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(Stock Exchange Code 6505)

August 6, 2026

Commencement of measures for electronic provision: July 31, 2026

To Shareholders with Voting Rights:

Akira Watanabe
President, Representative Director
Toyo Denki Seizo K.K.
1-4-16 Yaesu, Chuo-ku, Tokyo

NOTICE OF THE 165th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We hereby announce that the 165th Annual General Meeting of Shareholders of Toyo Denki Seizo K.K. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision. Matters subject to electronic provision are posted on the following website as “Notice of the 165th Annual General Meeting of Shareholders.”

The Company’s website: <https://www.toyodenki.co.jp/english/ir/agm.html>

In addition to the above website, matters subject to electronic provision are also posted on the Tokyo Stock Exchange (TSE) website below. Please search for the Company either by entering “Toyo Denki Seizo” in the “Issue name (company name)” bar or the securities code “6505” in the “Code” bar, then select “Basic information” followed by “Documents for public inspection/PR information” to view the information.

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

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders described in the matters subject to electronic provision, and exercise your voting rights no later than 5:00 p.m. on Wednesday, August 26, 2026, Japan time.

- 1. Date and Time:** Thursday, August 27, 2026, at 10:00 a.m. Japan time
- 2. Place:** “Station Conference Tokyo” Meeting Room 501, 5F, Sapia Tower 1-7-12 Marunouchi, Chiyoda-ku, Tokyo
- 3. Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 165th Fiscal Year (June 1, 2025 - May 31, 2026) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 165th Fiscal Year (June 1, 2025 - May 31, 2026)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Eight (8) Directors
 - Proposal 3:** Election of Two (2) Audit and Supervisory Board Members
 - Proposal 4:** Election of One (1) Substitute Audit and Supervisory Board Member
 - Proposal 5:** Continuation of Countermeasures against a Large-scale Purchase of the Company’s Shares, etc.

- © The paper copy sent to shareholders also serves as the document describing matters for electronic provision based on the request for delivery of a paper copy. In accordance with provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation, the following matters are excluded. Accordingly, the paper copy is part of the documents audited by the Audit and Supervisory Board Members and the Accounting Auditor when preparing the audit report.
- "Information Concerning Accounting Auditor"
 - "Overview of Systems to Ensure Appropriate Business Operations (Basic Policy for Internal Control Systems) and Operational Status Thereof"
 - "Basic Policy on Control of the Company"
 - "Consolidated Statements of Changes in Net Assets"
 - "Notes to Consolidated Financial Statements"
 - "Non-consolidated Statements of Changes in Net Assets"
 - "Notes to Non-consolidated Financial Statements"
- © In the event of any revisions to the matters subject to electronic provision, details of the revisions will be posted on each of the designated websites.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

With regard to the appropriation of surplus, the Company proposes the following.

[Items related to the year-end dividend]

With regard to the year-end dividend for the fiscal year ended May 31, 2026, upon comprehensively taking into consideration the return of profits to shareholders in a continuous and stable manner, the strengthening of the Company's business structure and other factors, the Company proposes the ordinary dividend of 100 yen per share.

- (1) Type of dividend property
Cash
- (2) Items related to the allocation of dividend property to shareholders and its total amount
100 yen per share of common stock
Total of 914,638,600 yen
- (3) Effective date of distribution of surplus
August 28, 2026

<Reference>

■ Dividend Policy

Based on the Company's policy of paying continuous and stable dividends with a dividend payout ratio of at least 30% and a minimum dividend of 30 yen per share, and in order to fulfill the mandate of our shareholders, we aim to strengthen the earnings capacity necessary to secure dividend resources and achieve dividend increases driven by profit growth.

The Company resolved to change its Dividend Policy at the meeting of the Board of Directors held on July 15, 2026.

For details, please refer to the "Notice Concerning Change of Dividend Policy" disclosed on July 15, 2026.

Proposal 2: Election of Eight (8) Directors

Since the term of office of all seven (7) Directors will expire at the closing of this General Meeting of Shareholders, the election of eight (8) Directors, of which three (3) are Outside Directors, is requested in order to strengthen the management structure by increasing the number of Directors by one (1).

The candidates for Director are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
1	Akira Watanabe November 22, 1959 <u>Reappointment</u>	April 1982 Joined the Company June 2002 Group Manager, Business Creation Group, Development Division June 2005 Group Manager, Traction Control Design Group, Transportation Systems Works, Yokohama Plant, Production Division August 2008 Deputy Center Manager, Research Center May 2011 Group Manager, EV Systems Group, Business Development Division August 2013 General Manager, Business Development Division August 2015 Operating Officer; General Manager, Corporate Planning Division August 2016 Director; Division Director, Transportation Business Division June 2018 Director and Executive Officer; Division Director, Transportation Business Division; General Manager, Overseas Sales Department, Transportation Business Division August 2018 Director and Executive Officer; Division Director, Transportation Business Division August 2019 Director and Senior Executive Officer; Division Director, Transportation Business Division; Plant Manager, Yokohama Plant August 2020 President, Representative Director (current position) [Reason for nomination as a candidate for Director] Mr. Akira Watanabe has been leading the management of the Group and appropriately supervising it as President, Representative Director since 2020. In particular, he has vigorously advanced the four-year Medium-Term Management Plan 2026, whose final fiscal year was the fiscal year ended May 31, 2026, thereby delivering results in the recovery and improvement of the Group's corporate value. He is nominated as a candidate for Director based on the judgment that he would be able to demonstrate leadership under the new Medium-Term Management Plan and drive sustainable growth of the Group and the improvement of its corporate value.	15,006

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
2	Jun Nukina (May 12, 1965) <u>Reappointment</u>	April 1988 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) May 2010 General Manager, Corporate Department 1, Toranomom Branch Office October 2013 Director; General Manager, Corporate Banking Division No. 10, Corporate Banking Group No. 3 September 2017 Joined the Company; General Manager in charge of Financial Affairs Division September 2018 General Manager, Financial Affairs Division December 2020 Operating Officer; General Manager, Financial Affairs Division August 2022 Operating Officer; General Manager, Corporate Planning Division; Head of Group Administration Office, Corporate Planning Division December 2023 Executive Officer; General Manager, Corporate Planning Division August 2024 Director; Executive Officer June 2025 Director, Senior Executive Officer (current position) [Reason for nomination as a candidate for Director] Mr. Jun Nukina, since joining the Company in 2017, has been engaged in financial affairs, utilizing his abundant experience in operations at a financial institution, following which he has gained knowledge and experience in the management of the Group as a whole, including serving as General Manager, Corporate Planning Division. He has contributed to achieving the targets in the Medium-Term Management Plan 2026 and appropriately supervised management of the Group as a whole since 2024 as a Director. He is nominated as a candidate for Director based on the judgment that, by utilizing his knowledge and experience, he would be able to appropriately supervise the management of the Group as a whole and play a significant role in sustainable growth and the improvement of corporate value.	3,335

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
3	Chiaki Nakano (January 28, 1965) New appointment	April 1983 Joined the Company June 2013 General Manager, Overseas Sales Department, Industry Business Division August 2016 General Manager, Industry Business Planning Department, Industry Business Division December 2017 General Manager, Shiga Factory, Industrial Systems Works, Industry Business Division March 2018 General Manager, Industrial Systems Works, Industry Business Division August 2018 General Manager, Industrial Systems Works, Industry Business Division; President, TD. Drive Mfg. Co., Ltd. (current position) June 2019 Operating Officer; General Manager, Industrial Systems Works, Industry Business Division August 2020 Operating Officer; Plant Manager, Shiga-Ryuo Plant; General Manager, Industrial Systems Works, Industry Business Division June 2025 Executive Officer; Division Director, Industry Business Division; Plant Manager, Shiga-Ryuo Plant (current position) [Reason for nomination as a candidate for Director] Mr. Chiaki Nakano, since joining the Company in 1983, has been engaged in industry business, holding a wide range of key positions in the business. Having served in positions, including a concurrent position as President of TD. Drive Mfg. Co., Ltd., a consolidated subsidiary, since 2018, he has abundant experience in industry business of the Group and its corporate management. He is nominated as a candidate for Director based on the judgment that, by utilizing his experience, he would be able to appropriately supervise the management of the Group as a whole and play a significant role in sustainable growth and the improvement of corporate value.	6,665

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
4	Akihiro Otsuka (November 5, 1966) New appointment	April 1990 Joined the Company June 2012 General Manager, Commuter Rail and Subway Sales Department, Transportation Business Division August 2013 General Manager, JR Group Sales Department, Transportation Business Division June 2015 General Manager, Domestic Sales Management Department, Transportation Business Division August 2016 President, TOYO KOUKI Co., Ltd. August 2019 General Manager, Transportation Business Planning Department, Transportation Business Division June 2023 Operating Officer; Deputy Division Director, Transportation Business Division; General Manager, Transportation Business Planning Department, Transportation Business Division August 2024 Operating Officer; General Manager, Corporate Planning Division June 2025 Executive Officer; Division Director, Transportation Business Division; General Manager, Transportation Business Planning Department, Transportation Business Division June 2026 Executive Officer; Division Director, Transportation Business Division (current position) [Reason for nomination as a candidate for Director] Mr. Akihiro Otsuka, since joining the Company in 1990, has been engaged in transportation business. Having served in positions, including positions as President of TOYO KOUKI Co., Ltd., a consolidated subsidiary, and General Manager of Corporate Planning Division, he has abundant experience related to transportation business of the Group and its corporate management. He is nominated as a candidate for Director based on the judgment that, by utilizing his experience, he would be able to appropriately supervise the management of the Group as a whole and play a significant role in sustainable growth and the improvement of corporate value.	1,612

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
5	Hiroyuki Chiba (January 14, 1966) New appointment	April 1993 Joined East Japan Railway Company March 2004 Manager, Kawagoe Electric Car Depot, Omiya Branch Office June 2004 Manager, Kawagoe Rolling Stock Center, Omiya Branch Office July 2006 Manager, Matsudo Drivers & Conductors Depot, Tokyo Branch Office July 2009 Manager, Transport Safety Department June 2011 Manager, Planning Section, Transport Division, Yokohama Branch Office April 2013 Transport & Rolling Stock Department; Seconded to Japan Transport Engineering Company December 2016 Manager, Corporate Planning Department, Corporate Planning Headquarters June 2018 Deputy General Manager, Transport & Rolling Stock Department June 2022 Manager, Future Creation Unit, Mobility Service Department, Railway Operations Headquarters June 2023 Director; General Manager, Finance Department, JR East TESSEI Co., Ltd. June 2026 Advisor of the Company (current position) [Reason for nomination as a candidate for Director] Mr. Hiroyuki Chiba has extensive knowledge related to safe railway operations and railway business, including rolling stock, based on his experience at East Japan Railway Company to date, and has also held key positions in corporate planning and finance departments. He is nominated as a candidate for Director based on the judgment that, by utilizing his knowledge and specialized perspective cultivated to date, he would be able to appropriately supervise the management of the Group as a whole and play a significant role in sustainable growth and the improvement of corporate value.	0

