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Ticker symbol 8830

June 7, 2022

Sumitomo Realty & Development Co., Ltd.

2-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Kojun Nishima,

Executive Managing Director and President

To Our Shareholders:

NOTICE OF CONVOCATION OF THE 89TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 89th Ordinary General Meeting of Shareholders of Sumitomo Realty & Development Co., Ltd. (the “Company”) will be held as stated below. Your attendance is respectfully requested.

In the event that you are unable to attend, you can exercise your voting rights with either of the methods below. You are requested to review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights.

[Exercising Voting Rights via Mail]

Please indicate your approval or disapproval on the enclosed Form for the Exercise of Voting Rights and return it to the Company by 5:40 p.m. on Tuesday, June 28, 2022.

[Exercising Voting Rights via the Internet, etc.]

Please enter your approval or disapproval on the voting rights exercise website designated by the Company (<https://www.web54.net>) by 5:40 p.m. on Tuesday, June 28, 2022.

Particulars

- 1. Date and Time:** 10:00 a.m. on Wednesday, June 29, 2022
- 2. Place:** Shinjuku Sumitomo Hall (Entrance B1F), Shinjuku Sumitomo Building,
2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports for Consolidated Financial Statements for the 89th fiscal year (from April 1, 2021 to March 31, 2022) by the Independent Auditor and the Board of Corporate Auditors
2. Financial Statements for the 89th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

Agenda 1. Appropriation of Retained Earnings

Agenda 2. Partial Amendment to the Articles of Incorporation

Agenda 3. Election of One Substitute Corporate Auditor

Agenda 4. Renewal of the Policy for Takeover Defense Measures Against Purchase Proposals That Undermine the Corporate Value of the Company (Policy on Large-Scale Purchase of Shares of the Company)

If attending the meeting, you are kindly requested to submit the enclosed Form for the Exercise of Voting Rights to a receptionist.

If any matter is found to be modified in the Reference Documents for General Meeting of Shareholders, Business Report, Financial Statements and/or Consolidated Financial Statements, the revised matters will be posted on the Company website.

Of the documents to be provided with this Notice of Convocation of the General Meeting of Shareholders, the following items are posted on the Company website in accordance with the provisions of laws and regulations and Article 16 of the articles of incorporation, and therefore are not provided with the documents provided with this Notice of Convocation. Accordingly, the documents attached with this Notice of Convocation constitute part of the documents audited by the Corporate Auditors and the Independent Auditor when preparing their Audit Reports.

1. “Overview of the Corporate Group, Major Lenders and Borrowing Amounts,” “Matters regarding Share Option of the Company, etc.,” “Matters regarding Independent Auditor,” and “Systems for Ensuring Appropriateness of Business Operations and its Operational Status” in the Business Report
2. “Consolidated statement of changes in net assets” and “Notes to consolidated financial statements” in the Consolidated Financial Statements (in Japanese only)
3. “Statement of changes in equity” and “Notes to non-consolidated financial statements” in the Financial Statements (in Japanese only)

The Company website (<https://www.sumitomo-rd.co.jp/english>)

To Institutional Investors

You may use the Electronic Voting System Platform for institutional investors operated by ICJ, Inc. as a method of exercising voting rights.

REFERENCE DOCUMENTS FOR GENERAL MEETING OF SHAREHOLDERS

Agenda and References

Agenda 1. Appropriation of Retained Earnings

The Company's basic policy of profit distribution is to ensure prioritization of investment in lease buildings in order to enhance the long-term revenue base and a "sustainable increase on dividend payments" in line with profit growth. In the fiscal year under review, revenue from operations, operating income, ordinary profit and profit all exceeded the previous year. Ordinary profit recovered to a record high after decreasing during the COVID-19 pandemic for only one fiscal year, and profit renewed a record high for the ninth consecutive year.

Taking this result into consideration, we would like to propose to continue the "annual dividend increase of 5 yen" and to increase the year-end dividend to 23 yen per share (2 yen increase from the previous fiscal year).

If this agenda is approved as originally proposed, the annual dividend per share will be 45 yen (5 yen increase from the previous fiscal year), including the interim dividend of 22 yen per share.

For the next fiscal year ending March 31, 2023, we expect to renew record profit for the 10th consecutive year, and we intend to raise the annual dividend by 5 yen from the fiscal year under review to 50 yen (including an interim dividend of 24 yen).

Matters concerning year-end dividends

Type of dividends

Cash

Matters concerning allocation of dividends to shareholders and the aggregate amount

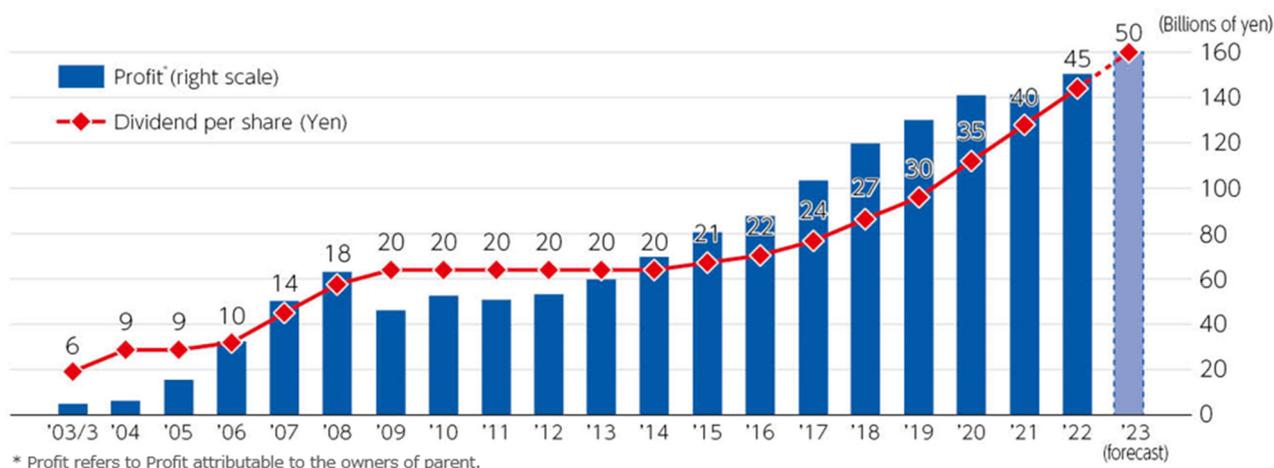
Dividends of 23 yen per share of common stock of the Company

