

June 11, 2021

To Our Shareholders:

105 Sugaya 3-chome, Ageo City, Saitama Prefecture  
F U K O K U C o . , L t d .  
President & CEO Takashi Ogawa

## Notice of the 68th Ordinary General Meeting of Shareholders

We are pleased to inform you that the 68th Ordinary General Meeting of Shareholders of FUKOKU Co., Ltd. (the “Company”) will be held as indicated below.

To prevent the spread of the novel coronavirus disease (COVID-19), you are kindly requested to exercise your voting rights in writing or via the Internet to the extent possible. Please review the Reference Documents for General Meeting of Shareholders as below and refer to the “Guide for the Exercise of Voting Rights” (on page 3), to exercise your voting rights by no later than 5:00 p.m. on Monday, June 28, 2021.

Sincerely yours,

1. Date: Tuesday, June 29, 2021, at 10:00 a.m. (Reception for attendees will begin at 9:30 a.m.)
2. Venue: 3-2 Shin-toshin, Chuo-ku, Saitama City, Saitama Prefecture  
Sakura Hall, Rafre Saitama (3F)  
(Please refer to the “Access Information for the Venue of the General Meeting of Shareholders” attached at the end of the document.)
3. Purposes:
  - Items to be reported
    1. Report on the Business Report, Consolidated Financial Statements, and Audit Reports of Consolidated Financial Statements by Accounting Auditor and Audit and Supervisory Committee for the 68th Fiscal Year (April 1, 2020 to March 31, 2021)
    2. Report on Non-Consolidated Financial Statements for the 68th Fiscal Year (April 1, 2020 to March 31, 2021)
  - Items to be resolved
    - Agenda No. 1 Appropriation of Surplus
    - Agenda No. 2 Partial Amendment to the Articles of Incorporation
    - Agenda No. 3 Election of Eight (8) Board Members (Excluding Board Members who are Audit)
    - Agenda No. 4 Election of Three (3) Board Members who are Audit
    - Agenda No. 5 Election of One (1) Board Member who is Substitute Audit
    - Agenda No. 6 Continuation of Countermeasures to Large-Scale Acquisitions of the Company’s Shares, etc. (Takeover Defense Measures)

When you attend the meeting, we kindly request that you submit the enclosed voting form to the reception desk.

If there are any revisions to the Reference Documents for General Meeting of Shareholders and the Business Report, as well as consolidated financial statements and non-consolidated financial statements, such revisions will be posted on the Company’s website (URL: <https://www.fukoku-rubber.co.jp/>).

Among the documents to be provided in this notice, the “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (URL: <https://www.fukoku-rubber.co.jp/>) pursuant to the laws and regulations, as well as Article 14 of the Articles of Incorporation of the Company, and are accordingly not included in this notice.

This document is an English translation of a statement initially written in Japanese. The Original Japanese document should be considered as the primary version.

## Reference Documents for General Meeting of Shareholders

### Agenda No. 1: Appropriation of Surplus

The Company would like to pay the year-end dividend for the 68th fiscal year as follows in the consideration of operating results during the fiscal year under review and future business development, among other things.

[1] Type of dividend property

Cash dividends will be paid.

[2] Allocation of dividends and total amount of dividends

The Company would like to disburse 22 yen per common share of the Company.

In this case, the total amount of dividends shall be 364,812,272 yen.

[3] Effective date of the dividends of surplus

The Company would like to disburse the dividends on June 30, 2021.

### Agenda No. 2: Partial Amendment to the Articles of Incorporation

#### 1. Reasons for the proposal

(1) Amendment to the provisions to specify dividends, etc. of surplus as a matter to be resolved by the Board of Directors

In order to be able to disburse dividends of surplus at a resolution of the Board of Directors pursuant to Article 459, Paragraph 1, of the Companies Act with a view to achieving flexible capital and dividends policies, we intend to revise Article 44 (Year-end dividends and interim dividends), Paragraph 1, of the current Articles of Incorporation that relates to year-end dividends to the proposed Article 43 (Decision-making body for dividends, etc. of surplus) and delete Article 6 (Acquisition of treasury stock) of the current Articles of Incorporation which contains overlaps, as well as making necessary changes to the current Article 44 (Year-end dividends and interim dividends), Paragraph 2, that relates to interim dividends and Article 45 (Statute of limitations for dividends). No provisions pursuant to Article 460, Paragraph 1, of the Companies Act shall be established and this amendment shall not preclude a resolution by the General Meeting of Shareholders on dividends, etc. of surplus.

(2) Partial amendment to the measures for the basic policy regarding the control of business corporation

Under the Agenda No. 6, “Continuation of Countermeasures to Large-Scale Acquisitions of the Company’s Shares, etc. (Takeover Defense Measures),” we propose to add to the effect that the Company may confirm the intension of its shareholders at a General Meeting of Shareholders of the Company as to whether or not to exercise the countermeasures under the Takeover Defense Measures and, accordingly, add a new provision to that effect.

(3) Other necessary changes, including those to the article numbers, will be made.

2. Details of the amendments

The details of the amendments are as follows.

(The underlined portion represents where an amendment is to be made.)

Current Articles of Incorporation	Proposed amendment
<p>Chapter 2: Shares  <u>(Acquisition of treasury stock)</u>  <u>Article 6 The Company may acquire treasury stock at a resolution of the Board of Directors pursuant to the provisions of Article 165, Paragraph 2, of the Companies Act.</u>            Article <u>7</u> through Article <u>11</u>            (Provisions deleted)</p>	<p>Chapter 2: Shares            (Deleted)             Article <u>6</u> through Article <u>10</u>            (Unchanged)</p>
<p>Chapter 3: General Meeting of Shareholders            Article <u>12</u> through Article <u>17</u>            (Provisions deleted)            (Measures for the basic policy regarding the control of business corporation)            Article <u>18</u>            Paragraphs 1 and 2            (Provisions deleted)            3 The Company shall determine <u>whether or not to exercise</u> the Takeover Defense Measures provided by Paragraph 1 <u>at a resolution by the Board of Directors.</u>             (Newly established)</p>	<p>Chapter 3: General Meeting of Shareholders            Article <u>11</u> through Article <u>16</u>            (Unchanged)            (Measures for the basic policy regarding the control of business corporation)            Article <u>17</u>            Paragraphs 1 and 2            (Unchanged)            3 The Company <u>may confirm the intension of its shareholders at a General Meeting of Shareholders as to whether or not to exercise the countermeasures</u> under the Takeover Defense Measures provided by Paragraph 1.            4 <u>The Company shall determine whether or not to exercise the countermeasures under the Takeover Defense Measures provided by Paragraph 1 at a resolution by the Board of Directors.</u></p>
<p>Chapter 4: Board Members and the Board of Directors            Article <u>19</u> through Article <u>34</u>            (Provisions deleted)</p>	<p>Chapter 4: Board Members and the Board of Directors            Article <u>18</u> through Article <u>33</u>            (Unchanged)</p>
<p>Chapter 5: Audit and Supervisory Committee            Article <u>35</u> through Article <u>38</u>            (Provisions deleted)</p>	<p>Chapter 5: Audit and Supervisory Committee            Article <u>34</u> through Article <u>37</u>            (Unchanged)</p>
<p>Chapter 6: Accounting Auditor            Article <u>39</u> through Article <u>42</u>            (Provisions deleted)</p>	<p>Chapter 6: Accounting Auditor            Article <u>38</u> through Article <u>41</u>            (Unchanged)</p>

Current Articles of Incorporation	Proposed amendment
<p style="text-align: center;">Chapter 7: Calculation</p> <p>Article 43 (Provisions deleted) (<u>Year-end dividends and interim dividends</u>)</p> <p>Article 44 <u>The Company shall pay dividends of surplus in cash (the “Year-end Dividends” hereinafter) to the shareholders or registered pledgees of shares appearing or recorded electronically on the final Register of Shareholders as of March 31 of each year at a resolution of a General Meeting of Shareholders.</u> <u>2 The Company may pay dividends of surplus provided in Article 454, Paragraph 5, of the Companies Act (the “Interim Dividends” hereinafter) to the shareholders or registered pledgees of shares appearing or recorded electronically on the final Register of Shareholders as of September 30 of each year at a resolution of the Board of Directors.</u></p> <p>(Newly established)</p> <p>(Statute of limitations for dividends)</p> <p>Article 45 <u>The Company shall not be obliged to pay any Year-end Dividends or Interim Dividends unclaimed for a period of three (3) years after the date on which they are first made available by the Company.</u> <u>2 No interests shall accrue on unpaid Year-end Dividends and Interim Dividends.</u></p>	<p style="text-align: center;">Chapter 7: Calculation</p> <p>Article 42 (Unchanged) (<u>Decision-making body for dividends, etc. of surplus</u>)</p> <p>Article 43 <u>The Company may decide on matters provided in each item of Paragraph 1 of Article 459 of the Companies Act, including dividends, etc. of surplus at a resolution of the Board of Directors.</u></p> <p>(Deleted)</p> <p>(<u>Record dates of dividends of surplus</u>)</p> <p>Article 44 <u>The record dates of year-end and interim dividends of the Company shall be March 31 and September 30, respectively, of each year.</u> <u>2 In addition to the previous paragraph, the Company may set record dates to disburse dividends of surplus at a resolution of the Board of Directors.</u></p> <p>(Statute of limitations, etc. for dividends)</p> <p>Article 45 <u>If assets to be distributed as dividends are cash (the “Dividends” hereinafter), the Company shall not be obliged to pay any Dividends unclaimed for a period of three (3) years after the date on which they are first made available by the Company.</u> <u>2 No interests shall accrue on unpaid Dividends.</u></p>

Agenda No. 3: Election of Eight (8) Board Members (Excluding Board Members who are Audit)

The term of office of all six (6) Board Members (excluding Board Members who are Audit; the same is applicable in this agenda item hereinbelow) will expire at the conclusion of the Ordinary General Meeting of Shareholders.

Accordingly, the Company requests the re-election of the six (6) Board Members and proposes to increase the number of Board Members by two (2) to elect eight (8) Board Members (including two (2) Outside Members) in order to further strengthen the management structure and corporate governance of FUKOKU Group.

The details of the proposal under this agenda item have been approved by the Board of Directors after receiving a report from the “Nomination and Remuneration Committee,” a consultative body to the Board of Directors the majority of which are comprised of by independent Outside Board Members.

In addition, with regard to this agenda item, Audit and Supervisory Committee is of an opinion that it is appropriate to elect the respective candidates as Board Members.

The candidates for Board Members are as follows.

