

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

Securities identification code: 6507

June 7, 2023

To our shareholders:

Shinichi Hirano

President

SINFONIA TECHNOLOGY CO., LTD.

1-30, Shibadaimon 1-chome, Minato-ku, Tokyo, Japan

Notice of the 99th Ordinary General Meeting of Shareholders

SINFONIA TECHNOLOGY CO., LTD. (the “Company”) is pleased to notify you of the 99th Ordinary General Meeting of Shareholders of the Company, which will be held as described below.

In convening the Ordinary General Meeting of Shareholders, the Company posted information included in Reference Documents for the General Meeting of Shareholders (matters for electronic provision measures) on the following websites as the Company has taken electronic provision measures. Please access the following websites to review the Reference Documents for the General Meeting of Shareholders.

Our website (in Japanese): <https://www.sinfo-t.jp/ir/stockholder>

Website of Tokyo Stock Exchange, Inc. (Listed Company Information Search):

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

(Please enter or search our company name “SINFONIA TECHNOLOGY” or securities code “6507”, and select “Basic information” and “Documents for the public inspection/PR information”.)

Shareholders’ Meeting materials:

Please read the QR code in a voting form or access <https://www.soukai-portal.net> and enter the ID/password specified in the voting form.

Each website may be temporarily inaccessible due to maintenance or other reasons. If you cannot view the website, please check the other websites listed above or access them again after a short period of time.

Instead of attending the meeting in person, you can exercise your voting rights in writing or via the Internet, and in doing so, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Wednesday, June 28, 2023 (Japan Standard Time).

Meeting Details

1. **Date and time:** Thursday, June 29, 2023 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** Shiba NBF Tower 7F (The Company's meeting room)
1-30, Shibadaimon 1-chome, Minato-ku, Tokyo, Japan
3. **Purposes:**
 - Items to be reported:**
 1. Business Report and Consolidated Financial Statements for the 99th Term (from April 1, 2022 to March 31, 2023), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Non-Consolidated Financial Statements for the 99th Term (from April 1, 2022 to March 31, 2023)

Items to be resolved:

- Proposal No. 1:** Appropriation of surplus
- Proposal No. 2:** Election of nine (9) Directors
- Proposal No. 3:** Election of one (1) Corporate Auditor
- Proposal No. 4:** Renewal of policy to counter large-scale purchase of share certificates, etc. of the Company (anti-takeover measures)

-
- Please submit a voting form to the reception of the venue when you attend the meeting. If you are attending as a proxy, please submit a letter of proxy together with the voting form to the reception of the venue. (A proxy is limited to one person who must be a shareholder of the Company with voting rights as provided in the Articles of Incorporation.)
 - Among the documents provided electronically, the following items are published on the above websites on the Internet under the provisions in law and Article 17 of the Articles of Incorporation. Therefore, they are not included in the documents to be delivered to shareholders. Accordingly, the documents to be delivered to the shareholders are part of the consolidated financial statements and non-consolidated financial statements audited when the audit reports were prepared by the Accounting Auditor and the Corporate Auditors.
 - (1) "Consolidated Statements of Changes in Net Assets of the Consolidated Financial Statements" and "Notes to Consolidated Financial Statements"
 - (2) "Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements"
 - In the event of any revision to the matters for electronic provision measures, the information before and after revision will be posted on the respective websites where it is posted.
 - Please understand that Directors and employees of the Company will wear light clothes ("Cool Biz") at the meeting.

Proposals and Reference Information

Proposal No. 1

Appropriation of surplus

Under its basic policy to provide dividends in a continuous and stable manner, the Company makes a decision about profit distribution by taking into account its shareholders' interests, secure internal reserve to enhance its corporate structure and deploy its business for the future, and earning position prospect. The Company hereby proposes the following year-end dividends for the fiscal year.

Matters related to year-end dividends

- (1) Allocation of dividend property to shareholders and total amount thereof
75 yen per common share of the Company
Total amount of dividends: 2,127,203,850 yen
- (2) Effective date of distribution of dividends of surplus
June 30, 2023

Proposal No. 2

Election of nine (9) Directors

The term of all nine (9) Directors expires at the close of this General Meeting of Shareholders. Accordingly, the Company proposes that nine (9) Directors be elected. The candidates for Directors are as follows:

No.	Name	Positions and responsibilities in the Company			
1	Shozo Buto	Chairman General supervisor of the Research & Development Center	Reelection		
2	Shinichi Hirano	President	Reelection		
3	Katsuyuki Sakamoto	Director & Senior Officer General Manager of the Finance Department, Manager of the Internal Control Promotion Section, Finance Department, in charge of the IT Planning Department, Audit Department, and general risk management, and General supervisor of the Corporate Planning Department, Administrative & Personnel Department, Legal Department, Quality Control Department, Company-wide Compliance and WAY Promotion Project	Reelection		
4	Hiroharu Senju	Director & Senior Officer General Manager of the Electrical Products & Systems Division in charge of Electrical Products and Vibratory Material Handling Systems Business, responsible for Sales Operations Administration Department and sales companies, branches, and sales offices	Reelection		
5	Minoru Yamakuni	Director & Senior Officer General Manager of Electronics & Precision Products Division	Reelection		
6	Takaichi Hatano	Director & Senior Officer General Manager of Clean Transport System Division, responsible for Global Business Development Center	Reelection		
7	Koichi Yuikawa	Outside Director	Reelection	Outside	Independent
8	Tatsunobu Sako	Outside Director	Reelection	Outside	Independent
9	Jun Fujioka	Outside Corporate Auditor	New election	Outside	Independent

Reelection	Candidate for Director to be reelected
New election	Candidate for Director to be newly elected
Outside	Candidate for Outside Director
Independent	Independent officer as provided for by the stock exchanges

Candidate
No.

1

Shozo Buto (July 19, 1947)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1970	Joined the Company	June 2015	Chairman of the Company (present position)
June 2003	Director of the Company		
June 2005	Managing Director of the Company	June 2019	General supervisor of the Research & Development Center of the Company (present position)
June 2007	Senior Managing Director of the Company		
June 2009	President of the Company		

[Reasons for nomination as candidate for Director]

Number of the Company's shares owned
44,800
Attendance at Board of Directors' Meetings:
15/15 (100%)

Mr. Buto has led the Company's management as President since June 2009, and in June 2015 he was appointed as Chairman. In his role as Director, he has contributed to the reinforcement of the supervisory function and securing of the effectiveness of the Board of Directors. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Candidate
No.

2

Shinichi Hirano (May 2, 1955)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1978	Joined the Company	November 2021	Representative Director of the Company
June 2012	Officer of the Company		
June 2016	Senior Officer of the Company	April 2021	President of the Company (present position)
June 2017	Director of the Company		
June 2019	Executive Officer of the Company		

[Reasons for nomination as candidate for Director]

Number of the Company's shares owned
27,700
Attendance at Board of Directors' Meetings:
15/15 (100%)

After managing the Company as a person in charge of a business division, in April 2022 Mr. Hirano assumed the position of President of the Company, through which he has led management to achieve sustainable growth in our corporate value. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Candidate
No.

3



Number of the Company's shares owned
16,400
Attendance at Board of Directors' Meetings:
15/15 (100%)

Katsuyuki Sakamoto (April 24, 1969)

Reelection

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1993	Joined the Company	April 2020	General supervisor of the Corporate Planning Department of the Company (present position)
June 2016	General Manager of the Finance Department of the Company (present position)		
July 2017	Manager of the Internal Control Promotion Section, Finance Department of the Company (present position)	April 2021	Senior Officer, in charge of the Audit Department, and General supervisor of the Administrative & Personnel Department, Legal Department, Company-wide Compliance and WAY Promotion Project of the Company (present position)
June 2018	Officer of the Company		
June 2018	Director and in charge of general risk management of the Company (present position)		
January 2020	In charge of the IT Planning Department of the Company (present position)	April 2023	General supervisor of the Quality Control Department of the Company (present position)

[Reasons for nomination as candidate for Director]

Mr. Sakamoto is currently contributing to the Company as Director in charge of realizing its financial strategy and playing a key role in management aimed at strengthening the management base following his work in the Accounting Department. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Candidate
No.

4



Number of the Company's shares owned
6,200
Attendance at Board of Directors' Meetings:
15/15 (100%)

Hiroharu Senju (December 15, 1965)

Reelection

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1990	Joined the Company	June 2021	Director of the Company (present position)
June 2019	Officer of the Company		
June 2019	In charge of Electrical Products Business of the Electrical Products & Systems Division of the Company (present position)	April 2022	Senior Officer of the Company, General Manager of the Electrical Products & Systems Division and in charge of the Sales Operations Administration Department, sales companies, branches, and sales offices of the Company (present position)
April 2021	In charge of Vibratory Material Handling Systems Business of the Electrical Products & Systems Division (present position)		

[Reasons for nomination as candidate for Director]

Mr. Senju is currently contributing to the Company as Director in charge of realizing the Company's business strategy, following his contribution to management as an Officer. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Candidate
No.

5

Minoru Yamakuni (October 21, 1963)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1987	Joined the Company
April 2020	Officer of the Company
April 2022	Senior Officer and General Manager of the Electronics & Precision Products Division of the Company (present position)
June 2022	Director of the Company (present position)

[Reasons for nomination as candidate for Director]

Mr. Yamakuni is currently contributing to the Company as Director in charge of realizing the Company's business strategy, following his contribution to management as an Officer. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Number of the Company's shares
owned
7,000

Attendance at Board of Directors'
Meetings:
11/11 (100%)

Candidate
No.

6

Takaichi Hatano (December 25, 1963)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1987	Joined the Company	April 2020	Officer of the Company
July 2002	Joined Assist Shinko Co., Ltd. (currently, Murata Machinery, Ltd.)	April 2022	Senior Officer of the Company (present position)
January 2006	Joined STMicroelectronics	June 2022	Director of the Company, General Supervisor of the Global Business Development Center (present position)
December 2007	Joined Asyst Technologies Inc.		
December 2009	Joined the Company	October 2022	General Manager of Clean Transport System Division of the Company (present position)

[Reasons for nomination as candidate for Director]

Mr. Hatano is currently contributing to the Company as Director in charge of realizing the Company's business strategy, following his contribution to management as an Officer. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Number of the Company's shares
owned
5,000

Attendance at Board of Directors'
Meetings:
11/11 (100%)

Candidate
No.

7

Koichi Yuikawa (September 15, 1948)

Reelection

Outside

Independent



Number of the Company's shares owned
500

Attendance at Board of Directors' Meetings:
11/11 (100%)

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1971	Joined Fukui Seiren Kako Co., Ltd. (currently, SEIREN Co., Ltd.)	June 2014	Representative Director, President and COO of SEIREN Co., Ltd.
June 2003	Officer of SEIREN Co., Ltd.	June 2018	Full-time Advisor of SEIREN Co., Ltd.
June 2005	Director and Officer of SEIREN Co., Ltd.	June 2019	Outside Director of KASAI KOGYO CO., LTD (present position)
June 2006	Director and Senior Officer of SEIREN Co., Ltd.	June 2020	Part-time Advisor of SEIREN Co., Ltd. (present position)
June 2010	Director and Executive Officer of SEIREN Co., Ltd.	June 2022	Outside Director of the Company (part-time) (present position)
June 2011	Representative Director and Executive Vice President of SEIREN Co., Ltd.		

