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(Stock Exchange Code 7287)

June 7, 2024

(Date of Commencement of Electronic Provision Measures:

June 6, 2024)

To Shareholders with Voting Rights:

Koichi Sato
President, Representative Director and Chief
Executive Officer
NIPPON SEIKI CO., LTD.
2-34, Higashizaoh 2-chome, Nagaoka-shi,
Niigata

**NOTICE OF
THE 79TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We would also like to take this opportunity to convey our sincere condolences to those who have been affected by the 2024 Noto Peninsula Earthquake.

You are cordially notified of the 79th Annual General Meeting of Shareholders of NIPPON SEIKI CO., LTD. (the "Company"). The meeting will be held for the purposes as described below.

In convening this Annual General Meeting of Shareholders, we have taken measures to electronically provide information ("Matters for Electronic Provision") that mainly constitutes the Reference Documents for the Shareholders' Meeting and have posted such information as the "NOTICE OF THE 79TH ANNUAL GENERAL MEETING OF SHAREHOLDERS" on the Company's website on the Internet. Therefore, shareholders are asked to review the materials by accessing the Company's website indicated below.

The Company's website: https://www.nippon-seiki.co.jp/global/ir_meeting/

In addition to the above website, the Matters for Electronic Provision have also been posted on the Tokyo Stock Exchange (TSE) website. Shareholders are, therefore, asked to confirm the materials by accessing the TSE website (Listed Company Search) indicated below, entering and searching the issue name (the Company's name) or securities code, and selecting "Basic information" and "Documents for public inspection / PR information."

The Tokyo Stock Exchange website (Listed Company Search)

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

If you do not attend the meeting, you can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Thursday, June 27, 2024, Japan time.

- 1. Date and Time:** Friday, June 28, 2024, at 10:00 a.m.
- 2. Place:** Gymnasium at the headquarters of the Company, located at 2-34, Higashizaoh 2-chome, Nagaoka-shi, Niigata
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2023–March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2023–March 31, 2024)

Proposals to be resolved:

Proposal 1 Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 2 Adoption of a Restricted Stock Compensation Plan for Directors (Excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members)

4. Matters decided upon the convocation of the General Meeting of Shareholders

- (1) Among the Matters for Electronic Provision, in accordance with laws and regulations and the provisions of the Articles of Incorporation of the Company, the following items are not included in the paper-based documents delivered to the shareholders. The Audit and Supervisory Committee and the Accounting Auditors have audited documents subject to auditing including the following items.
 - (i) "Notes to the Consolidated Financial Statements"
 - (ii) "Notes to the Non-consolidated Financial Statements"
- (2) If you exercise your voting rights both via the Internet and in writing, the Company will only deem the exercise via the Internet valid. Also, if you exercise your voting rights several times via the Internet, the Company will only deem the last exercise valid.
- (3) If you do not indicate your vote for or against each proposal on the Voting Rights Exercise Form returned to the Company via postal mail, the Company will deem that you have approved such proposals.

End

- The reception starts at 9 a.m.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- If you are unable to attend the meeting, you may exercise your voting rights by a proxy. In such case, the proxy must be another shareholder of the Company who holds voting rights, and that person will be required to submit a document certifying his/her authority to be a proxy.
- If any revisions to the Matters for Electronic Provisions arise, a notice to that effect and both the matters before the revision and after the revision will be posted on the Internet, namely on the Company's website and the TSE website, which are mentioned above.

Guidance on How to Exercise the Voting Rights

If you are able to attend the General Meeting of Shareholders:

Attending the General Meeting of Shareholders	<p>Date and time of the meeting: Friday, June 28, 2024, at 10:00 a.m. Please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk. Please come to the venue early as the reception desk will be crowded immediately before the opening of the meeting.</p>
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If you are unable to attend the General Meeting of Shareholders:

