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(Securities Code 6381)
June 3, 2021
ANEST IWATA Corporation

NOTICE OF THE 75TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

1. Date and Time: Friday, June 25, 2021 at 10:00 a.m. Japan time

2. Place: Head Office, ANEST IWATA Corporation
3176, Shinyoshida-cho, Kohoku-ku, Yokohama-shi, Kanagawa, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 75th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the Company's 75th Fiscal Year (April 1, 2020 - March 31, 2021)
You can find the explanatory materials for the Business Report for the 75th Fiscal Year from June 11, 2021 by visiting the Company's website.
(https://www.anest-iwata.co.jp/2021_anestiwata.html)

Proposals to be resolved:

- Proposal No. 1:** Distribution of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
Proposal No. 4: Continuation of the Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

4. Matters Concerning the Meeting

- (1) Treatment of Voting Rights Exercise Forms Without Indication of Approval or Disapproval of Proposals

If there is no indication of your vote for or against any proposals, we will deem that you have voted for the proposal by the Company and against the proposal by shareholder.

- (2) Exercise of Voting Rights by Proxy (Qualifications of Proxy and the number)

If you wish to exercise your voting rights by a proxy, you may designate a shareholder of the Company who entitled to voting rights of the Company. Please note that a document evidencing authority of the proxy (letter of attorney and Voting Rights Exercise Form) must be submitted.

- (3) Advance Notification of Diverse Exercise of Voting Rights

With regard to notice prescribed in Article 313, Paragraph 2 of the Companies Act (notice relating to diverse exercise of voting rights), please submit a document in writing of the intention to diversely exercise voting rights and the reasons thereof no later than three (3) days prior to the Annual General Meeting of Shareholders.

- (4) Disclosure of the Appendices of the Notice of the Annual General Meeting of Shareholders on the Internet

The following items are posted on the Company's website (<https://www.anest-iwata.co.jp/>). Pursuant to laws and regulations as well as Article 17 of the Articles of Incorporation of the Company, thus, are not included in the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements. The Business Report audited by the Audit & Supervisory Committee and the Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Audit & Supervisory Committee and Accounting Auditor include the following items which are posted on the Company's website in addition to the items included in the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the General Meeting of Shareholders.

- 1) "Systems for Ensuring Appropriate Business Operations and Its Operational Status" and a portion of the contents related to "5. Basic policy on the control of the Company" in the Business Report.
- 2) Consolidated statement of changes in equity and Notes to the Consolidated Financial Statements
- 3) Non-consolidated statement of changes in equity and Notes to the Non-Consolidated Financial Statements

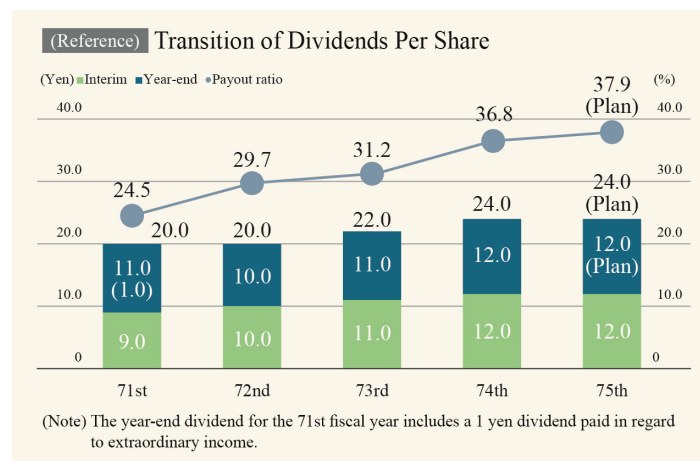
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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist.
 - ◎ If changes were made to the Reference Document for the Annual General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements, they will be posted on the Company's website (<https://www.anest-iwata.co.jp/>).

Reference Document for the Annual General Meeting of Shareholders
Explanation of Key Points for the Exercise of Voting Rights

The Points of Proposal No. 1

The Group's Approach to the Dividend

The Company's basic policy is to maintain a consolidated dividend payout ratio of 35%, based on the amount of "net profits of current term attributable to owners of parent company" in consolidated financial results.



The Points of Proposal No. 2

With the approval of Proposal No. 2, the number of Directors will be increased from ten (10) to eleven (11) to promote diversity, and the Company will further establish its management base for further enhancement of the governance structure and realization of its business strategies. The number of Directors who are Audit & Supervisory Committee Members shall be four (4) or less and shall remain unchanged.

The Points of Proposal No. 3

- The Company proposes the approval of Ms. Reiko Ohashi who has abundant experience in financial accounting as a new Director.
- The Company proposes the approval of Ms. Yuko Shirai who has abundant experience in corporate legal affairs as a new Director.

	Name of the candidates for Directors	Gender	Business Management	Overseas Business Management	Human Resources Human Resources Development	Financial Accounting	Legal	R&D and Manufacturing	Sales and Marketing	Audit	Attribution of the candidates for Directors		
Directors	Takahiro Tsubota	Male	●					●	●		Reappointment		
	Shinichi Fukase	Male						●	●		Reappointment		
	Kenichi Osawa	Male		●				●	●		Reappointment		
	Kozo Yoneda	Male	●	●		●					Reappointment	External	Independent Officer
	Yoshitsugu Asai	Male		●	●	●	●		●		Reappointment	External	Independent Officer
	Reiko Ohashi	Female				●				●	New appointment	External	Independent Officer
	Yuko Shirai	Female			●		●			●	New appointment	External	Independent Officer
Directors Who Are Audit & Supervisory Committee Members	Masato Suzuki	Male						●	●	●			
	Masashige Takayama	Male	●			●				●		External	Independent Officer
	Kyosuke Oshima	Male	●		●		●		●	●		External	Independent Officer
	Kazumichi Matsuki	Male	●	●	●		●			●		External	Independent Officer

The Points of Proposal No. 4

Every year, on an ongoing basis, the Company submits the Policy as a proposal, in order to ensure that shareholders and the Company have sufficient time to consider any large-scale purchase of shares by a specific party that may be significantly detrimental to corporate value and the common interests of shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Distribution of Surplus

Matters concerning the year-end dividend

As the Company defines the efforts to provide stable profit return to its shareholders as its important mission, its basic policy is to work on strengthening earnings power and pay a stable dividend.

(1) Type of dividend property

Cash

(2) Matters concerning allotment of dividends to shareholders and the total amount

12.0 yen per common share for a total of 495,098,184 yen

The annual dividend will be a total of 24.0 yen per share including the interim dividend of 12.0 yen per share.

(3) Effective date of distribution of surplus

June 28, 2021

Dividend	(Yen)				
	71st	72nd	73rd	74th	75th
Interim	9	10	11	12	12
Year-end	11	10	11	12	12 (Plan)
Total	20	20	22	24	24 (Plan)

	(%)				
	71st	72nd	73rd	74th	75th
Payout ratio	24.5	29.7	31.2	36.8	37.9 (Plan)

(Note) The year-end dividend for the 71st fiscal year includes a 1 yen dividend paid in regard to extraordinary income.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

As stated in “Explanation of Key Points for the Exercise of Voting Rights” on page 3, the Company proposes to change the maximum number of Directors from ten (10) to eleven (11) in order to further enhance the management structure.

2. Details of the Amendments

The contents of the amendments are as follows:

Current Articles of Incorporation	Proposed Amendments
Chapter 4 Director and Board of Directors’ Meeting Article 22 (Number of Directors) The number of Directors of the Company shall not exceed <u>ten (10)</u> . (2) Of the Directors in the preceding paragraph, the number of Directors who are Audit & Supervisory Committee Members shall not exceed four (4).	Chapter 4 Director and Board of Directors’ Meeting Article 22 (Number of Directors) The number of Directors of the Company shall not exceed <u>eleven (11)</u> . (2) (Unchanged)

*Changes are underlined.

Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)


The terms of office of all five Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. In addition, the Company would like to increase the number of Directors by two in order to further enhance the management structure on condition that Proposal No. 2 (Partial Amendments to the Articles of Incorporation) is approved. Accordingly, the election of seven Directors is proposed.


This proposal has been determined following the deliberations of the Nominating/ Compensation Committee, which is chaired by an Outside Director who is an Audit & Supervisory Committee Member, and has also been considered by the Audit & Supervisory Committee. The Committee did not identify any particular issues relating to this proposal.

The candidates for Directors are as follows.


No.	Name	Positions and Responsibilities in the Company	Attendance rate at meetings of Board of Directors	Attendance rate at meetings of Nominating/ Compensation Committee	Attendance rate at meetings of Internal Control Committee	Attendance rate at meetings of CSR Committee
1	Takahiro Tsubota	President, Representative Director, Chief Executive Officer Member of Nominating/ Compensation Committee Chairman of Internal Control Committee Member of CSR Committee	100% (12/12)	100% (7/7)	100% (4/4)	100% (3/3)
	Reappointment					
2	Shinichi Fukase	Director, Senior Managing Executive Officer and Chief Operating Officer, Air Energy Division	100% (12/12)	-	-	-
	Reappointment					
3	Kenichi Osawa	Director, Senior Managing Executive Officer, Chief Operating Officer, Coating Division and East Asian Regional General Manager	100% (9/9)	-	-	-
	Reappointment					
4	Kozo Yoneda	Outside Director Member of Nominating/ Compensation Committee	100% (12/12)	100% (7/7)	-	-
	Reappointment Outside Director Independent					
5	Yoshitsugu Asai	Outside Director Member of Nominating/ Compensation Committee	100% (9/9)	100% (5/5)	-	-
	Reappointment Outside Director Independent					
6	Reiko Ohashi	-	-	-	-	-
	New appointment Outside Director Independent					
7	Yuko Shirai	-	-	-	-	-
	New appointment Outside Director Independent					


(Note) Messrs. Kenichi Osawa and Yoshitsugu Asai assumed the post of Director at the 74th Annual General Shareholders Meeting held on June 25, 2020, and therefore, their attendance rate reflects the meetings held after their appointment.