[Reasons for nomination as an outside Director and overview of expected role]

The Company proposes the election of Mr. Yuikawa as Outside Director with the expectation that he will be able to provide supervision of overall management and effective recommendations that ensure the appropriateness and validity of decision making based on his broad knowledge and wealth of experience as a corporate manager in an industry different from that of the Company. If Mr. Yuikawa is elected, he will engage in dealing with original proposals on the election of and compensation for the Directors and others of the Company from an objective and neutral standpoint. Mr. Yuikawa is currently one of the Company's Outside Directors and will have been in this position for one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.

Candidate
No.

8

Tatsunobu Sako (August 21, 1952)

Reelection

Outside

Independent



Number of the Company's shares owned
0

Attendance at Board of Directors' Meetings:
11/11 (100%)

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1975	Joined Nissho Iwai Corporation (currently, Sojitz Corporation)	April 2020	President of Sojitz Machinery Holdings Co., Ltd. (currently, Sojitz Machinery Corporation)
April 2006	Officer of Sojitz Corporation		
April 2008	Senior Officer of Sojitz Corporation		Chairman of Sojitz Machinery Corporation
March 2013	Retired from Sojitz Corporation	April 2021	Chairman of Sojitz Machinery Corporation (present position)
April 2013	Advisor of Sojitz Machinery Corporation	June 2022	Outside Director of the Company (part-time) (present position)
June 2013	President of Sojitz Machinery Corporation		
June 2019	Chairman of Sojitz Machinery Corporation		

[Reasons for nomination as an outside Director and overview of expected role]

The Company proposes the election of Mr. Sako as Outside Director with the expectation that he will be able to provide supervision of overall management and effective recommendations that ensure the appropriateness and validity of decision making based on his broad knowledge and wealth of experience as a corporate manager in an industry different from that of the Company. If Mr. Sako is elected, he will engage in dealing with original proposals on the election of and compensation for the Directors and others of the Company from an objective and neutral standpoint. Mr. Sako is currently one of the Company's Outside Directors and will have been in this position for one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.

Candidate
No.

9

Jun Fujioka (March 3, 1951)

New election

Outside

Independent



Number of the Company's shares
owned
0

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1976	Joined Kobe Steel, Ltd.	April 2016	Senior Advisor of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
October 1999	Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.	June 2018	Retired as Senior Advisor of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2002	Director and Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.	June 2020	Outside Corporate Auditor of the Company (part-time) (present position)
June 2005	Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.		
April 2008	Senior Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.		
June 2008	Director, Senior Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.		
June 2011	President, CEO and Representative Director of KOBELCO CONSTRUCTION MACHINERY CO., LTD.		

[Reasons for nomination as an outside Director and overview of expected role]

The Company proposes the election of Mr. Fujioka as Outside Director with the expectation that he will be able to provide supervision of overall management and effective recommendations that ensure the appropriateness and validity of decision making based on his broad knowledge and wealth of experience as a corporate manager in the manufacturing industry. If Mr. Fujioka is elected, he will engage in dealing with original proposals on the election of and compensation for the Directors and others of the Company from an objective and neutral standpoint. Mr. Fujioka is currently one of the Company's Outside Corporate Auditors and will have been in this position for three (3) years at the conclusion of this Ordinary General Meeting of Shareholders.

Notes:

1. There is no special interest between the candidates and the Company.
2. Mr. Minoru Yamakuni, Mr. Takaichi Hatano, Mr. Koichi Yuikawa, and Mr. Tatsunobu Sako were newly elected and assumed office at the 98th Ordinary General Meeting of Shareholders held on June 29, 2022. Therefore, their attendance at Board of Directors' meetings is for meetings held after they assumed office.
3. Mr. Koichi Yuikawa, Mr. Tatsunobu Sako, and Mr. Jun Fujioka are candidates for Outside Director. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Koichi Yuikawa, Mr. Tatsunobu Sako, and Mr. Jun Fujioka have been designated as Independent Officers based on the regulations of Tokyo Stock Exchange, Inc., and if their election is approved, the Company plans to continue to designate them as Independent Officers.
4. The Company has entered into an agreement with each of Mr. Koichi Yuikawa, Mr. Tatsunobu Sako, and Mr. Jun Fujioka that limits their respective liability with the Company pursuant to Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability under the said agreement is the minimum liability amount as provided in laws and ordinances. If their election is approved, the Company plans to renew the above limited liability agreements with them.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The directors and officers liability insurance agreement, which is renewed annually, is an insurance policy under which an insurance company covers damages suffered by the insureds, including the Company's Directors, that may arise from the liabilities for the execution of their duties or arise from a claim filed against them that pursues such liabilities. In the case that the Company pursues the liabilities for damages against the insureds, the coverage of such a case is exempted under the directors and officers liability insurance agreement. Meanwhile, the directors and officers liability insurance agreement ensures the appropriateness of the insureds' execution of duties not to be impaired by way of establishing a co-payment amount. If the candidates are elected and assume office as Directors, they will become the insureds under the directors and officers liability insurance agreement.

Election of one (1) Corporate Auditor

As Mr. Jun Fujioka, one of the current Corporate Auditors, will leave office at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes the election of one (1) Corporate Auditor to fill his vacancy. The term of the Corporate Auditor to be elected as a substitute will be until the expiration of the term of office of the retiring auditor, in accordance with the provisions of the Company's Articles of Incorporation. The Board of Auditors consents to the submission of this proposal. The candidate for Corporate Auditor is as follows:

Akiko Fujioka (October 3, 1971)

New election

Outside

Independent



Number of the Company's shares owned
0

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 2000	Full-time Lecturer, Ryukoku University, Faculty of Business Administration, Department of Business Administration
April 2004	Assistant Professor, Ryukoku University, Faculty of Business Administration, Department of Business Administration
April 2007	Associate Professor, Ryukoku University, Faculty of Business Administration, Department of Business Administration
April 2015	Professor, Ryukoku University, Faculty of Business Administration, Department of Business Administration (present position)

[Reasons for nomination as an Outside Corporate Auditor and overview of expected role]

The Company proposes the election of Ms. Fujioka as Outside Corporate Auditor with the expectation that she will be able to provide effective advice from an objective standpoint based on her advanced knowledge and insight as an academic. Although she has no direct experience of being involved in corporate management, she has considerable knowledge of marketing, finance and accounting, and for the reasons stated above, the Company determines that she will be able to appropriately perform her duties as an Outside Corporate Auditor.

Notes:

1. There is no special interest between the candidate and the Company.
2. Ms. Akiko Fujioka is a candidate for Outside Corporate Auditor. If her election is approved, the Company plans to notify the Tokyo Stock Exchange, Inc. of her appointment as a new Independent Officer.
3. If her election is approved, the Company plans to enter into an agreement with Ms. Fujioka that limits her liability with the Company pursuant to Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability under the agreement is the minimum liability amount as provided in laws and ordinances.
4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The directors and officers liability insurance agreement, which is renewed annually, is an insurance policy under which an insurance company covers damages suffered by the insureds, including the Company's Directors, that may arise from the liabilities for the execution of their duties or arise from a claim filed against them that pursues such liabilities. In the case that the Company pursues the liabilities for damages against the insureds, the coverage of such a case is exempted under the directors and officers liability insurance agreement. Meanwhile, the directors and officers liability insurance agreement ensures the appropriateness of the insureds' execution of duties not to be impaired by way of establishing a co-payment amount. If the candidates are elected and assume office as Directors, they will become the insureds under the directors and officers liability insurance agreement.
5. The name of Akiko Fujioka in the family register is Akiko Murakami.

(Reference) Skills matrix of candidates for Directors and Corporate Auditors after appointment

The composition of Directors and Corporate Auditors if Proposals 2 and 3 are approved as proposed at this Ordinary General Meeting of Shareholders is as follows:

		Attribution	Areas where the Company has particular expectations						
Name		Independent	Corporate management	Business strategy	Technology and R&D	Sales/Marketing	Global	Finance/Accounting	Legal affairs/Risk management
Directors	Shozo Buto		✓		✓		✓		
	Shinichi Hirano		✓		✓	✓			
	Katsuyuki Sakamoto			✓				✓	✓
	Hiroharu Senju			✓		✓	✓		
	Minoru Yamakuni			✓	✓	✓			
	Takaichi Hatano			✓		✓	✓		
	Koichi Yuikawa	Outside/Independent	✓			✓	✓		
	Tatsunobu Sako	Outside/Independent	✓			✓	✓		
	Jun Fujioka	Outside/Independent	✓	✓	✓				
Auditors	Satoru Hori				✓			✓	✓
	Kenji Ohnishi	Outside/Independent				✓		✓	✓
	Osamu Shimotani	Outside/Independent						✓	✓
	Akiko Fujioka	Outside/Independent				✓		✓	✓

* The above table does not represent all of the knowledge and experience possessed by each director and auditor, but lists a maximum of three areas where the Company has particular expectations of each director and auditor.

Proposal No. 4: Renewal of policy to counter large-scale purchase of share certificates, etc. of the Company (anti-takeover measures)

The Company resolved at the Board of Directors' meeting held on May 13, 2020 to renew its policy to counter large-scale purchase of share certificates, etc. of the Company (anti-takeover measures) (the "Former Policy") in order to secure and enhance its corporate value and the common interests of its shareholders ("Shareholders"), and the renewal was approved by Shareholders at the 96th ordinary general meeting of Shareholders held on June 26, 2020. It is set forth that the Former Policy is effective until the close of the ordinary general meeting of Shareholders for the last fiscal year which ends in three (3) years following the close of the 96th ordinary general meeting of Shareholders held on June 26, 2020; i.e., until the close of this Shareholders' Meeting.

Ahead of the expiry of the Former Policy, subject to obtaining Shareholders' approval at this Shareholders' Meeting, the Board of Directors' meeting held on April 25, 2023 resolved to revise in part and renew the Former Policy as the framework to prevent decision-making of financial and business policies of the Company from being controlled by any inappropriate person in light of the Basic Policies regarding the way in which a person controlling decision-making of financial and business policies should conduct (as set forth in Article 118, Item (3) of the Regulation for Enforcement of the Companies Act; the "Basic Policies") of the Company, as stipulated in Article 118, Item (3)(ro)(2) of the Regulation for Enforcement of the Companies Act (hereinafter the partial revision and renewal of the Former Policy is referred to as the "Renewal" and the revised policy is referred to as the "Policy").

At the Board of Directors' meeting which resolved the Renewal, Directors and Corporate Auditors including three (3) Outside Directors and three (3) Outside Corporate Auditors were present and all of Directors and Corporate Auditors who were present expressed their opinion approving the Renewal.

As of the date hereof, there is no fact that the Company has received any notice or proposal from a specific third party that the party will conduct Large-Scale Purchase (as defined in the following section 3. 2)(2)(i); hereinafter the same) of share certificates, etc. of the Company.

The major revisions to the Former Policy made in the course of the Renewal are as follows:

- (i) The scope of actions which are subject to Large-Scale Purchase has been revised;
- (ii) The examples of large-scale purchase information to be provided by large-scale purchaser have been more clearly stated; and
- (iii) The wordings and phrases have been modified or sorted out and some of the statements have been further detailed.

