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Securities Code: 7259

May 28, 2024

To Those Shareholders with Voting Rights

Moritaka Yoshida
President
AISIN CORPORATION
1, Asahi-machi 2-chome, Kariya-shi
Aichi, Japan

NOTICE OF THE 101st ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 101st Ordinary General Meeting of Shareholders of AISIN CORPORATION (hereinafter, the “Company”). Please access the websites listed below to confirm the details. The meeting will be held as described below.

When convening this Ordinary General Meeting of Shareholders, the Company will provide information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.

This information can be found on the following websites.

The Company’s website:

<https://www.aisin.com/jp/investors/report/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “AISIN Corporation” in “Issue name (company name)” or the Company’s securities code “7259” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting, you can exercise your voting rights by mailing the enclosed Voting Rights Exercise Form or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders (pages 3 through 18), and exercise your voting rights no later than 5:30 p.m. on Tuesday, June 18, 2024.

1. Date and Time: Wednesday, June 19, 2024 at 10:00 a.m.

2. Place: The Company’s KYODOKAN Hall
36, Hachiken-cho 2-chome, Kariya-shi, Aichi

3. Agenda of the Meeting:

Matters to be reported: The Business Report, the Financial Statements, the Consolidated Financial Statements, and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 101st Fiscal Term (from April 1, 2023 to March 31, 2024).

Proposals to be resolved:

Proposal No. 1: Election of Eight Directors

Proposal No. 2: Election of One Substitute Audit & Supervisory Board Member

Proposal No. 3: Revision of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Election of Eight Directors

The term of office for all of eight Directors of the Company will expire at the closing of this General Meeting of Shareholders. Accordingly, the Company proposes the election of eight Directors including four Outside Directors.

The candidates for Directors are as follows:

Candidate No.	Name	Current Position at the Company	Responsibilities at the Company	Attributes of the Candidate
1	Moritaka Yoshida	President	–	Reelected
2	Shintaro Ito	Director	Chief Administrative Officer, Executive Vice President, and in charge of Internal Audit Department	Reelected
3	Yoshihisa Yamamoto	Director	Chief Technology Strategy Officer, Executive General Manager of Product Development Center	Reelected
4	Michiyo Hamada	Outside Director	–	Reelected Outside Director Independent Director Female Director
5	Seiichi Shin	Outside Director	–	Reelected Outside Director Independent Director
6	Koji Kobayashi	Outside Director	–	Reelected Outside Director
7	Tsuguhiko Hoshino	Outside Director	–	Reelected Outside Director Independent Director
8	Masahiro Nishikawa	Executive Officer	Chief Carbon Neutral Officer, Executive General Manager of Carbon Neutral Promotion Center	Newly elected

Reelected: Candidate for Director to be reelected

Newly elected: Candidate for New Director

Outside Director: Candidate for Outside Director

Independent Director: Candidate for Independent Director as specified by Tokyo Stock Exchange, Inc.

Female Director: Female candidate for Director

Candidate No.	Name	Career summary	
1	Moritaka Yoshida Reelected	April 1980	Joined Toyota Motor Co., Ltd.
		June 2009	Managing Officer of Toyota Motor Corporation
		April 2014	Senior Managing Officer of Toyota Motor Corporation
		January 2018	Executive Vice President of Toyota Motor Corporation
		June 2020	Chairman of TOYOTA CENTRAL R&D LABS., INC.
		June 2021	President and Executive President of the Company (to present)
		Current Position at the Company:	Responsibilities at the Company:
President	–		
The reasons why the Company elects him as a candidate for Director:		Mr. Moritaka Yoshida has an extensive career including as President of the Mid-size Vehicle Company and the head of the Vehicle Development Center while serving as Executive Vice President at Toyota Motor Corporation, and has experience as a management executive at TOYOTA CENTRAL R&D LABS., INC. He has been engaged in the Company's management as President of the Company (to present) since 2021. He is recommended for the position of Director as he is expected to make use of his extensive experience and wide-ranging insights into overall corporate management for the management of the Company.	
Date of birth:	July 12, 1957 (66 years old)	Special interest relationship with the Company:	–
Important concurrent position:	Outside Director of EXEDY Corporation	Number of shares of the Company held:	22,500 shares
Number of years since the candidate assumed the office of Director:	3 years (at the closing of this General Meeting of Shareholders)	Attendance to Board of Directors' Meetings:	13/13 (100.0%)

