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Securities Code: 4205

June 7, 2023

To our shareholders,

Kimiaki Tanaka President and CEO
Zeon Corporation
1-6-2 Marunouchi, Chiyoda-ku, Tokyo, Japan

NOTICE OF THE 98th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We hereby notify that the 98th Annual General Meeting of Shareholders of Zeon Corporation (“the Company”) will be held as described hereunder.

The Company has taken measures for electronic provision when convening this General Meeting of Shareholders, so please access the URL of Company’s website below which contains information on the items subject to the electronic provision measures.

The Company’s website: <https://www.zeon.co.jp/ir/stock/meeting/> (in Japanese)

Items subject to measures for electronic provision are also available on the following websites. For the Tokyo Stock Exchange (TSE) website, input “Zeon Corporation” into “issue name” (company name) or input “4205” into “securities code,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

PRONEXUS INC. Website: <https://d.sokai.jp/4205/teiji/> (in Japanese)

TSE Website:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Instead of attending the meeting on the day, you can also exercise your voting rights in writing or over the Internet. Please review the Reference Materials for General Meeting of Shareholders and exercise your voting rights in either of the following methods:

[Voting via mail]

Please indicate your approval or disapproval of each of the items to be resolved on the enclosed Voting Rights Exercise Form and return it to the Company by mail.

[Voting via the Internet, etc.]

Please access the website designated by the Company for the exercise of voting rights and follow on-screen instructions to enter your approval or disapproval of each of the items to be resolved.

- 1. Date and Time** Thursday, June 29, 2023, at 10:00 a.m. (JST)
(Reception will open at 9:30 a.m.)
- 2. Venue** Station Conference Tokyo (Sapia Tower, 6F)
1-7-12 Marunouchi, Chiyoda-ku, Tokyo, Japan

3. Purpose of the Meeting

Items to be reported:

1. The business report, the consolidated financial statements for the 98th fiscal year (from April 1, 2022 to March 31, 2023) and the audit reports of the Accounting Auditor and the Audit & Supervisory Board regarding the consolidated financial statements for the 98th fiscal year
2. The non-consolidated financial statements for the 98th fiscal year (from April 1, 2022 to March 31, 2023)

Items to be resolved:

- Proposal No. 1:** Appropriation of Surplus

Proposal No. 2: Election of Eleven (11) Directors

Proposal No. 3: Election of Three (3) Audit & Supervisory Board Members

Proposal No. 4: Introduction of Performance-Linked Stock Compensation System for Directors

4. Information on Exercise of Voting Rights

- (1) Please exercise your voting rights by completing the Voting Rights Exercise Form and returning it to us by mail to arrive, or by registering your votes via the Internet, no later than 5:10 p.m. on Wednesday, June 28, 2023 (JST).
 - (2) In the event that you exercise your voting rights via mail, the Company will deem that you indicated your approval of a proposal if neither approval nor disapproval of a proposal is indicated.
 - (3) In the event that you exercise your voting rights both via mail and via the Internet, etc., the vote via the Internet, etc. shall be upheld as the valid exercise of your voting rights. Moreover, if you exercise your voting rights multiple times via the Internet, etc. and your multiple votes for the same proposal are inconsistent, your last vote shall be upheld as the valid exercise of your voting rights.
- If attending the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk.
 - If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website, PRONEXUS INC. website and the TSE website.
 - In accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are not presented in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents. Accordingly, the said documents are part of the documents that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the respective Audit Reports.

Reference Materials for General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

The Company has adopted the basic policy of paying stable and continuous dividends of surplus to shareholders. Under this policy, the year-end dividend for the fiscal year ended March 31, 2023 is proposed to be ¥18 per share as described below. As a result, including the interim dividend, the annual dividend would be ¥36 per share, an increase of ¥8 per share from the previous fiscal year.

Matters concerning the year-end dividend

- (1) Items concerning allocation of dividend assets and the total amount for shareholders thereof
¥18.00 per share of common stock of the Company
The total amount of dividends: ¥3,803,012,298
- (2) Effective date of dividends of surplus
June 30, 2023

Proposal No. 2: Election of Eleven (11) Directors

The terms of office of all nine (9) incumbent Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, we would like you to approve the election of eleven (11) Directors including five (5) Outside Directors (eight (8) males and three (3) females).

The candidates for Directors are as follows:

No.	Name	Current position and responsibility	Attribute
1	Kimiaki Tanaka	President and CEO	Reelection
2	Tetsuya Toyoshima	Director and Senior Corporate Officer Head of Research & Development Headquarters and Division Manager of Research & Development Center	Reelection
3	Kazuyoshi Matsuura	Director and Senior Corporate Officer Head of Elastomers and Chemicals Business Headquarters Director of Tohpe Corporation	Reelection
4	Yoshiyuki Sone	Director and Senior Corporate Officer Head of Administrative Headquarters	Reelection
5	Yuichiro Konishi	Director and Corporate Officer Head of Specialty Business Headquarters and Division Manager of Specialty Plastics Division	Reelection
6	Erisa Watanabe	Director and Corporate Officer Head of Corporate Sustainability Headquarters and Division Manager of Corporate Sustainability Division	Reelection
7	Takao Kitabata	Outside Director President of KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation	Reelection Outside Independent
8	Tadanobu Nagumo	Outside Director Senior Advisor of The Yokohama Rubber Co., Ltd.	Reelection Outside Independent
9	Fumiaki Ikeno	Outside Director Program Director (U.S.) of Japan Biodesign, Stanford Biodesign Board Member and Chief Medical Officer of MedVenture Partners, Inc.	Reelection Outside Independent
10	Miki Akiyama	Professor, Faculty of Environment and Information Studies of Keio University	New election Outside Independent
11	Saeko Masumi	Attorney, Sengokuyama Law Office	New election Outside Independent

Reelection: Candidate for reelection as Director

New election: New candidate for Director

Outside: Candidate for Outside Director

Independent: Independent officer as provided by securities exchanges, etc.

