

[NOTICE: This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.]

Securities Code: 7279
January 4, 2023

To Our Shareholders

1-12-28, Sakaemachi, Takarazuka-shi, Hyogo

HI-LEX CORPORATION

President and Representative Director Taro Teraura

Notice of the 79th Annual Meeting of Shareholders

HI-LEX Corporation cordially invites shareholders to the 79th Annual Meeting of Shareholders as described below.

In order to prevent the spread of COVID-19, we ask shareholders to refrain from coming to the venue of the Annual Meeting of Shareholders to the extent possible. Your voting rights can be exercised in writing (by mail) or via the Internet, etc. Please review the Reference Document for the Annual Meeting of Shareholders shown below and exercise your voting rights in accordance with the “Guide to the Exercise of Voting Rights” by the close of the Company’s business hours (5:20 p.m.) on Friday, January 27, 2023 (JST).

1. **Date** 10 a.m., Saturday, January 28, 2023 (reception opens at 9 a.m.)
2. **Venue** 1st floor, Banquet hall Houju, Takarazuka Hotel 1-1-33, Sakae-machi, Takarazuka-shi, Hyogo

Please refer to the “Annual Meeting of Shareholders Venue Map” at the end of this document if you are visiting the venue.

3. **Purpose**

Items to be reported

1. Business Report, Consolidated Financial Statements and Audit Results of Consolidated Financial Statements by Accounting Auditors and the Board of Corporate Auditors for the 79th business period (from November 1, 2021 to October 31, 2022)
2. Non-consolidated Financial Statements for the 79th business period (from November 1, 2021 to October 31, 2022)

Items to be resolved

Item No. 1: Appropriation of Retained Earnings

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

Item No. 3: Election of five (5) Directors

Item No. 4: Continuation of the Response Policy on Large-scale Purchases, etc. of the Company’s Shares (Takeover Defense Measures)

- ◎ **When you attend the meeting, please submit the enclosed voting form to the reception at the venue.**
- ◎ **If there are any revisions to the Business Report, Consolidated and Non-consolidated Financial Statements, and Reference Document for the Annual Meeting of Shareholders, such revisions will be posted on our website. (URL: <http://www.hi-lex.co.jp/>)**
- ◎ **Of the documents to be attached to this Convocation Notice pursuant to the provisions of laws and regulations and Article 17 of the Company's Articles of Incorporation, the Notes to Consolidated and Non-consolidated Financial Statements are posted on the Company's website (<http://www.hi-lex.co.jp/>) and are not included in the attachments to this Convocation Notice. In addition, Consolidated and Non-consolidated Financial Statements, which were audited by Corporate Auditors in preparing the Audit Report and Accounting Auditor in preparing the Accounting Audit Report, include the matters to be presented as the Notes to Consolidated and Non-consolidated Financial Statements, in addition to the matters stated in the attached documents to this Convocation Notice.**

Reference Document for the Annual Meeting of Shareholders

Meeting Agenda and Referential Matters

Item No. 1: Appropriation of Retained Earnings

Regarding the year-end dividend and appropriation of surplus for the fiscal year under review, the Company proposes the following, considering the strengthening of the management structure and future business development, as well as internal reserves and the consolidated dividend payout ratio.

1. Year-end Dividend

- (1) Matters concerning the allocation of dividend assets to shareholders and the total amount thereof

The Company would like to disburse 17 yen per common share of the Company.

The total amount of dividends 638,275,693 yen

- (2) Effective date on which dividends are disbursed from retained earnings

January 30, 2023

2. Matters concerning appropriation of surplus

In order to improve soundness of the Company's financial position, the Company proposes to reverse a portion of reserves separately and transfer the same amount to retained earnings brought forward.

- (1) Entries for reduced surplus and amount thereof

General reserve 3,300,000,000 yen

- (2) Entries for increased surplus and amount thereof

Retained earnings brought forward 3,300,000,000 yen

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

1. Reason for amendments

- (a) The amendment stipulated in the proviso of Article 1 of the Supplementary Provision of “The Act Partially Amending the Companies Act” (Act No. 70 of 2019) came into effect on September 1, 2022, and in order to prepare for the introduction of the electronic provision system of materials for the Annual Meeting of Shareholders, the Company requests the following amendments to the Articles of Incorporation of the Company.
 - [1] Article 16, Paragraph 1 of the Proposed Amendment stipulates that the Company will take measures to electronically provide information that is the contents of the Reference Documents, etc. for the Annual Meeting of Shareholders.
 - [2] Article 16, Paragraph 2 of the Proposed Amendment provides for limiting the scope of matters to be included in the document delivered to shareholders who have requested delivery of the document.
 - [3] The provision for Internet disclosure and deemed provision of the Reference Documents, etc. for the Annual Meeting of Shareholders (Article 17 of the current Articles of Incorporation) shall be deleted as it is no longer necessary.
 - [4] In accordance with the establishment and deletion of the above, supplementary provisions regarding the effective date, etc. are to be added.
- (b) In order to ensure flexible operation of the Annual Meeting of Shareholders considering the BCP, the description of a venue of Annual Meeting of Shareholders is to be deleted.
- (c) In order to enable Directors and Corporate Auditors to fully perform their expected roles, the Company proposes to establish a provision, pursuant to Article 426, Paragraph 1 of the Companies Act, that allows Directors and Corporate Auditors to be partially exempted from liability to the extent permitted by laws and ordinances upon resolution of the Board of Directors. In addition, pursuant to Article 427, Paragraph 1 of the Companies Act, the scope of Directors and Corporate Auditors who may enter into liability limitation agreements is to be changed.

The Company has obtained unanimous approval of all Corporate Auditors for the amendment of Article 30 of the Articles of Incorporation.
- (d) The number of articles will be changed in accordance with the establishment and deletion of the above articles.

2. Details of the amendments

Details of the amendments shall be as follows.

(Underlining indicates changes.)

Current Articles of Incorporation	Proposed Amendment
<p>Chapter 3 Annual Meeting of Shareholders <u>Article 13 (Venue of Annual Meeting of Shareholders)</u> <u>The Company shall hold its Annual Meeting of Shareholders in Hyogo Prefecture.</u></p> <p>Article <u>14</u> – Article <u>16</u> (Articles omitted)</p> <p><u>Article 17 (Internet Disclosure and Deemed Provision of Reference Documents, etc. for Annual Meeting of Shareholders)</u> <u>When convening an Annual Meeting of Shareholders, the Company may deem that information pertaining to matters to be stated or indicated in the Reference Documents for Annual Meeting of Shareholders, Business Report, accounts and consolidated accounts has been provided to the shareholders by means of disclosure through the Internet in accordance with laws and ordinances.</u></p> <p>[New]</p> <p>Article <u>18</u> – Article <u>19</u> (Articles omitted)</p>	<p>Chapter 3 Annual Meeting of Shareholders [Deleted]</p> <p>Article <u>13</u> – Article <u>15</u> (No amendment)</p> <p>[Deleted]</p> <p><u>Article 16 (Measures for Electronic Provision, etc.)</u> <u>The Company shall, upon convening an Annual Meeting of Shareholders, take measures to electronically provide information that is the contents of the Reference Documents, etc. for the Annual Meeting of Shareholders.</u> <u>2 The Company may, of the matters subject to Measures for Electronic Provision, omit all or part of those set forth in the Ordinance of the Ministry of Justice from the documents to be delivered to shareholders who have requested the delivery by the Record Date of their voting rights.</u></p> <p>Article <u>17</u> – Article <u>18</u> (No amendment)</p>
<p>Chapter 4 Directors and Board of Directors</p> <p>Article <u>20</u> – Article <u>30</u> (Articles omitted)</p> <p><u>Article 31 (Exemption from Liabilities of Outside Directors)</u> <u>The Company may execute an agreement with</u></p>	<p>Chapter 4 Directors and Board of Directors</p> <p>Article <u>19</u> – Article <u>29</u> (No amendment)</p> <p>[Deleted]</p>

Current Articles of Incorporation	Proposed Amendment
<p><u>Outside Directors to bear the liability of such Outside Directors under Article 423, Paragraph 1 of the Companies Act up to the amount stipulated by laws and ordinances, provided that such liability is borne in good faith and without gross negligence.</u></p> <p>[New]</p>	<p><u>Article 30 (Exemption from Liabilities of Directors)</u> <u>The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act, by a resolution of the Board of Directors, exempt Directors (including former Directors) under Article 423, Paragraph 1 of the Companies Act from liability for damages to the extent permitted by laws and ordinances.</u> <u>2 The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Directors (excluding Executive Directors, etc.) to limit their liability for damages as set forth in Article 423, Paragraph 1 of said Act; provided, however, that the maximum amount of liability based on such contract shall be the amount stipulated by laws and ordinances.</u></p>
<p>Chapter 5 Corporate Auditors and Board of Corporate Auditors</p>	<p>Chapter 5 Corporate Auditors and Board of Corporate Auditors</p>
<p>Article <u>32</u> – Article <u>41</u> (Articles omitted)</p>	<p>Article <u>31</u> – Article <u>40</u> (No amendment)</p>
<p><u>Article 42 (Exemption from Liabilities of Outside Corporate Auditors)</u> <u>The Company may execute an agreement with Outside Corporate Auditors to bear the liability of such Outside Corporate Auditors under Article 423, Paragraph 1 of the Companies Act up to the amount stipulated by laws and ordinances, provided that such liability is borne in good faith and without gross negligence.</u></p> <p>[New]</p>	<p>[Deleted]</p>
<p>[New]</p>	<p><u>Article 41 (Exemption from Liabilities of Corporate Auditors)</u> <u>The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act, by a resolution of the Board of Directors, exempt Corporate Auditors (including a person who was a Corporate Auditor) under Article 423, Paragraph 1 of the Companies Act from liability for damages to the</u></p>

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter 6 Accounting Auditor</p> <p>Article <u>43</u> – Article <u>44</u> (Articles omitted)</p> <p style="text-align: center;">Chapter 7 Calculation</p> <p>Article <u>45</u> – Article <u>48</u> (Articles omitted)</p> <p style="text-align: center;">[New]</p>	<p><u>extent permitted by laws and ordinances.</u></p> <p><u>2 The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Corporate Auditors to limit their liability for damages as set forth in Article 423, Paragraph 1 of said Act; provided, however, that the maximum amount of liability based on such contract shall be the amount stipulated by laws and ordinances.</u></p> <p style="text-align: center;">Chapter 6 Accounting Auditor</p> <p>Article <u>42</u> – Article <u>43</u> (No amendment)</p> <p style="text-align: center;">Chapter 7 Calculation</p> <p>Article <u>44</u> – Article <u>47</u> (No amendment)</p> <p><u>(Supplementary Provisions)</u></p> <p><u>1 Article 17 (Internet Disclosure and Deemed Provision of Reference Documents, etc. for Annual Meeting of Shareholders) of the present Articles of Incorporation shall remain in force with respect to Annual Meetings of Shareholders of which the date of Annual Meeting of Shareholders is within six (6) months from September 1, 2022 (hereinafter referred to as the “Effective Date”), the date of enforcement of the amended provisions set forth in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Law No. 70 of 2019).</u></p> <p><u>2 These Supplementary Provisions shall be deleted after six (6) months have elapsed from the Effective Date or after three (3) months have elapsed from the date of Annual Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

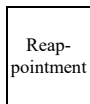
Item No. 3: Election of five (5) Directors

As the terms of office of all five (5) Directors will expire at the conclusion of this Annual Meeting of Shareholders, the Company proposes that five (5) Directors be elected.