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
6	Taizo Makari January 19, 1959 Reappointment Outside Director Independent Director	April 1983 Joined TEIJIN LIMITED October 1998 Manager, Engineering Products Development Department, Engineering Laboratories April 2004 General Manager, Business Planning and Administration Department; General Manager, Plant Maintenance and Utility Department, Teijin Entech Co., Ltd. April 2010 General Manager, Engineering Center; General Manager, Chemical Engineering Department, Teijin Engineering Limited; Assistant to CENO, TEIJIN LIMITED (in charge of capital investment) June 2010 Director, Teijin Engineering Limited June 2011 Representative Director; Managing Director April 2012 Teijin Group Chief Representative in Europe, TEIJIN LIMITED; President, Teijin Holdings Netherlands B.V. April 2013 Teijin Group Corporate Officer, TEIJIN LIMITED April 2014 Head, Engineering Unit; Assistant Chief CSR Officer (in charge of disaster prevention) April 2017 Teijin Group Corporate Officer; Chief Officer (Engineering); Assistant Chief CSR Officer (in charge of disaster prevention) June 2018 Director, INFOCOM CORPORATION April 2020 Teijin Group Executive Officer, TEIJIN LIMITED April 2021 Counselor and Technical Advisor August 2021 Director (Outside) of the Company (current position) April 2022 Technical Advisor, TEIJIN LIMITED (current position) [Reason for nomination as a candidate for Outside Director and overview of expected roles] Mr. Taizo Makari has abundant experience in corporate management both in Japan and overseas and highly specialized technological knowledge, and gives advice and makes proposals in order to ensure legality and appropriateness of decision-making of the Board of Directors of the Company, utilizing his extensive insight and global view. In addition, as a member of the Nomination and Compensation Advisory Committee, he formulates proposals for the appointment of Directors, etc. of the Company and expresses his valuable opinion from an objective standpoint on deliberations and decisions concerning the compensation of Directors, etc. The Company renominated him as a candidate for Outside Director, as the Company expects him to continue to give advice and make proposals effectively for decision-making of the Board of Directors of the Company. [Term of Office as Outside Director] Mr. Taizo Makari currently serves as the Company's Outside Director and his term of office will be five years at the conclusion of this General Meeting of Shareholders.	0

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
7	Yukiko Machida March 24, 1984 <u>Reappointment</u> <u>Outside Director</u> Independent Director	December 2009 Registered as Attorney at Law (Daini Tokyo Bar Association) Joined Shin-yotsuya Law Offices June 2012 Established Law Office of Itsumi & Machida Partner at Law Office of Itsumi & Machida (current position) April 2017 Vice-Chairperson, Labor Issue Committee, Daini Tokyo Bar Association (current position) August 2023 Director (Outside) of the Company (current position) October 2023 Member of the Tokyo Dispute Coordination Committee (current position) June 2024 Outside Director of YUASA TRADING CO., LTD. (currently YUASA CO., LTD.) (current position) [Reason for nomination as a candidate for Outside Director and overview of expected roles] Ms. Yukiko Machida is a qualified lawyer and has a particularly high level of insight in the field of labor law, including through her service as Vice-Chairperson of the Labor Issue Committee, Daini Tokyo Bar Association. Based on her experience, she gives advice and makes proposals effectively in order to ensure legality and appropriateness of decision-making of the Board of Directors of the Company, and gives advice and makes proposals regarding the Company's personnel and labor issues. In addition, as a member of the Nomination and Compensation Advisory Committee, she formulates proposals for the appointment of Directors, etc. of the Company and expresses her valuable opinion from an objective standpoint on deliberations and decisions concerning the compensation of Directors, etc. The Company renominated her as a candidate for Outside Director, as the Company can expect her to continue to give advice and make proposals effectively for decision-making of the Board of Directors of the Company and the Company's personnel and labor issues. There is no business relationship between the Company and YUASA CO., LTD., where she serves as an Outside Director. [Term of Office as Outside Director] Ms. Yukiko Machida currently serves as the Company's Outside Director and her term of office will be three years at the conclusion of this General Meeting of Shareholders.	0

No.	Name (Date of birth)	Past experience, positions, responsibilities, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
8	Yasuaki Sugizaki (May 17, 1957) Reappointment Outside Director Independent Director	April 1988 Joined Kobe Steel, Ltd. April 2011 Executive Officer, General Manager, Research & Development Planning Department, Technical Development Group April 2013 Managing Executive Officer; General Manager, Technical Development Group June 2014 Managing Director; General Manager, Technical Development Group April 2015 Senior Managing Director; Company-wide Technology Supervisor April 2016 Director; Senior Managing Executive Officer; Assistant to the President, Kobe Steel, Ltd.; Corporate Adviser, OSAKA Titanium Technologies Co., Ltd. June 2016 Representative Director, Member of the Board & President, OSAKA Titanium Technologies Co., Ltd. June 2024 Consultant August 2025 Director (Outside) of the Company (current position) January 2026 Chairperson of the Amagasaki City Equity Commission (current position) [Reason for nomination as a candidate for Outside Director and overview of expected roles] Mr. Yasuaki Sugizaki possesses strong leadership as a top executive in pursuing sustained corporate growth and enhanced medium- to long-term corporate value, as well as excellent managerial abilities in improving the earnings capacity of the business and promoting transformation. He also has abundant experience in technical development, and gives advice and makes proposals in order to ensure legality and appropriateness of decision-making of the Board of Directors of the Company. In addition, as a member of the Nomination and Compensation Advisory Committee, he formulates proposals for the appointment of Directors, etc. of the Company and expresses his valuable opinion from an objective standpoint on deliberations and decisions concerning the compensation of Directors, etc. The Company renominated him as a candidate for Outside Director, as the Company expects him to continue to give advice and make proposals effectively for decision-making of the Board of Directors of the Company. [Term of Office as Outside Director] Mr. Yasuaki Sugizaki currently serves as the Company's Outside Director and his term of office will be one year at the conclusion of this General Meeting of Shareholders.	0

- (Notes)
1. There are no special interests between each candidate for Director and the Company.
 2. Mr. Taizo Makari, Ms. Yukiko Machida, and Mr. Yasuaki Sugizaki are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has registered them as independent officers with the Tokyo Stock Exchange.
 3. Pursuant to the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Outside Director to limit his or her liability as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount set forth by laws and regulations. If this proposal is approved and Mr. Taizo Makari, Ms. Yukiko Machida, and Mr. Yasuaki Sugizaki are elected, the above-mentioned liability limitation agreement shall retain its effect.
 4. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the said insurance agreement, damage caused as a result of the insured directors assuming liability regarding the execution of their duties or receiving claims pertaining to the pursuit of such liability shall be covered. If the candidates are appointed to the position of Director, they will be included as the insured under this insurance agreement.

<Reference>

- Directors Skills Matrix
Expertise and experience of Directors (after the approval of Proposal 2)

Name	Outside Directors	Areas of expertise and experience							
		Corporate management	Sales/ Marketing	Research and development/ Technology	Manufacturing/ Quality control	Global business	Human resources development/ Sustainability	Accounting/ Finance	Legal affairs/Risk Management
Akira Watanabe		●	●	●	●	●	●		●
Jun Nukina		●	●			●	●	●	●
Chiaki Nakano		●	●	●	●	●			
Akihiro Otsuka		●	●		●	●			
Hiroyuki Chiba		●		●	●			●	
Taizo Makari	○	●		●	●	●			●
Yukiko Machida	○						●		●
Yasuaki Sugizaki	○	●	●	●	●				●

Proposal 3: Election of Two (2) Audit and Supervisory Board Members

Since Audit and Supervisory Board Members Mr. Hitoshi Kobayashi and Mr. Koichi Abe will retire due to the expiration of their terms of office at the conclusion of this General Meeting of Shareholders, the election of two Audit and Supervisory Board Members is proposed.

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

The candidates for Audit and Supervisory Board Members are as follows.

No.	Name (Date of birth)	Past experience, positions, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
1	Takatoshi Otsuka (February 12, 1966) <u>New appointment</u>	April 1990 Joined the Company April 2011 General Manager, Purchasing Division October 2014 General Manager, Corporate Planning Division August 2020 General Manager, Transportation Systems Works, Transportation Business Division June 2022 Operating Officer; General Manager, Transportation Systems Works, Transportation Business Division; Plant Manager, Yokohama Plant December 2022 Operating Officer; Plant Manager, Yokohama Plant; General Manager, Purchasing Division August 2024 Operating Officer; Plant Manager, Yokohama Plant; General Manager, Purchasing Division; General Manager, Quality Control Division June 2025 Operating Officer; General Manager, Purchasing Division; General Manager, Quality Control Division June 2026 Attached to Quality Control Division (current position) [Reason for nomination as a candidate for Audit and Supervisory Board Member] Mr. Takatoshi Otsuka, since joining the Company in 1990, has been engaged in design work on electrical equipment for railway vehicles. Thereafter, he has held a wide range of key positions related to corporate planning, purchasing, and quality control, and has abundant experience and knowledge regarding the Group's business. He is nominated as a candidate for Audit and Supervisory Board Member since the Company expects him to perform audits and provide effective advice by utilizing this background.	1,608
2	Takumi Kanaya (April 21, 1964) <u>New appointment</u> <u>Outside Audit and Supervisory Board Member</u>	April 1988 Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.) October 2010 General Manager, Sannomiya Branch November 2012 Deputy General Manager, Planning Department March 2013 Deputy General Manager, Planning Department; General Manager, Securities Collaboration Strategy Office, Planning Department May 2015 General Manager (Special Assignment), Retail Branches Department (Osaka); General Manager (Special Assignment), Corporate Business Department (Osaka) June 2015 Executive Officer, in charge of branches in the Western Japan Area and the Kyushu Area June 2017 Representative Director and President, T&T ADVERTISING CO., LTD. June 2019 Director and Senior Managing Executive Officer; General Manager of Corporate Planning Department, Mitsubishi UFJ Research and Consulting Co., Ltd. May 2026 Outside Director, PAL GROUP Holdings CO., LTD. (current position) June 2026 Full-time Advisor, Sanshin Co., Ltd. (current position) [Reason for nomination as a candidate for Outside Audit and Supervisory Board Member] Mr. Takumi Kanaya has abundant experience and extensive knowledge in corporate management, cultivated at a financial institution and other companies. He is nominated as a candidate for Outside Audit and Supervisory Board Member since the Company expects him to perform audits and provide effective advice by utilizing this background.	0

- (Notes)
1. There are no special interests between each candidate for Audit and Supervisory Board Member and the Company.
 2. Mr. Takumi Kanaya is a candidate for Outside Audit and Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
 3. Pursuant to the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Outside Audit and Supervisory Board Member to limit his liability as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount set forth by laws and regulations as stipulated in the Articles of Incorporation. If Mr. Takumi Kanaya, a candidate for Outside Audit and Supervisory Board Member, is elected, the Company intends to enter into the above agreement to limit his liability.
 4. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the said insurance agreement, damage caused as a result of the insured directors assuming liability regarding the execution of their duties or receiving claims pertaining to the pursuit of such liability shall be covered. If each candidate is appointed to the position of Audit & Supervisory Board Member, they will be included as the insured under this insurance agreement.