The aggregate amount: 10,900,595,988 yen

The effective date of the appropriation of retained earnings

June 30, 2022

Dividend per share and profit



Agenda 2. Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No.70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to the articles of incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph 1 in “Proposed Amendment” below will stipulate that the Company shall take measures for providing information that constitutes the content of Reference Documents for General Meeting of Shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 in “Proposed Amendment” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure of Reference Documents for General Meeting of Shareholders, Etc. (Article 16 of the current articles of incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendment

Details of the amendment are as follows:

(Underlined portions indicate the proposed amendment.)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Internet Disclosure of Reference Documents, Etc.)</u></p> <p>Article 16.</p> <p>The Company may disclose information that is to be stated or presented in the Reference Documents for General Meeting of Shareholders, Financial Statements, Consolidated Financial Statements, and Business Report through the internet in accordance with the provisions of the Ministry of Justice Order.</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 16.</u></p> <p><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of Reference Documents for General Meeting of Shareholders, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Supplementary Provisions)</u></p> <p><u>Article 1.</u></p> <p><u>1. The deletion of Article 16 (Internet Disclosure of Reference Documents, Etc.) in the pre-amended articles of incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the amended articles of incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No.70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the pre-amended articles of incorporation (Internet Disclosure of Reference Documents, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. The provisions of this article shall be deleted on the date either when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Agenda 3. Election of One Substitute Corporate Auditor

The Company requests approval for the election of one substitute corporate auditor, to provide for the case where the number of incumbent auditors becomes less than the number stipulated in laws and regulations, which require majority is comprised of outside corporate auditors. The board of corporate auditors has consented to this agenda.

Candidate for substitute corporate auditor:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
<p style="text-align: center;">Kozo Uno (July 3, 1933)</p> <p style="text-align: center;">Outside Independent</p>	Aug. 1963 Registered as certified public accountant	0
	July 1969 Senior Partner of the auditing corporation Asahi & Co. (Currently KPMG AZSA LLC)	
	Apr. 1974 Registered as certified tax accountant	
	May 1974 Founded Uno Kozo Certified Public Accountant Office (present)	
	Oct. 1993 Vice President of Asahi & Co (Currently KPMG AZSA LLC)	
	May 1997 President of Asahi & Co	
	May 1999 Chairman of Asahi & Co	
	May 2001 Retired from Asahi & Co	
<p>Reasons for nomination as candidate for substitute outside corporate auditor</p> <p>Mr. Kozo Uno has expertise as certified public accountant and certified tax accountant, and rich experience and wide discernment as president of auditing firm, etc. The Company deems him to be suitable as a substitute outside corporate auditor, and therefore proposes his election.</p>		

- Notes:
1. There is no special conflict of interest between the candidate and the Company.
 2. If this agenda is approved and Mr. Kozo Uno assumes office as an outside corporate auditor, the Company will register him as an independent officer with Tokyo Stock Exchange, Inc.
 3. If this agenda is approved and he assumes office as an outside corporate auditor, the Company will enter into a limited liability agreement with him in accordance with laws and regulations and the articles of incorporation. Under the agreement, his liability is limited to the minimum limit stipulated by laws and regulations.
 4. The Company has concluded a director and office liability insurance policy with an insurance company, whereby insured persons will be compensated for any legal damages and litigation costs incurred under the policy. If this agenda is approved and he assumes office as an outside corporate auditor, he will be included as an insured person under the insurance policy.

Agenda 4. Renewal of the Policy for Takeover Defense Measures Against Purchase Proposals That Undermine the Corporate Value of the Company (Policy on Large-Scale Purchase of Shares of the Company)

Sumitomo Realty & Development Co., Ltd. (the “Company”) adopted a policy toward large-scale purchase of the Company shares based on the decision of the meeting of Board of Directors (the “Board of Directors”) dated May 17, 2007. The policy was continued based on the resolution of the shareholders’ meeting of the 74th fiscal year dated June 2007, and was renewed with partial modifications based on the resolutions of the shareholders’ meetings of the 77th fiscal year, the 80th fiscal year, the 83rd fiscal year and the 86th fiscal year (the policy after the renewal shall be hereinafter referred to as the “Current Policy”). The term of the Current Policy will expire upon the conclusion of this meeting. The Company has continued to consider the proper role of the Current Policy as one of its initiatives for increasing corporate value and common interests of shareholders since renewal of the Current Policy, in light of changes in social and economic circumstances, and trends and progress made in various discussions surrounding takeover defense measures.