No.	Name (Date of birth)	Career summary, position and responsibility at the Company		Number of the Company's shares held
1	Kimiaki Tanaka (February 19, 1953) Reelection Attendance at Board of Directors meetings 14/14	Apr. 1979	Joined the Company	131,100
		June 2005	Director of the Company	
		June 2007	Director & Corporate Officer of the Company	
		June 2011	Director & Senior Corporate Officer of the Company	
		June 2012	Director & Executive Corporate Officer of the Company	
		June 2013	President and CEO of the Company (incumbent)	
		(Status of important concurrent occupations)		
		-		
[Reasons for nomination as candidate for Director] Mr. Kimiaki Tanaka became President and CEO of the Company in 2013, and he has contributed to improvement of the corporate value of the Group, including directing management by leading promotion of the Mid-Term Management Plan. The Company has nominated him as candidate for Director again as it expects him to offer leadership based on his extensive knowledge and experience concerning management in general.				
2	Tetsuya Toyoshima (March 13, 1963) Reelection Attendance at Board of Directors meetings 10/10	Apr. 1989	Joined the Company	3,200
		June 2015	Corporate Officer of the Company	
		June 2020	Senior Corporate Officer of the Company	
		June 2022	Director & Senior Corporate Officer of the Company (incumbent)	
		(Status of important concurrent occupations)		
		-		
[Reasons for nomination as candidate for Director] Mr. Tetsuya Toyoshima became Director in 2022 and currently serves as Head of Research & Development Headquarters and Division Manager of Research & Development Center. The Company has nominated him as candidate for Director again as it expects him to offer leadership based on his extensive operational knowledge and experience.				
3	Kazuyoshi Matsuura (February 21, 1967) Reelection Attendance at Board of Directors meetings 14/14	Apr. 1993	Joined the Company	17,100
		June 2017	Corporate Officer of the Company	
		June 2019	Director & Corporate Officer of the Company	
		June 2022	Director & Senior Corporate Officer of the Company (incumbent)	
		(Status of important concurrent occupations)		
		Director of Tohpe Corporation		
[Reasons for nomination as candidate for Director] Mr. Kazuyoshi Matsuura became Director in 2019 and currently serves as Head of Elastomers and Chemicals Business Headquarters and Director of Tohpe Corporation. The Company has nominated him as candidate for Director again as it judges that his extensive operational knowledge and experience make him suited to playing a role in the Company's management.				
4	Yoshiyuki Sone (June 6, 1965) Reelection Attendance at Board of Directors meetings 10/10	Apr. 1988	Joined the Company	6,700
		June 2018	Corporate Officer of the Company	
		June 2020	Senior Corporate Officer of the Company	
		June 2022	Director & Senior Corporate Officer of the Company (incumbent)	
		(Status of important concurrent occupations)		
		-		
[Reasons for nomination as candidate for Director] Mr. Yoshiyuki Sone became Director of the Company in 2022 and currently serves as Head of Administrative Headquarters. The Company has nominated him as candidate for Director again as it judges that his extensive operational knowledge and experience make him suited to playing a role in the Company's management.				

No.	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of the Company's shares held
5	<p>Yuichiro Konishi (August 30, 1965)</p> <p>Reelection Attendance at Board of Directors meetings 10/10</p>	<p>Apr. 1991 Joined the Company</p> <p>July 2011 Joined Solvay Advanced Polymers K.K.</p> <p>July 2012 Joined the Company</p> <p>July 2013 Division Manager of Electronic Materials Division 1 of the Company</p> <p>July 2015 Division Manager of Electronic Materials Division and Resident Director of the Taiwan Office of Electronic Materials Division of the Company</p> <p>June 2020 Corporate Officer of the Company</p> <p>June 2022 Director & Corporate Officer of the Company (incumbent)</p> <p>(Status of important concurrent occupations) -</p>	4,100
		<p>[Reasons for nomination as candidate for Director] Mr. Yuichiro Konishi became Director in 2022 and currently serves as Head of Specialty Business Headquarters and Division Manager of Specialty Plastics Division. The Company has nominated him as candidate for Director again as it judges that his extensive operational knowledge and experience make him suited to playing a role in the Company's management.</p>	
6	<p>Erisa Watanabe (February 25, 1965)</p> <p>Reelection Attendance at Board of Directors meetings 10/10</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2013 General Manager of Materials Procurement Department, Production Center of the Company</p> <p>June 2018 Corporate Officer of the Company</p> <p>June 2022 Director & Corporate Officer of the Company (incumbent)</p> <p>(Status of important concurrent occupations) -</p>	7,800
		<p>[Reasons for nomination as candidate for Director] Ms. Erisa Watanabe became Director of the Company in 2022 and currently serves as Head of Corporate Sustainability Headquarters and Division Manager of Corporate Sustainability Division. The Company has nominated her as candidate for Director again as it judges that her extensive operational knowledge and experience make her suited to playing a role in the Company's management.</p>	

No.	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of the Company's shares held
7	<p style="text-align: center;">Takao Kitabata (January 10, 1950)</p> <p style="text-align: center;">Reelection Outside Independent Attendance at Board of Directors meetings 13/14</p>	<p>Apr. 1972 Joined Ministry of International Trade and Industry</p> <p>June 2004 Director-General, Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry</p> <p>July 2006 Vice-Minister of Economy, Trade and Industry</p> <p>July 2008 Retired from Ministry of Economy, Trade and Industry</p> <p>June 2010 Outside Director of Kobe Steel, Ltd. Outside Audit & Supervisory Board Member of Marubeni Corporation</p> <p>June 2013 Chairman of Board of Sanda Gakuen Junior High School & Senior High School Outside Director of Marubeni Corporation</p> <p>Apr. 2014 Principal of Sanda Gakuen Junior High School & Senior High School</p> <p>June 2014 Outside Director of the Company (incumbent)</p> <p>Apr. 2020 President of KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation (incumbent)</p> <p>(Status of important concurrent occupations) President of KAISHI PROFESSIONAL UNIVERSITY, Niigata Sogo Gakuin Academic Corporation Outside Director of SEIREN CO., LTD. Outside Director of Miroku Corporation</p>	0
<p>[Reasons for nomination as candidate for Outside Director and outline of expected role]</p> <p>Mr. Takao Kitabata was involved in the planning of economic and industrial policy for many years, and he possesses experience and knowledge of industry overall, which he has accumulated through his career. The Company has nominated him as candidate for Outside Director again, as it expects that, regardless of whether he has had direct involvement in the corporate management of a company, he can contribute to the corporate management of the Company with his guidance and advice based on his knowledge, etc. In addition, if he is elected, he will provide advice mainly on the Company's policy related to the nomination of executive candidates and policies related to decisions of the remuneration as a member of the Director and Officer Nomination and Remuneration Committee from an independent standpoint. At the conclusion of this Annual General Meeting of Shareholders, he will have served nine (9) years as Outside Director of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of the Company's shares held
8	<p>Tadanobu Nagumo (February 12, 1947)</p> <p>Reelection Outside Independent Attendance at Board of Directors meetings 13/14</p>	<p>Apr. 1969 Joined The Yokohama Rubber Co., Ltd. June 1999 Director of The Yokohama Rubber Co., Ltd. June 2002 Managing Director of The Yokohama Rubber Co., Ltd. June 2003 Senior Managing Director of The Yokohama Rubber Co., Ltd. June 2004 President and Representative Director of The Yokohama Rubber Co., Ltd. June 2011 Chairman and CEO and Representative Director of The Yokohama Rubber Co., Ltd. Outside Audit & Supervisory Board Member of the Company June 2015 Outside Director of the Company (incumbent) Mar. 2016 Chairman and Representative Director of The Yokohama Rubber Co., Ltd. Mar. 2019 Senior Advisor of The Yokohama Rubber Co., Ltd. (incumbent)</p> <p>(Status of important concurrent occupations) Senior Advisor of The Yokohama Rubber Co., Ltd. Member of the Board (Outside) of ROHM Co., Ltd.</p>	12,800
<p>[Reasons for nomination as candidate for Outside Director and outline of expected role] Mr. Tadanobu Nagumo was involved in the management of The Yokohama Rubber Co., Ltd. for many years, and he possesses experience and knowledge as a person with expertise in corporate management, which he has accumulated through his career. The Company has nominated him as candidate for Outside Director again, as it expects him to provide practical guidance and advice related to corporate management of the Company founded on his experience, etc. In addition, if he is elected, he will provide advice mainly on the Company's policy related to the nomination of executive candidates and policies related to decisions of the remuneration as a member of the Director and Officer Nomination and Remuneration Committee from an independent standpoint. At the conclusion of this Annual General Meeting of Shareholders, he will have served eight (8) years as Outside Director of the Company, but he served four (4) years as Outside Audit & Supervisory Board Member from June 2011.</p>			

