

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 2004

June 1, 2023

To our shareholders

President and CEO Hideyuki Tsukagoshi
Showa Sangyo Co., Ltd.
2-2-1, Uchikanda, Chiyoda-ku, Tokyo

Notice of the 122nd Annual General Meeting of Shareholders

We would like to take this opportunity to express our sincere gratitude for your continued support of our Company.

Notice is hereby given that the 122nd Annual General Meeting of Shareholders of Showa Sangyo Co., Ltd. (the “Company”) will be held as set forth below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.showa-sangyo.co.jp/ir/library/shareholders/> (in Japanese)

Matters subject to measures for electronic provision are also available on the website of PRONEXUS INC.

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/2004/teiji/> (in Japanese)

In addition to the above, the Company has also posted informational materials on the Tokyo Stock Exchange website.

Confirm by accessing the website below, entering “Showa Sangyo” in the “Issue name (company name)” field or “2004” in the “Code” field, and clicking “Search,” then clicking “Basic information” and selecting “Documents for public inspection/PR information” and then checking the “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” in “Filed information available for public inspection.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc., so please review the reference documents for the General Meeting of Shareholders shown below and exercise your voting rights by 5:40 p.m. on June 22, 2023 (JST).

- 1. Date and time:** Friday, June 23, 2023, at 10:00 a.m. (registration starts at 9:00 a.m. (JST))
- 2. Venue:** Nikkei Building 3F Nikkei Hall
1-3-7, Otemachi, Chiyoda-ku, Tokyo
(Please refer to the Guide Map to the Venue for the Annual General Meeting of Shareholders attached at the end.) (available in Japanese only)

3. Purpose of the meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 122nd fiscal year (from April 1, 2022 to March 31, 2023) and audit results of the Consolidated Financial Statements by the financial auditor and the Audit and Supervisory Committee
2. Report on the non-consolidated financial statements for the 122nd fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- Proposal 1** Appropriation of Surplus
- Proposal 2** Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3** Election of Three Directors Who Are Audit and Supervisory Committee Members
- Proposal 4** Election of One Director Who Is a Substitute Audit and Supervisory Committee Member
- Proposal 5** Partial Revision and Continuation of the Measures to Respond to a Large-Scale Purchase of the Company's Shares, Etc. (Takeover Defense Measures)

4. Matters to be decided upon convocation

- (1) Please note that should you exercise your voting rights in writing (by post), in the event it is not indicated whether you approve or disapprove of a proposal on your voting form, it will be deemed that approval was indicated.
 - (2) If exercising your voting rights by proxy, you may appoint one other shareholder with voting rights to attend the General Meeting of Shareholders as your proxy. Please note, however, that you will be required to submit a written document certifying the proxy's authority.
- If attending the meeting in person, please present your voting form at the reception desk.
 - If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the above websites.
 - Paper-based documents stating matters subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents; however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation.
 - (i) "System for ensuring the appropriateness of business operations and status of operation" and "Basic Policy on Control of the Company" in the Business Report
 - (ii) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
 - (iii) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial StatementsTherefore, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements stated in these documents are a part of the scope of documents audited by the financial auditor in preparing the financial audit report and the Audit and Supervisory Committee in preparing the Audit Report.

Information on Exercise of Voting Rights

Exercise of voting rights at the Company’s General Meeting of Shareholders is shareholders’ important right.

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders below.

There are three methods to exercise your voting rights as indicated below.

Exercise of voting rights by attending the Annual General Meeting of Shareholders

You are kindly requested to exercise your voting rights by submitting a voting form to the reception desk at the meeting.

Date and time: **Friday, June 23, 2023, at 10:00 a.m.** (registration starts at **9:00 a.m. (JST)**)

Exercising voting rights by postal mail

Please indicate on the voting form your approval or disapproval of each proposal and return the completed form.

Deadline for exercise of voting rights: **No later than Thursday, June 22, 2023, at 5:40 p.m. (JST)**

Exercise of voting rights via the Internet

Please indicate whether you approve or disapprove of each proposal following the instructions on the next page.

Deadline for exercise of voting rights: **All data entry to be completed no later than Thursday, June 22, 2023, at 5:40 p.m. (JST)**

How to Fill Out Your Voting Form

Please indicate whether you approve or disapprove of each proposal.

Proposal 1, 4, and 5

- If you approve, **put a circle in the box marked 賛[Approve].**
- If you disapprove, **put a circle in the box marked 否[Disapprove].**

Proposal 2 and 3

- To mark your approval for all candidates, **put a circle in the box marked 賛[Approve].**
- To mark your disapproval for all candidates, **put a circle in the box marked 否[Disapprove].**
- To mark your disapproval for certain candidates, **put a circle in the box marked 賛[Approve] and write the number of the candidate(s) you wish to disapprove.**

Please note that your online vote will prevail should you exercise your voting rights both in writing (by post) and via the Internet, etc. If you exercise your voting rights more than once via the Internet, etc., only the last vote shall be deemed effective.

Exercise of Voting Rights via the Internet, etc.

Method 1: Scanning the QR Code “Smart Vote”

You can simply log in to the website for exercising voting rights without entering your voting code and password.

1. Please scan QR Code provided at the bottom right of the voting form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

Please note that exercising voting rights by using the “Smart Vote®” method is available only once.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and log in by entering your voting code and password printed on the voting form, and exercise your voting rights again.

* You can access the website for personal computer by scanning the QR Code again.

Method 2: Entering the voting code and password

Voting website (available in Japanese only):
<https://www.web54.net>

1. Please access the website for exercise of voting rights.
2. Please enter the voting code given on the voting form.
3. Please enter the password given on the voting form.
4. Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

In case you need instructions for how to operate your personal computer or smartphone in order to exercise your voting rights via the Internet, etc., please contact:

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Hotline

0120-652-031 (Toll Free within Japan)

(Business hours: 9:00 a.m. – 9:00 p.m. (JST))

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company recognizes the return of profits to shareholders as one of its important management issues, along with growth investment and capital investment, which will be the source of corporate value in the future, and its basic policy is to stabilize the management base while aiming to maintain stable dividends over the long term.