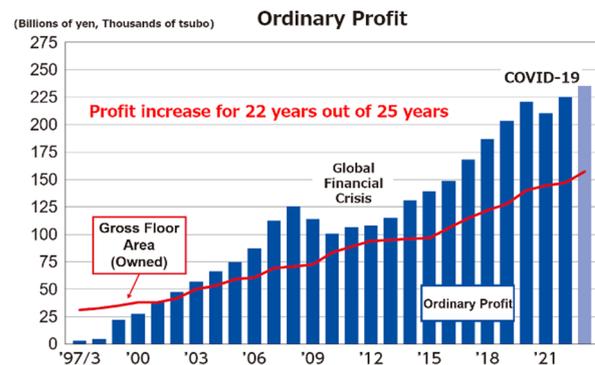
After examining the issue, as a means to prevent malicious takeover proposals that undermine corporate value, the Company made the decision, by resolution of the meeting of the Board of Directors held on May 12, 2022, to renew the Current Policy, subject to the approval of this meeting (the “Renewal.” The policy after the renewal shall be hereinafter referred to as the “Policy”). Views expressing objection to the Renewal were not raised by any of the Company’s corporate auditors including the two outside corporate auditors, or outside directors with respect to the resolution of the meeting of the Board of Directors where the decision on the Renewal was made.

Therefore, we would like to kindly ask you to approve the Renewal.

1. Initiatives to increase the Company’s corporate value and common interests of shareholders, and the necessity for the Policy

(1) Steadily achieving objectives of the medium-term management plans and maintaining the revenue and profit growth trajectory

With top priority placed on achieving objectives of the medium-term management plans it draws up every three years, the Company has increased its corporate value as a result of having steadily carried out such initiatives. Over the past 25 years, the Company has executed eight management plans, and has achieved increases in ordinary profit in 22 fiscal years, excluding the three fiscal years of the global financial crisis and the COVID-19 pandemic.



In the first 10 fiscal years (three medium-term management plan periods), the Company focused on restoring its asset base, which had been damaged by the bursting of Japan’s bubble economy, and reducing interest-bearing debt. In the latter 15 fiscal years (five medium-term management plan periods), the Company doubled leasing assets, strengthened management foundations by strengthening the four segments of leasing, sales, construction and brokerage, and enhanced shareholders’ equity, lifting the credit rating to the AA zone.

Over the next three medium-term management plan periods through fiscal 2030, the Company will maintain a stance that prioritizes the allocation of funds to further investment to increase leasing assets and take steps for sustainable profit growth, while also aiming to create a resilient management foundation and achieve sustainable growth, based on the high level of social contribution of the Company’s businesses themselves, excess funding capability, and the increased level of freedom of capital policies. At present, there are various issues in the management environment such as the COVID-19 pandemic, geopolitical risk and instability in resource procurement, but as the Company expects to achieve ordinary profit of 300 billion yen for fiscal 2030, it will position the new medium-term management plan announced in May 2022, the “Ninth Management Plan (fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025),” as the first step to achieving that target, and exert every effort to continue enhancing corporate value.

(2) Growth underpinned by central Tokyo office building leasing business and corporate value

The real estate leasing business primarily involving office buildings in central Tokyo has been a driving force underpinning the Company's growth thus far. Given that this business accounts for nearly 70% of the Company's operating income overall, it clearly forms the core aspect of its corporate value acting as a major pillar of operations.

The Company has been expanding its business platform by promoting development of office buildings with a specific focus on central Tokyo over roughly half a century since the early 1970s, an era that ushered in completion of the Shinjuku Sumitomo Building, often referred to as "the triangle building." The Company has experienced unprecedented economic crises such as the bursting of Japan's bubble economy and the 2008 global financial crisis in wake of the Lehman Brothers collapse, and various changes in the business environment such as Japan's bubble economy and business conditions under Abenomics policies. Still, the Company has consistently persisted with respect to unwaveringly implementing its management policies such that: (i) the Company will not pursue temporary gains by selling assets; (ii) the Company will develop sites and construct buildings; and (iii) the Company will hold ownership of the buildings constructed on sites it has developed to generate stable leasing income over the long-term by owning and leasing such buildings. The Company has consequently grown to become a building owner with a diverse portfolio of more than 230 buildings located in central Tokyo, and cash flows from the leasing business exceeded 220 billion yen in the fiscal year ended March 31, 2022 (operating income of the real estate leasing business + depreciation).

The office building leasing business calls for comprehensive strengths for carrying out business encompassing everything from acquisition of development sites to operations that include planning projects, marketing tenants, providing services for tenants and managing buildings. Given that acquiring development sites is the most important of these operations, the Company has been developing sites for buildings as if it were a manufacturer in terms of the approach it takes to redevelopment in terms of purchasing multiple small parcels of land to integrate them into a larger scale and coordinating rights and interests of landowners. In addition, the Company attaches importance to performing building management, tenant marketing, etc. directly, thus grasping the actual condition of clients and sites appropriately and always eagerly working on the improvement of project planning and making operations more efficient. As a result, we have realized high profitability, and have increased the value of the property possessed as well as of the corporation. As of March 31, 2022, unrealized gains from rental and other investment properties, as disclosed in Consolidated Financial Results for Fiscal 2021 (Year ended March 31, 2022), amounted to approximately 3.5 trillion yen having accumulated over the years.

(3) The necessity for the takeover defense measures

In the recently announced Ninth Management Plan, the Company has set forth the continuation and promotion of investment in lease buildings in central Tokyo as its third target, and it aims to further expand its earnings base, increase its corporate value, and augment shareholder returns by successively completing concrete development plans, centered on redevelopment, with a gross floor area of over 700,000 tsubo (one tsubo is roughly 3.3 m²), which constitutes more than 40% of the 1,700,000 tsubo in gross floor area for leasing as of March 31, 2022, and putting these buildings into operation.

Such large-scale development plans involve ultimately generating revenues from the substantial amount of cumulative upfront investment made thus far. The Company has long managed to continuously expand its business platform by developing lease buildings while avoiding exposure to vicissitudes of the real estate market and economic conditions, given that it has always been buoyed by cash flows from the leasing business which have been a stable source of revenues. As such, the Company needs to maintain and further expand its cash flows from the leasing business, which have grown to exceed 200 billion yen, in order to confidently carry out such upfront investment without having to continually resort to interest-bearing debt. Moreover, it is likely to take another two or three medium-term management plan periods before the Company achieves full profitability given that the focus has been on large-scale redevelopment.