Candidate No.	Name	Career summary	
2	Shintaro Ito Reelected	April 1983	Joined Aisin Seiki Co., Ltd.
		June 2010	Managing Officer of Aisin Seiki Co., Ltd.
		April 2017	Senior Managing Officer of Aisin Seiki Co., Ltd.
		April 2019	Executive Officer of Aisin Seiki Co., Ltd.
		April 2021	Executive Vice President of the Company
		June 2021	Director of the Company (to present)
		April 2022	Executive Officer of the Company (to present)
		Current Position at the Company: Director	Responsibilities at the Company: Chief Administrative Officer, Executive Vice President, and in charge of Internal Audit Department
		The reasons why the Company elects him as a candidate for Director: Mr. Shintaro Ito worked primarily in the Managerial Administration Sector at the Company and has management experience serving as top management of a Group company overseas. Since 2021, he has been engaged in the Company's management, serving as Director and Executive Vice President, and is presently Director and Executive Officer (to present), and Chief Administrative Officer and Executive Vice President of the Company. He is recommended for the position of Director as he is expected to make use of his extensive experience and wide-ranging insights into overall corporate management for the management of the Company.	
		Date of birth: March 19, 1961 (63 years old)	Special interest relationship with the Company: -
		Important concurrent position: Outside Corporate Auditor of EXEDY Corporation	Number of shares of the Company held: 21,400 shares
		Number of years since the candidate assumed the office of Director: 3 years (at the closing of this General Meeting of Shareholders)	Attendance to Board of Directors' Meetings: 13/13 (100.0%)

Candidate No.	Name	Career summary	
3	Yoshihisa Yamamoto Reelected	April 1989	Joined Aisin AW Co., Ltd.
		April 2015	Executive Officer of Aisin AW Co., Ltd.
		April 2020	Senior Managing Officer of Aisin AW Co., Ltd.
		April 2021	Executive Vice President of the Company
		April 2022	Executive Officer of the Company (to present)
		June 2022	Director of the Company (to present)
		Current Position at the Company: Director	Responsibilities at the Company: Chief Technology Strategy Officer, Executive General Manager of Product Development Center
The reasons why the Company elects him as a candidate for Director: Mr. Yoshihisa Yamamoto worked primarily in the technology development field of Powertrain at the Company. Since 2021 he has served as Executive Vice President of the Company and is presently Director, Executive Officer (current position), as well as Chief Technology Strategy Officer, engaged in the Company's management. He is recommended for the position of Director as he is expected to make use of his extensive experience and wide-ranging insights concerning overall management and the technological development strategy of the Company.			
Date of birth: December 17, 1964 (59 years old)		Special interest relationship with the Company: -	
Important concurrent position: -		Number of shares of the Company held: 7,900 shares	
Number of years since the candidate assumed the office of Director: 2 years (at the closing of this General Meeting of Shareholders)		Attendance to Board of Directors' Meetings: 13/13 (100.0%)	

Candidate No.	Name	Career summary	
4	Michiyo Hamada	April 1974	Associate Professor at School of Law, Nagoya University
		April 1985	Professor at Nagoya University
		June 2004	Audit & Supervisory Board Member of Aisin Seiki Co., Ltd.
		April 2008	President of Nagoya University Graduate School of Law
		April 2009	Commissioner of Japan Fair Trade Commission
		April 2009	Professor Emeritus at Nagoya University (to present)
		June 2014	Outside Corporate Auditor of TOHO GAS Co., Ltd.
		June 2014	Outside Corporate Auditor of the Metropolitan Expressway Company Limited
		June 2015	Outside Director of Sangetsu Corporation (to present)
		June 2016	Director of Aisin Seiki Co., Ltd.
June 2020	Outside Director of TOHO GAS Co., Ltd. (to present)		
June 2021	Director of the Company (to present)		
	Reelected Outside Director Independent Director Female Director	Current Position at the Company: Outside Director	Responsibilities at the Company: –
		The reasons why the Company elects her as a candidate for Outside Director and overview of her expected role: Ms. Michiyo Hamada has an extensive career including Professor at School of Law, Nagoya University, Commissioner of the Japan Fair Trade Commission, Outside Officer of other companies, etc., and has a high degree of expertise concerning the Companies Act and the Antimonopoly Act accumulated throughout her career. She is recommended as Outside Director of the Company as she is expected to make use of her expertise and broad experience concerning corporate governance to provide supervision of Company operations from a legal standpoint and independent position, as well as advice and opinions related to corporate governance.	
		Date of birth: November 25, 1947 (76 years old)	Special interest relationship with the Company: –
		Important concurrent position: Outside Director of TOHO GAS Co., Ltd. Outside Director of Sangetsu Corporation	Number of shares of the Company held: 3,800 shares
		Number of years since the candidate assumed the office of Director: 8 years (at the closing of this General Meeting of Shareholders)	Attendance to Board of Directors' Meetings: 13/13 (100.0%)

