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Stock Code: 4099

March 7, 2023

(Measures for electronic provision commenced on March 3, 2023)

To Shareholders with Voting Rights:

Mitsunori Watanabe
Representative Director and President
SHIKOKU KASEI HOLDINGS CORPORATION
8-537-1, Doki-cho-higashi, Marugame-shi,
Kagawa Prefecture, Japan

**NOTICE OF
THE 103rd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 103rd Annual General Meeting of Shareholders of SHIKOKU KASEI HOLDINGS CORPORATION (the “Company”) will be held as described below, and that you are invited to attend the meeting.

For this General Meeting of Shareholders, we have taken measures for the electronic provision of the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision). This information has been posted on the Company’s website. Please access the website shown below to view the information.

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

(Please access the Company’s website above, select “The 103rd Annual General Meeting of Shareholders” and view the information in the “Related Materials” section.)

The matters subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange. Please access the website below to view the information.

The website of the Tokyo Stock Exchange (Tokyo Stock Exchange Listed Company Search):

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

(Please access the Tokyo Stock Exchange website above, search by entering “SHIKOKU KASEI HOLDINGS” as “Issue name (company name)” or “4099” as “Code” and select “Basic information” then “Documents for public inspection/PR information” to view the information.)

If you are not attending the meeting in person, you can exercise your voting rights via the Internet, etc. or in writing. To exercise your voting rights, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:00 p.m. Japan time on Tuesday, March 28, 2023.

1. Date and Time: Wednesday, March 29, 2023 at 10:00 a.m. Japan time
(The timing of this Annual General Meeting of Shareholders differs significantly from the timing of the previous Annual General Meeting of Shareholders (June 24, 2022), as the Company has changed the last day of the fiscal year from March 31 to December 31, effective from the Company's 103rd Fiscal Year.)

2. Place: SHIKOKU KASEI HOLDINGS CORPORATION Head Office
Hall, 6th floor
8-537-1, Doki-cho-higashi, Marugame-shi, Kagawa Prefecture, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2022 - December 31, 2022) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2022 - December 31, 2022)

Proposals to be resolved:

- Proposal 1:** Election of Ten (10) Directors
Proposal 2: Election of Two (2) Statutory Auditors
Proposal 3: Election of One (1) Substitute Statutory Auditor
Proposal 4: Continuation of Policy on Large-scale Purchases of the Company's Shares (Anti-Takeover Measures)

- When attending the meeting, please submit the Voting Rights Exercise Form sent to shareholders at the reception desk on the day of the meeting.
- Souvenirs will not be distributed to shareholders attending the meeting. Your understanding is requested in this matter.
- The paper copy of this Notice sent to shareholders also serves as the paper copy describing the matters subject to measures for electronic provision to be sent to shareholders based on requests for the paper copy. Of the matters subject to measures for electronic provision, the following matters are not included in the paper copy of this Notice sent to shareholders, in accordance with provisions of laws and regulations as well as the Company's Articles of Incorporation.
 - "Systems for Ensuring Appropriateness of Operations and Their Situation" and "Basic Policy on Control of the Company," which are part of the Business Report
 - "Consolidated Statements of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements," which are part of the Consolidated Financial Statements
 - "Non-consolidated Statements of Changes in Shareholders' Equity" and "Notes to Non-consolidated Financial Statements," which are part of the Non-consolidated Financial StatementsTherefore, the paper copy of this Notice sent to shareholders are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements audited by Statutory Auditors in preparing the Audit Report and part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor in preparing the Audit Report of the Accounting Auditor.
- Notice of any revisions to the matters subject to measures for electronic provision will be posted on the Company's website and the website of the Tokyo Stock Exchange shown above, together with the relevant matters before and after revision.
- Institutional investors may use the electronic voting system platform operated by ICJ, Inc. to exercise their voting rights.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Ten (10) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of ten (10) Directors is proposed.