As the Renewal needs to be approved and resolved at this Shareholders' Meeting as stated above, the Company hereby requests Shareholders to deliberate on and approve the Renewal.

1. Outline of the Basic Policies regarding the way in which a person controlling the decision-making of financial and business policies of the Company should conduct

The Board of Directors considers that the person who should control the decision-making of financial and business policies of the Company needs to understand the source of the Company's corporate value and be capable of continuously and sustainably securing and improving the corporate value and Shareholders' common interests. As the shares of the Company as a listed company are permitted to be freely traded, the Board of Directors considers that if Large-Scale Purchase of shares of the Company is offered, the final decision of whether or not to accept the offer should be made by people who are Shareholders at the time of the offer.

There are, however, not a few offers of Large-Scale Purchase which do not serve a target company's corporate value and its shareholders' common interests in terms of the purposes thereof such as those which (i) are explicitly detrimental to the corporate value and the common interests of shareholders, (ii) are likely to substantively force shareholders to sell their share certificates, etc., (iii) provide no sufficient time or information for the board of directors and shareholders of a target company to examine details, etc. of Large-Scale Purchase offered or for the board of directors to make an alternative proposal, and (iv) require a target company to discuss or negotiate with the purchaser for more favorable conditions than those offered by the purchaser.

The Company deems that its corporate value is sourced from (i) its consistent system from developing and manufacturing the machinery, and electricity and control devices for a wide range of products to distributing the products, (ii) its advanced technical capabilities secured by wealth of experience and know-how amassed since its start of business, (iii) its trust relationship with its stakeholders established for long years, (iv) its corporate culture building upon synergy of human resources, specific technologies and manufacturing technologies, etc. among business units, and (v) its trust relationship between the management who creates synergy of business units and human resources and employees, and unless a purchaser of Large-Scale Purchase of share certificates, etc. of the Company understands the source of the Company's corporate value as stated above, and is capable to secure and enhance the corporate value over

the medium-to-long term, the Company's corporate value and the common interest of Shareholders will be damaged. Furthermore, the Company considers that in the event of Large-Scale Purchase by Purchaser (as defined in the following section 3. 2)(1)(i); hereinafter the same) who does not belong to the Company, the information on Large-Scale Purchase offered necessary and sufficient for Shareholders to decide whether or not to accept such offer should be provided by Purchaser in advance, and if Large-Scale Purchase is forced through without disclosing the information to Shareholders, it is highly likely to damage the Company's corporate value and Shareholders' common interests.

The Company deems that any person conducting Large-Scale Purchase which does not serve the Company's corporate value and Shareholders' common interests is not an appropriate person to control the decision-making of financial and business policies of the Company and that it is requisite to secure its corporate value and Shareholders' common interests by taking necessary and adequate countermeasures against Large-Scale Purchase conducted by such inappropriate person.

2. Outline of special framework serving achievement of the Basic Policies

1) Framework to secure and enhance the Company's corporate value and Shareholders' common interests

(1) The Company's corporate philosophy and source of its corporate value

The Company has established its "corporate philosophy" and been working on improving its corporate value and competitiveness creating the value. Its "corporate philosophy" is as follows: "With three (3) mottos: 'One step ahead in technology', 'respect for the Earth', and 'thoughtful behavior'; we contribute to a good life and better society for human beings on the Earth and the universe."

The Company has expanded its business domain to a wide range of fields by using its electromagnetic application technology and precision mechanics technology since its start of business in 1917, and has been providing a variety of products such as electronics for aircraft, color printer, electromagnetic clutch, semiconductor wafer transportation device and social infrastructure electric facilities to its customers.

In securing and improving its corporate value, the Company deems that the source of its corporate value is found in the following elements:

- (i) its consistent system from developing and manufacturing electronic device, precision machinery, control device/software for products which satisfy needs of its various customers including public offices, semiconductor makers, photography-related makers to distributing such products;
- (ii) its advanced technical capabilities secured by its wealth of experience and know-how amassed since its start of business;
- (iii) its trust relationship with not only Shareholders but also other stakeholders such as customers, business clients and community-related persons of the Company established for long years;
- (iv) its corporate culture building upon synergy of human resource support, reciprocal usage of technologies owned, and technological cooperation at production site, etc. among business units; and
- (v) its trust relationship between the management who deeply understands the Company's corporate culture and historic background and brings about maximum effect therefrom and employees

(2) Framework to secure and enhance the Company's future corporate value and Shareholders' common interests

The Company's group has drawn up a 3-year medium-term group management plan designating FY2022 as the first year and has been implementing actions based thereon. The Company reforms its product portfolio by focusing on the development of a new product and promotion of a new business and aims for stable growth as a corporation at a new stage and contribution to sustainable development of the society in order to realize its continuous development. From 2022 to 2024, the Company sets the enhancement of its technological development capabilities and its creative activities of new products and new businesses as the most important theme, focuses on a field related to semiconductors, increases the proportion of sales composition in such field, and steadily makes such field as a growth driver. Additionally, the Company will work to reform its product portfolio by focusing on the development of new products related to logistics, regenerative medicine, and decarbonizing.

- (i) Reform of composition of its products by enhancement of technological development capabilities

The Company will promote expansion of fields of technologies of motor drive, power electronics and system control. The Company will lead to reform its product portfolio by proactively using industry-academia collaboration and M&A, etc. especially in connection with the fields of semiconductor transportation, robot system for logistics and transportation, and energy management.

- (ii) Framework of decarbonization and reduction of environmental burden
The Company will make efforts to reduce greenhouse gas emission for the sustainable development of society and the Company's group and additionally promote a shift to products leading to the reduction of greenhouse gas emission by users of our products.
- (iii) Expansion of global businesses
The Company will work on expanding its global business by promoting the enhancement of functionality of local companies in Asia and the North America region to achieve prompt responses to our customers working globally.
- (iv) Enhancement of competitiveness of products and productivity
The Company will work on improving earning power by actively promoting digitalization of products and automation of production to enhance the competitiveness of products and productivity.
- (v) Organization and culture reform
The Company will work to become a company to support employees who can and will take on challenges through the reformation of the organization of which will flexibly respond to the fulfillment of education and evaluation system of human resources and the business environment to establish a sustainable corporate culture with a view to medium, long-term growth.

Additionally, the Company continuously promotes handing down and enhancing its high technology for designing and development of electronic device, precision machinery and control device/software and its manufacturing technique and skill such as welding and processing which the Companies deems as key items to secure and enhance the Company's group's corporate value.

As stated above, the Company continuously fosters its corporate culture which values the importance of skills irreplaceable by machinery or data and synergy among business units, and also works on strengthening the trust relationship between the management who deeply understands the above and employees, for the purpose to further enhance its corporate value, i.e., business performance.

- 2) Structure as basis to secure and enhance corporate value and Shareholders' common interests
 - Improvement of corporate governanceConsidering it necessary to also pay attention to keeping a good relationship with each stakeholder in the course of achieving its management objectives, the Company has been working on improvement of its compliance structure to secure and enhance its corporate value and enhance its management-check function, subject to understanding and support from each stakeholder, compliance with laws and regulations and its articles of incorporation and building high ethical standards, for a good relationship with each stakeholder.
As specific methods, the Company has enhanced its business execution function and decision-making/supervisory function of the management by implementing a corporate-officer system and segregating the decision-making/supervisory function from the business execution function, and, for the purpose to maintain the appropriate management based on checks thereon conducted by and on advices from outsiders, has received advices from outside experts such as lawyers from time to time and appointed three (3) Outside Directors and three (3) Outside Corporate Auditors who are independent from the Company as notified to Tokyo Stock Exchange, Inc. as independent officers under the rules thereof. Furthermore, to increase awareness about compliance and prevent issues of compliance in the Company, the Company has appointed officers in charge of company-wide compliance and established a compliance committee in which representatives of affiliated companies and outside intellectuals have also joined. The Company has also put in place a structure for its internal control system and used efforts to operate and evaluate/improve the system on an ongoing basis.
- 3. Framework to prevent the decision-making of financial and business policies of the Company from being controlled by an inappropriate person in light of the Basic Policies (the Policy)
 - 1) Purpose of the Policy

The Policy is to be renewed for the purpose to secure and enhance the Company's corporate value and Shareholders' common interests, in accordance with the Basic Policies stated in the above section 1.

The Board of Directors considers that any person conducting Large-Scale Purchase which does not serve the Company's corporate value and Shareholders' common interests is inappropriate as the person to control the decision-making of the Company's financial and business policies. Paying close attention to trends such as revisions to the Financial Instruments and Exchange Act and related governmental and ministerial ordinances and based on development of discussions related to anti-takeover measures in these days, the Board of Directors judged that it is essential to maintain the framework to prevent Large-Scale Purchase against the Company's corporate value and Shareholders' common interests by means of securing time and information enough for Shareholders to finally decide whether or not to accept Large-Scale Purchase offered or for the Board of Directors to make an alternative proposal to Shareholders as well as obtaining opportunities for the Board of Directors to discuss and negotiate with Purchaser for the benefit of Shareholders in the event of Large-Scale Purchase of share certificates, etc. in the Company, for the purpose to prevent such inappropriate person from controlling the decision-making of finance and business policies of the Company.

Accordingly, the Board of Directors finally decided to make the Renewal as part of the framework to prevent an inappropriate person in terms of the Basic Policies from controlling the decision-making of financial and business policies of the Company.

2) Contents of the Policy

The contents of the Policy are as follows. As to the flow of procedures for the Policy, please refer to "Flowchart" as Attachment 2 hereto which indicates the outline.

(1) Outline of the Policy

(i) Procedures for the Policy

The Policy is to set forth the procedures to demand information on Large-Scale Purchase of share certificates, etc. of the Company in advance from a person who intends to conduct or is conducting such Large-Scale Purchase ("Purchaser"), secure time enough for the Company to collect and examine such information and then indicate a plan or alternative proposal prepared by its management to Shareholders and have negotiations, etc. with Purchaser (please refer to the following section (2) "Procedures for the Policy"). Purchaser is required to accept the procedures for the Policy and not to proceed with Large-Scale Purchase during a period from start of the procedures for the Policy to (i) the end of Board of Directors Evaluation Period (as defined in the following section (2)(iv)) and (ii) to the time when a Shareholders' meeting to confirm their overall intentions ("Shareholders' Meeting to Confirm Intentions") makes a resolution with respect to exercise of countermeasures if such Shareholders' Meeting to Confirm Intentions is convened to ask whether or not to exercise countermeasures even after the end of Board of Directors Evaluation Period.

(ii) Exercise of Countermeasures

If Purchaser proceeds with Large-Scale Purchase without following the procedures set forth in the Policy or if Purchaser's Large-Scale Purchase would significantly damage the Company's corporate value or Shareholders' common interests (please refer to "Types deemed to Significantly Damage the Company's Corporate Value and Shareholders' Common Interests" as Attachment 3 hereto for details), the Company may allocate share options subject to the exercise conditions under which Purchaser or other certain persons shall not be entitled to exercise the share options and the acquisition clause under which the Company shall acquire the share options in exchange for shares of the Company from persons other than Purchaser or other certain persons (the major contents of share options are detailed in "Outline of Share Options" as Attachment 4 hereto; "Share Options") by means of allotment of share options without contribution (as set forth in Article 277 and subsequent Articles of the Companies Act) to all Shareholders except for the Company. In such allotment of Share Options without contribution, the Company has no plan to distribute money in consideration for acquisition of Share Options held by Purchaser.