On the other hand, amid large-scale financial easing, appetite for investment in top-class domestic revenue-generating real estate has increased, and it cannot be denied that there is a risk that a large-scale acquisition will be forcefully conducted in a one-sided manner in relation to shares of the Company, which holds many top-class buildings in Tokyo. If the management policies of the Company, which aim to sustainably enhance corporate value through the steady accumulation of leasing assets that the Company has continued

to build up over the past half a century, are rejected and a short-term management policy is adopted to seek temporary earnings and realizes latent gains by selling real estate holdings prior to having accomplished the objectives of the development plans formulated to contribute to higher corporate value in the future, cash flows from the leasing business that act as a stable revenue source will decrease as a result, thereby exposing the development plans to financial risk. As such, the Company is unable to rule out a possible threat of damage to the foundations of the Company's corporate value.

The Company's management policy aims to steadily increase corporate value based on a medium- to long-term outlook, and is consequently incompatible with such short-term management policies. As such, until there is a general timeline for the generation of revenues from development plans covering over 700,000 tsubo, which is equivalent to over 40% of the current gross floor area in operation, and development plans that are not reflected in corporate value have decreased to a certain proportion, the Company needs to seek a mandate from its shareholders upon having ensured sufficient information and time for completing discussions in case an investor seeking to orchestrate a takeover emerges.

In addition, under the Financial Instruments and Exchange Act of Japan, there is a tender offer system in place as a process for ensuring transparency and fairness for share transactions that affect the control of companies, and it is thus ensured that shareholders will have information and time to make an assessment. The tender offer period is however short, at 30 business days, and thus cannot be said to provide sufficient time for consideration. In addition, the Company believes issues remain in relation to the legal system, such as the fact that high-handed purchases and other abusive purchases cannot necessarily be eliminated because partial tender offers are permitted, and the fact that the tender offer system will not be applied in the first place if the purchaser only purchases shares through market transactions.

Based on the above, the Company deems that in order to continue to sustainably enhance the corporate value of the Company in the future, the provision of procedures through the Policy continues to align with the common interests of shareholders.

2. Basic conceptions regarding the Policy

The Company believes that if a large-scale purchase, as defined below, of the Company shares ("Large-Scale Purchase") is initiated, the shareholders should decide whether to accept or reject the Large-Scale Purchase. In order for the shareholders to correctly recognize the effect on the corporate value and common interests of shareholders, however, it is necessary that both the party making the Large-Scale Purchase (the "Large-Scale Purchaser") and the Board of Directors provide to the shareholders necessary and sufficient information, opinions, alternative proposals etc., and necessary and sufficient time to consider them.

Based on the basic conceptions above, the Board of Directors set out rules on Large-Scale Purchase (hereinafter referred to as "Large-Scale Purchase Rules") and request the Large-Scale Purchaser to comply with the Large-Scale Purchase Rules. The Board of Directors shall take certain measures if the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, or even though the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company or if the Large-Scale Purchase significantly damages the corporate value and common interests of shareholders.

To ensure the objectivity, fairness and rationality of decisions of the Board of Directors on important matters regarding the Policy as to whether the Large-Scale Purchase Information Provision Period (to be defined in section 3. below) should be extended or not, whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, whether it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company, whether the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders, whether the Board of Directors should take countermeasures, etc., the Board of Directors shall consult the Special Committee consisting of outside directors, outside corporate auditors, persons with corporate management experience, lawyers, certified public accountants etc., and its recommendation shall be taken into the fullest account.

Large-Scale Purchase

A Large-Scale Purchase refers to either of items (i) through (iii) below:

- (i) A purchase or purchases of shares of the Company where a specific shareholder group (Note 1) intends to hold a ratio of voting rights (Note 2) of 20% or more

- (ii) A purchase or purchases of shares where a specific shareholder group will hold a ratio of voting rights of 20% or more as a consequence
- (iii) An agreement etc. with other shareholders of the Company where a specific shareholder group will hold a ratio of voting rights of 20% or more as a consequence (Note 3)

Purchases or agreements include all transactions regardless of whether the specific purchase means is a market transaction, a takeover bid etc., except for transactions with the Board of Directors approvals in advance.

3. Setting out Large-Scale Purchase Rules

The Board of Directors deems that any Large-Scale Purchase being carried out in accordance with the Large-Scale Purchase Rules, as defined below, aligns with the corporate value and common interests of shareholders.

(1) Outline of the Large-Scale Purchase Rules

- 1) The Large-Scale Purchaser must provide the Board of Directors with necessary and sufficient information regarding the Large-Scale Purchase in advance.
- 2) The Large-Scale Purchaser is to abstain from commencing the Large-Scale Purchase until a certain assessment period by the Board of Directors has elapsed.

Specifically, the Large-Scale Purchaser needs to, first of all, provide to the Board of Directors information necessary and sufficient for the shareholders to make a judgment and for the Board of Directors to form its opinion (hereinafter referred to as “Large-Scale Purchase Information”). The specific content of the information requested differs depending on the profile of the Large-Scale Purchaser and the nature of the Large-Scale Purchase, but the general items are as follows:

- 1) Profile of the Large-Scale Purchaser and its group
- 2) Purpose and nature of the Large-Scale Purchase (especially in the case of a purchase of only a part of the Company’s shares, this item includes the approach concerning the setting of an upper limit for the number of the shares planned to be purchased and the plan related to the modifications of the capital structure after the purchase)
- 3) Calculation basis for the purchase price and proof of purchase funds
- 4) Management policy to manage the Group after completion of the Large-Scale Purchase (including measures for the actual realization of the management policy, i.e. business plans*, financial planning, capital policy, dividend policy, labor policy, plan for efficient use of assets etc., as well as approach concerning the integration or coordination of businesses of the Large-Scale Purchaser with businesses of the Company or of the Group and specific measures so as to avoid conflicts of interests between the Large-Scale Purchaser and the Company or the Group)

* Restructuring plan for existing business, new business plans and capital investment plans are included.