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Re-election Takashi Ogawa (February 26, 1954)	April 1976    Joined NIPPONDENSO CO., LTD. (current DENSO CORPORATION) May 1993    Vice President of the U.S. entity of ASMO Co., Ltd. (current DENSO CORPORATION) June 2003    Director, Head of Quality Assurance Department, of DENSO CORPORATION June 2008    Managing Director of DENSO CORPORATION June 2012    President of the Indonesian entity of DENSO CORPORATION December 2015    Vice President & Representative Director of DENSO CORPORATION April 2018    Executive Advisor to the Motor Business of DENSO CORPORATION March 2019    Resigned from DENSO CORPORATION April 2019    Joined the Company as Vice President, Corporate Officer & Director, Head of Business Management Headquarters June 2019    Vice President & Representative Board Member, Assistant to President and Head of Business Management Headquarters April 2020    Vice President & Representative Board Member, and Assistant to President July 2020    President & CEO (incumbent)	18,290 shares
[Reason for the nomination] Mr. Takashi Ogawa has a wide range of knowledge on the overall management of an automobile parts manufacturer and excellent leadership based on his extensive experience as President & CEO of the Company and at other companies, and thus we consider him to be appropriate as the candidate for Board Member to request his election.			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	<p style="text-align: center;">Re-election</p> <p>Kenji Watanabe (November 11, 1957)</p>	<p>April 1983    Joined the Company</p> <p>May 1993    Plant manager of THAI FUKOKU CO., LTD.</p> <p>October 1997    Director of PT. FUKOKU INDONESIA</p> <p>April 2004    President &amp; CEO of PT. FUKOKU TOKAI RUBBER INDONESIA</p> <p>April 2009    Vice President of HEBEI FUKOKU RAILWAY EQUIPMENT CO., LTD.</p> <p>March 2012    President of FUKOKU VIETNAM CO., LTD.</p> <p>December 2013    President &amp; CEO of FUKOKU INDIA PRIVATE LIMITED</p> <p>April 2018    Corporate Officer &amp; Director of the Company, and President &amp; CEO of FUKOKU INDIA PRIVATE LIMITED</p> <p>June 2019    Corporate Officer &amp; Director and Head of ASEAN Area of the Company, and President &amp; CEO of FUKOKU INDIA PRIVATE LIMITED</p> <p>October 2019    Corporate Officer &amp; Director, Head of ASEAN Area, and Deputy Head of Business Management Headquarters of the Company</p> <p>April 2020    Corporate Officer &amp; Director, Head of ASEAN Area, Head of Business Management Headquarters, and Head of Functional Parts Business</p> <p>July 2020    Board Member &amp; Senior Managing Corporate Officer, Head of Business Management Headquarters, and Head of Functional Parts Business</p> <p>January 2021    Board Member &amp; Senior Managing Corporate Officer, Head of Business Management Headquarters, Head of Functional Parts Business, and Head of Industrial Equipment Business</p> <p>April 2021    Board Member &amp; Senior Managing Corporate Officer and Head of Business Management Headquarters, in charge of safety and quality control (incumbent)</p>	14,940 shares
<p>[Reason for the nomination]</p> <p>Mr. Kenji Watanabe has rich overseas experiences and extensive knowledge on management as well as leadership as demonstrated by his thorough familiarity with technology and manufacturing of the Company and track records of establishing many overseas bases to achieve commercialization. Accordingly, we judge him to be appropriate as the candidate for Board Member and request his election.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Re-election Yoshihiro Ohashi (July 5, 1959)	<p>April 1983 Joined Nichimen Corporation (current Sojitz Corporation)</p> <p>December 1997 Head of Chemical Engineering, Beijing Representative Office of Nichimen Corporation</p> <p>April 2001 President of the Tianjin entity of Nichimen Corporation</p> <p>January 2008 Director of Sojitz JECT Corporation</p> <p>April 2010 Resigned from Sojitz Corporation and Sojitz JECT Corporation</p> <p>May 2010 Joined the Company, Head of Administration Headquarters</p> <p>October 2010 Deputy Head of Sales Headquarters, and Head of Overseas Operation Office</p> <p>January 2012 President &amp; CEO of the Company's SIAM FUKOKU CO., LTD., and Director of THAI FUKOKU CO., LTD.</p> <p>September 2012 President &amp; CEO of SIAM FUKOKU CO., LTD., and Director of THAI FUKOKU PANAPLUS FOUNDRY CO., LTD.</p> <p>April 2014 Corporate Officer &amp; Director of the Company, and President &amp; CEO of SIAM FUKOKU CO., LTD.</p> <p>April 2016 Corporate Officer &amp; Director and Head of ASEAN Area of the Company, and President &amp; CEO of SIAM FUKOKU CO., LTD.</p> <p>June 2018 Board Member &amp; Corporate Officer of the Company</p> <p>June 2019 Board Member &amp; Corporate Officer and Deputy Head of Business Management Headquarters, in charge of group companies</p> <p>April 2020 Board Member &amp; Corporate Officer and Head of SCM Headquarters, in charge of group companies</p> <p>July 2020 Board Member &amp; Managing Corporate Officer, and Head of Corporate Headquarters, Finance Department and SCM Headquarters, in charge of group companies</p> <p>December 2020 Board Member &amp; Managing Corporate Officer, and Head of Corporate Headquarters and SCM Headquarters, in charge of group companies</p> <p>April 2021 Board Member &amp; Managing Corporate Officer, and Head of Planning Headquarters and SCM Headquarters, in charge of Corporate Headquarters and group companies (incumbent)</p>	4,090 shares
<p>[Reason for the nomination] We judge Mr. Yoshihiro Ohashi to be appropriate as the candidate for Board Member in light of our aims to strengthen the management of our group companies in and outside Japan and promote SCM going forward, and his track records in assuming the management responsibility for the group companies of the Company as well as ASEAN region, a focus area, and thus request his election.</p>			
4	Re-election Takaaki Ishikawa (February 15, 1963)	<p>March 1998 Joined the Company</p> <p>April 2010 Head of Anti-Vibration Sales Department</p> <p>April 2014 Head of Anti-Vibration Parts Business</p> <p>April 2017 Corporate Officer &amp; Director, Deputy Head of Transportation Equipment Business Headquarters</p> <p>April 2019 Corporate Officer &amp; Director, Head of Sales Headquarters</p> <p>June 2019 Board Member &amp; Corporate Officer and Head of Sales Headquarters</p> <p>January 2021 Board Member &amp; Corporate Officer and Head of ASEAN Area of the Company, and Director &amp; Chairman of SIAM FUKOKU CO., LTD. (incumbent)</p>	4,420 shares
<p>[Reason for the nomination] Mr. Takaaki Ishikawa has experiences of many years in sales at the Company to possess track records of making considerable contributions to the expansion of the Company's earnings as Head of Sales Headquarters and superior leadership. Accordingly, we consider him to be appropriate as the candidate for Board Member and request his election.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	
5	Re-election Ikuo Oshiro (January 15, 1961)	April 1983 April 2016 April 2019 April 2020 July 2020 January 2021	Joined the Company Head of OA Business Unit of the Company, in charge of new businesses Corporate Officer & Director, Head of Functional Parts Business, Business Management Headquarters Corporate Officer & Director, Head of Industrial Equipment Business, Business Management Headquarters Board Member & Corporate Officer and Head of Industrial Equipment Business, in charge of technology development Board Member & Corporate Officer and Head of Sales Headquarters (incumbent)	3,370 shares
		<p>[Reason for the nomination]</p> <p>Mr. Ikuo Oshiro is thoroughly familiar with the technology of the Company and has rich experiences in product development and business operation of non-automobile industries. Accordingly, we consider him to be appropriate as the candidate for Board Member to further promote the business development of the Company going forward and, thus, request his election.</p>		
6	New election Kenichiro Yomura (March 30, 1960)	April 1982 April 2004 April 2009 April 2013 July 2014 June 2015 July 2015 April 2016 April 2018 April 2019 July 2020 April 2021	Joined Nissan Motor Co., Ltd. General Manager of Sales at Dongfeng Nissan Passenger Vehicle Company, Dongfeng Motor Co., Ltd. Head of Middle East Division, Nissan Motor Co., Ltd. President of Nissan Motor India Private Limited. General Manager in charge of AMI Business Division, Nissan Motor Co., Ltd. Resigned from Nissan Motor Co., Ltd. Joined the Company, Assistant to Head of Administration Headquarters Head of Corporate Administration Department, Administration Headquarters Head of Sales Administration Office, Sales Headquarters Corporate Officer & Director, Head of Human Resources Department Corporate Officer & Director, Head of Human Resources Department and Deputy Head of Corporate Headquarters Corporate Officer & Director, Head of Human Resources Department and Head of Corporate Headquarters (incumbent)	1,394 shares
		<p>[Reason for the nomination]</p> <p>In addition to business experiences at a leading automobile company, Mr. Kenichiro Yomura has extensive knowledge as well as track records of making considerable contributions as the head of the administrative division of the Company. Accordingly, we judge him to be appropriate as the candidate for Board Member to strengthen organizations in and outside Japan and step up our efforts for talent development and, thus, request his election.</p>		



Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
7	Re-election, Outside  Koukichi Takahashi (February 17, 1955)	<p>April 1977      Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)</p> <p>December 1989      Head of Corporate Planning Office, Rice Cooking Devices Business of Matsushita Electric Industrial Co., Ltd.</p> <p>February 1999      Head of Planning Department, Rice Cooking Devices Business of Matsushita Electric Industrial Co., Ltd.</p> <p>April 2001      President &amp; CEO of the Thai entity of Matsushita Electric Industrial Co., Ltd.</p> <p>January 2004      Leader of HQ Overseas Business Strategy Team of Matsushita Electric Industrial Co., Ltd.</p> <p>December 2005      Resigned from Matsushita Electric Industrial Co., Ltd.</p> <p>January 2006      Joined Japan Excel-Management Consulting Co., Ltd. as Head of Global Business Innovation Headquarters</p> <p>April 2007      Corporate Officer, Head of Business of Japan Excel-Management Consulting Co., Ltd.</p> <p>June 2011      Director (Head of Kansai Branch Office, in charge of corporate planning and public relations) of Japan Excel-Management Consulting Co., Ltd.</p> <p>June 2015      Managing Director of Japan Excel-Management Consulting Co., Ltd.</p> <p>January 2020      Member of the Nomination and Remuneration Committee of the Company</p> <p>June 2020      Resigned as Managing Director of Japan Excel-Management Consulting Co., Ltd.</p> <p>July 2020      Board Member of the Company (Part-time/Outside) (incumbent)</p>	- shares
<p>[Reason for the nomination and the expected role]</p> <p>In addition to business experiences at a leading home electronics manufacturer, Mr. Koukichi Takahashi not only has rich experiences and knowledge in management as a management consultant, but also is very familiar with the businesses of the Company as he provided advice to the Company in the capacity of a consultant at Japan Excel-Management Consulting Co., Ltd. for many years. Accordingly, we expect him to provide appropriate suggestion and advice as Outside Board Member and consider him appropriate as the candidate for Board Member (Outside), to request his election.</p> <p>If Mr. Koukichi Takahashi is elected, the Company expects him to provide oversight, supervision and advice on the Company's management and business execution in an independent position as Outside Board Member based on the wealth of experiences and knowledge on management, as well as continuing to be involved in personnel and remuneration decisions, among other things, for its officers and senior managers in an objective and neutral position as a member of the Nomination and Remuneration Committee.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	
8	New election, Outside Robert H. Janson (June 14, 1949)	April 1973	Representative in Japan of Continental Gumi Welke AG (current Continental AG)	4,400 shares
		June 1978	Resigned as representative in Japan of Continental Gumi Welke AG (current Continental AG)	
		August 1978	Joined Audi NSU Auto Union	
		January 1980	Transferred from Audi NSU Auto Union to Volkswagen	
		July 1980	Representative of Volkswagen Audi Japan	
		July 1983	Vice President & Representative Director of Volkswagen KK (current Volkswagen Group Japan KK)	
		July 1993	Representative of Tokyo Representative Office of Volkswagen Asia Pacific Inc.	
		September 1998	Resigned as Vice President & Representative Director of Volkswagen Group Japan KK and from Tokyo Representative Office of Volkswagen Asia Pacific Inc.	
		January 1999	President & CEO of Janson & Associates, Inc.	
		January 2007	Director of FEV Japan Co., Ltd.	
May 2017	Representative Director of FEV Japan Co., Ltd. (incumbent)			
<p>[Reason for the nomination and the expected role]</p> <p>In addition to having extensive knowledge on management gained through including his experience as serving as the representative of the Japanese entity of a leading European automobile manufacturer, Mr. Robert H. Janson provided advice as a sales consultant to the Company over many years. Accordingly, we expect him to provide appropriate suggestion and advice as Board Member of the Company and consider him appropriate as the candidate for Board Member (Outside), to request his election.</p> <p>If Mr. Robert H. Janson is elected, the Company expects him to provide oversight, supervision and advice on the Company's management and business execution in an independent position as Outside Board Member based on the wealth of experiences and knowledge on management, as well as being involved in personnel and remuneration decisions, among other things, for its officers and senior managers in an objective and neutral position as a member of the Nomination and Remuneration Committee.</p>				