(iii) Use of independent committee and Shareholders' Meeting to Confirm Intentions in order to exclude arbitrary decision-making by the Board of Directors

The Policy sets forth to receive objective decisions from an independent committee exclusively consisting of (i) the Company's Outside Directors, (ii) the Company's Outside Corporate Auditors or (iii) outside intellectuals (such as lawyers, accountants, certified public accountants, academic experts, persons acquainted with investment

banking business and outsiders who have experience in working as director or executive officer of other companies), who are independent from the Company's management (the "Independent Committee") in accordance with the committee's rules (please refer to "Outline of the Independent Committee Rules" as Attachment 5 hereto for their outline) for the purpose to exclude any arbitrary decision-making by the Board of Directors for operation of the Policy and exercise of countermeasures, etc. and secure reasonableness and fairness of their decisions. If Large-Scale Purchase is offered by Purchaser, the Board of Directors provides the Independent Committee with such information on a timely basis and the Independent Committee verifies that fair procedures have been taken including that neither Purchaser nor the Board of Directors has conducted anything detrimental to Shareholders' common interests. The Board of Directors pays maximum respect to recommendations from the Independent Committee in deciding whether or not to exercise countermeasures. In addition, if the Independent Committee recommends convening Shareholders' Meeting to Confirm Intentions, the Board of Directors pays maximum respect to the recommendation in deciding whether or not to convene the meeting to submit the proposal on exercise of countermeasures thereto and confirm Shareholders' intentions on the exercise. The transparency of these procedures is secured by means of timely disclosure of information to Shareholders.

The names and career summaries of the Independent Committee's members at the time of the Renewal are as listed in "Career Summary of the Independent Committee Members" as Attachment 6 hereto (please refer to "Outline of the Independent Committee Rules" as Attachment 5 hereto for member appointment criteria, resolution requirements and matters to be resolved of the committee).

- (iv) Exercise of Share Options and the Company's acquisition of Share Options
In case of allotment of Share Options without contribution in accordance with the Policy and when Shareholders other than Purchaser and any other certain persons exercise the options or when shares of the Company are delivered to Shareholders other than Purchaser and other certain persons in exchange for the Company's acquisition of Share Options, the ratio of voting right of shares of the Company held by Purchaser and other certain persons may be diluted to a certain extent.

(2) Procedures for the Policy

(i) Large-Scale Purchase subject to the Policy

For the purpose of the Policy, if a purchase or other acquisition of share certificates, etc. of the Company falling or being likely to fall under the following a. or b. or an act similar to the foregoing (but excluding the one approved in advance by the Board of Directors; "Large-Scale Purchase") is conducted or to be conducted, countermeasures under the Policy may be exercised:

- a. purchase or other acquisition¹ of Share Certificates, etc.² issued by the Company if a specific shareholder's³ Holding Ratio of Share Certificates, etc.⁴ becomes 20% or more in total; or

¹ This includes holding of the right to request delivery of share certificates, etc. under the purchase and sale or any other agreement and conducting any transaction specified in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.

² This means "Share Certificates, etc." set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act (the "Act" in these footnotes) unless otherwise set forth herein. In case of any revision to laws and regulations referred to in the Policy (including name change and enactment of new laws and regulations succeeding to former laws and regulations), the clauses of and terms used in laws and regulations referred to in the Policy are deemed to be replaced with those of the revised or substantially succeeding laws and regulations unless otherwise decided by the Board of Directors.

³ This means "Holder" set forth in Article 27-23, Paragraph 1 of the Act, including persons deemed to be Holders based on Paragraph 3 of the said Article.

⁴ This means "Holding Ratio of Share Certificates, etc." set forth in Article 27-23, Paragraph 4 of the Act unless otherwise set forth herein. For the purpose of calculation of the Holding Ratio of Share Certificates, etc., (a) a Specially Related Party set forth in Article 27-2, Paragraph 7, (b) an investment bank, a securities firm or any other financial institution that has entered into a financial advisory agreement with such specific shareholder or its Joint Holder or Specially Related Party, (c) a tender offer agent, lead securities firm, attorney-at-law, accountant or any other advisor of such specific shareholder or its Joint Holder or Specially Related Party, (d) a person reasonably considered by the Board of Directors as being substantially controlled by, or acting jointly or in concert with, such specific shareholder or its Joint Holder or Specially Related Party (those set forth in (b) through (d) shall be collectively referred to as "Related Person, etc."), and (e) a person to whom such specific shareholder, its Joint Holder or Specially Related Party or Related Person, etc. assigns or transfers the share certificates, etc. of the Company through off-market transaction or on-market after-hours transaction of Tokyo Stock Exchange (ToSNeT-1) shall be deemed as a Joint Holder (meaning a joint holder set forth in Article 27-23, Paragraph 5 of the Act, including a person considered by the Board of Directors to be deemed as a joint holder pursuant to Paragraph 6 of the said Article; hereinafter the same) of such specific shareholder under the Policy. In addition, for the purpose of calculation of the Holding Ratio of Share Certificates, etc., with respect to the total number of outstanding shares of the Company, the latest information published by the Company may be referred to.

- b. purchase or other acquisition⁵ for Share Certificates, etc.⁶ issued by the Company if Ownership Ratio of Share Certificates, etc.⁷ by a specific shareholder and its Specially Related Party⁸ becomes 20% or more in total
- (ii) Submission in advance of “Letter of Intent for Large-Scale Purchase” to the Company
- First, Purchaser is required to submit “Letter of Intent for Large-Scale Purchase” in Japanese representing its pledge to follow the procedures set forth in the Policy (the “Large-Scale Purchase Rules”) to the Board of Directors ahead of proceeding with Large-Scale Purchase. Specifically, the following items need to be stated in “Letter of Intent for Large-Scale Purchase”:
- a. Outline of Purchaser
 - (i) name and address or location;
 - (ii) representative’s name
 - (iii) purpose and business contents of its company, etc.
 - (iv) outline of major shareholders or investors (top 10 shareholders or investors based on the number of shares held or investment ratio);
 - (v) domestic contact information; and
 - (vi) name of the law governing its incorporation
 - b. Number of share certificates, etc. of the Company currently held by Purchaser and the share certificates, etc. of the Company purchased or sold by Purchaser during 60 days before the submission of Letter of Intent for Large-Scale Purchase
 - c. Outline of Large-Scale Purchase offered by Purchaser (including the type and number of share certificates, etc. of the Company intended to be acquired in Large-Scale Purchase and the outline of purpose of Large-Scale Purchase (such as acquisition of control or participation in management, passive investment or long-term investment for business relationship, transfer of share certificates, etc. of the Company to third parties after Large-Scale Purchase, or Material Proposal⁹. Purchaser who has any other purpose is required to state that effect and outline thereof. Purchaser who has more than one purposes is required to state all of them.))
 - d. Pledge to follow the Large-Scale Purchase Rules

In submitting “Letter of Intent for Large-Scale Purchase”, Purchaser is also required to attach a certified copy of its commercial registry, a photocopy of its articles of incorporation and any other written certificate of its existing.

(iii) Provision of “Large-Scale Purchase Information”

Following submission of “Letter of Intent for Large-Scale Purchase” stated in the above section (ii), Purchaser is required to provide information in Japanese necessary and enough for Shareholders to make a decision on Large-Scale Purchase and for the Board of Directors to evaluate and examine the same (“Large-Scale Purchase Information”) to the Board of Directors in accordance with the following procedures.

First, the Company delivers to Purchaser “Large-Scale Purchase Information List” specifying the information to be initially provided, within ten (10) business days¹⁰ from (and excluding) the day on which Purchaser submitted Letter of Intent for Large-Scale Purchase, and Purchaser is required to provide adequate information to the Board of Directors based on the list. If the Board of Directors reasonably decides that the information provided by Purchaser is insufficient for Shareholders to make a decision and for the Board of Directors to evaluate and examine in light of

⁵ This includes a purchase or other acquisition for value and those similar to an acquisition for value set forth in Article 6, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act.

⁶ This means “Share Certificates, etc.” set forth in Article 27-2, Paragraph 1 of the Act. The same in the following section b.

⁷ This means “Ownership Ratio of Share Certificates, etc.” set forth in Article 27-2, Paragraph 8 of the Act, unless otherwise provided herein. For the purpose of calculation of the Ownership Ratio of Share Certificates, etc., with respect to the total number of voting rights of the Company, the latest information published by the Company may be referred to.

⁸ This means “Specially Related Party” set forth in Article 27-2, Paragraph 7 of the Act; provided, however, that the “persons” listed in Item 1 of the said paragraph excludes the “persons” set forth in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers. (a) A Joint Holder, (b) Related Person, etc., and (c) a person to whom the specific shareholder or a person falling under (a) or (b) assigns or transfers the share certificates, etc. of the Company through off-market transaction or on-market after-hours transaction of Tokyo Stock Exchange (ToSNeT-1) shall be deemed as a Specially Related Party of such specific shareholder under the Policy. Hereinafter the same unless otherwise provided.

⁹ This means “Material Proposal” set forth in Article 27-26, Paragraph 1 of the Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates.

¹⁰ This means days other than those set forth in the items of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs. Hereinafter the same.

the contents and form of Large-Scale Purchase, Purchaser is required to provide additional information as separately requested by the Board of Directors no later than the deadline specified by the Board of Directors (but within 60 days from the day immediately following the day on which the Board of Directors received Large-Scale Purchase Information for the first time).

Regardless of contents and form, etc. of Large-Scale Purchase, while the information on the following items is to be included in Large-Scale Purchase Information List as a general rule, specific items of information to be included in the list are reasonably decided by the Board of Directors based on advices from financial advisers, lawyers, tax accountants, certified public accountants and other outside professionals (“Outside Professionals”) and in light of the contents and form, etc. of Large-Scale Purchase. If Purchaser is unable to provide some of the information on the items listed in Large-Scale Purchase Information List, the Company requests Purchaser to indicate specific reason for that.

