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(Stock Exchange Code 7299)

June 6, 2024

(Date of commencement of electronic provision measures: May 30, 2024)

To Shareholders with Voting Rights:

Satoshi Tsujimoto
President, Executive Officer
FUJI OOZX Inc.
1500-60 Misawa, Kikugawa-shi, Shizuoka,
Japan

**NOTICE OF CONVOCATION OF
THE 96th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 96th Annual General Meeting of Shareholders of FUJI OOZX Inc. (the “Company”) to be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to electronically provide information on the following website as “Notice of Convocation of the 96th Annual General Meeting of Shareholders.”

The Company website: <https://www.oozx.co.jp/ir/meeting/> (in Japanese only)

The same is also posted on the following website.

The Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please enter and search for the Company name (FUJI OOZX Inc.) or our securities code (7299) and select “Basic information” and “Documents for public inspection/PR information” for relevant information.

Shareholders unable to attend the meeting may exercise their voting rights by either of the following methods. Please review the Reference Documents for the General Meeting of Shareholders provided under electronic provision measures and exercise your voting rights by the end of business hours (5:00 p.m.) on Thursday, June 20, 2024, Japan time.

[Exercise of voting rights by mail] Please indicate your approval or disapproval on the enclosed Voting Rights Exercise Form and return it to us so that it arrives by the above-mentioned deadline.

[Exercise of voting rights via the Internet, etc.] Please review the undermentioned “Instruction Concerning the Exercise of Voting Rights via the Internet, etc.” on page 5 of the Japanese version of this document and exercise your voting rights no later than the deadline above.

- Date and Time:** Friday, June 21, 2024 at 10:00 a.m., Japan time
- Place:** Shangri-La Suite, third floor of the Kakegawa Grand Hotel
1-3-1 Kamenoko, Kakegawa-shi, Shizuoka, Japan
(Please see the map to the venue on the Japanese version of this document.)
- Meeting Agenda:
Matters to be reported:** (1) The Business Report, Consolidated Financial Statements for the Company’s 96th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by

the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
(2) Non-consolidated Financial Statements for the Company's 96th Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Seven (7) Directors who are not Audit and Supervisory Committee Members
Proposal 3: Election of Five (5) Directors who are Audit and Supervisory Committee Members
Proposal 4: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
Proposal 5: Determination of remuneration for allotment of Restricted Shares to Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors)
Proposal 6: Determination of remuneration for allotment of Restricted Shares to Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)

*There will be a shareholder gathering at the same venue after the close of the Annual General Meeting of Shareholders.
We will be serving snacks, and hope to use this chance to get valuable opinions from shareholders who we have few opportunities to talk to.

4. Other Matters for the Convocation of General Meeting of Shareholders

- (1) If a shareholder submits the Voting Rights Exercise Form without indicating approval or disapproval of the proposals, it shall be treated as the intent of approval.
- (2) If a shareholder votes in duplicate both by mailing the Voting Rights Exercise Form and via the Internet, etc., only the vote placed via the Internet, etc. will be valid.
- (3) A shareholder may exercise his or her voting rights by proxy only in the case where the proxy is another shareholder with voting rights. In such case, please submit to the reception the Voting Rights Exercise Form of the shareholder he or she represents together with a document to prove the right of proxy (a power of attorney and the Voting Rights Exercise Form of the principal who will exercise the voting rights).

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - We will send documents that contain matters subject to the electronic provision measures to shareholders who requested the delivery of paper-based documents. However, in accordance with relevant laws and regulations and the Article 16 of the Company's Articles of Incorporation, the said documents do not include the following items. The said documents constitute a part of documents audited by the Audit and Supervisory Committee and Accounting Auditor upon preparation of the audit reports.
 - (1) "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - (2) "Non-consolidated Statements of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
 - Any revisions to matters subject to the electronic provision measures will be posted on the websites where the materials are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the following regarding the appropriation of surplus.

Matters concerning year-end dividend

The Company has historically held a basic policy of providing flexible returns corresponding to business performance with a basis of stable dividends, but amid the extremely difficult management environment, the Company proposes to pay the year-end dividends for the fiscal year under review as follows in response to the continued support of shareholders.

- (1) Matters related to allocation of dividend property to shareholders and its total amount
150 yen per share of the Company's common stock; total of 308,072,250 yen
(Note) Combined with an interim dividend of 100 yen per share effective on December 5, 2023, the annual dividend will be 250 yen per share.
- (2) Effective date of distribution of the dividend
June 24, 2024

Proposal 2: Election of Seven (7) Directors who are not Audit and Supervisory Committee Members

The terms of office of all seven (7) Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of seven Directors who are not Audit and Supervisory Committee Members. Furthermore, the Audit and Supervisory Committee has judged that all of the candidates in this proposal are appropriate as Directors of the Company.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows.

