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Securities code: 7962
August 30, 2022

To Shareholders with Voting Rights:

Akira Miyamoto
President & CEO
KING JIM CO., LTD.
2-10-18, Higashi-Kanda, Chiyoda-ku,
Tokyo 101-0031, Japan

**NOTICE OF
THE 74TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 74th Annual General Meeting of Shareholders (the “Meeting”) of KING JIM CO., LTD. (the “Company”) will be held as described below.

To prevent COVID-19 from spreading, we request that you exercise your voting rights in advance over the internet or in writing and that you refrain from attending the Meeting in person.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by **5:35 p.m. Japan time, Wednesday, September 14, 2022.**

- 1. Date and Time:** Thursday, September 15, 2022 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** “Harumi,” 2nd Floor, Royal Park Hotel
2-1-1 Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo 103-8520, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 74th Fiscal Year (June 21, 2021 – June 20, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Non-consolidated Financial Statements for the Company’s 74th Fiscal Year (June 21, 2021 – June 20, 2022)

Proposals to be resolved:

- Proposal 1: Appropriation of Surplus**
- Proposal 2: Partial Amendments to the Articles of Incorporation**
- Proposal 3: Election of Eleven (11) Directors**
- Proposal 4: Election of One (1) Auditor**
- Proposal 5: Renewal of the Countermeasures against Large-Scale Acquisition of the Company’s Shares (Takeover Defense Measures)**

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- (1) “Corporate Structure and Policies” of the Business Report, “Consolidated Statements of Changes in Equity” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements, and “Non-consolidated Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.kingjim.co.jp/>) pursuant to laws and regulations and Article 15 of the Company’s Articles of Incorporation, and are therefore not included in the documents attached to this Notice. The Business Report audited by Auditors and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by Auditors and the Accounting Auditor include the documents attached to this Notice as well as the above items.
 - (2) If it becomes necessary to amend any matters in the Reference Documents for the General Meeting of Shareholders, Business Report,

Consolidated Financial Statements or Non-consolidated Financial Statements, the amended contents will be posted on the Company's website (<https://www.kingjim.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Upon comprehensively considering enhancing returns of profit to shareholders and maintaining internal reserves that allow agile management measures, the payout ratio is benchmarked at 40% in an effort to pay stable dividends.

The Company intends to pay a year-end dividend as follows.

Year-end dividends

1. Type of dividend property

Cash

2. Allocation of dividend property and its total amount

¥15 per share of the Company's ordinary shares

Total: ¥427,527,870

The Company has paid an interim dividend of ¥7 per share, which brings the annual dividend for the fiscal year to ¥22 per share.

3. Effective date of distribution of surplus

September 16, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effect of these provisions shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) <u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p><Deleted></p>



Proposal 3: Election of Eleven (11) Directors



The terms of office of all nine (9) Directors will expire at the conclusion of this Meeting. Accordingly, the Company requests the election of eleven (11) Directors, increasing the number of Directors by two (2) to further strengthen the management structure, ensure the transparency of management, and reinforce our corporate governance structure.


The candidates for Directors are as follows:



No.	Name		Current positions and responsibilities at the Company	Attendance at Board of Directors' Meetings
1	Akira Miyamoto	[Reappointment]	President & CEO	100% (13 out of 13)
2	Naomichi Hagita	[Reappointment]	Director and Senior Managing Executive Officer In charge of Corporate Planning Department and Sustainability Section	100% (13 out of 13)
3	Shinichi Harada	[Reappointment]	Director and Managing Executive Officer General Manager, Administration Division	100% (13 out of 13)
4	Takanobu Kameda	[Reappointment]	Director and Managing Executive Officer General Manager, R&D Division, In charge of E-commerce Department and Public Relations & Advertising Section	100% (13 out of 13)
5	Makoto Takano	[Reappointment]	Director and Managing Executive Officer General Manager, Procurement & Distribution Division, In charge of Quality Management, Domestic Subsidiaries Coordination Department, and Overseas Manufacturing Subsidiaries	100% (10 out of 10)
6	Miyoko Kimura	[New appointment]	—	—
7	Keiko Kakiuchi	[Reappointment] [External] [Independent]	Director	100% (13 out of 13)
8	Katsuya Hirokawa	[Reappointment] [External] [Independent]	Director	100% (13 out of 13)
9	Mizuho Iwaki	[Reappointment] [External] [Independent]	Director	100% (10 out of 10)



No.	Name		Current positions and responsibilities at the Company	Attendance at Board of Directors' Meetings
10	Takako Suzuki	[New appointment] [External] [Independent]	—	—
11	Ikumi Hiraki	[New appointment] [External] [Independent]	—	—