- a. Details of Purchaser and its group (including major shareholders or investors (whether direct or indirect, hereinafter the same), important subsidiaries and affiliated companies, Joint Holders and Specially Related Parties, and in the case of a fund or an entity relating to its investment (whether established under the Japanese law or any foreign law, in any form of law whatsoever; hereinafter referred to as “Fund, etc.”) or in the case where there exists a Fund, etc. substantially controlled or managed by Purchaser, including its major partner, investor or any other member and a person who gives advice on investment on an ongoing basis; hereinafter the same) (including specific names, histories, capital amounts or contribution amounts and other capital structure, and total numbers of outstanding shares, names and work experiences of and numbers of shares owned by representatives, officers, employees and any other members, any other conditions of companies, details of businesses, financial condition, business performance and any other accounting matters for the last two (2) fiscal years, investees and investment ratios in investees, details of investment policies, details of investment and lending activities during the last ten (10) years, whether or not falling under the “foreign investor” provided in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (the “Foreign Exchange Act”) and information as the basis therefor, existence of any violation of laws and regulations during the last ten (10) years and (if any) the brief summary thereof, specific contents of its internal control systems (including its group’s internal control systems) and whether such systems are effective or not and the situations thereof, and the outline of relationships among Purchaser’s group (including, but not limited to, capital relationship, business relationships, concurrent position of officers and employees and any other personnel relationship, contract relationship and histories thereof));
- b. Purpose (specific detail of the purpose disclosed in Letter of Intent for Large-Scale Purchase), method and contents (including whether or not intending to participate in management, timing, structure of related transactions, the number of share certificates, etc. of the Company to be purchased and the Ownership Ratio of share certificates, etc. after the purchase, etc., legality of the method, and feasibility of Large-Scale Purchase and a series of related transactions) of Large-Scale Purchase (If Large-Scale Purchase is subject to certain conditions, the details of such conditions);
- c. Type and amount of purchase price for Large-Scale Purchase (in case of securities, etc. to be paid, the type and exchange ratio thereof, and in case of securities, etc. and money to be paid, the type and exchange ratio of securities, etc. and the amount of money need to be stated) and base amount and process for calculation of the purchase price (the specific calculation base for base amount needs to be stated and if the purchase price is not the market value or the price of recent transactions executed by Purchaser, details of such difference need to be stated. Additionally, as to difference of purchase prices according to types of share certificates, etc., details including concept for conversion need to be specifically stated. As to the calculation process, in addition to the details of synergy and dys synergy expected to be caused by a series of transactions relating to Large-Scale Purchase, if any third party’s opinion was heard in calculating, the third party’s name, summary of its opinion and how the price was decided based on such opinion need to be specifically stated as well.);
- d. Status of funds raised for Large-Scale Purchase and outline of lenders of the funds (including, in case of deposit with banks, the balance thereof by type, in case of borrowing, borrowing amount, specific name of lender and the contents of loan agreement, and in case of any other fund-raising methods, the contents, amount raised and specific name of the fund provider, and also including whether the

fund-raising is subject to any conditions and the contents thereof, whether any security or covenants are required after the fund-raising and the contents thereof, and the specific details of the related transactions);

- e. Whether there is any communication with a third party in the case of Large-Scale Purchase (including communication concerning Material Proposal to the Company; hereinafter the same), and if any, the contents thereof and the outline of such third party;
- f. Specific contents of any lending agreement, security agreement, sell-back agreement, preliminary sale & purchase agreement and any other important agreement or arrangement executed with respect to the Company's share certificates, etc. already held by Purchaser ("Security Agreements") such as type of, counterparties to and quantity of share certificates, etc. subject to Security Agreements;
- g. Specific contents of Security Agreements to be executed or any other agreements to be entered into with any third party with respect to the Company's share certificates, etc. planned by Purchaser to acquire in Large-Scale Purchase such as type of, counterparties to and quantity of share certificates, etc. subject to such Security Agreements or agreement;
- h. Candidate for management executive (including information on his/her experience in the same business fields of the Company and its group), management policy, business plan, capital policy and dividend policy expected to be selected after the completion of Large-Scale Purchase;
- i. Specific contents of any change to be made after the completion of Large-Scale Purchase, if any, to the Company's relationship with its and its group's employees, business clients, customers, local community and any other stakeholders of the Company and its group;
- j. Specific measures to avoid conflicts of interests with other shareholders of the Company;
- k. Document pledging that Large-Scale Purchase does not fall under Attachment 3 "Types deemed to Significantly Damage the Company's Corporate Value and Shareholders' Common Interests";
- l. Regulated matters under domestic or foreign laws and regulations that may be applicable to Large-Scale Purchase, possibility of acquiring approval or license or permit, etc. to be acquired from domestic or foreign government or a third party under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange Act or other laws and regulations, etc.;
- m. Relationship with antisocial forces or terrorist organizations (whether direct or indirect) and, if there is any relationship, the details thereof; and
- n. Any other information that the Board of Directors or the Independent Committee reasonably deems necessary

If the Company receives Letter of Intent for Large-Scale Purchase from Purchaser, the Company timely discloses that effect and also timely discloses all or some of the information provided by Purchaser (if any of the information requested in Large-Scale Purchase Information List is not provided by Purchaser, the item of such missing information and the reason for such non-provision are included) as deemed necessary for Shareholders to make a decision.

If the Board of Directors reasonably decides that Purchaser completed providing Large-Scale Purchase Information, the Company promptly notifies Purchaser to that effect and discloses that effect.

(iv) Establishment, etc. of Board of Directors Evaluation Period

The Board of Directors establishes a 60-day period starting from (but excluding) the day on which the Board of Directors discloses its decision that Purchaser completed providing Large-Scale Purchase Information (including additionally-requested information) for the Board of Directors to evaluate, examine, negotiate, form an opinion and prepare an alternative proposal ("Board of Directors Evaluation Period"), as a general rule. If the Board of Directors fails to resolve, within Board of Directors Evaluation Period, whether or not to exercise countermeasures due to the Independent Committee's failure to recommend whether or not to exercise countermeasures or any other cause or if there are any other unavoidable circumstances, the Board of Directors may extend Board of Directors Evaluation Period up to 30 days to the extent necessary based on recommendations from the Independent Committee. If the Board of Directors resolves the extension, the specific period to be extended and reason therefor are timely and appropriately disclosed in accordance with the applicable laws and regulations and financial instruments exchange rules.

Purchaser may not start Large-Scale Purchase before the end of Board of Directors Evaluation Period.

Based on Large-Scale Purchase Information provided by Purchaser and with advices from Outside Professionals obtained as needed, the Board of Directors adequately evaluates and examines Purchaser and specific contents of Large-Scale Purchase and its impacts to be given on the Company's corporate value and Shareholders' common interests, etc., carefully puts together the Board of Directors' opinion on Large-Scale Purchase within Board of Directors Evaluation Period, and notifies Purchaser of the opinion and timely and appropriately discloses the opinion to Shareholders. If necessary, the Board of Directors may negotiate about the conditions and method for Large-Scale Purchase with Purchaser and offer an alternative proposal of the Board of Directors to Shareholders.

(v) Requirements to exercise countermeasures

a. If Purchaser conducts Large-Scale Purchase not in accordance with the Large-Scale Purchase Rules:

If Purchaser conducts or intends to conduct Large-Scale Purchase not in accordance with the Large-Scale Purchase Rules, regardless of its specific conditions/method whatsoever, the Board of Directors deems such Large-Scale Purchase to be significantly detrimental to the Company's corporate value and Shareholders' common interests, and paying maximum respect to the Independent Committee's recommendations, the Board of Directors may exercise necessary and adequate countermeasures to secure or enhance the Company's corporate value and Shareholders' common interests.

b. If Purchaser conducts Large-Scale Purchase in accordance with the Large-Scale Purchase Rules:

If Purchaser conducts or intends to conduct Large-Scale Purchase in accordance with the Large-Scale Purchase Rules, even if the Board of Directors objects to such Large-Scale Purchase and represents its adverse comment, offers an alternative proposal and gives explanations to Shareholders, the Board of Directors exercises no countermeasures against such Large-Scale Purchase, as a general rule. Considering Large-Scale Purchase Information thereon and the Board of Directors' comments and alternative proposal and so on, Shareholders decide whether or not to accept such Large-Scale Purchase offer.

Nevertheless, even if Purchaser conducts or intends to conduct Large-Scale Purchase in accordance with the Large-Scale Purchase Rules, if such Large-Scale Purchase is deemed to be significantly detrimental to the Company's corporate value and Shareholders' common interests such as exclusively aiming for Purchaser's short-term benefits, subject to paying maximum respect to recommendations from the Independent Committee, the Board of Directors may exercise necessary and adequate countermeasures to secure or enhance the Company's corporate value and Shareholders' common interests.

Specifically, if Large-Scale Purchase is deemed to fall under any of the types listed in "Types deemed to Significantly Damage the Company's Corporate Value and Shareholders' Common Interests" as Attachment 3 hereto or there are any circumstances in which Large-Scale Purchase is deemed to be objectively and reasonably suspected to fall thereunder, such Large-Scale Purchase is considered to be significantly detrimental to the Company's corporate value and Shareholders' common interests, as a general rule.

Even in either of the cases listed in a. and b. above, if the Board of Directors receives the Independent Committee's recommendation that whether or not to exercise countermeasures needs to be referred to Shareholders' Meeting to Confirm Intentions or if the Board of Directors receives the Independent Committee's recommendation on exercise of countermeasures but decides Shareholders' opinion needs to be reflected, the Board of Directors convenes Shareholders' Meeting to Confirm Intentions and refers the proposal with respect to the exercise to the meeting, as a general rule. In this case, Purchaser may not start Large-Scale Purchase until the meeting resolves whether or not to exercise countermeasures.

(vi) Procedures to establish and seek advice from the Independent Committee

a. Establishment of the Independent Committee

Whether or not a set of procedures have been taken in accordance with the Large-Scale Purchase Rules, whether or not certain countermeasures deemed necessary and adequate to secure or enhance the Company's corporate value and Shareholders' common interests should be exercised if the Large-Scale Purchase Rules have been observed, and whether or not to convene Shareholders' Meeting to Confirm Intentions are finally decided by the Board of Directors (provided, however, that if Shareholders' Meeting to Confirm Intentions is convened, the Board of Directors accepts the resolution thereof). In order to secure the reasonableness and fairness of the Board of Directors' decisions, the Company establishes the Independent Committee independent from the Board of Directors in accordance with the Independent Committee Rules of which the outline is listed in "Outline of the Independent Committee Rules" as Attachment 5 hereto. The committee comprises of three (3) or more members who are appointed among Outside Directors, Outside Corporate Auditors, lawyers, tax accountants, certified public accountants, academic experts,

persons acquainted with investment banking business, outsiders who have experience in working as directors or executive officers of other companies and so on. The members' career summaries are as listed in "Career Summary of the Independent Committee Members" as Attachment 6 hereto.

The Independent Committee may verify whether or not a set of procedures have been taken in accordance with the Large-Scale Purchase Rules (including whether the information provided by Purchaser is necessary and enough as Large-Scale Purchase Information and whether the Board of Directors continues demanding more information even though necessary and enough information has been already provided to the Board of Directors), report the same to the Board of Directors, and evaluate and examine specific details of Large-Scale Purchase and its impacts, etc. to be given on the Company's corporate value and Shareholders' common interests based on Large-Scale Purchase Information provided by Purchaser and by obtaining advices from Outside Professionals as appropriate at the expense of the Company when necessary in order to increase the reasonableness and objectivity of the committee's decisions, and also demand additional Large-Scale Purchase Information from and discussions and negotiations with Purchaser directly or through the Board of Directors, etc. In response to the demand, Purchaser is required to promptly satisfy the demand. Upon receipt of Letter of Intent for Large-Scale Purchase and Large-Scale Purchase Information from Purchaser, the Independent Committee may request the Board of Directors to present, within a specified period of time (up to 30 days within Board of Directors Evaluation Period), its comments on Purchaser and the content of Large-Scale Purchase and materials supporting the comments, alternative proposals and any other information and materials ("Board of Directors Information") as the committee deems necessary to compare to the management plan, etc. prepared by and the Company's corporate evaluation decided by the Board of Directors in light of securing or improving the Company's corporate value and Shareholders' common interests, and the Board of Directors accepts the request. The Independent Committee may also request explanations on Board of Directors Information from Directors, Corporate Auditors and employees who were engaged in preparation thereof and third parties who gave advice in preparation thereof when the committee deems necessary.

b. Procedures to exercise countermeasures

In making a decision on whether or not to exercise countermeasures, the Board of Directors takes the following procedures to secure the reasonableness and fairness of the decision:

First, ahead of exercising countermeasures, the Board of Directors requests the Independent Committee to give advice about whether or not to exercise countermeasures, and in response to such request, the Independent Committee gives recommendations about whether or not to exercise countermeasures based on advice from Outside Professionals as necessary. In making a decision on whether or not to exercise countermeasures, the Board of Directors pays maximum respect to the Independent Committee's recommendations (but if Shareholders' Meeting to Confirm Intentions is convened, the Board of Directors accepts the resolution thereof).