- 5) Policy to deal with the Group’s stakeholders including employees, customers, suppliers, and local communities after completion of the Large-Scale Purchase
- 6) If the Large-Scale Purchaser is operating business of the same type as the Company or the Group, approach concerning the legitimacy of the Large-Scale Purchase under Antimonopoly Law and foreign competition laws

(2) Submission of a letter of intent

If a Large-Scale Purchaser intending to make a Large-Scale Purchase needs to submit to the Board of Directors a letter of intent stating that it will comply with the Large-Scale Purchase Rules. The letter of intent must include the Large-Scale Purchaser’s name and address, the governing law of incorporation, the name of the representative, domestic contact information, and an outline of the proposal of the Large-Scale Purchase. When a letter of intent by the Large-Scale Purchaser is delivered, the information of the letter of intent shall be disclosed in a timely manner.

(3) Request for the Large-Scale Purchaser to provide information

A first list of the Large-Scale Purchase Information that needs to be provided shall be sent by the Board of Directors to the Large-Scale Purchaser within ten days of the receipt of the letter of intent above. If it is

deemed that the information provided is insufficient for the Large-Scale Purchase Information, the Large-Scale Purchaser may be requested to provide additional information until necessary and sufficient Large-Scale Purchase Information is received. In principle, the provision of Large-Scale Purchase Information shall be completed within 60 days from the delivery of the Large-Scale Purchase Information list by the Board of Directors to the Large-Scale Purchaser (hereinafter referred to as “Large-Scale Purchase Information Provision Period”). However, since the specific content of the Large-Scale Purchase Information might differ depending on the nature of the Large-Scale Purchase and its scale, the Board of Directors can extend the Large-Scale Purchase Information Period for a maximum of 30 days, taking into consideration the nature of the Large-Scale Purchase, its scale and the condition of the provision of Large-Scale Purchase Information, based on the recommendation of the Special Committee. The Board of Directors will disclose all or part of the Large-Scale Purchase Information provided at the time considered appropriate if the disclosure is considered necessary for the shareholders’ decision.

(4) Board Assessment Period

Depending on the difficulty of the assessment etc. of Large-Scale Purchases, the Board of Directors will have 60 days*¹ or 90 days*² after the completion of Large-Scale Purchase Information Provision Period to assess and examine the Large Scale Purchase Information, negotiate with the Large Scale Purchaser, form an opinion, and develop an alternative proposal (hereinafter referred to as “Board Assessment Period”). When the Board Assessment Period has started, it shall be disclosed in a timely manner. Hence a Large-Scale Purchase must be initiated only after the expiration of the Board Assessment Period. During the Board Assessment Period, the Board of Directors will assess and examine the provided Large-Scale Purchase Information sufficiently, taking advice from external experts into consideration, and will disclose its opinion. The Board of Directors may negotiate with the Large-Scale Purchaser to improve the conditions of the Large-Scale Purchase and may present its alternative proposal to the shareholders as needed.

*1 For a tender offer in cash only, in yen currency, for all shares of the Company

*2 For other Large-Scale Purchases

4. Policy for handling Large-Scale Purchase

As previously stated, the Company will not overlook abusive behavior with respect to a Large-Scale Purchase. Accordingly, if the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, if it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company, and if the Large-Scale Purchase significantly damages the corporate value and common interests of shareholders, then the Board of Directors deems necessary to take suitable and appropriate action to ensure protection thereof, acting as a fiduciary who assumes the duty of due care of a prudent manager.

(1) If the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules

If the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, the Board of Directors may take countermeasures, including the issuance of share options, permitted by the Corporate Code and other laws and the Company’s Articles of Incorporation, to protect the corporate value and common interests of shareholders. The Board of Directors will decide to take countermeasures, taking the opinions of external experts including lawyers and financial advisors into consideration and taking the recommendations of the Special Committee into the fullest account. The Board of Directors will choose specific measures considered to be appropriate at the time. If the issuance of share options at no cost to subscribers is chosen as a countermeasure, the terms of the share options will be those outlined in Attachment 3 in principle. If share options are issued, the Board of Directors may set a period and conditions to exercise the share options, taking the effect of the countermeasure into consideration.

It is reiterated that the Large-Scale Purchaser should not begin Large-Scale Purchase without complying with the Large-Scale Purchase Rules.

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

The objective of the Large-Scale Purchase Rules is to provide the shareholders with information necessary to make a judgement whether to accept or reject a proposal to purchase the shares of the Company at a scale that could affect the management of the Company, the assessment and opinion of the Board of

Directors which is in charge of management of the Company, and the opportunities to receive an alternative proposal so that the corporate value and common interests of shareholders will be protected. If the Large-Scale Rules are complied with, the Board of Directors in principle will not take a countermeasure by its own judgement.

However, even if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if the Board of Directors determines that it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company or that the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders, specifically, that the Large-Scale Purchase will fall under (i) and (ii) below, after considering the opinions of external experts including lawyers and financial advisors and taking into the fullest account the recommendations of the Special Committee, the Board of Directors may take the exceptional countermeasures to deter the Large-Scale Purchase as described in section 4. (1). If the Board of Directors decides to take countermeasures, it will disclose information appropriately and in a timely manner.