<Reference>

■ Standards for Independence of Outside Officers

In addition to fulfilling the criteria in the Companies Act, Outside Officers shall also not fall under any of the following items, in accordance with the Tokyo Stock Exchange “Guidelines Relating to Listing Management, etc.”

- (1) In the event that a company where the Outside Officer serves as an executive* receives payment from the Company or a subsidiary of the Company as consideration for products, components, or services, or makes payment to the Company or a subsidiary of the Company, cases when the amount of such payments exceeds 2% of the consolidated net sales of either company in any fiscal year during the past three fiscal years.
- (2) Cases when the Outside Officer has received compensation exceeding 10 million yen directly from the Company or a subsidiary of the Company as a legal, accounting, or tax specialist or consultant (or in the event of a corporation, a person belonging to that corporation) in any fiscal year during the past three fiscal years.
- (3) Cases when contributions from the Company to a non-profit organization where the Outside Officer serves as an officer executing business operations have exceeded 10 million yen in any fiscal year during the past three fiscal years.
- (4) Cases when the Outside Officer is or has been a major shareholder of the Company or an executive thereof, directly or indirectly holding more than 10% of the Company’s voting rights during the past three years.
- (5) Cases when a relative within the second degree of the Outside Officer falls under the following categories:
 - An executive of the Company or a subsidiary of the Company during the past three years (excluding insignificant persons);
 - A person falling under any of the above items (1) to (4) (excluding insignificant persons).

*Executive: An executive director, executive officer, operating officer, manager, or other employee

Proposal 4: Election of One (1) Substitute Audit and Supervisory Board Member

In preparation for the situation in which the number of Audit and Supervisory Board Members falls short of the number stipulated by laws and regulations, the election of one (1) substitute Audit and Supervisory Board Member is requested in advance.

The term of office will expire at the commencement of the next Annual General Meeting of Shareholders. In addition, the effectiveness of this election may be revoked by a resolution of the Board of Directors with the consent of the Audit and Supervisory Board, provided that such revocation is made prior to the substitute's assumption of office.

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

The candidate for substitute Audit and Supervisory Board Member is as follows.

Name (Date of birth)	Past experience, positions, significant concurrent positions, and reason for nomination as a candidate, etc.	Number of shares of the Company held
Masayuki Miyamoto (April 6, 1962)	April 1993 Entered the Legal Training and Research Institute of Japan April 1995 Completed the legal apprenticeship, registered as Attorney at Law (Tokyo Bar Association) April 1995 Joined Ozawa & Akiyama Law Firm April 1999 Established Miyamoto Law Office (current position) August 2008 Member of the Independent Committee of the Company (current position) [Reason for nomination as a candidate for substitute Outside Audit and Supervisory Board Member] Mr. Masayuki Miyamoto is an attorney-at-law and has abundant knowledge and experience mainly in the fields relating to finance and corporate litigation. He also serves as a member of the Independent Committee of the Company. He is nominated as a candidate for substitute Outside Audit and Supervisory Board Member, based on the judgment that he is an appropriate person to serve as an Outside Audit and Supervisory Board Member, given his knowledge of the Company's business and his abundant experience as a lawyer.	0

- (Notes)
- There are no special interests between the candidate for substitute Audit and Supervisory Board Member and the Company.
 - Mr. Masayuki Miyamoto is a candidate for substitute Outside Audit and Supervisory Board Member.
 - He currently serves as a member of the Independent Committee of the Company, and his term of office will expire at the conclusion of this General Meeting of Shareholders.
 - If his election is approved and he takes office as an Audit and Supervisory Board Member, the Company intends to register him as an independent officer with the Tokyo Stock Exchange.
 - Pursuant to the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Outside Audit and Supervisory Board Member to limit his liability as stipulated in Article 423, Paragraph 1 of the Companies Act to the amount set forth by laws and regulations. If the candidate takes office as an Audit & Supervisory Board Member, the Company intends to enter into the above agreement to limit his liability.
 - The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the said insurance agreement, damage caused as a result of the insured directors assuming liability regarding the execution of their duties or receiving claims pertaining to the pursuit of such liability shall be covered. If the candidate takes office as an Audit & Supervisory Board Member, he will be included as the insured under this insurance agreement.

Proposal 5: Continuation of Countermeasures against a Large-scale Purchase of the Company's Shares, etc.

At the 147th Annual General Meeting of Shareholders held on August 26, 2008, the Company introduced countermeasures against a large-scale purchase of the Company's shares upon receiving shareholders' approval, and subsequently, most recently, renewed this policy after receiving shareholders' approval at the 162nd Annual General Meeting of Shareholders held on August 29, 2023 (hereinafter, the existing countermeasures against a large-scale purchase of the Company's shares, etc. shall be referred to as "the Current Plan").

As the effective period of the Current Plan is until the conclusion of this Annual General Meeting of Shareholders, the Company has considered its status, including the appropriateness of its continuation, from the perspective of securing and enhancing corporate value and shareholders' common interests. As a result, at a meeting of the Board of Directors held on July 15, 2026, the Company has decided to continue the Current Plan upon making partial changes to its contents, subject to receiving the approval of shareholders (hereinafter, the policy after continuation shall be referred to as "this Plan").

Accordingly, the continuation of this Plan is proposed. If shareholders' approval is received at this Annual General Meeting of Shareholders, the effective period of this Plan shall be from that point until the conclusion of the Annual General Meeting of Shareholders of the Company to be held in August 2029.

When continuing this Plan, to help shareholders understand our efforts to increase corporate value, we have worked to enhance the descriptions regarding the Group's Sustainability Policy for contributing to the realization of a sustainable society, the status of our initiatives on the five material issues (key issues) identified as key challenges that we must address as priorities under the Policy, and the Medium-Term Management Plan formulated based on these matters.

In addition, we have revised the structure so that the Independent Committee is composed of independent Outside Directors, based on the "Guidelines for Corporate Takeovers" published by the Ministry of Economy, Trade and Industry on August 31, 2023. Other amendments have been made to dates, terms, etc., but there are no changes to the fundamental plan.

Furthermore, this Plan was determined by the unanimous approval of all Directors at a meeting of the Board of Directors when all seven Directors attended, including three Outside Directors. In addition, at the meeting of the Board of Directors, all four Audit and Supervisory Board Members of the Company attended, including three Outside Audit and Supervisory Board Members, and all of them expressed the opinion that this Plan is appropriate as countermeasures against a large-scale purchase of the Company's shares, etc.

1. Basic Policy Regarding the Status of Persons Controlling Decisions about the Company's Financial and Business Policies

As an entity whose shares are listed on a financial instruments exchange, the Company respects the free transaction of its shares on the exchange, and even in the case of a large-scale purchase of the Company's shares by a specific person, the Company shall not categorically deny it, provided it contributes to securing and enhancing the corporate value of the Group and shareholders' common interests. In addition, the Company believes that ultimately, whether or not to accept a large-scale purchase of shares should be entrusted to the determination of shareholders.

However, among proposals for large-scale purchases of shares, there are some for which the necessary information for shareholders to make a final decision has not been provided, some that cannot be said to sufficiently reflect the social mission of the Group and the significance of its existence, and some that may harm the corporate value of the Group and shareholders' common interests.

For such proposals, the Board of Directors of the Company believes that, as the responsibility of persons entrusted by shareholders, they must act on shareholders' behalf to perform actions such as securing the necessary time and information and negotiating with the person making the large-scale purchase proposal for the Company's shares.

2. Initiatives to Contribute to Sources of Corporate Value of the Company and the Realization of the Basic Policy

(1) Sources of the Corporate Value of the Company

Since the Company's founding in 1918, we have developed and manufactured large numbers of electrical equipment for rail vehicles and general industrial fields, with our core technology in the field of motor drive technology, for a long period of more than 100 years, and have played a part in domestic and global social infrastructure.

The Company's basic stance since our founding of "Tireless challenge to improve technologies," "Full commitment to facing our customers squarely," and "Development of manufacturing professionals" has

created the current “Close networks with suppliers,” and has become the source (core value) of the creation of the Group’s corporate value, “Achievements and reliability in 100 years of business.”

Based on these core values of the Group, we will provide products and services in each of our Transportation Systems and Industrial Systems segments, and aim to achieve our long-term vision to “Help build social and industrial infrastructure that is considerate of the global environment, with a focus on exceptional motor drive technologies.” This is precisely the social mission of the Group as a company, and can be described as its *raison d’être*.

In addition, in May 2024, based on the “Sustainability Policy,” the Group identified, as its “five material issues,” key challenges that it must address as priorities for achieving its sustainable growth and medium- to long-term increases in its corporate value. The Group endeavors to further promote sustainability management through initiatives addressing its material issues.

Material issues	What we envisage to be
1 Empowerment of diverse talent	A corporate group where a diverse range of talented people can continue to achieve self-fulfillment by developing an organization and climate that enable each individual to make the most of their capabilities and grow every day while taking on new challenges
2. Creation of innovation leveraging our technologies	A corporate group that continues to contribute to creating an enriched society by relentlessly striving for technological improvements and creating new innovations based on the spirit (heart) of master craftsmen which has been passed down over the long history
3. Stable procurement and high-quality manufacturing	A corporate group that continues to supply high-quality products and services by building a strong supply chain that enables harmonious mutual prosperity with suppliers, and through sincere manufacturing while thoroughly listening to customers
4. Contribution to a low-carbon society	A corporate group that continues to contribute to realizing a sustainable society through the development and sale of products and services that address climate change based on our outstanding motor drive technology
5. Responsible corporate activities toward society and stakeholders	A corporate group that remains indispensable for society and stakeholders, while continuing transparent management that prioritize ethics and increasing corporate value

(2) Initiatives to Enhance Corporate Value

The Group worked on the “Medium-Term Management Plan 2026,” whose final fiscal year was the fiscal year ended May 31, 2026, and continued to achieve its main numerical targets—“net sales of 40.0 billion yen, operating income ratio of 5%, and ROE of 8%”—in the final fiscal year, following the fiscal year ended May 31, 2025. As a result, while the Group made steady progress toward the initially intended “revitalization and transformation of Toyo Denki” and “recovery and improvement of corporate value,” it recognizes that “transformation” and “growth” remain important issues to be addressed.