- (Notes) 1. There is no special conflict of interests between any of the candidates and the Company.
2. Mr. Koukichi Takahashi and Robert H. Janson are the candidates for Outside Board Members. The reasons for nominating them as Outside Board Members are as described in the "Reason for the nomination and the expected role" above.
3. Mr. Koukichi Takahashi meets the requirements of independent Executive Officer specified by the Tokyo Stock Exchange, Inc. In addition, Mr. Robert H. Janson is the candidate for independent Executive Officer.
4. Mr. Koukichi Takahashi is currently Outside Board Member of the Company, and his term in office will be one (1) year at the conclusion of the General Meeting of Shareholders.
5. If the proposal under this agenda item is approved as proposed, the Company plans to continue an agreement to limit liability under Article 423, Paragraph 1, of the Companies Act with Mr. Koukichi Takahashi pursuant to the provisions of Article 427, Paragraph 1, of the said Act, and enter into one with Mr. Robert H. Janson. The amount of liability under the said agreement shall be one hundred thousand (100,000) yen or the minimum amount provided for by the laws and regulations, whichever is higher.
6. The Company maintains a directors and officers liability insurance policy with an insurance company, and the candidates shall be included as the insured of the relevant insurance policy. Please refer to page 50 of the Business Report for the outline of the relevant insurance policy and other information

Agenda No. 4: Election of Three (3) Board Members who are Audit

The term of office of all three (3) Board Members who are Audit will expire at the conclusion of the Ordinary General Meeting of Shareholders.

Accordingly, the Company seeks an approval for the election of three (3) Board Members who are Audit.

With regard to this agenda item, the consent of Audit and Supervisory Committee has been obtained.

In addition, the details of the proposal under this agenda item have been approved by the Board of Directors after receiving a report from the “Nomination and Remuneration Committee,” a consultative body to the Board of Directors the majority of which are comprised of by independent Outside Board Members.

The candidates for Board Members who are Audit are as follows.

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Re-election Takashi Kimura (February 16, 1962)	February 1988 Joined Shinko Audit Corporation March 1995 Resigned from Shinko Audit Corporation June 1996 Joined ACOM CO., LTD. February 2007 Resigned from ACOM CO., LTD. March 2007 Joined the Company as Deputy Head of Accounting Department April 2009 Head of Accounting Department April 2013 Corporate Officer & Director, Head of Finance Department April 2016 Corporate Officer & Director, Head of Finance Headquarters and Head of Finance Department June 2018 Board Member & Corporate Officer and Head of Finance Headquarters and Head of Finance Department April 2019 Board Member & Corporate Officer and Head of Finance Department July 2020 Board Member who is Audit (full-time), and member of the Nomination and Remuneration Committee (incumbent)	2,000 shares
	[Reason for the nomination] Mr. Takashi Kimura is a certified public accountant and extremely well versed with the Company's businesses as he was in charge of finance and accounting at the Company for many years as well as being involved in management as Board Member. Accordingly, we expect him to provide appropriate suggestion and advice on the management of the Company and the execution of duties by Board Members who are not Audit and consider him appropriate as Board Member who is Audit and, thus, request his election.		
2	New election, Outside Noriko Kajiwara (February 11, 1957)	April 1986 Registered to Daiichi Tokyo Bar Association, Kajiwara Law Office October 1988 Joined Naritomi Law Office March 1993 Joined Kajiwara Law Office January 2000 Yamashita & Tooyama Patent Attorney Office (current Yamashita & Tooyama Law Office) January 2020 Member of the Nomination and Remuneration Committee of the Company (incumbent)	- shares
	[Reason for the nomination and the expected role] Ms. Noriko Kajiwara possesses legal knowledge and extensive insight gained from her services as an attorney-at-law for many years. Accordingly, we expect her to provide appropriate suggestion and advice on the management of the Company and the execution of duties by Board Members who are not Audit and consider her appropriate as Board Member who is Audit (Outside) and, thus, request her election. If Ms. Noriko Kajiwara is elected, the Company expects her to provide oversight, supervision and advice on the Company's management and business execution in an independent position as Outside Board Member based on professional knowledge and extensive insight as an attorney-at-law, as well as continuing to be involved in personnel and remuneration decisions, among other things, for its officers and senior managers in an objective and neutral position as a member of the Nomination and Remuneration Committee. Further, Ms. Noriko Kajiwara was elected as substitute Audit for a period from 2009 through 2015, and has been elected as Board Member who is substitute Audit for a period from 2015 up to the commencement of the Ordinary General Meeting of Shareholders.		

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	New election, Outside  Yasuhiro Fujiwara (January 3, 1972)	April 1995    Joined Mitsui Home Co., Ltd. July 1998    Resigned from Mitsui Home Co., Ltd. October 2001    Joined ChuoAoyama PricewaterhouseCoopers (subsequent Misuzu Audit Corporation) June 2007    Resigned Misuzu Audit Corporation July 2007    Joined Ernst & Young ShinNihon (current Ernst & Young ShinNihon LLC) December 2020    Resigned from Ernst & Young ShinNihon January 2021    Representative, Fujiwara Certified Public Accountant Office President & CEO, Accounting Support Kobo Co., Ltd. (incumbent)	- shares
		<p>[Reason for the nomination and the expected role]</p> <p>Mr. Yasuhiro Fujiwara has extensive knowledge and practical experiences in accounting and internal control based on his audit and advisory experiences for many years, and is very familiar with the businesses of the Company as he provided advice to the Company as an accounting auditor over many years. Accordingly, we expect him to provide appropriate suggestion and advice as Outside Board Member and consider him appropriate as the candidate for Board Member who is Audit (Outside), to request his election.</p> <p>If Mr. Yasuhiro Fujiwara is elected, the Company expects him to provide oversight, supervision and advice on the Company's management and business execution in an independent position as Outside Board Member based on professional knowledge and extensive insight as a certified public accountant, as well as being involved in personnel and remuneration decisions, among other things, for its officers and senior managers in an objective and neutral position as a member of the Nomination and Remuneration Committee.</p>	

- (Notes) 1. There is no special conflict of interests between any of the candidates and the Company.
2. Ms. Noriko Kajiwara and Mr. Yasuhiro Fujiwara are the candidates for Outside Board Members. The reasons for nominating them as Outside Board Members are as described in the "Reason for the nomination and the expected role" above.
3. Ms. Noriko Kajiwara and Mr. Yasuhiro Fujiwara meet the requirements of independent Executive Officer specified by the Tokyo Stock Exchange, Inc.
4. While Ms. Noriko Kajiwara has no experience of being involved in corporate management in the past, the Company concluded that she will be able to perform her duties as Board Member who is Audit appropriately as described in the reason for the election.
5. If the proposal under this agenda item is approved as proposed, the Company plans to continue an agreement to limit liability under Article 423, Paragraph 1, of the Companies Act with Mr. Takashi Kimura pursuant to the provisions of Article 427, Paragraph 1, of the said Act, and enter into one to limit liability under Article 423, Paragraph 1, of the Companies Act with Ms. Noriko Kajiwara and Mr. Yasuhiro Fujiwara pursuant to the provisions of Article 427, Paragraph 1, of the said Act. The amount of liability under the said agreement shall be one hundred thousand (100,000) yen or the minimum amount provided for by the laws and regulations, whichever is higher.
6. The Company maintains a directors and officers liability insurance policy with an insurance company, and the candidates shall be included as the insured of the relevant insurance policy. Please refer to page 50 of the Business Report for the outline of the relevant insurance policy and other information

Agenda No. 5: Election of One (1) Board Member who is Substitute Audit

The effective period for the election of Ms. Noriko Kajiwara as Board Member who is substitute Audit, who was elected at the 66th Ordinary General Meeting of Shareholders held on June 27, 2019 will expire upon the commencement of the Ordinary General Meeting of Shareholders. Accordingly, in order to prepare for a case where the number of Board Members who are Audit falls below the number stipulated by laws and regulations, we request the election of one (1) Board Member who is substitute Audit once again. Please note that the election shall become invalid at a resolution of the Board of Directors of the Company, provided that the person elected has not assumed office.

In addition, the details of the proposal under this agenda item have been consented by Audit and Supervisory Committee and approved by the Board of Directors after receiving a report from the “Nomination and Remuneration Committee,” a consultative body to the Board of Directors the majority of which are comprised of by independent Outside Board Members. The candidate for Board Member who is substitute Audit is as follows.

Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company’s shares owned
Koukichi Takahashi (February 17, 1955)	April 1977    Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)	- shares
	December 1989    Head of Corporate Planning Office, Rice Cooking Devices Business of Matsushita Electric Industrial Co., Ltd.	
	February 1999    Head of Planning Department, Rice Cooking Devices Business of Matsushita Electric Industrial Co., Ltd.	
	April 2001    President & CEO of the Thai entity of Matsushita Electric Industrial Co., Ltd.	
	January 2004    Leader of HQ Overseas Business Strategy Team of Matsushita Electric Industrial Co., Ltd.	
	December 2005    Resigned from Matsushita Electric Industrial Co., Ltd.	
	January 2006    Joined Japan Excel-Management Consulting Co., Ltd. as Head of Global Business Innovation Headquarters	
	April 2007    Corporate Officer, Head of Business of Japan Excel-Management Consulting Co., Ltd.	
	June 2011    Director (Head of Kansai Branch Office, in charge of corporate planning and public relations) of Japan Excel-Management Consulting Co., Ltd.	
	June 2015    Managing Director of Japan Excel-Management Consulting Co., Ltd.	
	January 2020    Member of the Nomination and Remuneration Committee of the Company	
	June 2020    Resigned as Managing Director of Japan Excel-Management Consulting Co., Ltd.	
July 2020    Board Member of the Company (Part-time/Outside) (incumbent)		

[Reason for the nomination and the expected role]

In addition to business experiences at a leading home electronics manufacturer, Mr. Koukichi Takahashi not only has rich experiences and knowledge in management as a management consultant, but also provided advice to the Company in the capacity of a consultant at Japan Excel-Management Consulting Co., Ltd. for many years. We consider him appropriate as the candidate for Board Member who is substitute Audit and request his election, as we expect him to contribute to the audit structure of the Company if he assumes office as

Board Member who is Audit.

If Mr. Koukichi Takahashi is elected, the Company expects him to provide oversight, supervision and advice on the Company's management and business execution in an independent position as Outside Board Member based on the wealth of experiences and knowledge on management, as well as continuing to be involved in personnel and remuneration decisions, among other things, for its officers and senior managers in an objective and neutral position as a member of the Nomination and Remuneration Committee.

- (Notes)
1. There is no special conflict of interests between the candidate and the Company.
  2. We request Mr. Koukichi Takahashi, the candidate for Board Member who is substitute Audit, to be elected as a substitute Outside Board Member.
  3. Mr. Koukichi Takahashi meets the requirements of independent Executive Officer specified by the Tokyo Stock Exchange, Inc.
  4. Mr. Koukichi Takahashi is currently Outside Board Member of the Company, and his term in office will be one (1) year at the conclusion of the General Meeting of Shareholders.
  5. If Agenda No. 3, "Election of Eight (8) Board Members (Excluding Board Members who are Audit)," is approved as proposed, Mr. Koukichi Takahashi will assume office as Board Member who is not Audit. However, in the case where the number of Board Members who are Audit falls below the number stipulated by laws and regulations, Mr. Takahashi is supposed to resign as Board Member who is not Audit and assume office as Board Member who is Audit.
  6. The Company maintains a directors and officers liability insurance policy with an insurance company, and the candidate shall be included as the insured of the relevant insurance policy. Please refer to page 50 of the Business Report for the outline of the relevant insurance policy and other information

## Agenda No. 6: Continuation of Countermeasures to Large-Scale Acquisitions of the Company's Shares, etc. (Takeover Defense Measures)

The Company was granted approval from its shareholders for the continuation of countermeasures to large-scale acquisitions of the Company's shares, etc. (hereinafter referred to as "the current plan") at the 65th Ordinary General Meeting of Shareholders held on June 28, 2018. Its effective period will expire at the conclusion of the Ordinary General Meeting of Shareholders.

The Company has considered its ideal state, including the desirability of its continuation, from the viewpoint of ensuring and enhancing corporate value and the common interests of shareholders. As a result, in the Board of Directors Meeting held on May 14, 2021, the Company determined to amend the current plan partially and put forward the proposal to the Ordinary General Meeting of Shareholders (hereinafter, the countermeasures after continuation is referred to as "the Plan").

Please note that there is no fact that the Company has currently received a proposal for the large-scale acquisition of the Company's shares, etc.

### Details

#### 1. Basic policy

##### (1) Contents of the basic policy

As an entity listed on a financial instruments exchange, the Company respects the free trading of the Company's shares on the market and will not categorically deny any proposals of the large-scale acquisition of the Company's shares, etc. by a certain party, as long as it contributes to ensuring and enhancing the Group's corporate value and, in turn, the common interests of its shareholders. The Company also believes that any decision on whether or not to accept a proposal for the large-scale acquisition of shares, etc. should ultimately be entrusted to the decision of the shareholders.

However, among proposals for the large-scale acquisition of shares, etc., there are a number of cases that do not contribute to the corporate value and the common interests of shareholders of the target company, such as one that can damage corporate value, and, in turn, the common interests of shareholders from the perspective of the purpose of acquisition, a post-acquisition management policy and others, one that can effectively force shareholders to sell their holdings and one that does not provide sufficient information for shareholders to make a final decision.

The Company thinks that unless a party who controls the Company's finances and business policies understands the Company's finances, the contents of its business and the source of its corporate value and enhances them in the medium to long run, the Company's corporate value and in turn, the common interests of its shareholders will be eventually damaged.

The Company considers a party who implement a large-scale acquisition, etc. that can damage the Company's corporate value and the common interests of its shareholders, as mentioned above, to be unfit as the party who controls decisions on the Company's finances and business policies, and the Company finds it necessary to ensure the Company's corporate value and the common interests of its shareholders through taking necessary and appropriate countermeasures to the proposal for large-scale acquisition, etc. by the party.

(2) Special measures that realize the basic policy

The Company has taken the following measures with the aim of ensuring that shareholders and investors continue investing in the Company in the medium to long term through realizing its corporate value and, in turn, the common interests of its shareholders.

The Company regards these measures as the ones that are well appreciated by all its stakeholders from shareholders and investors to customers, business partners, employees and local communities, which contribute to maximizing shareholder value and help promote the basic policy in (1) above.

[1] Measure for enhancing corporate value

(i) Measure based on the medium-term management plan

The Company announced the “Medium-term Management Plan for FY2021 to FY2023” in February 2021 with the recognition that the Company’s mission is to fulfill its responsibility to a sustainable society through solving issues with its technological capabilities in polymer science and from a long-term perspective. The Company will strengthen its business foundation, focus on measures pivoting on a shift to a profitable earnings structure and simultaneously, push forward with group-wide business activities to achieve the management goals for the next three years.

[Management goals]

	FY2020 results	FY2023 (the final year of Medium-term Management Plan)
Net sales (consolidated)	63.2 billion yen	80.0 billion yen
Ordinary income ratio	2.3%	7%
ROE (Return on Equity)	4.2%	8%
Payout ratio (consolidated)	29.1%	30%



[Basic strategies]

- Improvement of the organizational culture for developing growth strategy  
Streamlining of production processes, enhancement of earnings power through reducing defective output, etc. and higher efficiency in indirect work
- Deepening of existing businesses  
Strengthening of design technology (including virtual design technology), and selection and concentration of overseas business
- Evolution of new business  
Creation of life-science business  
Expansion of CASE-capable business

[ESG management]

By pursuing ESG (Environment/Social/Governance) management, the Company will coexist with society and help solve social issues.

(ii) Dividends and shareholder return

The Company has revised the basic policy for dividend programs applicable to FY2021 and beyond, as below.

The Company positions the return of profits to its shareholders as one of the key management issues, and set it as the basic policy to maintain stable payment of dividends and simultaneously, return profits to shareholders in accordance with financial results while paying attention to retained earnings, etc. with future business development and the characteristics of business in mind. Regarding the dividend amount, the Company will determine the amount of dividends using a consolidated payout ratio of 30% as a guide and with an annual dividend of 20 yen per share (10 yen per share each for interim and year-end dividends) as the minimum level.

[2] Measure for reinforcing corporate governance

For advancing the above measures, the Company is striving to further reinforce corporate governance.

The Company has chosen a company with audit and supervisory committee as an institutional design to give voting rights to Audit and Supervisory Committee members at Board of Directors meetings and in parallel, has appointed Outside Board Members to fill a minimum of one-third of the Board of Directors, thereby further strengthening the function to monitor and supervise corporate management. Additionally, to enhance transparency in the process of appointing management executives and determining director remuneration and others, the Company has installed a voluntary “Nomination and Remuneration Committee” as the consultative body to the Board of Directors to deliberate on matters concerning appointments and compensation. Furthermore, with the aim of executing business in swift and appropriate manners, the Company has adopted a corporate officer system and holds regular management meetings with Board Members with executive authority, Corporate Officers, the heads of divisions and others to speed up the function to execute business through delegation of authorities and share information on a

management level, where information on important agenda is shared and agenda are discussed.

The Company is also making efforts to enhance transparency in corporate management and clarify the responsibility of the management through disclosing information equally to not only all shareholders and investors but also all stakeholders.

### [3] Provision of safe and high-quality products

As a corporation that supports customers in solving their issues and manufacturing, the Company considers it as its mission to provide safe and high-quality products and services globally in continuous and stable manners and is strengthening a system that fulfills the mission.

## 2. Purpose of introduction of the Plan and the need for continuation

The Board of Directors of the Company determined to continue the Plan for the purpose of clarifying rules that a party who attempts a large-scale acquisition of the Company's shares, etc. should comply with; securing sufficient information and time for shareholders and investors to make appropriate judgements, and ensuring opportunities to negotiate with the party attempting a large-scale acquisition, etc.

As mentioned below, the Plan is to formulate rules that a party who attempts a large-scale acquisition of the Company's shares, etc. should comply with, to explain that the Company may take countermeasures under certain circumstances, which can cause damage to the party attempting a large-scale acquisition, etc. and by disclosing the above appropriately, to warn the party attempting a large-scale acquisition of the Company's shares that will not contribute to the Company's corporate value and the common interests of its shareholders.

The shareholder composition of the Company has trended relatively stably, as mentioned later. However, the Company believes that in the case in which acquirers carry out a large-scale acquisition of shares, etc. to a certain extent that can be judged to have influence on the Company (20% or more), the importance of securing information and time necessary for shareholders and negotiating with the acquirers will not change compared to other companies at all.

The situation of large shareholders of the Company and the status of shareholding by Board Members of the Company as of March 31, 2021 are as per Attachment 4 "The situation of large shareholders of the Company and shareholding by Board Members of the Company," which shows that the founding family of the Company (including the shareholding in the name of an asset management company) and Board Members of the Company hold shares of the Company equivalent to a ratio of shareholding of 40.4%. However, the voting rights of shares of the Company held by the founding family and Board Members of the Company are exercised based on their own judgment. Moreover, separation between the ownership and corporate management advanced at the Ordinary General Meeting of Shareholders held in 2020, which left the Board of Directors of the Company with no members of the founding family. Accordingly, it is highly likely that the ownership will further diverse through transfers, inheritance and other forms of disposal as generations and situations change in the future. Furthermore, with corporate actions at the time of a shift to new marketplace sections of the Tokyo Stock Exchange, implementation of fund raising with shares and others, it is also highly possible that the shareholder composition of the Company will change in the future.