No.	Name (Date of birth)	Career summary	Number of the Company's shares held
9	<p>Fumiaki Ikeno (May 4, 1967)</p> <p>Reelection Outside Independent Attendance at Board of Directors meetings 14/14</p>	<p>Mar. 1992 Graduated from Division of Medicine, School of Medicine of Jichi Medical University</p> <p>Apr. 1992 Joined Shizuoka Prefectural Government Technical Officer of Health and Welfare Division, Health and Welfare Department of Shizuoka Prefectural Government</p> <p>Apr. 2001 Post-Doctoral Fellow of Division of Cardiovascular Medicine, Department of Medicine, School of Medicine of Stanford University</p> <p>Apr. 2004 Research Associate and Medical Director of Experimental Interventional Laboratory, Division of Cardiovascular Medicine, Department of Medicine, School of Medicine of Stanford University</p> <p>June 2007 Completed Biodesign Program of Stanford University</p> <p>Oct. 2013 Co-founder of MedVenture Partners, Inc. Board Member and Chief Medical Officer of MedVenture Partners, Inc. (incumbent) Co-founder of (NPO) US-Japan MedTech Frontiers (USJMF) Board Member of (NPO) US-Japan MedTech Frontiers (USJMF)</p> <p>Apr. 2015 Program Director (U.S.) of Japan Biodesign, Stanford Biodesign (incumbent) Researcher of Division of Cardiovascular Medicine, Department of Medicine, School of Medicine of Stanford University (incumbent)</p> <p>Apr. 2018 Director of Japan Outreach of Stanford Center for Asian Health Research and Education (CARE) (incumbent)</p> <p>Sept. 2019 Co-Director of SPARK Asian Pacific of Stanford SPARK Program (SPARK Global) (incumbent)</p> <p>June 2021 Outside Director of the Company (incumbent) (Status of important concurrent occupations) Program Director (U.S.) of Japan Biodesign, Stanford Biodesign Director of Japan Outreach of Stanford Center for Asian Health Research and Education (CARE) Co-Director of SPARK Asian Pacific of Stanford SPARK Program (SPARK Global) Researcher of Division of Cardiovascular Medicine, Department of Medicine, School of Medicine of Stanford University Board Member and Chief Medical Officer of MedVenture Partners, Inc.</p>	0
<p>[Reasons for nomination as candidate for Outside Director and outline of expected role]</p> <p>Mr. Fumiaki Ikeno possesses experience and insight acquired through the involvement in the development of medical device products for many years as a physician and medical researcher, and knowledge on the medial industry overall, which he has accumulated through his career as a venture capitalist specializing in medical devices. Based on such experience, etc., the Company has nominated him as candidate for Outside Director again, as it expects him to provide useful guidance and advice related to the Company's research and development, innovation, and business development. In addition, if he is elected, he will provide advice mainly on the Company's policy related to the nomination of executive candidates and policies related to decisions of the remuneration as a member of the Director and Officer Nomination and Remuneration Committee from an independent standpoint. At the conclusion of this Annual General Meeting of Shareholders, he will have served two (2) years as Outside Director of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of the Company's shares held
10	<p>Miki Akiyama (February 13, 1968)</p> <p>New election Outside Independent Attendance at Board of Directors meetings –</p>	<p>Mar. 1991 Graduated from Department of Political Science, Faculty of Law of Keio University</p> <p>Apr. 1991 Joined Sendai Television Incorporated</p> <p>Nov. 2001 MSc, London School of Economics and Political Science</p> <p>Apr. 2005 Assistant Professor (Non-Tenured), Graduate School of Media and Governance, Keio University</p> <p>Sept. 2005 Withdrawal after completion of doctoral course requirements, Graduate School of Media and Governance, Keio University</p> <p>Dec. 2006 Obtained Ph.D. in Media and Governance</p> <p>Apr. 2007 Assistant Professor, Faculty of Policy Management of Keio University</p> <p>Apr. 2010 Associate Professor, Faculty of Policy Management of Keio University</p> <p>Apr. 2011 Associate Professor, School of Medicine of Keio University</p> <p>Apr. 2012 Associate Professor, Faculty of Environment and Information Studies of Keio University Graduate School Committee Member, Graduate School of Media and Governance, Keio University (incumbent)</p> <p>Apr. 2015 Graduate School Committee Member, Graduate School of Health Management, Keio University (incumbent)</p> <p>Dec. 2015 Obtained Ph.D. in Medicine</p> <p>Mar. 2016 Visiting Scholar, University of California, Berkeley</p> <p>Apr. 2017 Professor, Faculty of Environment and Information Studies of Keio University (incumbent) Professor, School of Medicine of Keio University (incumbent) Professor, K-FRECS at Tsuruoka, Institute for Advanced Biosciences, Keio University (incumbent)</p> <p>June 2019 Public Interest Committee Member, Central Social Insurance Medical Council</p> <p>(Status of important concurrent occupations) Professor, Faculty of Environment and Information Studies of Keio University Professor, School of Medicine of Keio University Professor, K-FRECS at Tsuruoka, Institute for Advanced Biosciences, Keio University Graduate School Committee Member, Graduate School of Media and Governance, Keio University Graduate School Committee Member, Graduate School of Health Management, Keio University</p>	0

[Reasons for nomination as candidate for Outside Director and outline of expected role]

Ms. Miki Akiyama possesses experience and insight acquired as a researcher specializing in health communication (communication in the field of health and medicine), and knowledge on healthcare overall, which she has accumulated through her career as a committee member and advisor for government and municipalities, etc. Based on such experience, the Company has newly nominated her as candidate for Outside Director, as it expects that, regardless of whether she has had direct involvement in the corporate management of a company, she will provide useful guidance and advice related to the Company's health management, employee engagement, and risk communication. In addition, if she is elected, she will provide advice mainly on the Company's policy related to the nomination of executive candidates and policies related to decisions of the remuneration as a member of the Director and Officer Nomination and Remuneration Committee from an independent standpoint.