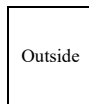
The candidates for Director are as follows.

List of Candidates

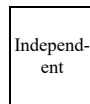
Candidate No.		Name	Present Position in the Company	Attendance at Board of Directors Meetings	Term of Office as Director (At closing of Annual Meeting of Shareholders)
1	<input type="checkbox"/> Reap- pointment	Taro Teraura	President and Representative Director	12/12 times	10 years
2	<input type="checkbox"/> Reap- pointment <input type="checkbox"/> Outside <input type="checkbox"/> Independ- ent	Yasuko Ma- saki	Director	12/12 times	15 years
3	<input type="checkbox"/> Reap- pointment <input type="checkbox"/> Outside <input type="checkbox"/> Independ- ent	Toru Kato	Director	12/12 times	11 years
4	<input type="checkbox"/> Reap- pointment <input type="checkbox"/> Outside <input type="checkbox"/> Independ- ent	Yoshifumi Akanishi	Director	12/12 times	6 years
5	<input type="checkbox"/> Reap- pointment <input type="checkbox"/> Outside <input type="checkbox"/> Independ- ent	Hiromi Yo- shikawa	Director	12/12 times	2 years



Candidate for re-
election of Direc-
tor



Candidate for
Outside Director



Candidates for Independent Officers as stip-
ulated by the Tokyo Stock Exchange

Candidate No.	Name (Date of Birth)	Brief Profile, Position and Responsibility at the Company, and Important Concurrent Position	Number of the Company's Shares Owned
1	<p style="text-align: center;">Taro Teraura (Born on May 12, 1977)</p> <div style="border: 1px solid black; width: 50px; margin: 0 auto; padding: 2px; text-align: center;">Reap- pointment</div>	<p>Sep. 2002 Joined the Company Jan. 2012 Executive Officer of the Company Jan. 2013 Managing Director of the Company Dec. 2013 In charge of Chennai, India Business of the Company Jan. 2018 Senior Managing Director of the Company Jun. 2018 In charge of Global Sales Department and European Business of the Company Jan. 2020 President and Representative Director (incumbent) [Important concurrent positions] HI-LEX HUNGARY CABLE SYSTEM MANUFACTURING LLC CEO HI-LEX CZECH, S.R.O. CEO</p>	74,582 shares
<p>[Reason for nomination as a candidate for Director] Mr. Taro Teraura was appointed President and Representative Director of the Company in January 2020. He is expected to make appropriate management judgments and decisions in order for the Group to achieve sustainable growth in the future. This includes making use of his abundant experience and knowledge to make management judgments and decisions in the global development of the business founded on the Company's bases in 16 countries around the world, and boldly taking on challenges in this era of dramatic change in the automobile industry. For this reason, he continues to be a candidate for the position of Director.</p>			

Candidate No.	Name (Date of Birth)	Brief Profile, Position and Responsibility at the Company, and Important Concurrent Position	Number of the Company's Shares Owned			
2	<p data-bbox="357 629 614 689">Yasuko Masaki (Born on April 8, 1955)</p> <table border="1" data-bbox="349 741 622 792"> <tr> <td data-bbox="352 745 435 788">Reap- pointment</td> <td data-bbox="435 745 528 788">Outside</td> <td data-bbox="528 745 619 788">Independ- ent</td> </tr> </table>	Reap- pointment	Outside	Independ- ent	<p data-bbox="643 353 1222 1099"> Apr. 1982 Registered as a practicing attorney (Kobe Bar Association (current Hyogo-Ken Bar Association)) (incumbent) Apr. 2004 Professor of the Law School, Kwansai Gakuin University Jan. 2008 Director of the Company (incumbent) Apr. 2008 President of Hyogo-Ken Bar Association Apr. 2011 Manager of Hyogo District Office, Japan Legal Support Center Apr. 2013 President of Kinki Federation of Bar Associations Jun. 2014 Non-member Auditor, Consumers Co-operative Kobe (incumbent) Mar. 2018 Outside Auditor of Noritz Corporation Apr. 2018 Vice President of Japan Federation of Bar Associations Mar. 2019 Director (Audit and Supervisory Committee) (Outside) of Noritz Corporation (incumbent) [Important concurrent positions] Non-member Auditor, Co-operative Society Coop Kobe Director (Audit and Supervisory Committee) (Outside) of Noritz Corporation </p>	- shares
Reap- pointment	Outside	Independ- ent				
<p data-bbox="352 1106 1394 1426"> [Reason for nomination as a candidate for Outside Director and outline of expected role] Ms. Yasuko Masaki has a wealth of experience and deep insight, having worked as a lawyer for many years and held important positions in several bar associations. As Outside Director of the Company, she has provided useful suggestions as a legal expert by utilizing her abundant experience, and also attended the Nomination and Compensation Committee and actively expressed her opinions as a member of it. She is, based on the above, expected to strengthen the corporate governance of the Company by making proposals on the Company's overall management, and by providing appropriate involvement and advice as independent Outside Director and a member of the Nomination and Compensation Committee, which is a voluntary organization. For this reason, she continues to be a candidate for the position of Outside Director. </p>						

Candidate No.	Name (Date of Birth)	Brief Profile, Position and Responsibility at the Company, and Important Concurrent Position	Number of the Company's Shares Owned			
3	<p style="text-align: center;">Toru Kato (Born on June 23, 1942)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">Reap- pointment</td> <td style="padding: 2px;">Outside</td> <td style="padding: 2px;">Independ- ent</td> </tr> </table>	Reap- pointment	Outside	Independ- ent	<p>Apr. 1969 Assistant Professor of School of Law, Osaka University</p> <p>Jan. 1993 Doctor of Law (Waseda University) (incumbent)</p> <p>Apr. 1997 Professor of School of Law and Politics, Kwansai Gakuin University</p> <p>Apr. 2011 Professor of Graduate School of Law, Nagoya University of Economics Professor Emeritus, Kwansai Gakuin University (incumbent)</p> <p>Jan. 2012 Director of the Company (incumbent)</p> <p>Apr. 2016 Professor Emeritus, Nagoya University of Economics (incumbent)</p>	- shares
Reap- pointment	Outside	Independ- ent				
<p>[Reason for nomination as a candidate for Outside Director and outline of expected role]</p> <p>Mr. Toru Kato has a wealth of experience and in-depth knowledge as a leading expert in legal research such as corporate laws, having served as a professor at several universities and as a director of academic societies.</p> <p>At the Company, as Outside Director, he provided useful suggestions as a legal researcher, and also attended and actively expressed his opinions as a member of the Nomination and Compensation Committee.</p> <p>He is, based on the above, expected to strengthen the corporate governance of the Company by making proposals on the Company's overall management, and by providing appropriate involvement and advice as independent Outside Director and a member of the Nomination and Compensation Committee, which is a voluntary organization. For this reason, he continues to be a candidate for the position of Outside Director.</p>						

Candidate No.	Name (Date of Birth)	Brief Profile, Position and Responsibility at the Company, and Important Concurrent Position	Number of the Company's Shares Owned			
4	<p data-bbox="352 521 620 584">Yoshifumi Akanishi (Born on March 5, 1948)</p> <table border="1" data-bbox="352 633 620 685"> <tr> <td data-bbox="352 633 437 685">Reap- pointment</td> <td data-bbox="437 633 533 685">Outside</td> <td data-bbox="533 633 620 685">Independ- ent</td> </tr> </table>	Reap- pointment	Outside	Independ- ent	<p data-bbox="643 353 1209 383">Apr. 1972 Legal Apprentice in the Supreme Court</p> <p data-bbox="643 387 1177 416">Apr. 1974 Assistant Judge, Kobe District Court</p> <p data-bbox="643 421 1197 472">Apr. 1992 Prosecutor, Litigation Division, Osaka Legal Affairs Bureau</p> <p data-bbox="643 477 1197 528">Apr. 1993 Manager of Litigation Division, Osaka Legal Affairs Bureau</p> <p data-bbox="643 533 1209 562">Jan. 2007 Presiding Justice of Kobe Family Court</p> <p data-bbox="643 566 1118 595">Oct. 2008 Chief Judge, Osaka High Court</p> <p data-bbox="643 600 1153 651">Jun. 2013 Registered as a practicing attorney (Osaka Bar Association)</p> <p data-bbox="643 656 1209 707">Sep. 2013 Member of the Public Interest Corporation Commission of Osaka Prefecture</p> <p data-bbox="643 712 1187 763">Apr. 2014 Professor of Graduate School of Law, Kindai University</p> <p data-bbox="643 768 1187 797">Jan. 2017 Director of the Company (incumbent)</p> <p data-bbox="643 801 1187 853">Apr. 2021 Registered as a practicing attorney (Kyoto Bar Association) (incumbent)</p>	- shares
Reap- pointment	Outside	Independ- ent				
<p data-bbox="352 891 1305 920">[Reason for nomination as a candidate for Outside Director and outline of expected role]</p> <p data-bbox="352 925 1394 976">Mr. Yoshifumi Akanishi has acquired, through his long career as a judge, abundant experience and deep insight.</p> <p data-bbox="352 981 1394 1032">As Outside Director of the Company, he has provided useful suggestions based on his knowledge and experience as a legal expert.</p> <p data-bbox="352 1037 1394 1153">He is, based on the above, expected to strengthen the corporate governance of the Company by making proposals on the Company's overall management, and by being appropriately involved and giving advice as an independent Outside Director. For this reason, he continues to be a candidate for the position of Outside Director.</p>						

Candidate No.	Name (Date of Birth)	Brief Profile, Position and Responsibility at the Company, and Important Concurrent Position	Number of the Company's Shares Owned			
5	<p>Hiromi Yoshikawa (Born on May 13, 1953)</p> <table border="1"> <tr> <td>Reap- pointment</td> <td>Outside</td> <td>Independ- ent</td> </tr> </table>	Reap- pointment	Outside	Independ- ent	<p>Apr. 1976 Joined Otsuka Pharmaceutical Co., Ltd. Jul. 2001 Director of Otsuka Pharmaceutical Co., Ltd. Jul. 2007 Managing Director of Otsuka Pharmaceutical Co., Ltd. Apr. 2009 Executive Senior Managing Director of Otsuka Pharmaceutical Factory, Inc. Mar. 2017 Advisor of Otsuka Pharmaceutical Factory, Inc. Sep. 2017 Director of MNES Inc. Nov. 2018 COO and Director of MNES Inc. Jan. 2021 Director of the Company (incumbent) Feb. 2021 Advisor of CureApp, Inc. May 2021 Outside Director of CureApp, Inc. (incumbent) [Important concurrent positions] Outside Director of CureApp, Inc.</p>	- shares
Reap- pointment	Outside	Independ- ent				
<p>[Reason for nomination as a candidate for Outside Director and outline of expected role] Mr. Hiromi Yoshikawa has held important positions such as director at several companies, and has a wealth of experience and broad insight as a corporate manager in other industries. As Outside Director, he plays an important role in ensuring the adequacy and appropriateness of management decisions and supervision by the Board of Directors of the Company, and provides useful advice and suggestions based on his extensive experience in the corporate management. He is, based on the above, expected to identify issues and make proposals on the Company's overall management, thereby ensuring the Company's sustainable growth, enhancing corporate value, ensuring sound management, and strengthening corporate governance. For this reason, he continues to be a candidate for the position of Outside Director.</p>						