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1 <u>Reelection</u>	Satoshi Tsujimoto (August 19, 1958)	<p>Apr. 1982 Joined Daido Steel Co., Ltd.</p> <p>Jul. 2005 General Manager, Technology Management Department, Chita Plant, Steel Materials Division</p> <p>Jun. 2007 General Manager, Technical Planning & Administration Department</p> <p>Jun. 2011 Director and General Manager, Global Business Division</p> <p>Jun. 2014 Managing Director and General Manager, Research & Development Headquarters</p> <p>Jun. 2018 President, Executive Officer, the Company (current position) (Significant concurrent positions) Director and Chairman, FUJI OOZX MEXICO, S.A. DE C.V.</p>	4,603 shares
2 <u>Reelection</u>	Osamu Ichikawa (March 25, 1960)	<p>Apr. 1982 Joined Daido Steel Co., Ltd.</p> <p>May 2005 President, Daido PDM (Thailand) Co., Ltd.</p> <p>Jun. 2009 General Manager, Bearing and Industrial Sales Department, Special Steel Division, Daido Steel Co., Ltd.</p> <p>Jun. 2013 Director and General Manager, Sales Division, the Company</p> <p>Jun. 2016 Director, Executive Officer and General Manager, General Headquarters</p> <p>Jun. 2018 Managing Director, Executive Officer and General Manager, Sales Headquarters</p> <p>Jan. 2020 Managing Director, Executive Officer (Assistant to the President, Supervision of Sales Department, in charge of overseas subsidiaries)</p> <p>Oct. 2023 Managing Director, Executive Officer (Assistant to the President, Supervision of Sales Department, in charge of Business Development and Structural Reform Division) (current position) (Significant concurrent positions) President, OOZX TECHNO Inc. Chairman, Fuji Valve (Guangdong) Corporation</p>	1,681 shares

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3 Reelection	Shinji Fujikawa (November 13, 1959)	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2007 General Manager, General Affairs Division</p> <p>Jun. 2011 Director and General Manager, General Affairs Division</p> <p>Jun. 2016 Director, Executive Officer and General Manager, Domestic Headquarters; General Manager, Administration Division, General Headquarters</p> <p>Jun. 2018 Director, Executive Officer and General Manager, General Headquarters</p> <p>Jan. 2020 Director, Executive Officer (Supervision of Management Department)</p> <p>Jun. 2022 Managing Director, Executive Officer (Assistant to the President, Supervision of Management Department, in charge of domestic subsidiaries) (current position) (Significant concurrent position)</p> <p>Representative Director and President, JATOS Inc.</p>	1,959 shares
4 Reelection	Akihiro Hamada (July 22, 1961)	<p>Apr. 1984 Joined the Company</p> <p>Mar. 2006 General Manager, CS Promotion Division</p> <p>Jun. 2010 Director and General Manager, Production Division</p> <p>Jun. 2013 Executive Manager (President, PT.FUJI OOZX INDONESIA)</p> <p>Jun. 2016 Director, Executive Officer and General Manager, Technical Headquarters</p> <p>Jan. 2020 Director, Executive Officer (Supervision of Technical Department)</p> <p>Jun. 2021 Director, Executive Officer (Supervision of Technical Department and Production Department) (current position)</p>	1,560 shares
5 Reelection	Satoshi Fukuoka (February 26, 1966)	<p>Apr. 1988 Joined the Company</p> <p>Jun. 2014 President, Fuji Valve (Guangdong) Corporation</p> <p>Jun. 2016 General Manager, Shizuoka Plant Production Division, the Company</p> <p>Jun. 2018 General Manager, Management Planning Division</p> <p>Apr. 2020 Executive Officer and General Manager, Management Division and Overseas Division</p> <p>Apr. 2021 Executive Officer and General Manager, Management Division</p> <p>Jun. 2023 Director, Executive Officer and General Manager, Management Division</p> <p>Oct. 2023 Director, Executive Officer (In charge of Management Division, Quality Assurance Division, and overseas subsidiaries) (current position)</p>	1,140 shares