No.	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of the Company's shares held
11	<p style="text-align: center;">Saeko Masumi (current surname: Saito) (Apr. 25, 1956)</p> <p style="text-align: center;">New election Outside Independent Attendance at Board of Directors meetings –</p>	<p>Mar. 1979 Graduated from School of Law, Waseda University</p> <p>Apr. 1986 Registered as an attorney, admitted to Daini Tokyo Bar Association, joined Harago & Partners Law Offices Officer of the Japan Civil Liberties Union (JCLU) (incumbent)</p> <p>Mar. 1992 Opened Sengokuyama Law Office</p> <p>Apr. 1996 Trustee, Association of Remedial Teaching for People with Developmental Handicaps (incumbent)</p> <p>Apr. 2009 Practicing-attorney-professor for criminal defense, the Legal Training and Research Institute of Japan, Supreme Court of Japan</p> <p>July 2013 Committee Member, the Committee for the Investigation of Broadcasting Ethics, Broadcasting Ethics & Program Improvement Organization</p> <p>Aug. 2015 Audit & Supervisory Board Member, Weathernews Inc.</p> <p>Mar. 2017 Delegate, Japan Federation of Bar Associations</p> <p>Apr. 2017 Vice President, Daini Tokyo Bar Association Executive Governor, Japan Federation of Bar Associations</p> <p>May 2017 Committee Member, Accident Compensation Review Committee, Supreme Court of Japan</p> <p>May 2021 Committee Chair, Accident Compensation Review Committee, Supreme Court of Japan (incumbent)</p> <p>(Status of important concurrent occupations) Attorney, Sengokuyama Law Office Officer of the Japan Civil Liberties Union (JCLU) Trustee, Association of Remedial Teaching for People with Developmental Handicaps Committee Chair, Accident Compensation Review Committee, Supreme Court of Japan</p>	0
<p>[Reasons for nomination as candidate for Outside Director and outline of expected role] Ms. Saeko Masumi possesses experience and insight backed by a long career as an attorney, and knowledge on social issues overall, which she has cultivated through public interest activities related to broadcasting ethics and human rights relief, etc. Based on such experience, the Company has newly nominated her as candidate for Outside Director, as it expects that, regardless of whether she has had direct involvement in the corporate management of a company, she will provide useful guidance and advice related to the Company's compliance, DI&B (diversity, inclusion, and belonging), and business and human rights issues. In addition, if she is elected, she will provide advice mainly on the Company's policy related to the nomination of executive candidates and policies related to decisions of the remuneration as a member of the Director and Officer Nomination and Remuneration Committee from an independent standpoint.</p>			

- (Notes)
1. Mr. Takao Kitabata, Mr. Tadanobu Nagumo, Mr. Fumiaki Ikeno, Ms. Miki Akiyama, and Ms. Saeko Masumi are candidates for Outside Directors as provided in Article 2, paragraph 3, item 7 of the Regulation for Enforcement of the Companies Act.
 2. The Company has notified the Tokyo Stock Exchange of the statuses of Mr. Takao Kitabata, Mr. Tadanobu Nagumo, Mr. Fumiaki Ikeno, Ms. Miki Akiyama, and Ms. Saeko Masumi as independent officers.
 3. The Company has concluded contracts with Mr. Takao Kitabata, Mr. Tadanobu Nagumo, and Mr. Fumiaki Ikeno that limit their liability for damages prescribed by Article 423, paragraph 1 of the Companies Act to the minimum liability amount prescribed by laws and regulations. If their re-election is approved, the Company plans to continue contracts with the same contents. In addition, the Company plans to conclude a contract with the same contents with Ms. Miki Akiyama and Ms. Saeko Masumi.
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The policy will protect all the Directors as insureds and cover losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as a Director, or receipt of claims pertaining to the pursuit of such liability. If each candidate is elected and assumes the office as Director, they will be included as insureds in the policy. In addition, the Company plans to renew the policy with the same contents at the time of next renewal.
 5. Mr. Takao Kitabata assumed the office as an Outside Director of Kobe Steel, Ltd. in June 2010 and retired as such in June 2022. During his term, Kobe Steel, Ltd. announced in October 2017 that Kobe Steel, Ltd. and its group companies shipped or provided products that do not satisfy public standards or customer specifications to customers as products that satisfy the standards and specifications, by falsifying or fabricating inspection results. Kobe Steel, Ltd. was found guilty of a violation of the Unfair Competition Prevention Act in March 2019 for part of these acts. Mr. Kitabata was not aware of the facts until such problem was revealed, but he has regularly called attention to the form the company should take by making suggestions from a compliance perspective in meetings of the Board of Directors and other occasions of Kobe Steel, Ltd. After such facts were discovered, he expressed a variety of opinions in the Board of Directors meeting of the company on the appropriateness and suitability of the investigation methods in addition to those aimed at identifying the cause and verifying safety, and as a member of the Quality Governance Restructuring Deliberation Committee, he contributed to the formulation of measures to prevent recurrence. He was later appointed as Chairman of the Board of Directors of Kobe Steel, Ltd. in June 2018, and received periodic reports in meetings of the Board of Directors on the progress of measures to prevent recurrence, while appropriately monitoring the execution of measures to prevent recurrence and various initiatives by commenting on Kobe Steel's initiatives to regain trust such as governance reform and changing the awareness of employees.
 6. There are no special conflicts of interests as prescribed by Article 74, paragraph 2, item 3 of the Regulation for Enforcement of the Companies Act between the Company and any of the candidates.
 7. Ms. Saeko Masumi's name in her family register is "Saeko Saito," but we use the name she uses in the course of her duties.

Table of Skills Particularly Expected to be Exhibited by Each Candidate

A list of skills (commonly referred to as a skills matrix) including a list of skills needed by the Board of Directors to achieve the Company’s 2030 Vision of becoming “a company that lives up to societal expectations and the aspirations of employees,” and skills possessed by each Director candidate that the Company expects said Director candidate to exhibit (up to three skills per candidate) is shown below. Outside Director candidates are expected to supervise management from a higher viewpoint based on their experience, and to advise members of Company management based on the specialist insight that each candidate possesses. Internal Director candidates act as a member of the management team, and are expected to exhibit their skills according to their fields of expertise.

	Global management	Finance and accounting	Compliance and risk management	Sustainability and ESG	New business creation	Business reform	Sales and marketing	Research and development	Production and SCM
Kimiaki Tanaka	○			○				○	
Tetsuya Toyoshima	○				○			○	
Kazuyoshi Matsuura	○					○	○		
Yoshiyuki Sone	○	○			○				
Yuichiro Konishi					○		○	○	
Erisa Watanabe			○	○					○
Takao Kitabata	○		○	○					
Tadanobu Nagumo	○					○			○
Fumiaki Ikeno	○				○			○	
Miki Akiyama			○	○					
Saeko Masumi			○	○					

