than three (3) days prior to the date set for the meeting. However, in the case of emergency, such period may be shortened.<br>2. With the consent of all Corporate Auditors, a meeting of the Board of Corporate Auditors may be held without following the convening procedures. | (Deleted) |
| (Resolution of Meetings of the Board of Corporate Auditors)<br>Article 34<br>A resolution of a meeting of the Board of Corporate Auditors shall be adopted by a majority of Corporate Auditors unless otherwise stipulated by laws and regulations. | (Deleted) |
| (Standing Corporate Auditors)<br>Article 35<br>The Board of Corporate Auditors shall elect Standing Corporate Auditors by its resolution. | (Deleted) |
| (Regulations of Board of Corporate Auditors)<br>Article 36<br>Matters concerning the Board of Corporate Auditors shall comply with the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors, in addition to laws and regulations and these Articles of Incorporation. | (Deleted) |
| (Remuneration, etc.)<br>Article 37<br>The remuneration, etc. of Corporate Auditors shall be determined by resolution at a General Meeting of Shareholders. | (Deleted) |
| (Minutes of Meetings of the Board of Corporate Auditors)<br>Article 38<br>The outline of proceedings at a meeting of the Board of Corporate Auditors and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals of the Corporate Auditors present at the meeting. | (Deleted) |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| (Limitation of Liability of Corporate Auditors)<br>Article 39<br>1. The Company may, by resolution of the Board of Directors, exempt from liability any Corporate Auditor (including former Corporate Auditors) for acts stipulated in Article 423, Paragraph (1) of the Companies Act, if such Corporate Auditor acted in good faith and without gross negligence. In this event, the maximum amount of liability shall be the amount prescribed by laws and regulations.<br>2. In accordance with Article 427, Paragraph (1) of the Companies Act, the Company may enter into an agreement with a Corporate Auditor limiting liability stipulated by Article 423, Paragraph (1) of said Act. However, the maximum liability pursuant to said agreement shall be the amount prescribed by laws and regulations. | (Deleted) |
| (New) | Chapter 5<br>Audit and Supervisory Committee |
| (New) | (Notice of Convocation of Audit and Supervisory Committee)<br>Article 31<br>1. Convocation notice of a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member no later than three (3) days prior to the date set for the meeting. However, in the case of emergency, such period may be shortened.<br>2. With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures. |
| (New) | (Resolution of Meetings of Audit and Supervisory Committee)<br>Article 32<br>A resolution of a meeting of the Audit and Supervisory Committee shall be adopted by a majority of the Audit and Supervisory Committee Members present when a majority of the Audit and Supervisory Committee Members eligible to vote are present. |
| (New) | (Standing Audit and Supervisory Committee Members)<br>Article 33<br>The Audit and Supervisory Committee shall elect Standing Audit and Supervisory Committee Members by its resolution. |
| (New) | (Rules of Audit and Supervisory Committee)<br>Article 34<br>Matters concerning the Audit and Supervisory Committee shall comply with the Rules of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation. |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| (New) | (Minutes of Audit and Supervisory Committee)<br>Article 35<br>The outline of proceedings at a meeting of the Audit and Supervisory Committee and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals, or electronic signature of the Audit and Supervisory Committee Members present at the meeting. |
| Chapter 6<br>Financial Auditor | Chapter 6<br>Financial Auditor |
| Article 40 to Article 41 (Omitted) | Article 36 to Article 37 (Unchanged) |
| Chapter 7<br>Accounting | Chapter 7<br>Accounting |
| Article 42 to Article 45 (Omitted) | Article 38 to Article 41 (Unchanged) |
| (New) | Supplementary Provisions |
| (New) | (Transitional measures concerning the exemption of liability for Corporate Auditors)<br>Article 1<br>In accordance with the provisions of Article 426, Paragraph (1) of the Companies Act, the Company may, with respect to the liability for damages of Corporate Auditors (including former Corporate Auditors) stipulated in Article 423, Paragraph (1) of said Act due to failure to perform his/her duties prior to the partial amendments to the Articles of Incorporation resolved at the 73rd Annual General Meeting of Shareholders coming into effect, exempt such Corporate Auditors from such liability by a resolution of the Board of Directors if he/she acted in good faith and without gross negligence. In this event, the maximum amount of liability shall be the amount prescribed by laws and regulations. |

**Proposal No. 3:** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 2, "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee, and the terms of office of all seven Directors will expire at the time the amendments to the Articles of Incorporation come into effect.