The candidates for Director are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held (Number of shares to be granted under the stock compensation plan)
1	Mitsunori Watanabe (July 11, 1957) [Reappointment]	April 1980 Joined the Company March 2002 General Manager, Corporate Planning Dept., the Company June 2013 Executive Officer; General Manager, Corporate Planning Dept., the Company June 2014 Director; Executive Officer; General Manager, Corporate Planning and Secretariat, the Company June 2016 Director; Executive Officer; General Manager, Corporate Planning, the Company March 2017 Director; Executive Officer; Deputy Head, Planning and Management, the Company February 2018 Director; Executive Officer; Deputy Head, Planning and Management; Head, Osaka Branch Office, the Company March 2019 Director; Executive Officer; Head, Corporate Strategy Division, the Company June 2019 Director; Managing Executive Officer; Head, Corporate Strategy Division, the Company April 2022 Director; Managing Executive Officer; Head, Corporate Strategy & Business Promotion, the Company January 2023 Representative Director and President, the Company (to present)	52,500 (9,097)
[Reason for nomination as candidate for Director] Mr. Mitsunori Watanabe has been mainly engaged in the corporate planning division of the Company. He assumed office as Director in 2014 and as Representative Director in 2023 and currently serves as Representative Director and President. He has been responsible for administration and supervision of overall management of the Company for many years. Based on his wealth of experience and knowledge, the Company believes he is capable of appropriately executing his duties and proposes his reelection as Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held (Number of shares to be granted under the stock compensation plan)
2	Jun Matsubara (January 4, 1954) [Reappointment]	April 1976 Joined the Company March 2000 General Manager, Logistics & Purchasing Dept., Chemicals Operations, the Company June 2001 General Manager, Operational Management & Planning Dept., Chemicals Operations, the Company June 2005 General Manager, Operational Management & Planning, Chemicals Operations, the Company June 2007 Executive Officer; General Manager, Operational Management & Planning, Chemicals Operations, the Company June 2011 Statutory Auditor, the Company June 2019 Director; Managing Executive Officer; Head, Chemicals Sales & Marketing Division, the Company April 2022 Director; Managing Executive Officer; Head, Chemicals Business, the Company January 2023 Executive Director, the Company (to present) [Significant concurrent positions] · Representative Director and President, Shikoku Ryutan Co., Ltd.	34,600 (9,097)
[Reason for nomination as candidate for Director] Mr. Jun Matsubara has been mainly engaged in the chemicals operations of the Company. He assumed office as Director in 2019 and currently serves as Executive Director. He has been responsible for administration and supervision of overall management of the Company. Based on his wealth of experience and knowledge, the Company believes he is capable of appropriately executing his duties and proposes his reelection as Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held (Number of shares to be granted under the stock compensation plan)
3	Yoshinori Manabe (June 7, 1964) [Reappointment]	<p>April 1988 Joined the Company</p> <p>March 2005 General Manager, Logistics & Purchasing Dept., Housing Materials Operations, the Company</p> <p>March 2017 Executive Officer; General Manager, Sales & Marketing, Housing Materials Operations, the Company</p> <p>June 2018 Executive Officer; Deputy Head, Housing Materials Operations; General Manager, Sales & Marketing, Housing Materials Operations, the Company</p> <p>March 2019 Executive Officer; Deputy Head, Business Promotion Division, the Company</p> <p>June 2019 Director; Executive Officer; Head, Business Promotion Division, the Company</p> <p>April 2022 Director; Executive Officer; Deputy Head, Corporate Strategy & Business Promotion, the Company</p> <p>January 2023 Executive Director, the Company (to present) Representative Director and President, SHIKOKU KASEI KENZAI CORPORATION (to present)</p> <p>[Significant concurrent positions] Representative Director and President, SHIKOKU KASEI KENZAI CORPORATION</p>	19,400 (5,087)
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yoshinori Manabe has been mainly engaged in the housing materials operations of the Company. He assumed office as Director in 2019 and currently serves as Executive Director. He has been responsible for administration and supervision of overall management mainly of the housing materials operations. Based on his wealth of experience and knowledge, the Company believes he is capable of appropriately executing his duties and proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held (Number of shares to be granted under the stock compensation plan)
4	Makoto Hamazaki (January 27, 1958) [Reappointment]	April 1980 Joined the Company March 2002 General Manager, Technology Dept., the Company September 2004 Deputy Manager, Tokushima Plant, the Company March 2008 Deputy Manager, Marugame Plant, the Company June 2012 Manager, Marugame Plant, the Company March 2015 Executive Officer; Manager, Marugame Plant, the Company June 2018 Director; Executive Officer; Head, Production and Technology; Manager, Marugame Plant, the Company March 2019 Director; Executive Officer; Head, Production and Technology Division, the Company April 2022 Director; Executive Officer; Deputy Head, Chemicals Business; Head, Production and Technology, the Company January 2023 Executive Director, the Company (to present) Representative Director and President, SHIKOKU CHEMICALS CORPORATION (to present) [Significant concurrent positions] Representative Director and President, SHIKOKU CHEMICALS CORPORATION	45,000 (5,087)
[Reason for nomination as candidate for Director] Mr. Makoto Hamazaki has been mainly engaged in the production and technology division of the Company. He assumed office as Director in 2018 and currently serves as Executive Director. He has been responsible for administration and supervision of overall management mainly of the chemicals operations. Based on his wealth of experience and knowledge, the Company believes he is capable of appropriately executing his duties and proposes his reelection as Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held (Number of shares to be granted under the stock compensation plan)
5	<p data-bbox="225 712 416 786">Yuichi Ikeda (April 22, 1968)</p> <p data-bbox="209 831 432 864">[New appointment]</p>	<p data-bbox="475 450 922 483">April 1992 Joined the Company</p> <p data-bbox="475 495 1267 555">March 2006 Leader, Minute Chemicals Team, R&D Center, the Company</p> <p data-bbox="475 566 1193 627">March 2018 Deputy Manager, Tokushima Plant; General Manager, Engineering Dept., the Company</p> <p data-bbox="475 638 1161 672">March 2019 Manager, Tokushima Plant, the Company</p> <p data-bbox="475 683 1257 763">April 2021 General Manager, Research and Development, Research and Development of Chemical Products Division; Head, R&D Center, the Company</p> <p data-bbox="475 775 1267 898">June 2021 Executive Officer; General Manager, Research and Development, Research and Development of Chemical Products Division; Head, R&D Center, the Company</p> <p data-bbox="475 909 1267 990">April 2022 Executive Officer; General Manager, Research and Development, Chemicals Business; Head, R&D Center, the Company</p> <p data-bbox="475 1001 1203 1137">January 2023 Executive Officer, the Company (to present) Director; Managing Executive Officer; Head, Research and Development, SHIKOKU CHEMICALS CORPORATION (to present)</p>	<p data-bbox="1374 752 1463 824">13,400 (1,570)</p>
<p data-bbox="193 1144 759 1178">[Reason for nomination as candidate for Director]</p> <p data-bbox="193 1182 1449 1368">Mr. Yuichi Ikeda has been mainly engaged in the research and development division of the Company. He has been serving as Executive Officer since 2021. Based on his wealth of experience and knowledge of the Company's business operations cultivated in the research and development division, the Company expects that he is capable of being responsible for administration and supervision of overall management mainly of the chemicals operations and therefore proposes his election as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held (Number of shares to be granted under the stock compensation plan)
6	Yoshiaki Ando (October 28, 1965) [New appointment]	<p>April 1990 Joined Nomura Securities Co., Ltd.</p> <p>April 2019 Deputy Manager, Takamatsu Branch Office; Manager, Corporate Finance Sec., Nomura Securities Co., Ltd.</p> <p>April 2021 Joined the Company General Manager, Assistant to Head, Corporate Strategy Division, the Company</p> <p>June 2021 General Manager, Finance & Accounting Dept., Business Promotion Division, the Company</p> <p>April 2022 General Manager, Corporate Strategy and Finance, Corporate Strategy & Business Promotion; General Manager, Finance & Accounting Dept., the Company</p> <p>June 2022 Executive Officer; General Manager, Corporate Strategy and Finance, Corporate Strategy & Business Promotion, the Company</p> <p>January 2023 Executive Officer; General Manager, the Company (to present) Representative Director and President, SHIKOKU KASEI CORPORATE SERVICE CO., LTD. (to present)</p> <p>[Significant concurrent positions] · Representative Director and President, SHIKOKU KASEI CORPORATE SERVICE CO., LTD.</p>	10,444 (570)
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yoshiaki Ando has been mainly engaged in the corporate planning and management division of the Company. He has been serving as Executive Officer since 2022. Based on his wealth of experience and knowledge cultivated in the Company and in the investment banking business at the other company, the Company expects that he is capable of being responsible for administration and supervision of overall management mainly of corporate planning division and corporate service division and therefore proposes his election as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Shuitsu Harada (November 10, 1953) [Reappointment]	April 1976 Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism) July 1998 Director General, Land Department, Kanto Regional Construction Bureau, Ministry of Construction January 2001 Director, National Land and Environment Coordination Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism July 2002 Director-General, Corporate Planning and General Affairs Department, Japan Sewage Works Agency April 2004 Director-General, Corporate Planning Department, Japan Sewage Works Agency August 2005 Chief Researcher, Land, Infrastructure, Transport and Tourism Research Office, Research Bureau, Secretariat of the House of Representatives July 2007 Chief Researcher, Audit and Administration Monitoring Research Office, Research Bureau, Secretariat of the House of Representatives June 2011 Director and Managing Executive Officer, Honshu- Shikoku Bridge Expressway Company Limited September 2013 Advisor, JAPAN DIGITAL ROAD MAP ASSOCIATION June 2016 Representative Director and President, JB Highway Service Company Limited June 2020 Director, the Company (to present)	700
<p>[Reason for nomination as candidate for Outside Director and overview of the expected role]</p> <p>Mr. Shuitsu Harada has experience and knowledge gained through his involvement in management as a director at other companies and specialized knowledge about the construction industry gained through his service at the Ministry of Land, Infrastructure, Transport and Tourism and other governmental organizations. The Company proposes his reelection as Outside Director in the expectation that he will be involved in the Company's management decision-making from an objective standpoint by utilizing his expertise.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p data-bbox="197 801 443 875">Norihiko Umazume (November 16, 1958)</p> <p data-bbox="225 920 416 954">[Reappointment]</p>	<p data-bbox="475 259 1145 293">April 1983 Joined Nippon Life Insurance Company</p> <p data-bbox="475 300 1241 360">March 2005 General Manager, Aoyama Branch, Nippon Life Insurance Company</p> <p data-bbox="475 367 1273 427">March 2007 General Manager, Nihonbashi Branch, Nippon Life Insurance Company</p> <p data-bbox="475 434 1241 495">March 2010 General Manager, Shinjuku Branch, Nippon Life Insurance Company</p> <p data-bbox="475 501 1273 663">March 2012 Officer; General Manager, Sales Representatives Training Dept.; General Manager, Business School for Sales Managers; General Manager, Hatsuratsu Training Promotion Office, Nippon Life Insurance Company</p> <p data-bbox="475 669 1262 797">March 2013 Executive Officer; General Manager, Sales Representatives Training Dept.; General Manager, Business School for Sales Managers; Nippon Life Insurance Company</p> <p data-bbox="475 804 1262 931">March 2014 Executive Officer; General Manager, Kinki Regional Headquarters; Deputy General Manager of Head Office, Osaka Corporate Marketing Dept., Nippon Life Insurance Company</p> <p data-bbox="475 938 1262 1066">March 2017 Managing Executive Officer; General Manager, Kinki Regional Headquarters; Deputy General Manager of Head Office, Osaka Corporate Marketing Dept., Nippon Life Insurance Company</p> <p data-bbox="475 1072 1257 1200">March 2018 Managing Executive Officer; General Manager, Agency Marketing Headquarters; Deputy General Manager, Financial Institution Relations Headquarters, Nippon Life Insurance Company</p> <p data-bbox="475 1207 1230 1301">March 2019 Managing Executive Officer; General Manager, Agency Marketing Headquarters, Nippon Life Insurance Company</p> <p data-bbox="475 1308 1190 1341">March 2020 Advisor, Nissay Insurance Agency Co., Ltd.</p> <p data-bbox="475 1348 1241 1408">April 2020 President, Nissay Insurance Agency Co., Ltd. (to present)</p> <p data-bbox="475 1415 1086 1449">June 2021 Director, the Company (to present)</p> <p data-bbox="475 1456 855 1489">[Significant concurrent positions]</p> <p data-bbox="475 1496 1011 1529">· President, Nissay Insurance Agency Co., Ltd.</p>	600
<p data-bbox="193 1518 1246 1552">[Reason for nomination as candidate for Outside Director and overview of the expected role]</p> <p data-bbox="193 1559 1458 1706">Mr. Norihiko Umazume has experience and knowledge gained through his involvement in management as a director at other companies. The Company proposes his reelection as Outside Director in the expectation that he will be involved in the Company's management decision-making from an objective standpoint by utilizing his expertise.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Minoru Furusawa (March 25, 1959) [Reappointment]	<p>April 1981 Joined Mitsubishi Corporation</p> <p>May 2002 General Manager, Chemicals Division, Mitsubishi Corporation Singapore Branch</p> <p>May 2004 General Manager, Chemicals Division, Mitsubishi International GmbH; responsible for Chemicals, Mitsubishi Corporation International (Europe) Plc.</p> <p>April 2009 Manager, Functional Polymer Unit, Mitsubishi Corporation</p> <p>April 2010 General Manager, Inorganic Chemicals Dept., Mitsubishi Corporation</p> <p>April 2011 President, Mitsubishi Company (Thailand) Ltd.; President, Thai-MC Company Limited</p> <p>April 2014 Officer; Deputy General Manager, Europe and Africa Region, Mitsubishi Corporation; General Director, Mitsubishi Corporation (Russia) LLC</p> <p>July 2018 Councilor; Assistant to General Manager of Overseas Business Group, VALQUA, LTD.</p> <p>January 2019 President, VALQUA AMERICA, INC.</p> <p>April 2019 Executive Officer; Head of America Business, VALQUA, LTD.; President, VALQUA AMERICA, INC.</p> <p>November 2020 Executive Officer; Deputy Director of Overseas Business Group, VALQUA, LTD.</p> <p>June 2021 Director, the Company (to present)</p>	100
<p>[Reason for nomination as candidate for Outside Director and overview of the expected role]</p> <p>Mr. Minoru Furusawa has experience and knowledge gained through his involvement in management as a corporate manager at other companies in addition to abundant overseas experience. The Company proposes his reelection as Outside Director in the expectation that he will be involved in the Company's management decision-making from an objective standpoint by utilizing his expertise.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
10	Kiyoshi Mori (April 7, 1960) [Reappointment]	April 1984	Joined MITSUI & CO., LTD.	600
		January 2002	General Manager, Metals No. 2 Dept., MITSUI & CO. (SHANGHAI) LTD.	
		February 2005	General Manager, Coal No. 2 Dept., Coal and Nuclear Fuel Division, MITSUI & CO. LTD.	
		July 2007	Vice President, Inner Mongolia Erdos Electric Power & Metallurgy Co., Ltd.	
		October 2011	General Manager, Ferro-Alloys Dept., MITSUI & CO., LTD.	
		April 2012	General Manager, Chinese Business Dept., MITSUI & CO., LTD.	
		March 2014	Director & President, MITSUI & CO. (GUANGDONG) LTD.	
		April 2017	President & CEO, Mitsui Bussan Metals Co., Ltd.	
		April 2019	Officer, MITSUI & CO., LTD.	
		June 2021	Director, the Company (to present)	
[Reason for nomination as candidate for Outside Director and overview of the expected role] Mr. Kiyoshi Mori has experience and knowledge gained through his involvement in management as a director at other companies in addition to abundant overseas experience. The Company proposes his reelection as Outside Director in the expectation that he will be involved in the Company's management decision-making from an objective standpoint by utilizing his expertise.				

- Notes:
1. No special interest exists between any of the candidates and the Company.
 2. The number of shares of the Company held by each candidate and the number of shares to be granted under the stock compensation plan are as of December 31, 2022. The number of shares to be granted under the stock compensation plan corresponds to the number of points awarded to each candidate under the trust-based stock compensation plan and is presented for reference.
 3. Mr. Shuitsu Harada, Mr. Norihiko Umazume, Mr. Minoru Furusawa, and Mr. Kiyoshi Mori are candidates for Outside Director. The Company has designated Mr. Shuitsu Harada, Mr. Norihiko Umazume, Mr. Minoru Furusawa, and Mr. Kiyoshi Mori as Independent Directors based on the stipulations by the Tokyo Stock Exchange and has notified their designations to the said exchange.
 4. Mr. Shuitsu Harada will have been in office as Outside Director for two (2) years and nine (9) months at the conclusion of this Annual General Meeting of Shareholders. Mr. Norihiko Umazume, Mr. Minoru Furusawa, and Mr. Kiyoshi Mori will have been in office as Outside Director for one (1) year and nine (9) months at the conclusion of this Annual General Meeting of Shareholders.
 5. The Company has entered into a liability limitation agreement with Mr. Shuitsu Harada, Mr. Norihiko Umazume, Mr. Minoru Furusawa, and Mr. Kiyoshi Mori, which limits the amount of liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425 Paragraph 1 of the Companies Act. If their reelection is approved, the Company intends to continue the said liability limitation agreement with each of them.
 6. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3 Paragraph 1 of the Companies Act with an insurance company under which the Directors are the insured. The said insurance contract covers damages to be borne by the insured in the event that a claim for damages is made due to an act committed by the insured in executing his/her duties (excluding cases in which the exemptions specified by the insurance contract apply). If election of the candidates is approved and they assume office as Director, they will be the insured under the said

insurance contract. The Company intends to renew the said insurance contract with the same contents at the time of the next renewal.

7. Effective January 1, 2023, the trade name of Nippon Ryutan Kogyo Co., Ltd. was changed to Shikoku Ryutan Co., Ltd.

Proposal 2: Election of Two (2) Statutory Auditors

The terms of office of Statutory Auditors Mr. Kenji Tanabe and Mr. Koji Nishihara will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of two (2) Statutory Auditors is proposed.

The Board of Auditors has given its prior consent to this proposal.

The candidates for Statutory Auditor are as follows.