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
<p style="text-align: center;">6</p> <p style="text-align: center;">Reelection</p>	<p style="text-align: center;">Toshiaki Yamashita (January 20, 1964)</p>	<p>Apr. 1986 Joined Daido Steel Co., Ltd.</p> <p>Apr. 2012 General Manager, Automotive Sales Department, Special Rods Division, Special Steel Products Headquarters</p> <p>Jun. 2015 General Manager, Tokyo Marketing & Sales Department, Automotive Steel Business Unit</p> <p>Jun. 2016 General Manager, Automotive Steel Business Unit</p> <p>Apr. 2017 Executive Officer and General Manager, Corporate Planning Department</p> <p>Apr. 2019 Executive Officer and General Manager, Automotive Steel Business Unit</p> <p>Apr. 2020 Managing Executive Officer and General Manager, Automotive Steel Business Unit</p> <p>Jun. 2020 Director, the Company (current position)</p> <p>Jun. 2020 Director, Managing Executive Officer and General Manager, Automotive Steel Business Unit, Daido Steel Co., Ltd.</p> <p>Jun. 2021 Director, Managing Executive Officer and General Manager, Steel Materials Sales Headquarters</p> <p>Jun. 2023 Representative Executive Director, Executive Vice President and General Manager, Steel Materials Sales Headquarters, General Manager, Tool Steel Business Division, and General Manager, Tokyo Head Office</p> <p>Apr. 2024 Representative Executive Director, Executive Vice President and General Manager, Tokyo Head Office (current position)</p>	<p style="text-align: center;">0 shares</p>
<p style="text-align: center;">7</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Independent</p> <p style="text-align: center;">Outside</p>	<p style="text-align: center;">Katsumi Iizuka (March 23, 1955)</p>	<p>Apr. 1977 Joined The Shizuoka Bank, Ltd.</p> <p>May 1995 General Manager, Mishima-eki-kita Branch</p> <p>Jun. 2001 General Manager, Corporate Administration Department</p> <p>Jun. 2004 Executive Officer and General Manager, Gofukucho Branch</p> <p>Oct. 2004 Executive Officer and General Manager, Head Office</p> <p>Jan. 2007 Director, Shizugin Mortgage Service Co., Ltd.</p> <p>Oct. 2007 Representative Director and President</p> <p>Jun. 2019 Outside Corporate Auditor, the Company</p> <p>Jun. 2020 Outside Director, the Company (current position)</p> <p>Jun. 2020 Auditor, SHIZUOKA FUDOSAN (current position) [Years since becoming Director of the Company] 4 years</p>	<p style="text-align: center;">0 shares</p>

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Katsumi Iizuka is a candidate for Outside Director.
Furthermore, the Company has registered Mr. Iizuka as an Independent Director pursuant to the stipulations of the Tokyo Stock Exchange.
 3. Mr. Katsumi Iizuka has been selected as a candidate for Outside Director as he has many years of experience at financial institutions and a wealth of knowledge regarding finance, etc., and possesses experience in corporate management through over 10 years of service as the representative of a subsidiary of a financial institution. The Company expects him to play a role as chairperson of Governance Committee, which is an advisory body in relation to the nomination and remuneration of Directors, and in further strengthening the functions of the Board of Directors by making use of his wide insight.
 4. The Company has concluded a liability limitation agreement with Mr. Toshiaki Yamashita and Mr. Katsumi Iizuka based on Article 427, Paragraph 1 of the Companies Act to limit their liability regarding Article 423, Paragraph 1 of the Companies Act to a predefined amount of 1,000,000 yen or more or the amount stipulated by laws and regulations, whichever is greater. The Company will renew said liability limitation agreement with them if their reelection is approved.
 5. The Company has entered into a directors and officers (D&O) liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, to cover legal damages and litigation expenses to be borne by the insured. Each candidate will be included in the insured under the insurance contract. The Company plans to renew the insurance policy with the same contents at the next time of renewal.

(Reference) Opinion of the Audit and Supervisory Committee

With respect to the nomination of Directors who are not Audit and Supervisory Committee Members, the Audit and Supervisory Committee has examined the balance of knowledge, experience and competence, diversity and the number of members, etc. required for the Board of Directors to fulfill its roles and responsibilities effectively, taking into account the corporate philosophy, management strategies, etc. of the Company. The committee also has confirmed the contents of deliberations and their procedures conducted at the Governance Committee, and judged that the nomination is appropriate.

Proposal 3: Election of Five (5) Directors who are Audit and Supervisory Committee Members

The terms of office of all five (5) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of five Directors who are Audit and Supervisory Committee Members.