Voting in writing	“Smart Voting”	Voting via the Internet From a PC, a smartphone, etc., access the voting website at: https://www.web54.net
Voting Deadline	Voting Deadline	Voting Deadline
To be received no later than 5:00 p.m. Thursday, June 27, 2024	No later than 5:00 p.m. Thursday, June 27, 2024	No later than 5:00 p.m. Thursday, June 27, 2024
Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it will be received by the Shareholder Register Administrator of the Company by the deadline. If you do not indicate your vote for or against the proposal on the Voting Rights Exercise Form, the Company will deem that you have approved the proposal.	Please scan the “Login QR Code for the voting website for smartphones” provided in the lower right of the enclosed Voting Rights Exercise Form with a smartphone or a tablet terminal.	Please access the voting website, use the Voting Rights Exercise Code and the Password provided on the enclosed Voting Rights Exercise Form, and follow the on-screen instructions to register your vote for or against the proposal.
Please see the following page for details.		

If you have questions about the use of your PC or smartphone for exercising your voting rights, please contact:
Sumitomo Mitsui Trust Bank, Limited, Securities Agent Web Support Hotline
 Toll-free call: 0120-652-031
 Services available from 9 a.m. to 9 p.m.

“Smart Voting”	
1. Access the voting website for smartphones Please scan the “Login QR Code for the voting website for smartphones” with a smartphone or a tablet terminal. <small>*QR Code is a registered trademark of DENSO WAVE INCORPORATED.</small>	
2. Open the voting website Please access the URL presented on the screen, to open the voting website. There are two ways to exercise your voting rights.	
3. Vote for or against each proposal individually Please follow the on-screen instructions to enter your vote for or against each proposal.	4. “Approve” all the proposals presented by the Company
If there are no problems on the confirmation page, please click on “Submit Vote” button to complete the voting process.	
<div style="border: 1px solid black; padding: 5px;"> <p>If you wish to change your vote after you have exercised your voting rights, you will need to scan the QR Code again and enter the “Voting Rights Exercise Code” and the “Password” provided on the enclosed Voting Rights Exercise Form. (You may also exercise your voting rights by accessing the voting website at https://www.web54.net directly from your PC.)</p> </div>	

Voting via the Internet
1. Access the voting website at: <u>https://www.web54.net</u>
2. Log in by entering the “Voting Rights Exercise Code” provided on the enclosed Voting Rights Exercise Form
3. Enter the Password provided on the enclosed Voting Rights Exercise Form
After that, please follow the on-screen instructions to enter your vote for or against each proposal.

* Shareholders will be responsible for connection and communication charges when using the voting website.

* You may not be able to use the voting website depending on your Internet environment, the service you subscribe to, and the model of smartphone, etc. you are using.

Reference Documents for the General Meeting of Shareholders


Proposals and References


Proposal 1: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)


The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to reduce the number of Directors by one (1) in order to enhance the efficiency of the management structure and elect five (5) Directors.


The candidates for Directors are as follows:

No.	Name	Current position at the Company	Attributes	Number of attendances at Board of Directors meetings
1	Koichi Sato	President, Representative Director and Chief Executive Officer	Reappointment Male	16 / 16
2	Keiichi Nagano	Director and Senior Managing Officer	Reappointment Male	16 / 16
3	Masahiro Yoshihara	Director and Managing Officer	Reappointment Male	16 / 16
4	Masatoshi Azuma	Director and Managing Officer	Reappointment Male	16 / 16
5	Satsuki Shimada	—	New appointment Outside Director Independent Director Female	—