Taking into consideration factors such as the fiscal year's business results and strong financial standing, future business development, as well as the maintenance of stable dividends, the Company proposes a year-end dividend of ¥35 per share for the fiscal year as follows. Accordingly, including the interim dividend of ¥30 per share, the annual dividend will total ¥65 per share, an increase of ¥5 per share from the previous fiscal year.

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥35 per common share of the Company
Total payment: ¥1,170,782,690
- (3) Effective date of dividends of surplus
June 26, 2023

Proposal 2 Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this General Meeting of Shareholders, the terms of office of all eight Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply to this proposal), Kazuhiko Niitsuma, Junji Kokuryo, Susumu Oyanagi, Tatsuya Yamaguchi, Hideyuki Tsukagoshi, Masashi Ohno, Takashi Yanagiya, Naoko Mikami, will expire.

Therefore, the Company proposes the election of eight Directors.

With respect to the submission of this proposal, the Audit and Supervisory Committee of the Company has determined that all the candidates for Directors are appropriate in light of each candidate's business execution and performance during the current fiscal year.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibilities in the Company	Candidate attributes
1	Kazuhiko Niitsuma [Reelection]	Chairman	
2	Hideyuki Tsukagoshi [Reelection]	President and CEO	
3	Junji Kokuryo [Reelection]	Director Senior Managing Officer In charge of Business Management & Sales Division	
4	Tatsuya Yamaguchi [Reelection]	Director Managing Officer In charge of Ingredients Sales Department, Food Process Sales Department, Retailer Sales Department, and Branch Offices	
5	Masashi Ohno [Reelection]	Director Managing Officer In charge of Technical Division	
6	Yoshihiro Hosoi [New election]	Managing Officer In charge of Corporate Division; General Manager, Planning Management Department	
7	Takashi Yanagiya [Reelection]	Outside Director	[Outside Director] [Independent Officer]
8	Naoko Mikami [Reelection]	Outside Director	[Outside Director] [Independent Officer]