- Notes: 1. There is no special conflict of interest between the candidates and the Company.
2. Ms. Yasuko Masaki, Mr. Toru Kato, Mr. Yoshifumi Akanishi and Mr. Hiromi Yoshikawa are four (4) candidates for Outside Director. Their terms in office for Outside Director will be fifteen (15) years for Ms. Yasuko Masaki, eleven (11) years for Mr. Toru Kato, six (6) years for Mr. Yoshifumi Akanishi and two (2) years for Mr. Hiromi Yoshikawa at the conclusion of this Annual Meeting of Shareholders.
3. The Company has entered into an agreement with Ms. Yasuko Masaki, Mr. Toru Kato, Mr. Yoshifumi Akanishi and Mr. Hiromi Yoshikawa to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act, up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If the four (4) candidates are elected at this Annual Meeting of Shareholders as proposed, the said agreement limiting liability will be continued.
4. The Company has designated Ms. Yasuko Masaki, Mr. Toru Kato, Mr. Yoshifumi Akanishi and Mr. Hiromi Yoshikawa as Independent Officers set forth by the Tokyo Stock Exchange and registered them thereto. If these four (4) candidates are elected as proposed, the Company will continue to register them as Independent Officers with the Tokyo Stock Exchange.
5. The Company has entered into a Directors and Officers Liability Insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, as described in "4. (4) Outline of the coverage of Directors and Officers Liability Insurance policy, etc." of the Business Report. If the candidates are elected at this Annual Meeting of Shareholders as proposed, they will continue to be included as insured persons under the said insurance policy. In addition, the insurance policy is scheduled to be renewed with the same coverage at the next renewal.

[Reference] Composition, expertise and experience of the Board of Directors if Item No. 3 is approved

Based on the expertise and experience of the candidates for Directors, the areas in which the Company particularly expects each Director to perform well are as follows. The following composition of the Board of Directors has been prepared based on the assumption that all items for the election of Directors at this Annual Meeting of Shareholders will be approved as originally proposed.

No.	Name	Position in the Company	Outside	Management & Strategy	Manufacturing R&D	Sales Marketing	Overseas Business	Legal Compliance Risk Management	Finance & Accounting	Personnel & Labor HR Development	Management at Another Company	Nomination & Compensation Committee	Gender
1	Taro Teraura	President and Representative Director		•	•	•	•		•	•		•	Male
2	Yasuko Masaki	Director	•					•				•	Female
3	Toru Kato	Director	•					•				•	Male
4	Yoshifumi Akanishi	Director	•					•					Male
5	Hiromi Yoshikawa	Director	•	•	•	•	•		•	•	•		Male

* The above list indicates the areas in which the candidates can particularly demonstrate their expertise based on their experience and other factors, and does not represent all the knowledge that the candidates have.

Item No. 4: Continuation of the Response Policy on Large-scale Purchases, etc. of the Company's Shares (Takeover Defense Measures)

With approval of our shareholders at the 76th Ordinary Annual Meeting of Shareholders held on January 25, 2020, the Company has continued to introduce the Response Policy on Large-scale Purchases, etc. of the Company's Shares (hereinafter referred to as the "Former Plan"). Since the effective period of the Former Plan is until the conclusion of the 79th Ordinary Annual Meeting of Shareholders of the Company scheduled to be held on January 28, 2023 (hereinafter referred to as the "Ordinary Annual Meeting of Shareholders"), the Board of Directors of the Company has been carefully considering the continuation of the Former Plan, including the pros and cons of its continuation, in light of changes in social and economic conditions, amendments to laws and regulations, etc., even after the Former Plan was introduced.

As a result, at the Board of Directors meeting held on December 9, 2022, the Company decided to partially amend the Former Plan (the amended response policy is hereinafter referred to as the "Plan") and continue the Plan on condition of approval of shareholders at this Ordinary Annual Meeting of Shareholders.

The Plan has been unanimously approved by five (5) Directors of the Company, including four (4) Outside Directors, and four (4) Corporate Auditors of the Company, including three (3) Outside Corporate Auditors.

At present, there is no evidence that the Company has received any specific proposal from a third party for Large-scale Purchases, etc. of the Company's Share certificates, etc.

The Board of Directors of the Company believes that it is appropriate to broadly reflect the opinions of shareholders with respect to the Plan, and therefore, the introduction of the Plan is conditional on approval of this Proposal by a majority of the voting rights of the shareholders.

Details of the Plan shall be as follows.

1. Efforts to ensure and enhance the Company's corporate value and the common interests of shareholders

(1) Source of our corporate value

The source of our corporate value is the following:

- [1] Since our founding in 1946, we have devoted our heart and soul to control cables, and as a leading company in the industry, we have cultivated over the years our manufacturing technology and know-how for high-quality cables, product development capability for control systems using these cables, and a high level of trust that our customers (especially automobile manufacturers) and suppliers have placed in us.
- [2] We have inherited the ideal of the founder "to contribute to society through our work" and "to develop worthy human beings through our work." And we have built a solid, fair and impartial corporate culture based on our motto, "Good Quality, Low Cost, Prompt Delivery," and our management creed, "Integrity, Harmony, Unwavering Spirit, and Service" as a means of realizing it. We do this with the strong relationships of trust with customers, suppliers, and society that we have gained through our concerted efforts to meet the demands of society, based on the solid relationship of trust between management and employees.
- [3] We have a sound financial structure that can withstand and support us in the event of unforeseen economic fluctuations, and this structure is essential to further enhance these relationships of trust and confidence, maintain and improve stable returns to shareholders, and maintain and grow our product development capabilities and core technologies. It also helps us to realize the medium- to long-term vision and make capital investments necessary for medium- to long-term product development plans.

We believe that the source of our corporate value, leading to the maximization of shareholder value, is to be trusted and supported as a "safe and reliable company" by

all stakeholders, including shareholders, customers, suppliers, employees, and society, and to continue to create value together over the medium to long term.

(2) Medium-term management plan

In order to maximize our corporate value, we have formulated a medium-term management plan, which we review every year and we continue to roll out the plan.

Our Group is facing a severe business environment in the face of major changes, including a decrease in control cable applications due to the rapid acceleration of EVs led by China and Europe, rising raw material prices worldwide, intensifying price competition with domestic and overseas competitors, a review of the medium- to long-term outlook under the impact of COVID-19, and semiconductor shortage, exchange rate fluctuations and the impact of trade policies in various countries on the automotive industry. In such a business environment, our important management issues are to expand our market share by responding immediately to customers' requests and to develop and expand sales of new products that exceed customer expectations through mutual cooperation and collaboration among our bases in 16 countries, which are the strengths of our group.

Our Group will consistently pursue its founding management philosophy and address the following three management issues under the policy of "Renovating the Foundations of Reassurance."

[I] Strengthen Competitiveness

▪ Set global prices

In order to respond to a global rise in raw material prices and the borderless production and sales of automobile manufacturers, our bases in 16 countries around the world will mutually cooperate and collaborate, which is one of our Group strengths, to supply products of reliable quality, high added value, and competitiveness in any region, anticipate the diverse needs of our customers, and respond immediately to requests from the customer's perspective.

▪ Reliable quality

By thoroughly adhering to the Company's quality policy of "Four Reassurances" (reassurance through honing drawings, reassurance through 4S (*seiri, seiton, seiso, seibi*, or sort, organize, clean, and prepare), reassurance through facilities, and reassurance through work) throughout the Company and by improving the quality of our work, we will build a solid foundation to provide reassurance to our customers at all of our bases around the world.

[II] Strengthen Management Base

▪ Strengthening of business foundation

We have won new orders from European automobile manufacturers as well as from the Chinese and Indian markets, and have been working to build new production bases and increase production capacity to expand into new markets. We are committed to the early realization of management stability in the operations of these new bases. At our global bases, we will work to expand our market share by enhancing and increasing sales of core products that have new value unique to the Company.

In addition, we will aggressively promote the development of new markets in non-automotive fields.

▪ Enhancement of development

We will seek to add more value to our products by optimizing materials and design. By strengthening our electronic control technology and promoting the intelligence of our products, and by combining this with our Group's accumulated know-how, we will propose products with new value that exceed our customers' expectations and bring reassurance and joy to customers around the world.

We will also focus on the development of system products such as power lift-gates and electric actuators as well as new products in non-automotive fields such as medical, welfare and housing devices.

[III] Human Resource Development

▪ Development of global human resources

We will develop global human resources by raising talented people who have the skills to teach and lead with professionalism with adaptability to anywhere in the world, and who continue to persevere in dealing with challenges, and by dispatching them to Group companies in countries around the world.

Through the steady implementation of this medium-term management plan, we will further enhance our brand value by contributing to society on a global scale as a creative system product company with a focus on control systems, and aim to increase our corporate value and customer satisfaction.

(3) Strengthening of corporate governance mechanism

The Company has traditionally placed the strengthening of corporate governance as an important issue, being an essential mechanism for enhancing corporate value and the common interests of shareholders. The Company has four (4) out of five (5) Directors who are independent, and the majority of the Board of Directors is composed of Outside Directors. In addition, three (3) of the four (4) Corporate Auditors are independent Outside Corporate Auditors. The Company has reported all of these outside officers as independent officers to the Tokyo Stock Exchange.

The Company introduced the executive officer system in January 2001 to reduce the number of Directors and to strengthen the structure that enables prompt and flexible business execution and monitors business execution while separating management decision-making and business execution.

In addition, the term of office of Directors has been set at one year in order to clarify the responsibility of management to shareholders.

Since the Company's fiscal year ends on the last day of October and the Ordinary Annual Meeting of Shareholders is usually held in late January, there is no risk that the concentrated holding of general meetings of shareholders will lead to making them a formality. In addition, it is our custom to hold the Annual Meeting of Shareholders on Saturdays so that as many shareholders as possible can attend the meeting to ensure its proper functioning.

The Company is committed to implementing the above measures to ensure and enhance corporate value, and, as a consequence, the common interests of our shareholders.

2. Purpose of the introduction of the Plan

(1) Since the Company is a listed company, our shares should be traded freely in the market, and even a large-scale purchase of the Company's shares by a specific party is not to be denied if it leads to the enhancement of the Company's corporate value and, as a consequence, the common interests of our shareholders.

In addition, the decision on whether or not to accept a purchase of the Company's shares that involves a transfer of control of the Company should ultimately be left to the judgment of the Company's shareholders.

However, there are several types of large-scale purchases that are contrary to the corporate value of the Company and the common interests of our shareholders. These include those that clearly infringe upon corporate value and the common interests of shareholders in terms of their purpose, etc., those that effectively force shareholders to sell their shares, those that do not provide sufficient information or time for consideration for the Board of Directors to present an alternative proposal, those that do not provide shareholders with sufficient time and information for consideration, and those

that require the Company to negotiate with Offerors, etc. to bring about more favorable terms than those presented by Offerors, etc.