Also, in the Plan, the implementation of countermeasures, etc. is subject to Regulations for Independent Committee (for the overview, please refer to Attachment 1) in order to defy the arbitrary judgement of the Board of Directors of the Company, thereby going through the judgment of the Independent Committee, which is made up of only those who are independent from the management of the Company that execute business: Outside Board Members of the Company or outside experts (experienced corporate managers, former government officials, lawyers, certified public accountants or academic experts or those equivalent to the above. Hereinafter, the same shall apply.) Simultaneously, information shall be disclosed to shareholders and investors in a timely manner to ensure transparency. The four people described in Attachment 2 “Career brief of Members of Independent Committee” are scheduled to assume the position of the committee members of the Independent Committee at the time of the continuation of the Plan. Please note that the Company has not currently received any proposal for the large-scale acquisition of the Company’s shares, etc.

3. Contents of the Plan (Measure for preventing an inappropriate party in light of the basic policy from controlling decisions on policies of the finances and business of the Company)

(1) Procedures for the Plan

[1] Large-scale acquisition, etc. subject to the Plan

The Plan shall apply to cases in which the large-scale acquisition of the Company’s shares, etc. that fall upon (i) and (ii) below or similar acts take place (however, excluding cases which are approved by the Board of Directors of the Company. Hereinafter, such acts are referred to as “acquisition, etc.”). A party who carries out or attempts to carry out acquisition, etc. (hereinafter, referred to as “acquirer, etc.”) shall follow the procedures set forth beforehand in the Plan.

- (i) An acquisition in which the ownership ratio (Note 3) of the holder (Note 2) exceeds 20% concerning shares, etc. of which the Company is the issuer (Note 1).
- (ii) A public tender offer in which a total of the ownership ratio of shares, etc. (Note 6) related to the public tender offer (Note 5) and that of the specially-related parties (Note 7) exceeds 20% concerning shares, etc. of which the Company is the issuer (Note 4).

[2] Prior submission of tender offer statement to the Company

An acquirer, etc. are required to submit to the Board of Directors of the Company documents that describe a pledge, etc. that the acquirer, etc. will comply with the procedure set forth in the Plan in conducting acquisition, etc. in a written format specified by the Company in the Japanese language (hereinafter referred to as a “tender offer statement”) prior to the commencement of acquisition, etc. This shall not apply to cases which the Board of Directors of the Company approves separately. In the case of receiving a tender offer statement, the Board of Directors of the Company shall provide it to the Independent Committee promptly.

Specifically, a tender offer statement needs to include the following matters.

- (i) Overview of the acquirer, etc.
  - (a) The name or company name and the address or location
  - (b) The title and name of the representative

- (c) Purpose of the company, etc. and the line of business
- (d) Overview of large shareholders or major investors (the top ten persons in shareholding or the capital contribution ratio)
- (e) Domestic contact information
- (f) Governing law of incorporation
- (ii) The number of the Company's shares, etc. currently held by the acquirer, etc. and the situation of trading the Company's shares, etc. of the acquirer, etc. for 60 days prior to the submission of a tender offer statement
- (iii) Overview of acquisition, etc. proposed by the acquirer, etc. (including the class and number of the Company's shares, etc. that the acquirer, etc. plan to obtain through acquisition, etc. and the purpose of acquisition, etc. (acquisition of the right to control or participation in corporate management, pure investment or strategic investment, or transfers, etc. of the Company's shares, etc. to a third party after the acquisition, etc. In the case in which there are other purposes, such as acts of making important proposals, etc. (Note 8), the intent and the contents are required. In the case in which there are multiple purposes, it is required to describe all of them.))

[3] Provision of the necessary information

In the case in which a tender offer statement in [2] above was submitted, the acquirer, etc. are requested to take the following steps and submit to the Board of Directors of the Company documents in the Japanese language that describe information that is necessary and sufficient for shareholders and investors to make judgments on acquisition, etc. and for the Board of Directors of the Company and the Independent Committee to make evaluation, examination, etc. (hereinafter, referred to as "the necessary information").

Firstly, the Company will send to the acquirer, etc., at the domestic address in 2), (i) and (e), a list of information that describes information to be initially provided, within 10 business days (Note 9) from the date of submission of the tender offer statement (excluding the first day). The acquirer, etc. are requested to submit sufficient information to the Board of Directors of the Company following the list of information.

However, in the case in which the Board of Directors of the Company or the Independent Committee reasonably judges the information, submitted by the acquirer, etc. following the list of information, insufficient for shareholders and investors to make judgments and for the Board of Directors of the Company and the Independent Committee to make evaluation, examination, etc. in light of the contents of acquisition, etc., their presentation, etc., the Company may set a deadline for a reply as necessary and ask the acquirer, etc. for additional submission of the necessary information through the Board of Directors of the Company or the Independent Committee. In this case, the acquirer, etc. are requested to submit such information additionally by the deadline.

In the case in which the Board of Directors of the Company concludes that all of the necessary information for evaluation, examination, etc. of acquisition, etc. has been provided by the acquirer, etc., the Board of Directors of the Company will inform the acquirer, etc. of the conclusion (hereinafter referred to as a "notice of completion of provision of information") and disclose the

conclusion promptly.

The information related to the items below is included in part of the list of information in principle, regardless of the contents of acquisition, etc., their presentation, etc.

- (i) Details of the acquirer, etc. and their group (in the case of a joint holder (Note 10), a specially-related party and a fund, each of the associates and other members is included) (including the history, specific name, capital composition, line of business, financial details and the names, career briefs, etc. of the directors)
- (ii) The purpose of acquisition, etc. (details of the purpose disclosed in the tender offer statement), the method and the contents (including the intention or no intention to take part in corporate management, the kind and amount of the consideration of acquisition, etc., the timing of acquisition, etc., the mechanism of related transactions, the number of shares of the planned acquisition and the shareholding ratio after the acquisition, etc., the legality of the method of acquisition, etc. and the feasibility to implement acquisition, etc.)
- (iii) The grounds for calculating the price of acquisition, etc. (including the factual premise for calculation, the calculation method, numerical information used for the calculation and the contents of expected synergies from a series of transactions related to acquisition, etc., the name of a third party in the case of seeking opinions from the third party at the time of the calculation, the overview of the opinions and the course of events to reach the decision on the price based on the relevant opinions)
- (iv) Evidence of the fund for acquisition, etc. (including the specific names of providers of the fund (including substantial providers), financing methods, and the contents of related transactions)
- (v) Existence or non-existence of communication of intention with a third party about acquisition, etc. In the case of the existence, the contents and the overview of the third party
- (vi) In the case in which there are a lease contract, collateral contract, buyback contract, booking for purchase and sale, or other important contracts or arrangements concerning the Company's shares, etc. already held by the acquirer, etc. (hereinafter referred to as "collateral contract, etc."), specific contents of the relevant collateral contract, etc., such as the kind of the contract, the other party of the contract and the number, etc. of shares, etc. that are the object of the contracts
- (vii) In the case in which there is a plan to conclude a collateral contract, etc., or other agreements with the third party concerning the Company's shares, etc. that the acquirer, etc. plan to obtain through acquisition, etc., the specific contents of the relevant agreement, such as the kind of the planned agreement, the other party of the contract and the number, etc. of shares, etc. that are the object of the contracts
- (viii) Management policy, business plan, capital policy and dividend policy of the Company and the Group after acquisition, etc.
- (ix) Policy for treatment of the Company's employees, labor union, business partners, customers, local communities and other stakeholders concerned with the Company after acquisition, etc.
- (x) Specific measures for avoiding conflicts of interests with other shareholders of the Company

- (xi) Other information that the Independent Committee reasonably judges necessary

The Board of Directors of the Company will disclose the fact that a proposal for acquisition, etc. was made by an acquirer, etc. promptly, and will disclose information deemed necessary for shareholders and investors to make judgments out of the overview of the proposal and of the necessary information and other information, as necessary

[4] Examination of the contents of acquisition, etc., negotiation with an acquirer, etc. and consideration of alternative plans

- (i) The Independent Committee's demand for provision of information to the Board of Directors of the Company

When a tender offer statement and the necessary information, requested additionally by the Board of Directors of the Company or the Independent Committee, (if any) are submitted by the acquirer, etc., the Independent Committee may also ask the Board of Directors of the Company to promptly present its opinion on the contents of the acquisition, etc. within a reasonable period that the Independent Committee will specify (however, the period shall not exceed 30 days) (including the opinion to withhold an opinion. Hereinafter, this shall apply), materials for the grounds for the opinion, alternative plans (if any) and other information, materials, etc. that the Independent Committee finds necessary from time to time. The purpose of the request from the Independent Committee is to compare and examine the contents of the tender offer statement and the necessary information additionally provided, etc. with the business plan, etc. of the Board of Directors of the Company from the viewpoint of ensuring and enhancing the Company's corporate value and the common interests of its shareholders.

- (ii) Examination by the Independent Committee

After making a notice of completion of provision of information, the Board of Directors of the Company and the Independent Committee will set an examination period that does not exceed 60 days from the day following the date of the notice in the case of acquisition, etc. of all of the Company's shares, etc. through a public tender offer with the consideration as cash in Japanese yen only, or that does not exceed 90 days in other acquisitions, etc. (hereinafter, referred to as "the Independent Committee examination period") and disclose it promptly.

However, the Independent Committee examination period may be extended (provided, however, that does not exceed 30 days) only in the case in which the Independent Committee recognizes that there is a reasonably necessary reason. In that case, the Company will inform the acquirer, etc. of the extended period and specific reasons that the extended period is necessary and will disclose the information to shareholders and investors.

Based on the information, materials, etc., provided by the acquirer, etc. and the Board of Directors of the Company, the Independent Committee will examine the contents of the acquisition, etc. and alternative plans by the Board of Directors of the Company and conduct collection, comparison, examination, etc. of information of business plans from the acquirer, etc. and the Board of Directors of the Company from the viewpoint of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, within the Independent Committee

examination period. Also, the Independent Committee itself or through the Board of Directors of the Company will discuss and negotiate with the relevant acquirer, etc., in order to improve the contents of the relevant acquisition, etc. from the viewpoint of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, if necessary. Additionally, the Independent Committee will present the Company's alternative plan to shareholders.

In the case in which the Independent Committee seeks provision of materials and other information for examination, discussion, negotiations, etc. through the Board of Directors of the Company within the Independent Committee examination period, the acquirer, etc. must comply with the request promptly.

In order to ensure that the judgment of the Independent Committee contributes to ensuring and enhancing the Company's corporate value and, in turn, the common interests of its shareholders, the Independent Committee may seek advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other experts) at the Company's expense.

[5] Method for judgment in Independent Committee

The Independent Committee will make a recommendation to the Board of Directors of the Company pursuant to the following procedure in the case in which an acquirer, etc. emerge. In the case in which the Independent Committee makes the recommendation, set forth in (i) and (ii) below, to the Board of Directors of the Company, or in other cases in which the Independent Committee considers appropriate, the Independent Committee will disclose information on the fact of the relevant recommendation, its overview and matters that the Independent Committee judges appropriate, by itself or via the Board of Directors of the Company promptly.