No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Takahiro Tsubota (Male) May 15, 1957 (63 years old) [Reappointment] Attendance at meetings of Board of Directors 100% (12/12) Attendance at meetings of Nominating/ Compensation Committee 100% (7/7) Attendance at meetings of Internal Control Committee 100% (4/4) Attendance at meetings of CSR Committee 100% (3/3)	April 1981 Joined the Company April 2000 General Manager, Coating System Division June 2001 Director April 2003 General Manager, Coating Equipment Division General Manager, Coating System Division April 2004 General Manager, Coating Equipment & System Division April 2008 President and Representative Director Representative Director of ANEST IWATA Korea Corp. (current position) April 2014 President, Representative Director Chief Executive Officer of the Company (current position) June 2018 Chief Operating Officer, Business Administration Division January 2020 Chief Operating Officer, Coating Division [Significant concurrent positions] Representative Director of ANEST IWATA Korea Corp.	72,635 shares
		[Reason for nomination as candidate for Director] As President, Representative Director and Chief Executive Officer, Mr. Takahiro Tsubota has led the Company's global strategy and endeavored to expand its businesses, in addition to providing a vision for becoming a 100-year-old company on the occasion of the Company's 90th anniversary, and demonstrating strong leadership in order to achieve sustainable enhancement of its corporate value. We believe that he is an appropriate person to act as a driver for the realization of the medium- to long-term vision of the Company, and thus propose his continued appointment as Director.	
		[Other items of note regarding to the candidates for Director] 1. Mr. Takahiro Tsubota concurrently serves as Representative Director of ANEST IWATA Korea Corp. These three companies have business relationships with the Company, including product sales and procurement. 2. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Takahiro Tsubota is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 3. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2021, including shares held in the officers' shareholding association of the Company.	
		To our shareholders The impact of the novel coronavirus has shown no sign of easing as we enter fiscal 2021, the last year of the current midterm business plan, and we will have to continue to take strict crisis management measures for the time being as the situation remains uncertain. However, putting our effort only on immediate problems may cause our stakeholders including shareholders, partner companies and employees to lose their trust in the Company. Therefore, the Company will make every effort to substantially reestablish its business model and further ensure its growth potential by calmly analyzing and assessing this crisis as "an excellent opportunity for corporate reform" and seeking ways for such reform. In conducting our business operations, we, the management, do not forget that it is our responsibility to demonstrate the results of the Company's solid growth even under this crisis management. We appreciate your continued support and understanding.	


No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 Shinichi Fukase (Male) May 13, 1965 (55 years old) [Reappointment] Attendance at meetings of Board of Directors 100% (12/12)	<p>April 1988 Joined the Company</p> <p>April 2008 President of ANEST IWATA CAMPBELL K.K.</p> <p>April 2010 Executive Officer General Manager, Vacuum Equipment Department of the Company</p> <p>April 2016 Executive Officer Factory Manager, Fukushima Factory, Air Energy Division</p> <p>April 2019 Executive Vice President Chief Operating Officer, Air Energy Division Factory Manager, Fukushima Factory</p> <p>June 2019 Director (current position)</p> <p>April 2020 Senior Managing Executive Officer Chief Operating Officer, Air Energy Division (current position)</p> <p>[Significant concurrent positions] Mr. Shinichi Fukase does not have significant concurrent positions in other companies.</p> <p>[Reason for nomination as candidate for Director] Mr. Shinichi Fukase has served as President of a domestic sales subsidiary, manager in a procurement department, and Factory Manager of Fukushima Factory. He is familiar with core technologies as an engineer, and has a high level of expertise and insight in a wide range of areas, from sales/logistics to procurement/production divisions. He has earned the respect of others in terms of viewpoints and human resource development for the growth of business. For these reasons, we believe that he is an appropriate person to realize the sustainable enhancement of corporate value, and thus propose his continued appointment as Director.</p> <p>[Other items of note regarding to the candidates for Director] 1. No special interest exists between the Company and Mr. Shinichi Fukase. 2. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Shinichi Fukase is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 3. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2021, including shares held in the officers' shareholding association of the Company.</p> <p>To our shareholders During fiscal 2020, we had to restrict some activities themselves or sometimes make a substantial change in the way we operate our business due to the spread of the novel coronavirus. On the other hand, we could do many things more efficiently than before unexpectedly by looking at them differently and by trying to be more inventive. I will be committed to improving our business results by utilizing this experience in the post-corona era. In addition, I will continue to be aware of the SDGs (Sustainable Development Goals) and strive for the realization of a free and open-minded corporate culture, which is free from bias of gender or age.</p>	28,348 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 <p>Kenichi Osawa (Male) January 19, 1970 (51 years old)</p> <p>[Reappointment]</p> <p>Attendance at meetings of Board of Directors 100% (9/9)</p>	<p>April 1990 Joined the Company</p> <p>January 2010 President of ANEST IWATA (SHANGHAI) Corporation</p> <p>June 2012 President of ANEST IWATA Shanghai Trading Corporation</p> <p>April 2014 General Manager, Fluid Engineering Department of the Company</p> <p>April 2015 Executive Officer</p> <p>January 2018 General Manager, Coating Development</p> <p>May 2019 Executive Vice President East Asian Regional General Manager (current position)</p> <p>January 2020 Assistant Chief Operating Officer, Coating Division</p> <p>April 2020 Senior Managing Executive Officer Chief Operating Officer, Coating Division (current position)</p> <p>June 2020 Director (current position)</p> <p>[Significant concurrent positions] Mr. Kenichi Osawa does not have significant concurrent positions in other companies.</p> <p>[Reason for nomination as candidate for Director] Mr. Kenichi Osawa is well versed in the development of coating equipment and coating systems and has an established track record in recent years in strengthening the growth basis of the whole coating business by leading the companywide reform to drastically review development and production systems. In addition, he has served as a representative of overseas subsidiaries over many years and therefore has insight that is necessary for business operation from a global viewpoint and a high level of expertise. For these reasons, we believe that he is an appropriate person to realize the sustainable enhancement of corporate value, and thus propose his continued appointment as Director.</p> <p>[Other items of note regarding to the candidates for Director] 1. No special interest exists between the Company and Mr. Kenichi Osawa. 2. Mr. Kenichi Osawa assumed the post of Director at the 74th Annual General Shareholders Meeting held on June 25, 2020, and therefore, his attendance rate reflects the meetings held after his appointment. 3. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Kenichi Osawa is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 4. The number of shares of the Company held by candidate for Director shows the effective number of shares held as of March 31, 2021, including shares held in the officers' shareholding association of the Company.</p> <p>To our shareholders I think that new business opportunities potentially exist in Japan as a leading country in addressing the challenges of aging society with declining birthrate and environmental issues. In future, I will promote fully automated technologies, remote control and other remote technologies utilizing 5G, development of products for older workers, expansion of new commercial products into the food, medical, and nursing care-related markets, and digital transformation from tangible goods to people's experience. At the same time, I will work to address the SDGs through technological innovations that contribute to the prevention of air pollution, promotion of productivity and efficiency, and living plastic-free or living with less plastic.</p>	1,849 shares