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Kazuhiko Niitsuma (October 1, 1957) [Reelection]	Apr. 1981	Joined the Company	60,576 shares
		June 2001	General Manager, Sales Integration Department	
		Nov. 2006	General Manager, Flour Milling Department	
		June 2009	Officer	
		June 2012	Managing Director	
		June 2014	Senior Managing Director	
		Apr. 2016	President	
		Apr. 2020	President and CEO	
		Apr. 2023	Chairman (current position)	
Reasons for nomination as candidate for Director				
The Company has nominated Kazuhiko Niitsuma as a candidate for Director because he has appropriately fulfilled his role as Chairman of the Company, and the Company judges that he is a candidate who will contribute to the sustainable growth and enhancement of the corporate value of the Company.				
2	Hideyuki Tsukagoshi (December 19, 1965) [Reelection]	Feb. 1992	Joined the Company	9,398 shares
		June 2013	General Manager, Fukuoka Branch	
		Apr. 2015	General Manager, Management Planning Department	
		Apr. 2018	Officer	
		Apr. 2021	Managing Officer	
		June 2021	Director Managing Officer	
		Apr. 2023	President and CEO (current position)	
Reasons for nomination as candidate for Director				
The Company has nominated Hideyuki Tsukagoshi as a candidate for Director because he has appropriately fulfilled his role as President and CEO of the Company, and the Company judges that he is a candidate who will contribute to the sustainable growth and enhancement of the corporate value of the Company.				
3	Junji Kokuryo (May 17, 1960) [Reelection]	Apr. 1984	Joined the Company	20,994 shares
		May 2011	General Manager, Sales Integration Department	
		June 2014	Officer	
		Apr. 2018	Managing Officer	
		June 2018	Director Managing Officer	
		Apr. 2021	Director Senior Managing Officer (current position)	
		Apr. 2023	In charge of Business Management & Sales Division (current position)	
Reasons for nomination as candidate for Director				
The Company has nominated Junji Kokuryo as a candidate for Director because he has appropriately fulfilled his role as Director Senior Managing Officer in charge of the Business Management & Sales Division, and the Company judges that he is a candidate who will contribute to the sustainable growth and enhancement of the corporate value of the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
4	Tatsuya Yamaguchi (May 30, 1960) [Reelection]	Apr. 1984	Joined the Company	24,662 shares
		Apr. 2007	General Manager, Sapporo Branch	
June 2009	General Manager, Household Foods Department			
June 2014	Officer			
Apr. 2018	Managing Officer			
June 2018	Director Managing Officer (current position)			
Apr. 2023	In charge of Ingredients Sales Department, Food Process Sales Department, Retailer Sales Department, and Branch Offices (current position)			
Reasons for nomination as candidate for Director The Company has nominated Tatsuya Yamaguchi as a candidate for Director because he has appropriately fulfilled his role as Director Managing Officer in charge of Ingredients Sales Department, Food Process Sales Department, Retailer Sales Department, and Branch Offices, and the Company judges that he is a candidate who will continue to contribute to the sustainable growth and enhancement of the corporate value of the Company.				
5	Masashi Ohno (November 2, 1964) [Reelection]	Apr. 1987	Joined the Company	5,805 shares
		Apr. 2016	General Manager, Funabashi Plant	
Apr. 2019	Officer			
Apr. 2022	Managing Officer			
June 2022	Director Managing Officer (current position)			
Apr. 2023	In charge of Technical Division (current position)			
Reasons for nomination as candidate for Director The Company has nominated Masashi Ohno as a candidate for Director because he has appropriately fulfilled his role as Director Managing Officer in charge of Technical Division, and the Company judges that he is a candidate who will contribute to the sustainable growth and enhancement of the corporate value of the Company.				
6	Yoshihiro Hosoi (January 20, 1962) [New election]	Apr. 1985	Joined the Company	2,800 shares
		May 2011	General Manager, Real Estate Department	
Apr. 2016	General Manager, Information System Department			
Apr. 2018	Officer			
Apr. 2022	Managing Officer (current position)			
Apr. 2023	In charge of Corporate Division (current position)			
Reasons for nomination as candidate for Director The Company has nominated Yoshihiro Hosoi as a candidate for Director because he has appropriately fulfilled his role as Managing Officer in charge of the Corporate Division, and the Company judges that he is a candidate who will contribute to the sustainable growth and enhancement of the corporate value of the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Takashi Yanagiya (November 13, 1951) [Reelection] [Outside]	<p>Oct. 2001 Managing Director, Nomura Securities Co., Ltd.</p> <p>Apr. 2002 Representative Director and Senior Managing Director</p> <p>June 2003 Representative Executive Officer and Senior Managing Executive Officer</p> <p>Apr. 2006 Representative Executive Officer and Vice President</p> <p>Apr. 2008 Executive Officer and Vice Chairman</p> <p>Oct. 2008 Executive Officer and Vice Chairman</p> <p>Apr. 2012 Standing Advisor</p> <p>Aug. 2012 Advisor</p> <p>June 2013 Outside Director, Alpha Systems, Inc. (current position)</p> <p>June 2014 Outside Director, Hearts United Group Co., Ltd. (currently DIGITAL HEARTS HOLDINGS Co., Ltd.) (current position)</p> <p>June 2015 Outside Director of the Company (current position)</p> <p>May 2016 Chairman, Board of Trustees, Meiji University (current position)</p>	3,200 shares
<p>Reasons for nomination as candidate for Outside Director and outline of expected role</p> <p>Takashi Yanagiya has been nominated as a candidate for Outside Director because he has experience in corporate management and extensive knowledge of capital markets, and the Company expects him to continue to contribute to strengthening the decision-making function and supervisory function of the Board of Directors by utilizing his knowledge. If he is elected, he is expected to be involved in the selection of candidates for the Company's officers and decisions on officers' remuneration, etc. from an objective and neutral standpoint as the Chairperson of the Management Advisory Committee and the Remuneration Advisory Committee.</p>			
8	Naoko Mikami (March 12, 1961) [Reelection] [Outside]	<p>Apr. 1983 Joined Ajinomoto Co., Inc.</p> <p>Apr. 2007 Visiting Professor of Musashino University</p> <p>Jan. 2010 Joined C'BON COSMETICS Co., Ltd.</p> <p>June 2011 Executive Officer, in charge of Production Department</p> <p>June 2012 Director, in charge of Production Department</p> <p>Apr. 2017 In charge of Administration Division</p> <p>June 2017 Managing Director and Executive Officer</p> <p>June 2019 Representative Director, Vice President, and Executive Officer</p> <p>Jan. 2020 Representative Director, Vice President, in charge of Product Development Division</p> <p>June 2021 Senior Advisor of YA-MAN LTD. (current position)</p> <p>June 2021 Outside Director of the Company (current position)</p> <p>Mar. 2022 Outside Director of Earth Corporation (current position)</p>	700 shares
<p>Reasons for nomination as candidate for Outside Director and outline of expected role</p> <p>Naoko Mikami has been nominated as a candidate for Outside Director because she has experience in corporate management and extensive knowledge, and the Company expects her to continue to contribute to strengthening the decision-making function and supervisory function of the Board of Directors by utilizing her knowledge. If she is elected, she is expected to be involved in the selection of candidates for the Company's officers and decisions on officers' remuneration, etc. from an objective and neutral standpoint as a member of the Management Advisory Committee and the Remuneration Advisory Committee.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Takashi Yanagiya and Naoko Mikami are candidates for Outside Directors and independent officers as stipulated by Tokyo Stock Exchange, Inc. because they are judged to ensure the soundness of management from an outside perspective that is not controlled or interfered with by management.
 3. At the conclusion of this meeting, Takashi Yanagiya's tenure as Outside Director of the Company will have been eight years. At the conclusion of this meeting, Naoko Mikami's tenure as Outside Director of the Company will have been two years.
 4. The Company has entered into limited liability agreements with Takashi Yanagiya and Naoko Mikami with respect to their liability in relation to Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of the Articles of Incorporation of the Company, which limits the amount of liability to the amount prescribed by laws and regulations. If their election is approved, the Company plans to continue the said limited liability agreement.
 5. The Company has entered into a liability insurance agreement with an insurance company for officers, etc., as provided for in Article 430-3, paragraph (1) of the Companies Act, which provides that the insured, including Directors of the Company, shall not be liable for any loss or damage that may be incurred as a result of being held liable for the execution of their duties or being subject to a claim for the pursuit of such liability (excluding, however, those that fall under the exemption grounds stipulated in the insurance policy). The full amount of the insurance premiums for this insurance agreement is borne by the Company. In the event that each candidate is elected and assumes office as a Director, he or she will become an insured under this insurance agreement. The insurance agreement is scheduled to be renewed with the same terms and conditions upon resolution of the Board of Directors at the next renewal.

Proposal 3 Election of Three Directors Who Are Audit and Supervisory Committee Members

At the conclusion of this General Meeting of Shareholders, the terms of office of all three Directors who are Audit and Supervisory Committee Members, Norio Saito, Yukihiro Yoshida, Hidenori Hanada, will expire.

Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal.

The candidates for the role of Director who is an Audit and Supervisory Committee Member is as follows:

Candidate No.	Name	Current position and responsibilities in the Company	Candidate attributes
1	Susumu Oyanagi New election	Director	
2	Toshihiro Teshima New election	-	Outside Director Independent Officer
3	Joji Sugo New election	-	Outside Director Independent Officer