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held	
1	Kenji Tanabe (January 19, 1959) [Reappointment]	February 1990 March 2009 June 2012 June 2018 June 2019	Joined the Company General Manager, Administration Department, SHIKOKU KEIZAI CORPORATION Director; General Manager, General Administration Department, Nippon Ryutan Kogyo Co., Ltd. (currently Shikoku Ryutan Co., Ltd.) General Manager, Group Business Support Department, the Company Statutory Auditor, the Company (to present)	12,500
		[Reason for nomination as candidate for Statutory Auditor] Mr. Kenji Tanabe served as manager of administrative divisions and director at the Company's subsidiaries, and has served as Statutory Auditor of the Company since 2019. The Company proposes his reelection as Statutory Auditor so that he will be able to utilize his many years of experience acquired in accounting operations and other administrative divisions, as well as his insight into finance and accounting, for the Company's audit system.		
2	Koji Nishihara (April 14, 1958) [Reappointment]	April 1981 April 2009 June 2011 June 2015 June 2017 March 2019 June 2019 July 2019 March 2020	Joined Nisshin Spinning Co., Ltd. (currently Nisshinbo Holdings Inc.) Director; Executive Managing Officer; General Manager, Administration Division; General Manager, Business Administration Dept.; General Manager, Overseas Business Dept., Nisshinbo Brake Inc. Representative Director, President, Nisshinbo Brake Inc. Director and Managing Officer, Nisshinbo Holdings Inc. Director and Executive Managing Officer, Nisshinbo Holdings Inc. Representative Director, Chairman, Nisshinbo Brake Inc. Executive Managing Officer, Nisshinbo Holdings Inc. Statutory Auditor, the Company (to present) President & CEO, NJ Components Co., Ltd. (to present) Executive Officer, Japan Radio Co., Ltd. (to present) Director, Nagano Japan Radio Co., Ltd. (to present)	0
		[Significant concurrent positions] · President & CEO, NJ Components Co., Ltd. [Reason for nomination as candidate for Outside Statutory Auditor] The Company proposes the reelection of Mr. Koji Nishihara as Statutory Auditor so that he will be able to utilize his experience and knowledge gained through service in management as a director at other companies, for the Company's audit system.		

- Notes:
1. No special interest exists between any of the candidates and the Company.
 2. The number of shares of the Company held by each candidate is as of December 31, 2022.
 3. Mr. Koji Nishihara is a candidate for Outside Statutory Auditor. The Company has designated him as an Independent Statutory Auditor based on the stipulations by the Tokyo Stock Exchange and has notified his designation to the said exchange.
 4. Mr. Koji Nishihara will have been in office as Statutory Auditor for three (3) years and nine (9) months at the conclusion of this Annual General Meeting of Shareholders.
 5. The Company has entered into a liability limitation agreement with Mr. Koji Nishihara, which limits the amount of liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.
 6. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company under which the Statutory Auditors are the insured. The said insurance contract covers damages to be borne by the insured in the event that a claim for damages is made due to an act committed by the insured in executing his/her duties (excluding cases in which the exemptions specified by the insurance contract apply). If election of the candidates is approved and they assume office as Statutory Auditor, they will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same contents at the time of the next renewal.
 7. Effective January 1, 2023, the trade name of Nippon Ryutan Kogyo Co., Ltd. was changed to Shikoku Ryutan Co., Ltd.

(Reference)

Composition of the Board of Directors after the Meeting and its skills matrix

	Name		Particularly expected knowledge, experience, abilities, etc.						
			Management/ Business strategy	ESG	Sales/ Marketing/ Procurement	R&D/ Technology/ Production	Finance/ Accounting	Labor/ Legal/ Risk management	Internationality
Directors	Mitsunori Watanabe	Reappointment	●	●			●	●	
	Jun Matsubara	Reappointment	●	●			●	●	
	Yoshinori Manabe	Reappointment	●	●	●		●	●	●
	Makoto Hamazaki	Reappointment	●	●	●	●		●	●
	Yuichi Ikeda	New appointment	●	●		●			
	Yoshiaki Ando	New appointment	●	●	●		●	●	
	Shuitsu Harada	Reappointment Independent Outside	●	●				●	
	Norihiko Umazume	Reappointment Independent Outside	●	●	●				
	Minoru Furusawa	Reappointment Independent Outside	●	●	●				●
	Kiyoshi Mori	Reappointment Independent Outside	●	●	●				●
Statutory Auditors	Kazuhiko Katayama			●			●		●
	Kenji Tanabe	Reappointment		●			●		
	Koji Nishihara	Reappointment Independent Outside		●				●	●
	Nobuhiro Kagoike	Independent Outside		●			●	●	

* The matrix above does not describe all knowledge, experience, abilities, etc. possessed by each officer.

Proposal 3: Election of One (1) Substitute Statutory Auditor

To prepare for any situation in which the number of Statutory Auditors falls below the number prescribed by laws and regulations, the election of one (1) Substitute Statutory Auditor is proposed.

The Board of Auditors has given its prior consent to this proposal.

The candidate for Substitute Statutory Auditor is as follows.

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
Takeo Mizuno (November 7, 1941)	April 1968 Registered as attorney-at-law (Osaka Bar Association) May 1998 Partner, Kyoei Law Office (to present) April 2001 President, Osaka Bar Association President, Kinki Federation of Bar Associations Vice President, Japan Federation of Bar Associations [Significant concurrent positions] • Director, Japan Century Symphony Orchestra • Outside Director, ODK Solutions Company, Ltd. • Outside Director, Horitsu Bunka Sha	2,000
[Reason for nomination as candidate for Substitute Outside Statutory Auditor] Mr. Takeo Mizuno has specialized knowledge as an attorney-at-law and abundant experience of corporate legal affairs. The Company proposes his election as Substitute Outside Statutory Auditor so that he will be able to utilize his expertise for the Company's audit system. Although he has no experience of being directly engaged in corporate management, the Company judges that he is capable of appropriately executing his duties as Outside Statutory Auditor for the reasons stated above.		

- Notes:
1. No special interest exists between the candidate and the Company.
 2. The number of shares of the Company held by the candidate is as of December 31, 2022.
 3. Mr. Takeo Mizuno is a candidate for Substitute Outside Statutory Auditor. If he assumes office as Outside Statutory Auditor, the Company intends to designate him as an Independent Statutory Auditor based on the stipulations by the Tokyo Stock Exchange and notify his designation to the said exchange.
 4. If Mr. Takeo Mizuno assumes office as Outside Statutory Auditor, the Company intends to enter into a liability limitation agreement with him, which limits the amount of liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425 Paragraph 1 of the Companies Act.
 5. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3 Paragraph 1 of the Companies Act with an insurance company under which the Statutory Auditors are the insured. The said insurance contract covers damages to be borne by the insured in the event that a claim for damages is made due to an act committed by the insured in executing his/her duties (excluding cases in which the exemptions specified by the insurance contract apply). If Mr. Takeo Mizuno assumes office as Outside Statutory Auditor, he will be the insured under the said insurance contract. The Company intends to renew the said insurance contract with the same contents at the time of the next renewal.

Proposal 4: Continuation of Policy on Large-scale Purchases of the Company’s Shares (Anti-Takeover Measures)

The Company introduced a Policy on the Large-scale Purchases of the Company’s Shares (Anti-Takeover Measures) with the approval of shareholders at the 88th Annual General Meeting of Shareholders held on June 26, 2008. The continuation of this policy was subsequently approved by shareholders at the 91st Annual General Meeting of Shareholders held on June 28, 2011, the 94th Annual General Meeting of Shareholders held on June 25, 2014, the 97th Annual General Meeting of Shareholders held on June 27, 2017, and the 100th Annual General Meeting of Shareholders held on June 25, 2020. (The policy after continuation is hereinafter referred to as “the Current Plan.”)

The effect of the Current Plan will expire at the conclusion of this General Meeting of Shareholders. The Company has therefore reviewed its approach to the Anti-Takeover Measures, including whether or not they should be continued, from the perspectives of maintaining and furthering the common interests of shareholders and the Company’s corporate value. As a result, at the meeting of the Company’s Board of Directors held on February 10, 2023, it was decided to propose the continuation of the Current Plan to this General Meeting of Shareholders, and this proposal was therefore submitted in accordance with the provisions of Article 42, Paragraph 1 of the Articles of Incorporation. (The policy to be continued is hereinafter referred to as “the Plan.”)

The Plan retains the same basic structure as the Current Plan.

All four (4) Statutory Auditors have expressed their agreement with the Plan, provided that it is operated appropriately.

As of the present time, there are no proposals or other indications concerning a large-scale purchase of the Company’s shares.

I. Basic Policy on Control of the Company

As a public company, the Company recognizes the freedom to trade its shares. The Company therefore believes that, if a purchase is made with the aim of acquiring a large number of the Company’s shares, any decision on how to respond to this purchase should ultimately be based on the will of all shareholders.

However, it is possible that some large-scale purchases and purchase proposals targeting the Company’s shares may clearly violate the Company’s corporate value and the common interests of shareholders. For example, they may, due to their purpose or other factors, damage relationships with stakeholders, or may threaten to demand that the Company repurchases shares at an inflated price or effectively coerce shareholders to sell their shares, or may not provide sufficient time or information for consideration of the purchase conditions by the Company and its shareholders and the presentation of a possible alternative proposal by the Company. The Company recognizes that it is the rightful duty of those charged with the management of the Company to protect the Company’s basic philosophy and the interests of its shareholders and other stakeholders.

The Company therefore believes that, in response to such purchases, it is necessary for the Company’s Board of Directors to implement certain measures considered appropriate in accordance with reasonable rules, established and disclosed in advance, to protect the Company’s corporate value and the common interests of shareholders.

II. Special Initiatives to Contribute to Realizing the Basic Policy on Control of the Company

1. Corporate philosophy, etc.

The Group has formulated its long-term vision “Challenge 1000,” aiming for rapid advance to a new stage of development, with its sights on the year 2030. Since April 2020, the Group has promoted aggressive management in line with this vision.

Under its unwavering corporate philosophy of “Doku-sou-ryoku” (creativity), the Group has set its vision for 2030 as “Toward ‘one-step-ahead, proposal’ company with creativity,” striving to become a company that solves social issues with creative ideas and leads the world.

Under “Challenge 1000,” the Group aims for rapid growth through the implementation of growth strategies from a long-term perspective. As financial goals for 2030, the Group is collectively working toward sales of 100 billion yen, operating profit of 15 billion yen, and ROE of 10% or higher.

In addition, as its basic policy on shareholder returns over the term of the long-term vision “Challenge 1000” lasting until the fiscal year ending December 31, 2030, the Group aims for “a total payout ratio of 50% based on consolidated results.”

The Group will implement the Company’s activity policy of “YONPO-YOSHI (favorable in all four directions)” through management focused on achieving an even greater return of profits to shareholders.

Aiming for further sustainable growth, the Group will strive to become a corporate group that contributes to sustainable development globally by promoting “aggressive management in which all employees participate.”

