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(Stock Exchange Code 2760)

May 29, 2025

(Date of commencement of measures for electronic provision: May 20, 2025)

**To Shareholders with Voting Rights:**

Atsushi Tokushige  
President & Representative Director, CEO  
TOKYO ELECTRON DEVICE LIMITED  
1-1, Sakuragaoka-cho, Shibuya-ku, Tokyo

**NOTICE OF  
THE 40TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to announce that we will hold the 40th Annual General Meeting of Shareholders of TOKYO ELECTRON DEVICE LIMITED (the “Company”). The meeting will be held as described below.

In convening this General Meeting of Shareholders, measures for electronic provision have been taken and matters to be provided electronically are posted as “Notice of the 40th Annual General Meeting of Shareholders” on the websites indicated below.

The Company’s website    <https://www.teldevice.co.jp/eng/ir/meeting.html>

In addition to the above, the information is also posted on the Tokyo Stock Exchange (TSE) website.

Please access the TSE website (Listed Company Search), enter the Company’s securities code “2760” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and read the Notice.

TSE website (Listed Company Search)

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

If you are unable to attend the meeting, you can exercise your voting rights in writing or through the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your rights no later than 5:30 p.m., Thursday, June 19, 2025, Japan time.

- 1. Date and Time:** Friday, June 20, 2025 at 10:00 a.m. Japan time  
(Reception desk will open at 9:00 a.m.)
- 2. Place:** Ballroom B2F, CERULEAN TOWER TOKYU HOTEL 26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan  
(Note that the place is different from last year due to the relocation of the head office.)
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, the Consolidated Financial Statements and Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Company’s 40th Fiscal Year (April 1, 2024 - March 31, 2025)
    2. Non-consolidated Financial Statements for the Company’s 40th Fiscal Year (April 1, 2024 - March 31, 2025)
  - Proposals to be resolved:**
    - Proposal 1:** Election of Seven Corporate Directors
    - Proposal 2:** Election of Two Audit & Supervisory Board Members
    - Proposal 3:** Payment of Bonuses to Corporate Directors
    - Proposal 4:** Revision of the Amount of Remuneration for Corporate Directors

<b>Proposal 5:</b>	Renewal and Amendments of the Stock-based Remuneration Plan as Annual Performance-linked Remuneration for Corporate Directors
<b>Proposal 6:</b>	Renewal and Amendments of the Stock-based Remuneration Plan as Medium-term Incentive Remuneration for Corporate Directors
<b>Proposal 7:</b>	Introduction of a Non-performance-linked Stock-based Remuneration Plan for Non-executive Directors
<b>Proposal 8:</b>	Revision of the Amount of Remuneration for Audit & Supervisory Board Members

1. When you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Should the matters provided electronically require any revisions, the revised versions will be posted on the Company's website and the TSE website.
3. Please note that we do not provide an anteroom for shareholders.
4. **No souvenirs will be provided for shareholders attending the General Meeting of Shareholders.**
5. During the live-streaming, only the area where the chairman and Company officers are seated will be filmed to ensure the privacy of the shareholders present at the meeting. Please note that there may be unavoidable instances of shareholders being filmed.
6. Please note that the results of resolutions at this General Meeting of Shareholders will be posted on the Company's website indicated above and no paper copy of the notice of resolutions will be sent to shareholders.
7. If there is no indication of approval or disapproval for the proposals in the Voting Rights Exercise Form, this will be treated as an indication of approval.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References



### Proposal 1: Election of Seven Corporate Directors


The terms of office of all seven Corporate Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven Corporate Directors is proposed. The candidates are as follows:

Candidate No.	Name	Gender	Position	Years in office	Attendance at Board of Directors' meetings
1	Atsushi Tokushige	Male	President & Representative Director, CEO	18	100% (Thirteen out of thirteen meetings)
2	Masami Hasegawa	Male	Representative Director	10	100% (Thirteen out of thirteen meetings)
3	Takayoshi Miyamoto	Male	Corporate Officer	New candidate	-
4	Tetsuo Tsuneishi	Male	Corporate Director	12	100% (Thirteen out of thirteen meetings)
5	Hiromi Onitsuka-Baur (Outside Director) (Independent Director)	Female	Corporate Director	5	100% (Thirteen out of thirteen meetings)
6	Kei Nishida (Outside Director) (Independent Director)	Male	Corporate Director	4	100% (Thirteen out of thirteen meetings)
7	Seiji Osaka (Outside Director) (Independent Director)	Male	Corporate Director	1	100% (Ten out of ten meetings)


(Notes)


- There are no special interests between each candidate for Corporate Director and the Company.
- Ms. Hiromi Onitsuka-Baur, Mr. Kei Nishida, and Mr. Seiji Osaka are candidates for Outside Directors. All three Outside Directors are also Independent Directors required by the Tokyo Stock Exchange and will continue to be the Independent Directors if reelected.
- Mr. Seiji Osaka has been appointed as a Corporate Director at the 39th Annual General Meeting of Shareholders held on June 19, 2024, and the attendance at Board of Directors' meetings represents the number of the Board of Directors' meetings held after he assumed office.
- The current Articles of Incorporation of the Company provides that the Company can enter into an agreement with Corporate Directors (excluding Executive Directors) to limit liability for damages to the Company.  
The Company entered into liability limitation agreements with Mr. Tetsuo Tsuneishi, Ms. Hiromi Onitsuka-Baur, Mr. Kei Nishida, and Mr. Seiji Osaka, and will renew the respective agreements if their reelection is approved. The outline of the liability limitation agreement of the Company is as follows:
  - Corporate Directors (excluding Executive Directors) who have neglected their duties shall be liable to the Company for any damage to the extent of the minimum liability amount as set forth in Article 425, (1) of the Companies Act.
  - The above liability limitation shall be limited to cases where the relevant Corporate Director is without knowledge and is not grossly negligent in performing his/her duties that caused the liability.
- The Company entered into indemnity agreements with Mr. Atsushi Tokushige, Mr. Masami Hasegawa, Mr. Tetsuo Tsuneishi, Ms. Hiromi Onitsuka-Baur, Mr. Kei Nishida, and Mr. Seiji Osaka, pursuant to Article 430-2 (1) of the Companies Act, and will renew the respective agreements if their reelection is approved. Under the said agreements, the Company shall indemnify each candidate against the expenses set forth in (1) and losses set forth in (2) of the same Article to the extent specified by laws and regulations. Additionally, if Mr. Takayoshi Miyamoto is newly elected as proposed, the Company will enter into the said indemnity agreement with him.
- The Company entered into a Directors and Officers liability insurance contract with an insurance company as stipulated in Article 430-3 (1) of the Companies Act. The contract covers damage payments to be borne by insured persons arising from litigations. Each candidate will be included as an insured person in this insurance contract. The said insurance contract is scheduled for renewal in July 2025.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
1	 <p>Atsushi Tokushige (November 7, 1963) [61 years old]</p>	<p>April 1986      Joined Tokyo Electron Limited</p> <p>April 2005      Vice President of the Company</p> <p>June 2007      Corporate Director of the Company</p> <p>June 2011      Managing Director, TOKYO ELECTRON DEVICE HONG KONG LTD. (currently TOKYO ELECTRON DEVICE ASIA PACIFIC LTD.)</p> <p>September 2013      CEO, inrevium AMERICA, INC. (currently TOKYO ELECTRON DEVICE AMERICA, INC.)</p> <p>January 2015      President &amp; Representative Director of the Company (to present)</p> <p>June 2024      CEO (Chief Executive Officer) of the Company (to present) Corporate Officer of the Company (to present)</p> <p>[Position and responsibility at the Company] President &amp; Representative Director, CEO (Chief Executive Officer), Corporate Officer, Vice President</p> <p>[Reason for nomination as a candidate for Corporate Director] Since he assumed his position as the President &amp; Representative Director of the Company in January 2015, he has made use of his experience accumulated up to that point, and demonstrated strong leadership skills to lead the management of the Group. We continue to expect him to strengthen the decision-making function of the Board of Directors and to play a central role in overall management to contribute to improving corporate value of the Group as CEO (Chief Executive Officer), and thus nominate him for Corporate Director.</p>	34,400
2	 <p>Masami Hasegawa (September 30, 1965) [59 years old]</p>	<p>April 1986      Joined Tokyo Electron Limited</p> <p>June 2013      President &amp; Representative Director, PAN ELECTRON LIMITED</p> <p>June 2014      Vice President of the Company</p> <p>April 2015      General Manager, Global Sales Business Department of the Company</p> <p>June 2015      Corporate Director of the Company</p> <p>June 2016      Representative Director of the Company (to present) Senior Vice President of the Company</p> <p>June 2018      Executive Vice President of the Company</p> <p>July 2018      General Manager, EC BU of the Company (to present)</p> <p>June 2021      Senior Executive Vice President of the Company (to present)</p> <p>June 2024      Corporate Officer of the Company (to present)</p> <p>[Position and responsibility at the Company] Representative Director, Corporate Officer, Senior Executive Vice President Corporate Sales General Manager General Manager, EC BU</p> <p>[Reason for nomination as a candidate for Corporate Director] He serves in an important position in charge of the Electronic Components Business. In addition, since June 2016 he has been leading the management of the Group as Representative Director of the Company and making efforts to promote cross-sectional sales activities toward increasing revenues as a supervisor of sales division. We expect him to make use of the knowledge that he has accumulated thus far to contribute to improving the corporate value of the Group and strengthen the supervisory function of the Board of Directors, and thus nominate him for Corporate Director.</p>	27,000