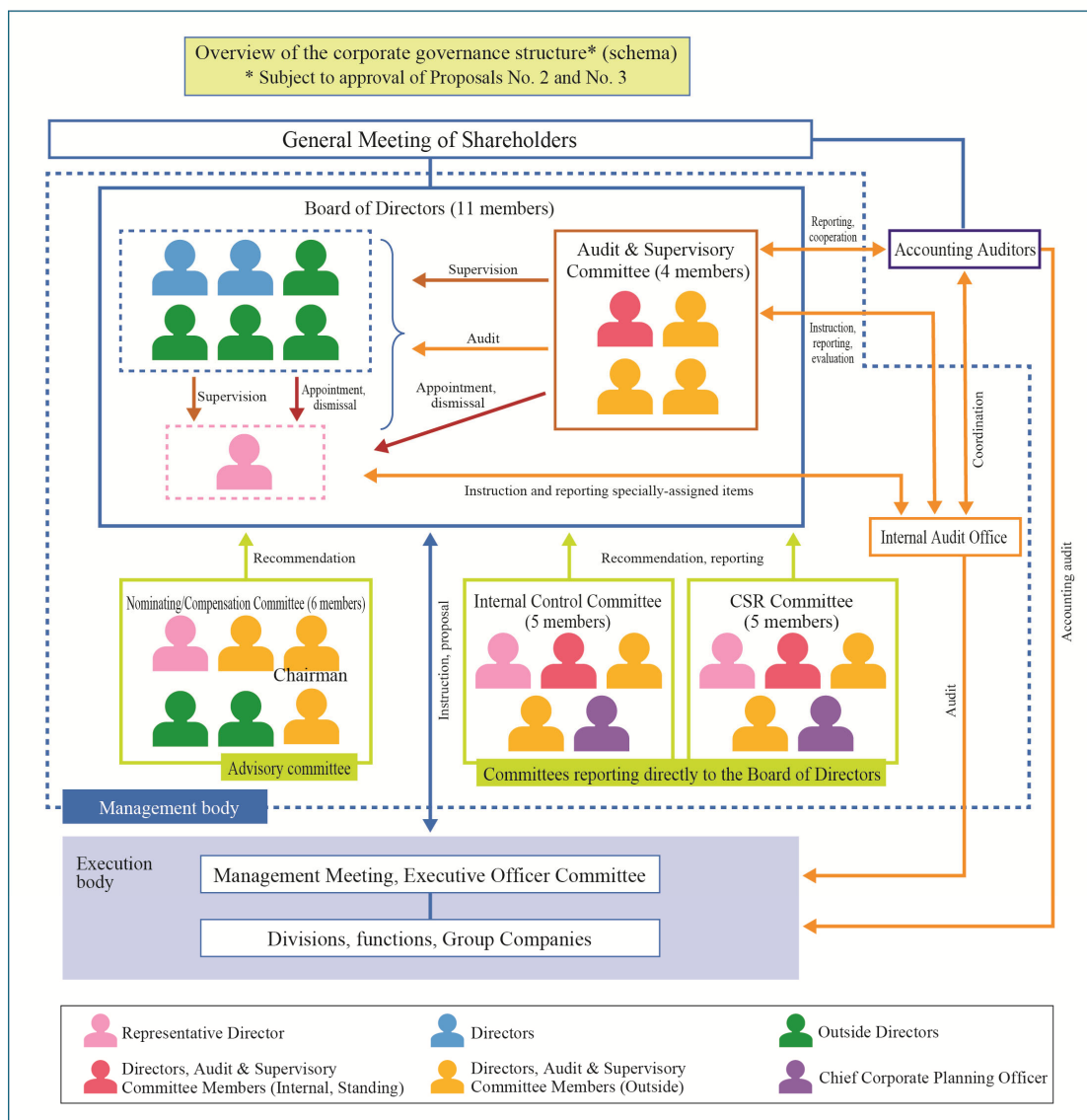
No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	 <p>Kozo Yoneda (Male) June 18, 1948 (72 years old)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>The term of office as Director 6 years (at the conclusion of this Annual General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors 100% (12/12)</p> <p>Attendance at meetings of Nominating/ Compensation Committee 100% (7/7)</p>	<p>March 1972 Joined the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>May 1977 Completed the Master's program at the Yale University Graduate School, Department of Economics</p> <p>April 2001 Executive Officer General Manager, Corporate Banking Dept. II of Sumitomo Mitsui Banking Corporation</p> <p>June 2002 Chairman and CEO of Japan Equity Capital Co., Ltd.</p> <p>April 2003 Senior Advisor of Daiwa Securities SMBC Principal Investments Co. Ltd.</p> <p>June 2005 President of Hirata Corporation</p> <p>April 2012 President and Representative Director of Kinrei Corporation (currently KR FOOD SERVICE CORPORATION)</p> <p>December 2014 Outside Director of amifa Co., ltd. (current position)</p> <p>June 2015 Outside Director of the Company (current position) Outside Director of Takagi Co., Ltd.</p> <p>December 2015 Managing Partner of Three Fields LLC. (current position)</p> <p>November 2016 Outside Director of FORLIFE Co., Ltd. (current position)</p> <p>June 2018 Outside Director of HOKUETSU METAL LTD. (current position)</p> <p>[Significant concurrent positions] Outside Director of amifa Co., ltd. Managing Partner of Three Fields LLC. Outside Director of FORLIFE Co., Ltd. Outside Director of HOKUETSU METAL LTD.</p> <p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Kozo Yoneda has participated in corporate management at many companies over many years, and has abundant experience as a manager and a high level of insight. As an Outside Director, he has actively made statements to enhance the transparency and fairness of the management of the Company in the Board of Directors, the Advisory Committee, etc., and has also appropriately supervised its management. In order for Mr. Kozo Yoneda to engage in the supervision of management to realize the sustainable enhancement of corporate value of the Company, we propose his continued appointment as Director.</p> <p>[Other items of note regarding the candidates for Director] 1. No special interest exists between the Company and Mr. Kozo Yoneda. 2. Mr. Kozo Yoneda is a candidate for Outside Director. In addition, the Company has designated him as an Independent Officer provided for by the Tokyo Stock Exchange and has registered him at the Exchange. 3. In accordance with the provisions of the Articles of Incorporation, the Company has entered into an agreement with Mr. Kozo Yoneda to limit his liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. The Company will continue said agreement with Mr. Kozo Yoneda if he is elected. 4. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Kozo Yoneda is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 5. The number of shares of the Company held by the candidate for Director shows the effective number of shares held as of March 31, 2021, including shares held in the officers' shareholding association of the Company.</p> <p>To our shareholders The rampant spread of the novel coronavirus has made us deeply reflect on the ways in which traditional business activities are conducted. I think that how companies respond to that will inevitably determine which companies will survive in the post-corona era. Even in such a situation, the Company sees this crisis as an opportunity for change and seriously works to establish a long-term corporate plan, and we are seeing some results. As an Outside Director, I will strive to actively support this change to respond to the expectations of shareholders.</p>	12,281 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	 Yoshitsugu Asai (Male) May 16, 1954 (66 years old) [Reappointment] [Outside] [Independent] The term of office as Director 1 year (at the conclusion of this Annual General Meeting of Shareholders) Attendance at meetings of Board of Directors 100% (9/9) Attendance at meetings of Nominating/ Compensation Committee 100% (5/5)	April 1977 Joined BROTHER INDUSTRIES, LTD. July 1989 Representative Director & President of BROTHER INDUSTRIES (AUST) PTY LTD October 2000 General Manager of General Planning Department of BROTHER INDUSTRIES, LTD. June 2004 Executive Officer; EVP* of I & D Company and General Manager of Corporate Planning Department of BROTHER INDUSTRIES, LTD. *EVP: Executive Vice President April 2006 Executive Officer and General Manager of Human Resource Department of BROTHER INDUSTRIES, LTD. April 2011 Managing Executive Officer and General Manager of Legal & General Affairs Department responsible for Corporate Communication (Public Relations) Department of BROTHER INDUSTRIES, LTD. April 2016 Managing Executive Officer responsible for Finance & Accounting Department, Law, Environment & General Affairs Department and CSR & Corporate Communication of BROTHER INDUSTRIES, LTD. June 2017 Outside Director of FUJIMI INCORPORATED (current position) June 2020 Outside Director of the Company (current position) [Significant concurrent positions] Outside Director of FUJIMI INCORPORATED	1,810 shares
		[Reason for nomination as candidate for Outside Director and expected roles] Mr. Yoshitsugu Asai held a number of important positions at human resources, legal and general affairs departments at an electronics manufacturer. Thus, he has abundant experience and broad knowledge in business administration. As an Outside Director, he has actively made statements to enhance the transparency and fairness of the management of the Company in the Board of Directors, the Advisory Committee, etc., and has also appropriately supervised its management. In order for Mr. Yoshitsugu Asai to engage in the supervision of management to realize the sustainable enhancement of corporate value of the Company, we propose his continued appointment as Director.	
		[Other items of note regarding the candidates for Director] 1. No special interest exists between the Company and Mr. Yoshitsugu Asai. 2. Mr. Yoshitsugu Asai is a candidate for Outside Director. In addition, the Company has designated him as an Independent Officer provided for by the Tokyo Stock Exchange and has registered him at the Exchange. 3. In accordance with the provisions of the Articles of Incorporation, the Company has entered into an agreement with Mr. Yoshitsugu Asai to limit his liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. The Company will continue said agreement with Mr. Yoshitsugu Asai if he is elected. 4. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Yoshitsugu Asai is elected, he will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 5. Mr. Yoshitsugu Asai assumed the post of Director at the 74th Annual General Shareholders Meeting held on June 25, 2020, and therefore, his attendance rate reflects the meetings held after his appointment. 6. The number of shares of the Company held by the candidate for Director shows the effective number of shares held as of March 31, 2021, including shares held in the officers' shareholding association of the Company.	
		To our shareholders The novel coronavirus is assumed to have a global and long-term impact on the Company. We are required to take direct measures appropriately while at the same time steadily implementing strategic measures for future growth. The challenge is how to take risks, how to take risks aggressively while diversifying and minimizing risks in the midst of economic uncertainty where nobody can foresee the future. I will sincerely strive to contribute to the Company's long-term growth by actively utilizing IT and being aware of the stance of seeking solutions to problems in a situation where economic activities on a global basis are greatly constrained.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	 <p>Reiko Ohashi (Female) July 31, 1962 (58 years old)</p> <p>[New appointment] [Outside] [Independent]</p> <p>Attendance at meetings of Board of Directors - % (- / -)</p>	<p>October 1991 Joined Century Audit Corporation (currently ERNST & YOUNG SHINNIHON LLC)</p> <p>March 1995 Registered as a certified public accountant</p> <p>July 2009 Managing Director of Ohashi Certified Public Accountant Office (current position)</p> <p>June 2014 Senior Partner of Audit Corporation Yakumo (current position)</p> <p>October 2015 Auditor of JAPAN SPORT COUNCIL (current position)</p> <p>September 2020 Auditor of the Tokyo University of Agriculture and Technology (current position)</p> <p>[Significant concurrent positions] Managing Director of Ohashi Certified Public Accountant Office Senior Partner of Audit Corporation Yakumo</p> <p>[Reason for nomination as candidate for Outside Director and expected roles] Ms. Reiko Ohashi has abundant experience and broad knowledge in finance and accounting as a certified public accountant. The Company has judged that she is an appropriate person to realize the sustainable enhancement of the corporate value of the Company and thus proposes her appointment as a Director. Although Ms. Reiko Ohashi has never been directly involved in corporate management, she possesses deep insight to supervise management with independence based on her abundant operational experience at audit corporations, etc. Thus, the Company has judged that she will duly perform her duties as an Outside Director.</p> <p>[Other items of note regarding to the candidates for Director] 1. No special interest exists between the Company and Ms. Reiko Ohashi. 2. Ms. Reiko Ohashi is a candidate for Outside Director. In addition, the Company plans to designate her as an Independent Officer provided for by the Tokyo Stock Exchange and register her at the Exchange. 3. In accordance with the provisions of the Articles of Incorporation, the Company plans to enter into an agreement with Ms. Reiko Ohashi to limit her liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act, if she is elected. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. 4. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Ms. Reiko Ohashi is elected, she will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal.</p> <p>To our shareholders The accounting standards applied by companies have changed significantly since I started providing auditing services about 30 years ago. However, the simple approach of making decisions based on correct information has never changed. This is the stance I always adopt at the audit corporation that I represent as a certified public accountant and corporations where I serve as an auditor or other officer. I will work to contribute to the Company's growth with the same attitude even in a rapidly changing situation with the novel coronavirus.</p>	- shares