2. Enhancing corporate governance and internal control systems

The Company recognizes that establishing an organization where corporate governance functions effectively and building highly-transparent management systems focused on shareholders are key measures for the continued enhancement of corporate value. Specifically, the Company has identified five major themes, namely, securing shareholder rights and equality, appropriate cooperation with other stakeholders, ensuring appropriate information disclosure and transparency, appropriate performance of roles and responsibilities by the Board of Directors, and constructive dialogue with shareholders, and is endeavoring to construct systems that ensures their effectiveness.

To ensure proper corporate governance, the Company has introduced an executive officer system, where decision-making and supervisory functions are separated from executive functions. The Company sets the term of office of Directors and Executive Officers to one (1) year to further clarify their management responsibilities and executive responsibilities, and to enable a swift response to changes in the management environment.

Moreover, the Group is earnestly aware of its corporate social responsibility and strives to strengthen its internal control systems and advance its compliance and risk management systems, as well as engaging in autonomous and continuing activities aimed at reducing environmental burden and conserving the environment, aspiring to be a corporate group that contributes to sustainable development globally.

The Group believes that continuing to engage in initiatives to achieve its corporate philosophy and business strategies and improve corporate governance will contribute to the enhancement of its corporate value and, by extension, the common interests of its shareholders.

III. Details of the Plan (Initiatives to Prevent Decisions on the Company’s Financial and Business Policies Falling under the Control of Person(s) Deemed Inappropriate in Light of the Basic Policy on Control of the Company)

1. Purpose of continuing the Current Plan

The Company’s Board of Directors has decided to continue the Current Plan as the Plan, to clarify the rules by which potential large-scale purchasers of the Company’s shares, etc. must abide, to ensure the necessary and appropriate information and time are provided for shareholders to make an appropriate judgment, and to ensure that there is an opportunity to negotiate with potential large-scale purchasers.

In addition to establishing rules by which potential large-scale purchasers of the Company’s shares, etc. must abide as shown below (hereinafter referred to as the “Large-scale Purchase Rules”), the Plan also clarifies the fact that the Company will take defense measures under certain circumstances, and discloses the details of such defense measures appropriately. This provides a warning to potential large-scale purchasers of the

Company's shares, etc. that would not contribute to the Company's corporate value or the common interests of shareholders.

Please refer to Appendix 1 "Flowchart of the Plan" for a summary of the Plan. The status of the Company's major shareholders as of December 31, 2022 is presented in Appendix 2 "Status of Major Shareholders."

2. Purchases of the Company's shares, etc. subject to the Plan

The Plan shall be applicable in the case of purchases of the Company's shares, etc. that fall under the 1) or 2) below or in the case of similar acts (provided, however, that acts approved by the Company's Board of Directors shall be excluded; hereinafter referred to as "Large-scale Purchases, etc." or "Large-scale Purchase, etc."). Entities engaging or intending to engage in Large-scale Purchases, etc. (hereinafter referred to as "Purchasers, etc." or "Purchaser, etc.") must follow the procedures predesignated under the Plan.

- 1) Purchases that will result in the ratio of shares, etc.³ held by the holder² accounting for at least 20% of all shares, etc.¹ issued by the Company
- 2) Purchases that will result in the sum of the ratio of shares, etc.⁶ held subject to tender offer⁵ and the ratio of shares, etc. held by specially related parties⁷ of the tender offerer accounting for at least 20% of all shares, etc.⁴ issued by the Company

3. Details of the Large-scale Purchase Rules

The Company has established the Large-scale Purchase Rules, under which a Purchaser, etc. may only commence a Large-scale Purchase, etc. after providing the Company's Board of Directors, in advance, with necessary and sufficient information concerning the Large-scale Purchase, etc., and the elapse of a designated period for evaluation by the Company's Board of Directors.

In association with the Large-scale Purchase Rules, and in order to ensure the proper operation of the Plan and prevent arbitrary decisions by the Company's Board of Directors, the Company has also established the Independent Committee and will carry out the procedures to confirm the will of shareholders as necessary, from the perspective of respecting shareholders' will.

The specific details of the Large-scale Purchase Rules established by the Company are as follows.

(1) Advance submission of the "Declaration of Intent" to the Company

Purchasers, etc. shall submit to the Company's Board of Directors a document (hereinafter referred to as the "Declaration of Intent") in Japanese, in a format designated by the Company and containing a written pledge to adhere to the procedures designated under the Plan, before engaging in a Large-scale Purchase, etc.

Specifically, the Declaration of Intent shall include the following matters.

- 1) Overview of the Purchaser, etc.
 - (a) Name and address or location
 - (b) Position and name of the representative
 - (c) Purpose of the company, etc. and business description
 - (d) Overview of major shareholders or major investors (top 10 shareholders or investors)
 - (e) Contact information in Japan
 - (f) Applicable incorporation law
- 2) The number of the Company's shares, etc. currently held by the Purchaser, etc. and the status of transactions of the Company's shares, etc. by the Purchaser, etc. during the 60 days prior to the submission of the Declaration of Intent
- 3) Overview of the Large-scale Purchase, etc. proposed by the Purchaser, etc. (This includes the class and number of shares, etc. of the Company that the Purchaser, etc. intends to acquire through the Large-scale Purchase, etc. and the purpose of the Large-scale Purchase, etc. (e.g., acquisition of control or

participation in management; pure investment or policy investment; transfer or otherwise dispose of the Company's shares, etc. to a third party after the Large-scale Purchase, etc.; or in the case of other purposes such as material proposals,⁸ a summary and details of this purpose. Where there are several purposes, all purposes must be shown.))

(2) Provision of the Required Information

Where a Purchaser, etc. has submitted a Declaration of Intent referred to in (1) above, the Purchaser, etc. must also provide to the Company necessary and sufficient information for shareholders to make a decision regarding the Large-scale Purchase, etc. (hereinafter referred to as the "Required Information") in accordance with the procedures set forth below.

First, within 10 business days⁹ after the day when the Declaration of Intent was submitted, the Company shall send to the Purchaser, etc., at the address provided in the (1) 1) (e) Contact information in Japan above, an "information list" setting forth the information that the Purchaser, etc. should initially provide. The Purchaser, etc. shall submit sufficient information to the Company in accordance with this "information list."

Where the information provided by the Purchaser, etc. based on the "information list" above is reasonably determined by the Company's Board of Directors to be insufficient for the purposes of decision-making by shareholders and evaluation and consideration by the Board of Directors in view of the details and nature of the Large-scale Purchase, etc., the Purchaser, etc. shall provide the additional information separately requested by the Company's Board of Directors.

In order to achieve the swift and appropriate operation of the Large-scale Purchase Rules, the Company's Board of Directors shall designate the 60 days beginning from the day after the "information list" was sent as the time limit for the Company's Board of Directors to request the Purchaser, etc. to provide information, and for the Purchaser, etc. to respond (this period is hereinafter referred to as the "Information Provision Period"). At the expiration of the Information Provision Period, the Company shall cease communication with the Purchaser, etc. regarding the provision of information, regardless of whether the Required Information has been sufficiently provided, and the Company's Board of Directors shall commence evaluation and consideration (see (3) Establishment of the Board of Directors Evaluation Period, below) based on the information provided up to that point. However, where the Purchaser, etc. requests an extension of the Information Provision Period for reasonable cause, it may be extended by a maximum of 30 days, where necessary.

The information described in the items below shall be included as part of the "information list" in principle, regardless of the details and nature of the Large-scale Purchase, etc.

- 1) Details (including the history, actual name, capital structure, business description, finances, names and business careers of corporate officers, etc.) of the Purchaser, etc. and its corporate group (including joint holders,¹⁰ specially related parties, and partners and other members, in the case of funds)
- 2) Purpose (details of the purpose disclosed in the Declaration of Intent), method and details of the Large-scale Purchase, etc. (including whether there is an intention to participate in management, the type and amount of the consideration for the Large-scale Purchase, etc., the timing of the Large-scale Purchase, etc., the scheme of related transactions, the planned number of shares, etc. to be purchased, the ratio of shares, etc. to be held after the Purchase, etc., and the legality of the method used for the Large-scale Purchase, etc.)
- 3) The basis for calculation of the consideration for the Large-scale Purchase, etc. (including facts upon which the calculation is based, the calculation method, quantitative information used in the calculation, the details of synergies anticipated to arise from transactions related to the Large-scale Purchase, etc.; in addition, where a third party has been consulted for an opinion regarding the calculation, the name

and summary of the opinion of this third party, and the process by which an amount was determined based on this opinion)

- 4) Evidence of funding for the Large-scale Purchase, etc. (including the specific names of funders (including effective funders), method of funding, and details of the associated transactions)
- 5) Whether there is any communication of intent regarding the Large-scale Purchase, etc. with a third party; where there is such a communication of intent, the details of this communication and an overview of the relevant third party
- 6) Where the Purchaser, etc. already has a lease agreement, pledge agreement, buyback agreement, forward trade agreement, or other significant agreement concerning the Company's shares, etc. already held by the Purchaser, etc. (hereinafter referred to as a "Pledge Agreement, etc."), the type and specific content of this Pledge Agreement, etc., including the agreement counterparty and the number and other details of shares, etc. subject to the agreement
- 7) Where the Purchaser, etc. plans to conclude a Pledge Agreement, etc. or other agreement with a third party concerning the Company's shares, etc. that it plans to acquire through the Large-scale Purchase, etc., the type and specific content of this agreement, including the agreement counterparty and the number and other details of shares, etc. that will be subject to the agreement
- 8) Management policy, business plans, capital policy, and dividend policy of the Company and the Group after the Large-scale Purchase, etc.
- 9) Policy on the treatment of employees, workers' unions, trading partners, customers, local communities, and other interested parties of the Company after the Large-scale Purchase, etc.
- 10) Specific measures to avoid conflicts of interest with other shareholders of the Company

The Company's Board of Directors shall promptly disclose the fact that a proposal for a Large-scale Purchase, etc. has been submitted by a Purchaser, etc., the overview of this proposal, the overview of the Required Information, and other information, if any, that is considered necessary for shareholders to make a judgment. The Company's Board of Directors shall submit all information received from a Purchaser, etc. to the Independent Committee. Should the Independent Committee determine that the information provided as the Required Information is insufficient, it may request the Purchaser, etc. to make an additional submission of Required Information through the Board of Directors.

Where the Company's Board of Directors and Independent Committee consider that the provision of Required Information by the Purchaser, etc. is sufficient, the Company's Board of Directors shall notify the Purchaser, etc. to that effect (hereinafter referred to as the "Information Provision Completion Notification"), and make prompt disclosure of this fact.

The Information Provision Period shall terminate on the earlier of the day when the Board of Directors issues an Information Provision Completion Notification or the day when the term of the Information Provision Period expires (provided, however, that this shall be the day when the extended term of the Information Provision Period expires, where the term of the Information Provision Period has been extended based on an extension request from the Purchaser, etc.).

(3) Establishment of the Board of Directors Evaluation Period

The Company's Board of Directors shall establish a period for evaluation, consideration, negotiation, opinion formation, and the formulation of alternative proposals by the Board of Directors (hereinafter referred to as the "Board of Directors Evaluation Period"), which shall begin from the day after the day on which the Information Provision Period terminates, and last for the duration set forth in either 1) or 2) below, based on factors such as the level of difficulty of evaluating the Large-scale Purchase, etc.