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Akira Miyamoto (August 11, 1954) [Reappointment]	March 1977 Joined the Company September 1984 Managing Director and General Manager, General Planning Section, the Company September 1986 Senior Managing Director, the Company April 1992 President & CEO, the Company (current position)	830,408
<p>[Reason for nomination as candidate for Director] Mr. Akira Miyamoto has led the Company's business as the top management of the Company. With his wealth of experience and extensive insight in management in general, he has made important judgments and decisions on management matters appropriately. As he is deemed to qualify as the one to make various judgments and decisions on management matters drawing on his outstanding leadership in the future, the Company renominates him as a candidate for Director.</p>			
2	 Naomichi Hagita (May 25, 1960) [Reappointment]	March 1983 Joined the Company May 2002 General Manager, Corporate Planning Section, the Company June 2006 Executive Officer, the Company September 2010 Director, the Company September 2012 Managing Director, the Company September 2018 Senior Managing Director, the Company September 2020 Director and Senior Managing Executive Officer, the Company (current position) [Current responsibilities] In charge of Corporate Planning Department and Sustainability Section	11,404
<p>[Reason for nomination as candidate for Director] Mr. Naomichi Hagita has taken numerous important positions in the Company's corporate planning and sales divisions and has a wealth of experience and extensive insight in these areas. As he is deemed to be capable of making various judgments and decisions on management matters appropriately, the Company renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Shinichi Harada (September 19, 1961) [Reappointment]	April 1984 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) April 2008 Deputy General Manager, Shanghai Branch, The Bank of Tokyo-Mitsubishi UFJ (China), Ltd. (currently MUFG Bank (China), Ltd.) April 2011 Regional Head for Germany and General Manager, Dusseldorf Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank (Europe) N.V.) August 2014 Advisor, the Company September 2014 Executive Officer, the Company September 2014 Director, the Company September 2015 Managing Director, the Company September 2020 Director and Managing Executive Officer, the Company (current position) [Current responsibilities] General Manager, Administration Division	12,476
[Reason for nomination as candidate for Director] Mr. Shinichi Harada has a wealth of experience and extensive insight gained at financial institutions and currently leads the Administration Division of the Company. As he is deemed to be capable of making various judgments and decisions on management matters appropriately, the Company renominates him as a candidate for Director.			
4	 Takanobu Kameda (January 24, 1963) [Reappointment]	April 1985 Joined the Company November 2006 General Manager, Electronic Stationery Business Promotion Department June 2011 Executive Officer, the Company September 2014 Director, the Company September 2016 Managing Director, the Company September 2020 Director and Managing Executive Officer, the Company (current position) [Current responsibilities] General Manager, R&D Division, In charge of E-commerce Department and Public Relations & Advertising Section	13,746
[Reason for nomination as candidate for Director] Mr. Takanobu Kameda has taken numerous important positions in the Company's R&D division and has a wealth of experience and extensive insight in this area. As he is deemed to be capable of making various judgments and decisions on management matters appropriately, the Company renominates him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 Makoto Takano (July 14, 1961) [Reappointment]	March 1984 Joined the Company February 2006 President & CEO, P.T. KING JIM INDONESIA June 2011 Executive Officer, the Company September 2014 Director, the Company September 2020 Senior Executive Officer, the Company September 2021 Director and Managing Executive Officer, the Company (current position) [Current responsibilities] General Manager, Procurement & Distribution Division, In charge of Quality Management, Domestic Subsidiaries Coordination Department, and Overseas Manufacturing Subsidiaries	22,442
[Reason for nomination as candidate for Director] Mr. Makoto Takano has served as the head of an overseas subsidiary of the Company. Having taken numerous important positions in the Company's procurement & distribution, quality management, and overseas and domestic subsidiaries coordination divisions, he has a wealth of experience and extensive insight in these areas. As he is deemed to be capable of making various judgments and decisions on management matters appropriately, the Company renominates him as a candidate for Director.			
6	 Miyoko Kimura (Name on family register: Miyoko Sakagawa) (June 12, 1964) [New appointment]	April 1988 Joined PLUS CORPORATION May 1999 Joined ASKUL Corporation February 2010 President, ASMARU Corporation August 2017 Director, Chief Marketing Officer (CMO), Executive Officer, Executive Officer of Life Creation Unit and Value Creation Center Unit, B-to-C Company, ASKUL Corporation May 2021 Director, In charge of Branding, Design and Supplier-relations, ASKUL Corporation June 2021 Outside Director, Asahi Holdings, Inc. (current position)	—
[Reason for nomination as candidate for Director] Ms. Miyoko Kimura has wide-ranging knowledge and track record in corporate management. As the Company deems she can be expected to make various judgments and decisions on management matters appropriately at the Company by drawing on her knowledge and achievements, the Company nominates her as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	 <p>Keiko Kakiuchi (January 25, 1962)</p> <p>[Reappointment] [External] [Independent]</p>	<p>April 1998 Registered as attorney-at-law</p> <p>April 1998 Joined Miyahara, Suda, Ishikawa Law Office</p> <p>October 2003 Joined Kasahara Law Office</p> <p>August 2012 Established Ryowa Sogo Law Office (current position)</p> <p>September 2015 External Auditor, the Company</p> <p>June 2016 External Audit & Supervisory Board Member, Toppan Printing Co., Ltd. (current position)</p> <p>March 2018 Audit & Supervisory Board Member, Yano Research Institute Ltd. (current position)</p> <p>September 2019 External Director, the Company (current position)</p>	4,300
<p>[Reason for nomination as candidate for External Director and overview of expected roles]</p> <p>Ms. Keiko Kakiuchi has wide-ranging knowledge and track record as an attorney-at-law. As the Company deems she can be expected to perform appropriate decision-making and management supervision at the Company's Board of Directors by drawing on her experience, knowledge and achievements, the Company renominates her as a candidate for External Director.</p>			
8	 <p>Katsuya Hirokawa (January 14, 1970)</p> <p>[Reappointment] [External] [Independent]</p>	<p>April 1993 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>December 2005 Incubation Manager, Keio Fujisawa Innovation Village, Keio University Shonan Fujisawa Campus</p> <p>April 2012 Secretary General, General Foundation SFC Forum (current position)</p> <p>July 2017 Fund Manager, SFC Forum Fund (current position)</p> <p>April 2018 External Director, ShuR Co., Ltd.</p> <p>September 2019 External Director, the Company (current position)</p>	600
<p>[Reason for nomination as candidate for External Director and overview of expected roles]</p> <p>Mr. Katsuya Hirokawa has wide-ranging knowledge and track record in the financial sector through his operational experience at financial institutions and as a fund manager. As the Company deems he can be expected to perform appropriate decision-making and management supervision at the Company's Board of Directors by drawing on his knowledge and achievements, the Company renominates him as a candidate for External Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	 Mizuho Iwaki (August 17, 1965) [Reappointment] [External] [Independent]	April 1988 Joined Japan Broadcasting Corporation (NHK) Matsuyama Headquarters February 1991 Freelance announcer March 2007 Joined NTT Solco Corporation (currently NTT Nexia Corporation) June 2008 Joined Sumitomo Life Insurance Company December 2009 Representative, OfficeBenefit (current position) July 2011 Certified as Certified Financial Planner (CFP) [®] September 2019 Vice President, Fiduciary and Independent Wealth Advisors, NPO (current position) September 2021 External Director, the Company (current position) May 2022 Representative Director, MZ Benefit Consulting, Inc. (current position) August 2022 Registered as Labor and Social Security Attorney	—
[Reason for nomination as candidate for External Director and overview of expected roles] Ms. Mizuho Iwaki has experience in the broadcasting industry and wide-ranging insight into financial instruments. As the Company deems she can be expected to perform appropriate decision-making and management supervision at the Company's Board of Directors by drawing on her experience and insight, the Company renominates her as a candidate for External Director.			
10	 Takako Suzuki (March 5, 1962) [New appointment] [External] [Independent]	April 1984 Joined Nissan Motor Co., Ltd. August 2001 Joined LVJ Group Co., Ltd. (currently Louis Vuitton Japan Co., Ltd.) April 2009 Representative Director, Shaldan Co., Ltd. January 2010 Joined S.T. Corporation April 2013 Director, President & CEO, S.T. Corporation May 2013 Director, Shaldan Co., Ltd. (current position) March 2020 Outside Director, TRUSCO Nakayama Corporation (current position) June 2021 Chairman of the Board, President & CEO, S.T. Corporation (current position)	—
[Reason for nomination as candidate for External Director and overview of expected roles] Ms. Takako Suzuki has wide-ranging knowledge and track record in corporate management. As the Company deems she can be expected to perform appropriate decision-making and management supervision at the Company's Board of Directors by drawing on her knowledge and achievements, the Company nominates her as a candidate for External Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
11	 Ikumi Hiraki (April 4, 1975) [New appointment] [External] [Independent]	April 1998 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited) April 2003 Research Assistant, School of Commerce, Waseda University October 2009 Visiting Researcher, Institute of Marketing Communication, Comprehensive Research Organization, Waseda University (current position) April 2012 Associate Professor, Business Economics Faculty, Tokyo International University April 2018 Visiting Professor, The Open University of Japan April 2018 Professor, Business Economics Faculty, Tokyo International University (current position) September 2018 Part-time Lecturer, Graduate School of Commerce, Waseda University (current position)	—
[Reason for nomination as candidate for External Director and overview of expected roles] Ms. Ikumi Hiraki has wide-ranging knowledge and track record as an expert in marketing theory. As the Company deems she can be expected to perform appropriate decision-making and management supervision at the Company's Board of Directors by drawing on her knowledge and achievements, the Company nominates her as a candidate for External Director.			

- Notes:
1. There are no special interests between any of the candidates for Director and the Company.
 2. The “Numbers of shares of the Company held” by the candidates for Director are as of June 20, 2022.
 3. Ms. Keiko Kakiuchi, Mr. Katsuya Hirokawa, Ms. Mizuho Iwaki, Ms. Takako Suzuki, and Ms. Ikumi Hiraki are candidates for External Director.
 4. Ms. Keiko Kakiuchi, and Mr. Katsuya Hirokawa have not been directly engaged in corporate management other than as external officers in the past, and Ms. Ikumi Hiraki has not been directly engaged in corporate management. However, the Company deems that they will be able to execute their duties as external directors appropriately as stated above in the reason for nomination as a candidate for External Director.
 5. Ms. Keiko Kakiuchi and Mr. Katsuya Hirokawa will have served as External Director of the Company for three (3) years at the conclusion of this Meeting. Ms. Mizuho Iwaki will have served as External Director of the Company for one (1) year at the conclusion of this Meeting.
 6. Ms. Keiko Kakiuchi, Mr. Katsuya Hirokawa, Ms. Mizuho Iwaki, Ms. Takako Suzuki, and Ms. Ikumi Hiraki satisfy the Company's independence criteria for external officers on Page 15. The Company has designated Ms. Keiko Kakiuchi, Mr. Katsuya Hirokawa, and Ms. Mizuho Iwaki as independent directors as stipulated by the Tokyo Stock Exchange and registered them with the Exchange. If they are re-elected, the Company intends to continue designating them. In addition, if Ms. Takako Suzuki and Ms. Ikumi Hiraki are elected as Directors, the Company intends to designate them as independent directors as stipulated by the Tokyo Stock Exchange and register them with the Exchange.
 7. The Company has entered into a liability limitation agreement with Ms. Keiko Kakiuchi, Mr. Katsuya Hirokawa, and Ms. Mizuho Iwaki to limit their liability under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations provided they performed their duties in good faith and without gross negligence. If they are re-elected, the

Company plans to continue the same agreement with them. In addition, if Ms. Takako Suzuki and Ms. Ikumi Hiraki are elected as Directors, the Company intends to enter into similar liability limitation agreements with them.