Proposal No. 3: Election of Three (3) Audit & Supervisory Board Members

Of the Audit & Supervisory Board Members currently in office, the terms of office of Mr. Takeo Furuya, Mr. Akio Kohri and Mr. Nobutake Nishijima will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, we would like you to approve the election of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members. The Audit & Supervisory Board has approved this proposal. The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary and position at the Company	Number of the Company's shares held
1	Toru Nishijima (February 8, 1957) New election Attendance at Board of Directors meetings - Attendance at Audit & Supervisory Board meetings -	Apr. 1981 Joined the Company Oct. 2006 Deputy Plant Manager of Mizushima Plant of the Company June 2009 Corporate Officer of the Company June 2014 Senior Corporate Officer of the Company June 2015 Director & Senior Corporate Officer of the Company June 2021 Advisor of the Company Audit & Supervisory Board Member of ZIS INFORMATION TECHNOLOGY CORPORATION (incumbent) June 2022 Executive Technical Supervisor of the Company (incumbent) (Status of important concurrent occupations) Audit & Supervisory Board Member of ZIS INFORMATION TECHNOLOGY CORPORATION	52,600
[Reasons for nomination as candidate for Audit & Supervisory Board Member] After serving as Director & Senior Corporate Officer of the Company, Mr. Toru Nishijima became Advisor in 2021 and currently serves as Executive Technical Supervisor of the Company and Audit & Supervisory Board Member of ZIS INFORMATION TECHNOLOGY CORPORATION. The Company has nominated him as new candidate for Audit & Supervisory Board Member as it expects that he will contribute to improvement of the corporate value of the Group through management audits that take full advantage of his extensive operational experience and knowledge.			
2	Akio Kohri (December 21, 1948) Reelection Outside Independent Attendance at Board of Directors meetings 14/14 Attendance at Audit & Supervisory Board meetings 6/6	Apr. 1971 Joined Asahi Denka Co., Ltd. (Currently ADEKA Corporation) June 2005 Operating Officer of ADEKA Corporation June 2008 Director and Operating Officer of ADEKA Corporation June 2010 Director and Managing Operating Officer of ADEKA Corporation June 2012 President and Chief Operating Officer of ADEKA Corporation June 2015 Outside Audit & Supervisory Board Member of the Company (incumbent) June 2018 Chairman and Chief Executive Officer of ADEKA Corporation June 2020 Senior Advisor of ADEKA Corporation (incumbent) (Status of important concurrent occupations) Senior Advisor of ADEKA Corporation Director of Nihon Nohyaku Co., Ltd.	0
[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Akio Kohri was involved in the management of ADEKA Corporation for many years, and he possesses experience and knowledge as a person with expertise in corporate management, which he has accumulated through his career. The Company has nominated him as candidate for Outside Audit & Supervisory Board Member again, as it expects him to provide management supervision and check functions based on his perspective. At the conclusion of this Annual General Meeting of Shareholders, he will have served eight (8) years as Audit & Supervisory Board Member of the Company.			

No.	Name (Date of birth)	Career summary and position at the Company	Number of the Company's shares held
3	Nobutake Nishijima (May 23, 1953) Reelection Outside Independent Attendance at Board of Directors meetings 14/14 Attendance at Audit & Supervisory Board meetings 6/6	Apr. 1976 Joined Dai-Ichi Kangyo Bank, Ltd. Mar. 2003 Executive Officer of Mizuho Corporate Bank, Ltd. Apr. 2004 Executive Officer of Mizuho Bank, Ltd. Apr. 2005 Managing Executive Officer of Mizuho Bank, Ltd. Apr. 2008 Deputy President and Executive Officer of Mizuho Trust & Banking Co., Ltd. June 2008 Director, Deputy President & Executive Officer of Mizuho Trust & Banking Co., Ltd. Apr. 2013 President of Mizuho Private Wealth Management Co., Ltd. Apr. 2015 Vice Chairman of Total Insurance Service Limited June 2015 Outside Audit & Supervisory Board Member of the Company (incumbent) Apr. 2017 Advisor of Fujitsu Total Insurance Service Limited June 2018 Advisor of NIPPON TOCHI-TATEMONO Co., Ltd. (Status of important concurrent occupations) -	0
<p>[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Nobutake Nishijima was involved in the management of Mizuho Trust & Banking Co., Ltd. for many years, and he possesses experience and knowledge as a person with expertise in corporate management, which he has accumulated through his career. The Company has nominated him as candidate for Outside Audit & Supervisory Board Member again, as it expects him to provide management supervision and check functions based on his perspective. At the conclusion of this Annual General Meeting of Shareholders, he will have served eight (8) years as Audit & Supervisory Board Member of the Company.</p>			

- (Notes)
1. Mr. Akio Kohri and Mr. Nobutake Nishijima are candidates for Outside Audit & Supervisory Board Members as provided in Article 2, paragraph 3, item 8 of the Regulation for Enforcement of the Companies Act.
 2. The Company has notified the Tokyo Stock Exchange of the statuses of Mr. Akio Kohri and Mr. Nobutake Nishijima as independent directors/auditors.
 3. The Company has concluded contracts with Mr. Akio Kohri and Mr. Nobutake Nishijima that limit their liability for damages prescribed by Article 423, paragraph 1 of the Companies Act to minimum liability amount prescribed by laws and regulations. If their re-election is approved, the Company plans to continue contracts with the same contents. The Company plans to conclude a contract with the same contents with Mr. Toru Nishijima.
 4. The Company has entered into a directors and officers insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The policy will protect all the Audit & Supervisory Board Members as insureds and cover losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an Audit & Supervisory Board Member, or receipt of claims pertaining to the pursuit of such liability. If each candidate is elected and assumes the office as Audit & Supervisory Board Member, they will be included as insureds in the policy. In addition, the Company plans to renew the policy with the same contents at the time of next renewal.
 5. Mr. Toru Nishijima concurrently serves as Audit & Supervisory Board Member of ZIS INFORMATION TECHNOLOGY CORPORATION, an affiliate of the Company, but plans to retire from the position before the date of the Annual General Meeting of Shareholders.
 6. There are no special conflicts of interests as prescribed by Article 76, paragraph 1, item 2 of the Regulation for Enforcement of the Companies Act between the Company and any of the candidates.

Proposal No. 4 Introduction of Performance-Linked Share-Based Remuneration Plan for Directors

1. Reasons for the Proposal and Reasons Why the Proposal Is Reasonable

We request approval to implement a new performance-linked share-based remuneration plan referred to as the “Board Benefit Trust - Restricted Stock (BBT-RS)” (the “Plan”) for the Company’s Directors (excluding Outside Directors; the same applies throughout this proposal unless otherwise specified) and Corporate Officers (collectively “Directors, etc.”).

We will revise its remuneration package for officers so that there can be even more incentive to enhance and create medium- to long-term corporate value (Note). As part of the Plan, we find the content of this proposal to be reasonable as the implementation of the Plan aims to clearly establish the connection between the remuneration of Directors, etc. and the Company’s business performance and stock value, and foster an increased awareness among Directors, etc. regarding the importance of contributing to medium- to long-term improvements in business performance and corporate value, which is achieved by sharing with our shareholders not only the benefits resulting from stock price increases but also the risks associated with stock price declines.

This proposal seeks your approval for the specific calculation method and details regarding the amount of remuneration, etc., to be paid to the Company’s Directors in accordance with the Plan. The remuneration, etc. to be paid based on the Plan is separate from the monetary remuneration (not exceeding ¥550 million per year; the “monetary remuneration amount”) approved for the Company’s Directors at the 82nd Annual General Meeting of Shareholders held on June 28, 2007. Note that the monetary remuneration amount does not include employee salaries of Directors who also serve as employees. Regarding the details of the Plan, we kindly request that you entrust the decision to the Board of Directors, as outlined in section 2 below.

At the 94th Annual General Meeting of Shareholders held on June 27, 2019, our proposal to establish a separate remuneration framework for restricted shares, etc., for the Company’s Directors, in addition to the monetary remuneration, was approved along with the specific details. The approved maximum limits are ¥200 million per year and 160,000 shares (Outside Directors are not eligible for share grants) per year. This arrangement remains in effect to this day. Upon approval and adoption of the proposal, we will discontinue granting restricted shares as part of the Director’s remuneration. However, the restricted shares that have already been allocated to Directors will remain in effect for the future.