In addition, if the Independent Committee recommends the Board of Directors to convene Shareholders' Meeting to Confirm Intentions or if the committee recommends the exercise of countermeasures without confirming Shareholders' intentions but the Board of Directors decides at its absolute discretion that Shareholders' intentions need to be confirmed, the Board of Directors convenes Shareholders' Meeting to Confirm Intentions, refers the proposal on exercise of countermeasures thereto and confirms Shareholders' intentions, as a general rule. Furthermore, the Board of Directors secures the transparency of the course of these procedures by means of timely disclosure of information to Shareholders.

Based on not only the advice from the Independent Committee as requested above but also Large-Scale Purchase Information provided by Purchaser and with advice from Outside Professionals as necessary, the Board of Directors decides whether or not to exercise countermeasures by evaluating and examining Purchaser and specific details of Large-Scale Purchase and its impacts, etc. on the Company's corporate value and Shareholders' common interests.

c. Cancellation or withdrawal of countermeasures exercised

Even if the Board of Directors exercises countermeasures in accordance with the procedures set forth in the above section b., (i) if Purchaser cancels or withdraws Large-Scale Purchase, or (ii) if any fact, etc. on which the exercise of countermeasures was decided based are changed and it is no longer reasonable to continue the countermeasures exercised in light of securing and improving the Company's corporate value and Shareholders' common interests, the Board of Directors explains the specific cause of the case of the above (i) or (ii) and requests the Independent Committee again to give advice about whether or not to continue the countermeasures, obtains advices from Outside Professionals when necessary and considers cancellation or withdrawal of the countermeasures. In response to the Board of Director's request, the Independent Committee examines whether or not to continue the countermeasures with advice from Outside Professionals when necessary and gives its recommendations to the Board of Directors. In

making a decision on whether or not to continue the countermeasures, the Board of Directors pays maximum respect to the recommendations from the committee.

As a result of considering the Independent Committee's recommendations, if the Board of Directors decides that it is unreasonable to continue the countermeasures in light of securing or improving the Company's corporate value and Shareholders' common interests, the Board of Directors cancels or withdraws the countermeasures and promptly discloses to that effect. In case of allotment of Share Options without contribution to be conducted as countermeasures, on or before the second business day preceding the ex-rights date associated with the record date thereof ("Ex-Rights Date") the allotment may be cancelled. However, on and after the business day immediately preceding Ex-Rights Date, the allotment is not cancelled in order not to cause damage to general investors who traded shares of the Company before Ex-Rights Date based on a belief that the allotment without contribution would be conducted and cause dilution of economic value per share of the Company. Provided, however, that during a period from the effective date of the allotment without contribution of Share Options to the day immediately preceding the start date of the exercise period of Share Options, Share Options may be acquired by the Company without consideration in some cases (in this case, as stated in the following section 5)(2), Shareholders who traded the shares of the Company on the premise that the economic value per share thereof would be diluted may suffer damage due to a fluctuation in the share price).

d. Request for recommendations of the Independent Committee at the Board of Directors' discretion

If there is any doubt about whether the information provided by Purchaser is necessary and adequate as Large-Scale Purchase Information or whether Purchaser has observed the Large-Scale Purchase Rules or if the Board of Directors otherwise deems necessary, the Board of Directors may request at its discretion the Independent Committee to recommend about the above in addition to whether or not to exercise countermeasures and to continue the countermeasures as stated above. In response to the request, with advice from Outside Professionals as necessary, the Independent Committee examines the matter requested and gives its recommendations to the Board of Directors. The Board of Directors pays maximum respect to the recommendations from the committee.

e. Recommendations to extend Board of Directors Evaluation Period

Failing to give recommendations on whether or not to exercise countermeasures by the end of the initial Board of Directors Evaluation Period, the Independent Committee may resolve and recommend the extension of Board of Directors Evaluation Period (up to 30 days) to the extent reasonably necessary to examine contents of Purchaser's Large-Scale Purchase and the Board of Directors' alternative proposal and discuss and negotiate with Purchaser (in case of recommendations to further extend the period within the limit of extension after the first extension, the same procedures are taken).

If the Board of Directors pays maximum respect to the above recommendations and extends Board of Directors Evaluation Period, the Independent Committee discloses the reason and period of extension via the Board of Directors and uses its best efforts to recommend whether or not exercise countermeasures within so-extended period by continuously collecting and examining information.

(3) Contents of Countermeasures

As countermeasures under the Policy, the allotment without contribution of Share Options of which the outline is stated in "Outline of Share Options" as Attachment 4 hereto is conducted based on the Board of Director's resolution.

Nevertheless, if the Independent Committee recommends convening Shareholders' Meeting to Confirm Intentions, the Board of Directors may pay maximum respect to the recommendations and refer the proposal on exercise of countermeasures to the meeting. In this case, when the meeting resolves the exercise of countermeasures, the Board of Directors takes procedures necessary to conduct the allotment without contribution of Share Options in accordance with the meeting's resolution. On the other hand, when the meeting resolves to reject the proposal on exercise, the Board of Directors conducts no allotment without contribution of Share Options. If Shareholders' Meeting to Confirm Intentions is convened, Purchaser may not start Large-Scale Purchase until and unless the meeting resolves whether or not to exercise countermeasures.

If it is resolved to convene Shareholders' Meeting to Confirm Intentions or if the meeting resolves whether or not to exercise countermeasures, the Board of Directors promptly discloses the outline of such resolution and any other matters that the Board of Directors deems appropriate.

3) Effective period of, abolition of and amendment to the Policy

The effective period of the Policy terminates upon the close of the ordinary general meeting of Shareholders for the last fiscal year ending in three (3) years after the close of this Shareholders' Meeting.

Even before the expiry of the effective period, if (i) a Shareholders' meeting approves a proposal to abolish or amend the Policy or (ii) the Board of Directors resolves to abolish or amend the Policy, the Policy is abolished or amended at the time of such approval or resolution.

If the Policy is abolished or amended, the Company promptly discloses the abolition or amendment and any other matters that the Board of Directors deems appropriate in accordance with the applicable laws and regulations and financial instruments exchange rules.

4) Reasonableness and fairness of the Policy

(1) Focus on Shareholders' intentions

The Company considers that the Policy becomes effective if Shareholders approve the Policy at this Shareholders' Meeting to confirm their intentions on whether or not to adopt the Policy. Accordingly, if the Policy fails to be approved by Shareholders at this Shareholders' Meeting, the Policy does not become effective and the Former Policy terminates due to the expiry of its effective period upon the close of this Shareholders' Meeting.

Furthermore, as stated in the above section 3), even before the expiry of the effective period, (i) if a proposal to abolish or amend the Policy is approved at a Shareholders' meeting or (ii) if the Board of Directors of which the members are Directors appointed at a Shareholders' meeting resolves to abolish or amend the Policy, the Policy is abolished or amended at the time of such approval or resolution. If the Board of Directors pays maximum respect to the Independent Committee's recommendations to convene Shareholders' Meeting to Confirm Intentions or if the Board of Directors deems necessary even though the Independent Committee recommends the exercise of countermeasures, the Board of Directors may refer a proposal on exercise of countermeasure to Shareholders' Meeting to Confirm Intentions, by which Shareholders' intentions can be directly confirmed.

(2) Full satisfaction of requirements sets forth in guidelines for anti-takeover measures

The Policy fully satisfies three (3) principles set forth in "Guidelines for Anti-Takeover Measures to Secure or Enhance Corporate Value/Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry ("METI") and the Ministry of Justice on May 27, 2005 (i.e., (a) a principle for securing/enhancing corporate value/shareholders' common interests, (b) a principle for prior disclosure/shareholders' intentions, and (c) a principle for securing necessity/reasonableness). The Policy is also based on "The Way in which Anti-Takeover Measures should be in light of Recent Changes to Circumstances" published on June 30, 2008 by the Corporate Value Study Group established in METI and other recent discussions on anti-takeover measures. Furthermore, the Policy is consistent with the intent of rules for implementation of anti-takeover measures as set forth by Tokyo Stock Exchange, Inc.

(3) Implementation for securing or enhancing the Company's corporate value and Shareholders' common interests

As stated in the above section 1., the Policy is to be implemented to obtain necessary information on Large-Scale Purchase from Purchaser in advance and secure time necessary to evaluate and examine contents of Large-Scale Purchase for the purpose to secure or enhance the Company's corporate value and Shareholders' common interests.

(4) Establishment of reasonable and objective requirements to exercise countermeasures

As stated in the above section 3. 2)(2)(v), the Policy has been designed to prevent countermeasures from being exercised unless the reasonable and objective requirements are satisfied, by which a system preventing any arbitrary exercise by the Board of Directors is secured.

(5) Establishment of the Independent Committee

As stated in the above section 3. 2)(2)(vi), in the Policy, the Company has set forth to establish the Independent Committee as an organization independent from the Board of Directors in order to guarantee the reasonableness and fairness of the Board of Directors' decisions on whether a set of procedures have been taken in accordance with the Large-Scale Purchase Rules, and, if the rules are observed, whether or not to exercise certain countermeasures deemed necessary and adequate to secure or enhance the Company's corporate value and Shareholders' common interests and whether or not to convene Shareholders' Meeting to Confirm Intentions, and to secure the reasonableness and fairness of the Board of Directors' decisions on any other operation of the Policy, exercise of countermeasures and so on.

The Board of Directors' decision-making while paying maximum respect to recommendations from the

Independent Committee secures a structure to prevent the Board of Directors from operating the Policy or exercising countermeasures in an arbitrary manner.

(6) No dead-hand or slow-hand anti-takeover measures

As stated in the above section 3. 3), it is set forth that the Policy may be abolished by the Board of Directors of which the members are Directors appointed at a Shareholders' meeting at any time even before the expiry of the effective period thereof. Accordingly, the Policy is not a dead-hand anti-takeover measure (i.e., anti-takeover measure preventing exercise of countermeasures from being precluded even after replacement of a majority of the Board of Directors' members). As the term of office of each Director terminates upon the close of the ordinary general meeting of Shareholders for the last fiscal year ending in one (1) year following the appointment and all members of the Board of Directors may be replaced at an ordinary general meeting of Shareholders to be held each year, the Policy is not a slow-hand anti-takeover measure to take time to prevent countermeasures from being exercised, either.

5) Impact on Shareholders and investors

(1) Impact on Shareholders and investors upon the Policy's becoming effective

At the time when the Policy becomes effective, no allotment without contribution of Share Options is conducted. Accordingly, the Policy directly gives no specific impact on any legal right and economic interest in and to shares of the Company held by Shareholders and investors at that time.