(i) In the case in which the acquirer, etc. do not comply with the procedure specified in the Plan

The Independent Committee will recommend the Board of Directors of the Company to implement countermeasures in the case in which an acquirer, etc. do not comply with the procedure specified in the Plan.

(ii) In the case in which the acquirer, etc. comply with the procedure specified in the Plan

The Independent Committee will recommend the Board of Directors of the Company in principle not to implement countermeasures in the case in which the acquirer, etc. comply with the procedure specified in the Plan.

However, even in the case in which the procedure specified in the Plan is being complied with, the Independent Committee may recommend the implementation of countermeasures as an exceptional measure if it is recognized that the relevant acquisition, etc. will damage the Company's corporate value and the common interests of its shareholders significantly, and the implementation of countermeasures is judged reasonable, due to the reasons listed from (i) to (v) below.

(a) The case in which it is judged that the acquirer, etc. are a party who is acquiring or try to acquire the Company's shares, etc. for the purpose of simply making the share price rise and getting the Company or people concerned with the Company to buy the Company's shares, etc. at a high

price (the so-called green mailer) although the acquirer, etc. have no genuine intention to take part in corporate management.

- (b) The case in which it is judged that the acquirer, etc. are acquiring the Company's shares, etc. for the purpose of controlling the corporate management of the Company temporarily and transferring intellectual property rights, know-how, corporate confidential information and the assets of the Company or the Group companies, such as major business partners or customers, which are necessary for the business management of the Company and the Group companies, to the relevant acquirer, etc., their group companies or others.
- (c) The case in which it is judged that the acquirer, etc. are acquiring the Company's shares, etc. for the purpose of reusing the assets of the Company and the Group companies as collateral or repayment fund of the debt of the relevant acquirer, etc., their group companies, or others after gaining control of the corporate management of the Company.
- (d) The case in which it can be judged that the acquirer, etc. are acquiring the Company's shares, etc. for the purpose of controlling the corporate management of the Company temporarily and distributing high amounts of dividends temporarily with gains from the disposal of expensive assets that are not engaged in the business of the Company or the Group companies for the time being, such as real estate and securities, through sale, etc., or selling the Company's shares, etc. at a high price to obtain capital gains by taking advantage of a surge in the share price resulting from temporarily high dividends.
- (e) The case in which it is judged that the acquisition method of the Company's shares, etc., proposed by the acquirer, etc., is the one that may actually force the selling of the Company's shares, etc. upon the Company's shareholders by restricting the opportunity or freedom of judgment, such as the so-called oppressive two-tier purchase (the acquisition, etc. of shares, etc., such as a public tender offer, in which the acquisition of all the shares is not induced in the first stage of acquisition, and acquisition conditions in the second stage of acquisition are set unfavorably, or not stated clearly).

Additionally, the Independent Committee may request the Board of Directors of the Company to seek a prior approval of the shareholders concerning the implementation of countermeasures.

[6] Resolution of the Board of Directors and convocation of a General Meeting of Shareholders of the Company

The Board of Directors of the Company shall respect the recommendation of the Independent Committee, set forth in [5] above, to the maximum extent, and based on the relevant recommendation, resolve whether or not to implement countermeasures promptly from the viewpoint of ensuring and enhancing the Company's corporate value and the common interests of its shareholders.

In the case in which the Independent Committee requests the Board of Directors of the Company to seek a prior approval of the shareholders in making the recommendation to implement countermeasures, the Board of Directors of the Company will convene a General Meeting of Shareholders to confirm the shareholders' intent (hereinafter referred to as the "General meeting of



shareholders to confirm the shareholders' intent") as soon as practically possible and put the proposal for implementation of countermeasures in the meeting except the case that it is extremely difficult to hold it in practice.

In the case that the Board of Directors of the Company decides to convene the General meeting of shareholders to confirm the shareholders' intent, the Independent Committee examination period will expire in that moment. In the case in which the proposal for implementation of countermeasures is approved at the relevant General meeting of shareholders to confirm the shareholders' intent, the Board of Directors of the Company shall follow the decision at the General meeting of shareholders to confirm the shareholders' intent, make a resolution concerning implementation of countermeasures and take the necessary procedures. On the other hand, in the case that the proposal for implementing countermeasures is denied at the General meeting of shareholders to confirm the shareholders' intent, the Board of Directors of the Company will not implement countermeasures. A resolution at the General meeting of shareholders to confirm the shareholders' intent shall be passed by a majority of the voting rights of shareholders with voting rights present at the meeting.

In the case in which the above resolution is passed, the Board of Directors of the Company will disclose information on the overview of the relevant resolution and other matters that the Board of Directors of the Company judges appropriate promptly regardless of whether or not the content is to implement countermeasures.

[7] Cancellation of countermeasures or suspension of implementation

In the case in which even after the Board of Directors of the Company resolves to implement countermeasures or implements them in accordance with the procedure in [6] above, (i) the acquirer, etc. suspend acquisition, etc. or (ii) the facts that the premise for the judgment of whether or not to implement countermeasures change and the situation reaches the point that implementation of countermeasures is not regarded as reasonable from the viewpoint of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, the Board of Directors of the Company shall resolve to cancel countermeasures or suspend the implementation.

In the case in which the above resolution is passed, the Board of Directors of the Company will disclose information on the overview of the relevant resolution and other matters that the Board of Directors of the Company judges appropriate promptly.

[8] Commencement of acquisition, etc.

An acquirer, etc. shall comply with the procedure set forth in the Plan and cannot commence acquisition, etc. until the Board of Directors of the Company resolves whether or not to implement countermeasures.

(2) Overview of gratis allotment of the stock acquisition rights

The countermeasure that the Board of Directors of the Company may implement upon the resolution mentioned in (1) [6] above shall be the gratis allotment of stock acquisition rights (hereinafter, referred to as “the stock acquisition rights”).

The overview of the gratis allotment of the stock acquisition rights is as per the description in Attachment 3 “Summary of Gratis Allotment of Stock Acquisition Rights.”

The Board of Directors of the Company may cancel or suspend the countermeasure as mentioned in (1) [7] above even after the resolution for implementation is passed or the countermeasure is implemented. For instance, in the case in which the Board of Directors of the Company resolves the gratis allotment of the stock acquisition rights as the countermeasure, if an acquirer, etc. suspend acquisition, etc. then the Board of Directors of the Company makes the resolution mentioned in (1) [7] above, the gratis allotment of the stock acquisition rights can be suspended before the day preceding the ex-dividend date related to the record date set for the gratis allotment of the stock acquisition rights. After the effective date of the gratis allotment of the stock acquisition rights, the Company may suspend the implementation of the countermeasure in such a way as to acquire the stock acquisition rights without contribution before the day preceding the commencement date of the exercise period of the stock acquisition rights.

(3) Effective period, abolishment and change of the Plan

The effective period of the Plan shall be from the moment of approval, if granted by the shareholders at the Ordinary General Meeting of Shareholders, to the conclusion of an Ordinary General Meeting of Shareholders scheduled for June 2022.

However, even before the expiration of the effective period, if a resolution to the effect that the Plan is changed or abolished is passed at a General Meeting of Shareholders of the Company, the Plan shall be changed or abolished in that moment pursuant to the relevant resolution. In addition, in the case in which the Board of Directors of the Company passes a resolution to the effect that the Plan is abolished, the Plan shall be abolished in that moment.

In the case of judging formal revision necessary accompanying change to the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations, or change to rules of the financial instruments exchange, or change to these interpretation and operation, or change to the tax regime, court cases, etc., the Board of Directors of the Company may revise or change the Plan as needed with approval from the Independent Committee. On the other hand, in the case in which the Board of Directors of the Company or the Independent Committee makes a change to the contents of the Plan that may have substantial influence on shareholders of the Company, a new proposal for the change shall be put for approval of shareholders to a General Meeting of Shareholders to be held nearest to the change.

In the case in which the Plan is abolished or a change to the contents of the Plan is made in such a way as to substantially influence shareholders of the Company, the Company will promptly disclose the fact of the relevant abolishment or change and the contents of the change (in the case of change) and other matters that the Board of Directors of the Company or the Independent Committee regards as appropriate.

#### 4. Reasonableness of the Plan

(1) To fulfill all of the requirements in the guidelines on takeover defense measures

The Plan satisfies the three principles (Principle of protecting and enhancing corporate value and shareholders' common interests, Principle of prior disclosure and shareholders' will and Principle of ensuring the necessity and reasonableness of defensive measures), set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests," jointly announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 and at the same time, is established in reference to "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008.

(2) To be continued for the purposes of ensuring and enhancing corporate value and the common interests of shareholders

In the case in which acquisition, etc. are carried out, the Plan is intended to secure the time and period necessary for shareholders to judge whether or not to accept the acquisition, etc. or for the Board of Directors of the Company to present an alternative plan and negotiate with the acquirer, etc. among others on behalf of shareholders, whereby the Plan will be continued for the purposes of ensuring and enhancing corporate value and, in turn, the common interests of shareholders.

(3) One that places importance on shareholders' will

In the Plan, its continuation is subject to the approval of shareholders at the Ordinary General Meeting of Shareholders.

Also, as mentioned in 3. (1) [6] above, the Board of Directors of the Company shall confirm shareholders' will on the implementation of countermeasures by the Plan at a General Meeting of Shareholders of the Company in certain cases.

Moreover, as mentioned in 3. (3) above, in the case in which a resolution to change or abolish the Plan is passed at a General Meeting of Shareholders of the Company held after approval of the continuation of the Plan, the Plan shall be changed or abolished pursuant to the relevant resolution. Accordingly, the continuation, change and abolishment of the Plan is designed to reflect shareholders' will in full.

(4) Importance placed on judgment of outsiders with high levels of independence and information disclosure

The Company has set the Independent Committee as the body that defies the arbitrary judgment of the Board of Directors of the Company and makes a substantial judgement upon operation of the Plan,

including its implementation, on behalf of shareholders, and the Board of Directors of the Company will respect the recommendation of the Independent Committee to the maximum extent upon the implementation or non-implementation of countermeasures.

The Independent Committee is comprised of a minimum of three (3) members to be elected from Outside Board Members of the Company or outside experts who are independent from the management that executes the business of the Company.

In addition, the overview of the judgment of the Independent Committee will be disclosed to shareholders and investors as needed, and the Company ensures a mechanism that enables the Plan to be operated with transparency within the scope of ensuring and enhancing the Company's corporate value and the common interests of its shareholders.

(5) Setting of reasonable and objective requirements for implementation

The Plan, as mentioned in 3. (1) [5] above, is set not to be implemented until predetermined reasonable and objective requirements for the implementation are fulfilled and includes a mechanism that prevents the Board of Directors of the Company from implementing the Plan arbitrarily.