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	 Yuko Shirai (Female) February 11, 1954 (67 years old) [New appointment] [Outside] [Independent] Attendance at meetings of Board of Directors - % (- / -)	<p>April 1986 Registered as an attorney-at-law (member of Tokyo Bar Association)</p> <p>April 1991 Established Wing Law Office, Partner (current position)</p> <p>April 2004 Director, Kanto Federation of Bar Associations</p> <p>April 2005 Expert Committee Member and Conciliation Committee Member, Tokyo District Court</p> <p>May 2009 Chair, Shinjuku Ward Board of Education</p> <p>April 2010 Auditor, Japan Federation of Bar Associations</p> <p>April 2011 Auditor, Japan Intellectual Property Arbitration Center</p> <p>April 2012 Vice-President, Tokyo Bar Association</p> <p>October 2013 Chair, Shinjuku Ward Board of Education</p> <p>June 2015 Outside Director, Seika Corporation (current position)</p> <p>April 2016 Audit Commissioner, Shinjuku Ward, Tokyo (current position)</p> <p>[Significant concurrent positions]</p> <p>Attorney-at-law</p> <p>Audit Commissioner, Shinjuku Ward, Tokyo</p> <p>Outside Director, Seika Corporation</p>	- shares
		<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Yuko Shirai has abundant experience and broad knowledge in corporate legal affairs as an attorney-at-law. The Company has judged that she is an appropriate person to realize the sustainable enhancement of the corporate value of the Company and thus proposes her appointment as a Director.</p> <p>Although Ms. Yuko Shirai has not been involved in corporate management other than as an outside director or outside auditor, she possesses deep insight to supervise management with independence, from an objective perspective based on the entire corporate community, including laws and regulations. Thus, the Company has judged that she will duly perform her duties as an Outside Director.</p>	
		<p>[Other items of note regarding to the candidates for Director]</p> <ol style="list-style-type: none"> 1. No special interest exists between the Company and Ms. Yuko Shirai 2. Ms. Yuko Shirai is a candidate for Outside Director. In addition, the Company plans to designate her as an Independent Officer provided for by the Tokyo Stock Exchange and register her at the Exchange. 3. Ms. Yuko Shirai currently holds office as an Outside Director of Seika Corporation. Although the Company has transactions with Seika Corporation, the amount of such transactions comprises less than 2% of the annual consolidated total sales for the latest fiscal year or as an average of the last three (3) fiscal years of Seika Corporation, and she satisfies the independence criteria for Outside Directors set forth by the Company. 4. In accordance with the provisions of the Articles of Incorporation, the Company plans to enter into an agreement with Ms. Yuko Shirai to limit her liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act, if she is elected. The limit of liability for damages under the agreement is the amount set forth by laws and regulations. 5. The Company shall enter into a Directors and Officers Liability Insurance (D&O Insurance) contract with an insurance company. The contract will cover damages that may arise due to the insureds assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Ms. Yuko Shirai is elected, she will be included as an insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same contents at the next renewal. 	
		<p>To our shareholders</p> <p>I have long been involved in corporate legal affairs, administrative operations, operations as an outside director and auditor. Based on such experience, I believe that following three things are required for organizational growth. Firstly, management's strong message and the organization's vector are heading in the same direction. Secondly, a ground has been fostered within the organization for an exchange of ideas in a free and open-minded manner. And thirdly, internal control and audit systems that ensure the credibility of management have been functionally established. As an Outside Director, I will strive to cause a chemical change in further enhancing the corporate value of the Company.</p>	

(Reference) Approach to Corporate Governance



(Reference) Independence Criteria for Outside Directors

The Company has set forth election criteria and election procedures for Directors, in addition to assessment criteria relating to the independence of Outside Directors as follows.

1. Election Criteria and Election Procedures for Directors

When electing internal Directors, they must be persons with the necessary specialist knowledge and management skills for business execution, and be able to make judgments based on objective thinking and from a broad perspective without bias toward favored areas and certain departments, and a comprehensive evaluation shall also be made of such factors as the person's self-awareness, personal qualities, sense of ethics, proactive approach to identifying issues, and problem solving ability as a leader in the Company, in accordance with the Company's management philosophy, the "ANEST IWATA Corporate Philosophy."

When electing Outside Directors, the balance of knowledge, experience, and ability of the Board of Directors as a whole, and the appropriate perspective of stakeholders in relation to the business activities of the Company shall be considered, as a comprehensive assessment is made that takes into account the diversity, etc. of the person's specialist areas and origins, etc., in addition to his or her independence from the Company.

Proposals for the election of Directors submitted to the General Meeting of Shareholders shall be made by resolution of the Board of Directors, following the deliberations of the Nominating/Compensation Committee, the Chairperson of which shall be an Independent Outside Director (in the case of the election of Directors who are Audit & Supervisory Committee Members, the Audit & Supervisory Committee shall recommend candidates).

2. Independence Criteria for Outside Directors

(1) Independent Directors must not be a person falling under any of the following items:

- a) A person who is or was a business executor (an Executive Director or an employee) of the Company or any of its subsidiaries;
- b) A party whose major business partner is the Company or its subsidiaries (a party who has carried out transactions with the Company for an amount of 2% or more of the annual consolidated total sales for the latest fiscal year or as an average of the last three (3) fiscal years of that party), or a person who is or was a business executor thereof;
- c) A major business partner of the Company or its subsidiaries (a party who has carried out transactions with the Company for an amount of 2% or more of the annual consolidated total sales for the latest fiscal year of the Company or as an average of the past three (3) fiscal years), or a person who is or was a business executor thereof;
- d) A consultant or specialist in accounting or law who has received a large amount of money or other assets (an amount of money or other property exceeding an average of 10 million yen per year for the latest fiscal year or as an average of the last three (3) fiscal years, or an amount of 2% or more of the annual consolidated total sales), excluding remuneration for officers, from an employee of the Company or any of its subsidiaries (in the case of a corporation or other group, a person who belongs or has belonged to the group);
- e) A major shareholder of the Company (a shareholder whose ratio of voting rights is 10% or more) (in the case of a corporation, a person who is or was a business executor of the corporation);
- f) A person who is a close relative (a relative within the second degree of relationship or a relative living together) of the persons listed in any of the a) through e) above;
- g) A person from a company, its parent company or subsidiary where there is a Director who is also an employee of the Company or any of its subsidiaries.

The past tense used in items a) through d) refers to the past as defined in the independence criteria of the Exchange.

(2) Independent Directors shall not be persons for who pose a risk of a conflict of interests, even for reasons other than those prescribed in paragraph 1 above.

(3) Even if a person falls under the categories in paragraph 1 or 2 above, if he or she is considered suitable as an Independent Director of the Company in view of his or her character, insight, and other factors, he or she may become an Independent Director, subject to the Company providing an explanation to external parties concerning the reasons he or she is considered suitable as an Independent Director.

- (4) Outside Directors and Outside Directors who are Audit & Supervisory Committee Members who have been in office for ten years or more shall not be reappointed, to maintain their independence. However, if the Nominating/Compensation Committee submit a special report against the said measure depending on the circumstances, the Board of Directors may deliberate and resolve the matter.

Anest Iwata from the views of Independent Directors			
<p>Kozo Yoneda</p> <p>The Company formulated a survival plan immediately after a state of emergency was declared for the novel coronavirus infection on April 7 last year, and a crisis management committee was set up with the president and chief executive officer as the chairperson to promote the plan. The purpose of the plan is to maintain the company's existence and secure the employment of employees under any circumstances. On the other hand, the rampant spread of the novel coronavirus may substantially change the ways in which business activities are conducted in the post-corona era. The Company sees this crisis positively as a great opportunity for change and also works to establish a long-term corporate plan. When this plan is realized, I believe that the Company will be the biggest fish living in the pond, no matter how small the pond will be. I look forward to seeing the future of the Company.</p>		<p>Yoshitsugu Asai</p> <p>The global economy has already begun to respond to changes toward the post-corona era steadily, and I think that we start seeing those responses in various situations. A world that is completely different from the one in the past will emerge in the next few years, such as the world with technological innovation that easily surpasses traditional industries, IT-based logistics revolution and logistics revolution in the supply chain, and work style reform in the context of digital transformation. Although the Company is operating in the manufacturing industry where change takes a relatively long time, I would like to courageously take on the challenge of innovation without being bound by conventional wisdom. The Company's corporate motto of "Trustworthy & Sincere (<i>Makotono Kokoro</i>)" is a wonderful belief that is in line with the SDGs. Let's work together toward a new company, with all of us always carrying this "Trustworthy & Sincere (<i>Makotono Kokoro</i>)" in our hearts.</p>	
<p>Masashige Takayama</p> <p>The Company sees the spread of the novel coronavirus positively as a great opportunity for growth by quickly changing our traditional business model that is based on experiences and practices. This year is positioned as a year in which the Company aggressively take on the challenges, with the aim of developing "ONLY ONE" product and realizing the "NUMBER ONE" company in a niche market, based on a belief that product development itself is the soul of a manufacturer. Although it will take a little while before we see the results, I am confident that we will confirm the positive results in the next few years. I expect the Company to continue to grow in the future.</p>	<p>Kyosuke Oshima</p> <p>Last spring, the Company set up a crisis management committee upon the declaration of a state of emergency. It comprises the president and all chief executive officers and meets once a week to share wisdom and make quick decision on each and every management issues. In fiscal 2020, rate of return was maintained at the previous year's level though the Company's revenue declined. A flexible and strong management structure seems to have been further developed throughout the past year. In thoroughly eliminating waste, IT-related investments in the "improvement in speedy and quality customer communication skills" and "improvement in the ability to deliver products reasonably and quickly, from order to shipment", and investments in the development of "products and systems that contribute to the reduction of environmental impact" have increased. The Company is steadily preparing toward the post-corona era. I look forward to seeing the future where the Company is developing as an increasingly strong, proper and excellent company.</p>	<p>Kazumichi Matsuki</p> <p>The spread of the novel coronavirus has caused a paradigm shift in various fields, and we cannot deny the possibility of disruptor of existing business emerging from unexpected places. It is a matter of course that we should take a defensive stance of looking for ways to respond to such a development. On the other hand, when a paradigm shift is occurring, we can also look for opportunities to discover and develop new business pillars. As an Outside Director, I would like to closely supervise and support the management team so that the entire staff can overcome this crisis as one to lay the foundation of the Company's further development toward its 100th anniversary, by bringing together the Company's global strengths to discover and create synergies that have yet to be fully utilized or discovered.</p>	

Proposal No. 4: Continuation of the Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

Based on the resolution of the Board of Directors on May 11, 2020 and approval at the 74th Annual General Meeting of Shareholders on June 25, 2020, the Company renewed its policy against purchases of the Company's shares, etc. for the purpose of making the ratio of voting rights held by a specific shareholder group 20% or more, or acts of purchasing the Company's shares, etc. which subsequently make the ratio of voting rights held by a specific shareholder group 20% or more (in either case, except for purchases which have been approved by the Board of Directors of the Company in advance; hereinafter the policy referred to as the "Policy"). The effective period of the Policy shall expire at the conclusion of the Annual General Meeting of Shareholders to be held on June 25, 2021 (hereinafter "this Annual General Meeting of Shareholders"). Accordingly, in Proposal No. 4, the Company requests to approve the continuation of the Policy from the conclusion of this Annual General Meeting of Shareholders until the conclusion of the next Annual General Meeting of Shareholders.