Candidate No.	Name	Career summary	
5	Seiichi Shin Reelected Outside Director Independent Director	May 1988	Associate Professor at Institute of Information Sciences and Electronics, University of Tsukuba
		April 1992	Associate Professor at Faculty of Engineering, University of Tokyo
		April 1995	Associate Professor at Graduate School of Engineering, University of Tokyo
		April 1998	Associate Professor at Engineering Research Institute, School of Engineering, University of Tokyo
		March 2001	Director, The Society of Instrument and Control Engineers
		April 2006	Professor at Faculty of Informatics and Engineering, University of Electro-Communications
		March 2012	Director and Vice President, The Society of Instrument and Control Engineers President, Control System Security Center
		March 2013	Director and President, The Society of Instrument and Control Engineers
		April 2015	Professor at Faculty of Informatics and Engineering, University of Electro-Communications
		April 2018	Dean of Faculty of Informatics and Engineering, University of Electro-Communications
		April 2020	Professor Emeritus at University of Electro-Communications (to present)
		October 2020	Director, Advanced Research Laboratory, Canon Medical Systems Corporation (to present)
		June 2021	Director of the Company (to present)
Current Position at the Company:		Responsibilities at the Company:	
Outside Director		-	
The reasons why the Company elects him as a candidate for Outside Director and overview of his expected role: Mr. Seiichi Shin has held positions including Professor at Faculty of Informatics and Engineering, University of Electro-Communications. He is recommended for the position of Outside Director as he is expected to make use of his high level of expertise centered on measurement engineering and control engineering and his wide-ranging insight developed over his career to provide supervision from an independent standpoint, as well as a wide range of advice and opinions, centered on technology development at the Company.			
Date of birth:		Special interest relationship with the Company:	
May 8, 1954 (70 years old)		-	
Important concurrent position:		Number of shares of the Company held:	
Director, Advanced Research Laboratory, Canon Medical Systems Corporation		1,200 shares	
Number of years since the candidate assumed the office of Director:		Attendance to Board of Directors' Meetings:	
3 years (at the closing of this General Meeting of Shareholders)		13/13 (100.0%)	

Candidate No.	Name	Career summary	
6	Koji Kobayashi Reelected Outside Director	April 1972	Joined Toyota Motor Co., Ltd.
		June 2004	Managing Officer of Denso Corporation
		June 2015	Vice Chairman and Member of the Board of Denso Corporation
		February 2016	Advisor of Toyota Motor Corporation
		January 2018	Executive Vice President of Toyota Motor Corporation
		January 2018	Member of the Board of Denso Corporation
		June 2018	Executive Vice President and Member of the Board of Directors (Representative Director) of Toyota Motor Corporation
		June 2021	Director of the Company (to present)
		April 2023	“Banto” and Executive Fellow of Toyota Motor Corporation (to present)
		Current Position at the Company:	Responsibilities at the Company:
		Outside Director	–
		The reasons why the Company elects him as a candidate for Outside Director and overview of his expected role: Mr. Koji Kobayashi is recommended for the position of Outside Director as he is expected to make use of his extensive experience and wide-ranging expertise as a management executive over many years at Toyota Motor Corporation and other companies in the automobile industry in order to provide advice and opinions from a broad perspective to the management of the Company.	
		Date of birth:	Special interest relationship with the Company:
		October 23, 1948 (75 years old)	–
		Important concurrent position:	Number of shares of the Company held:
		“Banto” and Executive Fellow of Toyota Motor Corporation	0 shares
		Number of years since the candidate assumed the office of Director:	Attendance to Board of Directors’ Meetings:
		3 years (at the closing of this General Meeting of Shareholders)	13/13 (100.0%)