- 1) 60 days, in the case of tender offers for all of the Company's shares, etc. for cash consideration (in Japanese yen)
- 2) 90 days, in the case of other Large-scale purchases, etc.

However, in both 1) and 2) above, the Board of Directors Evaluation Period may be extended where considered necessary by the Board of Directors. The Board of Directors shall notify the Purchaser, etc. of the specific length of any extension and the reason why this extension is considered necessary, and also disclose this information to shareholders. Extensions shall be limited to one time only in principle, and the maximum duration of an extension shall be 30 days.

During the Board of Directors Evaluation Period, the Company's Board of Directors shall engage in sufficient evaluation and consideration of the Required Information provided by the Purchaser, etc. with advice from external experts and others as necessary and appropriate. The Board of Directors shall consider the content of the Large-scale Purchase, etc. by the Purchaser, etc. from the perspective of securing and enhancing the Company's corporate value and the common interests of shareholders. Through this consideration, the Company's Board of Directors shall carefully formulate its opinion regarding the Large-scale Purchase, etc., notify the Purchaser, etc. of this opinion, and disclose it to shareholders in a timely and appropriate manner. Moreover, the Board of Directors shall negotiate with the Purchaser, etc. regarding the terms or method of the Large-scale Purchase, etc. as necessary, and may present the Company's shareholders with an alternative proposal. After receiving the submission of the Declaration of Intent and the Required Information from the Purchaser, etc., the Company's Board of Directors shall, upon the commencement of the Board of Directors Evaluation Period, request the advice of the Independent Committee regarding whether or not the Anti-Takeover Measures should be invoked.

(4) The Independent Committee

The Company shall establish the Independent Committee as a checking body to ensure the proper operation of the Plan and prevent arbitrary decisions by the Company's Board of Directors. The Independent Committee shall comprise at least three (3) members, selected from among external experts¹¹ and the Company's Outside Directors and Outside Statutory Auditors, who are independent of the execution of business by the Company's senior management (the Company's Outside Directors and Outside Statutory Auditors are in a position to express objective opinions without influence from those responsible for business execution), in order to enable fair and neutral judgment. The names and career summaries of candidates for member of the Independent Committee at the time of this continuation are shown in Appendix 3. An overview of the Independent Committee is shown in Appendix 4.

When making important judgments associated with the Plan, such as whether the Purchaser, etc. has complied with the Large-scale Purchase Rules (see III. 4. (1) "Cases where the Purchaser, etc. has complied with the Large-scale Purchase Rules" below), whether the Large-scale Purchase, etc. is deemed to significantly damage the Company's corporate value or the common interests of shareholders (see III. 4. (1) "Cases where the Purchaser, etc. has complied with the Large-scale Purchase Rules" below), and whether to invoke the defense measures, the Company's Board of Directors shall always request the advice of the Independent Committee and give maximum regard to its recommendations.

(5) Procedure for confirming the will of shareholders

When determining whether to invoke the defense measures against the Large-scale Purchase, etc., the Company's Board of Directors may confirm the will of shareholders on whether to invoke the defense measures, for the purpose of respecting the will of shareholders. The procedure for confirming the will of shareholders shall be undertaken in cases where it is deemed necessary and appropriate to do so by the Company's Board of Directors, based on a consideration of factors such as the content of the Large-scale Purchase, etc. proposed by the Purchaser, etc., the Required Information provided by the Purchaser, etc., the

circumstances under which a decision would be necessary regarding whether to invoke the defense measures, and the necessary cost of the procedure for confirming the will of shareholders. Moreover, where the Board of Directors has received a recommendation from the Independent Committee that the Company should perform the procedure for confirming the will of shareholders, the Board of Directors shall give maximum regard to this recommendation.

In cases when the Company's Board of Directors decides to perform the procedure for confirming the will of shareholders, such will shall be confirmed through a resolution of a General Meeting of Shareholders under the Companies Act (hereinafter referred to as "the General Meeting of Shareholders"). In cases when the General Meeting of Shareholders is convened, the Company's Board of Directors shall either invoke or not invoke the defense measures against the proposed Large-scale Purchase, etc. in accordance with the results of the resolution by the General Meeting of Shareholders. When necessary, the Company's Board of Directors shall promptly establish a record date (hereinafter referred to as the "Record Date") and give public notice of the Record Date at least two weeks before the Record Date, using the method stipulated in the Company's Articles of Incorporation, to confirm the shareholders who are eligible to exercise voting rights at the General Meeting of Shareholders. The date of the General Meeting of Shareholders shall, in principle, be set within the originally-designated Board of Directors Evaluation Period. Where necessary due to unavoidable circumstances, such as when it is practically necessary for the convocation of the General Meeting of Shareholders, the Board of Directors Evaluation Period may be extended for 30 days.

- 1) The shareholders eligible to exercise voting rights at the General Meeting of Shareholders shall be the shareholders recorded on the final register of shareholders as of the Record Date.
- 2) Resolutions of the General Meeting of Shareholders shall be made by a majority of the votes of the attending shareholders who are eligible to exercise voting rights, based on laws, regulations, and the Company's Articles of Incorporation.
- 3) Where a material change has occurred related to the information to be used by shareholders at the General Meeting of Shareholders to make their decision (such as cases where the Purchaser, etc. has withdrawn the Large-scale Purchase, etc.), the Company's Board of Directors may amend the Record Date or postpone or cancel the General Meeting of Shareholders, even after the Record Date for the General Meeting of Shareholders has been set.

4. Response policy in the case of Large-scale Purchases, etc.

(1) Cases where the Purchaser, etc. has complied with the Large-scale Purchase Rules

In cases where the Purchaser, etc. has complied with the Large-scale Purchase Rules, the Company's Board of Directors shall, in principle, not invoke the defense measures against the Large-scale Purchases, etc. The decision on whether or not to accept the purchase proposal presented by the Purchaser, etc. shall be made by the Company's shareholders.

However, where the Large-scale Purchase, etc. corresponds to any of the types listed in Appendix 5 and is judged to be detrimental to the Company's corporate value and the common interests of shareholders, such as in cases where the Purchaser, etc. does not intend to engage earnestly in reasonable management, and where the acquisition of control by the Purchaser, etc. would result in irrecoverable damage to the Company, the Company's Board of Directors may implement measures considered necessary to protect the interests of the Company's shareholders as extraordinary measures under the Plan.

The Company shall select the defense measures that the Board of Directors judges to be most appropriate at the time when the defense measures are invoked, based on a consideration of necessity and suitability.

In this case, where the Company selects the gratis allotment of share acquisition rights, an overview of this measure shall be as presented in Appendix 6.

When determining whether to invoke the defense measures as described above, the Company's Board of Directors shall consider the details of the Purchaser, etc. and the Large-scale Purchase, etc. and the impact of

the Large-scale Purchase, etc. on the Company's corporate value and the common interests of shareholders, based on the post-purchase management policies and other Required Information submitted by the Purchaser, etc. In doing so, the Board of Directors shall obtain advice from external experts and others as necessary, with maximum regard for the recommendations of the Independent Committee, in order to ensure objectivity and reasonableness. In some cases, the Board of Directors may also convene the General Meeting of Shareholders to confirm the will of shareholders, as described in III. 3. (5) "Procedure for confirming the will of shareholders" above.

(2) Cases where the Purchaser, etc. has not complied with the Large-scale Purchase Rules

Where the Purchaser, etc. has not complied with the Large-scale Purchase Rules, the Company's Board of Directors may implement the defense measures allowed by law, regulation, and the Company's Articles of Incorporation, such as the issue of share acquisition rights, based on a consideration of necessity and suitability, in opposition to the Large-scale Purchase, etc., in order to protect the Company's corporate value and the common interests of shareholders. The Company's Board of Directors shall determine whether the Purchaser, etc. complies with the Large-scale Purchase Rules, and whether it is appropriate to invoke the defense measures, with reference to the advice of external experts and others, and with maximum regard for the recommendations of the Independent Committee. In some cases, the Board of Directors may also convene the General Meeting of Shareholders to confirm the will of shareholders, as described in III. 3. (5) "Procedure for confirming the will of shareholders" above.

Regarding the specific measures to be taken, the Company shall select the measures that the Board of Directors judges to be most appropriate at the time. (In some cases, the Board of Directors may also convene the General Meeting of Shareholders to confirm the will of shareholders, as described in III. 3. (5) "Procedure for confirming the will of shareholders" above. In these cases, the Board of Directors shall abide by the resolution of the General Meeting of Shareholders.) Where the Company selects the gratis allotment of share acquisition rights as a defense measure, an overview of this measure shall be as presented in Appendix 6.

(3) Suspension, etc. of the invocation of the defense measures

Even after deciding to invoke the defense measures, the Company's Board of Directors may, with maximum regard for the recommendations of the Independent Committee, change or suspend the invocation of the defense measures, if the Board of Directors determines that it is not appropriate to invoke the defense measures, in cases such as where the Purchaser, etc. has withdrawn or amended the Large-scale Purchase, etc.

Where the gratis allotment of share acquisition rights has been selected as a defense measure and where, as a result of the withdrawal or amendment of the Large-scale Purchase, etc. by the Purchaser, etc. or similar cause, the Company's Board of Directors determines that it is no longer appropriate to invoke the defense measures after the shareholders eligible for the gratis allotment of share acquisition rights have already been confirmed, the invocation of the defense measures may be suspended as described below.

- 1) Up to the effective date of the gratis allotment of share acquisition rights, the Company's Board of Directors may cancel the gratis allotment of share acquisition rights, with maximum regard for the recommendations of the Independent Committee.
- 2) After the effective date of the gratis allotment of share acquisition rights, but up to the commencement of the share acquisition rights exercise period, the Company's Board of Directors may acquire these share acquisition rights for no consideration, with maximum regard for the recommendations of the Independent Committee.

Where the Company's Board of Directors suspends the invocation of the defense measures as set forth in 1) or 2) above, the Company shall promptly disclose necessary and sufficient information to shareholders and investors, including matters considered necessary by the Independent Committee.

Anticipated situations where a change may be made in the invocation of the defense measures include, for instance, situations where the number of shares subject to each unit of share acquisition rights is changed due to the amendment by the Purchaser, etc. of the number of shares, etc. subject to the Large-scale Purchase, etc.

5. Impact on shareholders and investors

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

No share acquisition rights shall be issued under the Plan at the time of continuation. Consequently, the continuation will have no direct and tangible impact on the legal rights and economic interests associated with shares of the Company held by shareholders and investors.

As described in III. 4. (1) and (2) above, the Company's policy on responding to a Large-scale Purchase, etc. is determined depends on whether the Purchaser, etc. complies with the provisions of the Large-scale Purchase Rules and other factors. Accordingly, shareholders and investors are asked to monitor the course of action undertaken by the Purchaser, etc.