Accordingly, the Company proposes the election of five Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) after the transition to a company with an Audit and Supervisory Committee.

This proposal shall come into force provided that the amendments to the Articles of Incorporation under Proposal No. 2, "Partial Amendments to the Articles of Incorporation" come into effect.

The nominees for the Directors are as follows

| Candidate No. | Name (Date of birth) | Career summary, position, and responsibility within the Company (Significant concurrent positions outside the Company) | Number of the Company's shares owned |
|---|---|---|---|
| 1 | Shinsuke Tsuchiya (August 27, 1961)<br><br>Reassignment | Apr. 1984 Joined the Company<br>Apr. 2006 President, Daitron Inc.<br>Mar. 2013 Corporate Officer<br>Deputy General Manager of Marketing & Sales Division<br>General Manager of Overseas Business Development Dept.<br>Jan. 2014 General Manager of Machinery Operation<br>Head of Machinery Business Promotion Office<br>Mar. 2015 General Manager of Overseas Business Operation, Marketing & Sales Division<br>Jan. 2017 General Manager of Overseas Business Operation, M&S Company<br>Jan. 2018 General Manager of Overseas Business Advancement Division<br>Mar. 2019 Director<br>Apr. 2019 Senior Corporate Officer<br>Mar. 2021 President and COO (to present)<br>Apr. 2021 President and Corporate Officer (to present)<br>Chief Operating Officer (to present)<br>Apr. 2023 Chief Executive Officer (to present) | 24,539 |
| | [Reasons for nomination as candidate for Director]<br>Shinsuke Tsuchiya has spearheaded our global business strategies over the course of many years. Since he has extensive experience, track record, and knowledge into the many changes in the management environment, the Company believes that he is competent to continue to lead the acceleration of business expansion within the Daitron Group and the realization of our goals, and nominates him as a candidate for a Director. | | |

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, position, and responsibility within the Company<br>(Significant concurrent positions outside the Company)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">2</td><td>Hajimu Mouri<br>(September 9, 1960)<br><br>Reassignment</td><td colspan="2">Apr. 1983 Joined the Company<br>Dec. 2003 General Manager of System Administration Dept.<br>July 2009 Head of Audit Office<br>Apr. 2011 General Manager of Finance Dept., Business Administration Division<br>Mar. 2013 Corporate Officer<br>Deputy General Manager of Business Administration Division<br>Mar. 2015 Senior Corporate Officer<br>General Manager of Business Administration Division (to present)<br>Jan. 2017 Corporate Officer<br>Jan. 2019 General Manager of Personnel and General Affairs Dept., Business Administration Division<br>Mar. 2019 Director<br>Apr. 2019 Senior Corporate Officer<br>Apr. 2021 Senior Managing Executive Officer (to present)<br>Apr. 2023 Representative Director and Senior Executive Officer (to present)</td><td>28,200</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Director]<br>Over the years, Hajimu Mouri has been in charge of the administrative department and has provided precise internal guidance to optimize and strengthen corporate governance. Since he has extensive experience, track record, and knowledge, the Company believes that he is competent to continue to enhance the corporate value of the Daitron Group in response to the need for a higher level of corporate governance due to changes in the external environment and nominates him as a candidate for a Director.</td></tr>
<tr><td rowspan="2">3</td><td>Toru Wada<br>(March 23, 1955)<br>[Candidate for Outside Director]<br><br>Reassignment<br>Outside<br>Independent</td><td colspan="2">Apr. 1985 Registered as attorney-at-law (to present)<br>Mar. 1989 Established Toru Wada Law Firm, Director<br>Feb. 2003 Established and co-chaired Phoenix Law Offices (to present)<br>Mar. 2003 Outside Corporate Auditor of the Company<br>Mar. 2017 Outside Director of the Company (to present)<br>(Significant concurrent positions outside the Company)<br>Co-chaired Phoenix Law Offices</td><td>1,000</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Outside Director and summary of expected roles]<br>Since Toru Wada has extensive experience and highly professional knowledge as an attorney-at-law, the Company expects that he will be able to continue to provide beneficial opinions and advice about the management of the Daitron Group and nominates him as a candidate for an Outside Director. Mr. Wada has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill duties as an Outside Director based on the above reasons. If he is appointed, the Company plans to involve him as a member of the Nomination and Compensation Committee to provide an objective and neutral standpoint in the selection of the Company's Director candidates and in the determination of Director compensation and other matters.</td></tr>
</table>