8. The Company has entered into a directors and officers liability insurance (D&O insurance) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act that insures the officers including directors. In the event that a claim is filed against the insured directors and officers for damages incurred in the course of their duties, this insurance contract will cover liabilities and legal costs, etc. to be borne by the directors and officers. If the candidates for Director are elected, they will be insured under the contract. The Company plans to renew the contract with similar terms and conditions at its maturity (February 2023).

Reference: Independence Criteria

The Company's independence criteria for external directors and external auditors are as follows.

For an external director or external auditor to be independent from the Company, none of the following may apply to that external director or external auditor:

- i. A person for which the Company is a major business partner or its executive;
- ii. A major business partner of the Company or its executive;
- iii. A consultant, accounting specialist, or legal specialist that receives significant amounts of cash or other property from the Company other than officers' compensation (if the entity receiving such property is a corporation, union, or other organization, a person affiliated to the entity);
- iv. A person falling under any of i. to iii. above in the past year;
- v. A relative within the second degree of kinship of any of the following persons (excluding non-key persons) set forth in items a. to c. below:
 - a. A person set forth in items i. to iv. above;
 - b. An executive of a subsidiary of the Company (an executive or a non-executive director when determining independence of an external auditor for designation as an independent auditor);
 - c. A person falling under b. or an executive of the Company (an executive or a non-executive director when determining independence of an external auditor for designation as an independent auditor) in the past year.

- Notes:
1. "A person for which the Company is a major business partner" refers to those receiving payments from the Company or its subsidiary in an amount equivalent to 2% of their total annual consolidated net sales or ¥100 million, whichever is higher, in the most recent business year.
 2. "A major business partner of the Company" refers to those paying to the Company an amount equivalent to 2% or more of the Company's total annual consolidated net sales in the most recent business year.
 3. "Receives significant amounts of cash or other property from the Company other than officers' compensation" refers to a consultant, accounting specialist, or legal specialist (if the entity receiving such property is a corporation, union, or other organization, a person currently or previously affiliated to the entity) who received as compensation other than officers' compensation from the Company or its subsidiary cash or property in an amount equivalent to 2% of that person's total annual consolidated net sales (in aggregate) or ¥10 million, whichever is higher, in the most recent business year.

Reference: Skills Matrix of Directors and Auditors after this Annual General Meeting of Shareholders

Name	Position	Nomination and Compensation Committee	Skills, Experience, Knowledge, etc.							
			Management Experience	Industry Insight	International Experience	Sales & Marketing	Product Development and Production	Finance and Accounting	Legal	ESG
Akira Miyamoto	President & CEO	○	○	○				○		○
Naomichi Hagita	Director and Senior Managing Executive Officer		○	○			○			○
Shinichi Harada	Director and Managing Executive Officer	○	○		○			○		○
Takanobu Kameda	Director and Managing Executive Officer		○	○				○		○
Makoto Takano	Director and Managing Executive Officer		○		○			○		○
Miyoko Kimura	Director and Managing Executive Officer		○				○	○		○
Keiko Kakiuchi	External Director	○							○	○
Katsuya Hirokawa	External Director	○						○		○
Mizuho Iwaki	External Director	○						○	○	○
Takako Suzuki	External Director		○				○	○		○
Ikumi Hiraki	External Director						○			○
Kazuto Shimizu	Standing Auditor				○			○	○	○
Mina Ota	External Auditor		○					○		
Takeshi Niwa	External Auditor		○		○				○	


- Notes: 1. Ms. Keiko Kakiuchi, External Director serves as the Chair of the Nomination and Compensation Committee.
2. Up to four of the main skills, experience, knowledge, etc., possessed by each Director and Auditor are listed.
- The above table is not an exhaustive list of all the skills, experience, knowledge, etc. possessed by Directors and Auditors.

Proposal 4: Election of One (1) Auditor

The term of office of Mr. Kazuto Shimizu, Standing Auditor, will expire at the conclusion of this Meeting. Accordingly, the Company requests the election of one (1) Auditor.

The Board of Auditors has given its consent to this proposal.

The candidate for Auditor is as follows:

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
 <p>Kazuto Shimizu (January 2, 1958)</p> <p>[Reappointment]</p> <p>Attendance at Board of Directors’ Meetings: 100% (13 out of 13)</p> <p>Attendance at Board of Auditors’ Meetings: 100% (10 out of 10)</p>	<p>April 1981 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2008 Principal Examiner, Internal Audit Department, Sumitomo Mitsui Banking Corporation</p> <p>September 2010 Advisor, the Company</p> <p>September 2010 Standing Auditor, the Company (current position)</p>	<p>7,800</p>
<p>[Reason for nomination as candidate for Auditor]</p> <p>Mr. Kazuto Shimizu has a wealth of experience in credit screening and overseas branch operations at a financial institution as well as considerable knowledge. As the Company deems he can be expected to provide appropriate advice and suggestions to ensure legality by reflecting his extensive experience on the Company’s audits, the Company renominates him as a candidate for Auditor.</p>		

- Notes:
1. There are no special interests between the candidate for Auditor and the Company.
 2. The “Number of shares of the Company held” by the candidate for Auditor is as of June 20, 2022.
 3. The Company has entered into a directors and officers liability insurance (D&O insurance) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act that insures the officers including auditors. In the event that a claim is filed against the insured directors and officers for damages incurred in the course of their duties, this insurance contract will cover liabilities and legal costs, etc. to be borne by the directors and officers. If the candidate for Auditor is elected, he will be insured under the contract. The Company plans to renew the contract with similar terms and conditions at its maturity (February 2023).

Proposal 5: Renewal of the Countermeasures against Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)

The Company introduced countermeasures against large-scale acquisition of the Company's shares (hereinafter the "Takeover Defense Measures"), based on the approval of shareholders at the 59th Annual General Meeting of Shareholders held on September 13, 2007, which was last updated based on the shareholders' approval as resolved at the 71st Annual General Meeting of Shareholders held on September 19, 2019. The effective period of the current version of the Takeover Defense Measures (hereinafter the "Current Plan") is until the conclusion of this Meeting.

Prior to the expiry of the effective period of the Current Plan, the Company requests the approval of the renewal of the Current Plan pursuant to the provisions of Article 17, Paragraph 2 of the Articles of Incorporation of the Company (this renewal is hereinafter referred to as "this Renewal" and the renewed Plan as the "Plan").

Please note that the resolution for approval of this proposal shall also serve as the resolution stipulated in Article 16, Paragraph 3 of the Company's Articles of Incorporation, which authorizes the Board of Directors of the Company to make decisions on the matters related to gratis allotment of share acquisition rights.

The Plan is substantially unchanged from the Current Plan.

Since the last approval of the Current Plan, the Company has undergone certain constitutional changes including the establishment of one year term of office for Directors and the four-External Directors regime, while increasing the ratio of External Directors in the Board of Directors to one third or greater, all for the purpose of clarifying Directors' responsibility to shareholders. Number of External Directors shall increase by one to five, subject to the approval of Proposal 3: Election of Eleven (11) Directors at this Meeting.

1. Purpose of this Renewal

The Company decided at the Board of Directors' Meeting held on August 1, 2022, to renew the Current Plan subject to shareholders' approval at this Meeting, based on the belief that, in the event of receiving a proposal for a large-scale acquisition of the Company's shares, it was essential for the Company to retain a framework to ensure sufficient time and information for shareholders to decide whether or not to accept such proposal, and/or for the Board of Directors of the Company to make alternative proposals to shareholders while allowing the Board to discuss and negotiate with the large-scale acquirer on behalf of shareholders, with a view to being capable to deter certain types of large-scale acquisition of the Company's shares that are detrimental to the Company's corporate value and the common interest of its shareholders.

The purpose of this proposal is to request for the approval of shareholders to renew the Current Plan to the Plan that provides measures for preventing the decisions on the Company's financial and business policies from being dictated by an inappropriate party, in light of the Company's basic policy on what the party that controls decisions on the Company's financial and business policies ought to be (hereinafter the "Basic Policy").

2. Outline of the Basic Policy

The Company believes that a party that controls decisions on the Company's financial and business policies must be capable enough to ensure and enhance the Company's corporate value and the common interest of its shareholders on a continuous and sustainable basis, based on the understanding of the source of the Company's corporate value. The Company also believes that any decision on a proposal for acquisition involving a change in control over the Company must be

ultimately made based on the intent of the Company's shareholders as a whole. The Company shall not flatly refuse proposal for a large-scale acquisition of the Company's shares, insofar as it benefits the Company's corporate value and the common interest of its shareholders.