In view of these issues, under the new medium-term management plan “Sustainable 2030: Meet the challenges of transformation and accelerate growth” (covering from the fiscal year ending May 31, 2027 to the fiscal year ending May 31, 2030), in order to “Meet the challenges of transformation” and “Accelerate growth,” we will promote measures based on the four basic policies: “Growth strategies,” “Strengthen the earnings structure,” “Strengthen balance sheet management,” and “Structural reforms.” Through these measures, we aim to make a leap forward and become a sustainable corporate group that continues to meet the expectations of all stakeholders at a high level.

Four fundamental policies	Details
1. Growth strategies	Starting from a “market-in” perspective, create new businesses and products with an awareness of monetization, promote strategic overseas expansion, thereby realizing sustainable growth strategies
2. Strengthen the earnings structure	Strengthen marketing in pursuit of “quality over quantity,” while promptly rationalizing sales prices, improving product and operational quality, cutting costs thoroughly, and implementing “selection and concentration” of businesses, thereby fundamentally strengthening the earnings structure
3. Strengthen balance sheet management	In light of capital market expectations, improve asset efficiency by reducing cross-shareholdings and working capital, and optimize cash allocation, including by enhancing growth investment and shareholder returns.
4. Structural reforms	Work as the entire Group to transform its corporate culture and behavior, optimize the operational structure for business execution, and decisively implement structural reforms, including the review of organizations and systems, thereby achieving a virtuous cycle driven by sustained earnings growth.

(3) Corporate Governance

The Company embraces the business principle of prioritizing ethics and contributing to the prosperity of customers and society as the starting point for its corporate activities. Recognizing the importance of practicing compliance based on corporate ethics, the Group continually reviews its control and monitoring to adapt to changes in the social, regulatory, and business climate. This is part of a commitment to enhance and expand corporate governance to ensure the healthy management of the Group.

In April 2018, we established the Nomination and Compensation Advisory Committee set up under the Board of Directors with the participation of Outside Directors in order to further strengthen corporate governance, thereby creating a mechanism to ensure objectivity and transparency when selecting candidates for Directors and Operating Officers and determining their remuneration.

In June 2018, we separated the supervision and execution functions of the Board of Directors so that by delegating business execution to Operating Officers, the Board of Directors is mainly responsible for supervisory functions.

In addition, at the Annual General Meeting of Shareholders held in August 2023, a female Outside Director was elected. We endeavor to ensure the diversity of the Board of Directors, which contributes to corporate governance.

As a company with an Audit and Supervisory Board, the supervisory function of the Board of Directors and the audit function of Audit and Supervisory Board Members in regard to the business execution of Directors both function effectively.

As corporate governing bodies based on laws and regulations and the Articles of Incorporation, the Company has a Board of Directors, Audit and Supervisory Board Members, an Audit and Supervisory Board, and Accounting Auditors, in addition to the General Meeting of shareholders and Directors.

The Board of Directors comprises seven Directors, including three Outside Directors, one of whom is female (eight Directors, including three Outside Directors, one of whom is female, if the proposal for the election of Directors is approved at this Annual General Meeting of Shareholders), and, in addition to making decisions on matters to be decided solely at the discretion of the Board of Directors and important management matters, also supervises Directors’ and Operating Officers’ business execution. Furthermore, a Management Strategy Meeting and Business Promotion Meeting are held, with Directors, Operating Officers, and Audit and Supervisory Board Members in attendance, and officers at these meetings share information reported from each operational division, in addition to confirming the status of progress on management issues, and conducting the necessary deliberation of important management issues.

There are four Audit and Supervisory Board Members, including three Outside Audit and Supervisory Board Members (four Audit and Supervisory Board Members, including two Outside Audit and Supervisory Board Members if the proposal for the election of Audit and Supervisory Board Members is approved at this Annual General Meeting of Shareholders), and in addition to auditing the business execution of Directors through attendance at important meetings such as the Board of Directors and the Management Strategy

Meeting and inspecting the status of operations and assets and other matters, the Audit and Supervisory Board also works closely with internal auditors and Accounting Auditors, strengthening their mutual coordination by, for example, exchanging information, and thus enhancing the effectiveness and efficiency of audits.

In addition, the Company has an Internal Control Committee under the Board of Directors, which deliberates the awareness of risks in the Company and countermeasures, etc.

Going forward, the Company will continue to work to enhance the corporate governance system.

3. Objective of this Plan

The Board of Directors of the Company has decided to continue this Plan in order to make clear the rules that persons attempting to conduct a large-scale purchase of the Company's shares, etc. should follow, and to secure the necessary and sufficient information and time for shareholders and investors to make an appropriate assessment, together with opportunities to negotiate with the person attempting to conduct the large-scale purchase.

As follows, this Plan sets forth the rules that persons attempting to conduct a large-scale purchase of the Company's shares, etc. should follow, and makes it clear that any persons attempting to conduct a large-scale purchase might incur damages as a result of the Company taking countermeasures in certain cases, and by making appropriate disclosure thereof, a warning is hereby given to any persons attempting to conduct a large-scale purchase that will not contribute to the Company's corporate value and shareholders' common interests.

Furthermore, under this Plan, in order to eliminate arbitrary judgments by the Board of Directors of the Company when activating countermeasures, etc., the Company shall respect to the maximum extent possible the recommendation of an independent committee (hereinafter, the "Independent Committee") made up solely of persons independent from the management team conducting the business operations of the Company who are Outside Directors of the Company, Outside Audit and Supervisory Board Members of the Company, or outside experts (corporate managers with a track record of performance, former government employees, attorneys, certified public accountants, academic experts, or other equivalent persons), in accordance with the Independent Committee Regulations (please refer to Attachment 1 for an overview thereof), in addition to ensuring transparency by making timely disclosure of related information to shareholders and investors. For the members of the Independent Committee at the time of the continuation of this Plan, the Company intends to appoint the three persons listed in Attachment 2.

In addition, the status of major shareholders of the Company as of May 31, 2026 is as shown in Attachment 3, "Status of Shareholdings by Major Shareholders of the Company." The Company has not received any inquiries or requests, etc. regarding a large-scale purchase of the Company's shares, etc. subject to the Plan at the present time.

4. Details of this Plan (Initiatives to Prevent Decisions about the Company's Financial and Business Policies Being Controlled by Inappropriate Persons in light of the Basic Policy)

(1) Procedures Relating to this Plan

1) Applicable Large-scale Purchases, etc.

This Plan shall apply in cases when a purchase or other similar action pertaining to the Company's shares, etc. that falls under any of category (i) to (iii) below is conducted (however, this excludes those that have been approved by the Board of Directors of the Company; hereinafter, the relevant actions are referred to as "large-scale purchase(s), etc."). Persons conducting or attempting to conduct a large-scale purchase, etc. independently, or jointly or in concert with another party (hereinafter, "purchaser(s), etc.") must comply with the procedures set forth in advance in this Plan.

- (i) Purchases whereby the ownership ratio of shares, etc.¹ of a holder² in relation to shares, etc.³ issued by the Company will be 20% or more.

¹ As defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

² Refers to a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, and includes persons included as holders pursuant to Paragraph 3 of the same. (Including persons to whom this is deemed to apply by the Board of Directors of the Company.)

³ As defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same applies hereinafter unless otherwise provided for. Furthermore, in the event of amendments to laws and regulations, etc. cited in this Plan (including changes to the names of laws and regulations and the establishment of new laws, etc. that succeed the former laws and regulations, etc.), each provision or term of the law or regulation, etc. cited in this Plan shall be deemed to be replaced with the provision or term in the law or regulation, etc. that substantially succeeds these provisions or terms of laws or regulations, etc. after the amendment, unless otherwise determined by the Board of Directors of the Company.

- (ii) A tender offer⁴ for shares, etc.⁵ issued by the Company, whereby the total of the ownership ratio of shares, etc.⁶ pertaining to the shares, etc. that the tender offer concerns and the ownership ratio of shares, etc. of any specially related parties⁷ thereof will be 20% or more.
- (iii) Regardless of whether or not an action stipulated in (i) or (ii) above is conducted, (a) an action between a person attempting to acquire the Company's shares, etc. or any joint holders⁸ thereof, or specially related parties (hereinafter, "Acquirer of Shares, etc." in (iii) herewith) and another shareholder of the Company (including cases of multiple shareholders; hereinafter, the same shall apply in (iii) herewith), and, an agreement or other act that, as the result of such action, causes the other shareholder to fall under the category of joint holder with the Acquirer of Shares, etc., or an action⁹ that establishes a relationship¹⁰ between the Acquirer of Shares, etc. and said other shareholder in which one party effectively controls the other, or the parties act jointly or in concert, and (b) an action that causes the total shareholding ratio of the Acquirer of Shares, etc. and said other shareholder to reach 20% or more of the shares, etc. issued by the Company.

2) Prior Submission of Letter of Intent to the Company

The purchaser, etc. shall submit to the Board of Directors of the Company a written statement that includes a pledge to comply with the procedures set forth in this Plan when conducting a large-scale purchase, etc. (hereinafter, the "Letter of Intent") in Japanese, in the form specified by the Company, ahead of the implementation of any large-scale purchase, etc.

Specifically, the following items shall be provided in the Letter of Intent.

- (i) Overview of the purchaser, etc.
 - (a) Name or corporate name and address or location
 - (b) Position and name of representative
 - (c) Object and business details of the company, etc.
 - (d) Overview of major shareholders or major investors (top ten by shares held or investment ratio)
 - (e) Contact details in Japan
 - (f) Governing law of incorporation
- (ii) Number of the Company's shares, etc. actually held by the purchaser, etc., and status of transactions of the Company's shares, etc. by the purchaser, etc. over the 60 days prior to the submission of the Letter of Intent
- (iii) Overview of the large-scale purchase, etc. proposed by the purchaser, etc. (including the type and number of the Company's shares, etc. that the purchaser, etc. intends to acquire through the large-scale purchase, etc., and the objective of the large-scale purchase, etc. (the acquisition of control or participation in management, portfolio investment or strategic investment, the transfer, etc. of the Company's shares, etc. to a third party after the large-scale purchase, etc., or if there is any other objective, such as making a Material Proposal¹¹, notice to that effect and the details thereof;

⁴ As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

⁵ As defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in Item 2 hereinafter.

⁶ As defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

⁷ Refers to a specially related party as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. (Including persons to whom this is deemed to apply by the Board of Directors of the Company.) However, with regard to persons listed in Item 1 of the same, this excludes persons set forth in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. The same shall apply hereinafter.