(6) Enlistment of opinions from third-party experts

As mentioned in 3. (1) [4] above, in the case in which an acquirer, etc. emerge, the Independent Committee may seek advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other experts) at the Company's expense, whereby the fairness and objectivity of the judgment of the Independent Committee can be ensured sufficiently.

(7) Not being a dead-hand or slow-hand takeover defense measure

As mentioned in 3. (3) above, the Plan is designed to be abolished anytime by the Board of Directors of the Company. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the board of directors are replaced, the implementation of countermeasures cannot be stopped).

Moreover, the term of the Board Members of the Company (excluding Board Members who are Audit) is one year, and classified term limits are not employed to Board Members who are Audits, whose term is two years. Therefore, the Plan is not a slow-hand takeover defense measure (a takeover defense measure in which the implementation takes more time to stop due to the fact that all members of the board of directors cannot be replaced at once).

5. Influence, etc. on shareholders and investors

(1) Influence on shareholders and investors upon the continuation of the Plan

The stock acquisition rights will not be issued at the time of the continuation of the Plan. Accordingly, the Plan will not give direct and specific influence on legal rights and economic interests that shareholders hold concerning the Company's shares at the time of the continuation of the Plan.

As mentioned in 3. (1) above, the Company's policy for countermeasures against acquisition, etc. will

vary depending on whether or not an acquirer, etc. comply with the Plan. Therefore, the Company would ask shareholders and investors to watch the move of the acquirer, etc.

(2) Influence on shareholders and investors at the time of the gratis allotment of the stock acquisition rights

In the case in which the Board of Directors of the Company decides to implement the countermeasure and implements the gratis allotment of the stock acquisition rights, the stock acquisition rights will be allotted without contribution to shareholders recorded in the shareholder register on the allotment date that will be set separately, at a rate of up to one share acquisition right per share held by the shareholders. Due to that mechanism, even at the time of the gratis allotment of the stock acquisition rights, the per-share value of shares of the Company, held by shareholders, will be diluted, but the value of aggravated shares of the Company, held by shareholders, will not be diluted. Accordingly, the Company does not assume that there will be direct and specific influence on the legal rights and economic interests that shareholders hold concerning the Company's shares.

However, for an acquirer, etc., the implementation of this countermeasure may end up causing any influence on their legal rights and economic interests.

Even in the case in which the Board of Directors of the Company resolves to implement the gratis allotment of the stock acquisition rights, the price of the Company's shares can fluctuate considerably if the cancellation of the countermeasure or suspension of implementation is determined following the procedure, etc. mentioned in 3. (1) [7] above. For instance, in the case in which the Company suspends the implementation of the countermeasure, acquires the stock acquisition rights without contribution and does not issue new shares after the shareholders who should be allotted the stock acquisition rights without contribution are confirmed, the per-share value of the shares of the Company, held by shareholders, will not be diluted. Therefore, please take note that investors or shareholders who traded shares of the Company on the premise that the per-share value of the Company's shares would be diluted risk suffering a loss due to fluctuations in the share price.

Also, in the case of imposing discriminatory conditions on the exercise or acquisition of the stock acquisition rights, it can be assumed that the legal rights and economic interests of the acquirer, etc. will be influenced upon the exercise or acquisition. But, even in this case, the Company does not presume that there will be direct and specific influence on the legal rights and economic interests that shareholders, excluding the acquirer, etc., hold concerning shares of the Company.

(3) Procedure necessary for shareholders upon the gratis allotment of the stock acquisition rights

Shareholders recorded in the final shareholder register on the allotment date of the stock acquisition rights will not need to take the procedure for application as they become the holders of the stock acquisition rights as a matter of course on the effective date of the gratis allotment of the stock acquisition rights.

In the case in which the Company takes the procedure for acquisition of stock acquisition rights with acquisition clause, shareholders excluding the acquirer, etc. will receive the Company's shares without paying money equivalent to the exercise price of stock acquisition rights as the consideration of the

acquisition of the stock acquisition rights by the Company and will not need to take the procedures, such as cash payment for the stock acquisition rights.

In addition to the above, regarding the particulars of the allotment method, exercise method, method for acquisition by the Company, method for distribution of shares, and others, the Company will disclose information or make a notification with respect to the particulars of these procedures in timely and appropriate manners in accordance with applicable laws and regulations and the rules of the financial instruments exchange after any resolution of the Board of Directors of the Company in relation to the gratis allotment of the stock acquisition rights, so the Company would ask shareholders to check these details of the disclosure or the notification.

(Note 1) means “share certificates, etc.,” provided for in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified. In the case in which laws and regulations referred to in the Plan are revised (including change to the names of laws and regulations and the formulation of new laws and regulations that succeed to former ones), the articles of the laws and regulations referred to in the Plan shall be replaced with articles that substantially succeed to the articles of these laws and regulations after the relevant revision unless otherwise specified by the Board of Directors of the Company.

(Note 2) means a holder provided for in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act including persons who are included in the holders pursuant to paragraph 3 of the same article. Hereinafter, the same shall apply.

(Note 3) means “holding ratio of share certificates, etc.,” provided for in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

(Note 4) means “share certificates, etc.,” provided for in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply in (ii) below.

(Note 5) Defined in Article 27-2, paragraph 6 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

(Note 6) means “holding ratio of share certificates, etc.,” provided for in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

(Note 7) means specially-related parties defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act (including persons who the Board of Directors of the Company finds fall into such parties) However, regarding persons listed in item 1 of the same paragraph, excluded are persons specified in Article 3, paragraph 2 of Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other Than Issuer. Hereinafter, the same shall apply.

(Note 8) means a material proposal provided for in Article 27-26, paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, paragraph 1 of Order for Enforcement of the Financial Instruments and Exchange Act and Article 16 of Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc.

(Note 9) A business day refers to days other than days listed in Article 1, paragraph 1, each item of the Act on Holidays of Administrative Organs. Hereinafter, the same shall apply.

(Note 10) means a joint holder provided for in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act including persons who the Board of Directors of the Company finds fall under joint holders pursuant to paragraph 6 of the same article. Hereinafter, the same shall apply.

## Overview of Regulations for Independent Committee

1. The Independent Committee shall be established by resolution of the Board of Directors of the Company with the aim of defying the arbitrary judgment of the Board of Directors over matters, such as the implementation of countermeasures against large-scale acquisitions, etc. and ensuring the objectivity and reasonableness of the judgment and response of the Board of Directors.
2. The members of the Independent Committee shall be a minimum of three persons and elected from ones that fall upon any of outside directors of the Company or outside experts who are independent from the management of the Company who execute the business of the Company (experienced corporate managers, former government officials, lawyers, certified public accountants or academic experts or those equivalent to the above) pursuant to resolution of the Board of Directors of the Company. The Company shall conclude contracts that contain provisions of the duty care of a prudent manager and duty of confidentiality with members of the Independent Committee.
3. The term of office of members of the Independent Committee shall be until the conclusion of the annual general meeting of shareholders relating to the final business year ending within one (1) year after election, or until the date that the relevant member of the Independent Committee and the Company separately agree on. However, this shall not apply in cases in which the Board of Directors of the Company pass other resolutions.
4. The Independent Committee shall be convened by President of the Company or any member of the Independent Committee.
5. The chair of the Independent Committee shall be elected by a mutual election of members of the Independent Committee.
6. The Independent Committee may request the attendance of the Company's Directors, Audit and Supervisory Committee Members, employees and others whom the Independent Committee recognizes as necessary and demand their opinions or explanations, as necessary.
7. The Independent Committee shall be convened whenever necessary, and the resolution of the Independent Committee shall be made with a majority vote of the members present at a meeting attended by all members of the Independent Committee in principle. However, in the events deemed unavoidable, such as an accident of a member, resolution shall be made by a majority vote of the members present at a meeting attended by the majority of the members except the relevant member.
8. The Independent Committee shall make decisions on the matters listed in each item below and make recommendations to the Board of Directors of the Company containing the details and reasons for the recommendation. The Independent Committee shall disclose information promptly concerning the fact

of the resolution, the overview and other matters that the Independent Committee judges as appropriate, directly or through the Board of Directors of the Company.

Each member of the Independent Committee must make such decisions solely with a view to whether or not the Company's corporate value or the common interests of its shareholders will be ensured and enhanced, and they must not serve the purpose of their personal interests or those of the management of the Company.

- (1) The implementation or non-implementation of countermeasures related to the Plan (including the desirability of obtaining the shareholders' will beforehand over implementation)
  - (2) Cancellation of countermeasures related to the Plan or suspension of their implementation
  - (3) Abolishment or change of the Plan
  - (4) Determining the information, opinions, alternative plans and materials that an acquirer, etc. and the Board of Directors of the Company should submit to the Independent Committee
  - (5) Setting the Independent Committee examination period (However, the examination term shall not exceed 60 days in the case of an acquisition of all the Company's shares, etc. through a public tender offer with only cash in the Japanese yen as the consideration and shall not exceed 90 days in cases of other acquisitions, etc.) and extending the relevant examination period.
  - (6) Other matters that the Board of Directors of the Company consults with the Independent Committee out of matters that the Board of Directors of the Company makes judgments on
9. The Independent Committee may implement matters listed in each item below in addition to matters provided for in 8.
- (1) Examination and consideration of the contents of the acquisition, etc. of an acquirer, etc.
  - (2) Negotiation and discussion with an acquirer, etc.
  - (3) Consideration of alternative plans
  - (4) Presentation of alternative plans to shareholders
  - (5) Other matters that the Plan prescribes that the Independent Committee may conduct.
  - (6) Matters that the Board of Directors of the Company separately determines that the Independent Committee may conduct.
10. The Independent Committee may seek advice from independent third parties (including financial advisors, certified public accountants, lawyers, consultants and other experts) at the Company's expense.



## Career Brief of Members of Independent Committee.

1. Koukichi Takahashi (Outside Director of the Company)
- |               |  |
|---------------|--|
| April 1977    | Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)  |
| December 1989 | Head of Corporate Planning Office, Rice Cooking Devices Business of Matsushita Electric Industrial Co., Ltd.                                 |
| February 1999 | Head of Planning Department, Rice Cooking Devices Business of Matsushita Electric Industrial Co., Ltd.                                       |
| April 2001    | President & CEO of the Thai entity of Matsushita Electric Industrial Co., Ltd.   |
| January 2004  | Leader of HQ Overseas Business Strategy Team of Matsushita Electric Industrial Co., Ltd.   |
| December 2005 | Resigned from Matsushita Electric Industrial Co., Ltd.   |
| January 2006  | Joined Japan Excel-Management Consulting Co., Ltd. as Head of Global Business Innovation Headquarters  |
| April 2007    | Corporate Officer, Head of Business of Japan Excel-Management Consulting Co., Ltd.   |
| June 2011     | Director (Head of Kansai Branch Office, in charge of corporate planning and public relations) of Japan Excel-Management Consulting Co., Ltd. |
| June 2015     | Managing Director of Japan Excel-Management Consulting Co., Ltd.   |
| January 2020  | Member of the Nomination and Remuneration Committee of the Company   |
| June 2020     | Resigned as Managing Director of Japan Excel-Management Consulting Co., Ltd.   |
| July 2020     | Board Member of the Company (Part-time/Outside)<br>(incumbent)   |

\* The Company registered Mr. K. Takahashi as an independent director in accordance with the rules of the Tokyo Stock Exchange.