No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
3	 <p>Takayoshi Miyamoto (April 7, 1970) [55 years old]  (New Candidate)</p>	<p>April 1993      Joined Tokyo Electron Limited</p> <p>April 2015      Director, Corporate Account Sales Department of the Company</p> <p>October 2016    Senior Director, CN Sales Division of the Company (to present)</p> <p>June 2020      Vice President of the Company</p> <p>July 2020      Deputy General Manager, CN BU of the Company</p> <p>June 2023      Senior Vice President of the Company</p> <p>                    General Manager, CN BU of the Company (to present)</p> <p>June 2024      Corporate Officer of the Company (to present)</p> <p>                    Executive Vice President of the Company</p> <p>                    Chairman of the Risk Management Committee (to present)</p> <p>April 2025      Senior Executive Vice President of the Company (to present)</p> <p>[Position and responsibility at the Company]</p> <p>Corporate Officer, Senior Executive Vice President</p> <p>General Manager, CN BU</p> <p>Senior Director, CN Sales Division</p> <p>Chairman of the Risk Management Committee</p> <p>In Charge of Management</p> <p>[Reason for nomination as a candidate for Corporate Director]</p> <p>He serves in an important position in charge of the Computer Networks Business. In addition, he has been involved in management execution of the Company since June 2024, serving as a Corporate Officer, which is the highest executive position of the Group with an organization-wide perspective. He also serves as Chairman of the Risk Management Committee and is involved in developing a risk management structure. We expect him to make use of the knowledge that he has accumulated thus far to contribute to improving the corporate value of the Group and strengthen the supervisory function of the Board of Directors, and thus nominate him for Corporate Director.</p>	3,600

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
4	 <p>Tetsuo Tsuneishi (November 24, 1952) [72 years old]</p>	<p>April 1976      Joined Tokyo Electron Limited</p> <p>June 1992      Corporate Director, Tokyo Electron Limited</p> <p>June 1996      Senior Managing Director, Tokyo Electron Limited</p> <p>June 2003      Deputy Chairman of the Board, Tokyo Electron Limited</p> <p>June 2013      Corporate Director of the Company (to present)</p> <p>June 2015      Chairman of the Board, Tokyo Electron Limited</p> <p>June 2017      Representative Director &amp; Chairman of the Board, Tokyo Electron Limited</p> <p>June 2020      Chairman of the Board, Tokyo Electron Limited</p> <p>March 2023      Outside Director, Resonac Holdings Corporation (to present)</p> <p>[Significant concurrent position] Outside Director, Resonac Holdings Corporation</p> <p>[Position and responsibility at the Company] Corporate Director</p> <p>[Reason for nomination as a candidate for Corporate Director] He attended all thirteen Board of Directors' meetings held in the fiscal year ended March 31, 2025. In addition, he has been playing an active role as a committee member of the Nominating Committee in examining candidates for Corporate Director, candidates for CEO (Chief Executive Officer), and candidates for Independent Director and in discussion on the development of succession planning. He has also been actively involved as a committee member of the Remuneration Committee in discussion on the stock-based remuneration and in examining the next incentive plan and the monthly fixed remuneration. We expect him to make use of his experience as an executive manager in stock market listed companies to objectively supervise management from a perspective of protecting the interests of minority shareholders, and thus nominate him for Corporate Director.</p>	-

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
5	 <p>Hiromi Onitsuka-Baur (April 19, 1952) [73 years old]  (Outside Director) (Independent Director)</p>	<p>April 1976      Joined Tokyo Shibaura Electric Co., Ltd. (currently TOSHIBA CORPORATION)</p> <p>April 2005      General Manager, Clinical Laboratory Systems Division, Toshiba Medical Systems Corporation (currently CANON MEDICAL SYSTEMS CORPORATION)</p> <p>June 2009      Vice President, Chief Marketing Executive and General Manager, Clinical Laboratory Systems Division, Toshiba Medical Systems Corporation (currently CANON MEDICAL SYSTEMS CORPORATION)</p> <p>April 2010      Vice President, Chief Marketing Executive and General Manager, Corporate Audit Department, Toshiba Medical Systems Corporation (currently CANON MEDICAL SYSTEMS CORPORATION)</p> <p>June 2011      Temporary Advisor, Toshiba Medical Systems Corporation (currently CANON MEDICAL SYSTEMS CORPORATION)</p> <p>June 2012      Full-time Audit and Supervisory Board Member, Yahoo Japan Corporation (currently LY Corporation)</p> <p>June 2015      Outside Director (Full-time Audit and Supervisory Committee Member), Yahoo Japan Corporation (currently LY Corporation)</p> <p>June 2018      Audit &amp; Supervisory Board Member, eBook Initiative Japan Co., Ltd. (currently LINE Digital Frontier Corporation)</p> <p>October 2019      Outside Director (Full-time Audit and Supervisory Committee Member), Z Holdings Corporation (currently LY Corporation)</p> <p>October 2019      Auditor, Yahoo Japan Corporation (currently LY Corporation)</p> <p>June 2020      Corporate Director of the Company (to present)</p> <p>June 2021      External Director, JVCKENWOOD Corporation (to present)</p> <p>[Significant concurrent position] External Director, JVCKENWOOD Corporation</p> <p>[Reason for nomination as a candidate for Outside Director and outline of expected roles] She attended all thirteen Board of Directors' meetings held in the fiscal year ended March 31, 2025 as Independent Director (Outside Director). In addition, she has also been steering the Remuneration Committee in her position as chair since June 2022 and has been playing a leading role in discussion on the stock-based remuneration and in examining the next incentive plan and the monthly fixed remuneration. She has also been playing an active role as a committee member of the Nominating Committee in examining candidates for Corporate Director, candidates for CEO (Chief Executive Officer), and candidates for Independent Director and in discussion on the development of succession planning. We expect her to make use of her knowledge in the electronics and IT industries, as well as her experience as an Audit and Supervisory Board Member, and Outside Director (Audit and Supervisory Committee Member) in a stock market listed company to continue to objectively supervise management by offering opinions and advice that incorporate shareholders' standpoints from a perspective of protecting the interests of minority shareholders and from a perspective of diversity, and thus nominate her as a candidate for Outside Director. Ms. Hiromi Onitsuka-Baur will have been in office for a total of five years at the conclusion of this General Meeting of Shareholders.</p>	-