Candidate No.	Name	Career summary	
7	Tsuguhiko Hoshino Reelected Outside Director Independent Director	April 1983	Joined the Ministry of Finance
		July 2011	Deputy Director General of the Minister's Secretariat, Ministry of Finance
		July 2015	First Deputy Commissioner, National Tax Agency
		June 2016	Director General of the Tax Bureau, Ministry of Finance
		July 2019	Commissioner, National Tax Agency
		June 2021	Outside Director of Tokyu Fudosan Holdings Corporation (to present)
		June 2021	Board Member (Vice Chairman) of The General Insurance Association of Japan (to present)
		June 2023	Director of the Company (to present)
		Current Position at the Company:	Responsibilities at the Company:
		Outside Director	–
		The reasons why the Company elects him as a candidate for Outside Director and overview of his expected role:	
		Mr. Tsuguhiko Hoshino has served as Director General of the Tax Bureau, Ministry of Finance, and Commissioner of the National Tax Agency. Through this professional experience, he has gained advanced expertise in finance, monetary policy, legal affairs and compliance. He is recommended for the position of Outside Director as he is expected to provide supervision and broad advice and opinions from an independent standpoint regarding the overall execution of business of the Company utilizing his extensive experience and broad insight gained from his experience working at a Japanese embassy abroad and supervisory experience as an Outside Director of a company in another business sector.	
		Date of birth:	Special interest relationship with the Company:
		November 6, 1959 (64 years old)	–
		Important concurrent position:	Number of shares of the Company held:
		Outside Director of Tokyu Fudosan Holdings Corporation Board Member (Vice Chairman) of The General Insurance Association of Japan	0 shares
		Number of years since the candidate assumed the office of Director:	Attendance to Board of Directors' Meetings:
		1 year (at the closing of this General Meeting of Shareholders)	11/11 (100.0%)

Candidate No.	Name	Career summary	
8	Masahiro Nishikawa Newly elected	April 1984	Joined Aisin Seiki Co., Ltd.
		June 2011	Managing Officer of Aisin Seiki Co., Ltd.
		April 2014	Senior Managing Officer of Aisin Seiki Co., Ltd.
		June 2017	Director of Aisin Seiki Co., Ltd.
		April 2019	Executive Officer of Aisin Seiki Co., Ltd.
		April 2021	Executive Officer of the Company (to present)
		Current Position at the Company: Executive Officer	Responsibilities at the Company: Chief Carbon Neutral Officer, Executive General Manager of Carbon Neutral Promotion Center
		The reasons why the Company elects him as a candidate for Director: Mr. Masahiro Nishikawa has served primarily in the production technology field of auto body products at the Company. From 2019, he has been engaged in the Company's management as Executive Officer, and currently, he is Executive Officer and Chief Carbon Neutral Officer. He is recommended for the position of Director as he is expected to make use of his extensive experience and wide-ranging insights concerning overall management and manufacturing in Japan and abroad.	
		Date of birth: February 17, 1962 (62 years old)	Special interest relationship with the Company: -
		Important concurrent position: -	Number of shares of the Company held: 19,400 shares