Furthermore, the Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

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

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1 Reelection	Kiyoto Tone (April 3, 1961)	Apr. 1985 Joined Daido Steel Co., Ltd. Apr. 2018 General Manager attached to Chief of Overseas Headquarters, the Company Jun. 2018 Executive Officer, General Manager, Chief of Overseas Headquarters Apr. 2020 Executive Officer Jun. 2020 Director, Full-time Member of Audit and Supervisory Committee (current position)	1,165 shares
2 Reelection	Takaaki Taketsuru (July 27, 1960)	Apr. 1985 Joined Daido Steel Co., Ltd. Apr. 2012 General Manager, Shibukawa Plant, Forged Steel Products Business Division, Forgings Headquarters Jun. 2016 Executive Officer Apr. 2017 Executive Officer, General Manager, Corporate Risk Management Dept. Apr. 2019 Managing Executive Officer, General Manager, Corporate Risk Management Dept. Apr. 2020 Managing Executive Officer (current position) Jun. 2020 Director, Part-time Member of Audit and Supervisory Committee, the Company (current position)	0 shares
3 Reelection Independent Outside	Takeki Yamada (January 11, 1966)	Oct. 1992 Joined Tohmatsu & Co. (current Deloitte ToucheTohmatsu LLC) Jul. 2008 Partner Oct. 2014 Established Yamada Accounting Firm, Representative (current position) Jun. 2015 Outside Corporate Auditor, the Company Jun. 2020 Outside Director, Part-time Member of Audit and Supervisory Committee (current position) [Years since becoming Director of the Company] 4 years	0 shares

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4 Reelection Independent Outside	Kenji Kawasaki (March 28, 1955)	<p>Nov. 1981 Joined Fuji Electrochemical Co., Ltd. (current FDK CORPORATION)</p> <p>Apr. 2005 Corporate Vice President, General Manager, Business Strategy & Planning Dept.</p> <p>Jun. 2008 Director & Corporate Senior Vice President, General Manager, Administration Div.</p> <p>Apr. 2017 Director & Corporate Executive Vice President & CFO, President, Battery Business Group, in charge of administration</p> <p>Mar. 2018 Director & Corporate Senior Executive Vice President & CFO, General Manager, Administration Div.</p> <p>Jun. 2020 Retired</p> <p>Jun. 2020 Outside Director, Part-time Member of Audit and Supervisory Committee, the Company (current position) [Years since becoming Director of the Company] 4 years</p>	0 shares
5 New election Independent Outside	Kaori Higashijima (March 16, 1978)	<p>Apr. 1999 Joined The Shizuoka Bank, Ltd.</p> <p>Apr. 2020 General Manager, AEON Fujinomiya Branch Office, Fujinomiya Branch</p> <p>Jun. 2022 President, SHIZUGIN HEARTFUL CO., LTD. (current position)</p>	0 shares

- (Notes)
- There are no special interests between each candidate and the Company.
 - Mr. Takeki Yamada, Mr. Kenji Kawasaki and Ms. Kaori Higashijima are candidates for Outside Director. Furthermore, the Company has registered them as Independent Directors pursuant to the stipulations of the Tokyo Stock Exchange.
 - Mr. Kiyoto Tone has been selected as a candidate for Director as he possesses a wealth of experience and knowledge through two years of service as an Executive Officer and the General Manger of Overseas Headquarters of the Company, and also through a wide range of engagement in Planning Department for affiliates of Daido Steel Co., Ltd. and its subsidiaries in Japan and overseas. The Company has judged, therefore, that he will be able to fulfill his duties.
 - Mr. Takaaki Taketsuru has been selected as a candidate for Director as he is familiar with corporate management, including serving as a managing executive officer of Daido Steel Co., Ltd. The Company has judged, therefore, that he will be able to supervise and give advice to the corporate management of the Company in general.
 - Mr. Takeki Yamada has been selected as a candidate for Outside Director as he has abundant experience in corporate accounting audit as a certified accountant and expertise in finance and accounting, and is familiar with corporate management. The Company has judged, therefore, that he will be able to fulfill his duties.
 - Mr. Kenji Kawasaki has been selected as a candidate for Outside Director as he is familiar with corporate management, including serving as Director of a manufacturing company for more than ten years, and has a wealth of knowledge regarding finance, etc., including being in charge of the treasury department of a manufacturing company. The Company has judged, therefore, that he will be able to fulfill his duties.
 - Ms. Kaori Higashijima has been selected as a candidate for Outside Director as she has many years of experience at a financial institution and a wealth of knowledge regarding finance, etc., and has experience of corporate management, including serving as the president of a subsidiary of a financial institution. The Company has judged, therefore, that she will be able to fulfill her duties by making use of her wide insight.
 - The Company has concluded a liability limitation agreement with Mr. Kiyoto Tone, Mr. Takaaki Taketsuru, Mr. Takeki Yamada and Mr. Kenji Kawasaki based on Article 427, Paragraph 1 of the Companies Act to limit their liability regarding Article 423, Paragraph 1 of the Companies Act to a predefined amount of 1,000,000 yen or more or the amount stipulated by laws and regulations, whichever is greater. The Company will renew said liability limitation agreement with them if their reelection is approved.
 - If Ms. Kaori Higashijima assumes the position of Outside Director, the Company plans to conclude a liability limitation agreement with her based on Article 427, Paragraph 1 of the Companies Act to limit her liability regarding