| Candidate No. | Name (Date of birth) | Career summary, position, and responsibility within the Company (Significant concurrent positions outside the Company) | | Number of the Company's shares owned |
|---|---|---|---|---|
| 4 | Akihiko Imaya<br>(June 18, 1958)<br>[Candidate for Outside Director]<br><br>Reassignment<br>Outside<br>Independent | Apr. 1981<br>Jan. 2002<br><br>May 2005<br><br>Sep. 2008<br><br>Apr. 2009<br><br>Apr. 2013<br>Oct. 2016<br><br>Feb. 2018<br>Mar. 2021 | Joined Sharp Corporation<br>General Manager of System LCD Division, Mobile LCD Business Dept.<br>General Manager of Mobile LCD Business Dept.<br>General Manager of Mobile Business Development Dept.<br>General Manager of Personal Solution Business Development Dept.<br>Executive Officer<br>General Manager of Structural Reform Dept., Display Device Company<br>Vice President, Display Device Company<br>Outside Director of the Company (to present) | – |
| | [Reasons for nomination as candidate for Outside Director and summary of expected roles]<br>Since Akihiko Imaya has a wide range of knowledge based on his extensive experience as a manager of the other global operating company, the Company expects he will be able to continue to provide beneficial opinions and advice about the management of the Daitron Group and nominates him as a candidate for an Outside Director. | | | |
| 5 | Kazutoshi Hosoya<br>(January 1, 1955)<br>[Candidate for Outside Director]<br><br>Reassignment<br>Outside<br>Independent | Apr. 1979<br>Mar. 2005<br>Dec. 2006<br>Feb. 2011<br><br>Jan. 2013<br><br>May 2013<br><br><br>Jan. 2017<br>Jan. 2021<br>Feb. 2021<br>Mar. 2023 | Joined Hioki E.E. Corporation<br>Executive Officer, Director of ATE Dept.<br>Executive Officer, Director of R&D Dept.<br>Director, Executive Officer, Director of R&D Dept.<br>Director, Managing Director Executive Officer, Director of R&D Dept.<br>Director, Managing Director Executive Officer, Director of R&D Dept. and Head of Corporate Planning Office<br>Appointed to President<br>Director<br>Special Advisor to the Company<br>Outside Director of the Company (to present) | – |
| | [Reasons for nomination as candidate for Outside Director and summary of expected roles]<br>Since Kazutoshi Hosoya has served for many years as a manager of a global manufacturer in a business field similar to ours, the Company expects that he will be able to accurately assess the management environment of the Daitron Group and industry trends and provide beneficial opinions and advice based on his highly professional knowledge in manufacturing, and nominates him as a candidate for an Outside Director. | | | |