Subject to the approval and adoption of Proposal No. 2 as originally proposed, the number of Directors eligible for the Plan will be six (6).

(Notes) Policies and procedures governing the determination of remuneration for senior management and Directors (resolution of the Company’s Board of Directors on May 19, 2023)

- (i) The remuneration package for senior management and Directors, aimed at providing a sound incentive for sustainable growth, comprises the following four components (please note that Inside Directors are eligible for components (1) through (4), Corporate Officers for components (1), (2), and (4), and Outside Directors for fixed cash remuneration only). The share-based remunerations (3) and (4), which are composed of the Company’s common shares, will be disbursed through the Board Benefit Trust based on the points allocated at a designated time each year. As a general rule, (3) will be paid annually, while (4) will be paid at the conclusion of each phase of the Mid-Term Management Plan. The allotted shares will be subject to restrictions on transfer, creation of security interests, and other disposal for a certain period, as stipulated in an agreement with the eligible Directors. If an eligible Director retires from the position designated by the Board of Directors before the expiration of the Restriction Period, the Company will acquire the shares allotted to him/her under the Plan without contribution, unless there is a valid justification for such retirement (such as the expiration of the term of his/her office, death, or other justifiable reasons).

- (1) Fixed cash remuneration

- (2) Performance-linked cash remuneration

Evaluation metrics encompass the financial indicators of the entire company and its business divisions for a fiscal year, along with the levels of achievements made by departments and individuals, primarily in terms of their progress in attaining the goals outlined in the Mid-Term Management Plan. These metrics are designed to enhance the Group’s long-term continual growth and profitability.

- (3) Fixed share-based remuneration

(4) Performance-linked share-based remuneration

Evaluation metrics are established based on financial and non-financial indicators (including ESG-related indicators), which are linked to the targets set for the final year of each phase of the Mid-Term Management Plan. These metrics are designed to enhance the Group's long-term continual growth and profitability.

- (ii) The specific amount or number of points to be granted for fixed cash remuneration and fixed share-based remuneration to eligible Directors will be determined based on their respective positions. Performance-linked cash remuneration and performance-linked share-based remuneration will be determined by multiplying a standard amount or points assigned to an eligible Director or Corporate Officer according to the significance of his/her roles and responsibilities by a coefficient determined according to his/her evaluation results. Generally, the higher his/her position in the management hierarchy, the greater the proportion of performance-linked remuneration in his/her overall remuneration.
- (iii) The Board of Directors will establish remuneration standards in accordance with the policies outlined in (i) and (ii) above. Based on these remuneration standards, the President and CEO will determine the individual remuneration for Directors and Corporate Officers. This decision will be made after seeking advice from the "Director and Officer Nomination and Remuneration Committee," which includes Independent Outside Directors. Cash remuneration will be paid and points related to share-based remuneration will be granted at a designated time each year, following the bylaws.

2. Specific Calculation Method and Details Regarding the Amount of Remuneration, etc., to be Granted under the Plan

(1) Outline of the Plan

This is a performance-linked share-based remuneration plan where the Company's shares will be acquired through a trust funded by the Company's monetary contribution (the trust established under the Plan is hereinafter referred to as the "Trust"). According to the Board Benefit Regulations set by the Company, Directors, etc. will receive the Company's shares and the monetary amount equivalent to the market value of the Company's shares (collectively the "Company's shares, etc.") through the fund.

Under the Plan, Directors will, in principle, be allocated a specific number of the Company's shares at a designated time each year, corresponding to their positions. Furthermore, they will typically receive an allocation of a certain number of the Company's shares at specific times during each phase of the Mid-Term Management Plan, based on their positions in the Company and the level of accomplishment of management objectives. Corporate Officers will typically receive an allocation of a certain number of the Company's shares at specific times during each phase of the Mid-Term Management Plan, based on their positions in the Company and the level of accomplishment of management objectives.

Directors, etc., who receive the allocation of the Company's shares during their tenure, shall, prior to receiving such shares, enter into a transfer restriction agreement with the Company, as outlined in section 3 below. This agreement imposes restrictions on the transfer or other disposal of the Company's shares granted to Directors, etc. during their tenure until their retirement. In principle, Directors, etc. will receive the monetary amount equivalent to the market value of the Company's shares granted to them at the time of their retirement.

(2) Eligibility for the Plan

Directors (except Outside Directors and Audit & Supervisory Board Member) and Corporate Officers are eligible for the Plan.

(3) Trust period

The trust period will extend from August 2023 (planned) until the termination of the Trust. Note that no specific termination date is specified for the trust period. The Trust will continue as long as the Plan remains in effect. The Plan will terminate in the event of the Company's shares being delisted or the Board Benefit Regulations being abolished, among other circumstances.

(4) Trust amount

Subject to the approval of this proposal, the Company will implement the Plan for an initial period of four (4) fiscal years, starting from the fiscal year ending March 31, 2024, until the fiscal year ending March 31, 2027 (the “Initial Target Period”). Subsequently, the Plan will remain active for another four (4) years, from the fiscal year ending March 31, 2026, until the fiscal year ending March 31, 2029. After that, it will continue for each subsequent period of four (4) fiscal years, starting from the fiscal year ending March 2026 and recurring every two (2) fiscal years thereafter (each of these periods, including the Initial Target Period and each subsequent period of four (4) fiscal years starting from the fiscal year ending March 2026 and recurring every two (2) fiscal years thereafter, will hereinafter be referred to as the “Target Period”). To grant the Company’s shares to Directors, etc., the Company will contribute the following monetary amount to the Trust as the source of funds for the acquisition of the Company’s shares through the Trust. Please note that, in principle, the Target Periods will be aligned with the corresponding phases of the Company’s Mid-Term Management Plan. In the event of any modifications to the duration or commencement of a phase in the Mid-Term Management Plan, the Target Period and its starting point will also be adjusted accordingly.

As the initial step, the Company will allocate an estimated amount of funds required for the Initial Target Period upon the establishment of the Trust, which is scheduled for August 2023. Because the maximum number of points that can be granted to Directors, etc. under the Plan is 567,300 points per fiscal year, as stated in (6) below, the Company will allocate funds, upon the establishment of the Trust, reasonably estimated to be necessary for the acquisition of up to 2,269,200 shares. This allocation will take into account the closing price of the Company’s common shares in regular trading on the Tokyo Stock Exchange immediately prior to the establishment of the Trust. For your reference, based on the closing price of ¥1,526 on May 18, 2023, the aforementioned required funds would amount to approximately ¥3,463 million (refer to Note).

In principle, even after the Initial Target Period has ended, the Company intends to make a reasonable estimate of the number of shares required to provide benefits to Directors, etc. for each subsequent Target Period until the termination of the Plan. The Company will also make additional contributions to the Trust, as deemed necessary, to ensure that the trust has the necessary funds in advance for acquiring the shares. The calculation of such additional contributions will take into account the remaining Company shares (excluding those equivalent to the number of points granted to Directors, etc. during the previous Target Periods, which have not yet been disbursed to Directors, etc.) and funds (collectively the “Remaining Shares, etc.”) held within the trust property. These Remaining Shares, etc. will be used to fund the benefits offered under the Plan in the subsequent Target Periods. If the Company decides to make additional contributions, it will disclose such decision promptly and appropriately.