However, we find not a few of such large-scale acquisitions actually do not benefit the target company's corporate value, thus compromising the common interests of its shareholders, including those destined to do obvious harm to the target company's corporate value and thus to the common interests of its shareholders in light of its objective or other factors, those that are likely to effectively coerce shareholders into selling their shares, those that do not provide sufficient time and/or information for the target company's board of directors and shareholders to consider the nature of the large-scale acquisition of shares, or for the target company's board of directors to make an alternative proposal, and those that necessitate the target company to discuss or negotiate with the acquirer in order to secure more favorable terms than those presented by the acquirer.

The Company is striving to ensure and enhance its corporate value which is derived from (i) excellent product development and proposal capability, (ii) brand strength that provides users with peace of mind, (iii) broad selling power and customer support capabilities, and (iv) corporate culture that derives a workforce of owner-minded employees along with sound management practice. The Company's corporate value and the common interest of its shareholders will be impaired unless the party that engages in the large-scale acquisitions of the Company's shares can understand, secure and enhance the sources of its corporate value over medium to long term.

Any party conducting a large-scale acquisition of shares to the detriment of the Company's corporate value and the common interest of its shareholders should not be given a status as a party that controls decisions on the Company's financial and business policies, and the Company is determined to take reasonable countermeasures as appropriate against a large-scale acquisition of shares conducted by such unwelcome party, in order to ensure the Company's corporate value and the common interest of its shareholders.

3. Outline of the specific measures for implementing the Basic Policy

The Company has put up "focus on growth fields" and "further strengthening core businesses" as principal strategies under its Medium-Term Management Plan, whereby we will aim to materialize sustainable growth while firming up its management basis in the post-COVID-19 era, by driving the Group-based management fully utilizing the Group's management resources such as a flexible development structure, creative and versatile product line-up, and diversified distribution channels.

1) Focus on growth fields

- In "hygiene/health products," we will be actively engaged in planning and development of products that adapt to the new lifestyle after drastic changes enforced through the COVID-19 epidemic.
- In "office/living environment products," we will be providing the market with new product line-up focused on telework and hours spent at home, taking advantage of our brand strength, selling power, and development/procurement capabilities.
- In "digital stationery," we will be aiming to acquire new users while creating new markets through enhancing new product range based on our unique product concept that adapts to changes in work style.
- In "feminine stationery," we will be strengthening our appeal to the targeted user segments through more extensive range of products including general merchandise outside stationery.
- In "interior lifestyle business," we will fulfill further synergy between entities in the Group to accelerate the pace of business growth.

- In “overseas business,” we will be working still harder for developing business in the European and American markets in addition to the Asian markets, thereby driving global marketing of kitchen appliances supported by the Japanese quality standards as well as feminine stationery.
 - In “E-commerce business” expected to keep growing for the foreseeable future, we will be aiming to drastically expand sales through effective marketing and by enlarging scope of merchandise handled.
 - “M&A” is considered as an essential means to expand our business domain and we intend to enhance business portfolio through active investment in this area.
- 2) Further strengthening core businesses
- For TEPRA business, we will be striving to develop new markets and distribution channels for acquiring the customer segments that have hitherto been stranger to TEPRA, by uncovering labeling-related demand.
 - For “stationery” business, we will be driving reinforcement of existing product categories and participation in new product categories in parallel, while introducing production technologies for merchandise other than stationery at overseas manufacturing subsidiaries in pursuit of merchandising through product diversification.

The Group regards materialization of sustainable society as a priority goal to be achieved, and shall be committed to contributing to society through products and services that provide users with convenience and comfort in their working as well as living environment, and to conducting procurement, design, and development of such products in consideration of the earth environment. At the same time, we will further be committed to creating rewarding/worthwhile work environment while promoting diversity in workplace and work style.

4. Details of the Plan

(1) Outline of the Plan

(a) Procedure for the Plan

Under the Plan, a procedure has been established for requesting any party with the intention to conduct a large-scale acquisition of the Company’s share certificates, etc. to provide information regarding such large-scale acquisition in advance, for ensuring sufficient time for collecting, considering, and otherwise processing the information regarding the large-scale acquisition, and then for presenting shareholders of the Company with the plan, alternative proposals, and other relevant information prepared by the senior management of the Company, or for engaging in negotiation with the large-scale acquirer (please refer to (2) “Procedure for the Plan” below). In this instance, the large-scale acquirer shall comply with the procedure for the Plan, and shall not proceed with the large-scale acquisition during the period from the commencement of the procedure for the Plan up to the point when recommendation is made by the Independent Committee as described below on whether gratis allotment of share acquisition rights should be implemented, or the period from the commencement of the procedure for the Plan up to the point when resolution is passed at the General Meeting of Shareholders of the Company on whether gratis allotment of share acquisition rights is to be implemented.

(b) Gratis allotment of share acquisition rights as part of the Takeover Defense Measures

If the large-scale acquirer is, by proceeding with the large-scale acquisition without following the procedure including certain criteria set out under the Plan or otherwise, considered likely to be detrimental to the Company's corporate value and the common interest of its shareholders (for details of such criteria, please refer to (3) "Criteria for gratis allotment of the Share Acquisition Rights" below), the Company shall conduct gratis allotment of share acquisition rights (hereinafter the "Share Acquisition Rights"; as summarized in (4) "Outline of gratis allotment of the Share Acquisition Rights" below), in the manner prescribed in Article 277 and subsequent Articles of the Companies Act, to all shareholders at the time excluding the Company, subject to the condition for exercise that precludes exercise by the large-scale acquirer, as well as to the acquisition clause allowing the Company to acquire the Share Acquisition Rights from parties other than the large-scale acquirer in exchange for the Company's shares.

(c) Appointment of the Independent Committee for excluding arbitrary decision-making by Directors

Under the Plan, with a view to excluding arbitrary decision-making by Directors, decisions on whether gratis allotment of the Share Acquisition Rights is to be implemented or on the acquisition thereof shall, pursuant to the Rules on the Independent Committee¹, be based on the decision at the Independent Committee comprising (i) External Directors of the Company, (ii) External Auditors (or Auditors² of the similar qualification) of the Company, or (iii) external experts independent from the senior management of the Company, while information disclosure shall be made as appropriate to shareholders for the purpose of ensuring transparency.

The Independent Committee at the time of this Renewal shall comprise three External Directors independent of the senior management responsible for execution of business, subject to the resolution for approval of the proposal for the election of Directors as originally proposed

¹ Summary of the Rules on the Independent Committee is as follows.

- The Independent Committee shall comprise not less than three members selected and appointed by the Board of Directors of the Company from among (i) External Directors of the Company, (ii) External Auditors or Auditors of the similar qualification of the Company (including Auditors who were External Directors of the Company or its subsidiaries, and thus do not meet the requirements of Article 2, Item 16 of the Companies Act; hereinafter the same), or (iii) external experts, who are independent from the senior management of the Company responsible for execution of business. However, such external experts shall be corporate managers, ex-government officials, individuals familiar with investment banking or the Company's business, attorneys, certified public accountants, academics engaged primarily in the study of the Companies Act, management science, economics, accounting, and similar subjects, with reasonable track record, or those equivalent to the foregoing and such persons must conclude with the Company agreements including a clause regarding duty of care of a prudent manager as designated separately by the Board of Directors of the Company.
- Term of office of the members of the Independent Committee shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within three years from the conclusion of this General Meeting of Shareholders, unless otherwise stipulated by the resolution of the Board of Directors of the Company. Meanwhile, if a member of the Independent Committee appointed while serving concurrently as External Director or External Auditor (or Auditor of similar qualification) of the Company ceases to be Director or Auditor of the Company (unless reappointed), his or her term of office as member of the Independent Committee shall terminate at the same time.
- The Independent Committee shall make decisions on the matters specified under the Plan.
- The Independent Committee shall be called by any committee member and its resolution shall, in principle, require the attendance of all committee members and be passed by a majority of them.

² Including Auditors who were External Directors of the Company or its subsidiaries, and thus do not meet the requirements of Article 2, Item 16 of the Companies Act. Hereinafter, the same shall apply.

at this General Meeting of Shareholders. Names and career summaries of the members of the Independent Committee at the time of this Renewal are as in the appendix.