- 1) The Large-Scale Purchaser clearly damages the corporate value and common interests of shareholders through activities described in “i)” through “iv)” below:
 - i) To buy up shares and request the Company to buy them back at a high price
 - ii) To control the management of the Company temporarily, and realize the interests of the purchaser at the cost of the Company’s interests by acquiring important assets of the Company at low prices etc.
 - iii) To divert assets of the Company to collateral for debts of the purchaser or its group companies etc. or to resources for payments for them
 - iv) To control the management of the Company temporarily, have the Company dispose of high-value assets, etc., and have the Company pay a temporary high dividend based on gains from the disposal or sell shares at a profit when the shares price surges following a temporary high dividend
- 2) A high-handed, two-step purchase in which the Large-Scale Purchaser threatens to effectively force shareholders to sell shares (i.e., the purchase proposal through tender offer etc. in the manner that the purchaser sets the purchase terms for the second step less favorable to shareholders than those for the first step or that the purchaser does not make clear the purchase terms for the second step).

Further, if the Board of Directors judges that there is appropriate time to confirm the intent of the shareholders concerning whether to take countermeasures, it will confirm such intent of the shareholders by convoking a shareholders meeting etc. In this case, the Large-Scale Purchaser shall be requested to abstain from the Large-Scale Purchase until the completion of the procedure for the confirmation of the shareholders’ intention.

(3) Establishment of a Special Committee

A Special Committee independent of the Board of Directors is established to properly operate the Policy and to ensure the objectivity, fairness and rationality of decisions of the Board of Directors. The Special Committee consists of three members, selected from outside directors, outside corporate auditors, persons with corporate management experience, lawyers, certified public accountants, certified tax accountants, etc. (Please refer to Attachment 1 for outline of the Special Committee.) The names and career summaries of the Special Committee members upon the renewal of the Policy are described in Attachment 2.

The Board of Directors shall consult the Special Committee and shall receive the recommendations of the Committee when taking important decisions related to the Policy, i.e. with respect to deciding whether or not to extend the Large-Scale Purchase Information Provision Period, whether or not the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, whether or not it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company, whether or not the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders, and whether or not countermeasures should be taken. The Board of Directors shall take the Special Committee’s recommendations into the fullest account.

When deliberating and adopting resolutions about the items submitted by the Board of Directors, the Special Committee receives advice from third parties (including experts such as financial advisors, certified public accountants, lawyers and consultants) independent of the Board of Directors of the Company, at the

expense of the Company. The Special Committee also requests directors, corporate auditors, employees, etc. of the Company to attend meetings of the Committee and provide explanations for necessary information. The Special Committee will make a recommendation to the Board of Directors based on the content of the resolutions adopted.

5. Effects, etc. on the Company's shareholders and investors

If the Board of Directors decides to take countermeasures, the Company will disclose information on the decision appropriately and in a timely manner in accordance with laws and regulations and the rules of the financial instruments exchanges, although we do not anticipate a situation where the Company's shareholders (excluding the Large-Scale Purchaser and the specific shareholder group) will incur economic losses or damages to their rights due to such countermeasure taken by the Company. If the countermeasure taken is an allotment of share options at no cost, shareholders are required to pay a certain amount of money within a prescribed period so as to exercise the share options and to obtain the shares. Moreover, if the Board of Directors decides to obtain share options, new shares might be delivered to shareholders as equivalent value of the acquisition of share options by the Company, without the shareholders having to pay an amount equivalent to the exercise price. The details of the procedures will be communicated separately in accordance with laws and regulations and the rules of the financial instruments exchanges when share options are to be issued.

The Company may cancel allocation of share options or acquire share options at no cost to the Company in certain cases (e.g., if the Large-Scale Purchaser cancels the Large-Scale Purchase) before issuing shares of the Company to the share option holders until the day immediately before the first day of the period for exercising share options even after the record date for allocation of share options or after the allocation of share options is effective. Since dilution of the value of each share does not occur in this case, investors who have sold shares based on the assumption of dilution of the value of each share may incur losses depending on the change in the stock price.

6. Expiration date of the Policy

The Policy shall expire at the closing of the annual shareholders' meeting for the last fiscal year ending within three years from the day of this meeting.

If the Board of Directors decides to continue the Policy, it will announce the decision promptly. The Board of Directors will re-evaluate the necessity of the Policy from time to time based on the development and revisions etc. of relevant laws and regulations including the Corporate Code and the Financial Instruments and Exchange Act to protect the corporate value and common interests of shareholders.

If the shareholders' meeting or the Board of Directors meeting adopts a resolution abolishing the Policy, the Policy shall be abolished immediately even before its expiration date.

7. Rationality of the Policy

(1) The Policy meets the requirements of the guidelines regarding takeover defense 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 securing necessity and suitability) provided in the "Guidelines Regarding Takeover Defense Measures for the Purposes of the Protection and Enhancement of Corporate Value and Common Interests of Shareholders" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (hereinafter referred to as the "Guidelines"), and its content is based on the above-mentioned three principles provided by the Guidelines and takes into consideration 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, and other practices and debates regarding takeover defense measures. Further, the Policy conforms to the purpose of various regulations etc. regarding the introduction of takeover defense measures as provided by the Tokyo Stock Exchange.

- (2) The Policy is renewed with the purpose of enhancing corporate value and common interests of shareholders

The Policy is renewed with the purpose of enhancing corporate value and common interests of shareholders in cases of Large-Scale Purchases. For this purpose, the Board of Directors obtains the necessary information from the Large-Scale Purchaser, sufficient time for the assessment and consideration of the Large-Scale Purchase is secured, and necessary information for making a decision, including alternative proposals, is provided to the shareholders, so that the shareholders can make a proper decision about whether or not to accept the purchase.

- (3) The Policy respects the shareholders' intentions

The renewal from the Current Policy to the Policy will be effective from the day of approval by the shareholders at this meeting, and the term of its validity will expire at the closing of the annual shareholders' meeting for the last fiscal year ending within three years from the day of this meeting. Further, the Policy will be abolished even before its expiration date, if there is a resolution of the shareholders' meeting for the abolition of the Policy, in respect of the shareholders' intentions.