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Susumu Oyanagi (April 25, 1959) [New election]	<p>Apr. 1983 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2008 General Manager, Securities Department, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2010 General Manager, Credit Engineering Department</p> <p>Apr. 2012 General Manager, General Affairs Department of the Company</p> <p>June 2013 Officer</p> <p>Apr. 2016 Managing Officer</p> <p>June 2018 Director Managing Officer</p> <p>Apr. 2023 Director (current position)</p>	21,501 shares
<p>Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member</p> <p>The Company has nominated Susumu Oyanagi as a candidate for Director who is an Audit and Supervisory Committee Member because he has many years of experience in the Company's Corporate Division and experience in corporate management, and the Company judges that he is a candidate who will contribute to the sound management of the Company and the maintenance and improvement of its social credibility; and who will be able to conduct audits, etc. neutrally and objectively.</p>			
2	Toshihiro Teshima (October 24, 1960) [New election] [Outside]	<p>Apr. 1983 Joined Yamaichi Securities Co., Ltd.</p> <p>Apr. 1987 Joined Smith Barney, Harris Upham Co., Ltd.</p> <p>Sep. 1992 Joined Yasuda Fire & Marine Insurance Co., Ltd.</p> <p>July 2007 General Manager, General Planning Department, Yasuda Enterprise Development Co., Ltd.</p> <p>June 2008 Senior Managing Director</p> <p>Apr. 2017 Executive Officer and General Manager, Corporate Legal Department, Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)</p> <p>Executive Officer and General Manager, Corporate Legal Department, Sompo Holdings, Inc.</p> <p>Apr. 2018 Director and Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)</p> <p>June 2021 Director, Sompo Holdings, Inc. (current position)</p>	0 shares
<p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role</p> <p>The Company has nominated Toshihiro Teshima as a candidate for Outside Director who is an Audit and Supervisory Committee Member because he has many years of experience in general insurance companies and extensive knowledge of risk management, and the Company expects him to contribute to further strengthening the Company's risk management by utilizing his knowledge. If he is elected, he is expected to be involved in the selection of candidates for the Company's officers and decisions on officers' remuneration, etc. from an objective and neutral standpoint as a member of the Management Advisory Committee and the Remuneration Advisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Joji Sugo (September 19, 1961) [New election] [Outside]	<p>Apr. 1984 Joined The Chiba Bank, Ltd.</p> <p>June 2002 General Manager, Makuharishintoshin Branch</p> <p>Feb. 2006 General Manager, Ichikawa Regional Corporate Banking Department, Ichikawa Branch</p> <p>June 2011 General Manager, Treasury Division</p> <p>June 2013 General Manager, Credit Division</p> <p>June 2014 Executive Officer and General Manager, Credit Division</p> <p>June 2016 Director and Managing Executive Officer</p> <p>June 2018 Deputy President, Chibagin Research Institute, Ltd.</p> <p>June 2021 President, Chibagin JCB Card Co., Ltd. (current position)</p> <p>June 2021 President, Chibagin DC Card Co., Ltd. (current position)</p>	0 shares
<p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role</p> <p>The Company has nominated Joji Sugo as a candidate for Outside Director who is an Audit and Supervisory Committee Member because he has many years of experience in financial institutions and extensive knowledge, and the Company expects him to contribute to strengthening the Company's financial policies by utilizing his knowledge. If he is elected, he is expected to be involved in the selection of candidates for the Company's officers and decisions on officers' remuneration, etc. from an objective and neutral standpoint as a member of the Management Advisory Committee and the Remuneration Advisory Committee.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Toshihiro Teshima and Joji Sugo are candidates for Outside Directors and independent officers as stipulated by Tokyo Stock Exchange, Inc. because they are judged to ensure the soundness of management from an outside perspective that is not controlled or interfered with by management.
 3. The Company has entered into a limited liability agreement with Susumu Oyanagi with respect to his liability in relation to Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of the Articles of Incorporation of the Company, which limits the amount of liability to the amount prescribed by laws and regulations. If his election is approved, the Company plans to continue the said limited liability agreement. In addition, if the elections of Toshihiro Teshima and Joji Sugo are approved, the Company plans to enter into similar limited liability agreements with them.
 4. The Company has entered into a liability insurance agreement with an insurance company for officers, etc., as provided for in Article 430-3, paragraph (1) of the Companies Act, which provides that the insured, including Directors who are Audit and Supervisory Committee Members of the Company, shall not be liable for any loss or damage that may be incurred as a result of being held liable for the execution of their duties or being subject to a claim for the pursuit of such liability (excluding, however, those that fall under the exemption grounds stipulated in the insurance policy). The full amount of the insurance premiums for this insurance agreement is borne by the Company. In the event that each candidate is elected and assumes office as a Director who is an Audit and Supervisory Committee Member, he will become an insured under this insurance agreement. The insurance agreement is scheduled to be renewed with the same terms and conditions upon resolution of the Board of Directors at the next renewal.

Proposal 4 Election of One Director Who is a Substitute Audit and Supervisory Committee Member

The Company proposes the election of one Director who is a Substitute Audit and Supervisory Committee Member to fill the vacancy in the number of Directors who are Audit and Supervisory Committee Members stipulated in laws and regulations.

The validity of the election can be nullified by resolution of the Board of Directors if the consent of the Audit and Supervisory Committee Board has been obtained; provided, however, that it is only in a time before assuming office. In addition, the consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal.

The candidate for the role of Director who is a Substitute Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Yoshiki Takahashi (April 13, 1959) [Outside]	Apr. 1993 Registered as a lawyer Sept. 2011 Established Daiju Law Office (current position)	0 shares
<p>Reasons for nomination as candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member and outline of expected role</p> <p>The Company has nominated Yoshiki Takahashi as a candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member because he has legal expertise and a high level of insight into corporate governance as a lawyer, and the Company expects him to contribute to the sound management of the Company and the maintenance and improvement of its social credibility. If he is elected as Outside Director who is an Audit and Supervisory Committee Member, he is expected to be involved in the selection of candidates for the Company's officers and decisions on officers' remuneration, etc. from an objective and neutral standpoint as a member of the Management Advisory Committee and the Remuneration Advisory Committee.</p>		

- Notes:
1. There is a legal advisory agreement between the candidate and the Company.
 2. Based on the above "Reasons for nomination as candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member and outline of expected role," the Company has determined that Yoshiki Takahashi, if appointed as an Outside Director, will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member.
 3. In the event that Yoshiki Takahashi assumes the office of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a limited liability agreement with him to limit his liability in relation to Article 423, paragraph (1) of the Companies Act to the amount prescribed by laws and regulations in accordance with the Company's Articles of Incorporation.
 4. The Company has entered into a liability insurance agreement with an insurance company for officers, etc., as provided for in Article 430-3, paragraph (1) of the Companies Act, which provides that the insured shall not be liable for any loss or damage that may be incurred as a result of being held liable for the execution of their duties or being subject to a claim for the pursuit of such liability (excluding, however, those that fall under the exemption grounds stipulated in the said insurance policy). The full amount of the insurance premiums for this insurance agreement is borne by the Company. In the event that Yoshiki Takahashi is elected and assumes office as a Director who is an Audit and Supervisory Committee Member, he will become an insured under this insurance agreement. The insurance agreement is scheduled to be renewed with the same terms and conditions upon resolution of the Board of Directors at the next renewal.