(2) Impact on Shareholders and investors upon allotment without contribution of Share Options

If the Board of Directors decides to exercise countermeasures and resolves to conduct allotment without contribution of Share Options, one (1) Share Option per share is allotted without consideration on the effective date to be separately decided to Shareholders entered in the latest shareholders registry as of the record date to be separately decided. Due to the scheme of this countermeasure, the economic value per share of the Company held by Shareholders and investors is also diluted upon such allotment without consideration but the economic value of the whole shares held by them is not diluted and the ratio of voting rights held by them is not diluted, either. Therefore, the allotment without contribution of Share Options is not expected to directly give any specific impact on the legal right and economic interest in and to the whole shares held by Shareholders and investors.

Even if the Board of Directors resolves the allotment without contribution of Share Options, if the Board of Directors decides to suspend or withdraw the countermeasures that the Board of Directors resolved to exercise in accordance with the procedures stated in the above section 3. 2)(2)(vi)c., because the economic value per share of the Company held by Shareholders and investors is not to be diluted, the investors who traded shares of the Company on the premise that the economic value per share would be diluted may suffer damage due to a fluctuation in the share price.

(3) Impact on Shareholders and investors upon exercise or acquisition of Share Options after allotment without contribution

As selective conditions are planned to be imposed on exercise or acquisition of Share Options, legal rights, etc. of Purchaser and other certain persons are expected to be diluted upon the exercise or acquisition. Even in this case, no specific impact is expected to be directly given on legal rights and economic interests in and to the shares of the Company held by Shareholders and investors other than Purchaser and other certain persons. However, it should be noted that since no transfer of share options without approval from the Board of Directors is permitted, if shares are delivered to Shareholders on and after the record date for allotment without contribution of Share Options as a result of the exercise or acquisition thereof, with respect to the value of shares of the Company held by Shareholders which is attributable to share options, collection of capital invested by means of transfer may be restricted only to the extent attributable to share options during the period up to delivery of the shares to Shareholders.

6) Procedures to be taken by Shareholders upon allotment without contribution of Share Options

(1) Procedures to be taken on the effective date of allotment without contribution of Share Options

In case of Shareholders who are entered in the shareholders registry as of the record date, no procedure for allotment without contribution of Share Options such as application is required to be taken because Share Options are automatically granted as of the effective date of the allotment.

(2) Procedures to be taken by Shareholders upon exercise or acquisition of Share Options after allotment without contribution of Share Options

If the Company acquires Share Options from Shareholders other than Purchaser and other certain persons in accordance with an acquisition clause, the Board of Directors makes a resolution or, in case there are several clauses of the acquisition, resolutions for the respective clauses, and the Company gives public notice to the share-option holders and then acquires the options, in accordance with the procedures set forth in the Companies Act (as set forth in Article 273 and subsequent articles of the said Act). In this case, without paying money equal to the exercise price, Shareholders receive delivery of common shares of the Company in consideration for Share Options exercised by the Company (Shareholders eligible for the allotment may be separately requested to provide information necessary to transfer to their accounts and submit written undertakings in the form prescribed by the Company including representation and warranty clause (such as that Shareholder is not Purchaser or other certain person), indemnification clause and any other undertakings). If the Company requests Shareholders other than Purchaser and other certain persons to exercise Share Options after start of the exercise period of Share Options, the Company sends to the share-option holders documents necessary to exercise the same such as written exercise request. Shareholders are requested to exercise Share Options within the exercise period (and to pay a certain amount of money at the time of exercise).

Regardless of which procedure is taken, the Company timely and appropriately discloses details thereof in accordance with the applicable laws and regulations and financial instruments exchange rules. In the event of exercise of countermeasures by the Company, please pay attention to information to be further disclosed by the Company.

END

Major Shareholders of the Company

(As of March 31, 2023)

- (1) Total number of authorized shares 116,000,000 shares
 (2) Total number of outstanding shares 29,789,122 shares
 (3) Number of shareholders 13,476 persons
 (4) Shareholding by each shareholder

Category of shareholders	Number of shareholders (persons)	Number of shares held (shares)	Shareholding ratio (%)
Financial institutions	40	7,696,154	25.84
Individuals and others	13,067	9,759,949	32.76
Other corporations	170	5,791,388	19.44
Foreign corporations, etc.	151	4,209,729	14.13
Treasury shares	1	1,426,404	4.79
Securities firms	47	905,498	3.04
Total	13,476	29,789,122	100.00

Note: The number of shares filled out "Other corporations" includes 3,200 shares held in the name of Japan Securities Depository Center, Incorporated.

(5) Status of major shareholders

Name of shareholder	Investment in the Company	
	Number of shares held in the thousands	Shareholding ratio %
The Master Trust Bank of Japan, Ltd. (trust account)	2,851	10.05
The Master Trust Bank of Japan, Ltd. (employee pension trust account/Kobe Steel, Ltd. account)	1,835	6.47
SINFONIA TECHNOLOGY Group employee stock ownership association	1,027	3.62
Daikin Industries, Ltd.	1,017	3.59
SINFONIA TECHNOLOGY client stock ownership association	926	3.27
Custody Bank of Japan, Ltd. (Trust account)	921	3.25
Dai Nippon Printing Co., Ltd.	732	2.58
Aioi Nissay Dowa Insurance Co., Ltd.	451	1.59
Yoshinobu Maeo	427	1.51
Nabtesco Corporation	400	1.41
Shinsho Corporation	400	1.41

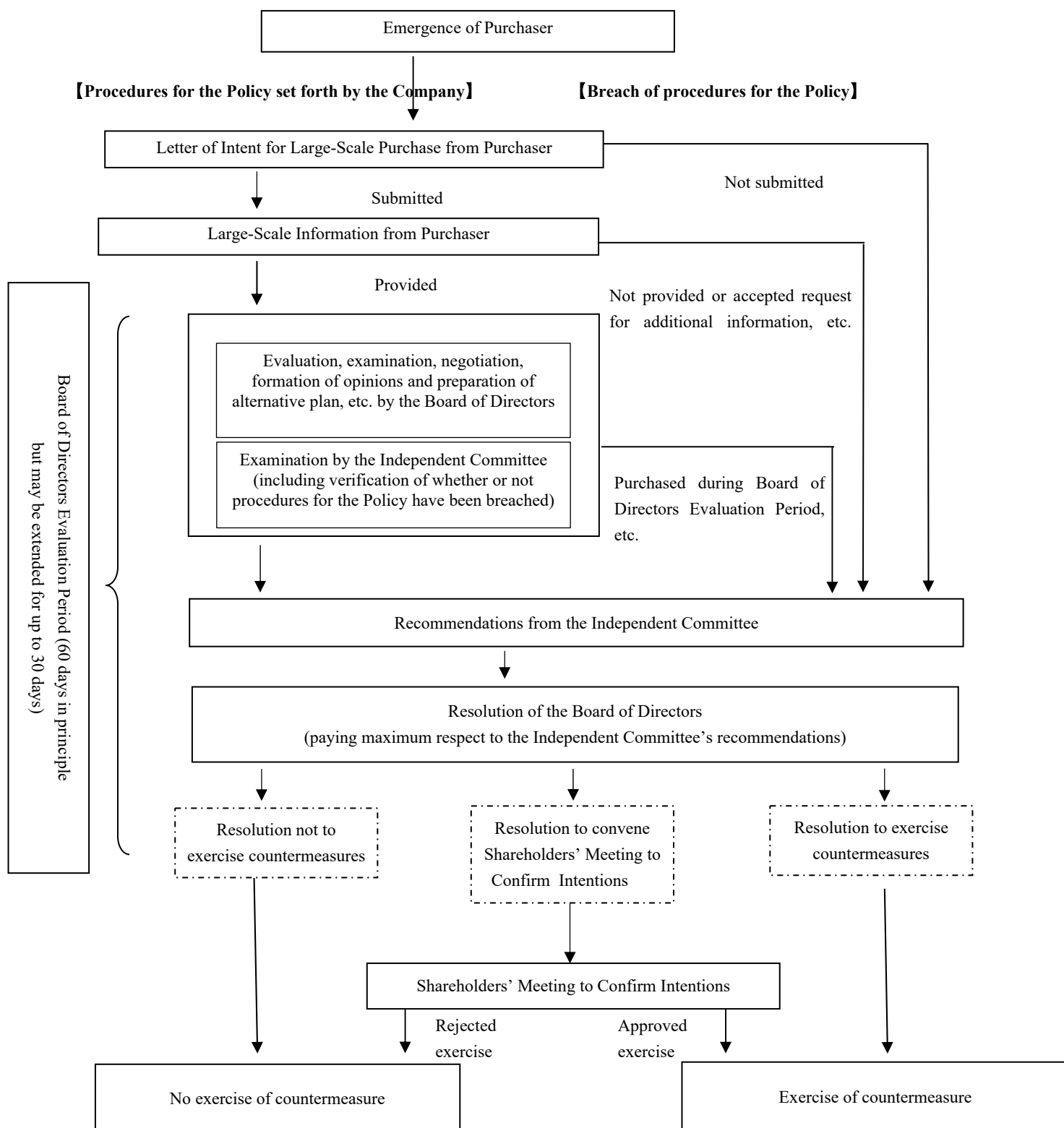
Note 1: The 1,835,000 shares held by The Master Trust Bank of Japan, Ltd. (employee pension trust account/Kobe Steel, Ltd. account) are the trust assets entrusted by Kobe Steel, Ltd. to the bank. Under the trust agreement, the power to give instruction on exercise of voting rights of the shares is held by Kobe Steel, Ltd.

Note 2: The Company holds 1,426,404 shares of the treasury shares, however the Company is excluded from the above major shareholders.

Note 3: The above shareholding ratios have been calculated by deducting the number of treasury shares (1,426,404 shares). The number of the Company's shares (167,500 shares) held by the board benefit trust (BBT) are not included in the number of treasury shares (1,426,404 shares).

End of Attachment 1

Flowchart



This flowchart has been prepared as reference only to facilitate understanding the contents of the Policy. Please read the above section “Renewal of policy to counter large-scale purchase of share certificates, etc. of the Company (anti-takeover measure)” for details.

End of Attachment 2

**Types deemed to Significantly Damage the Company's Corporate Value
and Shareholders' Common Interests**

- (1) If Purchaser is deemed as a person who has no intention to participate in the Company's management in good faith is acquiring or intends to acquire share certificates, etc. of the Company for the purpose to drive up the price of the share certificates, etc. and cause the Company or its related parties to repurchase the same at inflated price (so-called green mailer);
- (2) If Purchaser is deemed to be acquiring share certificates, etc. of the Company for the purpose to control the Company's management for a temporary period of time and transfer assets of the Company or its group companies such as intellectual property rights, know-how, trade secret, major business clients and customers, etc. necessary to run the Company or its group companies to Purchaser itself or its group companies, etc;
- (3) If Purchaser is deemed to be acquiring share certificates, etc. of the Company for the purpose to divert assets of the Company or its group companies as security or funds for payment of debts of Purchaser or its group companies, etc. after controlling the management of the Company;
- (4) If Purchaser is deemed to be acquiring share certificates, etc. of the Company for the purpose to control the management of the Company for a temporary period of time and cause its high-priced assets, etc. such as real properties and securities, etc. which are not relevant to the business of the Company or its group companies for the time being to be disposed of by sale, etc. in order to receive proceeds from the disposal as temporary high dividend or sell the share certificates, etc. of the Company at inflated price by getting an opportunity of the share price to skyrocket caused by such a temporary high dividend; and
- (5) If Purchaser is deemed to be likely to restrict opportunities or discretion of Shareholders to make decisions and, in effect, force Shareholders to sell their share certificates, etc. of the Company by means of so-called high-handed two-phase acquisition (meaning purchase of share certificates, etc. such as tender offer in a two-phase method by which, in the first phase, Purchaser does not offer purchasing the whole share certificates, etc. of the Company and sets the conditions for the second-phase offer which are disadvantageous for or unclear to Shareholders), etc.