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Relationship of special interests with the Company
1	 Koichi Sato (October 26, 1962)	April 1985 Joined the Company April 2006 Vice President and Director, N.S. International, Ltd. June 2011 Director, the Company June 2013 Managing Director June 2016 Director and Managing Officer April 2017 Director and Senior Managing Officer June 2019 Representative Director and Senior Managing Officer June 2020 President, Representative Director and Chief Executive Officer (to present)	18,150	None
		(Number of attendances at Board of Directors meetings) 16 / 16 (Reasons for selecting the candidate for Director) Koichi Sato has taken a leading role in the management of the Company as President and Representative Director and has an extensive range of experience in the execution of business in the engineering division and deep insight into corporate management. Aiming to become a “total solution company,” he has taken the leadership of the Nippon Seiki Group in implementing measures to enhance its corporate value. It is expected that, as a member of the Board of Directors, he will continue to utilize his wealth of experience and achievements to reinforce the Board’s decision-making and supervisory functions, and therefore he has been selected as a candidate for Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Relationship of special interests with the Company
3	 <p data-bbox="213 757 384 846">Masahiro Yoshihara (March 11, 1964)</p>	<p data-bbox="405 286 1152 1048"> September 1985 Joined the Company October 2011 Senior Manager, Manufacturing Engineering Dept., Production Engineering Supervision Dept., Production Headquarters October 2016 President, Shanghai Nissei Display System Co., Ltd. April 2021 Operating Officer May 2021 Chief of the Headquarters, Production Engineering Headquarters April 2022 Chief of the Headquarters, Production Engineering Headquarters Geographical area in his charge: China June 2022 Director and Senior Operating Officer June 2022 Chief of the Headquarters, Production Engineering Headquarters, in charge of Production Headquarters Geographical area in his charge: China April 2023 In charge of Production Headquarters, Production Engineering Headquarters, and Quality Assurance Headquarters Geographical area in his charge: North and Mid America and South America June 2023 Director and Managing Officer (to present) April 2024 In charge of Production Engineering Headquarters, Production Headquarters Geographical area in his charge: North and Mid America and South America (to present) </p> <p data-bbox="405 1048 1152 1106">(Significant concurrent position) • Chairman of the Board, Nippon Seiki De Mexico S.A. De C.V.</p>	2,346	See Note 2
(Number of attendances at Board of Directors meetings) 16 / 16		<p data-bbox="229 1173 1129 1438"> (Reasons for selecting the candidate for Director) Masahiro Yoshihara has an extensive range of experience and achievements through the execution of businesses in the divisions of production and production engineering and as the top management of overseas subsidiaries. In addition, he has assumed the office of Director and Managing Officer, thereby acquiring deep insight into corporate management. By utilizing his experience and knowledge at the Company's Board of Directors, he is expected to reinforce the Board's decision-making and supervisory functions, and therefore he has been selected as a candidate for Director. </p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Relationship of special interests with the Company
4	 <p>Masatoshi Azuma (June 11, 1963)</p>	<p>April 1984 Joined the Company</p> <p>December 2007 Senior Manager, HUD Engineering Dept., Instrument Cluster Design and Engineering Supervision Dept., Engineering Headquarters</p> <p>June 2014 Operating Officer</p> <p>April 2017 Chief of the Headquarters, Instrument Design Headquarters</p> <p>June 2018 Senior Operating Officer</p> <p>April 2020 Chief of the Headquarters, Enterprise Management Headquarters and General Manager, Enterprise Supervision Dept.</p> <p>June 2020 Geographical area in his charge: ASEAN Director and Managing Officer (to present)</p> <p>April 2021 Chief of the Headquarters, Enterprise Management Headquarters</p> <p>April 2023 Geographical area in his charge: ASEAN and Taiwan In charge of Enterprise Management Headquarters</p> <p>April 2024 Geographical area in his charge: ASEAN, Taiwan, and India In charge of Sourcing Headquarters</p> <p>Geographical area in his charge: ASEAN, Taiwan, and India (to present)</p> <p>(Significant concurrent positions)</p> <ul style="list-style-type: none"> • Chairman of the Board, Thai Nippon Seiki Co., Ltd. • Chairman, Vietnam Nippon Seiki Co., Ltd. • Chairman, Taiwan Nissei Display System Co., Ltd. 	11,300	See Note 3
(Number of attendances at Board of Directors meetings) 16 / 16		<p>(Reasons for selecting the candidate for Director)</p> <p>Masatoshi Azuma has an extensive range of experience and achievements through the execution of businesses in the divisions of development, engineering, and business management. In addition, he has assumed the office of Director and Managing Officer, thereby acquiring deep insight into corporate management.</p> <p>By utilizing his experience and knowledge at the Company's Board of Directors, he is expected to reinforce the Board's decision-making and supervisory functions, and therefore he has been selected as a candidate for Director.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Relationship of special interests with the Company
5	 Satsuki Shimada (May 6, 1964) <div data-bbox="212 613 381 680" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">New appointment</div> <div data-bbox="212 689 381 757" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Outside Director</div> <div data-bbox="212 766 381 833" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Independent Director</div>	April 1987 Joined Fujitsu Limited May 2013 Senior Manager, Product Development Process Audit Group, Product Process Audit Division, the said Company June 2015 Executive Officer, General Manager, Group Business Promotion Office, and General Manager, Assessment Business Department, Fujitsu Quality Laboratory Ltd. (currently Eurofins FQL Ltd.); and Senior Director, Platform Quality Division, Fujitsu Limited July 2021 Executive Officer, General Manager, Process Consulting Department, Eurofins FQL Ltd. (to present)	0	None
<p>(Reasons for selecting the candidate for Outside Director and an outline of expected roles)</p> <p>Satsuki Shimada is a new candidate for Outside Director.</p> <p>She is expected to provide recommendations, advice, and supervision regarding the corporate management strategy including the management policies, from an objective and medium- to long-term viewpoint, based on a wide range of achievements in the fields of manufacturing, the software design process, and quality assurance.</p> <p>She has an extensive range of experience as Executive Officer and a wide range of achievements mainly in the fields of manufacturing, the software design process, and quality assurance. For these reasons, she is expected to supervise the management of the Company and she has been newly selected as a candidate for Outside Director.</p>				