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
6	 <p>Kei Nishida (July 8, 1954) [70 years old]</p> <p>(Outside Director) (Independent Director)</p>	<p>April 1977      Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)</p> <p>July 2007      General Manager of Corporate Strategy Management Division and Head of Public Relations Office, GS Yuasa Corporation</p> <p>June 2008      Corporate Officer of GS Yuasa Corporation</p> <p>June 2009      Director of GS Yuasa Corporation</p> <p>April 2010      Head of Corporate Office of GS Yuasa Corporation</p> <p>June 2012      Managing Director of GS Yuasa Corporation</p> <p>June 2015      Representative Director, Senior Managing Director of GS Yuasa Corporation</p> <p>June 2018      Representative Director, Executive Vice President of GS Yuasa Corporation</p> <p>June 2020      Advisor of GS Yuasa Corporation</p> <p>June 2021      Corporate Director of the Company (to present)</p> <p>[Reason for nomination as a candidate for Outside Director and outline of expected roles]</p> <p>He attended all thirteen Board of Directors' meetings held in the fiscal year ended March 31, 2025 as Independent Director (Outside Director). In addition, he has been steering the Nominating Committee in his position as chair since June 2023 and has been playing a leading role in examining candidates for Corporate Director, candidates for CEO (Chief Executive Officer), and candidates for Independent Director and in discussion on the development of succession planning. He has also been playing an active role as a committee member of the Remuneration Committee in discussion on the stock-based remuneration and in examining the next incentive plan and the monthly fixed remuneration. We expect him to make use of his management experience at a stock market listed company and knowledge in the electronics industry to continue to objectively supervise management from a perspective of protecting the interests of minority shareholders and from a perspective of diversity, and thus nominate him as a candidate for Outside Director. Mr. Kei Nishida will have been in office for a total of four years at the conclusion of this General Meeting of Shareholders.</p>	-




No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
7	 <p>Seiji Osaka (October 28, 1958) [66 years old]</p> <p>(Outside Director) (Independent Director)</p>	<p>April 1982      Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)</p> <p>April 2003      Senior Manager of Corporate Planning Dept. of TDK Corporation</p> <p>June 2009      Corporate Officer of TDK Corporation General Manager of Corporate Planning Dept. of Corporate Strategy Group of TDK Corporation</p> <p>May 2011      General Manager of Corporate Planning Group; General Manager of Corporate Planning Dept. of Corporate Planning Group of TDK Corporation</p> <p>June 2012      Senior Vice President of TDK Corporation Senior Executive Vice President &amp; COO of TDK-EPC Corporation (currently TDK Corporation)</p> <p>April 2015      General Manager of Electronic Components Sales &amp; Marketing Group of TDK Corporation General Manager of ICT Group of Electronic Components Sales &amp; Marketing Group of TDK Corporation</p> <p>April 2017      General Manager of Corporate Strategy HQ of TDK Corporation</p> <p>June 2017      Executive Vice President &amp; Director of TDK Corporation</p> <p>April 2023      President &amp; CEO of AIST Solutions Co. (to present)</p> <p>June 2024      Corporate Director of the Company (to present)</p> <p>[Significant concurrent position] President &amp; CEO of AIST Solutions Co.</p> <p>[Reason for nomination as a candidate for Outside Director and outline of expected roles] He attended all ten Board of Directors' meetings held after he assumed office in June, 2024 as Independent Director (Outside Director). In addition, he has been playing an active role as a committee member of the Nominating Committee in examining candidates for Corporate Director, candidates for CEO (Chief Executive Officer), and candidates for Independent Director and in discussion on the development of succession planning. He has also been actively involved as a committee member of the Remuneration Committee in discussion on the stock-based remuneration and in examining the next incentive plan and the monthly fixed remuneration. We expect him to make use of his knowledge in the electronics industry, management experience at a stock market listed company, and experience of working overseas for many years to continue to offer various opinions and advice to the management from an objective viewpoint and a perspective of protecting the interests of minority shareholders and from a perspective of diversity, and thus nominate him as a candidate for Outside Director. Mr. Seiji Osaka will have been in office for a total of one year at the conclusion of this General Meeting of Shareholders.</p>	-


**Proposal 2:** Election of Two Audit & Supervisory Board Members

Of incumbent Audit & Supervisory Board Members, the term of office of Ms. Norika Yuasa will expire at the conclusion of this General Meeting of Shareholders, and Mr. Katsuyuki Matsui will retire at the conclusion of the General Meeting of Shareholders. Accordingly, the election of two Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
1	 <p>Kazuya Ishiguro (November 25, 1961) [63 years old]</p> <p>(New Candidate) (Outside Audit &amp; Supervisory Board Member) (Independent Audit &amp; Supervisory Board Member)</p>	<p>March 1985 October 2008 April 2011 April 2014 June 2014 June 2020 June 2022 July 2024</p> <p>Joined Ricoh Company, Ltd. Director, Executive Officer, General Manager of Corporate Planning Division, Ricoh Chugoku Co., Ltd. (currently Ricoh Japan Corporation) General Manager of Finance Department, Finance and Accounting Division, Ricoh Company, Ltd. Corporate Association Vice President, RICOH LEASING COMPANY, LTD. Fulltime Audit &amp; Supervisory Board Member, RICOH LEASING COMPANY, LTD. Audit &amp; Supervisory Board Member, TECHNO RENT CO., LTD Corporate Director (Fulltime Audit &amp; Supervisory Committee Member), RICOH LEASING COMPANY, LTD. Director, Corporate Officer, General Manager of Business Management Division, TECHNO RENT CO., LTD Director, General Affairs Department of NIICHIKU.CO., LTD.* * Scheduled to retire in June 2025.</p> <p>[Reason for nomination as a candidate for Outside Audit &amp; Supervisory Board Member] He has amassed expertise in finance and accounting through extensive experience in the finance and accounting divisions and general business management at stock market listed companies and their group companies. He also has practical experience as a corporate auditor or director who is an audit &amp; supervisory committee member over many years. We expect him to refine and strengthen the auditing function, taking into account further improving the manufacturing function of the Company, and thus nominate him as a candidate for Outside Audit &amp; Supervisory Board Member.</p>	-