Article 423, Paragraph 1 of the Companies Act to a predefined amount of 1,000,000 yen or more or the amount stipulated by laws and regulations, whichever is greater.

10. The Company has entered into a directors and officers (D&O) liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, to cover legal damages and litigation expenses to be borne by the insured. Each candidate will be included in the insured under the insurance contract. The Company plans to renew the insurance policy with the same contents at the next time of renewal.

Skill Matrix of Director

	Name	Attributes	Corporate management	Governance	Manufacturing/ Technology/R&D	Sales/Procurement	Global experience	Finance/Accounting	Human resources/ Labor	Legal/CSR	
Directors who are not Audit and Supervisory Committee Members	Satoshi Tsujimoto		●	●	●		●				
	Osamu Ichikawa		●	●		●	●	●	●		
	Shinji Fujikawa		●	●				●	●	●	
	Akihiro Hamada		●	●	●		●				
	Satoshi Fukuoka		●	●	●	●	●			●	
	Toshiaki Yamashita	Part-time	●	●		●					
	Katsumi Iizuka	Part-time	●	●					●	●	●
Independent											
Directors who are Audit and Supervisory Committee Members	Kiyoto Tone			●		●	●	●	●		
	Takaaki Taketsuru	Part-time	●	●	●						
	Takeki Yamada	Part-time		●				●			
		Independent									
	Kenji Kawasaki	Part-time	●	●				●	●	●	●
		Independent									
Kaori Higashijima	Part-time	●	●					●			
	Independent										

This matrix does not indicate all the knowledge and experience possessed by each Director.

Proposal 4: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

In preparation for cases where the number of Directors who are Audit and Supervisory Committee Members falls short of the number stipulated by laws and regulations or the Articles of Incorporation, the Company proposes the election of one (1) Substitute Director who is an Audit and Supervisory Committee Member.

Furthermore, this Proposal has received the approval of the Audit and Supervisory Committee.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows.

	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Independent Outside	Masahito Kato (April 14, 1953)	Apr. 1978 Joined Nippon Gakki Co., Ltd. (current Yamaha Corporation) Mar. 1998 Managing Director of Yamaha Scandinavia AB Dec. 1999 Managing Director of Yamaha Music Central Europe GmbH Feb. 2004 Senior General Manager of Asia-Pacific Music Marketing Group, Yamaha Corporation Jun. 2007 Executive Officer and General Manager of Business Planning Division Jun. 2013 Retired Jul. 2013 Partner, Advanced Technology & Product Partners Limited. Apr. 2018 Established Lifestyle Management Limited, Representative Director and President (current position) Jun. 2020 Outside Director, Part-time Member of Audit and Supervisory Committee, the Company (current position) [Years since becoming Director of the Company] 4 years	0 shares

- (Notes)
1. There are no special interests between the candidate and the Company.
 2. Mr. Masahito Kato is a candidate for Substitute Outside Director.
 3. Mr. Masahito Kato has been selected as a candidate for Substitute Outside Director as he has many years of experience and a wide insight he has acquired at manufacturing companies, and is familiar with corporate management, including serving as a representative of overseas subsidiaries for more than five years. The Company has judged that he can make use of his wide insight and will be able to fulfill his duties. If Mr. Masahito Kato assumes the position of Outside Director, the Company expects him to provide appropriate advice, etc., to the Board of Directors from an objective standpoint by making use of his knowledge and wide insight.
 4. If Mr. Masahito Kato assumes the position of Outside Director, the Company plans to conclude a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act to limit his liability regarding Article 423, Paragraph 1 of the Companies Act to a predefined amount of 1,000,000 yen or more or the amount stipulated by laws and regulations, whichever is greater.
 5. Mr. Masahito Kato satisfies the requirements of an Independent Director pursuant to the stipulations of the Tokyo Stock Exchange, and if he assumes the position of Outside Director, the Company plans to submit him to said Exchange as an Independent Director.
 6. The Company has entered into a directors and officers (D&O) liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, to cover legal damages and litigation expenses to be borne by the insured. If Mr. Masahito Kato assumes office as Outside Director, he will be included in the insured under the insurance contract.