⁸ Refers to a joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, and includes persons deemed as joint holders pursuant to Paragraph 6 of the same. (Including persons to whom this is deemed to apply by the Board of Directors of the Company.) The same shall apply hereinafter.

⁹ When determining whether or not actions prescribed in (iii) above have been conducted, the Board of Directors of the Company shall respect the judgment of the Independent Committee and make a reasonable determination. The Board of Directors of the Company may request the shareholders of the Company to provide the necessary information to the extent required for determining whether or not the conditions prescribed in (iii) are fulfilled.

¹⁰ Determining whether or not there is a "relationship between the Acquirer of Shares, etc. and said other shareholder in which one party effectively controls the other, or the parties act jointly or in concert" shall be based on current or past capital relationships (including joint control relationships), business partnerships, transactions or contractual relationships, interlocking directorates, funding relationships, credit relationships, and substantive relationships, etc. related to the Company's shares, etc. through derivatives, stock lending, etc., and on the direct or indirect impact of the Acquirer of Shares, etc. and other shareholders on the Company.

¹¹ Refers to a Material Proposal as defined 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 Ordinance on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc. The same applies hereinafter unless otherwise provided for.

furthermore, in the event that there are multiple objectives, all shall be given.))

3) Provision of the Required Information

If the Letter of Intent described in the above item 2) is submitted, then the purchaser, etc. shall then provide to the Company information that is necessary and sufficient for shareholders and investors to make an assessment regarding the large-scale purchase, etc. (hereinafter, the “Required Information”), in accordance with the procedure below.

First, within ten (10) business days¹² (not including the first day) of the submission of the Letter of Intent, the Company shall dispatch to the purchaser, etc. at his or her contact address in Japan in the above item 2) (i) (e) a list of the information that should initially be provided, and the purchaser, etc. shall thus provide sufficient information to the Company, in Japanese, in accordance with the list of information.

In addition, in the event that the Board of Directors of the Company reasonably judges that the information provided by the purchaser, etc. in accordance with the list of information is insufficient for the assessment of shareholders or the evaluation and consideration of the Board of Directors of the Company, etc., in light of the details and format, etc. of the large-scale purchase, etc., then the purchaser, etc. shall provide additional information as separately requested by the Board of Directors of the Company. Furthermore, regardless of the details and format, etc. of the large-scale purchase, etc., information pertaining to each of the items below shall, in principle, be included in part of the list of information.

- (i) Details of the purchaser, etc. and its group (including any joint holders, specially related parties, and, in the case of funds, each member and other constituents) (including history, specific name, capital structure, business details, financial details, and the names and past experience of officers)
- (ii) Purpose of the large-scale purchase, etc. (details of the purpose disclosed in the Letter of Intent), method and details (including whether or not the purchaser, etc. intends to participate in management, the type and amount of consideration for the large-scale purchase, etc., timing of the large-scale purchase, etc., the structure of any related transactions, the number of shares, etc. the purchaser, etc. intends to purchase and the ownership ratio of shares, etc. after the purchase, etc., and the legality of the method of large-scale purchase, etc.)
- (iii) Calculation basis for the large-scale purchase, etc. consideration (including assumptions and facts used in the calculation, the calculation method, numerical data used in the calculation and the details of any synergies expected to arise as a result of transactions related to the large-scale purchase, etc., and, in the event that any third parties have been consulted when performing the calculation, the names of those third parties, a summary of their opinions, and the process that led to them determining the amount in light of these opinions)
- (iv) Backing for the funds for the large-scale purchase, etc. (including the specific name of the provider of funds (including any de facto providers), the method of raising funds, and the details of any related transactions)
- (v) Whether or not there has been any communication of intent with any third parties in connection with the large-scale purchase, etc. and, in the event that there has been a communication of intent, the details thereof and an overview of those third parties
- (vi) In the event that the purchaser, etc. has already entered into a lending agreement, pledge agreement, resale agreement, engagement agreement for purchase and sale or other important agreement or arrangement (hereinafter referred to as “pledge agreement, etc.”) pertaining to the Company’s shares, etc., the specific details of the pledge agreement, etc., including the type of agreement, agreement counterparty, and number of shares, etc. to which the agreement applies
- (vii) In the event that the purchaser, etc. intends to enter a pledge agreement, etc. or other form of agreement with a third party in relation to the Company’s shares, etc. that it plans to acquire in the large-scale purchase, etc., the specific details of the agreement, including the type of agreement planned, agreement counterparty, and the number of shares, etc. to which the agreement applies
- (viii) Management policies, business plans, capital strategy, and dividend strategy for the Company and the Group after the large-scale purchase, etc.
- (ix) Policies regarding the treatment, etc. of the Company’s employees, labor unions, business partners, customers, local communities, and other stakeholders of the Company after the large-scale purchase, etc.
- (x) Specific measures to avoid a conflict of interest with other shareholders of the Company.

Furthermore, the Board of Directors of the Company shall appropriately make clear the fact that there was a proposal for a large-scale purchase, etc. from a purchaser, etc., and shall make timely, appropriate disclosure

¹² A business day refers to days other than those listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs.

of an overview thereof, an overview of the Required Information, and any other information recognized as necessary for the judgment of shareholders and investors, if there is such information.

In addition, if the Board of Directors of the Company recognizes that the Required Information has been sufficiently provided by the purchaser, etc., it shall notify the purchaser, etc. to that effect (hereinafter, the “Completion Notice of Information Provision”), and shall make prompt disclosure to that effect.

4) Establishment of the Board of Directors’ Evaluation Period, etc.

After the Completion Notice of Information Provision, the Board of Directors of the Company will establish a period in accordance with (i) or (ii) below depending on the difficulty of evaluating the large-scale purchase, etc., as a period for the Board of Directors of the Company to evaluate, consider, negotiate, form an opinion, and formulate an alternative proposal (hereinafter, the “Board of Directors’ Evaluation Period”).

- (i) A period of up to 60 days in the event of a tender offer for all of the Company’s shares, etc. where the consideration is cash only (Japanese yen)
- (ii) A period of up to 90 days for any other large-scale purchase, etc.

However, in either case (i) or (ii) above, the Board of Directors’ Evaluation Period may be extended if the Board of Directors and the Independent Committee reasonably recognize that it is insufficient for the evaluation and consideration of the Board of Directors, and in that case, the purchaser, etc. shall be notified of the specific extension period and reasons why the extension period is necessary, and disclosure shall be made to shareholders and investors. In addition, the extension period shall be up to a maximum of 30 days.

During the Board of Directors’ Evaluation Period, the Board of Directors of the Company shall perform such actions as sufficiently evaluating and considering the Required Information provided by the purchaser, etc. while appropriately obtaining advice from outside experts, etc. as necessary, and consider the content of the large-scale purchase, etc. by the purchaser, etc. from the perspective of securing and enhancing the corporate value of the Company and shareholders’ common interests. Through these considerations, etc., the Board of Directors of the Company will carefully summarize the opinion of the Board of Directors in regard to the large-scale purchase, etc. and notify the purchaser, etc. thereof, in addition to making timely, appropriate disclosure to shareholders and investors. In addition, if necessary, the Board of Directors of the Company may negotiate the terms and method of the large-scale purchase, etc. with the purchaser, etc., and, furthermore, present an alternative proposal to shareholders and investors as the Board of Directors of the Company.

5) Recommendation of the Independent Committee regarding the Activation of Countermeasures

After the commencement of the Board of Directors’ Evaluation Period, the Independent Committee shall begin performing such actions as considering the content of the large-scale purchase, etc. by the purchaser, etc. and the opinion of the Board of Directors of the Company and any alternative proposal, etc., at the same time as the evaluation, consideration, negotiation, opinion forming, and formulation of an alternative proposal by the Board of Directors described in the above item 4), and during the Board of Directors’ Evaluation Period, shall provide a recommendation to the Board of Directors of the Company regarding the appropriateness of the activation of countermeasures or to confirm the will of shareholders, in accordance with the procedures below. When doing so, in order to ensure that the judgment of the Independent Committee is made in a manner that contributes to the securing and enhancing of the corporate value of the Company and shareholders’ common interests, the Independent Committee may, at the Company’s expense, obtain the advice of outside experts who are independent of the management team engaged in the business execution of the Company (including investment banks, securities firms, financial advisers, certified public accountants, attorneys, consultants, and other experts). Furthermore, in the event that the Independent Committee provides a recommendation to the Board of Directors of the Company as defined in any of the items (i) through (iii) below, the Board of Directors of the Company shall promptly disclose information relating to the fact that the recommendation was made, an overview thereof, and any other matters judged appropriate by the Board of Directors of the Company.

- (i) Cases when the purchaser, etc. has not complied with the procedures set forth in this Plan, or when it is clearly recognized that the large-scale purchase, etc. by the purchaser, etc. will significantly harm the corporate value of the Company or shareholders’ common interests

In cases when the purchaser, etc. has not complied with the procedures stipulated in this Plan, or when it is recognized that the large-scale purchase, etc. by the purchaser, etc. will significantly harm the corporate value of the Company and shareholders’ common interests, and the Independent Committee judges that the activation of countermeasures is appropriate, then the Independent Committee shall recommend that the Board of Directors of the Company activates countermeasures. Specifically, if the large-scale purchase, etc. falls under any of the types listed in Attachment 4-1), and as a result it is reasonably judged from an objective standpoint that it will cause harm to the Company that will be difficult to recover from, and may effectively force shareholders to sell the Company’s shares, etc., then it shall be deemed to be a case when it is clearly

recognized that the large-scale purchase, etc. shall cause significant harm to the corporate value of the Company and shareholders' common interests.

Furthermore, the activation of countermeasures shall not be recommended in cases when the large-scale purchase, etc. falls under any of the types listed in Attachment 4-1) for formal reasons only. The above recommendation to activate countermeasures shall only be made in cases when it is clearly recognized that the large-scale purchase, etc. will significantly harm the corporate value of the Company and shareholders' common interests.

- (ii) Cases when there is a risk that the large-scale purchase, etc. by the purchaser, etc. may harm the corporate value of the Company and shareholders' common interests

Even if the large-scale purchase, etc. does not fall under item (i) above, if it is recognized that there is a risk that the large-scale purchase, etc. by the purchaser, etc. may harm the corporate value of the Company and shareholders' common interests, and it is judged that the activation of countermeasures is appropriate, then the Independent Committee shall, in principle, make a recommendation to the Board of Directors of the Company to the effect that the will of shareholders should be confirmed regarding the content of countermeasures and approval for their activation.

Furthermore, if it is judged that the large-scale purchase, etc. falls under any of the types listed in Attachment 4-2), then, in principle, it shall be recognized that the large-scale purchase, etc. may harm the corporate value of the Company or the common interests of shareholders.