(Reference) Management structure after Proposal 2 and Proposal 3 are approved (Skill matrix)

Based on the Group’s corporate philosophy of “Contributing to healthy, rich, and varied meals,” the Group, as a “Grain Solution Company,” has formulated its long-term vision “SHOWA Next Stage for 2025,” with fiscal 2025 as the final year, and is currently implementing a three-year Medium-term Management Plan in a three-stage. Through the achievement of these goals, the Group is working to achieve sustainable growth and enhance the corporate value in order to respond to the mandate of all stakeholders.

The Company believes that the Company’s Directors have the necessary knowledge, experience, etc. and can be expected to demonstrate their expertise in pursuing this initiative. The skill matrix is as follows.

All of the Directors have the skills to promote ESG management, which aims to enhance corporate value, while the Group achieves solutions to social issues through its business from the perspective of CSV strategy. In addition, all Directors who are Audit and Supervisory Committee Members have auditing skills, and all Independent Outside Directors have experience in corporate management.

However, the following skill matrix does not represent all of the knowledge, experience, etc. of the Company’s Directors.

Name	Position and responsibilities in the Company	Attributes
Male Kazuhiko Niitsuma	Chairman	
Male Hideyuki Tsukagoshi	President and CEO	
Male Junji Kokuryo	Director Senior Managing Officer In charge of Business Management & Sales Division	
Male Tatsuya Yamaguchi	Director Managing Officer In charge of Ingredients Sales Department, Food Process Sales Department, Retailer Sales Department, and Branch Offices	
Male Masashi Ohno	Director Managing Officer In charge of Technical Division	
Male Yoshihiro Hosoi	Director Managing Officer In charge of Corporate Division; General Manager, Planning Management Department	
Male Takashi Yanagiya	Outside Director	Outside Director Independent Officer
Female Naoko Mikami	Outside Director	Outside Director Independent Officer
Male Susumu Oyanagi	Director (Standing Audit and Supervisory Committee Member)	
Male Toshihiro Teshima	Outside Director (Audit and Supervisory Committee Member)	Outside Director Independent Officer
Male Joji Sugo	Outside Director (Audit and Supervisory Committee Member)	Outside Director Independent Officer

[Skill Matrix Items]

Skill item	Expected knowledge and experience
Corporate management	The Company expects Internal Directors to serve or have served as directors in management positions, including those of the Company's group companies, or to have knowledge of such positions, and to demonstrate their expertise as Directors of the Company. On the other hand, the Company expects Outside Directors to have the knowledge and experience of having served as directors in management positions at other companies and to demonstrate their expertise as Directors of the Company.
Business strategy	The Company, as a "Grain Solution Company," procures material grains from overseas to support the Japanese diet and contributes to society through its business. In addition to its familiarity with overseas material grain conditions and knowledge and experience in close collaboration with national organizations and related organizations, the Company expects Directors to have the knowledge and experience in building relationships with various stakeholders while grasping market trends in the food industry in order for the Company to implement its management strategies, and to demonstrate their expertise as Directors of the Company.
Overseas business	The Company expects Directors to have the knowledge and experience in negotiating on behalf of a company with an overseas company to enter into a contract for business alliances, etc., and to demonstrate their expertise as Directors of the Company.
Research and development	In order for the Group to implement its management strategies and achieve sustainable growth and increase corporate value, the Company expects Directors not only to be well versed in the relevant fields but also to have the knowledge and experience to properly manage and supervise the Company, and to demonstrate their expertise as Directors of the Company.
Production technology and logistics	
Accounting & finance	
Governance and risk management	
IT & information	

*In particular, the skills that are expected to demonstrate their expertise are listed.

	Expected knowledge and experience							
	Corporate management	Business strategy	Overseas business	Research and development	Production technology and logistics	Accounting & finance	Governance and risk management	IT & information
Kazuhiko Niitsuma	●	●	●				●	
Hideyuki Tsukagoshi	●	●					●	●
Junji Kokuryo	●	●	●					
Tatsuya Yamaguchi	●	●						
Masashi Ohno	●			●	●			
Yoshihiro Hosoi	●					●	●	●
Takashi Yanagiya	●		●			●		
Naoko Mikami	●			●	●			
Susumu Oyanagi	●					●	●	●
Toshihiro Teshima	●					●	●	
Joji Sugo	●					●	●	

Proposal 5 Partial Revision and Continuation of the Measures to Respond to a Large-Scale Purchase of the Company's Shares, Etc. (Takeover Defense Measures)

The Company introduced the “Measures to Respond to a Large-Scale Purchase of the Company's Shares, etc. (Takeover Defense Measures) (hereinafter the “Plan”)” with the approval of shareholders at the Company's 107th annual general meeting of shareholders held on June 27, 2008. The Plan has been continued with some revisions as approved at the 110th Annual General Meeting of Shareholders held on June 29, 2011, the 113th Annual General Meeting of Shareholders held on June 27, 2014, the 116th Annual General Meeting of Shareholders held on June 28, 2017, and the 119th Annual General Meeting of Shareholders held on June 24, 2020.

The effective period of the Plan is to expire at the conclusion of this Annual General Meeting of Shareholders. Even after the introduction and continuation of the Plan, the Company has continued to examine desirable forms of the Plan, including whether or not it should be continued, as one of the measures to ensure and enhance the Company's corporate value and the common interests of shareholders, taking into account amendments to relevant laws and regulations, changes in social and economic conditions, and trends in various discussions regarding takeover defense measures.

As a result, at the meeting held on May 11, 2023, the Board of Directors of the Company decided to continue the Plan and maintain its basic content, subject to the approval of shareholders at this Annual General Meeting of Shareholders.

In continuing the Plan, some words and phrases have been revised and rearranged, but the basic scheme remains unchanged.

The effective period of the Plan, if approved by shareholders at this Annual General Meeting of Shareholders, will be from the time of approval until the conclusion of the Company's Annual General Meeting of Shareholders to be held in June 2026.

The Plan is intended to enable shareholders to make appropriate judgments regarding a large-scale purchase and is not intended to impair the opportunity for shareholders to accept or not a large-scale purchase.