(Notes)

1. Candidate for Director, Keiichi Nagano, concurrently serves as Chairman of the Board, DaNang Nippon Seiki Co., Ltd., with which the Company has business relationships, including design outsourcing.
2. Candidate for Director, Masahiro Yoshihara, concurrently serves as Chairman of the Board, Nippon Seiki De Mexico S.A. De C.V., with which the Company has business relationships, including the sales and purchases of products and parts. The Company also provides loans thereto.
3. Candidate for Director, Masatoshi Azuma, has the following special interests with the Company.
 - a. He concurrently serves as Chairman of the Board, Thai Nippon Seiki Co., Ltd., with which the Company has business relationships, including the sales and purchases of products and parts.
 - b. He concurrently serves as Chairman, Vietnam Nippon Seiki Co., Ltd., with which the Company has business relationships, including the sales of products.
 - c. He concurrently serves as Chairman, Taiwan Nissei Display System Co., Ltd., with which the Company has business relationships, including the sales and purchases of products and parts. The Company also provides loans thereto.
4. Candidate for Director, Satsuki Shimada is a candidate for Outside Director. She has no special interests with the Company. Additionally, if Satsuki Shimada is elected, the Company plans to designate her as an Independent Director as set forth by the Tokyo Stock Exchange.
5. If Candidate for Director, Satsuki Shimada is elected, the Company will enter into an agreement with her to limit the liability for damages as prescribed in Article 423, Paragraph 1, of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability pursuant to the agreement will be the minimum amount of liability stipulated in Article 425, Paragraph 1, of the same Act.
6. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company. In the event that claims for damages are made against the insured persons, the said insurance contract shall compensate for legal damages and litigation expenses to be borne by the insured. If elected, each candidate will be insured under the said insurance contract. Also, the Company intends to renew the said insurance contract with the same contents at the time of the next renewal.
7. The Audit and Supervisory Committee has expressed its opinion regarding the selection of Directors (excluding Directors who are Audit and Supervisory Committee Members) as follows:

The Audit and Supervisory Committee, based on the “Audit and Supervisory Committee Auditing Standards,” examined with regard to this proposal whether the candidates have been selected and nominated in accordance with the policy set forth in the “Basic Approach to Corporate Governance” of the Company, after receiving explanations of the deliberation results from the Appointment Advisory Committee consisted of three Outside Directors who are Audit and Supervisory Committee Members regarding the approach taken in selecting candidates for Directors and their careers, achievements, and roles, etc. that are to be assigned to each candidate, and exchanging opinions. As a result, it has been deemed that the selection and nomination procedures are appropriate and that each candidate is suitable as a Director of the Company.