- (iii) Cases when it is recognized that the large-scale purchase, etc. by the purchaser, etc. will not harm the corporate value of the Company or shareholders' common interests

In cases other than those defined as either items (i) or (ii) above, the Independent Committee shall recommend that the Board of Directors of the Company does not activate countermeasures.

6) Confirmation of Shareholders' Will

If, in accordance with the above item 5) (ii), the Independent Committee recommends that the Board of Directors of the Company should confirm the will of shareholders regarding the content of countermeasures and approval for their activation, then the Board of Directors of the Company shall convene a General Meeting of Shareholders to confirm the will of shareholders (hereinafter, a "Shareholder Will Confirmation General Meeting") within as short a time as practically possible, excluding cases when holding the meeting would be very difficult for practical reasons, and submit a proposal regarding the activation of countermeasures. The Shareholder Will Confirmation General Meeting may be held together with the Annual General Meeting of Shareholders or an Extraordinary General Meeting of Shareholders. If the Board of Directors of the Company decides to hold a Shareholder Will Confirmation General Meeting, then the Board of Directors' Evaluation Period shall end at that point. If a proposal regarding the activation of countermeasures is approved at the Shareholder Will Confirmation General Meeting, then, in accordance with the decision made at the Shareholder Will Confirmation General Meeting, the Board of Directors of the Company shall make a resolution regarding the activation of countermeasures and take the necessary procedures. Meanwhile, if a proposal regarding the activation of countermeasures is rejected at the Shareholder Will Confirmation General Meeting, the Board of Directors of the Company shall make a resolution regarding the non-implementation of countermeasures.

In addition, if a Shareholder Will Confirmation General Meeting is conducted, the Board of Directors of the Company shall promptly disclose information relating to the results of the vote and any other matters judged to be appropriate by the Board of Directors of the Company.

7) Resolution of the Board of Directors

While respecting the recommendation of the Independent Committee set forth in the above item 5) to the maximum extent possible, and in accordance with the decision of the Shareholder Will Confirmation General Meeting set forth in the above item 6), the Board of Directors of the Company shall promptly make a resolution regarding the activation or non-activation of countermeasures, from the perspective of securing and enhancing the corporate value of the Company and shareholders' common interests.

If it makes a resolution as set forth above, then regardless of whether the content of that resolution is to activate or not activate countermeasures, the Board of Directors of the Company shall promptly disclose information relating to an overview of the resolution and any other matters judged to be appropriate by the Board of Directors of the Company.

8) Suspension of the Activation of Countermeasures

After the Board of Directors of the Company has resolved to activate countermeasures in accordance with the procedures set forth in the above item 7), or even after it has activated them, it may resolve to suspend the activation of countermeasures, while respecting the recommendation of the Independent Committee to the

maximum extent possible, if: (i) the purchaser, etc. cancels the large-scale purchase, etc.; or (ii) changes arise to the facts, etc. that formed the basis of the decision on whether or not to activate countermeasures, leading to circumstances where it is believed the activation of countermeasures would not be appropriate from the perspective of securing and enhancing the corporate value of the Company and shareholders' common interests.

If the Board of Directors of the Company makes the above resolution, it shall promptly disclose information relating to an overview of that resolution and any other matters judged to be appropriate by the Board of Directors of the Company.

9) Commencement of the Large-scale Purchase, etc.

The purchaser, etc. shall comply with the procedures stipulated in this Plan, and may not commence the large-scale purchase, etc. until a resolution is made by the Board of Directors regarding whether to activate or not activate countermeasures.

(2) Details of Specific Countermeasures under this Plan

The specific countermeasure to be activated by the Board of Directors of the Company based on a resolution as described in the above item (1) 7) shall be a gratis allotment of stock acquisition rights (hereinafter, the "Stock Acquisition Rights").

An overview of the gratis allotment of the Stock Acquisition Rights is as described in Attachment 5, "Overview of the Gratis Allotment of Stock Acquisition Rights."

After the Board of Directors of the Company has resolved to activate countermeasures, and even after activation, it may decide to cancel the countermeasures or suspend activation, as described in the above item (1) 8). For example, in cases when the Board of Directors of the Company resolves to conduct a gratis allotment of the Stock Acquisition Rights as a countermeasure, if the purchaser, etc. cancels the large-scale purchase, etc. and the Board of Directors of the Company makes a resolution as described in the above item (1) 8), it may suspend the activation of countermeasures by measures including canceling the gratis allotment of the Stock Acquisition Rights prior to the ex-rights date pertaining to the record date established for the gratis allotment of the Stock Acquisition Rights, and, on or after the effective date of the gratis allotment of the Stock Acquisition Rights, acquisition of the Stock Acquisition Rights by the Company without consideration prior to the day before the commencement date of the Stock Acquisition Rights' exercise period.

(3) Effective Period, Discontinuation, and Amendment of this Plan

If approved at this Annual General Meeting of Shareholders, the effective period of this Plan shall be until the conclusion of the Annual General Meeting of Shareholders to be held in August 2029.

However, even before the end of the effective period, if a resolution is made to amend or discontinue this Plan at a General Meeting of Shareholders of the Company, this Plan shall be amended or discontinued at that time, in accordance with the resolution. In addition, if a resolution to discontinue this Plan is made by the Board of Directors, which comprises Directors elected at the General Meeting of Shareholders of the Company, then this Plan shall be discontinued at that time.

Furthermore, if the Board of Directors of the Company judges that formal amendments are necessary in accordance with amendments to the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations or financial instruments exchange rules, or their interpretation or implementation, or changes to the tax system or judicial precedents, etc., then it may make corrections or amendments to this Plan as needed, after obtaining the approval of the Independent Committee. On the other hand, if making amendments to the content of this Plan that will have a material effect on the Company's shareholders, the Board of Directors of the Company shall newly submit a proposal to the soonest General Meeting of Shareholders and obtain shareholders' approval.

If this Plan is discontinued or amendments are made to the content of this Plan that will have a material effect on the Company's shareholders, then the Company shall promptly disclose information relating to the fact of the discontinuation or the amendments, and (in the case of amendments) details of the amendments, and any other matters judged to be appropriate by the Board of Directors of the Company.

5. Reasonableness of this Plan

(1) Fulfills the Requirements of the "Guidelines for Corporate Takeovers," etc.

This Plan fulfills the three principles set forth in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (the principle of protecting and enhancing corporate value and the interests of shareholders as a whole, the principle of prior disclosure and shareholders' will, and the principle of necessity and reasonableness), and also takes into consideration the "Takeover Defense Measures in Light of Recent Environmental Changes" announced by the

Corporate Value Study Group on June 30, 2008 and the “Guidelines for Corporate Takeovers” published by the Ministry of Economy, Trade and Industry on August 31, 2023.

In addition, this Plan is consistent with the intent of the various rules, etc. relating to the introduction of takeover response policies set forth by the Tokyo Stock Exchange.

Furthermore, the Company intends to implement all the principles of Japan’s Corporate Governance Code relating to Anti-Takeover Measures (Principle 1.5 and Supplementary Principle 1.5.1), which were established in 2015.

(2) Continued for the Purpose of Securing and Enhancing the Corporate Value of the Company and Shareholders’ Common Interests

As described in the above item 3., this Plan has been continued with the objective of securing and enhancing the corporate value of the Company and shareholders’ common interests, by making it possible to secure the necessary information and time for shareholders to judge whether or not to accept a large-scale purchase, etc. in the event that such a large-scale purchase, etc. is conducted for the Company’s shares, etc., and for the Board of Directors of the Company to present an alternative proposal, in addition to making it possible to conduct negotiations with the purchaser, etc. on shareholders’ behalf, etc.

(3) Prioritizes Shareholders’ Will

Under this Plan, the will of shareholders in regard to the appropriateness of activating countermeasures against a large-scale purchase, etc. by a purchaser, etc. shall be directly confirmed, excluding cases when the purchaser, etc. conducts a large-scale purchase, etc. without complying with the procedures set forth in this Plan, the Independent Committee recommends the activation of countermeasures, and cases when the Independent Committee recommends that countermeasures are not activated.

(4) Prioritization of the Judgment of Highly Independent External Persons, and Information Disclosure

When continuing this Plan, the Company has established an Independent Committee in order to eliminate arbitrary judgments by the Board of Directors regarding such matters as the activation of countermeasures against a large-scale purchase, etc., and ensure the objectivity and reasonableness of the judgment and response of the Board of Directors.

The Independent Committee comprises three or more members elected from among persons independent of the management team engaged in the business execution of the Company, namely Outside Directors of the Company, Outside Audit and Supervisory Board Members of the Company, and other outside experts (corporate managers with a track record of performance, former government employees, attorneys, certified public accountants, academic experts, or other equivalent persons).

In addition, a mechanism is ensured whereby this Plan will be implemented in a transparent manner that contributes to the corporate value of the Company and shareholders’ common interests, as the Company shall disclose information to shareholders and investors as necessary in relation to an overview of the judgment of the Independent Committee.

(5) Establishment of Reasonable and Objective Activation Requirements

A mechanism is ensured to prevent arbitrary activation by the Board of Directors of the Company, as this Plan is established such that activation will not occur unless reasonable and objective activation requirements are fulfilled, as described in the above item 4. (1).

(6) Not Dead-hand or Slow-hand Takeover Response Policies

As described in the above item 4. (3), this Plan may be discontinued at any time by the Board of Directors, which comprises Directors elected at the General Meeting of Shareholders of the Company. Accordingly, this Plan is not a dead-hand takeover response policy (takeover response policy whose activation cannot be prevented even if a majority of the members of the Board of Directors are replaced).

In addition, as the term of office of Directors of the Company expires at the conclusion of the Annual General Meeting of Shareholders held with respect to the final fiscal year ending within one year after their election, this Plan is not a slow-hand takeover response policy (a takeover response policy that requires time to prevent its activation, as the members of the Board of Directors cannot all be replaced at one time).

6. Effect on Shareholders and Investors

(1) Effect on Shareholders and Investors at the Time of Continuation of this Plan

At the time of the continuation of this Plan, the Stock Acquisition Rights will not actually be issued. Accordingly, at the time of the continuation of this Plan, there will be no direct, specific effect on the legal rights and economic interests pertaining to the Company’s shares held by shareholders.

Furthermore, as described in the above item 4. (1), the Company's policy for responding to a purchase will differ according to whether or not the purchaser, etc. complies with this Plan, etc., so shareholders and investors are advised to keep the actions of the purchaser, etc. in mind.