(d) Exercise of the Share Acquisition Rights and the acquisition by the Company of the Share Acquisition Rights

Once the gratis allotment of the Share Acquisition Rights is implemented according to the Plan and the Share Acquisition Rights are exercised by shareholders other than the large-scale acquirer, or the Company's shares are delivered to the shareholders other than the large-scale acquirer in exchange for the acquisition of the Share Acquisition Rights by the Company, ratio of the voting rights in the Company's shares held by the large-scale acquirer may be diluted by 50% at the maximum.

(2) Procedure for the Plan

(a) Types of acquisition, etc. targeted by the Plan

The Plan applies to the acquisition of share certificates, etc. of the Company or other acquisition or similar act that falls into 1) or 2) below (including the proposition thereof; unless otherwise decided specifically by the Board of Directors of the Company not to apply the Plan; hereinafter the “Acquisition, etc.”). Any party intending to engage in the Acquisition, etc. (hereinafter the “Acquirer, etc.”) shall follow the procedures prescribed under the Plan.

- 1) Acquisition which will result in the holder³ with 20% or higher ratio of ownership⁴ of share certificates, etc.⁵ issued by the Company, or other similar acquisition
- 2) Tender offer⁶ which will result in 20% or higher ratio of ownership⁷ of share certificates, etc.⁸ issued by the Company on a combined basis between the tender offeror and its specially related party⁹

(b) Request for information from the Acquirer, etc.

The Acquirer, etc. shall, prior to the execution of the Acquisition, etc., submit information listed hereunder (hereinafter the “Required Information”) to the Board of Directors of the Company, and a document in the format provided by the Company (with signature or sign and seal of the representative of the Acquirer, etc., without any condition or reservation attached thereto), carrying legally-binding pledge to the effect that the Acquirer, etc. shall, in conducting the Acquisition, etc., follow the procedure stipulated under the Plan, along with the certificate of qualification of such representative who has signed or affixed seal (hereinafter collectively the “Statement of Intent for the Acquisition”). Statement of Intent for the Acquisition and/or other documents that the Acquirer, etc. submits to the Company or the Independent Committee shall be prepared exclusively in Japanese.

Upon receipt of the Statement of Intent for the Acquisition, the Board of Directors of the Company shall immediately submit it to the Independent Committee. The Independent Committee may, if the information contained in the Statement of Intent for the Acquisition is found inadequate for the purpose of the Required Information, request the Acquirer, etc. directly or indirectly to submit additional Required Information subject to the deadline for re-submission as appropriate. In such instance, the Acquirer, etc. shall be asked to submit such additional Required Information by such deadline.

³ Including the parties considered as the holder based on Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act (including the parties recognized by the Board of Directors of the Company as equivalent to those defined herein). Hereinafter the same shall apply in this proposal.

⁴ As defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. Hereinafter the same shall apply in this proposal.

⁵ As defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. Hereinafter the same shall apply in this proposal unless otherwise specified herein.

⁶ As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. Hereinafter the same shall apply in this proposal.

⁷ As defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. Hereinafter the same shall apply in this proposal.

⁸ As defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in 2).

⁹ As defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including the parties recognized by the Board of Directors of the Company as equivalent to those defined herein). However, that those listed in Item 1 of the aforementioned paragraph shall exclude the parties as defined in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. Hereinafter the same shall apply in this proposal.

- 1) Detail (including specific name, capital structure, financial position, history of legal violation and circumstance thereof, track record in the transactions similar to the acquisition as in the Acquisition, etc. and results thereof, impact of such past transaction on the corporate value of the target company, and other relevant information)¹⁰ of the Acquirer, etc. and its associates (including joint holder¹¹, specially related party, as well as specially related party of the party to whom the Acquirer, etc. is a controlled company¹²)
- 2) Objectives, method, and description of the Acquisition, etc. (including the amount/type of consideration for the Acquisition, etc., timing of the Acquisition, etc., structure of the related transactions, legitimacy of the method for the Acquisition, etc., and other information regarding the feasibility of the Acquisition, etc.)
- 3) Basis for calculating the price for the Acquisition, etc. (including facts/assumptions involved in the calculation, method for calculation, numerical data used for calculation, description of synergy expected from the series of transactions related to the Acquisition, etc., and description of such synergy of which will be distributed to minor shareholders)
- 4) Agreement on the share certificates, etc. of the Company between the Acquirer, etc. and third parties, and the information regarding the past acquisition by the Acquirer, etc. of the share certificates, etc. of the Company
- 5) Funding for the Acquisition, etc. (including specific names of the fund providers (including effective providers), funding method, and description of related transactions)
- 6) Management policy, business plan, capital policy, and dividend policy at the Company after the Acquisition, etc.
- 7) Policies on the treatment after the Acquisition, etc. of shareholders (excluding the Acquirer, etc.), employees, business partners, and customers of the Company and other stakeholders concerning the Company
- 8) Specific measures for avoiding conflicts of interest between the Acquirer, etc. and other shareholders of the Company
- 9) Information concerning relationship between the Acquirer, etc. and anti-social forces
- 10) Other information reasonably deemed necessary by the Independent Committee

If the Acquirer, etc. is deemed to have commenced the Acquisition, etc. without following the procedure for the Plan, the Independent Committee shall, in principle, recommend the Board of Directors of the Company to implement gratis allotment of the Share Acquisition Rights as described in d. 1) below, unless there is special circumstance that warrants continuous consultation and negotiation with the Acquirer, etc. seeking the submission of the Statement of Intent for the Acquisition and the Required Information.

¹⁰ In the case of a fund acting as the Acquirer, etc., it includes information equivalent to 1) concerning partners or other members of the fund.

¹¹ It refers to joint holders as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those considered as joint holders pursuant to Paragraph 6 of the aforementioned article (including those recognized by the Board of Directors of the Company as equivalent to those defined herein). Hereinafter the same shall apply in this proposal.

¹² As defined in Article 9, Paragraph 5 of the Order for Enforcement of the Financial Instruments and Exchange Act.

(c) Review of the nature of the Acquisition, etc., negotiation with the Acquirer, etc., and consideration of alternative proposals

1) Request for information from the Board of Directors of the Company

Upon submission from the Acquirer, etc. of the Statement of Intent for the Acquisition and the Required Information additionally requested by the Independent Committee (if any), the Independent Committee may, for the purpose of comparative review between the information contained in the Statement of Intent for the Acquisition and the Required Information additionally submitted, as well as the business plan prepared by and the corporate assessment of the Acquirer, etc. conducted by the Board of Directors of the Company, with a view to ensuring and enhancing corporate value of the Company and the common interest of its shareholders, request, as necessary, the Board of Directors of the Company to present, subject to response deadline (not exceeding 60 days in principle) as appropriate, its opinion on the nature of the Acquisition, etc. as proposed by the Acquirer, etc. (including the Board's position to withhold its opinion, hereinafter the same where the Board's opinion is mentioned), evidence that supports such opinion, alternative proposals (if any), and other information/materials considered necessary by the Independent Committee as appropriate. While the aforementioned 60 days response deadline has been established as a period deemed necessary for the Board of Directors of the Company to prepare and present its opinion, supporting evidence, and other information/materials, etc. considered necessary as appropriate by the Independent Committee, based on the result of the review by external experts, the Board shall, nonetheless, do its best to complete the above process as quickly as possible.

2) Review by the Independent Committee

Once the Independent Committee recognized that the Acquirer, etc. and (if requested to provide information/materials as mentioned in 1) above) the Board of Directors of the Company provided sufficient information/materials (including those additionally required), the Committee shall establish a review period not exceeding 60 days in principle (or alternatively 90 days if the Company's share certificates, etc. are to be acquired via tender offer in which consideration is not limited to yen-denominated cash) (hereinafter the "Independent Committee Review Period"). The Independent Committee shall, during the Independent Committee Review Period, conduct review of the nature of the Acquisition, etc. as proposed by the Acquirer, etc., collection of information for comparative review of the business plans prepared by the Acquirer, etc. and the Board of Directors of the Company, and review of the alternative proposal presented by the Board of Directors. The Independent Committee shall also consult and negotiate with the Acquirer, etc. directly or indirectly via the Board of Directors, or present shareholders with the alternative proposal submitted by the Board of Directors, if necessary for the purpose of making the Acquisition, etc. more beneficial with a view to ensuring and enhancing corporate value of the Company and the common interest of its shareholders.