2. Robert H. Janson (Scheduled to assume the position of Outside Director of the Company)
- |                |   |
|----------------|---|
| April 1973     | Representative in Japan of Continental Gumi Welke AG (current Continental AG)                 |
| June 1978      | Resigned as representative in Japan of Continental Gumi Welke AG (current Continental AG)     |
| August 1978    | Joined Audi NSU Auto Union  |
| January 1980   | Transferred from Audi NSU Auto Union to Volkswagen  |
| July 1980      | Representative of Volkswagen Audi Japan   |
| July 1983      | Vice President & Representative Director of Volkswagen KK (current Volkswagen Group Japan KK) |
| July 1993      | Representative of Tokyo Representative Office of Volkswagen Asia Pacific Inc.                 |
| September 1998 | Resigned as Vice President & Representative Director of Volkswagen Group                      |

	Japan KK and from Tokyo Representative Office of Volkswagen Asia Pacific Inc.
January 1999	President & CEO of Janson & Associates, Inc.
January 2007	Director of FEV Japan Co., Ltd.
May 2017	Representative Director of FEV Japan Co., Ltd. (incumbent)

\* Mr. Robert H. Janson is a candidate for Outside Director of the Company, and is scheduled to assume the position at the Annual General Meeting of Shareholders. The Company plans to register Mr. R. H. Janson as an independent director in accordance with the rules of the Tokyo Stock Exchange.

3. Noriko Kajiwara (Scheduled to assume the position of Outside Director of the Company (Director who is an Audit and Supervisory Committee Member))

April 1986	Registered to Daiichi Tokyo Bar Association, Kajiwara Law Office
October 1988	Joined Naritomi Law Office
March 1993	Joined Kajiwara Law Office
January 2000	Yamashita & Tooyama Patent Attorney Office (current Yamashita & Tooyama Law Office)
January 2020	Member of the Nomination and Remuneration Committee of the Company (incumbent)

\* Ms. Noriko Kajiwara is a candidate for Outside Director of the Company, and is scheduled to assume the position at the Annual General Meeting of Shareholders. The Company plans to register Mr. R. H. Janson as an independent director in accordance with the rules of the Tokyo Stock Exchange.

4. Yasuhiro Fujiwara (Scheduled to assume the position of Outside Director of the Company (Director who is an Audit and Supervisory Committee Member))

April 1995	Joined Mitsui Home Co., Ltd.
July 1998	Resigned from Mitsui Home Co., Ltd.
October 2001	Joined ChuoAoyama PricewaterhouseCoopers (subsequent Misuzu Audit Corporation)
June 2007	Resigned Misuzu Audit Corporation
July 2007	Joined Ernst & Young ShinNihon (current Ernst & Young ShinNihon LLC)
December 2020	Resigned from Ernst & Young ShinNihon
January 2021	Representative, Fujiwara Certified Public Accountant Office President & CEO, Accounting Support Kobo Co., Ltd. (incumbent)

\* Mr. Yasuhiro Fujiwara is a candidate for Outside Director of the Company, and is scheduled to assume the position at the Annual General Meeting of Shareholders. The Company plans to register Mr. R. H. Janson as an independent director in accordance with the rules of the Tokyo Stock Exchange.

\* There are no special interests, etc. between the four candidates above and the Company.

## Summary of Gratis Allotment of Stock Acquisition Rights

## 1. Total number of the stock acquisition rights to be allotted

The total number of the stock acquisition rights to be allotted will be the number that the Board of Directors of the Company will determine separately in a resolution relating to the gratis allotment of the stock acquisition rights (hereinafter referred to as “the Gratis allotment resolution”) within the limits of the equivalent of the final and total number of issued and outstanding shares of the Company (however, excluding the number of the Company’s shares that the Company holds in the same moment) on a certain date (hereinafter referred to the “Allotment date”) that is separately determined by the Board of Directors of the Company in the Gratis allotment resolution.

## 2. Shareholders eligible for allotment

The Company will allot the stock acquisition rights without consideration to the shareholders recorded in the final shareholder register on the Allotment date at a ratio that the Board of Directors of the Company will separately determine in the Gratis allotment resolution within the limit of a ratio of one stock acquisition right for every one share of common stock of the Company held by them (however, excluding the number of the Company’s shares that the Company holds in the same moment).

## 3. Effective date of gratis allotment of the stock acquisition rights

The effective date shall be one that the Board of Directors of the Company separately determine in the Gratis allotment resolution.

## 4. Class and number of shares that are the object of the stock acquisition rights

The class of shares that are the object of the stock acquisition rights shall be shares of common stock of the Company, and the number of shares that are the object of one stock acquisition right (hereinafter, referred to as “the Applicable number of shares”) shall be one that the Board of Directors of the Company will separately determine in the Gratis allotment resolution within the limit of one share. However, in the case in which the Company splits or combines shares, necessary adjustments shall be made.

## 5. Contents and amount of properties to be contributed upon exercise of the stock acquisition rights.

The purpose of contribution that is made upon exercise of the stock acquisition rights are to be in cash, and the amount of properties per share of common stock of the Company that is contributed upon exercise of the stock acquisition rights shall be an amount that the Company will separately determine in the Gratis allotment resolution from one yen and more.

## 6. Restriction of assignment of the stock acquisition rights

Any assignment of the stock acquisition rights shall require the approval of the Board of Directors of the Company

7. Conditions for exercise of the stock acquisition rights

The following parties may not exercise the stock acquisition rights: (1) Specified large holders (Note 11), (2) Joint holders of specified large holders, (3) Specified large-scale acquirers (Note 12), (4) Specially-related parties of specified large-scale acquirers, or (5) Parties that were assigned or succeeded to the stock acquisition rights from parties from (1) to (4) without the approval of the Board of Directors of the Company, or (6) Affiliated parties of parties falling under (1) to (5) (Note 13) (Hereinafter, the parties mentioned above are collectively called “Non-qualified parties”). Details of conditions for exercise of the stock acquisition rights shall be separately determined in the Gratis allotment resolution.

8. Acquisitions of the stock acquisition rights by the Company

On any date that will be separately determined by the Board of Directors of the Company, the Company may acquire the stock acquisition rights held by parties other than Non-qualified parties and, in exchange, deliver shares of common stock of the Company in the number equivalent to the Applicable number of shares for every one stock acquisition right. However, the Board of Directors of the Company may not attach an acquisition clause to the effect that cash is delivered as consideration of the stock acquisition rights. Details of conditions for acquisition of the stock acquisition rights shall be separately determined in the Gratis allotment resolution.

9. Acquisition without consideration in case of cancellation of implementation of countermeasures

In the case in which the Board of Directors of the Company cancels implementation of countermeasures or in other cases in which the Board of Directors of the Company separately makes other decisions in the Gratis allotment resolution, the Company may acquire all the stock acquisition rights without consideration.

10. Exercise period, etc. of the stock acquisition rights

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

(Note 11) means a holder of shares, etc. , issued by the Company and whose holding ratio of the relevant shares, etc. is at least 20%, or a party who is deemed to fall under the above by the Board of Directors of the Company.

Provided, however, that a party whom the Board of Directors of the Company recognizes as a party whose acquisition or holding of the Company’s shares, etc. is not contrary to the Company’s corporate value and the common shares of its shareholders, or certain other party whom the Board of Directors of the Company separately determines in the Gratis allotment resolution shall not fall under this category.

(Note 12) means a person who makes a public announcement of acquisition, etc. (as defined in Article 27-2, paragraph 1, in the Financial Instruments Exchange Act) of shares, etc. (as prescribed in Article 27-2, paragraph 1, in the Financial Instruments Exchange Act. Hereinafter, the same shall apply throughout this note.) issued by the Company through a public tender offer and whose ratio of ownership of shares, etc. in respect of such shares, etc., owned by such person after such acquisition, etc., (including similar ownership as prescribed in Article 7, paragraph 1, in the Order of Enforcement of the Financial Instruments Exchange Act) is at least 20% when combined with the ratio of ownership of shares, etc. of a specially-related person, or a party whom the Board of Directors of the Company recognizes as a party falling under such category. Provided, however, that a party whom the Board of Directors of the Company recognizes as a party whose acquisition or holding of the

Company's shares, etc. is not contrary to the Company's corporate value and the common shares of its shareholders, or certain other party whom the Board of Directors of the Company separately determines in the Gratis allotment resolution shall not fall under this category.

(Note 13) An "affiliated party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors of the Company), or a party deemed by the Board of Directors of the Company to act in concert with such given party. "Control" means "the case of controlling the determination of the financial and business policies" of other companies or entities. (as defined in Article 3, paragraph 3, in the Enforcement Regulations of the Companies Act).

## Status of Shareholding of Major Shareholders and the Board of Directors of the Company

The status of shareholding of major shareholders and the board of directors of the Company as of March 31, 2021 is as follows.

## 1. The status of shareholding of major shareholders (The top ten)

Order	Name	Number of shares held (shares)	Ratio of voting rights (%)	Ratio of shareholding (%)	Remarks
1	J KAWAMOTO CO., LTD	2,526,000	15.24	14.34	
2	KAWAMOTO CMK CO., LTD	2,171,000	13.10	12.32	
3	Custody Bank of Japan, Ltd.	1,000,500	6.03	5.68	
4	Stock held by FUKOKU Business partners	948,350	5.72	5.38	
5	Mari Watanabe	717,256	4.32	4.07	
6	MW Holdings Co., Ltd.	626,000	3.77	3.55	
7	Taro Kawamoto	517,471	3.12	2.93	Part-time Advisor of the Company
8	Jiro Kawamoto	517,471	3.12	2.93	Part-time Advisor of the Company
9	The Master Trust Bank of Japan, Ltd.	492,300	2.97	2.79	
10	FUKOKU Employee Stock Ownership Plan	401,697	2.42	2.28	

(Note) Although the Company holds treasury shares of 1,026,754 shares, the Company is excluded from the major shareholders above.

## 2. Status of Shareholding of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members)

Name	Title	Number of shares held (shares)	Ratio of voting rights (%)	Ratio of shareholding (%)	Remarks
Takashi Ogawa	President & CEO	18,290	0.10	0.10	
Kenji Watanabe	Director	14,940	0.08	0.08	
Yoshihiro Ohashi	Director	4,090	0.02	0.02	
Takaaki Ishikawa	Director	4,420	0.02	0.02	
Ikuo Oshiro	Director	3,370	0.01	0.01	
Total		45,110	0.27	0.25	