Moreover, if it is difficult to make judgment regarding whether or not it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company or whether or not the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders, the shareholders' intention regarding whether or not countermeasures should be taken will be confirmed at a shareholders' meeting.

- (4) Importance attached to the decision of a Special Committee with a high level of independence

In order to properly operate the Policy, to prevent arbitrary decisions taken by the Board of Directors, and to ensure the objectivity, fairness and rationality of its decisions, a Special Committee independent of the Board of Directors is established. The Special Committee consists of three members, selected from outside directors, outside corporate auditors, persons with corporate management experience, lawyers, certified public accountants, certified tax accountants, etc. The Board of Directors shall consult the Special Committee, obtain its recommendation and take such recommendation to the fullest account, regarding whether or not a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, whether or not it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company, whether or not the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders, and whether or not countermeasures should be taken.

- (5) Setting out reasonable objective requirements

The Policy has been set out so that it cannot be activated unless reasonable and detailed objective requirements are fulfilled. It is therefore considered that a system for the prevention of any arbitrary activation by the Board of Directors has been ensured.

Note 1: Specific shareholder group refers to either (i) or (ii) below:

- (i) A holder^{*1} of share certificates etc.^{*2} of the Company and joint holders^{*3} of the holder
- (ii) A person carrying out purchase etc.^{*4} of share certificates etc.^{*5} of the Company and persons having special relationships with the person^{*6}

*1 Holder stipulated in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act, including a person deemed to be a holder under Article 27-23, paragraph 3

*2 Shares etc. set out in Article 27-23, paragraph 1

*3 Joint holders prescribed in Article 27-23, paragraph 5, including holders regarded as joint holders under Article 27-23, paragraph 6

*4 Purchase etc. specified in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act, including a purchase made in securities markets

*5 Share certificates etc. stipulated in Article 27-2, paragraph 1

*6 Persons set out in Article 27-2, paragraph 7

Note 2: Ratio of voting rights

- (i) If the specific shareholder group falls under (i) in the note 1 above

The ratio of voting rights means the ratio^{*7} of share certificates etc. held by a holder of share certificates etc. of the Company.

- (ii) If the specific shareholder group falls under (ii) in the note 1 above

The ratio of voting rights means the total of the ratio^{*8} of share certificates etc. of a person carrying out a purchase etc. of share certificates etc. of the Company and that of persons having a special relationship with the purchaser.

In calculating the ratio of voting rights, the number of voting rights^{*9} and the number of shares issued^{*10} in the most recent out of the financial statement report, quarterly report or share buyback report can be used.

*7 Ratio of share certificates etc. set out in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act; the number of the share certificates, etc. held by the joint holders as specified in the same paragraph shall be taken into consideration

*8 Ratio of share certificates etc. prescribed in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act

*9 Stipulated in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act

*10 Set out in Article 27-23, paragraph 4

Note 3: An agreement etc. with other shareholders of the Company

An agreement etc. with other shareholders of the Company means any agreement concerning the joint acquisition or transfer of share certificates of the Company, or the exertion of voting rights or any other rights as shareholder of the Company, as well as any other action falling under the joint holder stipulated in Article 27-23, paragraph 5 and paragraph 6.

Outline of the Special Committee

1. Establishment

The Special Committee shall be established by resolution of the Board of Directors.

2. Members

The Special Committee shall consist of three persons commissioned by the Board of Directors. Persons qualified to serve on the Special Committee shall include outside directors, outside corporate auditors, persons with corporate management experience, lawyers, certified public accountants and certified tax accountants.

3. Term

The term of office of members of the Special Committee shall be decided by resolution of the Board of Directors.

4. Requirements for Resolution

In principle, resolutions by the Special Committee shall be adopted by a majority vote of members present at meetings at which all members are present. If circumstances prevent the attendance of all members, however, resolutions by the Special Committee shall be adopted by a majority vote of those present at meetings at which a majority of members are present.

5. Matters to be resolved:

If consultation is requested by the Board of Directors, the Special Committee shall accept the request, decide on the items stated below in principle, and submit the details of its decisions to the Board of Directors together with the reasons for such decisions. Members of the Special Committee shall be required to make such decisions from the viewpoint of whether or not they contribute to the corporate value and common interests of shareholders, and shall refrain from making decisions in their own personal interests or in the personal interests of the Directors of the Company.

- (1) Whether or not to extend the Large-Scale Purchase Information Provision Period
- (2) Whether or not a Large-Scale Purchaser complies with the Large-Scale Purchase Rules
- (3) Whether or not it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company or whether or not the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders
- (4) Whether or not countermeasures should be taken
- (5) Other items pertaining to this Policy for which the Board of Directors requested consultation

6. Advice of Experts etc.

In forming decisions stated above under 5, the Special Committee shall make its efforts to collect necessary and sufficient information to ensure the proper judgment. The Special Committee may seek, at the expense of the Company, advice from third parties independent of the management of the Company (including financial advisors, certified public accountants, lawyers, consultants and other experts).

Career Summaries of the Special Committee Members

At the time of the Renewal of the Policy, the Special Committee will consist of the following three members:

Yukihiko Inoue

<Career summary>

November 1937	Born
April 1962	Joined the National Police Agency
June 1989	Chief of Chiba Prefectural Police Headquarters
September 1994	Superintendent-General of the Metropolitan Police of Japan
September 2003	President of Japan Guide Dog Association (present)

Yoza Izuhara

<Career summary>

September 1938	Born
April 1962	Joined Nippon Sheet Glass Co., Ltd.
June 1998	Representative Director, President of Nippon Sheet Glass Co., Ltd.
June 2004	Representative Director, Chairman of Nippon Sheet Glass Co., Ltd.
June 2010	Executive Advisor of Nippon Sheet Glass Co., Ltd.
June 2012	Honorary Senior Advisor of Nippon Sheet Glass Co., Ltd. (present)
June 2014	Outside Corporate Auditor of the Company
June 2019	Outside Director of the Company (present)

* The Company has reported Mr. Yoza Izuhara to Tokyo Stock Exchange as an independent officer. His original company, Nippon Sheet Glass Co., Ltd. and the Company have some transactions etc., but we have judged that in view of the scale, nature etc. of such transactions, there is no fear of his independence as a Special Committee member being influenced.