- Notes: 1. The Company was created by the merger of Aisin Seiki Co., Ltd. and Aisin AW Co., Ltd. and changed the company name to AISIN CORPORATION in April 2021.
2. The age, position and responsibility of each candidate are accurate as of the date of this General Meeting of Shareholders.
3. Ms. Michiyo Hamada, Mr. Seiichi Shin, Mr. Koji Kobayashi, and Mr. Tsuguhiko Hoshino are the candidates for Outside Directors stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has registered Ms. Michiyo Hamada, Mr. Seiichi Shin, and Mr. Tsuguhiko Hoshino as Independent Directors as specified by Tokyo Stock Exchange, Inc.
4. The term of office of Ms. Michiyo Hamada as Outside Director of the Company will reach eight years at the closing of this General Meeting of Shareholders.
5. The term of office of Mr. Seiichi Shin and Mr. Koji Kobayashi as Outside Directors of the Company will reach three years at the closing of this General Meeting of Shareholders.
6. The term of office of Mr. Tsuguhiko Hoshino as Outside Director of the Company will reach one year at the closing of this General Meeting of Shareholders.
7. The number shown under "Attendance to Board of Directors' Meetings" for Mr. Tsuguhiko Hoshino indicates his attendance to the meetings that were held after his inauguration on June 16, 2023.
8. The Company has entered into agreements with Ms. Michiyo Hamada, Mr. Seiichi Shin, Mr. Koji Kobayashi, and Mr. Tsuguhiko Hoshino to limit the liability stipulated by Article 423, Paragraph 1 of the Companies Act to the amount stipulated by Article 425, Paragraph 1 of the Companies Act. If the reelection of each candidate is approved, the Company plans to renew the aforementioned agreements with them.
9. The Company has entered into an agreement with an insurance company for a liability insurance policy for directors and other officers as stipulated by Article 430-3, Paragraph 1 of the Companies Act. If this proposal is adopted in its current form and each candidate takes office as Director, he/she will be covered by this insurance policy, which will compensate him/her for damages and litigation costs, etc., that he/she may incur upon being subject to claims for damages arising from

actions undertaken in the course of his/her duties as an officer of the Company. The Company is planning to renew this insurance policy in September 2024.

Proposal No. 2: Election of One Substitute Audit & Supervisory Board Member

In preparation for circumstances in which the number of Audit & Supervisory Board Members stipulated by law is not satisfied, this proposal requests the election of one Substitute Outside Audit & Supervisory Board Member as a substitute for Outside Audit & Supervisory Board Member Junko Ueda and for Katsuhiko Kashiwagi. In the event that the candidate takes office as an Audit & Supervisory Board Member, the term of office shall be the remaining term of office of the predecessor. This proposal shall remain in effect until the start of the next Ordinary General Meeting of Shareholders. However, it can be cancelled prior to the substitute taking office by a resolution at a Board of Directors Meeting with the consent of the Audit & Supervisory Board. The Audit & Supervisory Board has already approved this Proposal No. 2.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name	Career summary		
<p>Hidenori Nakagawa</p> <p>Reelected Outside Audit & Supervisory Board Member</p> <p>Independent Audit & Supervisory Board Member</p>	April 1992	Registered as an attorney at law Joined Nagashima & Ohno	
	September 1997	Kirkland & Ellis LLC	
	April 1998	Admitted to the New York State bar	
	September 1998	Legal Transactions Management Department, Tokyo Branch of Merrill Lynch Japan International	
	April 2003	Seconded to UFJ Strategic Partners	
	July 2004	Partner of TMI Associates (to present)	
	June 2019	Outside Corporate Auditor of Nice Corporation (to present)	
	December 2019	Outside Corporate Auditor of Airweave Inc.	
	Current Position at the Company:	-	
	The reasons why the Company elects him as a candidate for Substitute Audit & Supervisory Board Member:	<p>Mr. Hidenori Nakagawa has worked as an attorney primarily in fields including general corporate law and compliance for many years, and also has experience as an outside auditor at other companies. He is recommended for the position of Substitute Outside Audit & Supervisory Board Member to make use of his high level of expertise, broad experience, and other characteristics for the audit of the Company.</p>	
Date of birth:	November 20, 1967 (56 years old)	Special interest relationship with the Company: -	
Important concurrent position:	Partner of TMI Associates Outside Corporate Auditor of Nice Corporation	Number of shares of the Company held: 0 shares	

Notes: 1. Mr. Hidenori Nakagawa is the candidate for Substitute Outside Audit & Supervisory Board Member.