Notes:
1. There is no special interest between any of the candidates and the Company.
2. Toru Wada, Akihiko Imaya, and Kazutoshi Hosoya are the candidates for Outside Director positions. Furthermore, the Company has submitted a "Notification of Independent Officers" to Tokyo Stock Exchange, Inc. designating Toru Wada, Akihiko Imaya, and Kazutoshi Hosoya as independent officers, and will continue to designate them as independent officers if their reappointment is approved.
3. Toru Wada, Akihiko Imaya, and Kazutoshi Hosoya are currently Outside Directors of the Company, and their terms of office will total 8 years, 4 years, and 2 years respectively at the conclusion of this Annual General Meeting of Shareholders. Toru Wada has previously served as an Outside Corporate Auditor of the Company.
4. The Company has entered into contracts with Toru Wada, Akihiko Imaya, and Kazutoshi Hosoya to limit their liability for damages under Article 423, Paragraph (1) of the Companies Act, pursuant to Article 427, Paragraph (1) of said Act. The maximum amount of liability for damages under such contract is the amount stipulated in laws and regulations, and if the reappointment of the three directors is approved and passed, the Company plans to continue such contract with the three appointed members.
5. The Company has entered into indemnification agreements with Shinsuke Tsuchiya, Hajimu Mouri, Toru Wada, Akihiko Imaya, and Kazutoshi Hosoya pursuant to the provisions of Article 430-2, Paragraph (1) of the Companies Act, under which the Company will indemnify them for the expenses set forth in item (i) and losses set forth in item (ii) of the same paragraph to the extent provided for under laws and regulations, and if the reappointment of the five directors is approved and passed, the Company plans to continue such agreements with the five appointed members. However, in order to ensure

that this indemnification agreement does not impair the appropriateness of the execution of duties by a corporate officer, indemnification is not provided in the event of malicious intent or gross negligence in the execution of their duties.

6. In accordance with provisions of Article 430-3, Paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The insureds in the insurance policy do not bear any of the premiums. The insurance policy covers legal damages that may arise due to the insured assuming responsibilities for the execution of duties as a corporate officer or being subjected to a claim for damages related to the said liability. However, in order not to impair the appropriateness of duty execution by the insured, the policy does not cover damages arising from performance of an illegal act with full knowledge of its illegality. If each candidate is elected and assumes the office of Director, he/she will be included as an insured in the insurance policy. Also, we plan to uphold these terms at the time of the next update.

**Proposal No. 4:** Election of Four Directors Who Are Audit and Supervisory Committee Members

If Proposal 2: "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of four Directors who are Audit and Supervisory Committee Members.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

This proposal shall come into force provided that the amendments to the Articles of Incorporation under Proposal 2, "Partial Amendments to the Articles of Incorporation" come into effect.

The nominees for the Directors who are Audit and Supervisory Committee Members are as follows.