Furthermore, the Board of Directors of the Company has brought the continuation of the Policy as Proposal No. 4 at this Annual General Meeting of Shareholders, and thus the continuation of the Policy is subject to the approval of shareholders. In the event that the approval of shareholders regarding the continuation of the Policy is not granted at this Annual General Meeting of Shareholders, the Policy shall be abolished at that time.

There are no changes to the basic content of the Policy upon this continuation.

The content of the Policy is described in "The Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)."

The Audit & Supervisory Committee has given its approval to this continuation, under the condition that the specific operation of the Plan is properly executed.

As of the date of this notice, the Company has not received any approach or proposal, etc. regarding a large-scale purchase of the Company's shares.

The Policy against Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

Effective May 15, 2007

Revised May 10, 2021

1. Measures for the Security and Enhancement of the Company's Corporate Value and Common Interests of its Shareholders

Since its founding in 1926, the Company has always "taken the customer's standpoint and delivered products and services with trustworthiness and sincerity," under our corporate motto of "Trustworthy & Sincere (*Makotono Kokoro*)."

The Company has striven for quality improvement and technological innovation, and, with the support of our customers, has grown into a company that aims to be the leading global specialist manufacturer of coating equipment, coating systems, air compressors, and vacuum equipment. This is all thanks to the support of our shareholders.

To become a 100-year company, the Group has set forth the below Group Management Vision as its medium- to long-term management strategy: i) become a development-oriented company full of vigor and novelty that is capable of providing high-performance, high-quality products and services in a sincere manner from the customer's point of view; ii) shift from enhancement-based product development focused on cost cutting and internal core technologies to become a flexible company that collaborates with many different businesses based on an accurate understanding of market needs; and iii) aim to become a "True World-Class Company" where all employees of the Group work as one in order to maximize customer satisfaction and constantly create innovative technologies and products for achieving the world's No. 1 position. In addition to the quality improvement and technological innovation with the aim of realization of our corporate motto, we also believe that expanding the scale of business and contributing to society will enhance the Company's corporate value over the long-term, and contribute to the protection and enhancement of the common interests of its shareholders.

2. Objectives of the Policy and Basic Approach

The Board of Directors of the Company recognizes as a listed company that the Company's shares are freely traded, and that even so-called "hostile takeovers" conducted without the consent of the Board of Directors of the Company should not be denied unconditionally if such actions benefit the corporate value and common interests of shareholders. We believe that the acceptance or denial of a large-scale purchase

proposed by a specific party should ultimately be decided by shareholders who hold the Company's shares.

However, among large-scale purchases of shares, there are many that violate the protection and enhancement of the corporate value of the target company and the common interests of its shareholders. Examples of such large-scale purchase of shares include those whose purpose of the purchase deemed significantly detrimental to the corporate value of the target company and the common interests of its shareholders, those that force shareholders to sell their shares in effect, those that do not provide sufficient time or information for the board of directors or the shareholders of the target company to deliberate their purpose of the purchase or for the board of directors to prepare an alternate proposal, those that require the target company to negotiate with the purchaser in order for the target company to attain more favorable terms than the conditions presented by the purchaser. Therefore, the Board of Directors of the Company introduced rules regarding large-scale purchases (hereinafter referred to as the "Large-Scale Purchase Rules") in order to protect the corporate value of the Company and the common interests of its shareholders, and provides its shareholders time to make an appropriate judgment regarding whether to accept the purchase.

At present, the Company is not aware of any specific large-scale purchase of the Company's shares.

3. Large-Scale Purchase Rules

Large-Scale Purchase Rules defines that a large scale purchase of the Company's shares are implemented only when i) the purchaser provides the Board of Directors of the Company necessary and adequate information in advance and then ii) a sufficient time is provided for the Board of Directors to examine and evaluate the large-scale purchase according to the information provided by the purchaser, or if a General Meeting is held, a sufficient time is provided for its shareholders to determine whether to implement a countermeasure against the purchase.

The overview of the Large-Scale Purchase Rules is described below.

(1) The large-scale purchase that falls under this rule

The Policy is applied when a purchase of the Company's shares or a similar action falls under the following 1) and 2) (except actions approved by the Board of Directors of the Company) (hereinafter referred to as the "Action of Large-Scale Purchase"). Persons attempting to conduct a large-scale purchase (hereinafter referred to as the "Large-Scale Purchaser") must follow the procedures set forth in the Policy in advance.

- 1) As for the share certificates, etc. issued by the Company (Note 1), purchases where the holder's (Note 2) ownership ratio of shares, etc. (Note 3), will be 20% or more.
- 2) As for the share certificates, etc. issued by the Company (Note 4), tender offers (Note 5) where the total ownership ratio of share certificates, etc. (Note 6), relating to the tender offer and that of any specially related parties (Note 7) will be 20% or more.

Note 1: Refers to shares certificates, etc., provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Note 2: Refers to a holder provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including parties deemed to be holders pursuant to Article 27-23, Paragraph 3 of the Act, and the same shall apply hereinafter.

Note 3: Refers to the ownership ratio of share certificates, etc., provided for in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter.

Note 4: Refers to share certificates, etc., provided for in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter in 2).

Note 5: As provided for in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter.

Note 6: Refers to the ownership ratio of share certificates, etc., held provided for in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act, and the same shall apply hereinafter.

Note 7: Refers to specially related parties provided for in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, with regard to persons specified in Item (i) 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, and the same shall apply hereinafter.

(2) Provision of Information of the Large-Scale Purchase

The Large-Scale Purchaser who intends to conduct the Action of Large-Scale Purchase should submit ahead of the Action of Large-Scale Purchase to the Board of Directors "a statement of intent" stating pledging compliance with the Large-Scale Purchase Rules. Such statement of intent should clearly include

the name of the Large-Scale Purchaser, the address, governing law over incorporation, the names of representatives, contact details in Japan, and an outline of the proposed Action of Large-Scale Purchase. The Large-Scale Purchaser should submit necessary and adequate information (hereinafter referred to as the “Necessary Information”) in order for our shareholders to make judgments and for the Board of Directors to form an opinion. Within 10 working days of receipt of the statement of intent, the Board of Directors will provide the Large-Scale Purchaser with a list of Necessary Information to be submitted at first by the Large-Scale Purchaser. The Board of Directors requests the submission of additional information from the Large-Scale Purchaser until the Necessary Information is complete when the Board of Directors judged after careful examination that the initially provided information is not sufficient. The specific content to be included in the Necessary Information will differ depending on the characteristics of the Large-Scale Purchaser and the details of the Action of Large-Scale Purchase but in general the content includes followings.

- 1) Summary of the Large-Scale Purchaser and the group (including joint holders, specially related parties, and (in the case of funds) partners and other constituent members) (including information related to the Large-Scale Purchaser’s business, capital structure, experience in business that are similar to the Company’s and our group’s operations, etc.)
- 2) Objectives and details of the Action of Large-Scale Purchase (including the amount and type of consideration for the purchase, etc., timing of the purchase, etc., structure of related transactions, legality of the method of purchase, etc., and feasibility of the purchase, etc., and related transactions)
- 3) Basis for calculating the amount of consideration for acquisition of the Company’s shares and proof of the Company’s share acquisition funds (including the specific names of providers of funds (including substantial providers), method of raising funds, and details of related transactions)
- 4) Candidates for management (including information related to experience in businesses of the same type as those of the Company and our group, etc.), management policies, management philosophy, business plans, financial plans, capital policies, dividend policies, asset utilization policies, etc., expected after participating in the management of the Company and our group
- 5) Whether any changes will be made to the relationship between our stakeholders such as business partners, customers or employees, etc., and the Company and our group after completion of the Action of Large-Scale Purchase and the details thereof
- 6) Other information the Board of Directors or the Independent Committee (please refer to 4. “Establishment of an Independent Committee” below, Appendix 2 “Overview of the Independent Committee,” and (Note 8)) deems reasonably necessary for evaluating the validity and legality, etc., of the Action of Large-Scale Purchase.

Note 8: As a third-party body independent from the Board of Directors, the Independent Committee shall engage in supervision to ensure the Policy is not used for Directors’ own interests, and shall work to prevent purchases that violate the protection and enhancement of corporate value and the common interests of its shareholders. In order to make fair and reasonable judgment, the Independent Committee comprises three or more members appointed from Outside Directors, attorneys-at-law, certified public accountants, academic experts, persons who are well-versed in investment banking, corporate managers with proven track records or other similar persons, who are independent from the management team that engages in the business execution of the Company, and do not have any special interests with the Company or the Board of Directors. Furthermore, the names and career summary of Independent Committee Members as of the continuation of the Policy are as described in Appendix 3 “Names, Career Summary and Positions of Independent Committee Members” below.

From the perspective of the prompt implementation of the Large-Scale Purchase Rules, the Board of Directors may set a deadline for the submission of information by the Large-Scale Purchaser. However, this deadline may be extended if there is a request for extension from the Large-Scale Purchaser based on reasonable cause.

Furthermore, if it is recognized that the fact a proposal for the Action of Large-Scale Purchase and the Necessary Information are submitted to the Board of Directors is necessary for shareholders’ judgment, the Board of Directors discloses this information in full or in part at a time judged appropriate.

(3) The Board of Directors’ Evaluation Period

The Board of Directors believes that a period of 60 days (if purchasing all of the Company’s shares through a tender offer in exchange for cash (yen) only) or 90 days (if some other Action of Large-Scale Purchase) should be granted as a period during which the Board of Directors conduct evaluations,

investigations, negotiations, form opinions as the Board of Directors, and formulate alternative plans as the Board of Directors (hereinafter referred to as the “Board of Directors’ Evaluation Period”), reckoned from the completion of the provision of Necessary Information by the Large-Scale Purchaser to the Board of Directors, in accordance to the level of difficulty of evaluating the Action of Large-Scale Purchase, etc., During the Board of Directors’ Evaluation Period, the Board of Directors shall adequately evaluate and investigate Necessary Information provided while also consulting the Independent Committee and receiving advice from outside experts, etc., as necessary, and shall respect the recommendations of the Independent Committee to the maximum extent and carefully compile and disclose their opinion as the Board of Directors. Furthermore, as necessary, the Board of Directors may negotiate improvement of conditions related to the Action of Large-Scale Purchase with the Large-Scale Purchaser and present alternative proposals to our shareholders as the Board of Directors. Furthermore, if submission of the Necessary Information is completed, the Board of Directors of the Company shall promptly disclose that fact together with the date the Board of Directors’ Evaluation Period will end.