(2) Impact on shareholders and investors upon the invocation of the defense measures

Where the Company's Board of Directors has decided to invoke the defense measures and engage in a gratis allotment of share acquisition rights, the share acquisition rights shall be allotted, for no consideration, to shareholders recorded on the register of shareholders on the date of the allotment to be determined separately, in a ratio of up to three units of share acquisition rights for each share held. Under this scheme, although the economic value of each share of the Company's stock held by shareholders and investors will be diluted at the time of the gratis allotment of share acquisition rights, the economic value of the total shares of the Company that they hold will not be diluted, nor will the voting rights attached to each share. Therefore, the Company does not anticipate any direct and tangible impact on the legal rights and economic interests associated with shares of the Company held by shareholders and investors.

However, the invocation of these defense measures may result in an impact of some sort on the legal rights and economic interests of the Purchaser, etc.

In addition, the price of the Company's shares may undergo corresponding movements in cases where the Board of Directors subsequently cancels or suspends the invocation of the defense measures already invoked, in accordance with the procedures, etc. described in III. 4. (3) above, even where the Company's Board of Directors has already resolved to implement the gratis allotment of share acquisition rights. For example, if, after the confirmation of shareholders eligible for the gratis allotment of share acquisition rights, the Company suspends the invocation of the defense measures and acquires the share acquisition rights for no consideration without delivering new shares, the economic value of each share of the Company's stock held by shareholders and investors will not suffer any dilution. It is therefore possible that any investors who have traded the Company's shares on the assumption that the economic value per share of the Company will be diluted may suffer substantial losses as a result of the change in the share price, and potential investors are reminded to bear this in mind.

Moreover, discriminatory conditions are attached to the exercise and acquisition of these share acquisition rights (see Appendix 6, 7. "Conditions on the exercise of the share acquisition rights," and Appendix 6, 8. "The acquisition of the share acquisition rights by the Company"), and shares of the Company's stock held by the Purchaser, etc. may be diluted due to ineligibility to exercise these share acquisition rights or conditions for the acquisition of these share acquisition rights by the Company. It is anticipated that this would impact the legal rights and economic interests of the Purchaser, etc. Even in this case, however, no direct and tangible impact on the legal rights and economic interests associated with shares of the Company held by shareholders and investors, apart from the Purchaser, etc., is anticipated.

(3) Procedures required of shareholders pursuant to a gratis allotment of the share acquisition rights

Shareholders recorded on the final register of shareholders on the date of the allotment shall rightfully become the holders of the share acquisition rights on the effective date of this gratis allotment of share acquisition rights, with no need for application procedures.

It may become necessary for shareholders to exercise their share acquisition rights within a designated period of time to acquire new shares. (In this case, a designated amount of money must be paid in.)

The Company shall disclose or communicate other details of procedures, such as the allotment method, exercise method, and the method used by the Company to acquire the share acquisition rights, in a timely and appropriate manner based on the applicable laws and regulations and the rules of the financial instruments exchange, after a resolution is passed by the Company's Board of Directors regarding the gratis allotment of share acquisition rights. Shareholders will be requested to review this information in the disclosure or notification.

6. Commencement of application and term of validity of the Plan

The Plan shall come into effect upon the approval of shareholders at the 103rd Annual General Meeting of Shareholders, on the day when that approval is granted. It shall remain in effect until the conclusion of the Annual General Meeting of Shareholders held for the final fiscal year ending within three (3) years of the conclusion of the 103rd Annual General Meeting of Shareholders. However, where the continuation of the Plan is approved at the aforementioned Annual General Meeting of Shareholders, the validity of the Plan shall be extended for another three (3) years. If upon the elapse of this three (3)-year period, the continuation of the Plan is again approved at the Annual General Meeting of Shareholders held for the final fiscal year ending within three (3) years, its validity shall be extended for another three (3) years. The Company's Board of Directors shall promptly issue a notice if the continuation of the Plan is approved.

Even where the continuation of the Plan has been decided, the Company's Board of Directors may review the Plan at any time, based on changes, additions, etc. to the relevant laws and regulations or the listing system established by the Tokyo Stock Exchange, and may, with the approval of the Company's General Meeting of Shareholders where necessary, amend or abolish the Plan, from the perspective of protecting the Company's corporate value and the common interests of shareholders. In such cases, the Board of Directors shall promptly issue a notice of the details of these changes.

IV. Reasons Why the Plan is in Accordance with the Basic Policy on Control of the Company, Will Not Damage the Common Interests of Shareholders, and Is Not Aimed at Maintaining the Status of the Company's Officers

1. The Plan is in accordance with the Basic Policy on Control of the Company

The Plan designates matters such as the content of the Large-scale Purchase Rules, the Company's response policy in the case of Large-scale Purchases, etc., the establishment of the Independent Committee, and the impact on shareholders and investors.

In the Plan, the Company has clearly stated that it shall require Purchasers, etc. to provide, in advance, to the Company's Board of Directors necessary and sufficient information concerning any Large-scale Purchases, etc. and to commence any Large-scale Purchase, etc. only after the elapse of the Board of Directors Evaluation Period; furthermore, that the Company's Board of Directors may implement the defense measures against any Purchaser, etc. that does not comply with the Large-scale Purchase Rules.

The Plan also clearly states that, even where a Purchaser, etc. has complied with the Large-scale Purchase Rules, if the Company's Board of Directors judges that the Large-scale Purchase, etc. will significantly damage the Company's corporate value and the common interests of shareholders, it may implement, against the Purchaser, etc., the defense measures that it deems appropriate to protect the Company's corporate value and the common interests of shareholder.

The Plan is therefore in accordance with the Basic Policy on Control of the Company.

2. The Plan does not damage the common interests of shareholders

The Basic Policy on Control of the Company has been established upon the premise of respecting the common interests of shareholders. The Plan has been designed in line with the Basic Policy on Control of the Company and is aimed at ensuring that any Purchaser, etc. provides the information necessary for the Company's shareholders to determine whether or not to accept the Large-scale Purchase, etc., and an opportunity to receive the opinion and any alternative proposals from the Company's Board of Directors. The Plan enables the Company's shareholders and investors to make appropriate investment decisions. Therefore, the Company believes that the Plan, far from damaging the common interests of the Company's shareholders, actually contributes to these interests.

Moreover, the Plan will only come into effect or be extended conditional upon the approval of the Company's shareholders. It does not contain a dead-hand clause (a clause that prevents the cancellation of the plan if any of the Directors in office at the time of its introduction is replaced) or slow-hand clause (a clause that prevents the cancellation of the plan for a certain period of time, even after the replacement of a majority of Directors). The ability of the Company's shareholders to abolish the Plan if they wish ensures that the Plan does not damage the common interests of shareholders.

3. The Plan is not aimed at maintaining the status of the Company's officers

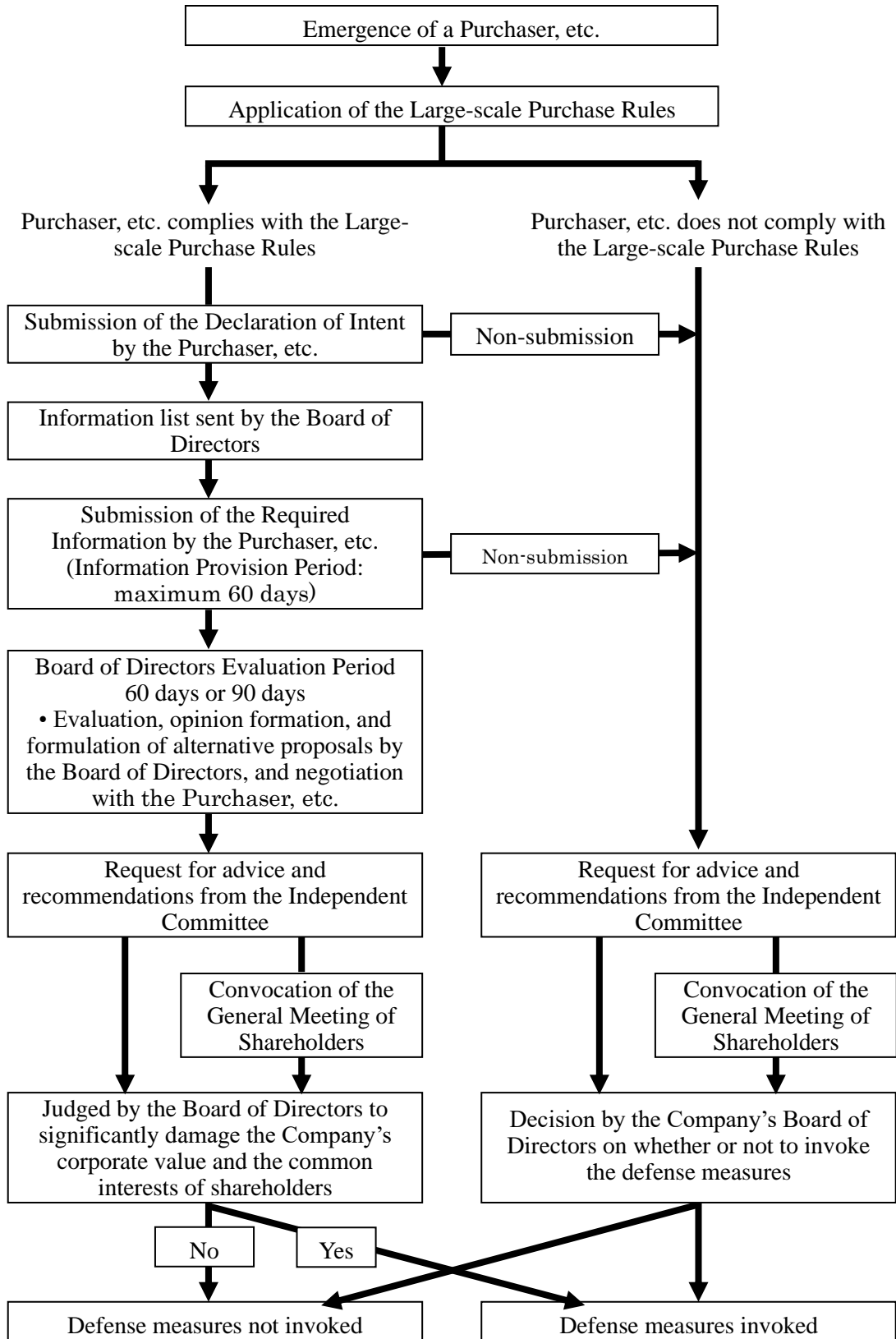
The fundamental principle of the Plan is that the ultimate decision on whether to accept a Large-scale Purchase, etc. should be entrusted to the judgment of the Company's shareholders. The Plan demands compliance with the Large-scale Purchase Rules and indicates the invocation of the defense measures, within a scope necessary to protect the Company's corporate value and the common interests of shareholders. The Plan discloses, in detail and in advance, the conditions under which the Company's Board of Directors shall invoke the defense measures. The invocation of the defense measures by the Board of Directors shall proceed in accordance with the provisions of the Plan. The Company's Board of Directors cannot arbitrarily give effect to or extend the Plan. These require the approval of the Company's shareholders.

In addition, even before the expiration of the Plan's term of validity, shareholders are able to reflect their will concerning the Plan through the annual election of the Company's Directors, who have a term of office of one (1) year.