Reference: Composition of the Board of Directors and Skills Matrix after Election

			Corporate Management	Production / Production Engineering	Research, Development, Design	Marketing, Business	Accounting, Finance, Tax	Corporate Governance	ESG, Sustainability	Global Experience	HR, Personnel Development	IT, DX
Koichi Sato	Inside		◎		◎	○	○	◎		◎	○	
Keiichi Nagano	Inside		○		◎				○	◎	○	○
Masahiro Yoshihara	Inside		◎	◎						◎	○	○
Masatoshi Azuma	Inside		○		◎		◎	○	○		◎	○
Satsuki Shimada	Outside		◎	◎	◎							○
Tatsuya Nagai	Inside	Audit and Supervisory Committee Member	○					◎		○		
Etsuo Saiki	Outside	Audit and Supervisory Committee Member						◎				
Eiko Tomiyama	Outside	Audit and Supervisory Committee Member				◎			◎		○	
Kiyoshi Suzuki	Outside	Audit and Supervisory Committee Member	◎	○	◎							○
Toshihiko Enomoto	Outside	Audit and Supervisory Committee Member	◎				◎	◎		◎		

* Skill items for which the Directors are recognized as having extensive knowledge and expertise are marked with ◎.

* Skill items for which the Directors are recognized as having knowledge and expertise based on their work experience or current specialization are marked with ○.

Proposal 2: Adoption of a Restricted Stock Compensation Plan for Directors (Excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members)

In an effort to provide an incentive to the Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; hereinafter, referred to as “Eligible Director(s)”) to sustainably improve corporate value while promoting the further sharing of value between the Eligible Directors and the shareholders, the Company proposes to adopt, in lieu of the current stock option as stock-based compensation plan, a compensation plan (the “Plan”), consisting of the allocation of the common stock of the Company predicated on certain conditions including a given transfer restriction period and provisions for acquisition without consideration (the “Restricted Stock”), as described below.

At the 74th Annual General Meeting of Shareholders held on June 26, 2019, the Company obtained shareholder approval for the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) at not more than 380 million yen per annum (of which not more than 50 million yen per annum is for Outside Directors; however, excluding the salary portion of Directors serving concurrently as employees) and the issue of stock acquisition rights for stock options as stock-based compensation within the above range of remuneration, etc.

At this Annual General Meeting of Shareholders, the Company seeks shareholder approval to adopt the Plan as a new compensation plan and to set, within the original limit on the amount of remuneration, the maximum amount of monetary compensation receivables at not more than 27 million yen per annum to be paid to the Eligible Directors as remuneration relating to Restricted Stock, and to delegate the decision on the specific timing of payment and the allocation to each Eligible Director to the Board of Directors based on the deliberation and recommendations of the Compensation Committee.

In conjunction, the Company, on the condition that this proposal to adopt the Plan is approved and resolved at this Annual General Meeting of Shareholders, will terminate the stock options as stock compensation to the Eligible Directors and will cease the allotment of stock acquisition rights as stock options as stock compensation going forward. (Stock options as stock compensation that have already been granted will remain.)

Furthermore, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) who are currently in office is six (6) but if Proposal 1 is approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be five (5) (including one (1) Outside Director).

1. Allotment and payment of Restricted Stock

Under the Plan, the Company shall pay monetary compensation receivables relating to Restricted Stock within the above range per annum to the Eligible Directors, and the Eligible Directors, in turn, shall pay all monetary compensation receivables paid to them as property contributed in kind, and receive an allotment of Restricted Stock.

The amount to be paid per share of the Restricted Stock shall be an amount determined by the Board of Directors within a range that will not be particularly advantageous for the Eligible Directors who will receive the Restricted Stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors relating to the allotment of Restricted Stock (if there are no trades on that day, the closing price on the most recent preceding trading day). In addition, the payment of these monetary compensation receivables shall be subject to the Eligible Director consenting to the above contribution of property in kind and the conclusion of a Restricted Stock Allotment Agreement between the Company and the Eligible Directors containing the details described in paragraph 3. below.