Nobumasa Kemori

<Career summary>

April 1951	Born
September 1980	Joined Sumitomo Metal Mining Co., Ltd.
June 2007	Representative Director, President of Sumitomo Metal Mining Co., Ltd.
June 2013	Representative Director, Chairman of Sumitomo Metal Mining Co., Ltd.
June 2016	Chairman of Sumitomo Metal Mining Co., Ltd.
June 2017	Executive Advisor of Sumitomo Metal Mining Co., Ltd.
June 2019	Outside Director of the Company (present)
June 2021	Honorable Advisor of Sumitomo Metal Mining Co., Ltd. (present)

* The Company has reported Mr. Nobumasa Kemori to Tokyo Stock Exchange as an independent officer. His original company, Sumitomo Metal Mining Co., Ltd. and the Company have some transactions etc., but we have judged that in view of the scale, nature etc. of such transactions, there is no fear of his independence as a Special Committee member being influenced.

There is no special conflict of interests between the persons mentioned above and the Company.

Description of Share Options

1. Shareholders to whom share options shall be granted and conditions for issue
Share options shall be allotted to shareholders indicated or recorded in the register of shareholders or beneficiary shareholders as of the closing of the base date decided by the Board of Directors at a ratio of one share options to one share of common stock of the Company which is held by the shareholders (excluding shares of common stock held by the Company) without requiring any new payment.
2. Type and number of shares to be issued upon exercise of share options
The type of shares to be issued upon exercise of share options shall be the common stock of the Company. The upper limit of the total number of shares to be issued upon exercise of share options shall be the number of shares obtained by deducting the total number of outstanding shares of common stock of the Company (excluding shares of common stock held by the Company) from the total number of shares authorized to be issued by the Company as of the base date decided by the Board of Directors. The number of shares to be issued upon exercise of one share option (hereinafter referred to as “the Number of Shares to Be Issued”) shall be separately decided by the Board of Directors. However, if the Company conducts a share split or a reverse share split, proper adjustments shall be made.
3. Total number of share options to be issued
The total number of share options to be issued shall be a number separately decided by the Board of Directors. The Board of Directors may allot share options more than once.
4. Value of investment at the time of the exercise of each share option (the amount to be paid)
The value of the investment at the time of the exercise of each share option (the amount to be paid) shall be separately decided by the Board of Directors, which shall be one yen or more.
5. Restriction on the transfer of share options
The acquisition of a share option through the transfer of the share option shall be subject to the approval of the Board of Directors.
6. Conditions for the exercise of share options
In principle, a person who belongs to a specified shareholders’ group with a ratio of voting rights of 20% or more may not exercise share options. A person who is required to follow a certain procedure to exercise share options by applicable foreign laws and ordinances of certain foreign jurisdiction, in which he/she/it is located, may not exercise share options in principle (However, such persons including a person to whom an exemption from the procedure is available under the applicable laws and ordinances of the foreign jurisdiction may exercise share options, if certain requirements are met. In addition, the share options held by the person shall become the object of acquisition by the Company in exchange for the shares of the Company as compensation as stated in 8 below.). In addition, a person who does not submit a form prescribed by the Company to confirm, among others, that the person does not belong to any specified shareholders’ group may not exercise these share options (excluding persons who were not requested by the Company to submit such form). The details shall be separately decided by the Board of Directors.
7. Period for the exercise of share options
The period for the exercise of share options shall be separately decided at the Board of Directors meeting resolving the issuance of share options at no cost to subscribers, which shall be one to three months, and the first day (hereinafter referred to as “the First Day of the Exercise Period”) of which shall be separately decided at the Board of Directors meeting resolving the issuance of share options at no cost to subscribers. If the final day of the period for exercise falls on a holiday of the organization handling the payment of money to be paid at the time of exercise, the final day shall be the preceding business day.

8. Acquisition of share options by the Company

- (1) If the Board of Directors deems that the acquisition of share options by the Company is appropriate, the Company may acquire all share options without compensation on a day separately decided by the Board of Directors at any time prior to the day preceding the First Day of the Exercise Period.
- (2) The Company may acquire on a day separately specified by the Board of Directors all share options held by persons other than persons belonging to a specified shareholders' group and persons who do not submit a form prescribed by the Company to confirm that the persons do not belong to any specified shareholders' group by the day of acquisition (excluding, however, persons who are not required by the Company to submit such form) which have not been exercised as of the day preceding the day specified by the Board of Directors, and deliver the Number of Shares to Be Issued of the Company for one share options in exchange for all share options acquired.

If the Board of Directors determines on or after the day of acquisition that there is a person holding share options who does not belong to a specified shareholders' group (for example, if a person fails to submit a document in the form prescribed by the Company in the first paragraph of this Section 8 (2) above by the date the acquisition is made, but is subsequently found not to be a member of the specific shareholder group, etc.; however, the Board of Directors may request the submission from such person of a form prescribed by the Company as set out in the first paragraph of this Section 8. (2) above for the Board of Directors determination), the Company may acquire on a day falling after the day of acquisition as specified by the Board of Directors all share options held by the person which have not been exercised as of the day preceding the day specified by the Board of Directors, and deliver the Number of Shares to Be Issued of the Company for one share options in exchange for all share options acquired. This shall apply subsequently.

- (3) The details of the acquisition provision shall be separately decided at a meeting of the Board of Directors.