(2) Effect on Shareholders and Investors at the Time of a Gratis Allotment of the Stock Acquisition Rights

If the Board of Directors of the Company decides to activate countermeasures and conducts a gratis allotment of the Stock Acquisition Rights, the Stock Acquisition Rights shall be allotted gratis to shareholders recorded in the shareholder register on the Allotment Date, which will be separately determined, at a ratio of up to three Stock Acquisition Rights per share held. With this type of system, although dilution to the economic value per share held by shareholders will occur when a gratis allotment of the Stock Acquisition Rights is conducted, there will be no dilution of the value of the Company's shares held as a whole, and therefore no direct, specific effect is expected on the legal rights or economic interests pertaining to the Company's shares held by shareholders.

However, the legal rights and economic interests of the purchaser, etc. may be affected as a result of the activation of these countermeasures.

Furthermore, even if the Board of Directors of the Company resolves to conduct a gratis allotment of the Stock Acquisition Rights, if it resolves to cancel activated countermeasures or suspend activation in accordance with the procedures, etc. set forth in the above item 4. (1) 8), there may be a corresponding fluctuation in the share price of the Company's shares. For example, please note that in the event that after the shareholders to receive the gratis allotment of the Stock Acquisition Rights have been determined, the Company suspends the activation of countermeasures, acquires the Stock Acquisition Rights without consideration, and does not deliver new shares, then shareholders and investors who have conducted transactions based on the assumption that a dilution in the economic value per share of the Company will occur may suffer a loss owing to fluctuation in the share price, as the dilution in the economic value per share in the Company held by shareholders will not occur.

In addition, if discriminatory terms are attached relating to the exercise or acquisition of the Stock Acquisition Rights, it is expected that the legal rights and economic interests of the purchaser, etc. will be affected, but even in this case, no direct, specific impact is expected on the legal rights or economic interests pertaining to the Company's shares held by shareholders other than the purchaser, etc.

(3) Required Procedures for Shareholders Accompanying the Gratis Allotment of the Stock Acquisition Rights

On the effective date of the gratis allotment of the Stock Acquisition Rights, shareholders recorded in the final shareholder register on the date of the gratis allotment of the Stock Acquisition Rights will automatically become stock acquisition rights holders, and therefore no application procedures are necessary.

In addition, if the Company takes procedures to acquire stock acquisition rights with an attached acquisition provision, then shareholders other than the purchaser, etc. will receive shares in the Company as consideration for the acquisition of stock acquisition rights by the Company, without making monetary payment of an amount equivalent to the exercise price of the stock acquisition rights, and therefore no procedures are required for application or payment, etc. in relation to the stock acquisition rights.

Besides the above, after the Board of Directors of the Company makes a resolution regarding the gratis allotment of the Stock Acquisition Rights, the Company will provide timely and appropriate disclosure or notice of the details of procedures relating to the allotment method, exercise method, method of acquisition by the Company, method of delivery of shares, etc., pursuant to the applicable laws and regulations and financial instruments exchange rules, and therefore shareholders are advised to confirm the content of the disclosure or notices.

Overview of the Independent Committee Regulations

1. The Independent Committee shall be established by resolution of the Board of Directors of the Company in order to eliminate arbitrary judgments by the Board of Directors in relation to the activation of countermeasures against a large-scale purchase, etc., and ensure the objectivity and reasonableness of any judgment or response of the Board of Directors.
2. The Independent Committee shall comprise three or more members (hereinafter, the “Independent Committee Members”), who shall be persons independent from the management team conducting the business operations of the Company who are (1) Outside Directors of the Company, (2) Outside Audit and Supervisory Board Members of the Company, or (3) outside experts (corporate managers with a track record of performance, former government employees, attorneys, certified public accountants, academic experts, or other equivalent persons), and shall be elected based on a resolution of the Board of Directors of the Company. Furthermore, the majority of the Independent Committee Members shall be Outside Directors of the Company, and the Company shall enter into an agreement with the members of the Independent Committee that includes provisions relating to the duty of due care of a prudent manager and the duty of confidentiality.
3. The term of office of Independent Committee Members shall be until the date of the conclusion of the Annual General Meeting of Shareholders held with respect to the final fiscal year ending within three years of the time of election, or until a date separately determined by the Independent Committee Member and the Company. However, this shall not apply in cases separately provided for by resolution of the Board of Directors of the Company.
4. The Independent Committee shall be convened by a Representative Director of the Company or by each Independent Committee Member.
5. The Chair of the Independent Committee shall be selected by mutual selection from the members of the Independent Committee.
6. In principle, resolutions of the Independent Committee shall be made by a majority of votes at meetings of the Independent Committee when all members are present. However, at times when any members of the Independent Committee are unable to act, or when there are other special reasons, resolutions shall be made, in principle, by a majority of votes at meetings of the Independent Committee when all members are present, excluding these members.
7. The Independent Committee shall conduct deliberations and make resolutions relating to the matters listed in each of the below items, and shall make recommendations to the Board of Directors of the Company based on the content of those resolutions, together with the reasons thereof.
 - (1) Determination of applicability to large-scale purchases, etc. under this Plan;
 - (2) The appropriateness of activating countermeasures under this Plan, or that the will of shareholders should be confirmed;
 - (3) The cancellation of countermeasures or suspension of activation under this Plan;
 - (4) The discontinuation or amendment of this Plan;
 - (5) Any other matters that the Board of Directors of the Company consults the Independent Committee about in relation to this Plan.

When conducting deliberations and making resolutions in the Independent Committee, each Independent Committee Member must do so solely from the perspective of whether or not it contributes to the corporate value of the Company and shareholders’ common interests, and must not do so in order to further their own personal interests, or those of the management team of the Company.
8. The Independent Committee may request that Directors of the Company, Audit and Supervisory Board Members, employees, or other persons deemed necessary attend meetings as necessary, and may request opinions or explanations regarding matters specified by the Independent Committee.
9. When executing these duties, the Independent Committee may obtain, at the Company’s expense, the advice of outside experts who are independent of the management team engaged in the business execution of the Company (including investment banks, securities firms, financial advisers, certified public accountants, attorneys, consultants, and other experts).

Past Experience of the Independent Committee Members

Yasuaki Sugizaki (age 69)

April 1988	Joined Kobe Steel, Ltd.
April 2011	Executive Officer, General Manager, Research & Development Planning Department, Technical Development Group
April 2013	Managing Executive Officer; General Manager, Technical Development Group
June 2014	Managing Director; General Manager, Technical Development Group
April 2015	Senior Managing Director; Company-wide Technology Supervisor
April 2016	Director; Senior Managing Executive Officer; Assistant to the President, Kobe Steel, Ltd.; Corporate Adviser, OSAKA Titanium Technologies Co., Ltd.
June 2016	Representative Director, Member of the Board & President, OSAKA Titanium Technologies Co., Ltd.
June 2024	Consultant
August 2025	Appointed as Director (Outside) of the Company (current position)
January 2026	Chairperson of the Amagasaki City Equity Commission (current position)

Taizo Makari (age 67)

April 1983	Joined TEIJIN LIMITED
June 2010	Director, Teijin Engineering Limited
June 2011	Representative Director; Managing Director
April 2012	Teijin Group Chief Representative in Europe, TEIJIN LIMITED; President, Teijin Holdings Netherlands B.V.
April 2017	Teijin Group Corporate Officer; Chief Officer (Engineering); Assistant Chief CSR Officer (in charge of disaster prevention)
June 2018	Director, INFOCOM CORPORATION
April 2020	Teijin Group Executive Officer, TEIJIN LIMITED
April 2021	Counselor and Technical Advisor
August 2021	Appointed as Director (Outside) of the Company (current position)
April 2022	Technical Advisor, TEIJIN LIMITED (current position)

Yukiko Machida (age 42)

December 2009	Registered as Attorney at Law (Daini Tokyo Bar Association) Joined Shin-yotsuya Law Offices
June 2012	Established Law Office of Itsumi & Machida Partner at Law Office of Itsumi & Machida (current position)
April 2017	Vice-Chairperson, Labor Issue Committee, Daini Tokyo Bar Association (current position)
August 2023	Appointed as Director (Outside) of the Company (current position)
October 2023	Member of the Tokyo Dispute Coordination Committee (current position)
June 2024	Outside Director of YUASA TRADING CO., LTD. (currently YUASA CO., LTD.) (current position)

* There are no special interests between the three persons above and the Company.

* The Company has registered Mr. Yasuaki Sugizaki, Mr. Taizo Makari, and Ms. Yukiko Machida as independent officers as prescribed by the Tokyo Stock Exchange.

Status of Shareholdings by Major Shareholders of the Company

The status of major shareholders of the Company as of May 31, 2026 is as follows.

Shareholder	Number of shares held (thousands)	Ratio of number of shares held to total number of shares outstanding (%)
East Japan Railway Company	973	10.00
Employees Stock Ownership Plan	506	5.20
Toyo Denki Subcontractor Factories Shareholding Association	372	3.82
NIPPON LIFE INSURANCE COMPANY	337	3.46
Custody Bank of Japan, Ltd. (Trust Account)	332	3.41
Sanshin Co., Ltd.	293	3.00
MUFG Bank, Ltd.	224	2.30
The Bank of Yokohama, Ltd.	207	2.13
Ohkuraya jutaku Inc.	206	2.11
JP MORGAN CHASE BANK 380802	144	1.48

(Note) In addition to the above, the Company holds 588 thousand treasury shares.

1. Types of Purchase, etc. Deemed to Significantly Harm
the Corporate Value of the Company and Shareholders' Common Interests

- 1) Cases when it is judged that despite having no intention of truly participating in corporate management, the purchaser, etc. is acquiring, or attempting to acquire, the Company's shares, etc. in order simply to increase the share price and make the Company or its related parties buy back the Company's shares, etc. at a high price (a so-called green mailer);
- 2) Cases when it is judged that the Company's shares, etc. are being acquired in order to take temporary control of the corporate management of the Company and transfer to the purchaser, etc. or its group companies, etc., assets of the Company or companies in the Group that are necessary for the management of the businesses of the Company or companies in the Group, such as intellectual property rights, expertise, confidential corporate information, main business partners or clients;
- 3) Cases when it is judged that the Company's shares, etc. are being acquired in order to take control of the corporate management of the Company and subsequently use the assets of the Company or companies in the Group as collateral or repayment funds for the liabilities of the purchaser, etc. or its group companies, etc.;
- 4) Cases when it is judged that the Company's shares, etc. are being acquired in order to take temporary control of the corporate management of the Company, cause the Company to sell or otherwise dispose of highly valued assets, etc. that are not immediately related to the businesses of the Company or companies in the Group, such as real estate or marketable securities, and use the profits from the disposal to cause the Company to pay a one-time high dividend, or alternatively to take advantage of the sudden increase in the share price caused by the one-time high dividend to sell the Company's shares, etc. at a high price;
- 5) Cases when it is judged that the method of purchase of the Company's shares, etc. proposed by the purchaser, etc. will restrict shareholders' opportunity to make an assessment or freedom, and may effectively force shareholders to sell the Company's shares, etc., such as a so-called two-tier coercive purchase (refers to the conducting of a purchase, etc. of shares, etc. by a tender offer or other methods, whereby the purchaser, etc. does not solicit all of the Company's shares, etc. for purchase in the initial purchase, and sets unfavorable purchase terms for the second stage, or does not make the terms clear).