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of the Company shares held
2	 <p>Norika Yuasa (August 18, 1974) [50 years old]</p> <p>(Outside Audit &amp; Supervisory Board Member) (Independent Audit &amp; Supervisory Board Member)</p>	<p>September 2003 Registered as an attorney at law</p> <p>August 2011 Registered as an attorney at law in New York State</p> <p>September 2017 Part-time Professor of Waseda Law School</p> <p>January 2019 Partner   Attorney at law of Miura &amp; Partners (to present)</p> <p>June 2019 Outside Director, KOSÉ Corporation (to present)</p> <p>June 2021 Audit &amp; Supervisory Board Member of the Company (to present)</p> <p>June 2021 Outside Director, SAINT-CARE HOLDING CORPORATION (to present)</p> <p>April 2024 Vice President of Daini Tokyo Bar Association</p> <p>[Significant concurrent position]</p> <p>Partner   Attorney at law of Miura &amp; Partners</p> <p>Outside Director, KOSÉ Corporation</p> <p>Outside Director, SAINT-CARE HOLDING CORPORATION</p> <p>[Reason for nomination as a candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>After serving as an attorney at law in China and other places, she currently serves as Partner Attorney of Miura &amp; Partners and has abundant experience and professional knowledge. We expect her to continue to make use of these experiences and professional knowledge to secure appropriateness of the Company's audit objectively, and thus nominate her as a candidate for Outside Audit &amp; Supervisory Board Member. Although she has never been involved in the management of a company except as Outside Director, the Company judges her capable of appropriately fulfilling duties as Outside Audit &amp; Supervisory Board Member based on the above reasons. Ms. Norika Yuasa will have been in office for a total of four years at the conclusion of this General Meeting of Shareholders.</p>	-

(Notes)

- There are no special interests between each candidate for Audit & Supervisory Board Members and the Company.
- Mr. Kazuya Ishiguro and Ms. Norika Yuasa are candidates for Outside Audit & Supervisory Board Member. Mr. Kazuya Ishiguro meets the criteria for independence required by the Tokyo Stock Exchange and is expected to become new Independent Audit & Supervisory Board Member, if elected as proposed. Additionally, Ms. Norika Yuasa is an Independent Audit & Supervisory Board Member required by the Tokyo Stock Exchange and will continue to be an Independent Audit & Supervisory Board Member, if reelected.
- The current Articles of Incorporation of the Company provides that the Company may enter into an agreement with Audit & Supervisory Board Members to limit liability for damages to the Company. The Company entered into liability limitation agreements with Ms. Norika Yuasa, and will renew the agreement if her reelection is approved. Additionally, if Mr. Kazuya Ishiguro is newly elected as proposed, the Company will enter into the said liability limitation agreement with him. The outline of the liability limitation agreement of the Company is as follows:
  - Audit & Supervisory Board Members who have neglected their duties shall be liable to the Company for any damage to the extent of the minimum liability amount as set forth in Article 425, (1) of the Companies Act.
  - The above liability limitation shall be limited to the case where the relevant Audit & Supervisory Board Member is without knowledge and is not grossly negligent in performing his/her duties that caused the liability.
- The Company entered into an indemnity agreement with Ms. Norika Yuasa, pursuant to Article 430-2 (1) of the Companies Act, and will renew the agreement if her reelection is approved. Under the said agreement, the Company shall indemnify the candidate against the expenses set forth in (1) and losses set forth in (2) of the same Article to the extent specified by laws and regulations. Additionally, if Mr. Kazuya Ishiguro is newly elected as proposed, the Company will enter into the said indemnity agreement with him.
- The Company entered into a Directors and Officers liability insurance contract with an insurance company as stipulated in Article 430-3 (1) of the Companies Act. The contract covers damage payments to be borne by insured persons arising from litigations. Each candidate will be included as an insured person in this insurance contract. The said insurance contract is scheduled for renewal in July 2025.
- Ms. Norika Yuasa's name on her family register is Norika Kunii.

(Reference) If Proposal 2 is approved as proposed, the constituent members of the Audit & Supervisory Board of the Company will be as follows.

Name	Gender	Position	Years in office	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings
Nobuo Kawai	Male	Audit & Supervisory Board Member (fulltime)	9	100% (13/13)	100% (8/8)
Kazuya Ishiguro <div>Outside Independent</div>	Male	Audit & Supervisory Board Member (fulltime)	New Candidate	-	-
Norika Yuasa <div>Outside Independent</div>	Female	Audit & Supervisory Board Member	4	100% (13/13)	100% (8/8)
Kiyoyuki Kuwabara <div>Outside Independent</div>	Male	Audit & Supervisory Board Member	3	100% (13/13)	100% (8/8)

(Reference: Proposals 1 and 2)

[Policy and procedure for nominating candidates for Corporate Directors]

To nominate candidates for Corporate Directors, the Nominating Committee reviews and proposes the candidates to the Board of Directors based on their qualities such as from their knowledge and experience to qualifications as Corporate Director as well as the balance and diversity of knowledge, experience, and capabilities of the Board of Directors as a whole. Upon approval of the Board of Directors, the approved candidates are presented to the General Meeting of Shareholders for approval.

In addition to the requirements under the Companies Act, the Company has the following policies for electing Outside Directors: The Company, in principle, recruits candidates whose corporation, etc. as well as candidates themselves have no special interests with the Company; and who are independent and free from any conflict of interest with general shareholders of the Company.

[Policy and procedure for nominating candidates for Audit & Supervisory Board Members]

To nominate candidates for Audit & Supervisory Board Members, CEO (Chief Executive Officer) proposes the candidates to the Audit & Supervisory Board based on their knowledge, experience, qualifications, diversity, etc. Upon review based on the check points for selection of candidates, the Audit & Supervisory Board presents the approved candidates to the Board of Directors, which will propose them to the General Meeting of Shareholders upon its approval.

In addition to the requirements under the Companies Act, the Company has the following policies for electing Outside Audit & Supervisory Board Members: The Company, in principle, recruits candidates whose corporation, etc. as well as candidates themselves have no special interests with the Company; and who are independent and free from any conflict of interest with general shareholders of the Company.

[Outline of criteria for electing Independent Directors/Audit & Supervisory Board Members]

The Company elects Independent Directors/Audit & Supervisory Board Members from among Outside Directors or Outside Audit & Supervisory Board Members ("Outside Officers") who do not fall under any of the following:

1. Related party of the Company Group; 2. Major shareholder; 3. Related party of major business partner/customer; and 4. Other

Outside Officers of the Company may be reelected up to a total of eight years of office.

[Numeric criteria]

(1) "Major shareholder" refers to a shareholder who holds more than 10% of total voting rights through direct and/or indirect ownership.

(2) "Related party of major business partner/customer" refers to a party with a history of transactions worth 2% or more of consolidated net sales of the Company during the relevant fiscal year or a financial institution providing loans worth 5% or more of consolidated total assets of the Company.

**(Reference) Skills Matrix of Corporate Directors, Audit & Supervisory Board Members, and Corporate Officers who are not Corporate Directors if Proposals 1 and 2 are approved as originally proposed**

The Group formulated the medium-term management plan, VISION 2030, effective from the fiscal year ending March 31, 2026 through the fiscal year ending March 31, 2030. In the medium-term management plan, we have declared that our mission (management policy) is to address social issues through leading-edge technology, primarily semiconductors and IT, and to contribute to the sustainable development of society by offering solutions to those issues that have value beyond expectations. We have designated as our vision “a company that solves latent social issues with the capabilities of a manufacturer and a technology trading company.” Our company-wide policy to achieve VISION 2030 is to make efforts to solve customers’ issues that represent latent social issues with our capabilities as “a manufacturer” and “a technology trading company” and commit to management emphasizing enhancement of the governance system, while promoting actions that will contribute to sustainable profit growth.