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, position, and responsibility within the Company<br>(Significant concurrent positions outside the Company)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Minoru Ujihara<br>(December 7, 1958)<br><br>Newly appointed</td><td>Apr. 1981<br>Dec. 2004<br>Apr. 2007<br>Jan. 2009<br>Apr. 2012<br><br>Jan. 2013<br><br><br>Mar. 2014<br>July 2014<br><br>Mar. 2015<br><br>Mar. 2019</td><td>Joined the Company<br>General Manager of Accounting Dept.<br>Head of Audit Office<br>Assigned to Daitron Inc. (U.S.A.)<br>General Manager of Business Administration Dept., Marketing & Sales Division<br>General Manager of Business Management Dept., Business Administration Division<br>Administration Officer<br>General Manager of Management System Dept., Business Administration Division<br>Deputy General Manager of Business Administration Division<br>Standing Corporate Auditor of the Company (to present)</td><td>3,700</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member]<br>Minoru Ujihara is well versed in the company's business practices and has a wealth of experience, track record, and knowledge from his wide range of work experience in the accounting department at the head office, business administration department, systems department, overseas offices, and the audit department. The Company believes that he is competent to conduct effective audits of increasingly sophisticated and complex internal operations and nominates him as a candidate for a Director who is an Audit and Supervisory Committee Member.</td></tr>
<tr><td rowspan="2">2</td><td>Noriko Kitajima<br>(October 25, 1974)<br>[Candidate for Outside Director who is an Audit and Supervisory Committee Member]<br><br>Newly appointed<br>Outside<br>Independent</td><td>Oct. 2000<br><br>Feb. 2003<br>Jan. 2012<br>Mar. 2017<br><br>(Significant concurrent positions outside the Company)<br>Co-chaired Phoenix Law Offices<br>Outside Director (Member of the Audit Committee), Daiei Kankyo Co., Ltd.<br>Outside Director (Member of the Audit Committee), Taki Chemical Co., Ltd.</td><td>Registered as attorney-at-law (to present)<br>Joined Takahiko Inoue Law Office<br>Joined Phoenix Law Offices<br>Co-Chairman of the same law firm (to present)<br>Outside Corporate Auditor of the Company (to present)</td><td>–</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles]<br>Since Noriko Kitajima has extensive experience and highly professional knowledge as an attorney-at-law, the Company believes that she will be able to continue to provide beneficial opinions and advice about the audit of the Daitron Group and nominates her as a candidate for an Outside Director who is an Audit and Supervisory Committee Member. Noriko Kitajima has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name<br>(Date of birth)</th><th>Career summary, position, and responsibility within the Company<br>(Significant concurrent positions outside the Company)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Satoshi Nakayama<br>(September 2, 1962)<br>[Candidate for Outside Director who is an Audit and Supervisory Committee Member]<br><br>Newly appointed<br>Outside<br>Independent</td><td>Oct. 1987 Joined Tohmatsu Awoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)<br>Aug. 1991 Registered as a certified public accountant (to present)<br>June 2007 Partner of Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)<br>July 2020 Established Satoshi Nakayama Certified Public Accountant Office, Director (to present)<br>Established Kyorisshi Audit Corporation, Senior Partner (to present)<br>Mar. 2023 Outside Corporate Auditor of the Company (to present)<br>(Significant concurrent positions outside the Company)<br>Director of Satoshi Nakayama Certified Public Accountant Office<br>Senior Partner of Kyorisshi Audit Corporation<br>Outside Director (Audit and Supervisory Committee Member), FUJICCO Co., Ltd.</td><td>–</td></tr>
<tr><td colspan="2">[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles]<br>Since Satoshi Nakayama has extensive experience and highly professional knowledge as a certified public accountant, the Company believes that he will be able to provide beneficial opinions and advice about the audit of the Daitron Group and nominates him as a candidate for an Outside Director who is an Audit and Supervisory Committee Member.<br>Satoshi Nakayama has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</td></tr>
<tr><td rowspan="2">4</td><td>Yoko Minami<br>(February 21, 1968)<br>[Candidate for Outside Director who is an Audit and Supervisory Committee Member]<br><br>Newly appointed<br>Outside<br>Independent</td><td>Apr. 1986 Joined FUJITEC CO., LTD.<br>July 1989 Joined Tohmatsu Awoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)<br>July 2016 Joined semikawa tax adviser Co., Ltd<br>Established Yoko Minami Social Insurance and Labor Consultant Office<br>Director (to present)<br>(Significant concurrent positions outside the Company)<br>Director of Yoko Minami Social Insurance and Labor Consultant Office</td><td>–</td></tr>
<tr><td colspan="2">[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles]<br>Since Yoko Minami has extensive experience and highly professional knowledge as a labor and social security attorney, the Company believes that she will be able to provide beneficial opinions and advice about the audit of the Daitron Group and nominates her as a candidate for an Outside Director who is an Audit and Supervisory Committee Member.<br>Yoko Minami has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</td></tr>
</table>

Notes:
1. There is no special interest between any of the candidates and the Company.
2. Noriko Kitajima, Satoshi Nakayama and Yoko Minami are candidates for Outside Director who is an Audit and Supervisory Committee Member. The Company has submitted a "Notification of Independent Officers" to Tokyo Stock Exchange, Inc. designating Noriko Kitajima and Satoshi Nakayama as independent officers, and will continue to designate them as independent officers if their appointment is approved. Furthermore, Yoko Minami also satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and if she assumes the office of independent officer, the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent officer.
3. Noriko Kitajima and Satoshi Nakayama are currently Outside Corporate Auditors of the Company, and their terms as Corporate Auditors will be 8 years and 2 years, respectively, at the conclusion of this Annual General Meeting of Shareholders.