Proposal 5: Determination of remuneration for allotment of Restricted Shares to Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors)

At the Company's 92nd Annual General Meeting of Shareholders held on June 23, 2020, it was approved that the maximum amount of remuneration for Directors who are not Audit and Supervisory Committee Members shall be 300 million yen per year (including 20 million yen for Outside Directors; excluding employee salaries but including the amount corresponding to bonuses).

In order to further enhance motivation of the Company's Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors; hereinafter referred to as "Eligible Directors") for share price increase and enhancement of corporate value by sharing both benefit and risk of share price changes with shareholders, the Company proposes to allot shares of the Company's common stock to the Eligible Directors, which are subject to a certain period of transfer restrictions and conditions for acquisition by the Company without consideration (hereinafter referred to as "Restricted Shares") as described below.

Therefore, the Company proposes to set the total amount of monetary remuneration claims to be paid to the Eligible Directors as remuneration, etc. related to Restricted Shares within the above-mentioned amount of remuneration for Directors who are not Audit and Supervisory Committee Members, taking into consideration various matters, including the extent of the contribution by Eligible Directors. The allotment of Restricted Shares is determined by comprehensively taking into consideration various matters, including the extent of the contribution by Eligible Directors, and the dilution ratio is minimal. The ratio of the maximum number of Restricted Shares to be allotted in each fiscal year as set forth in 2. below to the total number of shares issued and outstanding is about 0.9% (if the maximum number of shares is to be issued over a 10-year period, the ratio to the total number of shares issued and outstanding would be about 9%). Therefore, the Company believes that the content of the proposal is appropriate.

If this proposal is approved, in order to ensure consistency with this proposal, changes will be made to 4. "Matters concerning Company Officers," (3) "Amount of Remuneration, etc. for Directors for the Current Fiscal Year," (i) "Matters concerning Policy for Determining Amount and Calculation Method of Remuneration, etc. for Directors" in the Business Report (of the Japanese version), at a meeting of the Board of Directors to be held after the conclusion of this General Meeting of Shareholders. The Company believes that this proposal is in line with the policy after such changes and is appropriate.

Currently, the Company has seven (7) Directors who are not Audit and Supervisory Committee Members (including one (1) Outside Director), and this will remain the same if Proposal 2 is approved.

Specific details and maximum number of Restricted Shares to be allotted to Eligible Directors

1. Allotment of Restricted Shares and payment therefor

Based on a resolution of the Company's Board of Directors, the Company shall pay monetary compensation claims to Eligible Directors within the above-mentioned annual amount as remuneration, etc. related to the Restricted Shares, and each Eligible Director shall provide all of such monetary compensation claims by means of contribution in kind to receive allotment of Restricted Shares.

The amount to be paid in for the Restricted Shares shall be determined by the Company's Board of Directors based on the closing price of shares of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Company's Board of Directors regarding the issuance or disposal thereof (or, if no trading is concluded on that date, the closing price on the most recent trading date prior to that day), within a range that is not especially favorable to the Eligible Directors to whom such Restricted Shares will be allotted.

The above-mentioned monetary compensation claims shall be paid on the condition that Eligible Directors agree to the above-mentioned contribution-in-kind and that they have concluded Transfer Restricted Share allotment agreements that include the details set forth in 3. below.

2. Total number of Restricted Shares

The total number of Restricted Shares to be allotted to Eligible Directors shall be 90,000 shares, which shall be the maximum number of Restricted Shares to be allotted in each fiscal year.

However, in the event of a share split (including gratis allotment of shares of the Company's common stock) or a reverse share split of shares of the Company's common stock after the date of resolution of this proposal, or in any other cases where adjustment of the total number of Restricted Shares to be allotted is required pursuant to such cases, the total number of such Restricted Shares may be reasonably adjusted.

3. Details of the Restricted Share allotment agreement

Upon allotment of Restricted Shares, the Restricted Share allotment agreement to be entered into between the Company and the Eligible Director to whom Restricted Shares are allotted based on the resolution of the Company's Board of Directors shall include the following.