All three Directors who are Audit and Supervisory Committee Members of the Company, including two Outside Directors, attended the meeting of the Board at which the Plan was decided, and they expressed the opinion that the Plan is considered to be a reasonable countermeasure against a large-scale purchase of the Company's shares and other securities.

As of the date of this document, the Company has not received any proposal for a large-scale purchase of shares, etc. of the Company.

This proposal requests the approval of shareholders for the continuation of the Plan in accordance with Article 43, paragraph 1 of the Company's Articles of Incorporation.

1. Basic Policy on Persons Who Control Decisions on Financial and Business Policies of the Company

Showa Sangyo Co., Ltd. (the “Company”), as a party whose shares are listed on a financial instruments exchange, respects free trading of shares of the Company in the market and does not unconditionally deny a large-scale purchase of shares of the Company by a particular party as long as it contributes to the protection and enhancement of the corporate value of the Company and its Group companies (the “Group”) and eventually the common interest of shareholders.

The Company also believes that whether to accept or not a proposal for a large-scale purchase of shares should ultimately be judged by its shareholders.

In the management of the Group, it is essential to have a wide range of know-how, knowledge, and abundant experience of grains, as well as an understanding of the trustful relationships that have been established between the Company and its customers, business partners, employees, and other stakeholders in Japan and overseas. Without an understanding of these matters, the shareholder value that shareholders can realize in the future may be damaged.

There may be a proposal for a large-scale purchase of shares that could undermine the corporate value of the Group and eventually the common interest of shareholders by, for example, potentially preventing the Company from maintaining a good relationship with its stakeholders, or the proposed acquisition price of the Company's shares does not sufficiently reflect the value of the Group, or it does not provide sufficient time and information that is necessary for shareholders to make a final judgment.

In response to such a proposal, the Board of Directors of the Company believes that it is necessary, as a body entrusted by the shareholders, to carry out its duties on behalf of shareholders, including securing the time and information necessary for considering and negotiating with the proposer of a large-scale purchase of the shares, as well as presenting alternative measures as the Board of Directors, in response to the large-scale purchase proposal, that would contribute to securing and enhancing the corporate value of the Group and the common interests of the shareholders.

2. Measures to Help Achieve the Basic Policy

Showa Sangyo Group has set “Contributing to healthy, rich, and varied meals” as its corporate philosophy.

As a comprehensive food manufacturer centered on grain-based food ingredients, the Group fully leverages the technologies and know-how that it has cultivated in each business, including flour milling, vegetable oil refining, starches and sweeteners, and animal feed, to fulfill its social mission of “providing a stable supply of safe and reliable foods that the market recognizes as valuable.”

With the gradual loosening of movement restrictions resulting from COVID-19, economic and social activity is returning to normal and the economy continues to be on the path to recovery. Conversely, however, the prices of material grains are high, energy costs are rising, and the yen remains weak and the business environment surrounding the Group is changing dramatically.

Under these circumstances, in order to fulfill our corporate social responsibility by focusing on the provision of valued products that are safe, reliable, and high quality, the Group is promoting basic strategies as “grain solution companies” to achieve its long-term vision “SHOWA Next Stage for 2025” and the Medium-term Management Plan 23-25.

Contents of SHOWA Next Stage for 2025

Long-term Vision	“Grain Solution Company Next Stage” that provides satisfaction to all stakeholders —Spreading our roots, extending our branches, and producing fruits to feed society—
Policy	The Group will strive to enhance corporate value by evolving complex synergy solutions unique to the Showa Sangyo Group and strengthening efforts from an ESG perspective.

Medium-term Management Plan 23-25 Basic Strategies

1) Strengthening Our Core Businesses	<ul style="list-style-type: none">• Enforce product sales by transforming into “one-stop” sales models• Strengthening cooperation among group companies• Improving profitability through optimization of product composition and differentiation strategies• Strengthening stable procurement of materials and ingredients
2) Expansion of Our Business Fields	<ul style="list-style-type: none">• Expansion of overseas and frozen food businesses• Challenge to new businesses
3) Reducing Burden on the Environment	<ul style="list-style-type: none">• Continuous efforts to achieve the Group’s environmental targets• Reduction of packaging plastic• Development a roadmap to achieve carbon-neutrality
4) Rebuilding Our Platform	<ul style="list-style-type: none">• Advancing business portfolio management by introducing ROIC• Promotion of human capital management• Promotion of digital strategies• Promotion of our RD&E strategy
5) Enforcing Stakeholder Engagement	<ul style="list-style-type: none">• Enhancement of employee engagement• IR promotions in line with equity and shareholder strategies• Strengthen external posting and raise awareness of the Group via SNS

The Company believes that through these activities it can effectively utilize its management resources and maintain and develop good relationships with various stakeholders, which will contribute to securing and enhancing the corporate value of the Group and, in turn, the common interests of shareholders.

3. Outline and Purpose of the Plan

The Board of Directors of the Company decided to continue the Plan for the purpose of clarifying the rules to be adhered to by a party intending to carry out a large-scale purchase of shares, etc. of the Company so as to secure sufficient information and time for shareholders to make an appropriate decision as well as the opportunity to negotiate with the party intending to carry out such a large-scale purchase.

As outlined below, the Plan establishes rules to be adhered to by a party intending to carry out a large-scale purchase of shares, etc. of the Company; it clarifies that in certain cases the party intending to carry out a large-scale purchase

may sustain a loss if the Company takes countermeasures; and it warns any party that intends to carry out a large-scale purchase of shares, etc. of the Company that will not contribute to the Company's corporate value and the common interest of shareholders by appropriately disclosing such information.

In addition, in order to eliminate any arbitrary decisions by the Board of Directors of the Company in the exercise of countermeasures, the Plan provides for procedures, in certain cases, to confirm the intentions of shareholders by either a shareholder vote at a general meeting of shareholders or a written ballot, as well as the disclosure of information to shareholders in a timely manner to ensure transparency.

The status of major shareholders of the Company as of March 31, 2023, is as shown in Appendix 1 "Status of Major Shareholders of the Company." As of the date of this document, the Company has not received any proposal for a large-scale purchase of shares, etc. of the Company.