In order for shareholders to make an appropriate decision on whether or not to accept a purchase of the Company's shares that would involve a transfer of control of the Company, it is essential that sufficient information be provided by Offerors, etc. and the Board of Directors of the Company, etc., as well as sufficient time for shareholders to consider the matter. For shareholders who intend to continue to hold the Company's shares without selling them, the content of management policies and business plans, including the policies of Offerors, etc. toward the Company's customers, business partners, local communities, employees and other stakeholders, are also important factors in considering whether to continue to hold the Company's shares. If we are unable to prevent such abusive purchases from taking place, it will lead to an outflow of excellent employees who support our manufacturing technology that is one of our strengths, and we will lose the strong trust of our customers, business partners, and society, and it may have a significant impact on the execution of our "Efforts to ensure and enhance the Company's corporate value and the common interests of shareholders" in 1. above.

Therefore, the Company will collect and provide information necessary for the shareholders who will make a final decision on whether to accept the Large-scale Purchases, etc. to make an appropriate judgment. The Company will make it possible for them to assess and examine whether the management policy of the Company after the acquisition as intended by Offerors, etc. will contribute to the improvement of the corporate value of the Company and the common interests of shareholders. If, as a result of such assessment and examination, it is determined that the purchase is detrimental to the common interests of the Company's shareholders and our corporate value, we believe it is necessary to negotiate with Offerors, etc. to improve the details of the large-scale purchase proposal and, if necessary, to take countermeasures.

Based on this basic approach, the Company has decided to continue to introduce the Plan, believing that it will contribute to the common interests of the Company's shareholders and securing and enhancing the Company's corporate value if Large-scale Purchases, etc. are carried out in accordance with certain reasonable rules.

- (2) The Company's shareholders as of October 31, 2022 are listed in Exhibit 3, "Status of the Company's Shareholders."

Also, the Plan proposed by the Company does not seek to eliminate all acts of acquiring the Company, but only to ensure that a person who intends to make an acquisition provides shareholders with sufficient information on the terms of acquisition, etc., as well as to ensure the opportunity and time for sincere and earnest negotiations with the Board of Directors of the Company. As a result, the Plan will lead to optimal results from the perspective of ensuring and enhancing the common interests of shareholders and our corporate value. Furthermore, the Company believes the establishment of such rules in advance and the transparency of takeover procedures will ensure the foreseeability of Offerors, etc., and prevent attrition effects on Large-scale Purchases, etc., which would benefit the Company and its shareholders, compared to the case where such rules are not established.

3. Contents of the Plan

- (1) Procedures set forth in the Plan

- [1] Scope of Large-scale Purchases, etc.

The Plan shall apply to the Large-scale Purchases, etc. set forth in this paragraph. In this Plan, "Large-scale Purchases, etc." shall mean:

- (i) Acts of purchasing the Company's Share certificates, etc. (Note 3) with the purpose of increasing the Voting Rights Proportion (Note 2) of a specific shareholder group (Note 1) to 20% or more, regardless of the specific purchase method, such as market transactions, tender offers, etc.;

- Note 1 “specific shareholder group” shall mean [1] the holders (as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those included as holders in accordance with Paragraph 3 of the same Article; the same shall apply hereinafter) of the Share certificates, etc. of the Company (as defined in Article 27-23, Paragraph 1 of the same Act) and their joint holders (as defined in Article 27-23, Paragraph 5 of the same Act, including those deemed to be a joint holder pursuant to Paragraph 6 of the same Article; the same shall apply hereinafter), [2] Purchase, etc. (as defined in Article 27-2, Paragraph 1 of the same Act, including those conducted in the stock exchange securities market) of the Share certificates, etc. of the Company (as defined in Article 27-2, Paragraph 1 of the same Act) and Persons in a Special Relationship (as defined in Article 27-2, Paragraph 7 of the same Act; the same shall apply hereinafter), [3] Parties related to those in [1] or [2] above (a group consisting of investment banks, securities firms, and other financial institutions that have executed financial advisory agreements with these parties, other parties that share substantial interests with these parties, tender offer agents, attorneys, accountants, and other advisors, or other parties that are reasonably considered by our Board of Directors to be substantially controlled by these parties or to act jointly or in concert with these parties); and [4] persons who acquired the Company’s Share certificates, etc. from parties falling under [1] through [3] above by way of an off-market relative transaction or an off-floor transaction (ToSTNeT-1) (provided, however, that this excludes the case if a tender offer is made) on the Tokyo Stock Exchange (those falling under [3] or [4] above are hereinafter collectively referred to as “Related Parties”).
- Note 2 “Voting Rights Proportion” shall mean, depending on the specific purchase method of the specific shareholder group, [1] if a specific shareholder group is a holder or a joint holder of Share certificates, etc. of the Company (Share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act), the holding ratio of Share certificates, etc. of such holder (defined in Article 27-23, Paragraph 4 of the same Act. In this case, the number of Share certificates, etc. held by the joint holders of such holders (the number of Share certificates, etc. held as provided in the same paragraph) shall be considered in the calculation); or [2] If the specific shareholder group is a person who intends to make the purchase, etc. (prescribed in Article 27-2, Paragraph 1 of the same Act, including purchases conducted in a securities market on a stock exchange) of our Company’s Share certificates, etc. (as defined in Article 27-2, Paragraph 1 of the same Act) and Persons in a Special Relationship, it shall mean the total proportion of Share certificates, etc. held by the person who intends to make the purchase, etc. and Persons in a Special Relationship (as defined in Article 27-2, Paragraph 8 of the same Act). For the purpose of calculating such holding or ownership ratio of Share certificates, etc., (i) a joint holder or Persons in a Special Relationship with the person who intends to make the purchase, and (ii) Related Parties to the person who intends to make the purchase, their joint holder or Persons in a Special Relationship shall be deemed to be a joint holder or Persons in a Special Relationship

with the person who intends to make the purchase under this Plan. The same shall apply hereinafter.

Note 3 “Share certificates, etc.” shall be as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act or Article 27-2, Paragraph 1 of the same Act. The same shall apply throughout this document unless otherwise specified.

(ii) Acts of purchasing our Company’s Share certificates, etc. that would result in the specific shareholder group holding 20% or more of the voting rights (regardless of the specific purchase method, such as market transactions, tender offers, etc.);

Or

(iii) Regardless of conducting each of the acts set forth in (i) or (ii) above, acts by a specific shareholder of the Company with other shareholders of the Company (including cases where there are multiple shareholders; the same shall apply hereinafter in (iii)), and any agreement or other acts that would result in such other shareholders becoming joint holders of the specific shareholder; or any acts that establishes a relationship (Note 4) between such specific shareholder and such other shareholder(s) in which one substantially controls the other or in which they act jointly or in cooperation (Note 5); (provided, however, that if the total shareholding ratio of specific shareholder group to which such Specified Shareholders belong and such other shareholders with respect to Share certificates, etc. issued by the Company is 20% or more);

Note 4 Such judgment shall be made based on the formation of a new investment relationship, business alliance, transaction or contractual relationship, concurrent directorship, funding relationship, credit relationship, or substantial interest in the Company’s Share certificates, etc. through derivatives, stock lending, or other means, and the direct or indirect influence of the specific shareholder group to which the specific shareholder belongs and other shareholders on the Company.

Note 5 The Company’s Board of Directors shall make a reasonable judgment as to whether or not the acts described in (iii) above have been committed. (In making such judgment, the recommendation of the Independent Committee shall be respected to the maximum extent possible.) The Company’s Board of Directors may request the Company’s shareholders to provide information necessary to the extent needed to determine the applicability of the requirements specified in (iii) above.

Of the above, it shall mean those that have not obtained consent of the Board of Directors of the Company, and Large-scale Purchasers or the proposer shall be referred to as “Offerors, etc.” Offerors, etc. shall comply with the following procedures set forth in advance in the Plan.

[2] Prior submission of Letter of Intent to our Company

Prior to the execution of Large-scale Purchases, etc., Offerors, etc. shall submit to the Company’s Board of Directors a written pledge to the effect that Offerors, etc. will comply with the procedures set forth in this Plan in connection with the Large-scale Purchases, etc. (hereinafter the “Letter of Intent”).

Specifically, the following items must be included in the Letter of Intent.

(i) Overview of Offerors, etc.

(a) Name and address or location

- (b) Names and positions of Representative, Director (or equivalent position; the same shall apply hereinafter), and Corporate Auditor (or equivalent position; the same shall apply hereinafter), respectively, and their brief profiles for the past ten (10) years
 - (c) Purpose and business of the Company, etc.
 - (d) Overview of major direct and indirect shareholders or major investors (top 10 shareholders in terms of share or investment proportion) and ultimate beneficial controlling shareholder (investor)
 - (e) Contact in Japan
 - (f) Governing law of establishment
 - (g) Names, head office locations, and business activities of major investees, as well as the percentage of shareholding or equity participation in such major investees
- (ii) Overview of specific shareholder group other than Offerors, etc.
 - (a) Name and address or location
 - (b) Names and positions of Representative, Director (or equivalent position; the same shall apply hereinafter), and Corporate Auditor (or equivalent position; the same shall apply hereinafter), respectively, and their brief profiles for the past ten (10) years
 - (c) Purpose and business of the Company, etc.
 - (d) Overview of major direct and indirect shareholders or major investors (top 10 shareholders in terms of share or investment proportion) and ultimate beneficial controlling shareholder (investor)
 - (e) Contact in Japan
 - (f) Governing law of establishment
 - (g) Names, head office locations, and business activities of major investees, as well as the percentage of shareholding or equity participation in such major investees
 - (iii) The number of Share certificates, etc. of the Company currently held by Offerors, etc. and the trading status of the Share certificates, etc. of the Company by Offerors, etc. during the period of sixty (60) days prior to the submission of the Letter of Intent
 - (iv) The purpose of Large-scale Purchases, etc. proposed by Offerors, etc. (including the purpose of Large-scale Purchases, etc. (if there are any other purposes, such as acquisition of control or participation in management, net investment or strategic investment, transfer of the Company's Share certificates, etc. to a third party after Large-scale Purchases, etc., or act of making a material proposal, etc. (Note 6), please state and describe them; if there is more than one purpose, please state all of them)).

Note 6: It shall refer to acts that constitute the making of important suggestions as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

- (v) The method and details of Large-scale Purchases, etc. proposed by Offerors, etc. (including the class and number of Share certificates, etc. of the Company to be acquired by Offerors, etc. through Large-scale Purchases, etc., the price and class of consideration and the timing of Large-scale Purchases, etc., the structure of related transactions, the legality of method and the probability of execution of the Large-scale Purchases, etc.)
- (vi) Pledge to comply with the procedures set forth in the Plan

[3] Provision of "Required Information"

If the Letter of Intent described in [2] above is submitted, Offerors, etc. are re-

requested to provide the Company with necessary and sufficient information in Japanese for the shareholders to make a decision on the Large-scale Purchases, etc. (hereinafter “Required Information”) in accordance with the following procedures.

First, the Company will send the “Information List” containing the information to be initially submitted to the domestic contact indicated in [2] (i) (e) above to Offerors, etc. within ten (10) business days (Note 7) (not counting the first day) from the date of submission of the Letter of Intent. Offerors, etc. are requested to submit sufficient information to the Company in accordance with the Information List.

Note 7 A business day shall mean a day other than the days listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.