To ensure that the decision by the Independent Committee be made with a view to benefitting the Company's corporate value and the common interest of its shareholders, the Independent Committee shall, at the cost of the Company, be entitled to obtain advice from the independent third parties (such as financial advisors, certified public accountants, attorneys, consultants, and other experts).

The Acquirer, etc. shall be obligated to promptly comply, if requested by the Independent Committee directly or indirectly via the Board of Directors of the Company to

provide review materials and/or other information, or to discuss/negotiate with the Independent Committee.

If the Independent Committee failed to make a recommendation for the implementation or non-implementation of the gratis allotment of the Share Acquisition Rights by the expiry date of the initial Independent Committee Review Period, the Independent Committee shall adopt resolutions for extending the Independent Committee Review Period, to the extent reasonably deemed necessary, but not exceeding 30 days in principle, for the review of the nature of the Acquisition, etc. as proposed by the Acquirer, etc., the discussion/negotiation with such Acquirer, etc., and the review of the alternative proposal. Once the Independent Committee Review Period is extended based on the aforementioned resolution, the Independent Committee shall engage in the collection and review of information and other related processes as intended by such extension, and make its best efforts to provide a recommendation within the extended period, on the implementation or non-implementation of the gratis allotment of the Share Acquisition Rights.

(d) Recommendations of the Independent Committee

In the face of the Acquirer, etc., the Independent Committee shall make recommendations to the Board of Directors of the Company as follows.

1) In the case of a recommendation for the implementation of gratis allotment of the Share Acquisition Rights

The Independent Committee shall be entitled to recommend the Board of Directors of the Company to implement gratis allotment of the Share Acquisition Rights, regardless of whether the Independent Committee Review Period has started or expired, if, of the criteria listed in (3) “Criteria for gratis allotment of the Share Acquisition Rights” below (hereinafter the “Activation Conditions”), the Acquisition, etc. is deemed to fall under Activation Conditions 1 or either (a) or (b) of Activation Conditions 2. If it remains questionable whether a case of the Acquisition, etc. falls under (a) or (b) of Activation Conditions 2 in (3) below, the Independent Committee shall be able to set a reservation to the effect that the gratis allotment of the Share Acquisition Rights should involve prior approval of the General Meeting of Shareholders.

However, even after the recommendation of the Independent Committee for the implementation of the gratis allotment of the Share Acquisition Rights, if it determines that the circumstance falls under any of the following, it may cancel the gratis allotment up to the point in time two business days prior to the ex-rights date of the gratis allotment, or it may newly recommend the Company to acquire the Share Acquisition Rights without compensation, in the period between the effective date of gratis allotment of the Share Acquisition Rights and the day preceding the Start Date of Exercise Period thereof (as defined in (f) of (4) “Outline of gratis allotment of the Share Acquisition Rights” below).

- i. In the case where the Acquisition, etc. is cancelled subsequent to the recommendation due to the withdrawal thereof by the Acquirer, etc. or other reasons
- ii. In the case where the Activation Conditions cease to exist due to changes in facts and circumstances behind the decision to make the recommendation

2) In the case of a recommendation for the non-implementation of gratis allotment of the Share Acquisition Rights

The Independent Committee shall recommend the Board of Directors of the Company not to implement gratis allotment of the Share Acquisition Rights, whether before or after the

expiry of the Independent Committee Review Period, if it determines that the Acquisition, etc. does not fall under any of the Activation Conditions.

However, even after the recommendation of the Independent Committee for non-implementation of the gratis allotment of the Share Acquisition Rights, the Independent Committee may make new recommendation for implementing the gratis allotment of the Share Acquisition Rights, if it comes to believe the Acquisition, etc. does fall under one of the Activation Conditions due to changes in facts and circumstances behind the decision for the original recommendation.

- 3) In the case where recommendation for holding the General Meeting of Shareholders is made

If it remains questionable whether the Acquisition, etc. falls under (c) or (d) of Activation Conditions 2, the Independent Committee shall be able to make recommendation with reason thereof for holding a General Meeting of Shareholders to verify shareholders' intent regarding the implementation of the gratis allotment of the Share Acquisition Rights.

- (e) Resolution of the Board of Directors

The Board of Directors of the Company shall fully respect the aforementioned recommendation by the Independent Committee, and promptly adopt resolutions fulfilling its authority under the Companies Act for the implementation, non-implementation, or cancellation of the gratis allotment of the Share Acquisition Rights. However, if a General Meeting of Shareholders is held based on (f) below, the Board of Directors of the Company shall follow the resolution of such General Meeting of Shareholders.

- (f) Resolution of the General Meeting of Shareholders

In implementing the gratis allotment of the Share Acquisition Rights according to the Plan, pursuant to (d) above, if the Independent Committee set a reservation to the effect that the implementation of such gratis allotment should involve prior approval of the General Meeting of Shareholders, or made recommendation for verifying the intent of shareholders concerning the implementation of the gratis allotment of the Share Acquisition Rights, the Board of Directors of the Company shall promptly convene the General Meeting of Shareholders, with a view to holding such General Meeting on the earliest practical date, so that the intent of shareholders can be verified. In such instance, the intent of shareholders shall be verified by a majority of voting rights exercised subject to the achievement of quorum requiring the attendance of shareholders owning one third of the aggregate voting rights including the attendance through the exercise of voting rights by writing or via the internet.

- (g) Information disclosure

In operating the Plan, the Company shall, pursuant to the applicable laws and regulations as well as the regulations of the Tokyo Stock Exchange, conduct information disclosure in a timely manner on the matters such as the progress of the various procedures under the Plan (including the facts that the Statement of Intent for the Acquisition has been submitted, that the Independent Committee Review Period has started, and that the Independent Committee Review Period has been extended along with the length of such extended period and the reason thereof), summary of the recommendations made by the Independent Committee, summary of the resolution of the Board of Directors of the Company, summary of the resolution of the General Meeting of Shareholders of the Company, and other matters considered relevant by the Independent Committee or the Board of Directors of the Company.

(3) Criteria for gratis allotment of the Share Acquisition Rights

Insofar as the Acquisition, etc. meets any of the following criteria, the Company shall be bound to implement the gratis allotment of the Share Acquisition Rights, based on the resolution of the Board of Directors of the Company as described in the aforementioned (e) of (2) "Procedure for the Plan." As described in the aforementioned (d) of (2) "Procedure for the Plan," decision on whether the Acquisition, etc. meets the following criteria shall be made based on the judgment of the Independent Committee at all times.

Activation Conditions 1

If the Acquisition, etc. is, as described below, considered to be an acquisition, etc. not following the procedure prescribed under the Plan that warrants the implementation of gratis allotment of the Share Acquisition Rights:

- 1) The Acquisition, etc. that does not provide the Board of Directors of the Company with reasonably sufficient time for the preparation and presentation of an alternative proposal against the Acquisition, etc.
- 2) The Acquisition, etc. that does not provide the Independent Committee with the Independent Committee Review Period as prescribed in the Plan
- 3) The Acquisition, etc. that is to be carried out before the resolution of the General Meeting of Shareholders, against the recommendation of the Independent Committee for obtaining the shareholders' judgment
- 4) The Acquisition, etc. that is to be carried out without providing sufficient amount of the Required Information and other information reasonably necessary for evaluating the nature of the Acquisition, etc.