4. Establishment of the Independent Committee

Under the Policy, in order to ensure objectivity, fairness and rationality in examining and evaluating matters such as the range of information that the Large-Scale Purchaser should provide to the Board of Directors, whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, whether or not the Action of Large-Scale Purchase violates the protection and enhancement of corporate value and common interests of shareholders, and whether or not to take countermeasures, the Company established an Independent Committee as an organization independent from the Board of Directors. The Board of Directors must consult with this Independent Committee, and the Independent Committee shall issue a recommendation regarding matters about which it has been consulted. In order to increase the rationality and objectivity of its judgments, the Independent Committee may obtain, at the Company’s expense, the advice of third parties independent from the management team of the Company, as necessary (including financial advisers, attorneys-at-law, certified public accountants, consultants and other experts). In addition, the Independent Committee shall request that the Directors of the Company, Directors who are Audit & Supervisory Committee Members, employees, etc. attend the meetings of Independent Committee and provide explanations concerning necessary information, while also deliberating and resolving matters on which it has been consulted by the Board of Directors, and providing a recommendation to the Board of Directors based on the content of those resolutions. These recommendations shall be publicly disclosed.

The Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent, and promptly make a resolution regarding whether to invoke countermeasures.

When making a decision, the Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent possible, and must also follow this procedure of receiving a recommendation from the Independent Committee, and therefore the Company positions this as a method that will function to ensure the objectivity, fairness, and rationality of the judgment of the Board of Directors.

The Company plans to appoint a total of seven (7) persons as members of the Independent Committee, Messrs. Kozo Yoneda, Yoshitsugu Asai, Masashige Takayama, Kyosuke Oshima, and Kazumichi Matsuki, and Ms. Reiko Ohashi and Yuko Shirai. The overview of the rules of the Independent Committee is provided in Appendix 2 “Overview of the Independent Committee Regulations,” and the career summary and positions of each member are given in Appendix 3 “Names, Career Summary and Positions of Independent Committee Members.”

5. The Policy If Action of Large-Scale Purchase Take Place

(1) In the Event the Large-Scale Purchaser Does Not Comply with Large-Scale Purchase Rules

In the event the Large-Scale Purchaser does not comply with Large-Scale Purchase Rules, regardless of its purchase method, the Board of Directors may oppose such Action of Large-Scale Purchase by taking countermeasures approved by the Companies Act of Japan and other laws such as the issuing of stock acquisition rights, with the aim of protection and enhancement of the Company’s corporate value and common interests of its shareholders. The Board of Directors shall determine whether the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, and whether or not to invoke countermeasures, while receiving advice from outside experts, etc. and respecting the recommendations of the Independent Committee as much as possible.

(2) If the Large-Scale Purchaser Has Complied with Large-Scale Purchase Rules

Countermeasures shall not be taken with regards to such Action of Large-Scale Purchase if the Large-Scale Purchaser has complied with Large-scale Purchasing Rules, and even if the Board of Directors

is opposed to the Action of Large-Scale Purchase, it shall only persuade shareholders by expressing its opposing opinion regarding the purchase proposal and presenting an alternate proposal. Whether to accept the Large-Scale Purchaser's purchase proposal should be decided by our shareholders after considering opinions and alternative proposals, etc., regarding the purchase proposal by the Purchaser and purchase proposals made by the Company.

However, even if the Large-Scale Purchase Rules have been complied with, if evaluations by the Board of Directors conclude that such Action of Large-Scale Purchase significantly damage the Company's corporate value and common interests of shareholders, for example, the Action of Large-Scale Purchase falls under any of the categories 1 to 8 below, and as a result it will damage the Company in a way that will be difficult to recover from, the Board of Directors may as an exception, and within a necessary and appropriate range, take countermeasures in order to protect and enhance corporate value and common interests of shareholders after receiving advice from outside experts, etc. and given maximum respect to the recommendations of the Independent Committee. It will also receive approval at a General Meeting of Shareholders as necessary.

- 1) A purchase of the Company's shares whose objective is deemed to increase the share price and force parties related to the Company to purchase those shares at a high price, despite not truly having any intention to participate in the management of the Company (cases judged to be so-called green-mailing)
- 2) When purchasing the Company's shares for the purpose of temporarily controlling the management of the Company to engage in so-called scorched-earth management, such as forcing the transfer to the Large-Scale Purchaser or its group companies, etc., of intellectual property necessary for the management of the Company's businesses, know-how, confidential corporate information, or main trading partners and customers, etc.
- 3) When deemed purchasing the Company's shares for the purpose of diverting the Company's assets as security or funds for repayment of the buyer's or their group companies' debts after controlling the management of the Company
- 4) When purchasing shares for the purpose of temporarily controlling the management of the Company to sell or otherwise dispose of high value assets such as real estate, securities, etc., not related to the businesses of the Company for now and for the foreseeable future, and using the profits from such disposal to pay a temporarily high dividend, or for the purpose of using the opportunity of the rapid rise in share value resulting from the temporarily high dividend to sell the Company's shares at a high price
- 5) When deemed to be conducting a purchase that may effectively force our shareholders to dispose of the Company's shares such as coercive two-stage acquisition (a purchase method for the Company's shares presented by the Large-Scale Purchaser that sets less favorable purchasing conditions during the second stage than the initial purchase, or in which share purchasing is conducted as a tender offer, etc., without clarifying purchasing conditions of the second stage)
- 6) Cases when it is judged that as a result of the Large-Scale Purchaser acquiring control, the interests of stakeholders such as employees, customers, or business partners, etc., will be harmed, and as a result, the Company's corporate value and common interests of its shareholders will be significantly harmed
- 7) Cases when it is judged that the purchase terms for the Company's shares presented by the Large-Scale Purchaser are highly insufficient or inappropriate in view of the corporate value of the Company (including the amount and type of consideration, the timing of the purchase, etc., the legality of the purchase method, and policies with regard to the treatment of stakeholders such as employees, customers, or business partners, etc., of the Company after the purchase, etc.)
- 8) Cases when it is judged with reasonable basis that the Large-Scale Purchaser is unsuitable as a controlling shareholder of the Company, from the perspective of public order or good morals.

(3) Resolution of the Board of Directors and Holding of the General Meeting of Shareholders

When judging the appropriateness of activating countermeasures as described in items (1) and (2) above, the Board of Directors shall make a resolution regarding whether to invoke countermeasures, etc., as an organization under the Companies Act, while respecting the recommendation of the Independent Committee to the maximum extent, and after sufficiently considering the necessity and appropriateness, etc., of countermeasures.

Regarding the specific method to implement, the Board of Directors shall choose the method that is judged the most appropriate at that time. As an example of a specific countermeasure, an overview of a case when the Board of Directors conducts an allotment of stock acquisition rights without contribution is given in Appendix 1, but in the event that an allotment of stock acquisition rights without contribution is

actually conducted, an exercise period or other exercise conditions may be determined in view of its effect as a countermeasure, such as exercise condition of stock acquisition rights where the shareholder does not belong to a specific shareholder group with a ratio of voting rights above a certain level.

In addition, if the Independent Committee makes a recommendation regarding the activation of countermeasures and requests a holding of a General Meeting of Shareholders regarding a resolution for the invocation, the Board of Directors may establish a period of up to 60 days for shareholders to sufficiently consider whether to approve the invocation of countermeasures under the Policy (hereinafter, the “Shareholder Consideration Period”), and may hold a General Meeting of Shareholders during this Shareholder Consideration Period.

If the Board of Directors resolves to hold a General Meeting of Shareholders and determine a record date, the Board of Directors’ Evaluation Period shall end on that day, and the procedure shall immediately move to the Shareholder Consideration Period.

When holding such a General Meeting of Shareholders, the Board of Directors shall disclose shareholders the Necessary Information provided by the Large-Scale Purchaser, the opinion of the Board of Directors regarding the Necessary Information, alternative proposal by the Board of Directors, and documents describing any other matters judged appropriate by the Board of Directors, together with the Notice of the General Meeting of Shareholders, and shall make timely, appropriate disclosure thereof.

If a resolution is made at a General Meeting of Shareholders regarding whether to invoke countermeasures, the Board of Directors shall comply with that resolution. If the General Meeting of Shareholders resolves to reject the activation of countermeasures, the Board of Directors shall not invoke countermeasures.

In addition, the Shareholder Consideration Period shall end at the conclusion of the General Meeting of Shareholders, and the Company shall make timely, appropriate disclosure of the results of the General Meeting of Shareholders after the resolution.

(4) Waiting Period for Action of Large-Scale Purchase

If there is no Shareholder Consideration Period, the period from when the letter of intent described in the above 3. (2) “Provision of Information of the Large-Scale Purchase” is submitted to the Board of Directors until the end of the Board of Directors’ Evaluation Period, shall be the Waiting Period for Action of Large-Scale Purchase, or if there is a Shareholder Consideration Period, this shall be the combined period until the end of the Board of Directors’ Evaluation Period and the Shareholder Consideration Period. The Action of Large-Scale Purchase may not be conducted during the Waiting Period for Action of Large-Scale Purchase.

Therefore, the Action of Large-Scale Purchase may only be commenced after the end of the Waiting Period for Action of Large-Scale Purchase.

6. Impact on Shareholders and Investors, etc.

(1) Impact, etc. of Large-Scale Purchase Rules on Shareholders and Investors

Large-Scale Purchase Rules aim to provide our shareholders information necessary for them to make judgments on whether to accept Action of Large-Scale Purchase and the opinion of the Board of Directors currently responsible for managing the Company, and to secure opportunities for our shareholders to be informed of alternative proposals. We believe that as a result, our shareholders will be able to make appropriate judgments regarding whether to accept Action of Large-Scale Purchase based on sufficient information, which will lead to protection and enhancement of the Company’s corporate value and common interests of shareholders. Consequently, the establishment of Large-Scale Purchase Rules is a prerequisite for our shareholders and investors to make appropriate investment decisions, and is thought to contribute to the interests of our shareholders and investors.

As stated in 5. “The Policy If Action of Large-Scale Purchase Take Place” above, our policy against Action of Large-Scale Purchase differ dependent on whether the Large-Scale Purchaser has complied with Large-Scale Purchase Rules, and we ask for our shareholders and investors to pay careful attention to the movements of Large-Scale Purchasers.