Moreover, when the Company's Board of Directors makes important decisions regarding the Plan, such as the implementation of the defense measures concerning a Large-scale Purchase, etc., it shall, in addition to obtaining advice from external experts as necessary, request advice from the Independent Committee, which is composed of members independent from the managers responsible for the Company's business execution. The Board of Directors shall give maximum regard to the recommendations of the Independent Committee. Furthermore, the Company may also engage in procedures to confirm the will of shareholders as necessary, based on respect for the will of shareholders. The Plan contains procedures to ensure proper operation by the Company's Board of Directors.

In this way, the Company believes it is clear that the Plan is not aimed at maintaining the status of the Company's officers.

Flowchart of the Plan



(Note) This flowchart is only an illustration. Please see the text for details.

Appendix 2

Status of Major Shareholders

The status of the major shareholders of the Company as of December 31, 2022 is as follows.

Name of Shareholder	Number of Shares Held (in thousands)	% of Shares Held
Nisshinbo Holdings Inc.	5,580	10.54
Shikoku Kyoueikai	4,558	8.61
The Master Trust Bank of Japan, Ltd. (Trust account)	3,794	7.17
Nippon Life Insurance Company	3,295	6.22
The Hyakujushi Bank, Ltd. Retirement Benefit Trust Account re-entrusted by The Master Trust Bank of Japan, Ltd.	2,640	4.99
The Kagawa Bank, Ltd.	2,500	4.72
The Iyo Bank, Ltd.	1,500	2.83
Custody Bank of Japan, Ltd. (Trust account)	1,462	2.76
HSBC PRIVATE BANK (SUISSE) SA GENEVA – SEGREG HK IND1 CLT ASSET	1,056	1.99
MUFG Bank, Ltd.	947	1.79

(Notes) 1. Percentage shareholding is calculated after deducting treasury stock (65,756 shares).

2. The above treasury stock does not include 140,275 shares of our stock held by Nippon Custody Bank, Ltd. as trust property of the stock compensation plan.
3. The number of shares held by the Hyakujushi Bank, Ltd. Retirement Benefit Trust Account re-entrusted by The Master Trust Bank of Japan, Ltd. includes the 300,000 shares held by the Hyakujushi Bank, Ltd. in their own name.

Appendix 3

Names and Career Summaries of Candidates for Member of the Independent Committee

Shuitsu Harada

[Career summary]

Date of birth: November 10, 1953

April 1976	Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)
July 1998	Director General, Land Department, Kanto Regional Construction Bureau, Ministry of Construction
January 2001	Director, National Land and Environment Coordination Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2002	Director-General, Corporate Planning and General Affairs Department, Japan Sewage Works Agency
April 2004	Director-General, Corporate Planning Department, Japan Sewage Works Agency
August 2005	Chief Researcher, Land, Infrastructure, Transport and Tourism Research Office, Research Bureau, Secretariat of the House of Representatives
July 2007	Chief Researcher, Audit and Administration Monitoring Research Office, Research Bureau, Secretariat of the House of Representatives
June 2011	Director and Managing Executive Officer, Honshu-Shikoku Bridge Expressway Company Limited
September 2013	Advisor, JAPAN DIGITAL ROAD MAP ASSOCIATION
June 2016	Representative Director and President, JB Highway Service Company Limited
June 2020	Director, the Company (to present)

No special interest exists between Mr. Shuitsu Harada and the Company.

Norihiko Umazume

[Career summary]

Date of birth: November 16, 1958

April 1983	Joined Nippon Life Insurance Company
March 2005	General Manager, Aoyama Branch, Nippon Life Insurance Company
March 2007	General Manager, Nihonbashi Branch, Nippon Life Insurance Company
March 2010	General Manager, Shinjuku Branch, Nippon Life Insurance Company
March 2012	Officer; General Manager, Sales Representatives Training Dept.; General Manager, Business School for Sales Managers; General Manager, Hatsuratsu Training Promotion Office, Nippon Life Insurance Company
March 2013	Executive Officer; General Manager, Sales Representatives Training Dept.; General Manager, Business School for Sales Managers; Nippon Life Insurance Company
March 2014	Executive Officer; General Manager, Kinki Regional Headquarters; Deputy General Manager of Head Office, Osaka Corporate Marketing Dept., Nippon Life Insurance Company
March 2017	Managing Executive Officer; General Manager, Kinki Regional Headquarters; Deputy General Manager of Head Office, Osaka Corporate Marketing Dept., Nippon Life Insurance Company
March 2018	Managing Executive Officer; General Manager, Agency Marketing Headquarters; Deputy General Manager, Financial Institution Relations Headquarters, Nippon Life Insurance Company
March 2019	Managing Executive Officer; General Manager, Agency Marketing Headquarters, Nippon Life Insurance Company
March 2020	Advisor, Nissay Insurance Agency Co., Ltd.
April 2020	President, Nissay Insurance Agency Co., Ltd. (to present)
June 2021	Director, the Company (to present)

No special interest exists between Mr. Norihiko Umazume and the Company.

Minoru Furusawa

[Career summary]

Date of birth: March 25, 1959

April 1981	Joined Mitsubishi Corporation
May 2002	General Manager, Chemicals Division, Mitsubishi Corporation Singapore Branch
May 2004	General Manager, Chemicals Division, Mitsubishi International GmbH; responsible for Chemicals, Mitsubishi Corporation International (Europe) Plc.
April 2009	Manager, Functional Polymer Unit, Mitsubishi Corporation
April 2010	General Manager, Inorganic Chemicals Dept., Mitsubishi Corporation
April 2011	President, Mitsubishi Company (Thailand) Ltd.; President, Thai-MC Company Limited
April 2014	Officer; Deputy General Manager, Europe and Africa Region, Mitsubishi Corporation; General Director, Mitsubishi Corporation (Russia) LLC
July 2018	Councilor; Assistant to General Manager of Overseas Business Group, VALQUA, LTD.
January 2019	President, VALQUA AMERICA, INC.
April 2019	Executive Officer; Head of America Business, VALQUA, LTD.; President, VALQUA AMERICA, INC.
November 2020	Executive Officer; Deputy Director of Overseas Business Group, VALQUA, LTD.
June 2021	Director, the Company (to present)

No special interest exists between Mr. Minoru Furusawa and the Company.

Kiyoshi Mori

[Career summary]

Date of birth: April 7, 1960

April 1984	Joined MITSUI & CO., LTD.
January 2002	General Manager, Metals No. 2 Dept., MITSUI & CO. (SHANGHAI) LTD.
February 2005	General Manager, Coal No. 2 Dept., Coal and Nuclear Fuel Division, MITSUI & CO. LTD.
July 2007	Vice President, Inner Mongolia Erdos Electric Power & Metallurgy Co., Ltd.
October 2011	General Manager, Ferro-Alloys Dept., MITSUI & CO., LTD.
April 2012	General Manager, Chinese Business Dept., MITSUI & CO., LTD.
March 2014	Director & President, MITSUI & CO. (GUANGDONG) LTD.
April 2017	President & CEO, Mitsui Bussan Metals Co., Ltd.
April 2019	Officer, MITSUI & CO., LTD.
June 2021	Director, the Company (to present)

No special interest exists between Mr. Kiyoshi Mori and the Company.

Note: Mr. Shuitsu Harada, Mr. Norihiko Umazume, Mr. Minoru Furusawa, and Mr. Kiyoshi Mori are candidates for Outside Director, and will assume office as members of the Independent Committee conditional upon their election at the Company's 103rd Annual General Meeting of Shareholders to be held on March 29, 2023.

Koji Nishihara

[Career summary]

Date of birth: April 14, 1958

April 1981

Joined Nisshin Spinning Co., Ltd. (currently Nisshinbo Holdings Inc.)

April 2009

Director; Executive Managing Officer; General Manager, Administration Division; General Manager, Business Administration Dept.; General Manager, Overseas Business Dept., Nisshinbo Brake Inc.

June 2011

Representative Director, President, Nisshinbo Brake Inc.
Director and Managing Officer, Nisshinbo Holdings Inc.

June 2015

Director and Executive Managing Officer, Nisshinbo Holdings Inc.

June 2017

Representative Director, Chairman, Nisshinbo Brake Inc.

March 2019

Executive Managing Officer, Nisshinbo Holdings Inc.

June 2019

Statutory Auditor, the Company (to present)

July 2019

President & CEO, NJ Components Co., Ltd. (to present)

March 2020

Executive Officer, Japan Radio Co., Ltd. (to present)

Director, Nagano Japan Radio Co., Ltd. (to present)

No special interest exists between Mr. Koji Nishihara and the Company.

Nobuhiro Kagoike

[Career summary]

Date of birth: April 1, 1969

April 1994

Registered as attorney-at-law; joined Osaka Bar Association

February 2000

Transferred registration to Kagawa Bar Association

April 2000

Joined Kagoike Law Office (to present)

April 2005

Professor, Shikoku Law School

June 2008

Statutory Auditor, the Company (to present)

No special interest exists between Mr. Nobuhiro Kagoike and the Company.

Note: Mr. Koji Nishihara is a candidate for Outside Statutory Auditor, and will assume office as a member of the Independent Committee conditional upon his election at the Company's 103rd Annual General Meeting of Shareholders to be held on March 29, 2023.

Appendix 4

Overview of the Independent Committee

1. The Independent Committee shall be established by resolution of the Board of Directors, as an advisory body to the Board of Directors, for the purposes of preventing arbitrary decisions by the Board of Directors concerning matters such as the invocation of the defense measures against Large-scale Purchases, etc. and ensuring the objectivity and reasonableness of judgment and response by the Board of Directors.
2. The Independent Committee shall have at least three (3) members, appointed by resolution of the Board of Directors of the Company from among (a) Outside Directors, (b) Outside Statutory Auditors, and (c) external experts (corporate managers with extensive management experience, persons closely familiar with the business of investment banks, attorneys, certified public accountants, persons with academic work experience mainly researching topics such as the Companies Act, and persons with equivalent attributes). The Company shall enter into agreements with the members of the Independent Committee that include provisions concerning the duty of due care of a prudent manager and the duty of confidentiality.
3. The term of office of the members of the Independent Committee shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the final fiscal year ending within three (3) years from the date when they were elected. However, this provision shall not apply where otherwise determined by a resolution of the Company's Board of Directors. The term of office of the members of the Independent Committee serving as Outside Director or Outside Statutory Auditor shall expire at the time when they cease to serve as Outside Director or Outside Statutory Auditor (except where they are reappointed as such).
4. Meetings of the Independent Committee shall be convened by the members of the Independent Committee.
5. The chair of the Independent Committee shall be elected by the members of the Independent Committee from among the members of the Independent Committee.
6. In principle, a resolution of the Independent Committee shall be adopted by a majority vote at a meeting attended by all members of the Independent Committee. However, where a member of the Independent Committee is incapacitated or where there is other special cause, a resolution shall be adopted by a majority vote at a meeting attended by a majority of members.
7. Criteria for appointment of the members of the Independent Committee
Persons to be appointed as members of the Independent Committee shall not fall under any of the categories listed below.
 - (1) Persons for whom the Company is a major trading partner or their executives, or persons who are major trading partners of the Company or their executives
 - (2) Consultants or accounting or legal experts receiving substantial monetary or other proprietary benefits from the Company, apart from compensation as an officer (or persons belonging to organizations such as companies, partnerships, etc. receiving such benefits)
 - (3) Persons who fell under the categories (1) or (2) in the recent past
 - (4) Near relatives of persons who fall under the categories (1), (2), or (3)
 - (5) Near relatives of persons in an executive of the Company or a subsidiary of the Company
 - (6) Near relatives of persons who was an executive of the Company or a subsidiary of the Company in the recent past
8. The Independent Committee shall deliberate and resolve the matters stated in each item below, and report the details of, and reason for, the resolution to the Company's Board of Directors.
 - (1) Whether to invoke the defense measures under the Plan
 - (2) Cancellation or suspension of the invocation of the defense measures under the Plan
 - (3) Whether a decision on the invocation of the defense measures under the Plan should be referred to the General Meeting of Shareholders
 - (4) Abolition and amendment of the Plan
 - (5) Other matters related to the Plan on which the Company's Board of Directors voluntarily requests the opinion of the Independent CommitteeEach member of the Independent Committee must engage in deliberation and resolutions of the Independent

Committee solely from the perspective of whether the matter contributes to the Company's corporate value and the common interests of shareholders, and must never prioritize their own personal interests or personal interest of the Company's management.