In light of the situation the Company will be placed in and the issues we will have to solve as we implement the VISION 2030 medium-term management plan, the Board of Director has amassed the following range of experience and specialist expertise that it considers to be important at this point in time, and has sought to promote the management through close collaboration including Corporate Officers.

			Experience and expertise in:						
Details of item			Corporate management	Production / development	IT / DX	Global experience	Sales / marketing	Finance / accounting	Legal affairs / risk management
Corporate Directors	Executive	Atsushi Tokushige	●	●	●	●	●		
		Masami Hasegawa	●		●	●	●		
		Takayoshi Miyamoto			●	●	●		●
	Non-executive	Tetsuo Tsuneishi	●		●	●	●	●	
		Hiromi Onitsuka-Baur <div>Outside Independent</div>		●	●	●	●		
		Kei Nishida <div>Outside Independent</div>	●	●			●		
		Seiji Osaka <div>Outside Independent</div>	●	●		●	●	●	
Audit & Supervisory Board Members	Nobuo Kawai						●	●	
	Kazuya Ishiguro <div>Outside Independent</div>						●	●	
	Norika Yuasa <div>Outside Independent</div>				●			●	
	Kiyoyuki Kuwabara <div>Outside Independent</div>			●			●		

The following is the skill matrix of Corporate Officers who are not Corporate Directors.

		Experience and expertise in:						
Details of item		Corporate management	Production / development	IT / DX	Global experience	Sales / marketing	Finance / accounting	Legal affairs / risk management
Corporate Officers	Kazuki Shinoda	•	•	•	•	•		•
	Toshikazu Mishina	•		•		•		
	Jun Ninomiya			•		•	•	•
	Takayoshi Narita		•	•		•		
	Mitsutaka Kamimoto		•	•		•		

(Reference) Regarding Proposals 3 to 8

Proposals 3 to 8 are proposals associated with remuneration for Corporate Directors and Audit & Supervisory Board Members.

The outline of the relationship between the proposals and the remuneration system for Corporate Directors and Audit & Supervisory Board Members of the Company is outlined below.

- The Company determined the “Views Concerning the Level of the Remuneration for Corporate Directors” following the start of a new medium-term management plan, VISION 2030, from April 2025 as described below.

[Views Concerning the Level of the Remuneration]

As Corporate Directors’ remuneration of the company of which mission is to address social issues through leading-edge technology, primarily semiconductors and IT, and to contribute to the sustainable development of society by offering solutions to those issues that have value beyond expectations, the Company aims for the competitive level of the remuneration among Japanese companies developing businesses in these domains.

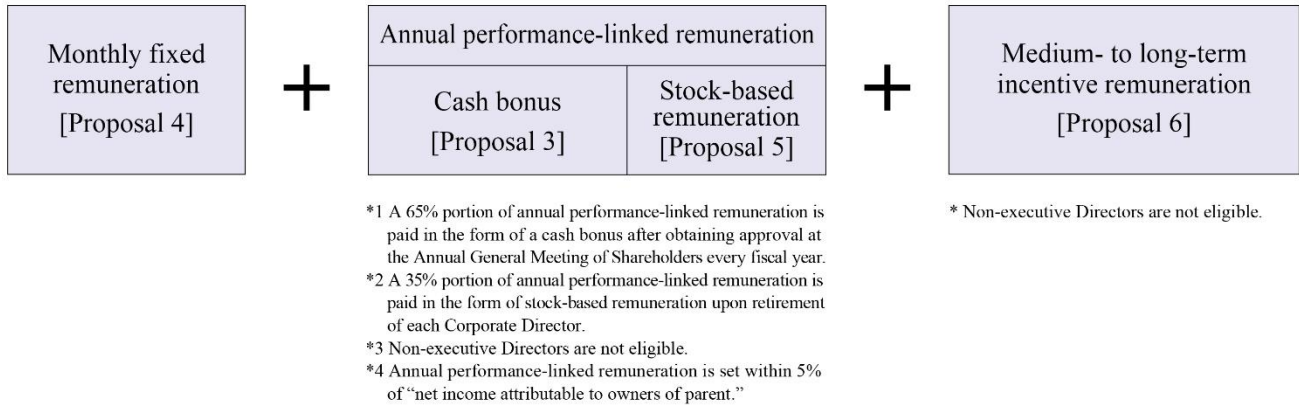
- Corporate Directors have been classified into “Full-time Directors” and “Outside Directors (Independent Directors)” under “Policy for the Determination of Contents of Remuneration, etc. for Individual Corporate Directors”. In submitting these proposals related to remuneration for Corporate Directors, the Company decided to revise the category to the one consisting of “Executive Directors” and “Non-executive Directors” to secure further consistency and determined the “Composition of Remuneration” as described below. The remuneration system remains unchanged, which will be applied associated with the change in the description of the classification.

[Composition of Remuneration]

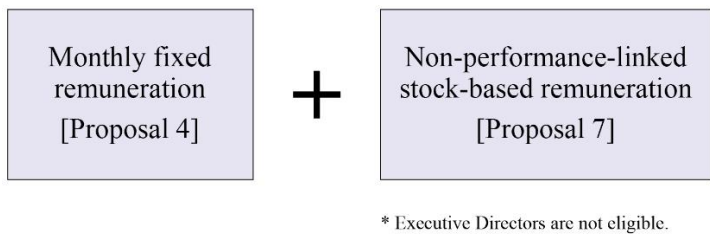
- Executive Directors  
Remuneration consists of monthly fixed remuneration, annual performance-linked remuneration, and medium- to long-term incentive remuneration. Medium- to long-term incentive remuneration and a portion of annual performance-linked remuneration are in the form of stock-based remuneration.
- Non-executive Directors  
Remuneration consists of monthly fixed remuneration and non-performance-linked stock-based remuneration.

The relationship between the remuneration system for Corporate Directors and Audit & Supervisory Board Members and Proposals 3 to 8 is outlined below.

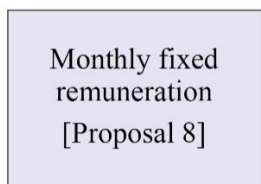
[Executive Directors]



[Non-executive Directors]



[Audit & Supervisory Board Members]



**Proposal 3:** Payment of Bonuses to Corporate Directors

Of the amount of performance-linked remuneration, which was calculated based on an annual performance-linked remuneration table using the amount of “net income attributable to owners of parent” of the current fiscal year (hereinafter, “net income”) and ratio of net income to net sales as indicators, a 65% portion is proposed to be paid to three Executive Directors as of the end of the current fiscal year in a form of cash bonus for a total of 110,315 thousand yen. No bonuses will be paid to Non-executive Directors.

Payment of bonuses to Executive Directors has been deemed to be appropriate due to its conformity to “Policy for the Determination of Contents of Remuneration, etc. for Individual Corporate Directors.”