4. Noriko Kitajima is an Outside Director (Member of the Audit Committee) of Daiei Kankyo Co., Ltd. and an Outside Director (Member of the Audit Committee) of Taki Chemical Co., Ltd. However, neither of these companies are a specified related party of the Company.
5. Satoshi Nakayama is an Outside Director (Audit and Supervisory Committee Member) of FUJICCO Co., Ltd. However, FUJICCO Co., Ltd. is not a specified related party of the Company.
6. The Company has entered into a contract with Minoru Ujihara, Noriko Kitajima, and Satoshi Nakayama to limit their liability for damages under Article 423, Paragraph (1) of the Companies Act, pursuant to Article 427, Paragraph (1) of said Act. The maximum amount of liability for damages under such contract is the amount stipulated in laws and regulations, and if the appointment of the three directors is approved, the Company plans to enter into such contracts with the three appointed members. If the election of Yoko Minami is approved, the Company plans to enter into a similar liability limitation agreement with her.
7. If Minoru Ujihara, Noriko Kitajima, and Satoshi Nakayama assume the office of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an indemnification agreement with them pursuant to the provisions of Article 430-2, Paragraph (1) of the Companies Act, under which the Company will indemnify them for the expenses set forth in item (i) and losses set forth in item (ii) of the same paragraph to the extent provided for under laws and regulations. However, in order to ensure that this indemnification agreement does not impair the appropriateness of the execution of duties by a corporate officer, indemnification is not provided in the event of malicious intent or gross negligence in the execution of their duties. If the election of Yoko Minami is approved, the Company plans to enter into a similar indemnification agreement with her.
8. In accordance with the provisions of Article 430-3, Paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The insureds in the insurance policy do not bear any of the premiums. The insurance policy covers legal damages that may arise due to the insured assuming responsibilities for the execution of duties as a corporate officer or being subjected to a claim for damages related to said liability. However, in order not to impair the appropriateness of duty execution by the insured, the policy does not cover damages arising from performance of an illegal act with full knowledge of its illegality. If each candidate is elected and assumes the office of Director who are Audit and Supervisory Committee Members, he/she will be included as an insured in the insurance policy. Also, we plan to uphold these terms at the time of the next update.

**[Reference]** Skill Matrix for Each Director After the Conclusion of this General Meeting of Shareholders

If Proposal No. 2, Proposal No. 3, and Proposal No. 4 are approved as proposed, the specialization and experience of each Director will be as follows.

| Name/Item | Business management | Finance and Accounting | Overseas Business | Legal and Risk Management | Human Resources, Labor and Personnel Development | Research and Development | Sales |
|---|---|---|---|---|---|---|---|
| Shinsuke Tsuchiya | ● | | ● | | | | ● |
| Hajimu Mouri | ● | ● | | ● | ● | | |
| Toru Wada | | | | ● | ● | | |
| Akihiko Imaya | ● | | ● | | | ● | ● |
| Kazutoshi Hosoya | ● | | | | | ● | ● |
| Minoru Ujihara | | ● | ● | | | | |
| Noriko Kitajima | | | | ● | ● | | |
| Satoshi Nakayama | | ● | | | | | |
| Yoko Minami | | | | | ● | | |

Note: The above list does not represent all of the specializations and experience of each Director.

**Proposal No. 5:** Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

It was approved that the amount of remuneration, etc. for Directors of the Company shall be no more than ¥500,000 thousand per year (excluding salaries for employees) by the resolution at the Extraordinary General Meeting of Shareholders held on September 20, 1991. However, given that the Company will transition to a company with an Audit and Supervisory Committee if Proposal No. 2, "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, and taking into account the recent economic situation and various other factors, the Company proposes the same annual upper limit of ¥500,000 thousand (which includes an upper limit of ¥80,000 thousand for Outside Directors) for remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply in this proposal) after the transition to a company with an Audit and Supervisory Committee, and also proposes that the specific amounts and timing of payments to each Director be decided by a resolution of the Board of Directors.