2. The age of the above candidate for Substitute Audit & Supervisory Board Member is accurate after the date of this General Meeting of Shareholders.
3. In the event that Mr. Hidenori Nakagawa takes office as an Audit & Supervisory Board Member, the Company intends to register him as Independent Audit & Supervisory Board Member as specified by Tokyo Stock Exchange, Inc.
4. In the event that this proposal is approved in its current form and Mr. Hidenori Nakagawa takes office as an Audit & Supervisory Board Member, the Company will enter into an agreement with him to limit the liability stipulated by Article 423, Paragraph 1 of the Companies Act to the amount stipulated by Article 425, Paragraph 1 of the Companies Act.
5. The Company has entered into an agreement with an insurance company for a liability insurance policy for directors and other officers as stipulated by Article 430-3, Paragraph 1 of the Companies Act. If this proposal is adopted in its current form and Mr. Hidenori Nakagawa takes office as an Audit & Supervisory Board Member, he will be covered by this insurance policy, which will compensate him for damages and litigation costs, etc., that he may incur upon being subject to

claims for damages arising from actions undertaken in the course of his duties as an officer of the Company. The Company is planning to renew this insurance policy in September 2024.

<Reference>

(1) Officer structure if Proposal No. 1 is approved

The skills and experience of Directors and Audit & Supervisory Board Members of the Company will be as follows:

	Name	Company management	Environment / Carbon neutrality	Human resources development	DX	Manufacturing (technology production, and quality)	Sales / Procurement	Finance / Accounting	Compliance / Risk management	Global
Directors	Moritaka Yoshida	○				○				○
	Shintaro Ito	○		○				○	○	○
	Yoshihisa Yamamoto	○	○			○				○
	Masahiro Nishikawa	○	○			○				○
	Michiyo Hamada	Outside Independent Female							○	○
	Seiichi Shin	Outside Independent			○	○				
	Koji Kobayashi	Outside	○				○	○	○	
	Tsuguhiko Hoshino	Outside Independent						○	○	○
Audit & Supervisory Board Members	Makoto Mitsuya	○		○				○	○	○
	Kiyomi Kato	Female						○	○	
	Junko Ueda	Outside Independent Female							○	○
	Katsuhiro Kashiwagi	Outside Independent						○		

(2) Overall approach to the Board of Directors and Audit & Supervisory Board and procedures for nomination

When appointing Directors and Audit & Supervisory Board Members of the Company, the Company seeks the optimum balance of knowledge, experience and skills to ensure proper supervision of management and the suitable, swift and fair decision-making for the purpose of achieving sustainable growth and increase our value as a company in the medium and long term. The Company takes a comprehensive approach, including electing multiple Outside Directors with advanced expertise inside and outside the industry. The Company is conscious of the importance of Group management and elects personnel who have extensive experience and wide-ranging knowledge from subsidiaries in Japan and overseas as Directors of the Company.

Matters concerning procedures for nomination, election and dismissal are considered and deliberated based on the above policy by the Executive Nomination and Compensation Committee, at which an independent Outside Director serves as chairperson and independent Outside Directors comprise a majority of the council members.

Proposal No. 3: Revision of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

At the 96th Ordinary General Meeting of Shareholders held on June 18, 2019, approval was given for the remuneration for Directors of the Company comprising a maximum monetary remuneration consisting of monthly remuneration and bonuses of up to 600 million yen per year (including an annual amount of up to 75 million yen for Outside Directors) as well as a maximum stock-based remuneration of up to 100 million yen per year (with up to 25,000 shares as the total number of shares of the Company to be allocated to the Company's Directors excluding Outside Directors (hereinafter, the "Eligible Directors")).

In light of changes in the management environment, such as the revisions of Japan's Corporate Governance Code, the Company has reviewed its executive remuneration system with the aim of creating a remuneration system that provides motivation for the improvement of business performance and corporate value in order to realize the Company's medium- to long-term business strategies while further sharing value with shareholders. As a result, the Board of Directors of the Company passed a resolution to increase the ratio of stock-based remuneration to total remuneration for Directors at its meeting held on March 27, 2024.

Therefore, in accordance with the revisions to the executive remuneration system, the Company requests that the total amount of monetary claims paid as remuneration for granting restricted stock to the Eligible Directors to be set at up to 500 million yen per year, and the total number of shares of the Company issued or disposed of to the Eligible Directors to be set at up to 500,000 shares per year (provided, however, that in the event of a stock split [including a gratuitous allotment of shares] or a reverse stock split of the Company's common stock, or any other reason that requires an adjustment in the total number of shares of the Company's common stock issued or disposed of as restricted stock after the date on which this Proposal is approved and passed, the total number of shares shall be adjusted to a reasonable extent).