If the Board of Directors of the Company reasonably determines that the information is insufficient for the shareholders’ decision-making and the assessment and consideration of the Board of Directors of the Company in light of the content and state of the Required Information, the Board of Directors of the Company may request additional information to Offerors, etc. until the Company has the necessary and sufficient Required Information. In principle, the Required Information must be provided within sixty (60) days (not counting the first day) after the above Information List is delivered by the Board of Directors of the Company to Offerors, etc. (hereinafter the “Information Provision Period”). However, since the specific content of Required Information may vary depending on the content and size of Large-scale Purchases, etc., the Board of Directors of the Company may extend the Information Provision Period for up to thirty (30) days based on the recommendation of the Independent Committee, considering the content and size of Large-scale Purchases, etc. and the specific provision of the Required Information. The Company’s Board of Directors shall judge whether the Required Information submitted by Offerors, etc. is sufficient, whether the content and scope of the Required Information requested by the Company’s Board of Directors are appropriate, and whether to extend the Information Provision Period in accordance with the recommendation of the Independent Committee; provided, however, that this shall not apply to cases where it is determined that following the recommendation may be in violation of the Directors’ duty of care.

Notwithstanding the content and state of Large-scale Purchases, etc., information regarding each of the following items shall in principle be included as part of the Information List.

- (i) Details of each member of the specific shareholder group, where members shall mean major shareholders or investors (whether directly or indirectly; the same shall apply hereinafter), significant subsidiaries and affiliates, joint holders, and persons in a special relationship, and in the case of a fund or an entity related to its investment (whether incorporated under the laws of Japan or abroad, regardless of the legal form; hereinafter referred to as the “Fund, etc.”), or if there is a fund, etc. substantially controlled or managed by the Offerors, etc., its major union members, investors and other constituent members, and persons who continuously provide advice regarding investment (the same shall apply hereinafter; where details shall mean history, specific name, address, governing law of incorporation, capital structure, investee, proportion of investment in the investee, nature of business, financial condition, details of investment policy, details of investment and financing activities within the past ten (10) years, whether the company is a “foreign investor” as defined in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the “Foreign Exchange Act”) and the information on which this is based, as

- well as the names of officers, their profiles for the past ten (10) years, and whether or not they have committed any acts in violation of laws and ordinances in the past (and a summary thereof, if any)
- (ii) Specific details of the internal control systems of each member of the specific shareholder group (including the Group's internal control system) and whether or not such systems are effective, and the status of effectiveness of such systems
 - (iii) Purpose (details of the purpose disclosed in the Letter of Intent), method and details of Large-scale Purchases, etc. (This includes if there is any intent to participate in the management of the Company, the class and number of Share certificates, etc. of the Company to be acquired, price and class of consideration and timing of the Large-scale Purchases, etc., structure of related transactions, ownership ratio of Share certificates, etc. after the Large-scale Purchases, etc., legality of the method of Large-scale Purchases, etc., and probability of the implementation of Large-scale Purchases, etc. and related transactions (if the Large-scale Purchases, etc. are subject to certain conditions, the details of such conditions), as well as the Company's shareholding policy after the completion of Large-scale Purchases, etc., and if the Company's Share certificates, etc. are likely to be delisted, a statement to that effect and the reasons therefor; with respect to the legality of Large-scale Purchase, etc., a written opinion by an attorney at law shall also be submitted.)
 - (iv) Basis and background for calculating the consideration for Large-scale Purchases, etc. (This includes the premise for calculation, assumptions, calculation method, numerical data used in the calculation, details of synergies and dis-synergies expected to arise from the series of transactions related to the Large-scale Purchases, etc., the name and information of a third party if a third party's opinion was heard in the calculation, an outline of the opinion, and the circumstances leading to the determination of the amount based on the opinion.)
 - (v) The financial backing of the Large-scale Purchases, etc. (This includes the specific name of the provider of the funds (including any substantial providers, whether directly or indirectly), the method of procurement, presence or absence and details of any conditions under which the funds are to be executed, presence or absence and details of any collateral or pledges after the funds are provided, and the specific details of any related transactions.)
 - (vi) Whether or not there is any communication of intent with a third party in connection with the Large-scale Purchases, etc. (including any communication of intent to make a Material Proposal, etc. to the Company; the same shall apply hereinafter), and if there is such communication, the specific form and details of such communication, as well as a brief description of such third party
 - (vii) Holding status of Share certificates, etc. of the Company, holding and contract status of derivatives and other financial derivative instruments whose underlying assets are Share certificates, etc. of the Company or assets related to the business of the Company or our Company Group, and lending, borrowing and short selling of Share certificates, etc. of the Company by the specific shareholder group
 - (viii) If there is a loan agreement, security agreement, repurchase agreement, reservation of sale or purchase, or other material agreement or arrangement (hereinafter "Collateral Agreements, etc.") with respect to the Share certificates, etc. of the Company already held by the specific shareholder group, the concrete details of such Collateral Agreements, etc., including the type of agreement, a counterparty to the agreement, and the quantity of the

- Company's Share certificates, etc. subject to the agreement
- (ix) If the specific shareholder group plans to enter into Collateral Agreements, etc. or other agreements with third parties with respect to the Share certificates, etc. of the Company that it will hold after the Large-scale Purchases, etc. (including Share certificates, etc. of the Company already held), the concrete details of such agreements, including the type of agreement, a counterparty to the agreement, and the quantity of the Company's Share certificates, etc. subject to the agreement
 - (x) Management policies of the Company and our Company Group after the Large-scale Purchases, etc., brief profiles and other detailed information on potential officers to be dispatched after the Large-scale Purchases, etc. (including information regarding knowledge and experience in the same type of business as that of the Company and our Company Group), business plans, financial plans, capital plans, investment plans, capital and dividend policies (including plans for the sale, offering as collateral, or other disposition of the assets of the Company and our Company Group after the Large-scale Purchases, etc.)
 - (xi) Policy for the treatment, etc. of the officers, employees, labor unions, business partners, customers, local communities, and other stakeholders of the Company and our Company Group after Large-scale Purchases, etc.
 - (xii) Specific measures to avoid conflicts of interest with the Company's other shareholders
 - (xiii) A document pledging that the Offerors, etc. do not fall under the category of abusive acquirers (defined in (2) [2] below)
 - (xiv) Regulatory matters under the Foreign Exchange Act and other domestic and overseas laws and ordinances that may be applicable to the Large-scale Purchases, etc., and the possibility of obtaining approvals or permits under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange Act, and other laws and ordinances to be obtained from domestic or overseas governments or third parties (In addition, these matters should be accompanied by a written opinion from a qualified attorney in the relevant jurisdiction.)
 - (xv) Possibilities of maintaining the necessary permits and approvals under domestic and overseas laws, etc., and compliance with domestic and overseas laws, etc., with respect to the management of our Company Group after the Large-scale Purchases, etc.
 - (xvi) Any relationship with antisocial forces or terrorist organizations, and if there is, the details of such relationship, whether directly or indirectly

The Company's Board of Directors will disclose the fact that Large-scale Purchases, etc. have been proposed by Offerors, etc. and an outline thereof, an outline of Required Information, and any other information deemed necessary for the shareholders to make a decision at the time it deems appropriate.

In addition, recognizing that the proposal of Required Information by Offerors, etc. has been sufficiently made, the Board of Directors of the Company shall notify Offerors, etc. of such fact (hereinafter the "Completion Notice of Information Provision") and disclose such information promptly.

- [4] Establishment of the Board of Directors' assessment period, etc.
After the Company's Board of Directors issues the Completion Notice of Information Provision, the Company's Board of Directors may, depending on the difficulty level of assessing Large-scale Purchases, etc. and other factors, set the following period (i) or (ii) (not counting the first day of either period) for the Company's Board of Directors to assess, review, negotiate, form opinions and develop alternative plans (hereinafter the "Board of Directors' Assessment Period").
 - (i) Sixty (60) days in the case of a tender offer for all the Company's Share

certificates, etc. through a tender offer in which the consideration is made in cash (yen value) only

(ii) Ninety (90) days in the case of other Large-scale Purchases, etc.

The Board of Directors of the Company shall, within the Board of Directors' Assessment Period, fully assess and review the Required Information provided by Offerors, etc., obtain advice from outside experts, etc. as necessary and appropriate, and examine the contents of Large-scale Purchases, etc. by Offerors, etc. from the perspective of securing and enhancing the Company's corporate value and the common interests of shareholders. The Board of Directors of the Company shall carefully formulate an opinion regarding Large-scale Purchases, etc. through these examinations, etc., notify Offerors, etc., and disclose such opinion to shareholders in a timely and appropriate manner. In addition, the Company shall, if necessary, negotiate with Offerors, etc. on the terms and methods of Large-scale Purchases, etc., and the Company's Board of Directors may also present alternative proposals to the shareholders.

[5] Prohibition of Large-scale Purchases, etc. prior to the expiration of the Board of Directors' Assessment Period

Offerors, etc. shall not conduct the Large-scale Purchases, etc. prior to the above expiration of the Board of Directors' Assessment Period.

(2) Measures to be taken in the event of Large-scale Purchases, etc.

[1] If Offerors, etc. do not comply with the procedures set forth in this Plan

If the procedures stipulated in the Plan are not complied with by Offerors, etc., regardless of the specific method of purchase, the Board of Directors of the Company may implement countermeasures such as the gratis allotment of stock acquisition rights for the purpose of protecting the corporate value of the Company and, as a consequence, the common interests of shareholders. The Board of Directors of the Company shall determine whether Offerors, etc. have complied with the procedures set forth in this Plan, the appropriateness of activating the countermeasures, and the content of such countermeasures in the event of activation, by referring to the opinions of outside experts, etc. and in accordance with the recommendations of the Independent Committee; provided, however, that this shall not apply to cases where it is determined that following the recommendation may be in violation of the Directors' duty of care.

With respect to specific countermeasures, the Company will select those that are deemed appropriate at the time among the gratis allotment of stock acquisition rights and other measures permitted by laws and regulations and the Articles of Incorporation of the Company. An outline of the implementation of gratis allotment of stock acquisition rights as a specific countermeasure is set forth in Exhibit 5, "Outline of the Gratis Allotment of Stock Acquisition Rights." In the actual implementation of gratis allotment of stock acquisition rights, the exercise period and conditions may be set in consideration of the effect as a countermeasure, such as making it a condition for exercising stock acquisition rights that a person is not a member of the specific shareholder group or intending to become a member of the specific shareholder group (hereinafter collectively referred to as "Non-Qualified Persons").

[2] If Offerors, etc. comply with the procedures set forth in this Plan

If Offerors, etc. comply with the procedures set forth in this Plan, the Board of Directors of the Company will only persuade the shareholders by expressing its opposition to such purchase proposal or presenting an alternative proposal, and will not take countermeasures for Large-scale Purchases, etc. In this case, whether or not to accept the purchase proposal of Offerors, etc. shall be determined by the shareholders, considering such purchase proposal as well as the opinions and alternative plans for such purchase proposal presented by the Board of Directors of

the Company.

However, if Large-scale Purchases, etc. are likely to damage the Company's corporate value and, as a consequence, the common interests of shareholders due to any of the acts, etc. listed in Exhibit 4 "Types of Acts Considered to Significantly Damage the Company's Corporate Value and Common Interests of Shareholders" (persons falling under these categories are collectively referred to as "abusive acquirers" in this document), and if the Board of Directors of the Company determines that it is reasonable to implement countermeasures, the Board of Directors of the Company may, exceptionally, implement a gratis allotment of stock acquisition rights or other measures permitted by law or the Company's Articles of Incorporation. Provided, however, that the Company does not intend to deliver any money as consideration for the acquisition of stock acquisition rights held by Offerors, etc. in such cases.