9. The Independent Committee may require the attendance of the Company's Directors, Statutory Auditors, employees, or others, as considered necessary, and request opinions or explanations concerning the matters sought after by the Independent Committee.
10. The Independent Committee may, in the course of its duties, obtain the advice of external experts (including investment banks, securities companies, financial advisors, certified public accountants, attorneys, consultants, and other specialists) independent from the managers engaged in executing the Company's business, at the Company's expense.

Appendix 5

Types of Large-scale Purchases Deemed to Significantly Damage the Company's Corporate Value and the Common Interests of Shareholders

1. Cases where the Purchaser, etc. is judged to be acquiring, or seeking to acquire, the Company's shares, etc. with the objective of artificially raising the share price and forcing the Company, or those associated with the Company, to repurchase them at an inflated price, without any real intention of participating in the Company's management (so-called greenmail)
2. Cases where the Purchaser, etc. is judged to be acquiring the Company's shares, etc. with the objective of temporarily controlling the Company's management and transferring assets of the Company or its Group companies such as intellectual property, knowhow, confidential business information, and major trading partners or customers, which are necessary for the business operations of the Company or its Group companies, to the Purchaser, etc. or its group companies, etc.
3. Cases where the Purchaser, etc. is judged to be acquiring the Company's shares, etc. with the objective of appropriating assets of the Company or its Group companies to pledge or fund the payment of obligations of the Purchaser, etc. or its group companies, etc.
4. Cases where the Purchaser, etc. is judged to be acquiring the Company's shares, etc. with the objective of temporarily controlling the Company's management to dispose of real estate, securities, or other high-value assets, etc. not currently related to the business of the Company or its Group companies, through sale or other means, then using the profits of this disposal to pay temporary high dividends, and perhaps seeking an opportunity to take advantage of the rapid rise in the share price due to temporary high dividends to profit from selling-off the Company's shares at an inflated price
5. Cases where the method of purchasing the Company's shares, etc. proposed by the Purchaser, etc. is judged to constrain the opportunities or freedom of shareholders to make a judgment, entailing a risk that the Purchaser, etc. may effectively coerce shareholders to sell their shares, etc. of the Company, such as in the case of a coercive two-tiered buy-out (in other words, a two-stage purchase, etc. by tender offer or other means in which the Purchaser, etc. does not canvas the acquisition of all of the Company's shares, etc. with the first purchase, and sets unfavorable or unclear purchase conditions at the second stage)
6. Cases where the purchase conditions for the Company's shares, etc. proposed by the Purchaser, etc. (including, but not limited to, the type and amount of the purchase consideration, the basis used to calculate this amount, the specific details of other conditions (including the timing and method used for this acquisition), the legality or illegality of these conditions, their feasibility, etc.) are judged to be substantially insufficient or inappropriate in view of the Company's corporate value.
7. Cases where it is judged that the acquisition of control by the Purchaser, etc. risks significantly impeding the protection and enhancement of the Company's corporate value and the common interests of shareholders, such as cases where it is anticipated that the acquisition will significantly damage the Company's corporate value and the common interests of shareholders, including the interests, not only of shareholders, but also of customers, employees, and other interested parties
8. Cases where it is judged that the Company's future corporate value in the medium to long term will be substantially inferior if the Purchaser, etc. acquires control, compared to the Company's corporate value if the Purchaser, etc. does not acquire control
9. Cases where it is judged that the Purchaser, etc. is clearly unsuitable as a controlling shareholder of the Company from the perspectives of public order and morality
10. Cases equivalent to the cases in 1. to 9. above, where it is judged that the large-scale purchase will significantly damage the Company's corporate value and the common interests of shareholders

Overview of the Gratis Allotment of Share Acquisition Rights

1. Total number of the share acquisition rights to be allotted
The total number of the share acquisition rights to be allotted shall be determined separately in the resolution of the Board of Directors concerning the gratis allotment of the share acquisition rights (hereinafter referred to as the “Share Acquisition Rights Gratis Allotment Resolution”), and shall be no more than three (3) times the final total number of issued shares of the Company on a certain date (hereinafter referred to as the “Allotment Date”) (excluding shares of the Company held by the Company as of the Allotment Date) to be determined separately by the Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.
2. Shareholders eligible for the allotment
The share acquisition rights shall be allotted, for no consideration, to shareholders recorded on the final register of shareholders as of the Allotment Date, in a ratio to be determined separately by the Company’s Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution, and not exceeding three (3) units of share acquisition rights per share of ordinary shares held by the shareholder. (This excludes shares of the Company held by the Company as of the Allotment Date.)
3. Effective date of the gratis allotment of share acquisition rights
To be determined separately by the Company’s Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.
4. Class and number of shares subject to the share acquisition rights
The class of shares subject to the share acquisition rights shall be ordinary shares of the Company. The number of shares to be delivered upon exercise of each unit of share acquisition rights (hereinafter referred to as the “Number of Eligible Shares”) shall be determined separately by the Company’s Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution, and shall not exceed one (1) share. However, necessary adjustments shall be made in the case of stock splits, stock consolidations, and the like.
5. Details and value of property to be contributed upon exercise of the share acquisition rights
The type of property to be contributed upon exercise of the share acquisition rights shall be cash. The amount of property to be contributed upon exercise of each unit of share acquisition rights shall be determined separately by the Company’s Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution, and shall be at least one (1) yen per share of the Company’s ordinary shares.
6. Restriction on the transfer of the share acquisition rights
The transfer of the share acquisition rights shall require the approval of the Company’s Board of Directors.
7. Conditions on the exercise of the share acquisition rights
The share acquisition rights cannot be exercised by (a) designated large-scale holders,¹² (b) joint holders of designated large-scale holders, (c) designated large-scale purchasers,¹³ (d) specially related parties of designated large-scale purchasers, (e) parties that have received the share acquisition rights from any of the parties in (a) to (d) by transfer or succession, without obtaining the approval of the Company’s Board of Directors, or (f) an affiliate¹⁴ of any of the parties in (a) to (e) above. (These parties are hereinafter referred to as “Ineligible Parties.”) The detailed conditions on the exercise of the share acquisition rights shall be determined separately in the Share Acquisition Rights Gratis Allotment Resolution.
8. The acquisition of the share acquisition rights by the Company
The Company may, on a date to be determined separately by the Company’s Board of Directors, acquire the share acquisition rights owned by parties other than Ineligible Parties in exchange for the delivery of a number of shares of the Company’s ordinary shares equal to the Number of Eligible Shares for each unit of the share acquisition rights. The detailed conditions for the acquisition of the share acquisition rights shall be determined separately in the Share Acquisition Rights Gratis Allotment Resolution.

9. Acquisition for no consideration in cases such as where the invocation of the defense measures is suspended
The Company may acquire all of the share acquisition rights for no consideration in cases where the invocation of the defense measures is suspended and other cases to be determined separately by the Company's Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.
10. Exercise period, etc. of the share acquisition rights
The exercise period of the share acquisition rights and other necessary matters shall be determined separately by the Company's Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.

Notes:

1. Share certificates, etc. provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise specified. Where a law, regulation, etc. quoted in the Plan is amended (including changes to the name of the law or regulation and the establishment of new laws, regulations, etc. that succeed this law or regulation), the provision(s) of law, regulation, etc. quoted in the Plan shall be deemed to refer to the provision(s) of the amended law, regulation, etc. that effectively succeeds it, unless otherwise stipulated by the Company's Board of Directors.
2. Holders provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including persons who are included as holders under Paragraph 3 of said Article.
3. The ownership ratio of share certificates, etc. provided for in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
4. Share certificates, etc. provided for in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same applies throughout 2) below.
5. As defined under Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
6. The ownership ratio of share certificates, etc. provided for in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
7. Specially related party provided for in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, regarding parties indicated in item (i) of said Paragraph, this excludes those prescribed in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers. The same shall apply hereinafter.
8. A material proposal provided for in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of 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. The same shall apply hereinafter unless otherwise specified.
9. Business days refer to days other than the days listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.
10. Joint holders provided for in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed by the Company's Board of Directors to be joint holders based on Paragraph 6 of said Article. The same shall apply hereinafter.
11. External experts refer to corporate managers with extensive management experience, persons closely familiar with the business of investment banks, attorneys, certified public accountants, persons with academic work experience mainly researching topics such as the Companies Act, and persons with equivalent attributes.
12. Parties holding at least 20% of the shares, etc. issued by the Company, or parties deemed by the Company's Board of Directors to correspond to such large-scale holders. However, this is not applicable where the Board of Directors deems that the acquisition or holding of the Company's shares, etc. by this party is not adverse to the Company's corporate value or the common interests of shareholders, or in the case of other parties determined separately by the Company's Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.
13. Parties that have issued public notice of their intention to engage in the purchase, etc. (refers to the purchase, etc. provided for in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) of shares, etc. (refers to the share certificates, etc. provided for in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) issued by the Company through a tender offer, and that will have, after said purchase, etc., a total ownership ratio (including rights equivalent to ownership provided for in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act), of at least 20% when combined with the ownership ratio of their specially related parties; or parties deemed to correspond to designated large-scale purchasers by the Company's Board of Directors. However, this is not applicable where the Board of Directors deems that the acquisition or holding of the Company's shares, etc. by this party is not adverse to the Company's corporate value or the common interests of shareholders, or in the case of other parties determined separately by the Company's Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.

14. The “affiliate” of a party refers to a party that effectively controls, is controlled by, or is under the joint control of that party (including those deemed by the Company’s Board of Directors to correspond to this definition), or is deemed by the Company’s Board of Directors to act in concert with that party. “Control” refers to “control over determinations on the financial and business policies” of another company, etc. (as defined under Article 3, Paragraph 3 of the Regulations for Enforcement of the Companies Act).