2. The total number of Restricted Stock

The maximum number of Restricted Stock to be allotted to Eligible Directors shall be 17,000 shares per annum. However, if on or after the date of this proposal is approved, a stock split, a gratis allotment of common stock, or a reverse stock split is conducted in regard to the Company’s common stock, or if other circumstances arise that necessitate an adjustment to the total number of Restricted Stock to be allotted, the Company may adjust the total number of shares within a reasonable range.

3. Details of the Restricted Stock Allotment Agreement

The Restricted Stock Allotment Agreement to be concluded between the Company and the Eligible Director who receives an allotment of Restricted Stock shall include the following details.

(1) Details of the transfer restriction

Eligible Directors who have been allotted the Restricted Stock may not transfer, create a pledge or security interest, or provide as a gift during life or as a bequeathment to a third party, or otherwise dispose of the common stock of the Company allotted under the Restricted Stock Allotment Agreement (the “Allotted Shares”) during the period from the allotment date of the Restricted Stock until the date when the Eligible Director resigns or retires from the position of the Director or Operating Officer of the Company (the “Transfer Restriction Period”).

(2) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions of all of the Allotted Shares at the expiration of the Transfer Restriction Period, on the condition that the Eligible Director who received the allotment of Allotted Shares continuously held the position stipulated in paragraph (1) above for the period set forth by the Board of Directors (the "Service Period"). However, if the Eligible Director concerned resigns or retires from the position stipulated in paragraph (1) above prior to the expiry of the Service Period due to a reason deemed justifiable by the Board of Directors, the Board of Directors shall reasonably adjust the number of Allotted Shares for which Transfer Restrictions are to be lifted and the timing of the lifting of the Transfer Restrictions as necessary.

(3) Acquisition of Restricted Stock without consideration

The Company shall automatically acquire without consideration any Allotted Shares for which Transfer Restrictions have not been lifted in accordance with the provisions for the lifting of Transfer Restrictions described in paragraph (2) above upon the expiration of the Transfer Restriction Period described in paragraph (1) above.

(4) Treatment in the event of an organizational restructure, etc.

If a proposal relating to a merger agreement in which the Company becomes the non-surviving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructure, etc. is approved at the Company's General Meeting of Shareholders (or at a meeting of the Board of Directors of the Company in cases where approval at the Company's General Meeting of Shareholders is not required in an organizational restructure, etc.) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors of the Company, lift the Transfer Restrictions on the number of the Allotted Shares reasonably determined by considering the period from the day of commencement of the Service Period until the date of approval of the organizational restructure, etc., prior to the effective date of such organizational restructure. In such case, the Company will automatically acquire without consideration the Allotted Shares for which Transfer Restrictions have not been lifted, immediately after the Transfer Restrictions are lifted.

(5) Other matters

Other matters related to the Restricted Stock Allotment Agreement shall be determined by the Board of Directors of the Company.

4. The reason why the granting of Restricted Stock has been deemed reasonable

The Company shall grant Restricted Stock to Eligible Directors to provide an incentive to sustainably improve corporate value while promoting the further sharing of value between the Directors and the shareholders.

The Company, at its Board of Directors meeting held on March 21, 2024, established the Policy on the Determination of the Details of Remunerations, etc. Directors on an Individual Basis. The granting of Restricted Stock based on this proposal is in line with this Policy and the Company does not intend to make any changes to the said Policy, even if this proposal is approved. Furthermore, as the market value of the Company's shares on the date of the resolution by the Board of Directors relating to the allotment of Restricted Stock is to be within the maximum amount per annum approved by the Company's General Meeting of Shareholders and as dilution will be kept down to a minimum with the Restricted Stock accounting for 0.02% of the total number of shares issued (Dilution will be 0.2% of the total number of shares issued if the maximum number of Restricted Stock continues to be issued over ten years), the Company has deemed the granting of Restricted Stock to be reasonable.

(Reference)

If this proposal is approved by this Annual General Meeting of Shareholders, the Company will also adopt a Restricted Stock plan similar to the Plan for the Operating Officers of the Company.