4. Content of the Plan

(1) Procedures for the Plan

1) Large-Scale Purchases, etc. subject to the Plan

The Plan applies to purchases of shares, etc. of the Company that fall under either (i) or (ii) below or acts similar thereto (excluding those that are approved by the Board of Directors of the Company; hereinafter such acts are referred to as "Large-Scale Purchases, etc."). A party who carries out or intends to carry out Large-Scale Purchases, etc. (hereinafter the "Purchaser") shall be required to follow the procedures preliminarily prescribed in the Plan.

(i) A purchase as a result of which the ownership ratio of shares, etc.³ of the holder² would become 20% or more with regard to the shares, etc. issued by the Company.¹

(ii) A tender offer⁵ as a result of which the aggregate sum of the ownership ratio of shares, etc.⁶ pertaining to the tender offer and the ownership ratio of shares, etc. of their specially related parties⁷ would become 20% or more with regard to the shares, etc. issued by the Company.⁴

2) Prior submission of a "Letter of Intent" to the Company

A Purchaser is required to submit to the Board of Directors of the Company a document in Japanese containing, among other things, a written pledge to the effect that the Purchaser will comply with the procedures prescribed in the Plan in relation to the proposed Large-Scale Purchases, etc. (hereinafter "Letter of Intent") in a form prescribed by the Company before the execution of the Large-Scale Purchases, etc.

More specifically, the Purchaser is required to state the following matters in the Letter of Intent.

(i) Summary description of the Purchaser

(a) Name and address or location

(b) Title and name of the representative

(c) Purpose and business description of the company, etc.

(d) Summary description of major shareholders or equity holders (10 largest holders in terms of ownership ratio of shares or equity holding ratio)

(e) Contact address in Japan

(f) Law governing the incorporation

(ii) The number of shares, etc. of the Company currently held by the Purchaser and the trading status of the Purchaser regarding the shares, etc. of the Company during the period of 60 days immediately preceding the date of submission of the Letter of Intent

(iii) The outline of the Large-Scale Purchases, etc. proposed by the Purchaser (including the classes and the number of shares, etc. of the Company the Purchaser plans to purchase through the Large-Scale Purchases, etc. and the purpose of the Large-Scale Purchases, etc. [If the Purchaser's purposes include the acquisition of control or the participation in management; pure investment or strategic investment, any transfer of shares, etc. of the Company to a third party after the completion of the Large-Scale Purchases, etc.; making a material proposal⁸; or other purposes, the Purchaser must describe that fact and a specific description of it; if there is more than one purpose, the Purchaser is required to state all of them.]

3) Provision of the "Necessary Information"

In cases where the Purchaser has submitted the Letter of Intent referred to in 2) above, the Purchaser is required to submit to the Company information in Japanese that is necessary and sufficient for shareholders to make a decision regarding the Large-Scale Purchase, etc. (hereinafter the "Necessary Information") in accordance with the following procedure:

First, the Company will send to the Purchaser at the contact address in Japan specified in 2) (i) (e) above an “information list” specifying information to be initially submitted within 10 business days⁹ (the first day not included) from the date of submission of the Letter of Intent. The Purchaser is required to submit sufficient information to the Company in accordance with the information list.

If the information provided by the Purchaser in accordance with the information list mentioned above is reasonably determined by the Board of Directors of the Company to be insufficient for shareholders to make a decision and for the evaluation, examination, etc., by the Board of Directors in view of the details and the form of the Large-Scale Purchase, etc., the Company requires the Purchaser to provide additional information that is separately requested by the board.

However, from the viewpoint of speeding up the provision of information by the Purchaser and avoiding arbitrary actions of the Board of Directors, such as extending the information provision period by endlessly requesting information, the maximum period for the information provision shall be limited to 60 days from the date of receipt of the Letter of Intent, and when the information provision period expires, the “Board of Directors Evaluation Period” shall immediately begin even if the Necessary Information is not sufficiently provided (provided, however, that the information provision period may be extended as necessary if the Purchaser requests such extension for a reasonable reason).

Regardless of the details and the form of the Large-Scale Purchase, etc., the information listed in the following items shall, in principle, be included as part of the information list.

- (i) Details (including history, specific name, capital structure, business description, description of financial conditions, and names and career summary of officers) of the Purchaser and its group (including joint holders,¹⁰ specially related parties and, in the case of a fund, partners and other members)
- (ii) The purpose of the Large-Scale Purchase, etc. (details of the purpose are disclosed in the Letter of Intent) and the method and other details of the Large-Scale Purchase, etc. (including whether the Purchaser intends to participate in management of the Company, types and amounts of consideration for the Large-Scale Purchase, etc., the timing of the Large-Scale Purchase, etc., the structure of any related transactions, the number of shares, etc. to be purchased, the ownership ratio of shares, etc. after the execution of the purchase, and the legality of the method of the Large-Scale Purchase, etc.)
- (iii) The basis for calculating the consideration for the Large-Scale Purchase, etc.
- (iv) Supporting documents explaining the source of funds for the Large-Scale Purchase, etc. (including the specific name of the provider of the funds [including substantial providers of funds], funding methods and the details of any related transactions)
- (v) Presence or absence of communication with a third party in conducting the Large-Scale Purchase, etc. and the details of the communication and the outline of the third party if such communication exists
- (vi) If with regard to shares, etc. of the Company already held by the Purchaser, there is any lending agreement, hypothecation agreement, sell-back agreement, sales reservation agreement or other important contracts or arrangements (hereinafter “Hypothecation Agreements, etc.”), the type of the agreement, the other party to the agreement, and the specific terms and conditions of the Hypothecation Agreements, etc. such as the quantity, etc. of the shares, etc. that are the subject of the agreement
- (vii) If the Purchaser plans to enter into a Hypothecation Agreement, etc. or any other agreements with a third party with regard to the shares, etc. of the Company planned to be purchased by the Purchaser through the Large-Scale Purchase, etc., the type of the agreement planned to be concluded, the other party to the agreement, and the specific terms and conditions of the agreement such as the quantity, etc. of the shares, etc. that are the subject of the agreement
- (viii) The basic management policy, business plan, capital policy, and dividend policy of the Company and the Group after the Large-Scale Purchase, etc.
- (ix) The policy on the treatment, etc. of the Company’s employees, labor union, business partners, customers, local communities, and other stakeholders of the Company after the Large-Scale Purchase, etc.
- (x) Specific measures to avoid any conflict of interest with other shareholders of the Company
- (xi) Any other information that the Board of Directors reasonably considers necessary

When a Purchaser has proposed a Large-Scale Purchase, etc., the Board of Directors of the Company discloses that fact, the outline of the proposal, the outline of the Necessary Information, and any other

information that is deemed necessary for shareholders to make a decision, when it is considered appropriate.