**Proposal 4:** Revision of the Amount of Remuneration for Corporate Directors

The amount of remuneration for Corporate Directors of the Company was approved at the 34th Annual General Meeting of Shareholders held on June 19, 2019, and has remained at not more than 22 million yen per month (including not more than 3 million yen per month for Outside Directors). In light of the recent changes in the management environment including the subsequent expansion of the business domains, and in an effort to maintain and enhance our competitiveness and improve the Board of Directors by securing outstanding talent including the future increase in the number of Outside Directors, it is proposed that, without changing the total amount of remuneration for Corporate Directors (not more than 22 million yen per month) and with the revision of the amount of remuneration for Outside Directors only to not more than 7 million yen per month, the amount of remuneration for Corporate Directors be revised to not more than 22 million yen per month (including not more than 7 million yen per month for Outside Directors)

The revision of the amount of remuneration for Corporate Directors has been deemed to be appropriate due to its conformity to “Policy for the Determination of Contents of Remuneration, etc. for Individual Corporate Directors.”

If Proposal 1 “Election of Seven Corporate Directors” is approved as proposed originally, the number of Corporate Directors shall be seven (including three Outside Directors).



**Proposal 5:** Renewal and Amendments of the Stock-based Remuneration Plan as Annual Performance-linked Remuneration for Corporate Directors

1. Reason for the proposal and reasons for deeming such remuneration to be appropriate

The performance-linked stock-based remuneration plan (the “Plan”) for Corporate Directors (excluding Outside Directors and part-time Corporate Directors) was approved under the agenda of “Determination of the Amount and Details of the Performance-linked Stock-based Remuneration for Corporate Directors” at the 29th Annual General Meeting of Shareholders held on June 18, 2014. And its renewal was approved under the agenda of “Renewal of the Performance-linked Stock-based Remuneration for Corporate Directors” at the 34th Annual General Meeting of Shareholders held on June 19, 2019 and under the agenda of “Renewal of the Stock-based Remuneration Plan as Annual Performance-linked Remuneration for Corporate Directors” at the 36th Annual General Meeting of Shareholders held on June 22, 2021. The renewal of the Plan is proposed upon making changes to the target period of the Plan, the maximum amount of remuneration to be paid and the maximum number of shares to be delivered.

The Plan further clarifies the links between the remuneration of the Corporate Directors, the Company’s business performance and shareholders’ value, and aims to enhance the incentive toward continuously improving business performance and the awareness toward contributing to the increase in shareholders’ value, and thus the renewal and amendments of the Plan has been deemed to be appropriate.

In this proposal, it is proposed that a stock-based remuneration be paid to Corporate Directors (excluding Outside Directors and part-time Corporate Directors; hereinafter “Non-executive Directors”) separately from Proposal 3 “Payment of Bonuses to Corporate Directors,” Proposal 4 “Revision of the Amount of Remuneration for Corporate Directors,” and Proposal 6 “Renewal and Amendments of the Stock-based Remuneration Plan as Medium-term Incentive Remuneration for Corporate Directors.”

If Proposal 1 “Election of Seven Corporate Directors” is approved as proposed originally, the number of Corporate Directors (excluding Non-executive Directors) subject to this Plan shall be three.

2. Amount and details of remuneration, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock-based remuneration plan under which the Company’s shares are acquired through a trust using the Corporate Directors’ remuneration contributed by the Company as funds, and the Company’s shares are delivered to the Corporate Directors of the Company (excluding Non-executive Directors) in accordance with the level of achievement of performance.

Item	Overview of the Plan
(i) Persons subject to the delivery of the Company’s shares under the Plan	Corporate Directors of the Company (excluding Non-executive Directors; hereinafter the same)
(ii) Target period of the Plan (as described in (2) below)	Five fiscal years
(iii) Maximum amount of cash contributed by the Company (as described in (3) below)	675 million yen for the target period (five fiscal years)
(iv) Maximum number of the Company’s shares (points) to be delivered to Corporate Directors(as described in (4) below)	338,000 shares (338,000 points) for the target period (five fiscal years)
(v) Acquisition method of the Company’s shares (as described in (3) below)	The Company’s shares will be acquired from the stock market. (Shares required during this target period will be acquired through purchase at the stock market, hence the Plan does not cause a dilution of the Company’s shares.)
(vi) Conditions for achievement of performance (as described in (4) below)	Fluctuates in accordance with the levels of achievement of the amount of net income attributable to owners of parent and the ratio of net income attributable to owners of parent every fiscal year
(vii) Timing of delivery of the Company’s shares (as described in (5) below)	Upon retirement of each Corporate Director

(2) Target period of the Plan

The Plan after renewal will target the five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030 (the “Target Period”).

(3) Maximum amount of cash contributed by the Company

The Company contributes money not exceeding 675 million yen as remuneration to Corporate Directors of the Company for the Target Period and establishes a trust with Corporate Directors who meet the beneficiary requirements as beneficiaries, of which trust period is five years. The trust to be established will use the one identical to a trust established by the Company under the stock-based remuneration plan as a medium-term incentive remuneration (“Trust”), which is subject to shareholders’ approval in Proposal 6, by extending its trust period by five years. In the event that there remain residual shares of the Company (excluding the Company’s shares corresponding to points granted to Corporate Directors of which delivery, etc. has not been completed) and money in the trust property (“Residual Shares, etc.”), the Residual Shares, etc. will be succeeded to the Trust after the extension of its trust period. The total sum of the amount corresponding to annual performance-linked stock-based remuneration among the Residual Shares, etc. and the amount to be contributed this time will be at not more than 675 million yen.

The Trust will acquire the Company’s shares from the stock market using trust funds contributed by the Company in accordance with the instructions of the trust administrator. The Company grants points (as described in (4) below) to Corporate Directors during the trust period, and the Trust will deliver the Company’s shares that correspond to the points to be granted.

(4) Method of calculating the Company’s shares to be delivered to the Corporate Directors and the maximum number thereof

The Company shall, at a given period each year during the trust period, grant points to the Corporate Directors in accordance with the level of achievement of performance (\*) during the fiscal year ending March 31 of that year. Points shall be granted every year during the trust period.

At the retirement of each Corporate Director, the cumulative value of points (the “Cumulative Number of Points”) shall be calculated and the shares corresponding to the Cumulative Number of Points shall be granted.

One point shall equal one share of the Company’s common stock. However, in the event that circumstances occur during the trust period whereby an adjustment to the Cumulative Number of Points is deemed reasonable, such as a share split or a consolidation of shares, adjustments shall be made according to such split ratio, consolidation ratio, etc.

(\*) The level of achievement of performance shall be determined using “amount of net income attributable to owners of parent” and “ratio of net income attributable to owners of parent” as indicators.

Total number of the Company’s shares to be delivered to Corporate Directors during the Target Period shall be up to 338,000 shares. The total number of shares to be delivered is determined based on the maximum amount of money contributed to the Trust as described in (3) above, in reference to past stock prices, etc., and has been deemed to be appropriate in light of the current levels of remuneration paid to Corporate Directors of the Company and the number of Corporate Directors of the Company along with the future outlook thereof, as well as the Company’s stock price level, among others.

(5) Timing of delivery of the Company’s shares to Corporate Directors

Corporate Directors who meet the beneficiary requirements shall receive delivery of the Company’s shares, after the retirement in principle, which corresponds to the Cumulative Number of Points calculated based on (4) above. Upon receiving, Corporate Directors shall receive the Company’s shares corresponding to a certain portion of the Cumulative Number of Points and money equivalent to the Company’s shares corresponding to the remaining Cumulative Number of Points, upon conversion into cash within the Trust.

(6) Treatment of dividends associated with the Company's shares held in the Trust

The distribution of dividends associated with the Company's shares held in the Trust shall be received by the Trust and appropriated to the trust fees and trust expenses for the Trust. Any residual amount at the eventual termination of the Trust after the aforementioned appropriation to the trust fees and trust expenses will be donated to organizations with no interest in the Company and its Corporate Directors.