With respect to specific countermeasures, the Company will select those that are deemed appropriate at the time among the gratis allotment of stock acquisition rights and other measures permitted by laws and regulations and the Articles of Incorporation of the Company. Outline of the implementation of gratis allotment of stock acquisition rights as a specific countermeasure is set forth in Exhibit 5, "Outline of the Gratis Allotment of Stock Acquisition Rights." In the actual implementation of gratis allotment of stock acquisition rights, the exercise period and conditions may be set in consideration of the effect as a countermeasure, such as making it a condition that stock acquisition rights may not be exercised by Non-Qualified Persons.

In order to ensure the objectivity and reasonableness of the decision to implement countermeasures, the Board of Directors of the Company shall, based on the Required Information provided by Offerors, etc., and with the advice of outside experts, consider the specific shareholder group, the details of Large-scale Purchases, etc., and the impact of Large-scale Purchases, etc. on overall interests of the shareholders, and make a decision in accordance with the recommendation of the Independent Committee; provided, however, that this shall not apply to cases where it is determined that following the recommendation may be in violation of the Directors' duty of care.

In addition, of the acts, etc. listed in Exhibit 4 "Types of Acts Considered to Significantly Damage the Company's Corporate Value and Common Interests of Shareholders," if it does not fall under any of the five types of anti-takeover measures, namely the "Four High Court Types" (1.-4. of Exhibit 4) and coercive two-tier tender offer (5. of Exhibit 4), a resolution of the Annual Meeting of Shareholders must be passed.

(3) Establishment of the Independent Committee

The Board of Directors of the Company shall make a final decision as to whether the procedures set forth in this Plan have been complied with or not, and even if the Procedures have been complied with, whether to take countermeasures on the grounds that Large-scale Purchases, etc. are significantly damaging the corporate value of the Company and the common interests of shareholders. In order to operate the Plan properly, prevent the Company's Board of Directors from making arbitrary decisions, and ensure the reasonableness and fairness of those decisions, the Company shall establish the Independent Committee in accordance with Exhibit 1 "Independent Committee Rules" as in the Former Plan. The Independent Committee shall have three or more members, and to ensure fair and neutral judgments, the committee members will be selected from Outside Directors and Outside Corporate Auditors who are independent of the management team that executes the Company's business. Please refer to Exhibit 2 for the brief profiles of Outside Directors, Ms. Yasuko Masaki, Mr. Toru Kato and Mr. Yoshifumi Akanishi, and Outside Corporate Auditors, Mr. Satoshi Kobayashi and Mr. Katsumi Ota, who all are scheduled to be members of the Independent

Committee.

In order to ensure that the decisions of the Independent Committee are made in a manner that contributes to the corporate value of the Company and the common interests of shareholders, the Independent Committee may obtain advice from independent outside experts (financial advisors), certified public accountants, lawyers, consultants and other specialists as necessary at the expense of the Company.

(4) Procedure for Confirmation of Shareholder Intent

In activating countermeasures for Large-scale Purchases, etc., the Board of Directors of the Company may, for the purpose of respecting the intentions of shareholders, upon receiving the recommendation of the Independent Committee, request that the shareholders determine whether or not to invoke the countermeasures or the conditions thereof to Large-scale Purchases, etc. In addition, as stated in (2) [2] above, of the acts, etc. listed in Exhibit 4 “Types of Acts Considered to Significantly Damage the Company’s Corporate Value and Common Interests of Shareholders,” if it does not fall under any of the five types of anti-takeover measures, namely the “Four High Court Types” (1.–4. of Exhibit 4) and coercive two-tier tender offer (5. of Exhibit 4), a resolution of the Annual Meeting of Shareholders must be passed.

Confirmation of the intent of shareholders shall be made by a resolution adopted at an Annual Meeting of Shareholders or similar procedure under the Companies Act (hereinafter the “Procedure for Confirmation of Shareholder Intent”). If the Procedure for Confirmation of Shareholder Intent is carried out, the Board of Directors of the Company shall, in accordance with the resolution of the Procedure for Confirmation of Shareholder Intent, activate or not activate countermeasures against the proposal of Large-scale Purchases, etc.

The Board of Directors of the Company shall give public notice in the manner prescribed in the Articles of Incorporation of the Company at least two (2) weeks prior to the record date (hereinafter the “Record Date”) set by the Board of Directors of the Company to determine the shareholders who may exercise their voting rights in the Procedure for Confirmation of Shareholder Intent.

Shareholders entitled to exercise their voting rights under the Procedure for Confirmation of Shareholder Intent shall be those registered or recorded in the Company’s final register of shareholders as of the Record Date. In addition, in the case of the Procedure for Confirmation of Shareholder Intent, the Company shall send a notice of convocation to shareholders who are entitled to exercise their voting rights no later than two (2) weeks prior to the date of the Procedure for Confirmation of Shareholder Intent.

The Board of Directors of the Company may, in the event of any material change in the information for shareholders to make a decision by the Procedure for Confirmation of Shareholder Intent, change the Record Date or postpone or cancel the Procedure for Confirmation of Shareholder Intent even after the Record Date has been set.

(5) Procedures for activating countermeasures

Under the Plan, as described in (2) [1] above, countermeasures may be triggered if Offerors, etc. do not comply with the procedures set forth in the Plan, and as stated in (2) [2] above, the Company has established an objective requirement for not triggering countermeasures in the event of Large-scale Purchases, etc., in principle, if Offerors, etc. comply with the procedures stipulated in this Plan. However, in triggering countermeasures in the case described in (2) [1] above or taking the exceptional measures described in (2) [2] above, the Board of Directors of the Company shall consult with the Independent Committee in order to ensure the reasonableness of judgment of the Board of Directors of the Company.

The Independent Committee shall assess and examine the details of the purchase by Offerors, etc. in accordance with the procedures set forth in Exhibit 1 “Independent Committee Rules” and make recommendations to the Company’s Board of Directors

regarding whether the Company is in a position to trigger the countermeasures and whether it is appropriate to pass a resolution of the Annual Meeting of Shareholders. The Board of Directors of the Company shall promptly pass a resolution regarding the implementation or non-implementation, etc. of the said countermeasures, in accordance with the recommendation; provided, however, that this shall not apply to cases where it is determined that following the recommendation may be in violation of the Directors' duty of care. In the event that the Company's Board of Directors makes such a resolution, it shall promptly disclose the information.

(6) Cancellation or ceasing of triggering countermeasures

Even after the Board of Directors of the Company resolves to trigger the countermeasures in accordance with the procedures in (5) above, or even after the activation of the countermeasures, if (i) Offerors, etc. discontinue Large-scale Purchases, etc., or (ii) there is a change in the facts on which the decision on activating the countermeasures is based, and the Company has reached a situation in which it is considered inappropriate to maintain the activation of countermeasures from the perspective of ensuring and enhancing the Company's corporate value and the common interests of shareholders, the Board of Directors of the Company shall, based on the recommendation of the Independent Committee, or regardless of whether or not there is a recommendation or the content of the recommendation, pass a resolution to suspend or cease the activation of the countermeasures. If the Company's Board of Directors makes such a resolution, it will promptly disclose information regarding the outline of the resolution and other matters that the Company's Board of Directors deems appropriate.

4. Effective period, abolition and amendment of the Plan

The Plan will be continued subject to approval of the shareholders at this Ordinary Annual Meeting of Shareholders. The effective period will be three (3) years until the closing of the 82nd Ordinary Annual Meeting of Shareholders of the Company to be held around January 2026. Provided, however, that if the continuation of the Plan is approved at the said Ordinary Annual Meeting of Shareholders, the effective period shall be extended for another three years. The Company's Board of Directors shall promptly announce if the continuation of this Plan is approved.

If a resolution to amend or abolish the Plan is passed at an Annual Meeting of Shareholders of the Company even before the expiration of the effective period, the Plan shall be amended or abolished at that time in accordance with such a resolution. In addition, if the Company's Board of Directors, which is composed of Directors elected at the Company's Annual Meeting of Shareholders, passes a resolution to abolish the Plan, the Plan shall be abolished at that time.

The Company's Board of Directors may revise or amend the Plan with approval of the Independent Committee to the extent that such revision or amendment does not contravene the Plan or is reasonably deemed necessary due to changes in the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations, or the rules of financial instruments exchanges, or due to changes in the interpretation or operation of such laws and regulations, or due to changes in the tax system, court precedents, etc.

If the Plan is abolished or amended, the Company shall promptly disclose information regarding the fact of such abolition or amendment and (in the case of amendment) the details of such amendment and other matters deemed appropriate by the Board of Directors of the Company.

5. Rationality of the Plan

(1) Fulfilling the requirements of guidelines for takeover defense measures

The Plan satisfies the three principles (the principle of securing and enhancing corporate value and the common interests of shareholders, the principle of prior disclosure and shareholder intent, and the principle of necessity and reasonableness) stipulated in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and

Enhancement of Corporate Value and Shareholders' Common Interests" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

The Plan also considers the contents of the report "Approaches to Takeover Defense Measures in light of Recent Changes in the Environment" published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008. Furthermore, the Plan satisfies Principle 1-5 and Supplemental Principle 1-5 [1] of the Tokyo Stock Exchange's "Corporate Governance Code" published on June 1, 2015 (the latest revision made on June 11, 2021).

- (2) Introduced for the purpose of securing and improving the common interests of shareholders

As described in 2. (1) above, the Plan is introduced for the purpose of ensuring that, in the event of Large-scale Purchases, etc. of the Company's shares, the shareholders have the necessary information and time to decide whether such Large-scale Purchases, etc. are appropriate and whether they should accept such purchases, and ensuring and enhancing corporate value and, as a consequence, the common interests of shareholders by enabling the Company to negotiate with Offerors, etc. for the benefit of shareholders, etc.

- (3) Valuing the intent of shareholders (resolution of the Annual Meeting of Shareholders and sunset clause)

The Plan will be continued subject to approval of the shareholders at this Ordinary Annual Meeting of Shareholders. The effective period of the Plan will be three (3) years until the conclusion of the 82nd Ordinary Annual Meeting of Shareholders of the Company to be held around January 2026, as described in 4. above. If the shareholders do not approve the continuation of the Plan at the Ordinary Annual Meeting of Shareholders to be held by January 31, 2026, the Plan will be automatically abolished. In addition, even before the expiration of the effective period of the Plan, if a resolution to abolish the Plan is passed at an Annual Meeting of Shareholders or a meeting of the Board of Directors, the Plan will be abolished at that time.

Furthermore, as stated in 3. (4) above, the Board of Directors of the Company may convene the Procedure for Confirmation of Shareholder Intent prior to the triggering of countermeasures to confirm the shareholders' intent to trigger the countermeasures for Large-scale Purchases, etc., and in certain cases, the Company shall confirm the shareholders' intention without exception.

As described above, the Plan gives maximum consideration to respecting the intent of shareholders.

- (4) Valuing the judgment of highly independent outside parties

Of the Company's five (5) Directors, four (4) are Outside Directors, making Outside Directors the majority of Directors.

In addition, upon introduction of the Plan, the Company will establish the Independent Committee as an organization that eliminates arbitrary decisions by the Board of Directors of the Company and objectively makes substantive decisions on the triggering of countermeasures and the abolition of the Plan for the benefit of shareholders.

Upon introduction of the Plan, the Independent Committee shall be composed of Outside Directors and Outside Corporate Auditors.