Activation Conditions 2

If the Acquisition, etc. is deemed to meet the criteria listed herein, and thus warrant the implementation of gratis allotment of the Share Acquisition Rights:

- (a) The Acquisition, etc. that is likely to involve the following behaviors and other similar conducts, to the clear detriment of the Company's corporate value and the common interest of its shareholders
 - 1) Act to buy out the Company's share certificates, etc., and subsequently demand the Company or its related parties for repurchase thereof at an inflated price
 - 2) Act by the Acquirer, etc. to temporarily acquire control over the Company, enforcing selfish management style including acquisition of the Company's valuable assets on the cheap, thereby generating profits at the expense of the Company
 - 3) Act to appropriate the Company's assets as collateral for the debt of, or as fund for repayment at the Acquirer, etc. or its group companies
 - 4) Act by the Acquirer, etc. to temporarily acquire control over the Company, for the purpose of enforcing disposal of expensive assets that are not involved in the Company's business for the moment, in an attempt to engineer temporary high dividends based on the proceeds from such disposal, and/or temporary surge in share price arising from such high dividends, allowing the Acquirer, etc. to sell its holdings at a profit
 - 5) Act to buy out the Company's shares, with no genuine intention to participate in the Company's management, but with the intention primarily to rig the share price, and then force the Company and its related parties to repurchase them at an inflated price
- (b) The Acquisition, etc. which might effectively force shareholders to sell their shares, such as the coercive two-tier purchase (acquisition of shares in the forms such as tender offer carried out without inducing purchase of all shares in the first phase, and then setting terms of purchase less attractive/clarified to shareholders in the second phase)
- (c) The Acquisition, etc. which involves inadequate or inappropriate terms (including the price and type of consideration for the Acquisition, etc., its timing, legitimacy of its method, its feasibility, structure of the related transactions, management policy/business plan after the Acquisition, etc., and policy for treating other shareholders, employees, customers, business partners, and other stakeholders concerning the Company) in light of the intrinsic value of the Company

- (d) The Acquisition, etc. which is likely to prove significantly detrimental to the Company's corporate value and the common interest of its shareholders, through devastating the relationship with employees, customers, business partners, and other concerned parties that are essential for generating the Company's corporate value, source of the Company's corporate value, brand value, or corporate culture.

(4) Outline of gratis allotment of the Share Acquisition Rights

The following is an outline of gratis allotment of the Share Acquisition Rights to be implemented under the Plan.

- (a) Total Number of the Share Acquisition Rights available for allotment
Total number of the Share Acquisition Rights available for allotment shall be equivalent to the final number of outstanding shares in the Company (excluding, however, the number of shares in the Company held by the Company as of the Allotment Date as defined hereunder) on certain date separately set out (hereinafter the “Allotment Date”) by the resolution on gratis allotment of the Share Acquisition Rights, adopted at the Board of Directors’ Meeting or at the General Meeting of Shareholders (hereinafter the “Resolution on Gratis Allotment of the Share Acquisition Rights”).
- (b) Entitled shareholders
One Share Acquisition Right shall be allotted free of charge for one share in the Company held by shareholders other than the Company recorded on the final shareholder registry of the Company on the Allotment Date.
- (c) Effective date of the gratis allotment of the Share Acquisition Rights
It shall be the date separately set out by the Resolution on Gratis Allotment of the Share Acquisition Rights.
- (d) Number of shares to be delivered upon exercise of the Share Acquisition Rights
Number of shares¹³ to be delivered upon exercise of a Share Acquisition Right (hereinafter the “Deliverable Unit of Shares”) shall be one, unless otherwise adjusted.
- (e) The amount of the property to be contributed upon exercise of the Share Acquisition Rights
Contributions upon exercise of the Share Acquisition Rights shall be made in cash, and the amount of property to be contributed per share in the Company upon exercise of the Share Acquisition Rights shall be the amount as separately set out by the Resolution on Gratis Allotment of the Share Acquisition Rights, within the range between the lower limit of one yen and the upper limit of 50% of the market price per share in the Company. “Market price” shall refer to the amount equivalent to the average closing price (including indication) of ordinary transactions of the Company’s ordinary shares on all trading days (excluding the days on which no trading is reported) at the Tokyo Stock Exchange, during the period separately set out by the Board of Directors in the range between 30 days and 180 days prior to the Resolution on Gratis Allotment of the Share Acquisition Rights, where any fraction of one yen shall be rounded up to one yen.
- (f) Exercise period of the Share Acquisition Rights
Exercise period of the Share Acquisition Rights shall be a period separately set out by the Resolution on Gratis Allotment of the Share Acquisition Rights, in the range between one month and three months, beginning on the date (hereinafter the “Start Date of Exercise Period”) separately set out by the Resolution on Gratis Allotment of the Share Acquisition Rights. However, if the Company acquires the Share Acquisition Rights in accordance with (i) 2) below, the exercise period of such acquired Share Acquisition Rights shall expire on the business day prior to the date of such acquisition. If the date falls on the holiday of the

¹³ If the Company becomes a Company with Class Shares (pursuant to Article 2, Item 13 of the Companies Act) in the future, both 1) shares in the Company issued in connection with the exercise of the Share Acquisition Rights, and 2) shares delivered in exchange for the acquisition of the Share Acquisition Rights shall refer to the same class of shares as have already been issued and outstanding (ordinary shares specifically) as at the date of this General Meeting of Shareholders.

institution that handles the payment associated with the exercise, the business day prior to such expiry date shall be the expiration date.

(g) Conditions for exercising the Share Acquisition Rights

(I) Specified large-scale holders¹⁴, (II) joint holders of specified large-scale holders, (III) specified large-scale acquirers¹⁵, (IV) specially related parties of specified large-scale acquirers, or (V) parties that received transfer of, or succeeded the Share Acquisition Rights from those classified as (I) through (IV) above without the approval of the Board of Directors of the Company, or (VI) related parties¹⁶ of those classified as (I) through (V) above (hereinafter those classified as (I) through (VI) being collectively referred to as the “Unqualified Party”) shall, in principle, not be entitled to exercise the Share Acquisition Rights.

In addition, non-residents who are required to follow certain procedures set out under the applicable foreign laws and regulations for exercising the Share Acquisition Rights shall, in principle, not be entitled to exercise the Share Acquisition Rights (provided, however, that certain non-residents entitled to rely on exemption provisions under such applicable foreign laws and regulations may exercise the Share Acquisition Rights, while the Share Acquisition Rights held by non-residents shall be covered by the acquisition by the Company involving consideration in the form of shares in the Company as described in (i) 2) below). Furthermore, parties who fail to submit a written pledge in the format prescribed by the Company, which contains provisions of representations and warranties stating their qualification including the

¹⁴ “Specified large-scale holder” refers to a holder of share certificates, etc. issued by the Company with not less than 20% holding ratio of such share certificate, etc. (including a holder recognized as the equivalent by the Board of Directors of the Company). However, a holder meeting the aforementioned criteria whose acquisition and holding of share certificates, etc. of the Company is found by the Board of Directors of the Company not to be detrimental to the Company’s corporate value and the common interest of its shareholders, or otherwise a holder meeting the aforementioned criteria but specifically designated as exemption by the Board of Directors of the Company in the Resolution on Gratis Allotment of the Share Acquisition Rights, shall not be considered as specified large-scale holder. Hereinafter the same shall apply in this proposal.

¹⁵ “Specified large-scale acquirer” refers to a party that has given a public notice to the effect that it intended to conduct the Acquisition, etc. (which refers to purchase, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same shall apply in this footnote), through a tender offer of share certificates, etc. (which refers to the share certificates, etc. as defined in the same article and paragraph of the same act as aforementioned; hereinafter the same shall apply in this footnote) issued by the Company, whose holding ratio of share certificates, etc. after such Acquisition, etc. (including the holding through equivalent forms of possession as defined under Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) will, if combined with the holding ratio of share certificates, etc. of the specially related parties, amount to 20% or higher, or to a party found to meet the aforementioned definition technically by the Board of Directors of the Company. However, a holder meeting the aforementioned criteria whose acquisition and holding of share certificates, etc. of the Company is found by the Board of Directors of the Company not to be detrimental to the Company’s corporate value and the common interest of its shareholders, or otherwise a holder meeting the aforementioned criteria but specifically designated as exemption by the Board of Directors of the Company in the Resolution on Gratis Allotment of the Share Acquisition Rights, shall not be considered as specified large-scale acquirer. Hereinafter the same shall apply in this proposal.

¹⁶ “Related party” of a person/entity refers to a party considered by the Board of Directors of the Company to be effectively in control of, or under the control of the person/entity, or jointly under the common control of a third party with the person/entity (or a party found to meet the aforementioned definition technically by the Board of Directors of the Company), or acting in cooperation with the person/entity. “Control” herein refers specifically to “being in control of determinations on the financial and business policies” of other company or the like (as defined in Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act).

fact that they satisfy the conditions for exercising the Share Acquisition Rights, indemnity clauses, and other covenants, shall not be allowed to exercise the Share Acquisition Rights.