(2) Impact, etc. of Invocation of Countermeasures on Shareholders and Investors

The Board of Directors may take countermeasures with the aim of protecting corporate value and common interests of shareholders, but if the Board of Directors has decided to take specific countermeasures, appropriate disclosure should take place in a timely manner in accordance with stock exchange regulations and other laws and regulations. Given the structure of such countermeasures, the Company does not expect situations to arise in which its shareholders suffer from any losses economically

or in terms of their legal rights (the shareholders exclude Large-Scale Purchaser who has violated Large-Scale Purchase Rules and Large-Scale Purchaser who conducts Action of Large-Scale Purchase deemed significantly damaging the Company's corporate value and common interests of shareholders).

Of the conceivable countermeasures, if stock acquisition rights are issued, it may be necessary to pay a certain amount within a specific period to exercise the stock acquisition rights. If the Board of Directors of the Company decides to acquire the stock acquisition rights, the Company will provide new shares to its shareholders as consideration for the stock acquisition rights without monetary payment. Specific details of such procedures shall be announced separately pursuant to laws and regulations when an issue of stock acquisition rights is decided. However, shareholders whose registration or recording in the shareholder register is incomplete (so-called entry of name change) must complete their registration or recording in the shareholder register by the record date of the stock acquisition rights separately determined and announced by the Board of Directors, in order to acquire the stock acquisition rights (entry of name change procedures is not necessary for shares deposited with the Japan Securities Depository Center).

However, even after the Independent Committee has recommended the invocation of countermeasures to the Board of Directors, if the Large-Scale Purchaser withdraws the purchase after the recommendation, and if fluctuations arise in the actual facts that formed the basis of the recommendations, and if such purchase by the Large-Scale Purchaser is judged not to fall under 1) or 8) in "(2) If the Large-Scale Purchaser Has Complied with Large-Scale Purchase Rules" in "5. The Policy If Action of Large-Scale Purchase Take Place" above, the Independent Committee may recommend the cancellation of the invocation of countermeasures to the Board of Directors, or to withdraw the previous recommendation.

If the Board of Directors cancels the issuance of stock acquisition rights or acquires the stock acquisition rights without consideration, the share value per share is not diluted and shareholders or investors who purchased or sold shares on the assumption that the value of shares would be diluted on or after the ex-rights date of the allotment of stock acquisition rights without contribution may suffer contingent damages due to the fluctuation in share price.

7. Effective Period, etc. of the Large-Scale Purchase Rules

The effective period of the Policy shall be until the conclusion of the Annual General Meeting of Shareholders to be held in June 2022. The Policy shall be brought as a proposal at this Annual General Meeting of Shareholders, and if it is approved by shareholders, it shall be brought as a proposal at the Annual General Meeting of Shareholders of the Company to be held every year in June, from next year onward, and thus the intention of shareholders will be confirmed. However, if the approval of shareholders is not obtained regarding the continuation of the Policy at this Annual General Meeting of Shareholders, then the Policy shall be abolished at that point.

Even during the effective period of the Policy, if a resolution is made to cancel the Policy by the Board of Directors, then the Policy shall be abolished at that point. Furthermore, from the perspective of the protection and enhancement of corporate value and common interests of shareholders, the Company intends to review the Policy as needed based on trends in judicial judgments, the responses of public bodies, and developments and amendments to related laws and regulations, including the Companies Act and the Financial Instruments and Exchange Act, etc. The Board of Directors may amend the Policy regardless if prior to expiration of the effective period, while respecting the recommendations of the Independent Committee to the maximum extent.

The status of major shareholders as of March 31, 2021 is as shown in "2. Overview of the Company, (1) Status of Shares in the [Appendix] Business Report" in this Notice.

8. Rationality of the Policy

As shown below, the Policy is highly rational.

1) The Policy fully satisfies the requirements of the guidelines regarding Anti-Takeover Measures

The Policy fully satisfies the three basic principles (principle of protection and enhancement of corporate value and common interests of shareholders, principle of prior disclosure and shareholders' intentions, principle of necessity and suitability) provided in the "Guidelines Regarding Takeover Defense for the Purposes of the Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

Additionally, it is based on the content of "The Proper Role of Takeover Defense Measures in Light of Recent Changes in Various Environments" published on June 30, 2008 by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry.

2) The Policy is introduced with the purpose of protecting and enhancing the Company's corporate value

and common interests of shareholders

The Policy provides the necessary information, time, or opportunities, etc. to be informed of alternative proposals by the Board of Directors in cases of Large-Scale Purchases in order for our shareholders to make judgments on whether to accept such Action of Large-Scale Purchase. The Policy is implemented with the purpose of protecting and enhancing the Company's corporate value and common interests of shareholders.

3) The Policy depends on the rational will of shareholders

The Board of Directors has decided to implement the Policy, but as described in 7. "Effective Period, etc. of the Large-Scale Purchase Rules" above, the Policy shall be brought as a proposal at this Annual General Meeting of Shareholders in order to confirm the intention of shareholders regarding the Policy, and in the event that the consent of shareholders is not obtained, the Policy shall be abolished at that time. As a result, the existence and content of the Policy shall depend on the rational decision of the Company's shareholders. In addition, the intention of shareholders regarding the Policy shall be reflected at the Annual General Meeting of Shareholders of the Company to be held every year.

4) Importance of the decision of a party with a high level of independence

Upon the implementation of the Policy, in order to eliminate arbitrary decisions by the Board of Directors when invoking countermeasures, etc., an Independent Committee was established as an advisory body to provide realistic evaluations from an objective perspective for the shareholders of the Company. The Independent Committee consists of more than three members, and in order to make fair, neutral judgments, comprises Outside Directors of the Company and external experts (attorneys-at-law, certified public accountants, academic experts, persons who are well-versed in investment banking, corporate managers with proven track records, or other similar persons), who are independent from the management team that engages in the business execution of the Company, and do not have any special interests with the Company or the management team of the Company.

5) Establishes rational and objective activation conditions

As stated in 5. "The Policy If Action of Large-Scale Purchase Take Place" above, the Policy has been set out so that it cannot be invoked unless predetermined rational and objective conditions for activation are fulfilled. It is therefore considered that a system for ensuring the prevention of any arbitrary activation by the Board of Directors has been ensured.

6) The Policy is not a dead-hand anti-takeover measure

As stated in 7. "Effective Period, etc. of the Large-Scale Purchase Rules" above, the Policy stipulates that it can be discontinued by the Board of Directors comprising Directors elected at a General Meeting of Shareholders of the Company. Therefore, it is possible that the Policy be discontinued by a Board of Directors comprising of Directors nominated by a Large-Scale Purchaser at a General Meeting of Shareholders. Thus, the Policy is not a dead-hand anti-takeover measure (a takeover defense measure that cannot be prevented even by the replacement of a majority of the members of the Board of Directors).

1. Shareholders entitled to be granted stock acquisition rights and conditions for issuing options

Stock acquisition rights shall be allocated without requiring further payment at a ratio of acquisition right per common stock owned in the Company (excluding the Company's common stock held by the Company) to shareholders recorded in the final shareholder registry on the record date prescribed by the Board of Directors.

2. Class and number of shares subject to stock acquisition rights

The class of shares subject to stock acquisition rights shall be the Company's common stock, and the total number of shares subject to stock acquisition rights shall be limited to the total number of authorized shares on the record date prescribed by the Board of Directors less the total number of issued shares of the Company's common stock (excluding the Company's common stock held by the Company). The number of shares subject to one stock acquisition right shall be the number prescribed separately by the Board of Directors; provided, however, that necessary adjustments shall be made if the Company splits shares or consolidates shares.

3. Total number of stock acquisition rights issued

The total number of stock acquisition rights issued shall be prescribed separately by the Board of Directors. The Board of Directors may allocate stock acquisition rights more than once.

4. Amount of property to be invested (amount to be paid) when exercising each stock acquisition right

The amount of property to be invested (the amount to be paid) when exercising each stock acquisition right shall be one yen or more and such amount shall be prescribed by the Board of Directors, and the maximum amount shall be half of the market price of the Company's shares.

5. Restrictions on the transfer of stock acquisition rights

Approval from the Board of Directors is required for the acquisition of stock acquisition rights by transfer of stock acquisition rights.

6. Requirements for exercising stock acquisition rights

(1) Specified Large Volume Holder (Note 9), (2) Joint Holder of the Specified Large Volume Holder, (3) Specified Large-Scale Purchaser (Note 10), (4) Persons in Special Relationship with the Specified Large-Scale Purchaser, or (5) any person who was transferred or inherited stock acquisition rights from any person falling under (1) through (4) above without obtaining approval of the Board of Directors, or (6) Affiliated Person (Note 11) of any person falling under (1) through (5) (hereinafter the person falling under any of the above generally shall be referred to as "Non-Qualified Persons") may not exercise stock acquisition rights. The details of the requirements for exercising stock acquisition rights shall be separately determined by the resolution concerning the allotment of stock acquisition rights without contribution.

7. Exercise period, etc. of stock acquisition rights

Effective date of the allotment of stock acquisition rights, exercise period, terms of acquisition and other requirements shall be set out separately by the Board of Directors. The Company may establish terms of acquisition which stipulate that the Company may acquire stock acquisition rights held by the persons other than those who are not allowed, due to the requirements for exercising stock acquisition rights stated in above 6., to exercise stock acquisition rights, and issue certain number of shares of common stock of the Company for one stock acquisition right, as determined separately by the Board of Directors.

Note 9 Refers to a person who is a holder of share certificates, etc. issued by the Company and the ratio of share certificates, etc. held is 20% or more, or a person considered to be a Specified Large Volume Holder by the Board of Directors. However, a person that the Board of Directors recognizes as a person whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company's corporate value or the common interests of shareholders, and other given persons that the Board of Directors separately determined by the resolution concerning the allotment of stock acquisition rights without contribution, are not included.

Note 10 Refers to a person who makes a public announcement of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply

hereinafter in this note), of share certificates, etc. issued by the Company (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) through a tender offer and whose ratio of share certificates, etc. held, in respect to such share certificates, etc. owned by such person after such purchase, etc. (including a similar holding rate as prescribed in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act), is 20% or more when combined with the ratio of share certificates, etc. held by the Persons in Special Relationship, or a person considered to be a Specified Large-Scale Purchaser by the Board of Directors. However, a person that the Board of Directors recognizes as a person whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company's corporate value or the common interests of shareholders, and other given persons that the Board of Directors separately determined in the resolution relating to the allotment of stock acquisition rights without contribution, are not included.