(1) Details of transfer restrictions

The Eligible Director who has received allotment of Restricted Shares shall not transfer, pledge, assign security interest, offer as inter vivos gift, bequeath, or otherwise dispose of the Restricted Shares to a third party (hereinafter referred to as "Transfer Restrictions"), during the period from the date of delivery of the Restricted Shares to the date on which he/she leaves any of the positions of Director, Executive Officer or employee of the Company or retires from the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without consideration

In the event that an Eligible Director to whom Restricted Shares have been allotted leaves any of the positions of Director, Executive Officer or employee of the Company on or after the commencement date of the Transfer Restriction Period and before the day preceding the date of the first Annual General Meeting of Shareholders of the Company to be held, the Company shall, unless there is a reason that is justified by the Board of Directors, acquire the allotted shares without consideration.

In addition, at the time of the expiration of the Transfer Restriction Period set forth in (1) above, if any allotted shares remain whose Transfer Restrictions are not removed in accordance with the provisions concerning reasons for removing the Transfer Restrictions set forth in (3) below, the Company shall rightfully acquire such allotted shares without consideration.

(3) Removal of Transfer Restrictions

The Company shall remove the Transfer Restrictions of all of the allotted shares upon expiration of the Transfer Restriction Period, provided that the Eligible Director to whom Restricted Shares have been allotted has continuously held the position of Director, Executive Officer or employee of the Company from the commencement date of the Transfer Restriction Period until the first Annual General Meeting of Shareholders of the Company to be held on or after the Transfer restriction Period.

However, if, for reasons deemed justifiable by the Company's Board of Directors, the Eligible Director leaves any of the positions of Director, Executive Officer or employee of the Company or retires from the Company on or after the commencement date of the Transfer Restriction Period and before the day preceding the first Annual General Meeting of Shareholders of the Company to be held, the number of the allotted shares whose Transfer Restrictions are to be removed and the timing of the removal of the Transfer Restrictions shall be reasonably adjusted as necessary.

(4) Treatment upon organizational restructuring, etc.

In the event that a merger agreement where the Company becomes the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly owned subsidiary, or other matter concerning an organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors if approval of the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc.) during the Transfer Restriction Period, the Company may remove the Transfer Restrictions before the effective date of the organizational restructuring, etc. by resolution of the Company's Board of Directors, for a number of the allotted shares to be reasonably determined considering the length of the period from the commencement of the Transfer Restriction Period until the date of approval of the organizational restructuring, etc.

In such a case, at the point in time immediately after the Transfer Restrictions are removed in accordance with the above provisions, the Company shall rightfully acquire for no consideration the allotted shares whose Transfer Restrictions have not been removed.

(Reference)

The Company plans to allot Restricted Shares similar to the Restricted Shares described above to the Executive Officers of the Company after the conclusion of this General Meeting of Shareholders.

Proposal 6: Determination of remuneration for allotment of Restricted Shares to Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)

At the Company's 92nd Annual General Meeting of Shareholders held on June 23, 2020, it was approved that the maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members shall be 50 million yen per year (including the amount for Outside Directors).

In order to incentivize the Company's Directors who are Audit and Supervisory Committee Members (excluding Outside Directors; hereinafter referred to as "Eligible Directors") for enhancement of corporate value of the Company through prevention of damage to corporate value and to appropriately ensure the supervisory function of judging the appropriateness of business execution from an objective standpoint, the Company proposes to allot shares of the Company's common stock to the Eligible Directors, which are subject to a certain period of transfer restrictions and conditions for acquisition by the Company without consideration (hereinafter referred to as "Restricted Shares") as described below.

Therefore, the Company proposes to set the total amount of monetary remuneration claims to be paid to the Eligible Directors as remuneration, etc. related to Restricted Shares within the above-mentioned amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members, taking into consideration various matters, including the extent of the contribution by Eligible Directors. The allotment of Restricted Shares is determined by comprehensively taking into consideration various matters, including the extent of the contribution by Eligible Directors, and the dilution ratio is minimal. The ratio of the maximum number of Restricted Shares to be allotted in each fiscal year as set forth in 2. below to the total number of shares issued and outstanding is about 0.1% (if the maximum number of shares is to be issued over a 10-year period, the ratio to the total number of shares issued and outstanding would be about 1.5%). Therefore, the Company believes that the content of the proposal is appropriate.

If this proposal is approved, in order to ensure consistency with this proposal, changes will be made to 4. "Matters concerning Company Officers," (3) "Amount of Remuneration, etc. for Directors for the Current Fiscal Year," (i) "Matters concerning Policy for Determining Amount and Calculation Method of Remuneration, etc. for Directors" in the Business Report (of the Japanese version), through discussion among Directors who are Audit and Supervisory Committee Members after the conclusion of this General Meeting of Shareholders. The Company believes that this proposal is in line with the policy after such changes and is appropriate.