(7) Clawback system, etc.

In the event that there has been a serious fraud or violation committed by an eligible Corporate Director, the Company may request the forfeiture of the right to receive the shares that were scheduled to be delivered under the Plan (malus) or the refund of money equivalent to the shares that have already been delivered (clawback) to the Corporate Director.

(8) Voting rights for the Company's shares

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company's shares held in the Trust during the trust period.

(9) Other details of the Plan

Other details concerning the Plan shall be determined at the Board of Directors' meetings.

**Proposal 6:** Renewal and Amendments of the Stock-based Remuneration Plan as Medium-term Incentive Remuneration for Corporate Directors

1. Reason for the proposal and reasons for deeming such remuneration to be appropriate

The medium-term performance-linked stock-based remuneration plan for Corporate Directors of the Company (excluding Outside Directors and part-time Corporate Directors) (the “Plan”) was approved in “Introduction of a Stock-based Remuneration Plan for Corporate Directors as Medium-term Incentive Remuneration” at the 36th Annual General Meeting of Shareholders held on June 22, 2021, as an incentive remuneration linked to the level of achievement of the VISION 2025 medium-term management plan. The VISION 2025 medium-term management plan was completed on March 31, 2025. Associated with the start of a new medium-term management plan, VISION 2030, on April 1, 2025, as an incentive remuneration linked to the level of achievement of the VISION 2030 medium-term management plan, this proposal requests approval for the renewal of the Plan upon making changes to the target period of the Plan, the maximum amount of remuneration to be paid, the maximum number of shares to be delivered, the conditions for achievement of performance, and other details.

The Plan aims to enhance the awareness of Corporate Directors toward contributing to the increase in corporate value in the medium- to long-term by achieving the medium-term management plan, and thus the renewal and the amendments of the Plan have been deemed to be appropriate.

This proposal requests approval for the payment of stock-based remuneration for Corporate Directors (excluding Outside Directors and part-time Corporate Directors; hereinafter “Non-executive Directors”), separately from Proposal 3 “Payment of Bonuses to Corporate Directors,” Proposal 4 “Revision of the Amount of Remuneration for Corporate Directors,” and Proposal 5 “Renewal and Amendments of the Stock-based Remuneration Plan as Annual Performance-linked Remuneration for Corporate Directors.”

If Proposal 1 “Election of Seven Corporate Directors” is approved as proposed originally, the number of Corporate Directors (excluding Non-executive Directors) subject to this Plan shall be three.

The Company plans to introduce an incentive plan similar to the Plan, which links to the levels of achievement of financial targets under the medium-term management plan, for Corporate Directors of subsidiaries of the Company (excluding Non-executive Directors), as well as for Corporate Officers, Vice Presidents, and Managers of the Company and its subsidiaries.

2. Amount and details of remuneration, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock-based remuneration plan under which the Company’s shares are acquired through a trust using the Corporate Directors’ remuneration contributed by the Company as funds, and the Company’s shares are delivered to the Corporate Directors of the Company (excluding Non-executive Directors) in accordance with the level of achievement of financial targets of the medium-term management plan.

Item	Overview of the Plan
(i) Persons subject to the delivery of the Company’s shares under the Plan	Corporate Directors of the Company (excluding Non-executive Directors; hereinafter the same)
(ii) Target period of the Plan (as described in (2) below)	Five fiscal years
(iii) Maximum amount of cash contributed by the Company (as described in (3) below)	334 million yen for the target period (five fiscal years)
(iv) Maximum number of the Company’s shares to be delivered to Corporate Directors (points) (as described in (4) below)	162,000 shares (162,000 points) for the target period (five fiscal years)
(v) Acquisition method of the Company’s shares (as described in (3) below)	The Company’s shares will be acquired from the stock market. (Shares required during this target period will be acquired through purchase at the stock market, hence the Plan does not cause a dilution of the Company’s shares.)

(vi) Conditions for achievement of performance (as described in (4) below)	Fluctuates within the range of 0% to 125%, in accordance with the levels of achievement of the performance targets (the consolidated ordinary income ratio and the consolidated ROE) as well as the degree of improvement of non-financial indicators (engagement indicators) of every fiscal year during the VISION 2030 medium-term management plan period.
(vii) Timing of delivery of the Company's shares (as described in (5) below)	After the target period

(2) Target period of the Plan

The Plan will target the five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030, which corresponds to the period of the VISION 2030 medium-term management plan (the "Target Period").

(3) Maximum amount of cash contributed by the Company

The Company contributes money not exceeding 334 million yen as remuneration to Corporate Directors of the Company for the Target Period and establishes a trust with Corporate Directors who meet the beneficiary requirements as beneficiaries, of which trust period is five years. The trust to be established will use the one identical to a trust established by the Company under the annual performance-linked remuneration plan ("Trust"), which is subject to shareholders' approval in Proposal 5, by extending its trust period by five years. In the event that there remain residual shares of the Company (excluding the Company's shares corresponding to points granted to Corporate Directors of which delivery etc. has not been completed) and money in the trust property ("Residual Shares, etc."), the Residual Shares, etc. will be succeeded to the Trust after the extension of its trust period. The total sum of the amount corresponding to medium-term incentive remuneration among the Residual Shares, etc. and the amount to be contributed this time will be at not more than 334 million yen.

The Trust will acquire the Company's shares from the stock market using trust funds contributed by the Company in accordance with the instructions of the trust administrator. The Company grants points (as described in (4) below) to Corporate Directors, and the Trust will deliver the Company's shares that correspond to the points to be granted.

(4) Method of calculating the Company's shares to be delivered to Corporate Directors and the maximum number thereof

The number of the Company's shares to be delivered to Corporate Directors shall be calculated based on the number of points, which will be obtained based on the following formula:

(Calculation formula of the points for stock delivery)

Right points \*1 x Payment ratio by achievement level \*2

- \*1. In principle, right points shall be calculated by dividing the base amount predetermined by position and other factors by the stock price at the time of acquisition of the Company's shares by the Trust and a trust separately established by the Company for an employee incentive plan similar to the Plan.
- \*2. Payment ratio by achievement level fluctuates within the range of 0% to 125% according to the level of achievement of the consolidated ordinary income ratio and the consolidated ROE, which are the target figures of VISION 2030 as determined by the Board of Directors, and the degree of improvement of non-financial indicators (engagement indicators) The payment ratio shall remain at 0% unless a certain threshold is achieved.

One point shall equal one share of the Company's common stock. However, in the event that circumstances occur during the trust period whereby an adjustment to the number of points is deemed reasonable, such as a share split or a consolidation of shares, adjustments shall be made according to such split ratio, consolidation ratio, etc.

Total number of the Company's shares to be delivered to Corporate Directors during the Target Period shall be up to 162,000 shares. The total number of shares to be delivered is determined based on the maximum amount of money contributed to the Trust as described in (3) above, in reference to past stock prices, etc., and has been deemed to be appropriate in light of the current levels of remuneration paid to Corporate Directors of the Company and the number of Corporate Directors of the Company along with the future outlook thereof, as well as the Company's stock price level, among others.

(5) Timing of delivery of the Company's shares to Corporate Directors

Corporate Directors who meet the beneficiary requirements shall receive delivery of the Company's shares,

after the Target Period is ended, which corresponds to the number of delivered points calculated based on (4) above. Upon receiving, Corporate Directors shall receive the Company's shares corresponding to a certain portion of the delivered points and money equivalent to the Company's shares corresponding to the remaining number of points, upon conversion into cash within the Trust.