- Note 11 "Affiliated Person" of a given person shall mean a person who controls, is controlled by or is under the common control of such given person (including a person deemed by the Board of Directors to fall under these), or a person deemed by the Board of Directors to act in concert with such given person. "Control" means to "control the decisions of the financial and business policies" (as defined in Article 3, Paragraph 3 of the Regulation for Enforcement of the Companies Act) of other corporations or entities.

1. Establishment of an Independent Committee

In order to ensure the objectivity, rationality, and fairness of the judgments of the Board of Directors regarding the Action of Large-Scale Purchase, the Company shall establish an Independent Committee.

2. Composition and Appointment of the Independent Committee

- (1) Membership of the Independent Committee (hereinafter referred to as the “Independent Committee Members”) shall consist of at least 3 persons.
- (2) Independent Committee Members shall be independent of the management team executing the business of the Company and shall be selected by the Board of Directors from among: Outside Directors, attorneys-at-law, certified public accountants, academic experts, persons who are well-versed in investment banking, corporate managers with proven track records, or other similar persons. The Board of Directors shall appoint the Independent Committee Members by the majority vote of Directors in attendance. When appointing Independent Committee Members, their expertise regarding corporate management, insight regarding corporate value, practical experience, and other factors shall be comprehensively considered in view of their roles as Independent Committee Members.

3. The Term of Independent Committee Members

The term of office of Independent Committee Members shall be, in principle, from the day the Board of Directors appoints that person an Independent Committee Member and approves his or her taking office as an Independent Committee Member, until the conclusion of the first Annual General Meeting of Shareholders held after his or her taking office; reappointment is permitted.

4. Dismissal of Independent Committee Members

If any of the following events occurs, the Board of Directors may dismiss Independent Committee Members by two thirds or more of the votes of Directors in attendance.

- (1) The Independent Committee Member cannot execute his or her duties owing to severe physical or mental disability, or other reasons.
- (2) Cases when it is recognized that the Independent Committee Member has a relationship with a person who is in Large-Scale Purchaser’s group or who will be in Large-Scale Purchaser’s group, and cannot provide a recommendation from an objective and neutral position.
- (3) Cases when the Independent Committee Member has violated laws or regulations, etc.
- (4) Cases when the Independent Committee Member no longer meets the criteria described above in item 2. (2).

5. Duty of Care

Independent Committee Members shall faithfully perform their duties, with the due care of a prudent manager.

6. Convening of the Independent Committee

In accordance with these regulations, the Independent Committee shall be convened as necessary.

7. Convocation of Meetings of the Independent Committee

Meetings of the Independent Committee shall be convened by the Representative Director of the Company or each Independent Committee Member.

8. Authority of the Independent Committee

- (1) The Independent Committee shall deliberate and make decisions regarding the matters set forth below about which it is consulted by the Board of Directors, and make recommendations of its conclusions to the Board of Directors, together with the reasons thereof. The Board of Directors must respect the recommendation of the Independent Committee to the maximum extent possible.
 - 1) Whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules.
 - 2) Whether or not the information submitted by Large-Scale Purchaser to the Board of Directors is sufficient for the Board to form opinions.
 - 3) Whether or not the Action of Large-Scale Purchase violates the protection and enhancement of corporate value of the Company and common interests of its shareholders.

- 4) Whether or not to implement countermeasures.
 - 5) Whether or not the countermeasures to be implemented by the Board of Directors are an appropriate method.
 - 6) Any other matters related to the above.
- (2) The Independent Committee may, at the Company's expense, seek specialist advice from independent third parties (including financial advisers, attorneys-at-law, certified public accountants, consultants and other experts) as necessary for its consideration and deliberations.
 - (3) The Independent Committee may request the submission of necessary materials related to the Company for its consideration and deliberations from Directors, employees, or Directors who are Audit & Supervisory Committee Members of the Company.
9. Recommendations of the Independent Committee
- The contents of recommendations shall be made in principle with the attendance of all members of the Independent Committee and the approval of a majority of the attendance.

Names, Career Summary and Positions of Independent Committee Members

[Appendix 3]

Kozo Yoneda		Born in June 1948
March	1972	Joined the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)
May	1977	Completed the Master's program at the Yale University Graduate School, Department of Economics
April	2001	Executive Officer General Manager, Corporate Banking Dept. II of Sumitomo Mitsui Banking Corporation
June	2002	Chairman and CEO of Japan Equity Capital Co., Ltd.
April	2003	Senior Advisor of Daiwa Securities SMBC Principal Investments Co. Ltd.
June	2005	President of Hirata Corporation
April	2012	President and Representative Director of Kinrei Corporation (currently KR FOOD SERVICE CORPORATION)
December	2014	Outside Director of amifa Co., Ltd. (current position)
June	2015	Outside Director of the Company (current position) Outside Director of Takagi Co., Ltd.
December	2015	Managing Partner of Three Fields LLC. (current position)
November	2016	Outside Director of FORLIFE Co., Ltd. (current position)
June	2018	Outside Director of HOKUETSU METAL LTD. (current position)
Yoshitsugu Asai		Born in May 1954
April	1977	Joined BROTHER INDUSTRIES, LTD.
July	1989	Representative Director & President of BROTHER INDUSTRIES (AUST) PTY LTD
October	2000	General Manager of General Planning Department of BROTHER INDUSTRIES, LTD.
June	2004	Executive Officer; EVP* of I & D Company and General Manager of Corporate Planning Department of BROTHER INDUSTRIES, LTD. *EVP: Executive Vice President
April	2006	Executive Officer, and General Manager of Human Resource Department of BROTHER INDUSTRIES, LTD.
April	2011	Managing Executive Officer and General Manager of Legal & General Affairs Department responsible for Corporate Communication (Public Relations) Department of BROTHER INDUSTRIES, LTD.
April	2016	Managing Executive Officer responsible for Finance & Accounting Department, Law, Environment & General Affairs Department and CSR & Corporate Communication of BROTHER INDUSTRIES, LTD.
June	2017	Outside Director of FUJIMI INCORPORATED (current position)
June	2020	Outside Director of the Company (current position)
Masashige Takayama		Born in September 1961
September	1987	Joined Eiwa Audit Corporation (currently KPMG AZSA LLC)
February	1990	Joined Kyowa Audit Corporation
August	1990	Registered as a certified public accountant
January	2007	Senior Partner of Kyowa Audit Corporation (current position) Senior Partner of Kyowa Tax Corporation (current position)
June	2012	Outside Auditor of the Company
August	2013	Consultant of Public Interest Commission, Cabinet Office, Government of Japan (current position)
April	2015	Auditor of National Museum of Nature and Science (current position)
June	2016	Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Kyosuke Oshima		Born in January 1954
August	1982	Joined SUNX Limited (currently Panasonic Industrial Devices SUNX Co., Ltd.)
June	2000	Director, General Manager of Sensor Business Division of SUNX Limited
June	2007	Managing Director, in charge of Corporate Planning, Human Affairs, Legal Affairs, Internal Control of SUNX Limited
June	2011	Full-time Auditor of SUNX Limited
June	2015	Outside Director of the Company
June	2016	Outside Director (Audit & Supervisory Committee Member) (current position)
Kazumichi Matsuki		Born in August 1951
April	1976	Joined Mitsubishi Corporation
June	1979	Gained Legum Magister (LLM) at the Harvard Law School
January	2003	General Manager, Legal Dept. of Mitsubishi Corporation
April	2007	Senior Vice President
May	2007	Chairman of the Association of Corporate Legal Departments
April	2009	Senior Vice President, Senior Assistant of Corporate Functional Officer and General Manager of Compliance of Mitsubishi Corporation
April	2010	Visiting Professor of the University of Tokyo Graduate Schools for Law and Politics
April	2011	Executive Officer of Hokuetsu Kishu Paper Co., Ltd. (currently Hokuetsu Corporation)
June	2011	Director of Hokuetsu Kishu Paper Co., Ltd. Member of Special Subcommittee on the Criminal Justice System in the New Era, Legislative Council of the Ministry of Justice
June	2013	Managing Director of Hokuetsu Kishu Paper Co., Ltd.
June	2016	Director of Dream Incubator Inc. Auditor of SANDEN HOLDINGS CORPORATION (current position)
June	2018	Outside Director of the Company
March	2019	Outside Director of the Board of Nissha Co., Ltd. (current position)
June	2020	Outside Director of the Company (Audit & Supervisory Committee Member) (current position)
Reiko Ohashi		Born in July 1962
October	1991	Joined Century Audit Corporation (currently ERNST & YOUNG SHINNIHON LLC)
March	1995	Registered as a certified public accountant
July	2009	Managing Director of Ohashi Certified Public Accountant Office (current position)
June	2014	Senior Partner of Audit Corporation Yakumo (current position)
October	2015	Auditor of JAPAN SPORT COUNCIL (current position)
September	2020	Auditor of the Tokyo University of Agriculture and Technology (current position)
June	2021	Outside Director of the Company (planned)

Yuko Shirai		Born in February 1954
April	1986	Registered as an attorney-at-law (member of Tokyo Bar Association)
April	1991	Established Wing Law Office, Partner (current position)
April	2004	Director, Kanto Federation of Bar Associations
April	2005	Expert Committee Member and Conciliation Committee Member, Tokyo District Court
May	2009	Chair, Shinjuku Ward Board of Education
April	2010	Auditor, Japan Federation of Bar Associations
April	2011	Auditor, Japan Intellectual Property Arbitration Center
April	2012	Vice-President, Tokyo Bar Association
October	2013	Chair, Shinjuku Ward Board of Education
June	2015	Outside Director, Seika Corporation (current position)
April	2016	Audit Commissioner, Shinjuku Ward, Tokyo (current position)
June	2021	Outside Director of the Company (planned)

The five (5) Independent Committee Members listed above except Ms. Reiko Ohashi and Yuko Shirai satisfy the requirements of Outside Directors prescribed in the Companies Act and the independency required by the Tokyo Stock Exchange. The Company has filed with the Exchange a notification to establish that they are Independent Officers.

The Company plans to file with the Exchange a notification to establish that Ms. Reiko Ohashi and Yuko Shirai are Independent Officers.