- (h) Restriction to the transfer of the Share Acquisition Rights
Acquisition of the Share Acquisition Rights through transfer shall require the approval of the Board of Directors of the Company.
- (i) Acquisition of the Share Acquisition Rights by the Company
 - 1) The Company shall, at any time during the period up to the day preceding the Start Date of Exercise Period, be entitled to acquire all of the Share Acquisition Rights without compensation on the day as separately set out by the Board of Directors of the Company, insofar as such acquisition by the Company is recognized to be appropriate by the Board of Directors of the Company.
 - 2) The Company shall, on the day as separately set out by the Board of Directors of the Company, be entitled to acquire all of the Share Acquisition Rights held by parties other than the Unqualified Party that remain unexercised as of the business day preceding such date as designated by the Board of Directors of the Company, and to deliver, in exchange therefor, the Deliverable Unit of Shares in the Company for each Share Acquisition Right acquired. Furthermore, the Company shall, if any party other than the Unqualified Party is found, subsequent to the date of such acquisition, among the holders of the Share Acquisition Rights by the Board of Directors of the Company, be entitled to acquire all of the Share Acquisition Rights held by such party that remain unexercised as of the business day preceding such date as set out by the Board of Directors of the Company on a date later than the date of the aforementioned acquisition and to deliver, in exchange therefor, the Deliverable Unit of Shares in the Company for each Share Acquisition Right acquired. The same shall apply thereafter.
- (j) Grant of the Share Acquisition Rights in the case of merger, absorption-type company split, incorporation-type company split, share exchange, and share transfer
To be determined separately by the Resolution on Gratis Allotment of the Share Acquisition Rights.
- (k) Issuance of share acquisition right certificates
Share acquisition right certificates shall not be issued with respect to the Share Acquisition Rights.
- (l) Other matters
 - 1) Apart from the foregoing, the detail of the Share Acquisition Rights shall separately be determined by the Resolution on Gratis Allotment of the Share Acquisition Rights.
 - 2) The Company shall, in implementing gratis allotment of the Share Acquisition Rights, not contemplate granting money as consideration for acquiring the Share Acquisition Rights held by the Acquirer, etc.

(5) Effective period, discontinuance, and amendment of the Plan

Effective period of the Plan (which is also the period of delegation of authority to determine matters concerning the implementation of gratis allotment of the Share Acquisition Rights; hereinafter the “Effective Period”) shall start at the time of resolution at this General Meeting of Shareholders, and expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within three years after the conclusion of this Meeting.

However, even prior to the expiry of the Effective Period, the Plan and the delegation of authority based thereon shall be discontinued and revoked at the point in time (i) resolution for the discontinuance of the Plan is adopted at the General Meeting of Shareholders of the Company, or (ii) resolution for the discontinuance of the Plan is adopted by the Board of Directors of the Company.

Meanwhile, even during the Effective Period of the Plan, the Board of Directors of the Company may, subject to the approval of the Independent Committee, alter or amend the Plan, insofar as such alteration or amendment does not compromise the intention of the resolution on this proposal at this General Meeting of Shareholders (including the alteration or amendment appropriately reflecting establishment, amendments, and abolition of the laws, regulations, and rules of the Tokyo Stock Exchange related to the Plan, the alteration or amendment necessary for correcting error and omissions and other mistakes in wording of the Plan, and the alteration or amendment that are not detrimental to shareholders of the Company).

Once discontinuance or amendment of the Plan is enforced, the Company shall promptly disclose as appropriate the fact of such discontinuance or amendment along with its details (in the case of amendment) and other relevant matters.

(6) Alteration due to amendment of laws and regulations

Provisions of laws and regulations referenced in the Plan are based on the provisions in effect as of August 1, 2022. Thus, in the event of establishment, amendment, or abolition of such laws and regulations after the aforementioned date, giving rise to necessity for modifying the provisions or definitions of terms defined and used above, the interpretation of the provisions or definitions of terms set out above shall be reinterpreted accordingly as appropriate to the extent deemed reasonable, in consideration of the purposes and context of such establishment, amendment, or abolition.

Career summaries of the members of the Independent Committee

The Independent Committee called for the first time after this Renewal shall comprise the following three members.

The Company has designated all members as independent directors as stipulated by the Tokyo Stock Exchange and registered them with the Exchange. If they are re-elected at this General Meeting of Shareholders, the Company intends to continue designating them as independent directors. There are no special interests between any of the members and the Company.

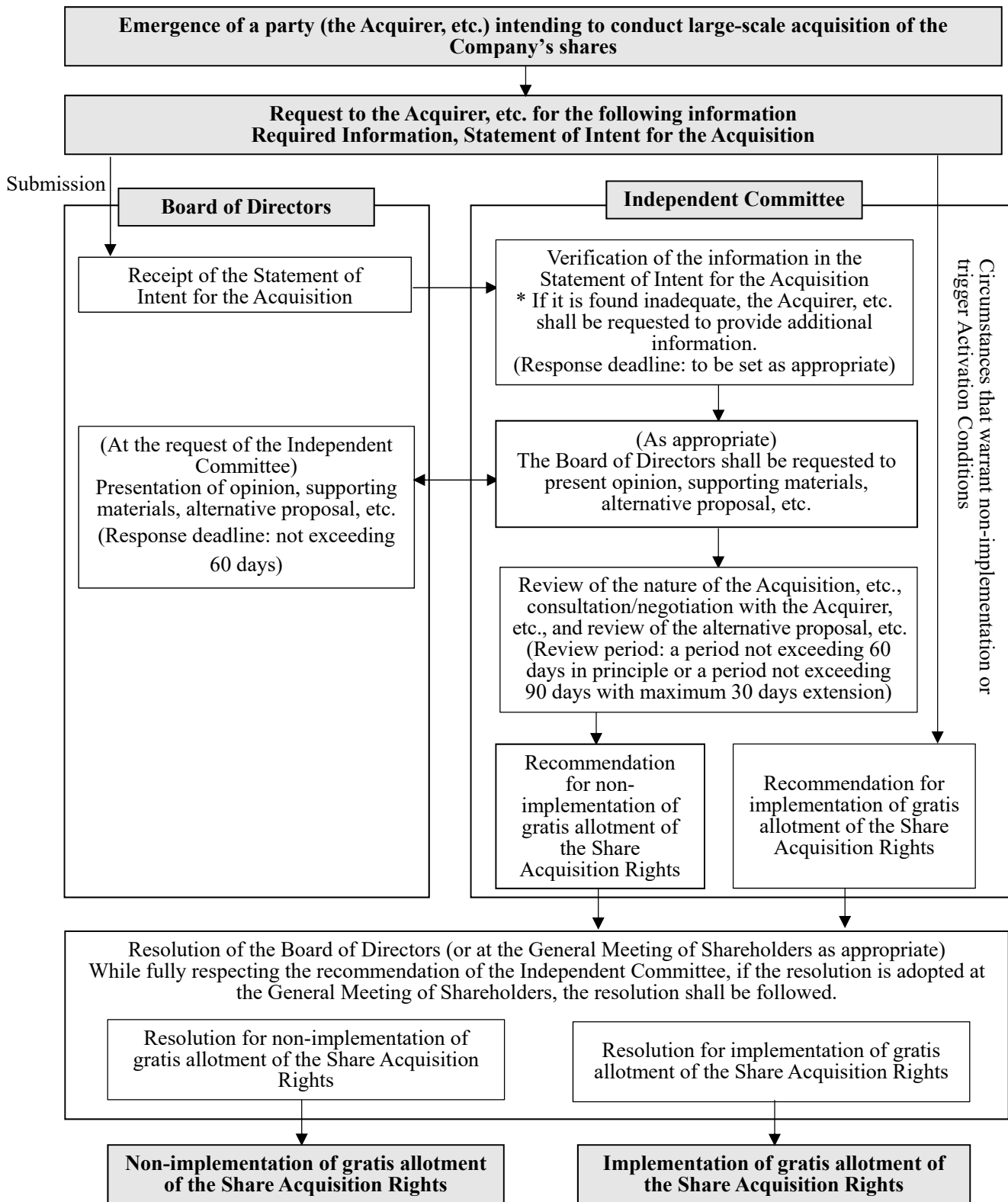
Keiko Kakiuchi (External Director)

Katsuya Hirokawa (External Director)

Mizuho Iwaki (External Director)

For career summary of each member, please refer to Page 11 to Page 12 of this Notice of the Annual General Meeting of Shareholders.

Diagram illustrating the response to the large-scale acquisition of the Company's shares



Note: This diagram illustrates the summary of the procedure for the Plan. Please refer to the text for details.