The outline of the policy regarding the determination of the details of the individual remuneration for Directors of the Company is as set out in the "2. Overview of the Company (3) Corporate Officers 6) Remuneration of Directors and Corporate Auditors" (in Japanese only) of the Business Report. At the Board of Directors meeting following the conclusion of this General Meeting, the Company plans to change the part describing the eligible persons as "Directors" as such to "Directors (excluding Directors who are Audit and Supervisory Committee Members)," so there will be no substantive change. In addition, the amount of remuneration pertaining to this proposal will consist of fixed remuneration and performance-linked remuneration, etc., paid in accordance with the revised policy, and has been deemed appropriate. The content of this proposal was decided by the Board of Directors following a report from the Remuneration Committee. Note that the remuneration excludes employee salaries of Directors concurrently serving as employees.

The number of Directors at present is seven, while the number of Directors subject to this proposal shall be five (among whom three will be Outside Directors), subject to the approval of Proposal No. 2, "Partial Amendments to the Articles of Incorporation" and Proposal No. 3, "Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" as originally proposed.

This proposal shall come into force provided that the amendments to the Articles of Incorporation under Proposal No. 2, "Partial Amendments to the Articles of Incorporation" come into effect.

**Proposal No. 6:** Determination of Amounts of Remuneration for Directors Who Are Audit and Supervisory Committee Members

Given that the Company will transition to a company with an Audit and Supervisory Committee if Proposal No. 2, "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, and taking into account the recent economic situation and various other factors, the Company proposes an annual upper limit of ¥100,000 thousand for remuneration, etc. for Directors who are Audit and Supervisory Committee Members after the transition to a company with an Audit and Supervisory Committee, and also proposes that the specific amounts and timing of payments to each Director be decided by a resolution of the Board of Directors. The amount of remuneration pertaining to this proposal has been deemed appropriate in light of the responsibilities of Directors who are Audit and Supervisory Committee Members.

The number of Directors who are Audit and Supervisory Committee Members shall be four, subject to the approval of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and Proposal No. 4, "Election of Four Directors Who Are Audit and Supervisory Committee Members," as originally proposed.

This proposal shall come into force provided that the amendments to the Articles of Incorporation under Proposal No. 2, "Partial Amendments to the Articles of Incorporation" come into effect.

**Proposal No. 7:** Determination of Share Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Non-Executive Directors including Outside Directors)

By the resolution at the 72nd Annual General Meeting of Shareholders held on March 28, 2024, it was approved that a new performance-linked share remuneration plan would be introduced for the purpose providing incentives to the Company's Executive Directors in order to continuously improve the Company's corporate value by further clarifying the linkage between their remuneration and the Company's business performance and share value, as well as further promoting value sharing between Executive Directors and shareholders. The remuneration to be granted under this Plan shall be no more than ¥35 million or 10,000 shares.

If Proposal 2, "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee. For the same purpose as above, the Company proposes the determination of another performance-linked share remuneration plan (the "Plan") for Executive Directors (the "Eligible Directors") separate from the remuneration pursuant to Proposal No. 5, "Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)."

1. Overview of the Plan

The establishment of this Plan is in accordance with the transition to a company with an Audit and Supervisory Committee, and the content of this Plan is essentially the same as the performance-linked share remuneration plan approved at the 72nd Annual General Meeting of Shareholders held on March 28, 2024.

The Plan is a performance-linked share remuneration plan in which the Board of Directors sets in advance numerical targets for the Company's business performance during the period from the first day of each fiscal year to the last day of that fiscal year (the "Evaluation Period"), and the number of the Company's common shares and money (the "Company's Shares, etc.") calculated based on the achievement of such numerical targets and the Eligible Directors' position, etc. are granted to the Eligible Directors as remuneration, etc. using performance share units. The Board of Directors shall determine the performance indicators to be adopted under the Plan, which include indicators of profits, indicators of sales, and other indicators based on the Company's management policy.