Currently, the Company has five (5) Directors who are Audit and Supervisory Committee Members (including three (3) Outside Directors), and this will remain the same if Proposal 3 is approved.

Specific details and maximum number of Restricted Shares to be allotted to Eligible Directors

1. Allotment of Restricted Shares and payment therefor

Based on discussion by the Company's Directors who are Audit and Supervisory Committee Members, the Company shall pay monetary compensation claims to Eligible Directors within the above-mentioned annual amount as remuneration, etc. related to the Restricted Shares, and each Eligible Director shall provide all of such monetary compensation claims by means of contribution in kind to receive allotment of Restricted Shares.

The amount to be paid in for the Restricted Shares shall be determined by the Company's Board of Directors based on the closing price of shares of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution of the Company's Board of Directors regarding the issuance or disposal thereof (or, if no trading is concluded on that date, the closing price on the most recent trading date prior to that day), within a range that is not especially favorable to the Eligible Directors to whom such Restricted Shares will be allotted.

The above-mentioned monetary compensation claims shall be paid on the condition that Eligible Directors agree to the above-mentioned contribution-in-kind and that they have concluded Transfer Restricted Share allotment agreements that include the details set forth in 3. below.

2. Total number of Restricted Shares

The total number of Restricted Shares to be allotted to Eligible Directors shall be 15,000 shares, which shall be the maximum number of Restricted Shares to be allotted in each fiscal year.

However, in the event of a share split (including gratis allotment of shares of the Company's common stock) or a reverse share split of shares of the Company's common stock after the date of resolution of this proposal, or in any other cases where adjustment of the total number of Restricted Shares to be allotted is required pursuant to such cases, the total number of such Restricted Shares may be reasonably adjusted.

3. Details of the Restricted Share allotment agreement

Upon allotment of Restricted Shares, the Restricted Share allotment agreement to be entered into between the Company and the Eligible Director to whom Restricted Shares are allotted based on the resolution of the Company's Board of Directors shall include the following.

(1) Details of transfer restrictions

The Eligible Director who has received allotment of Restricted Shares shall not transfer, pledge, assign security interest, offer as inter vivos gift, bequeath, or otherwise dispose of the Restricted Shares to a third party (hereinafter referred to as "Transfer Restrictions"), during the period from the date of delivery of the Restricted Shares to the date on which he/she leaves any of the positions of Director, Executive Officer or employee of the Company or retires from the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without consideration

In the event that an Eligible Director to whom Restricted Shares have been allotted leaves any of the positions of Director, Executive Officer or employee of the Company on or after the commencement date of the Transfer Restriction Period and before the day preceding the date of the first Annual General Meeting of Shareholders of the Company to be held, the Company shall, unless there is a reason that is justified by the Board of Directors, acquire the allotted shares without consideration.

In addition, at the time of the expiration of the Transfer Restriction Period set forth in (1) above, if any allotted shares remain whose Transfer Restrictions are not removed in accordance with the provisions concerning reasons for removing the Transfer Restrictions set forth in (3) below, the Company shall rightfully acquire such allotted shares without consideration.

(3) Removal of Transfer Restrictions

The Company shall remove the Transfer Restrictions of all of the allotted shares upon expiration of the Transfer Restriction Period, provided that the Eligible Director to whom Restricted Shares have been allotted has continuously held the position of Director, Executive Officer or employee of the Company from the commencement date of the Transfer Restriction Period until the first Annual General Meeting of Shareholders of the Company to be held on or after the Transfer restriction Period.

However, if, for reasons deemed justifiable by the Company's Board of Directors, the Eligible Director leaves any of the positions of Director, Executive Officer or employee of the Company or retires from the Company on or after the commencement date of the Transfer Restriction Period and before the day preceding the first Annual General Meeting of Shareholders of the Company to be held, the number of the allotted shares whose Transfer Restrictions are to be removed and the timing of the removal of the Transfer Restrictions shall be reasonably adjusted as necessary.

(4) Treatment upon organizational restructuring, etc.

In the event that a merger agreement where the Company becomes the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly owned subsidiary, or other matter concerning an organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors if approval of the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc.) during the Transfer Restriction Period, the Company may remove the Transfer Restrictions before the effective date of the organizational restructuring, etc. by resolution of the Company's Board of Directors, for a number of the allotted shares to be reasonably determined considering the length of the period from the commencement of the Transfer Restriction Period until the date of approval of the organizational restructuring, etc.

In such a case, at the point in time immediately after the Transfer Restrictions are removed in accordance with the above provisions, the Company shall rightfully acquire for no consideration the allotted shares whose Transfer Restrictions have not been removed.