If the Company is actually subject to Large-scale Purchases, etc., the Independent Committee shall judge, in accordance with the Independent Committee Rules, whether or not the purchase will damage the Company's corporate value and the common interests of shareholders, and the Company's Board of Directors shall make a resolution in accordance with such judgment; provided, however, that this shall not apply to cases where it is determined that following the recommendation may be in violation of the Directors' duty of care.

In this way, the Independent Committee strictly monitors the arbitrary actions of the Company's Directors and discloses an outline of its decisions to shareholders in a timely manner, and a mechanism is secured to ensure that the Plan is operated to the extent that it contributes to the corporate value of the Company and the common interests of its shareholders.

- (5) Establishing reasonable objective requirements
As described in 3. (2) to (5) above, the Plan is designed so that countermeasures for Large-scale Purchases, etc. will not be triggered if reasonable and detailed objective requirements are met, and a mechanism is secured to prevent arbitrary triggering by the Board of Directors of the Company.
- (6) Ability to obtain the opinions of third-party experts
The Company's Board of Directors may obtain the advice of independent third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) as necessary when Offerors, etc. emerge. In this way, there is a mechanism designed to ensure the fairness and objectivity of the judgment of the Company's Board of Directors.
- (7) Not being a dead-hand or slow-hand takeover defense measure
As described in 4. above, the Plan may be abolished by resolution of the Company's Annual Meeting of Shareholders or the Board of Directors, and therefore, the Plan is not a so-called dead-hand takeover defense measure (that cannot be prevented even if a majority of the members of the Board of Directors are replaced) or slow-hand takeover defense measure (where time is required to prevent its invocation because the members of the Board of Directors cannot be replaced all at once).
The term of office of Directors of the Company is set at one (1) year.

6. Impact on shareholders and investors

- (1) Impact, etc. of this Plan on shareholders and investors
As described in 2. (1) above, the Plan is designed to provide our shareholders with the necessary information and time to decide whether or not to accept Large-scale Purchases, etc., or for the Company's Board of Directors to present an alternative proposal, in the event of Large-scale Purchases, etc. We believe that this will enable our shareholders to make an appropriate decision on whether to accept the Large-scale Purchases, etc. with sufficient information, and, as a consequence, secure and improve the interests of our shareholders as a whole.
As described in 3. (2) above, the Company's response policy to the Large-scale Purchases, etc. will differ depending on whether Offerors, etc. comply with the Plan. Therefore, shareholders and investors are requested to pay attention to the movements of Offerors, etc.
- (2) Impact on shareholders and investors upon introduction of the Plan
Upon introduction of the Plan, no stock acquisition rights shall be issued. Therefore, the Plan will not directly and concretely affect the legal rights and economic interests of shareholders and investors in the Company's shares at the time of its introduction.
- (3) Impact on shareholders and investors upon triggering of countermeasures set forth in the Plan
In the event that Offerors, etc. fail to comply with the procedures set forth in this Plan, the Board of Directors of the Company may, for the purpose of protecting the corporate value of the Company and, as a consequence, the common interests of shareholders, invoke countermeasures permitted by laws and regulations or the Articles of Incorporation of the Company. Under the mechanism of the countermeasure, the Company does not anticipate any situation in which shareholders other than Non-qualified

Persons will suffer extraordinary losses in terms of legal rights or economic interests. If the Board of Directors of the Company decides to implement specific countermeasures, the Company will disclose such information in a timely and appropriate manner in accordance with laws and regulations and the rules of financial instruments exchanges. If discriminatory conditions are attached to the exercise or acquisition of stock acquisition rights, it is assumed that the legal rights and economic interests of Non-qualified Persons will be affected upon such exercise or acquisition. However, even in this case, it is not expected to directly and concretely affect the legal rights and economic interests of shareholders and investors other than Non-qualified Persons in relation to the Company's shares.

If the Board of Directors of the Company resolves to implement a gratis allotment of stock acquisition rights as a countermeasure, stock acquisition rights will be allotted without contribution to the shareholders registered or recorded in the Company's final register of shareholders as of the allotment date separately determined by resolution of the Board of Directors of the Company, at a ratio of up to one (1) stock acquisition right per share held.

Even if the Board of Directors of the Company passes a resolution for the gratis allotment of stock acquisition rights, should the Board of Directors of the Company decide to cease or suspend the invocation of countermeasures pursuant to the procedures, etc., set forth in 3. (6) above, the stock price of the Company's shares may fluctuate accordingly. For example, investors who have traded the Company's shares on the premise that the economic value per share of the Company's shares will be diluted due to the Company's invocation of countermeasures against Offerors, etc. should note that they may suffer damage due to fluctuations in the stock price.

(4) Necessary procedures for shareholders accompanying the gratis allotment of stock acquisition rights

[1] Procedures for the allotment of stock acquisition rights

Upon passing a resolution for the gratis allotment of stock acquisition rights, the Board of Directors of the Company shall determine the allotment date and give public notice of it. The Company shall allot stock acquisition rights without contribution to the shareholders registered or recorded in the Company's final register of shareholders as of the allotment date, and such shareholders will naturally become holders of stock acquisition rights on the effective date of the gratis allotment of stock acquisition rights; therefore, no procedures for application, etc. are required.

[2] Procedures for exercising stock acquisition rights

The Company shall, in principle, send a request form prescribed by the Company for the exercise of stock acquisition rights (including the details and number of stock acquisition rights to be exercised, the date on which the stock acquisition rights are to be exercised, and other necessary matters, as well as representations and warranties, indemnity clauses, and other covenants that the shareholders themselves are not Non-qualified Persons) and other documents necessary for the exercise of stock acquisition rights to the shareholders registered or recorded in the Company's final register of shareholders as of the allotment date.

After the gratis allotment of stock acquisition rights, shareholders are required to submit these necessary documents and pay the amount determined by the Board of Directors of the Company, which is at least one (1) yen per stock acquisition right, to the place for payment within the exercise period and before the acquisition of stock acquisition rights by the Company takes effect.

[3] Procedures for the acquisition of stock acquisition rights by the Company

If the Company's Board of Directors decides to acquire the stock acquisition rights, the Company may issue new shares to shareholders as consideration for

the acquisition of stock acquisition rights by the Company without payment of the amount equivalent to the exercise price. When the Company issues shares to the shareholders in exchange for the acquisition of stock acquisition rights, the shareholders may be separately requested to submit a document in the form prescribed by the Company containing representations and warranties, indemnity clauses and other covenants that they are not Non-qualified Persons.

Exhibit 1

Independent Committee Rules

1. The Independent Committee shall be established as an advisory body to the Board of Directors of the Company by resolution of the Board of Directors of the Company for the purpose of preventing arbitrary decisions by the Board of Directors regarding the exercise of countermeasures for Large-scale Purchases, etc. and ensuring objectivity and reasonableness of the decisions and responses of the Board of Directors of the Company.
2. The Independent Committee shall have three or more members, and to ensure fair and neutral judgments, the Board of Directors of the Company shall appoint members among Outside Directors or Outside Corporate Auditors who are independent of the management team that executes the Company's business.
3. The term of office of Independent Committee members shall continue until the closing of the Plan; provided, however, that this shall not apply if otherwise determined by resolution of the Company's Board of Directors.
4. The Independent Committee shall make decisions on the matters described in each of the following items and recommend the details of such decisions to the Board of Directors with the reasons therefor. The Board of Directors of the Company shall promptly pass a resolution regarding the implementation or non-implementation, etc. of the gratis allotment of stock acquisition rights or other countermeasures, in accordance with the recommendation of the Independent Committee; provided, however, that this shall not apply if it is judged to be in violation of the Directors' duty of care. Each member of the Independent Committee and each Director shall be required to make such decisions solely from the perspective of whether such decisions will contribute to the corporate value of the Company and, as a consequence, the common interests of its shareholders, and shall not make decisions for the purpose of seeking gain for themselves or the management of the Company.
 - [1] Activation or non-activation of the anti-takeover measures pertaining to the Plan
 - [2] Suspension and change of anti-takeover measures pertaining to the Plan
 - [3] Abolition or change of the Plan
 - [4] Other matters regarding the Plan for which the Board of Directors consults the Independent Committee
5. In addition to the matters set forth above, the Independent Committee may carry out the following items.
 - [1] Determine the information to be provided by Offerors, etc. and the Company's Board of Directors to the Independent Committee and the response deadline
 - [2] Scrutinize and review the contents of Large-scale Purchases, etc.
 - [3] Request the Company's Board of Directors to submit and consider an alternative proposal
 - [4] Other matters that the Independent Committee is authorized to perform under this Plan
 - [5] Other matters separately determined by the Board of Directors of the Company authorizing the Independent Committee to conduct
6. If the Independent Committee determines that the Letter of Intent and the information submitted are insufficient as Required Information, it may request Offerors, etc. to submit additional Required Information through the Board of Directors of the Company. In addition, the Independent Committee may, if the Letter of Intent and Required Information additionally requested by the Board of Directors of the Company are submitted by Offerors, etc., request the Board of Directors to present its opinion on the contents of the Large-scale Purchases, etc. and the materials on which it is based, alternative plans, and other information that the Independent Committee deems necessary and appropriate within the prescribed period.
7. In order to gather necessary information, the Independent Committee may request an explanation on the matters at its request, and attendance of the Company's Directors, Corporate Auditors, employees, and other persons deemed necessary.

8. The Independent Committee may, at the Company's expense, obtain advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other experts).
9. Each Independent Committee member may convene a meeting of the Independent Committee at any time, including in the event of Large-scale Purchases, etc.
10. Resolutions of the Independent Committee shall, in principle, be adopted by a majority of votes of all of the Independent Committee members present at the meeting; provided, however, that in case of unavoidable circumstances, it may be adopted by a majority of votes of the Independent Committee members present at a meeting attended by a majority.

Exhibit 2

Brief Career Histories of Candidates who All Are Scheduled to Be Members of the Independent Committee

Yasuko Masaki

Outside Director of the Company

Date of birth: April 8, 1955

[Brief career histories]

Apr. 1982 Registered as a practicing attorney (Kobe Bar Association (current Hyogo-Ken Bar Association)) (incumbent)

Apr. 2004 Professor of the Law School, Kwansai Gakuin University

Jan. 2008 Outside Director of the Company (incumbent)

Apr. 2008 President of Hyogo-Ken Bar Association

Apr. 2011 Manager of Hyogo District Office, Japan Legal Support Center

Apr. 2013 President of Kinki Federation of Bar Associations

Jun. 2014 Non-member Auditor, Consumers Co-operative Kobe (incumbent)

Mar. 2018 Outside Auditor of Noritz Corporation

Apr. 2018 Vice President of Japan Federation of Bar Associations

Mar. 2019 Director (Audit and Supervisory Committee) (Outside) of Noritz Corporation (incumbent)

Toru Kato

Outside Director of the Company

Date of birth: June 23, 1942

[Brief career histories]

Apr. 1969 Assistant Professor of School of Law, Osaka University

Apr. 1991 Professor, Faculty of Economics, Wakayama University

Jan. 1993 Doctor of Law (Waseda University) (incumbent)

Apr. 1997 Professor of School of Law and Politics, Kwansai Gakuin University

Apr. 2004 Dean and Professor of the Graduate School of Law, Kwansai Gakuin University

Apr. 2011 Professor of Graduate School of Law, Nagoya University of Economics
Professor Emeritus, Kwansai Gakuin University (incumbent)

Jan. 2012 Outside Director of the Company (incumbent)

Apr. 2016 Professor Emeritus, Nagoya University of Economics (incumbent)

Yoshifumi Akanishi

Outside Director of the Company

Date of birth: March 5, 1948

[Brief career histories]

Apr. 1972 Legal Apprentice in the Supreme Court

Apr. 1974 Assistant Judge, Kobe District Court

Apr. 1992 Prosecutor, Litigation Division, Osaka Legal Affairs Bureau

Apr. 1993 Manager of Litigation Division, Osaka Legal Affairs Bureau

Jan. 2007 Presiding Justice of Kobe Family Court

Oct. 2008 Chief Judge, Osaka High Court

Jun. 2013 Registered as a practicing attorney (Osaka Bar Association)

Sep. 2013 Member of the Public Interest Corporation Commission of Osaka Prefecture

Apr. 2014 Professor of Graduate School of Law, Kindai University

Jan. 2017 Outside Director of the Company (incumbent)

Apr. 2021 Registered as a practicing attorney (Kyoto Bar Association) (incumbent)

Satoshi Kobayashi

Outside Corporate Auditor of the Company

Date of birth: January 11, 1945

[Brief career histories]

Apr. 1963 Joined the Osaka Regional Taxation Bureau
Jul. 2002 Assumed District Director of Amagasaki Tax Office
Sep. 2003 Registered as a certified tax accountant (incumbent)
Jan. 2008 Outside Corporate Auditor of the Company (incumbent)
Feb. 2011 Outside Corporate Auditor of MORITO Co., Ltd.