2. Types of Purchase, etc. Deemed to Have a Risk of Harming
the Corporate Value of the Company and Shareholders' Common Interests

- 1) Cases when it is judged that the purchase terms for the Company's shares, etc. proposed by the purchaser, etc. (including but not limited to the type or amount of consideration for the purchase, the calculation basis for the amount, any other specific details of the terms (including the timing and method of the acquisition), and the legality and feasibility of the purchase, etc.) are considerably insufficient or inappropriate in view of the corporate value of the Company;
- 2) Cases when it is judged there is a risk that the purchase, etc. will hinder the securing and enhancement of the corporate value of the Company and shareholders' common interests, such as when the acquisition of control by the purchaser, etc. will destroy relationships with the Company's shareholders and customers, business partners, employees, local communities, and other stakeholders that are the sources of corporate value, and damage to the corporate value of the Company and shareholders' common interests is expected;
- 3) Cases when it is judged that the corporate value of the Company in the event that the purchaser, etc. acquires control would be inferior to the corporate value of the Company in the event that the purchaser, etc. does not acquire control, in a comparison of future corporate value over the medium- to long-term.

Overview of the Gratis Allotment of Stock Acquisition Rights

1. Total Number of the Stock Acquisition Rights to be Allotted

The total number of Stock Acquisition Rights to be allotted shall be a number separately determined in the resolution of the Board of Directors relating to the gratis allotment of the Stock Acquisition Rights (hereinafter, the “Stock Acquisition Rights Gratis Allotment Resolution”), of a maximum of three times the final total number of shares of the Company outstanding (however, this shall exclude the number of the Company’s shares held by the Company at that point) on a certain day separately determined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution (hereinafter, the “Allotment Date”).

2. Shareholders Eligible for Allotment

The Company shall make a gratis allotment of the Stock Acquisition Rights at a ratio separately determined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution of up to three stock acquisition rights per share of common stock of the Company held (however, this shall exclude shares in the Company held by the Company at that time) to shareholders recorded in the final shareholder register on the Allotment Date.

3. Effective Date of the Gratis Allotment of the Stock Acquisition Rights

The effective date shall be a date separately determined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution.

4. Type and Number of Shares Underlying the Stock Acquisition Rights

The type of shares underlying the Stock Acquisition Rights shall be the common stock of the Company, and the number of shares underlying each of the Stock Acquisition Rights shall be a number separately determined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution of up to one share per stock acquisition right (hereinafter, the “applicable number of shares”). However, the Company shall make the necessary adjustments if it conducts a share split or consolidation of shares, etc.

5. Details and Amount of Assets to be Contributed Upon Exercise of the Stock Acquisition Rights

Contributions upon the exercise of the Stock Acquisition Rights shall be in cash, and the amount of assets to be contributed per share of common stock in the Company upon the exercise of the Stock Acquisition Rights shall be an amount separately determined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution, of one yen or more.

6. Restrictions on the Transfer of the Stock Acquisition Rights

Any transfer of the Stock Acquisition Rights shall require the approval of the Board of Directors of the Company.

7. Conditions for Exercising the Stock Acquisition Rights

The following persons shall not be able to exercise the Stock Acquisition Rights: (1) specified large-scale holders¹³; (2) joint holders of specified large-scale holders; (3) specified large-scale purchasers¹⁴; (4) specially related parties of specified large-scale purchasers; and (5) any transferee or successor to the Stock Acquisition

¹³ Refers to a holder of shares, etc. issued by the Company, with an ownership ratio of shares, etc. in relation to these shares, etc. is 20% or more, or a person to whom this is deemed to apply by the Board of Directors of the Company. However, this shall not apply to persons whom the Board of Directors of the Company recognizes will not harm the corporate value of the Company and shareholders’ common interests by acquiring and holding the Company’s shares, etc., and any other persons separately defined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution.

¹⁴ Refers to a person who has made a public announcement to the effect that he or she will conduct a purchase, etc. (refers to a purchase, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same applies in this note) of shares, etc. (refers to share certificates, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same applies in this note) issued by the Company by tender offer, and whose total ownership ratio of shares, etc. in relation to shares, etc. held (equivalent actions shall include those defined in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act) by that person after the purchase, etc. together with the ownership ratio of shares, etc. of any specially related parties of that person shall be 20% or more, or a person to whom this is deemed to apply by the Board of Directors of the Company. However, this shall not apply to persons whom the Board of Directors of the Company recognizes will not harm the corporate value of the Company and shareholders’ common interests by acquiring and holding the Company’s shares, etc., and any other persons separately defined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution.

Rights from a person falling under any of the categories (1) through (4) without the permission of the Board of Directors of the Company; and (6) any related person¹⁵ to persons falling under any of the categories (1) through (5) (hereinafter, collectively referred to as “Non-qualified Parties”). Furthermore, details of the conditions for exercising the Stock Acquisition Rights shall be separately determined in the Stock Acquisition Rights Gratis Allotment Resolution.

8. Acquisition of the Stock Acquisition Rights by the Company

The Company may acquire the Stock Acquisition Rights held by persons other than Non-qualified Parties on a day separately determined by the Board of Directors of the Company, and in exchange deliver the applicable number of shares of common stock of the Company for each of the Stock Acquisition Rights. Furthermore, details of the acquisition terms of the Stock Acquisition Rights shall be separately determined in the Stock Acquisition Rights Gratis Allotment Resolution.

9. Acquisition without Consideration in Case of Suspension of the Activation of Countermeasures, etc.

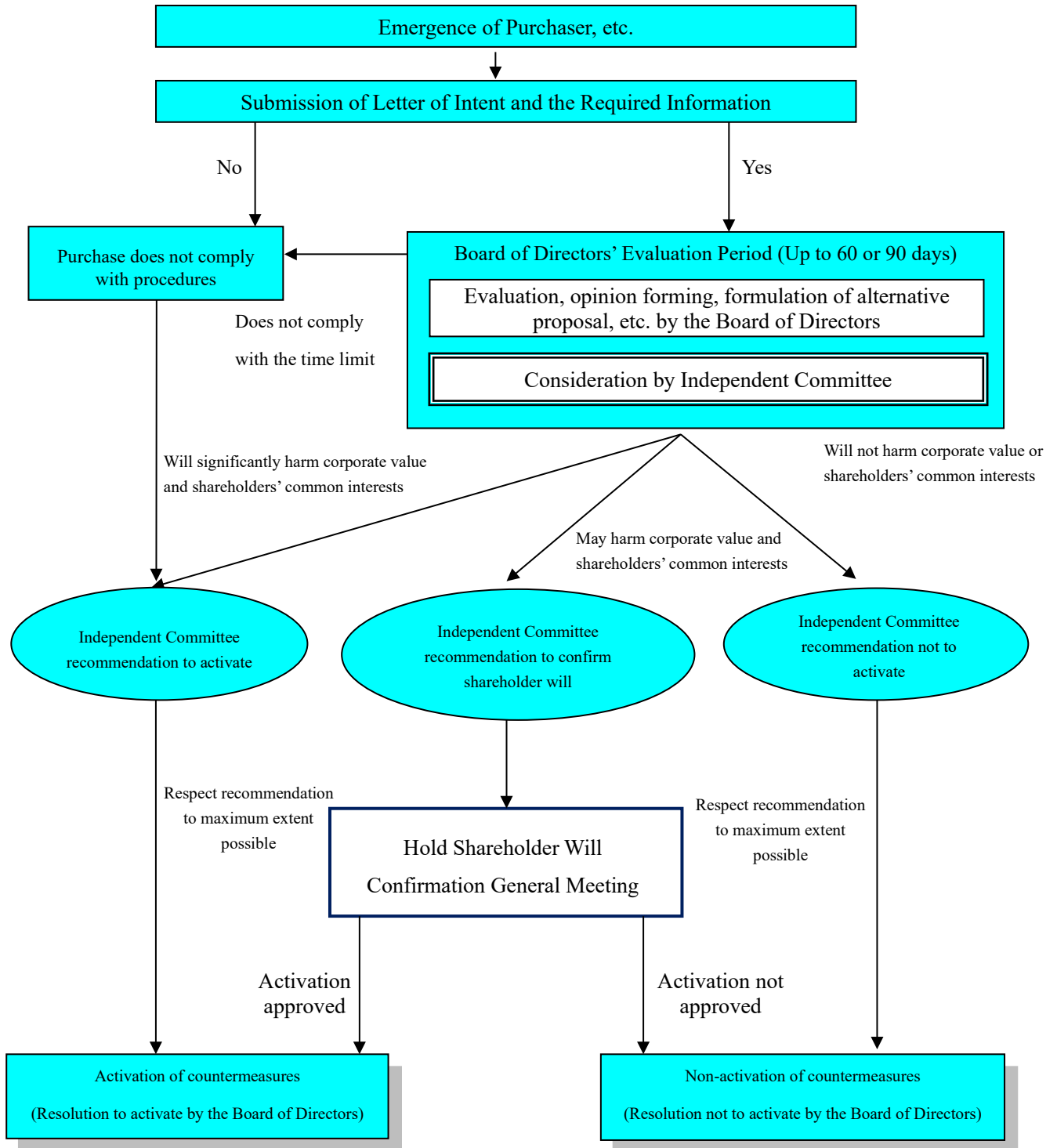
The Company may acquire all of the Stock Acquisition Rights without consideration if the Board of Directors of the Company suspends the activation of countermeasures, or in other cases separately defined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution.

10. Exercise Period of the Stock Acquisition Rights, etc.

The exercise period of the Stock Acquisition Rights and other necessary matters shall be separately determined by the Board of Directors of the Company in the Stock Acquisition Rights Gratis Allotment Resolution.

¹⁵ A person’s “related persons” are those who effectively control that person, who are controlled by that person, or who are under the same control as that person (including persons to whom this is deemed to apply by the Board of Directors of the Company), or alternatively, persons whom the Board of Directors of the Company have recognized as effectively acting jointly or in concert with that person. Furthermore, “control” refers to “controls decisions on the financial and business policies” of another company, etc. (referring to cases defined in Article 3, Paragraph 3 of the Ordinance for Enforcement of the Companies Act).

Flowchart Regarding Procedures of this Plan



*This chart is presented to aid readers' understanding of an overview of this Plan. Please refer to the text for specific details of the plan.