End of Attachment 3

Outline of Share Options

(1) Total allotment number of Share Options

The total allotment number of Share Options is equal to the total latest number of outstanding common shares of the Company as of a specific date (“Allotment Date”) to be separately decided by the Board of Directors’ resolution for allotment without contribution of Share Options (“Resolution of Share Options Allotment without Contribution”) (but excluding the number of common shares held by the Company at that time).

(2) Shareholders eligible for the allotment

Shareholders who are entered in the latest shareholders registry as of Allotment Date are eligible for allotment without contribution of one (1) Share Option per common share held (but excluding common shares held by the Company at that time).

(3) Effective date of allotment without contribution of Share Options

The effective date is separately decided by Resolution of Share Options Allotment without Contribution.

(4) Type and number of shares subject to Share Options

The type of shares subject to Share Options is common type and the number of shares subject to one (1) Share Option (“Number of Subject Shares”) is one (1) or more and to be separately decided by Resolution of Share Options Allotment without Contribution; provided, however, that in case of share split or share consolidation, etc. by the Company, the Company makes necessary arrangements.

(5) Contents and value of properties to be contributed upon exercise of Share Options

Money is contributed upon exercise of Share Options and the amount of properties to be contributed per common share of the Company upon the exercise is 1 yen or more and to be separately decided by Resolution of Share Options Allotment without Contribution.

(6) Restrictions on transfer of Share Options

Transfer of Share Options requires approval from the Board of Directors.

(7) Requirements to exercise Share Options

The details of requirements to exercise Share Options are to be separately decided by the Resolution of Share Options Allotment without Contribution. However, requirements in view of the effect as a countermeasure to Large-Scale Purchase are added, such as that certain Purchaser defined according to the predetermined proceedings by the Board of Directors and, the joint holder and specially related party, and those parties, etc. determined by the Board of Directors to be substantially controlled by the aforementioned parties and to act jointly or collaboratively with such parties (hereinafter collectively referred to “Unqualified”) shall not be allowed to exercise Share Options. The Company does not expect to deliver money in consideration for acquisition of Share Options held by Ineligible Persons.

- (8) Acquisition of Share Options by the Company
The Company may acquire Share Options held by persons other than Ineligible Persons and deliver common shares of the Company in Number of Subject Shares per one (1) Share Option as of such acquisition date in exchange for Share Options, in consideration for the acquisition.
Details of acquisition clause for Share Options are separately set forth in Resolution of Share Options Allotment without Contribution.
- (9) Acquisition without consideration in case of suspension, etc. of countermeasures exercised
If the Board of Directors resolves to suspend or withdraw countermeasures exercised or if Resolution of Share Options Allotment without Contribution separately sets forth, the Company may acquire the whole Share Options without contribution.
- (10) Issuance of Share Options
No share option certificates for Share Options are issued.
- (11) Exercise Period, etc. of Share Options
The exercise period and any other matters necessary for Share Options are separately set forth by Resolution of Share Options Allotment without Contribution.

End of Attachment 4

Outline of the Independent Committee Rules

1. The Independent Committee is established by the Board of Directors' resolution.
2. The Independent Committee comprises of three (3) or more members appointed by the Board of Directors among 1) Outside Directors, 2) Outside Corporate Auditors and 3) outside intellectuals who are independent from the management executing the Company's operation ("Members"); provided, however, that such outside intellectuals need to be lawyers, accountants, public certified accountants, academic experts, persons acquainted with investment banking business or outsiders having experience in working as director or executive officer of other companies and the like, who have entered into agreements with the Company as separately designated by the Board of Directors including clauses of duty of care of a good manager, etc. to the Company.
3. The term of Members terminates upon the close of the Shareholders' ordinary general meeting for the last fiscal year ending in three (3) years after the appointment unless otherwise set forth by the Board of Directors' resolution. If any Member who is Outside Director or Outside Corporate Auditor ceases to be the same (excluding if he/she is reappointed), his/her term of office of Member is terminated at the same time.
4. The Independent Committee makes decisions for the following items and recommends the decisions together with reason therefor to the Board of Directors. Paying maximum respect to the recommendations, the Board of Directors as the body in charge of deciding whether or not to exercise countermeasures under the Companies Act makes resolutions. In making such decisions and resolutions, each Member and each Director must take into account whether or not such decisions and resolutions serve the Company's corporate value and Shareholders' common interests and must not aim to exclusively promote his/her own or the Company's management's personal interests.
 - 1) Whether or not to exercise countermeasures;
 - 2) Whether or not to continue countermeasures exercised;
 - 3) Extension of Board of Directors Evaluation Period;
 - 4) Any other matters to be decided by the Board of Directors for which the Board of Directors has requested at its discretion the Independent Committee to give advice; and
 - 5) Convocation of Shareholders' Meeting to Confirm Intentions
5. In addition to the above, the Independent Committee may conduct the following items:
 - 1) To decide whether an act falls under Large-Scale Purchase subject to the Large-Scale Purchase Rules or not;
 - 2) To decide items of information to be provided by Purchaser and the Board of Directors to the committee and a deadline by which the Board of Directors responds with respect to the information provided;
 - 3) To examine whether a set of procedures have been taken in accordance with the Large-Scale Purchase Rules (including whether the information provided by Purchaser is necessary and enough as Large-Scale Purchase Information and whether the Board of Directors continues demanding more information even though necessary and enough information has been already provided to the Board of Directors);
 - 4) To evaluate and examine contents of Large-Scale Purchase by Purchaser;
 - 5) To discuss and negotiate with Purchaser;
 - 6) To request the Board of Directors to present its alternative proposal and examine such proposal;
 - 7) To give an approval on abolishment of or amendment to the Policy;
 - 8) Matters which the Policy authorizes the committee to conduct; and
 - 9) Matters which the Board of Directors separately authorizes the committee to conduct

6. If the Independent Committee decides that information provided as Large-Scale Purchase Information is insufficient, the committee demands additional information from Purchaser directly or via the Board of Directors, etc. When Purchaser submits Letter of Intent for Large-Scale Purchase and additional Large-Scale Purchase Information requested by the committee, the committee may also request the Board of Directors to present its opinion on Purchaser, etc. and contents of Large-Scale Purchase and information materials supporting such opinion, an alternative proposal and any other information and materials, etc. as the committee deems necessary within a reasonable period time as designated.
7. The Independent Committee may request explanations on the information and materials, etc. mentioned in the above paragraph from Directors, Corporate Auditors and employees who were engaged in preparation thereof and third parties who gave advice in preparation thereof when the committee deems necessary.
8. The Independent Committee may obtain advice from independent third parties (including financial advisers, certified public accountants, lawyers, consultants and any other experts) at the Company's expense.
9. Each Member may convene a meeting of the Independent Committee at any time in the event of Large-Scale Purchase of the Company's share certificates, etc. is conducted.
10. The Independent Committee's resolution is deemed to be approved when all Members are present and a majority thereof vote for such resolution at a meeting; provided, however, that if any accident occurs to any Member or there are any other unavoidable circumstances, the committee's resolution is deemed to be approved when a majority of Members are present and a majority of their votes are cast for such resolution at a meeting.

End of Attachment 5

Career Summary of the Independent Committee Members

The Independent Committee Members will comprise of the following three (3) officers:
There is no special interest between each Member and the Company.

(*Honorifics omitted)

Jun Fujioka

Career summary: Date of Birth: March 3, 1951

April 1976	Joined Kobe Steel, Ltd.
October 1999	Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2002	Director and Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2005	Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
April 2008	Senior Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2008	Director, Senior Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2011	President, CEO and Representative Director of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
April 2016	Senior Advisor of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2018	Retired as Senior Advisor of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2020	Outside Corporate Auditor of the Company (part-time) (present position)

** Mr. Jun Fujioka has been designated as an Independent Officer based on the regulations of Tokyo Stock Exchange, Inc. If his election as Outside Director is approved at this Shareholders' Meeting, the Company plans to continue to designate him as an Independent Officer.

Kenji Ohnishi

Career summary: Date of Birth: April 1, 1955

April 1977	Joined SHINSHO Corporation
April 1994	President of SHINSHO (MALAYSIA) SDN. BHD.
February 1999	International Trading Group Leader of Machinery Division of SHINSHO Corporation
October 2004	General Manager of Int'l Trading Department of Machinery & IT Division of SHINSHO Corporation
June 2007	Officer of SHINSHO Corporation
June 2010	Senior Officer of SHINSHO Corporation
June 2013	Senior Officer of SHINSHO Corporation, Representative Director & President of KOBELCO TRADING (SHANGHAI) CO., LTD.
June 2015	Director & Executive Officer of SHINSHO Corporation
June 2017	Representative Director & Executive Officer of SHINSHO Corporation
June 2018	Advisor of SHINSHO Corporation
June 2018	Director of MATSUBO Corporation
June 2019	Retired as Advisor of SHINSHO Corporation
June 2020	Retired as Director of MATSUBO Corporation
June 2020	Outside Corporate Auditor of the Company (full-time) (present position)

** Mr. Kenji Ohnishi has been designated as an Independent Officer based on the regulations of Tokyo Stock Exchange, Inc.

Mr. Osamu Shimotani

Career summary: Date of Birth: March 26, 1956

April 1988	Admitted to the Bar (up to the present day)
April 1994	Tokyo Bar Association Regular Delegate (until March 1995)
April 1999	Kanto Federation of Bar Associations Managing Director (until March 2000)
April 2006	Bar Association Building Lecture Hall Operation Committee President (until March 2009)
April 2010	Tokyo Bar Association Vice-President (until March 2011)
April 2011	Tokyo Bar Association Building Committee President (until March 2012)
June 2011	Tokyo Lawyers Cooperative Executive Director (until May 2013)
July 2011	Bureau Chief of Legal Team to Support the Great East Japan Earthquake Nuclear-Accident Afflicted People (until March 2013)
January 2012	Establishment of Shimotani Law Office (up to the present day)
April 2015	Tokyo Bar Association Building Committee President (until March 2017)
June 2015	Japan Federation of Lawyers Cooperatives Executive Director (until May 2017)
June 2016	Outside Corporate Auditor of the Company (part-time) (present position)
June 2017	Tokyo Lawyers Cooperative Director (until May 2019)
May 2019	Tokyo Lawyers Cooperative Vice President (until May 2021)
May 2021	Japan Federation of Lawyers Cooperatives Vice President (present position)

** Mr. Osamu Shimotani has been designated as an Independent Officer based on the regulations of Tokyo Stock Exchange, Inc.
End of Attachment 6