Therefore, the Plan is to deliver or pay the Company's Shares, etc. in accordance with the degree of achievement of numerical targets for business performance, etc., and at the time of the introduction of the Plan, whether or not to deliver or pay the Company's Shares, etc., the number of shares to be delivered, and the amount of money to be paid to each Eligible Director have not been determined.

Under the Plan, the total amount of common shares of the Company to be issued or disposed of to the Eligible Directors shall be no more than 10,000 shares per year (provided, however, that if a share split (including gratis allotment of the Company's common shares) or a consolidation of shares of the Company's common shares is conducted after the date this proposal is approved, the maximum number shall be adjusted according to the split ratio or consolidation ratio), the total amount of the Company's Shares, Etc. shall be an amount considered reasonable in light of the above purposes, not exceeding ¥35 million per year, separately from the remuneration plan in Proposal No. 5 "Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)."

The number of Directors who can be included as Eligible Directors is two, subject to the approval of Proposal No. 3, "Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" as originally proposed.

The grant of shares of the Company's common shares under the Plan shall be conducted by either of the following methods, based on a resolution of the Board of Directors.

(1) Method in which the Company's common shares are issued or disposed of without requiring payment of money or delivery of properties contributed in kind as remuneration, etc. to the Eligible Directors

(2) Method in which a monetary remuneration claim is paid as remuneration, etc. to the Eligible Directors, and the Eligible Directors are to receive all of such monetary remuneration claim as properties contributed in kind, and the Company's common shares are issued or disposed of (In case of (2), the amount to be paid per share shall be determined by a resolution of the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of such resolution by the Board of Directors on the issuance or disposal (or if no transaction is effected on that date, the closing price on the immediately preceding trading day) to the extent not particularly favorable to the Eligible Directors.)

2. Requirements for granting the Company's shares, etc.

Under the Plan, upon completion of the Evaluation Period and fulfillment of the requirements outlined below, the Company's Shares, etc. will be granted to the Eligible Directors (including the Eligible Directors who newly assumed the office after the commencement of the Evaluation Period).

(1) There has not been certain misconduct, etc., as determined by the Board of the Directors of the Company

(2) Other requirements determined by the Board of Directors as necessary to achieve the purposes of the performance-linked share remuneration plan are satisfied

After the commencement of the Evaluation Period (or, in the case of an Eligible Director who newly assumed the office after the commencement of the Evaluation Period, after such assumption of the office) and prior to the grant of the Company's Shares, etc., (1) if the Eligible Directors resign or retire from the position of Executive Director or other position determined by the Board of Directors of the Company due to death or other reasons deemed justifiable by the Board of Directors; (2) if the general meeting of shareholders of the Company approves a merger agreement under which the Company becomes a dissolving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or other matters related to reorganization, etc. (provided, however, that if such reorganization, etc. does not require approval at a general meeting of shareholders, the Board of Directors of the Company); or (3) if the Board of Directors finds a justifiable reason, the Company's Shares, etc. may be granted, if necessary, at a time reasonably determined and in the number or amount reasonably determined by the Board of Directors.

3. Reasons why the payment of remuneration under the Plan is reasonable

The payment of remuneration under the Plan is considered to be reasonable for the following reasons: (1) the Plan provides an incentive for the sustainable improvement of corporate value over the medium to long term by setting business performance targets for the Evaluation Period and granting the Company's Shares, Etc. in accordance with the degree of achievement of such targets, and (2) the ratio of the total number of shares under the performance-linked share remuneration plan to the total number of shares outstanding is approximately 0.09% for each Evaluation Period, and the dilution ratio is minimal. The content of this proposal was decided by the Board of Directors following a report from the Remuneration Committee.

In addition, the Board of Directors, at its meeting held on March 28, 2024, established a policy for determining the details of remuneration, etc. for individual Directors, an overview of which is shown on pages 19-20 of the Business Report (in Japanese only), and if this proposal is approved, the Company plans to change this policy in a manner consistent with this proposal.

(Reference)

If this proposal is approved, the Company plans to introduce a performance-linked share remuneration plan similar to the Plan for Corporate Officers and upper-level employees.