Katsumi Ota

Outside Corporate Auditor of the Company

Date of birth: July 10, 1953

[Brief career histories]

Apr. 1977 Joined the Osaka Regional Taxation Bureau
Jul. 2013 Assumed District Director of Nara Tax Office
Aug. 2014 Registered as a certified tax accountant (incumbent)
Feb. 2015 Outside Corporate Auditor of Kurogane Kosakusho Ltd. (incumbent)
Jun. 2016 Outside Corporate Auditor of DESCENTE Ltd.
Jan. 2020 Outside Corporate Auditor of the Company (incumbent)

Exhibit 3

Status of the Company's Shareholders (as of October 31, 2022)

[Total Number of Shares Authorized to Be Issued]	80,000,000 shares
[Total Number of Shares Outstanding]	38,216,759 shares (including 671,130 treasury stock)
[Number of Shareholder who holds voting rights]	3,327

[Major Shareholders]

Name	Address	Number of shares owned	Ratio of shares owned to Shares Outstanding
Teraura Kosan Inc.	1-12-28, Sakaemachi, Takarazuka-shi, Hyogo	9,745,100	25.95
Teraura Scholarship Foundation	1-12-28, Sakaemachi, Takarazuka-shi, Hyogo	1,554,000	4.13
BBH For Fidelity Low-priced Stock Fund (Principal All Sector Sub Portfolio) (Standing proxy: MUFG Bank, Ltd.)	Boston, Massachusetts, United States (2-7-1, Marunouchi, Chiyoda-ku, Tokyo)	1,350,284	3.59
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	1,259,795	3.35
NISHIKAWA RUBBER CO., LTD.	2-2-8, Misasa-machi, Nishi-ku, Hiroshima-shi, Hiroshima	1,034,700	2.75
Honda Motor Co., Ltd.	2-1-1 Minami-aoyama Minato-ku, Tokyo	850,253	2.26
BNYM as AGT Client 10% (Standing proxy: MUFG Bank, Ltd.)	New York City, New York, United States (2-7-1, Marunouchi, Chiyoda-ku, Tokyo)	838,472	2.23
ALPHA Corporation	1-6-8 Fukuura, Kanazawa-ku, Yokohama-shi, Kanagawa	806,700	2.14
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	739,699	1.97
HI-LEX Shareholding Association	1-12-28, Sakaemachi, Takarazuka-shi, Hyogo	700,584	1.86

Notes: Ratios of shares owned to shares outstanding are calculated excluding treasury stock (671,130 shares).

Exhibit 4

Types of Acts Considered to Significantly Damage the Company's Corporate Value and Common Interests of Shareholders

1. If it is judged that Offerors, etc. have no intention of truly participating in the management of the Company, but are acquiring the Company's Share certificates, etc. for the sole purpose of inflating the share price and having the Company's related parties purchase them at a high price (so-called "greenmailers")
2. If it is judged that a person temporarily controls the Company's corporate management and transfers the Company's or its Group companies' assets, including intellectual property rights, know-how, trade secret information, major clients or customers, necessary for the Company's or its Group companies' business management, to a specific shareholder group or its related parties
3. If it is judged that the Company's Share certificates, etc. are being acquired for the purpose of diverting the Company's or its Group companies' assets as collateral or repayment resources for the specific shareholder group's or its related parties' debts after gaining control of the Company's business management
4. If it is judged that the Company's Share certificates, etc. are being acquired for the purpose of selling off the Company's Share certificates, etc. at a high price, by temporarily controlling the management of the Company, causing the Company to dispose of high-value assets such as real estate and securities that are not currently related to the business of the Company or its Group companies, and using profits from such disposal to pay temporarily high dividends or to taking advantage of opportunities for a sharp rise in the share price due to such high dividends
5. If it is judged that the purchase method of the Company's Share certificates, etc. proposed by Offerors, etc. may restrict the opportunity or freedom of shareholders to make decisions, such as a so-called coercive two-tier tender offer (the purchase, etc. of Share certificates, etc. of the Company in a tender offer, etc., without soliciting the purchase of all the Share certificates, etc. of the Company in the first purchase and setting unfavorable or unclear conditions for the second purchase), and effectively force shareholders to sell the Company's Share certificates, etc.
6. If it is judged that the terms and conditions of the purchase, etc. of the Company's Share certificates, etc. proposed by Offerors, etc. (the terms and conditions of the purchase, etc. of the Company's Share certificates, etc. proposed by Offerors, etc. shall include, but not be limited to, the class and amount of consideration for the purchase, the basis for the calculation of such amount, specific details of other conditions, including the timing and method of such acquisition, the existence of illegality, and feasibility, etc.) are significantly insufficient or inappropriate in light of the Company's corporate value
7. If it is judged that the acquisition of control rights by Offerors, etc. will unreasonably harm the interests of the Company's shareholders, customers, employees, or other stakeholders, and will significantly damage the Company's corporate value and the common interests of shareholders, or otherwise significantly hinder the securing or enhancement thereof
8. When it is judged reasonably that Offerors, etc. would be extremely inappropriate as a controlling shareholder of the Company from the perspective of public order and morals, such as when the management or major shareholders of Offerors, etc., or investors include persons associated with antisocial forces or terrorist organizations

Exhibit 5

Outline of the Gratis Allotment of Stock Acquisition Rights

1. Shareholders eligible for the issue of stock acquisition rights and the conditions of issue
The Company shall allot stock acquisition rights to shareholders registered or recorded in the Company's final register of shareholders as of the allotment date determined by the Board of Directors at a ratio of one (1) stock acquisition right per share of the Company's common stock held by the shareholder; provided, however, that shares of common stock of the Company owned by the Company shall be excluded.
2. Class and number of shares to be issued upon exercise of stock acquisition rights
The class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued thereupon shall be a number separately determined by the Board of Directors of the Company up to one (1) share per stock acquisition right; provided, however, that if the Company conducts a stock split or a reverse stock split, etc., the necessary adjustments shall be made.
3. Total number of stock acquisition rights to be issued
The total number of stock acquisition rights to be allotted shall be the number separately determined by the Board of Directors of the Company, up to the total number of the Company's last issued shares on a certain date separately determined by the Board of Directors of the Company in the resolution for the gratis allotment of stock acquisition rights; provided, however, that the number of shares of common stock held by the Company shall be excluded.
4. Issue price of stock acquisition rights
There shall be no consideration.
5. Effective date of the gratis allotment of stock acquisition rights
It shall be a date separately determined by the Board of Directors of the Company.
6. Details and price of assets to be contributed upon exercise of each stock acquisition right
The amount to be paid in upon exercise of each stock acquisition right shall be cash, and the amount per share of the Company's common stock to be paid in thereupon shall be at least one (1) yen to be separately determined by the Board of Directors.
7. Restriction on transfer of stock acquisition rights
Transfer of stock acquisition rights shall require approval of the Board of Directors.
8. Conditions for the exercise of stock acquisition rights
The Company may stipulate conditions for the exercise of stock acquisition rights, such as not permitting Non-qualified Persons to exercise the rights.
If applicable foreign securities laws or other laws and regulations require the performance of prescribed procedures or the meeting of prescribed conditions with respect to the exercise of stock acquisition rights by persons located in the jurisdiction of such laws and regulations, said persons may exercise the stock acquisition rights only if the Company recognizes that all the procedures and conditions have been performed or met. Even if a person located in the said jurisdiction is able to exercise the stock acquisition rights by performing or meeting the above procedures and conditions, the Company shall not be obligated to perform or meet such procedures and conditions.
Details shall be separately determined by the Board of Directors of the Company in the resolution for the gratis allotment of stock acquisition rights.
9. Acquisition of stock acquisition rights by the Company
[1] The Company may, at any time prior to the day before the commencement date of the exercise period of the stock acquisition rights, acquire all the stock acquisition rights without consideration on a date to be separately determined by the Board of Directors of the Company if the Board of Directors of the Company deems it appropriate to acquire the stock acquisition rights.

- [2] The Company may attach an acquisition clause to the effect that the Company may acquire stock acquisition rights held by persons other than Non-qualified Persons and issue a number of shares of the Company's common stock previously determined by the Board of Directors not exceeding one (1) share for each stock acquisition right in exchange therefor. On the other hand, there are cases where stock acquisition rights held by non-qualified persons are not to be acquired, or acquisition clauses, etc. may be added to the effect that another second stock acquisition right with certain exercise conditions or acquisition clauses will be acquired as consideration.

In addition, if, after the date of such acquisition, the Board of Directors of the Company recognizes that there are persons other than Non-qualified Persons among the holders of stock acquisition rights, on the date of arrival separately determined by the Board of Directors of the Company after the date of the above acquisition, the Company may acquire all unexercised stock acquisition rights held by the said person by the day before the date determined by the Board of Directors of the Company. In exchange, the Company may issue the number of shares of common stock of the Company determined by the Board of Directors of the Company within one (1) share for each stock acquisition right, and the same shall apply thereafter.

- [3] Even in cases where the Company may acquire the stock acquisition rights held by Non-qualified Persons, the Company may not grant money as consideration for the acquisition of stock acquisition rights held by Non-qualified Persons. In addition, if the second stock acquisition rights are delivered, there shall be no acquisition clause, etc. that requires the delivery of money as consideration for the acquisition.

Details shall be separately determined by the Board of Directors of the Company in the resolution for the gratis allotment of stock acquisition rights.

10. Acquisition without consideration when ceasing, etc. the activation of countermeasures

If the Board of Directors of the Company ceases the triggering of countermeasures, or if otherwise determined by the Board of Directors of the Company in the resolution for the gratis allotment of stock acquisition rights, the Company may acquire all the stock acquisition rights without consideration.

11. Exercise period, etc. of stock acquisition rights

The exercise period of the stock acquisition rights and other necessary matters shall be separately determined by the Board of Directors.