(Note) The actual amount of money that the Company will contribute to the Trust will include the sum of the aforementioned funds for share acquisition and the estimated amount of necessary expenses, such as trust fees.

(5) Method of acquiring Company’s shares through the Trust and number of shares acquired

The Trust will acquire the Company’s shares using the funds contributed as mentioned in (4) above, either through transactions in the stock exchange market or by undertaking the disposal of the Company’s treasury shares. No new shares will be issued.

As stated in (6) below, the Plan allows for a maximum of 567,300 points to be granted to Directors, etc. per fiscal year. Consequently, during the Initial Target Period, the Trust will acquire up to 2,269,200 shares of the Company, and during each subsequent Target Period, the Trust will acquire up to 567,300 shares of the Company multiplied by the number of fiscal years pertaining to each Target Period. Details regarding the acquisition of the Company’s shares through the Trust will be promptly and appropriately disclosed.

(6) Maximum number of the Company’s Shares, etc. to be granted to Directors, etc.

The basic points to be granted to Directors, etc. each fiscal year are determined in accordance with the Board Benefit Regulations, considering the positions and roles of Directors, etc. The specific number of points to be granted to them will be determined as follows:

- A portion of the basic points granted to Directors each fiscal year is determined immediately based on their positions at the time of point allocation. These points are referred to as Position Points. The

remaining points, referred to as Performance-Linked Points, are multiplied by a coefficient determined based on the level of accomplishment of management objectives at the end of the Target Period. This calculation determines the final amount of Performance-Linked Points to be granted to Directors.

- The basic points granted to Corporate Officers each fiscal year are multiplied by a coefficient determined based on the level of accomplishment of management objectives at the end of the Target Period. This calculation determines the final amount of “regular” points to be granted to Corporate Officers.

The total number of points granted to Directors, etc. per fiscal year shall be limited to 567,300 points. Among these, 336,900 points are allocated to Directors. Please note that this limit is determined based on the final point count derived by multiplying the Performance-Linked Points granted to Directors and the “regular” points granted to Corporate Officers by the aforementioned coefficient, as calculated at the end of the Target Period (refer to Note). This same principle applies throughout. This limit is considered reasonable, as it was determined by comprehensively considering the level of remuneration to be provided to Directors, etc. following the implementation of the revised director remuneration package, as well as the trends and future outlook regarding the number of Directors, etc.

The points granted to Directors, etc. will be converted into one share of the Company’s common stock per point, and the resulting shares will be disbursed to Directors, etc. as outlined in (7) below. However, in the event of a share split, allotment of shares without contribution, reverse share split, or similar actions affecting the Company’s shares after obtaining approval for this proposal, reasonable adjustments will be made to the maximum number of points, the number of points already granted, and the conversion ratio, taking into consideration the relevant ratios or factors.

Approximately 0.27% (567,300 shares) of the total number of outstanding shares (211,278,461 shares, excluding treasury shares, as of March 31, 2023) will be disbursed to Directors, etc., corresponding to the maximum number of points granted to Directors, etc. per fiscal year.

In principle, the final points granted to Directors, etc. before the beneficiary rights determination mentioned in (7) below will be used to determine the number of shares to be granted to them as stated in (7) below. These points will hereinafter be referred to as the “final points.”

(Note) As a general rule, starting from the fiscal year ending March 31, 2026, each fiscal year will have two Target Periods. For instance, the fiscal year ending March 31, 2026 will have the 3rd-year Target Period and the 1st-year Target Period. Likewise, the subsequent fiscal year will have two target periods as well, namely, the 4th-year Target Period and the 2nd-year Target Period. In each fiscal year, Directors and Corporate Officers will receive basic points, which are Performance-Linked Points for Directors and “regular” points for Corporate Officers. These points are linked to specific Target Periods. At the end of each Target Period, the awarded points are multiplied by a coefficient determined according to the level of achievement of management objectives during that period. This calculation determines the final points to be granted to Directors and Corporate Officers. Even if a single fiscal year has two Target Periods, the total number of points granted to Directors, etc. within that fiscal year will be limited to 567,300 points, as explained earlier.

- (7) Specific calculation method used to determine the number of Company’s shares and the amount of remuneration, etc., to be granted to Directors, etc.

Directors, etc., who meet the criteria as beneficiaries are, in principle, eligible to receive the Company’s shares, etc. upon completion of the required procedures to be certified as beneficiaries.

- At a designated time each year, Directors are granted Company’s shares through the Trust. The number of shares granted corresponds to the final points calculated based on their Position Points. Directors are also granted Company’s shares at a designated time during each Target Period. The number of shares granted in this case corresponds to the final points calculated based on their Performance-Linked Points.
- At a designated time during each Target Period, Corporate Officers are granted shares through the Trust. The number of shares granted corresponds to the final points awarded to them.
- Note that Directors, etc. who meet the specific criteria stipulated in the Board Benefit Regulations will be eligible to receive a cash equivalent representing a certain portion of their shares. In principle, the amount will be determined and granted to them based on the market value of those shares at the time

of their retirement. In some cases, the Company may sell its shares through the Trust to make such monetary payments.

Directors, etc., who receive the allocation of the Company's shares during their tenure, shall, prior to receiving such shares, enter into a Transfer Restriction Agreement with the Company, as outlined in section 3 below. This agreement imposes restrictions on the transfer or other disposal of the Company's shares granted to Directors, etc. during their tenure until their retirement.

In certain situations, Directors, etc. who have been awarded points may not be eligible to receive an allocation of the Company's shares. These circumstances include the passing of a resolution for their dismissal at the General Meeting of Shareholders or Board of Directors, retirement due to specific misconduct committed during their tenure, or engaging in inappropriate actions during their tenure that cause damage to the Company.

The amount of remuneration etc. for Directors is basically determined by multiplying the total number of points granted to Directors by the book value per share of the Company's shares held by the Trust at the time of point allocation. However, in the event of a share split, allotment of shares without contribution, reverse share split, or similar actions affecting the Company's shares, reasonable adjustments will be made taking into consideration the relevant ratios or factors. Furthermore, in accordance with the provisions of the Board Benefit Regulations, if Directors become eligible for a specific cash amount under exceptional circumstances, that amount will be included in the remuneration, etc. to be awarded to Directors, provided that it is deemed reasonable to do so.

(8) Exercise of voting rights

In accordance with the Trust administrator's instructions, voting rights associated with the Company's shares held in the Trust account will not be exercised under any circumstances. This guarantees that the exercise of voting rights for these shares remains neutral to the Company's management.

(9) Handling of dividends

Dividends from the Company's shares held in the Trust account will be received by the Trust and used for the purchase of Company's shares, payment of fees to the Trustee responsible for administering the Trust, and other related purposes. If the Trust is terminated, any remaining dividends, etc. within the Trust will be donated to an organization that has no interest in the Company, following the provisions of the Board Benefit Regulations.

(10) Handling in the event of Trust termination

The Trust will be terminated in the event of the Company's shares being delisted or the Board Benefit Regulations being abolished, among other circumstances.