(6) Treatment of dividends associated with the Company's shares held in the Trust

The distribution of dividends associated with the Company's shares held in the Trust shall be received by the Trust and appropriated to the trust fees and trust expenses for the Trust. Any residual amount at the eventual termination of the Trust after the aforementioned appropriation to the trust fees and trust expenses will be donated to organizations with no interest in the Company and its Corporate Directors.

(7) Clawback system, etc.

In the event that there has been a serious fraud or violation committed by an eligible Corporate Director, the Company may request the forfeiture of the right to receive the shares that were scheduled to be delivered under the Plan (malus) or the refund of money equivalent to the shares that have already been delivered (clawback) to the Corporate Director.

(8) Voting rights for the Company's shares

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company's shares held in the Trust during the trust period.

(9) Other details of the Plan

Other details concerning the Plan shall be determined at the Board of Directors' meetings.

**Proposal 7:** Introduction of a Non-performance-linked Stock-based Remuneration Plan for Non-executive Directors

1. Reason for the proposal and reasons for deeming such remuneration to be appropriate

The remuneration for Non-executive Directors of the Company consists of monthly fixed remuneration. This proposal requests approval for newly introducing a non-performance-linked stock-based remuneration plan (the “Plan”).

The Plan aims to enhance the incentive to Non-executive Directors toward contributing to the enhancement of the medium- to long-term corporate value as well as further share profits with shareholders. In addition, as Non-executive Directors assume the management oversight function to determine the appropriateness of the execution of operations from an objective viewpoint, the Plan is non-performance-linked stock-based, whereby the number of shares delivered is not linked to their performance. The introduction of the Plan has been deemed to be appropriate for the above reason.

In this proposal, it is proposed that a stock-based remuneration be paid to Non-executive Directors separately from Proposal 4 “Revision of the Amount of Remuneration for Corporate Directors.”

If Proposal 1 “Election of Seven Corporate Directors” is approved as proposed originally, the number of Non-executive Directors subject to this Plan shall be four.

2. Amount and details of remuneration, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock-based remuneration plan under which the Company’s shares are acquired through a trust using the Non-executive Directors’ remuneration contributed by the Company as funds, and the Company’s shares are delivered to the Non-executive Directors of the Company.

Item	Overview of the Plan
(i) Persons subject to the delivery of the Company’s shares under the Plan	Non-executive Directors of the Company
(ii) Target period of the Plan (as described in (2) below)	Five fiscal years
(iii) Maximum amount of cash contributed by the Company (as described in (3) below)	55 million yen for the target period (five fiscal years)
(iv) Maximum number of the Company’s shares to be delivered to Corporate Directors (points) (as described in (4) below)	27,000 shares (27,000 points) for the target period (five fiscal years)
(v) Acquisition method of the Company’s shares (as described in (3) below)	The Company’s shares will be acquired from the stock market. (Shares required during this target period will be acquired through purchase at the stock market, hence the Plan does not cause a dilution of the Company’s shares.)
(vi) Timing of delivery of the Company’s shares (as described in (5) below)	Upon retirement of each Corporate Director

(2) Target period of the Plan

The Plan will target the five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030 (the “Target Period”).

(3) Maximum amount of cash contributed by the Company

The Company contributes money not exceeding 55 million yen as remuneration to Non-executive Directors of the Company for the Target Period and establishes a trust with Corporate Directors who meet the beneficiary requirements as beneficiaries, of which trust period is five years. The trust to be established will use the one identical to a trust established by the Company (“Trust”) under the stock-based remuneration plan, which is subject to shareholders’ approval in Proposals 5 and 6, by extending its trust period by five years.

The Trust will acquire the Company’s shares from the stock market using trust funds contributed by the Company in accordance with the instructions of the trust administrator. The Company grants points (as described in (4) below) to Non-executive Directors, and the Trust will deliver the Company’s shares that correspond to the points to be granted.

(4) Method of calculating the Company's shares to be delivered to Non-executive Directors and the maximum number thereof

The Company shall, at a given period each year during the trust period, grant points (\*) to Non-executive Directors according to the number of years served, etc.

At the retirement of each Non-executive Director, the cumulative value of points (the "Cumulative Number of Points") shall be calculated and the shares corresponding to the Cumulative Number of Points shall be granted.

One point shall equal one share of the Company's common stock. However, in the event that circumstances occur during the trust period whereby an adjustment to the Cumulative Number of Points is deemed reasonable, such as a share split or a consolidation of shares, adjustments shall be made according to such split ratio, consolidation ratio, etc.

(\*) In principle, points shall be calculated by dividing the base amount calculated according to the number of years served by the stock price at the time of acquisition of the Company's shares by the Trust and a trust separately established by the Company for an employee incentive plan.

Total number of the Company's shares to be delivered to Non-executive Directors during the Target Period shall be up to 27,000 shares. The total number of shares to be delivered is determined based on the maximum amount of money contributed to the Trust as described in (3) above, in reference to past stock prices, etc., and has been deemed to be appropriate in light of the current levels of remuneration paid to Non-executive Directors of the Company and the number of Non-executive Directors of the Company along with the future outlook thereof, as well as the Company's stock price level, among others.

(5) Timing of delivery of the Company's shares to Non-executive Directors

Non-executive Directors who meet the beneficiary requirements shall receive delivery of the Company's shares, after the retirement in principle, which corresponds to the Cumulative Number of Points calculated based on (4) above. Upon receiving, Non-executive Directors shall receive the Company's shares corresponding to a certain portion of the Cumulative Number of Points and money equivalent to the Company's shares corresponding to the remaining Cumulative Number of Points, upon conversion into cash within the Trust.

(6) Treatment of dividends associated with the Company's shares held in the Trust

The distribution of dividends associated with the Company's shares held in the Trust shall be received by the Trust and appropriated to the trust fees and trust expenses for the Trust. Any residual amount at the eventual termination of the Trust after the aforementioned appropriation to the trust fees and trust expenses will be donated to organizations with no interest in the Company and its Corporate Directors.

(7) Clawback system, etc.

In the event that there has been a serious fraud or violation committed by an eligible Non-executive Director, the Company may request the forfeiture of the right to receive the shares that were scheduled to be delivered under the Plan (malus) or the refund of money equivalent to the shares that have already been delivered (clawback) to the Non-executive Director.

(8) Voting rights for the Company's shares

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company's shares held in the Trust during the trust period.

(9) Other details of the Plan

Other details concerning the Plan shall be determined at the Board of Directors' meetings.



**Proposal 8:** Revision of the Amount of Remuneration for Audit & Supervisory Board Members

The amount of remuneration for Audit & Supervisory Board Members of the Company was approved at the 28th Annual General Meeting of Shareholders held on June 18, 2013, and has remained at not more than 5.5 million yen per month. However, their responsibilities have increased with the expansion of the scope of their duties due to the changes in business environment, among others. In order to continue to maintain the appropriate level of remuneration in line with the responsibilities and recruit and secure outstanding talent, the proposal requests approval for the revision of the amount of remuneration for Audit & Supervisory Board Members to not more than 8 million yen per month.

If Proposal 2 “Election of Two Audit & Supervisory Board Members” is approved as proposed originally, the number of Audit & Supervisory Board Members shall be four.