Revisions to the executive remuneration system were discussed by the Executive Nomination and Compensation Committee, at which an independent Outside Director serves as chairperson and independent Outside Directors comprise a majority of the council members, and then resolved by the Board of Directors at the aforementioned meeting. In accordance with these revisions, the policy for determining the remuneration for individual Directors has also been changed. (For details of the system post revision, please see pages 40 to 43. (in Japanese only))

The Company has obtained an opinion from the Executive Nomination and Compensation Committee that this Proposal is reasonable and in line with the policy for determining the remuneration for individual Directors as resolved by the Board of Directors, and therefore, the Company has judged that this Proposal is appropriate.

If Proposal No. 1 is approved and passed as originally proposed, the number of Directors will be eight (including four Outside Directors), bringing the number of Eligible Directors to four.

The outline of the revised restricted stock remuneration system is as follows.

Outline of the restricted stock remuneration system post revision

Eligible Directors shall pay all monetary remuneration claims they receive pursuant to a resolution of the Company's Board of Directors as in-kind contribution assets, and shall receive issuance or disposal in respect to the Company's common stock.

The amount paid up per share of the Company's common stock to be issued or disposed of shall be determined by the Board of Directors on the basis of the closing price of the Company's common stock listed on the Tokyo Stock Exchange (if there is no closing price on such date, the closing price of the closest preceding day) on the business day prior to the date of each resolution of the Board of Directors, to the extent that it is not an amount that is specially advantageous to the Eligible Directors who subscribe for such common stock.

In addition, in the issuance or disposal of the Company's common stock under the system, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement (hereinafter, the "Allotment Agreement") that includes the following contents.

(1) Restriction period

For a period of 30 years from the date of issuance or disposal of the Company's common stock (hereinafter, "Transfer Restriction Period"), the Eligible Directors shall not transfer, establish a security interest, or otherwise dispose of the Company's common stock (hereinafter, the "Allotted Stock") allotted under the Allotment Agreement (hereinafter, the "Transfer Restriction").

(2) Lifting of Transfer Restriction

The Company shall lift the Transfer Restriction on all of the Allotted Stock at the expiration of the Transfer Restriction Period, provided that the Eligible Directors continued to hold the position of Director of the Company during the Transfer Restriction Period. Notwithstanding the provisions of (1) above, if the Eligible Director resigns from his/her position as a Director of the Company due to the expiration of the term of office, death, or any other justifiable reason before the expiration of the Transfer Restriction Period, the Transfer Restriction on all of the Allotted Stock held by the Eligible Director at the time of the retirement of the Eligible Director shall be lifted immediately after such retirement.

(3) Gratuitous acquisition of restricted stock

In the event that the Eligible Director resigns from his/her position as a Director of the Company before the expiration of the Transfer Restriction Period, the Company shall acquire all of the Allotted Stock as a matter of course, gratuitously, except in cases of expiration of the term of office, death, or other justifiable reasons for such retirement. In addition, the Company shall, as a matter of course, gratuitously acquire the Allotted Stock for which the Transfer Restriction has not yet been lifted as of immediately after the Transfer Restriction Period is lifted in accordance with (2) above.

(4) Handling of organizational restructurings, etc.

Notwithstanding the provisions of (1) above, if a merger agreement in which the Company becomes a dissolved company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters related to organizational restructuring, etc., are approved at the General Meeting of Shareholders of the Company (provided, however, that in cases where approval by the General Meeting of Shareholders of the Company is not required for such organizational restructuring, etc., the Board of Directors of the Company) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors, lift the Transfer Restriction of the Allotted Stock held by the Eligible Directors at the time of the action as of the time immediately prior to the business day prior to the effective date of the reorganization, etc. In addition, in cases as stipulated above, the Company shall, as a matter of course, gratuitously acquire all of the Allotted Stock for which the Transfer Restriction has not yet been lifted as of immediately after the Transfer Restriction is lifted.

(5) Other matters

Other matters relating to the Allotment Agreement shall be determined by the Board of Directors of the Company.