Upon termination, any remaining Company's shares held within the Trust will be acquired by the Company without contribution and subsequently canceled through a resolution made by the Board of Directors. The monetary assets remaining in the Trust at the time of its termination will be disbursed to the Company, with the amount to be donated to the organization mentioned in (9) above deducted from it.

3. Outline of the Transfer Restriction Agreement Pertaining to Company's Shares Granted to Directors, etc.

In order to receive the allocation of the Company's shares during their tenure, Directors, etc. are required to enter into a transfer restriction agreement (the "Transfer Restriction Agreement") with the Company. The outline of the agreement is provided below. The allocation of the Company's shares to Directors, etc. is contingent upon their agreement to enter into this agreement with the Company. However, if Directors, etc. have already resigned by the time of share allocation, the Company may allocate shares to them without requiring them to enter into a Transfer Restriction Agreement.

(i) Details of transfer restrictions

Directors, etc. are not allowed to transfer, create security interests in, or otherwise dispose of the Company's shares they have received, from the day of receipt until their retirement from their positions as Directors or Corporate Officers of the Company.

(ii) Company's acquisition of shares without contribution

In the event of specific misconduct by Directors, etc., or if Directors, etc. fail to meet the criteria for lifting the transfer restrictions as outlined in (iii) below, the Company will acquire the shares allotted to them without contribution.

(iii) Lifting of transfer restrictions

The transfer restrictions on the allotted shares will be lifted upon the retirement of Directors and Corporate Officers if they have valid reasons for retiring from their positions, or in the event of death. This is conditional upon continuous service from the date of receiving the Company's shares until the date of their retirement.

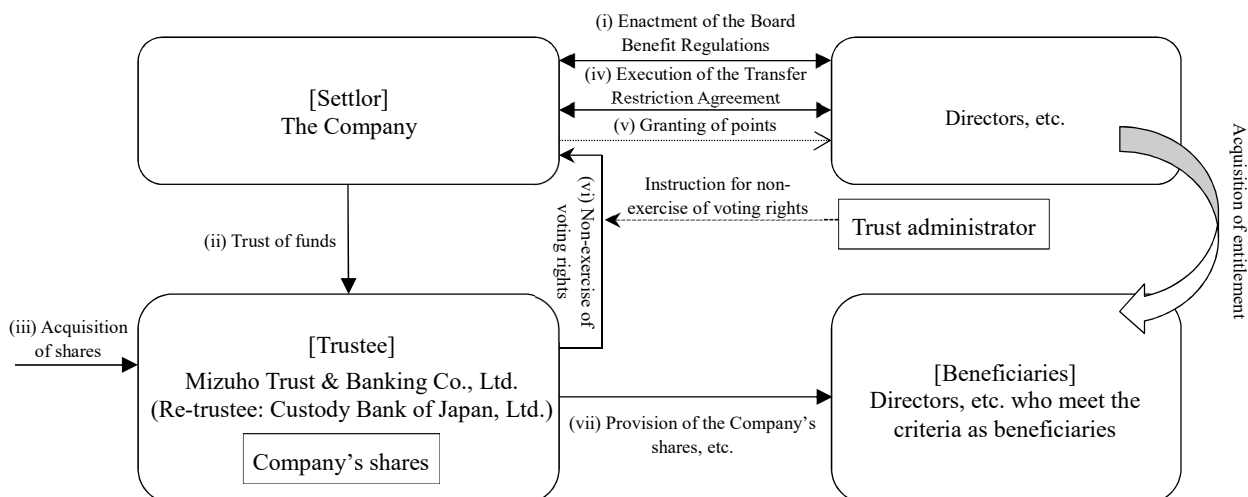
(iv) Handling in the event of organizational restructuring, etc.

If, during the Restriction Period, matters pertaining to a merger agreement where the Company becomes the disappearing entity, or other forms of reorganization, etc. are approved at the Company's General Meeting of Shareholders, the Company, with the Board of Directors' approval, will lift the transfer restrictions on the allotted shares immediately before the business day preceding the effective date of such reorganization, etc.

Under the Transfer Restriction Agreement, the Company's shares subject to the transfer restrictions will be maintained in dedicated accounts throughout the Restriction Period. This arrangement guarantees that these shares cannot be transferred, have security interests established against them, or be disposed of in any other way during the Restriction Period. These accounts are to be opened by the individual eligible Directors, etc. at a securities company designated by the Company.

Additionally, the Transfer Restriction Agreement outlines the methods for expressing intentions or providing notifications regarding the agreement, the procedures for amending the agreement, and other matters to be determined by the Board of Directors.

Reference Chart related to Structure of the Plan



- (i) The Company will establish the “Board Benefit Regulations” within the approved framework of this proposal.
- (ii) The Company will entrust funds to the Trust within the approved framework of this proposal.
- (iii) The Trust will use the entrusted funds mentioned in (ii) to acquire the Company’s shares, either through transactions in the stock exchange market or by undertaking the disposal of the Company’s treasury shares.
- (iv) Directors, etc. will enter into the Transfer Restriction Agreement with the Company, which will restrict the transfer or disposal of the Company’s shares granted to Directors, etc. during their tenure until their retirement. It will also include certain provisions for Company’s acquisition of shares without contribution.
- (v) The Company will grant points to Directors, etc. based on the Board Benefit Regulations.
- (vi) In accordance with the instructions of an independent Trust administrator, voting rights associated with the Company’s shares held in the Trust account will not be exercised.
- (vii) Directors, etc. who meet the criteria as beneficiaries stipulated in the Board Benefit Regulations (the “Beneficiaries”) are entitled to receive the Company’s shares at a designated time each year and at a certain time after the conclusion of each Target Period. The number of shares granted corresponds to the points awarded to the Beneficiaries. When Directors, etc. meet the requirements stipulated in the Board Benefit Regulations, a portion of their points will be disbursed as the cash equivalent of the market value of the corresponding Company’s shares upon their retirement.

(Reference) Cross-shareholdings policy

When holding shares of other companies, the Company will give due consideration to whether or not such holdings will strengthen our relationships with business partners, local communities, and other stakeholders, and thereby contribute to enhancing our corporate value from a medium- to long-term perspective. The Board of Directors annually reviews the appropriateness of cross-shareholdings acquired through such consideration by examining the appropriateness of the purpose of holding each individual issue and whether the benefits and risks associated with holding the shares are commensurate with the cost of capital.

In the FY2022 review, the Board of Directors deemed all holdings appropriate, but in the interests of optimizing our financial strategy, we proceeded to reduce our holdings, and completed the sale of the entirety of six listed holdings by the end of the fiscal year and completed the partial sale of other six listed holdings. The total sale amount was 4,816 million yen. However, due to the effect of rising stock prices toward the end of the fiscal year, cross-shareholdings recorded on the Consolidated Balance Sheet amounted to 80,295 million yen (23.66% of consolidated net assets).

In the medium-term management plan STAGE30 Phase 2 starting from FY2023, we have set “Refining the Management Base” as one of the company-wide strategies, and will focus on strengthening governance to realize the enhancement of corporate value. In terms of financial strategy, we have set a target for FY2026 of “a ratio of cross-shareholdings to consolidated net assets of less than 15%” and plan to further reduce the ratio to achieve this target.