When the Board of Directors determines that the Necessary Information has been sufficiently proposed by the Purchaser or when 60 days have elapsed from the date of receipt of the Letter of Intent, the board notifies the Purchaser to that effect (hereinafter the “Information Provision Completion Notice”) and promptly disclose that fact.

- 4) Establishment of the Board of Directors’ Evaluation Period
- After giving the Information Provision Completion Notice (and depending on factors such as the difficulty of evaluating the Large-Scale Purchase, etc.), the Board of Directors of the Company sets either of the periods listed in (i) or (ii) below (in either cases, the first day is not included) as a period for evaluation, examination, negotiation, opinion formation, and development of an alternative proposal by the board (hereinafter the “Board of Directors’ Evaluation Period”).
- (i) In the case of a tender offer of all shares, etc. of the Company, the consideration for which consists only of cash (in Japanese yen): a period of up to 60 days; or
 - (ii) In the case of other Large-Scale Purchases, etc.: a period of up to 90 days

However, in either of the above cases (i) and (ii), the Board of Directors’ Evaluation Period may be extended if the Board of Directors reasonably acknowledges that the period is insufficient for evaluation and examination. In such a case, the Company notifies the Purchaser of the specific length of the extension and the reasons for the necessity of the extension and discloses that fact to the shareholders. The extension may be up to 30 days.

During the Board of Directors’ Evaluation Period, the Board of Directors of the Company shall sufficiently evaluate and examine the Necessary Information provided by the Purchaser while obtaining the advice of external experts from time to time as necessary and shall thereby examine the details of the Large-Scale Purchase, etc. proposed by the Purchaser from the perspective of protecting and enhancing the corporate value of the Company and the common interest of shareholders. The Board of Directors of the Company will carefully form its opinion on the proposed Large-Scale Purchase, etc. through these examinations, etc. and notify the Purchaser of it. It will also disclose its opinion to the shareholders in a timely and appropriate manner. The Board of Directors of the Company will also negotiate the terms and conditions and the method of the Large-Scale Purchase, etc. with the Purchaser as necessary and may present an alternative proposal to its shareholders.

- 5) Resolution of the Board of Directors
- (i) In cases where the Purchaser has not complied with the procedures prescribed in the Plan
In cases where the Purchaser has not complied with the procedures prescribed in the Plan, the Board of Directors of the Company shall promptly make a resolution on the exercise of countermeasures.
 - (ii) In cases where the Purchaser has complied with the procedures prescribed in the Plan
In cases where the Purchaser has complied with the procedures prescribed in the Plan, the Board of Directors of the Company shall, after the examination, etc. described in 4) above, make a resolution without delay, in accordance with the following procedure, on whether the countermeasures should be exercised:
 - (a) In cases where the Large-Scale Purchase, etc. by the Purchaser is considered to significantly undermine the corporate value of the Company and the common interest of shareholders
Even if the Purchaser has complied with the procedures prescribed in 2) through 4) above, if the Large-Scale Purchase, etc. is considered to significantly undermine the corporate value of the Company and the common interest of shareholders, the Board of Directors of the Company shall follow the procedures stipulated in 6) below to confirm the will of the shareholders regarding the details of the countermeasures and whether or not to exercise the countermeasures.
In this case, the Board of Directors of the Company shall follow the decision of the General Meeting of Shareholders for the Confirmation of Shareholders’ Intentions or the written ballot and promptly pass a resolution approving the exercise or non-exercise of countermeasures from the perspective of securing and enhancing the corporate value of the Company and the common interest of shareholders.

In cases where the proposed Large-Scale Purchase, etc. is found to fall under any of types of proposals listed in Appendix 2, in principle, it will be considered to significantly undermine the corporate value of the Company and the common interest of shareholders.

- (b) In cases where the Large-Scale Purchase, etc. by the Purchaser is not considered to significantly undermine the corporate value of the Company and the common interest of shareholders

In cases where the Large-Scale Purchase, etc. by the Purchaser is not considered to significantly undermine the corporate value of the Company and the common interest of shareholders, the Board of Directors of the Company shall pass a resolution approving the non-exercise of countermeasures.

When the Board of Directors of the Company has passed such a resolution, whether the resolution is to exercise countermeasures or not, it shall promptly disclose the outline of the resolution together with information about any other matters deemed appropriate by the board.

- 6) Confirmation of shareholders' intentions

In cases falling under 5) (ii) (a) above, the Board of Directors of the Company shall choose and implement either a shareholder vote at a general meeting of shareholders or a written ballot as the procedure to confirm the intentions of shareholders.

A General Meeting of Shareholders for the Confirmation of Shareholders' Intentions may be held in conjunction with an annual general meeting of shareholders or an extraordinary general meeting of shareholders.

When confirming the intentions of shareholders, the Board of Directors of the Company shall promptly set a record date for determining shareholders entitled to exercise their voting rights (hereinafter the "Voting Record Date"). Shareholders entitled to exercise their voting rights in the procedures for confirming the intentions of shareholders shall be those shareholders whose names are recorded in the last shareholder register as of the Voting Record Date, and each voting right shall have one ballot. The Voting Record Date shall be the earliest date that is after the expiration of the Board of Directors' Evaluation Period and can be derived from the number of days required for the determination of shareholders by the relevant laws and regulations and the Japan Securities Depository Center. Public notice shall be given at least two weeks prior to the Voting Record Date.

The Board of Directors of the Company shall decide which to implement to confirm the intentions of shareholders, a General Meeting of Shareholders for the Confirmation of Shareholders' Intentions or a written ballot, by the time the Voting Record Date is fixed, and shall promptly disclose the details of the decision. In the case of a vote at the General Meeting of Shareholders for the Confirmation of Shareholders' Intentions, the acceptance or rejection of the proposal shall be determined by a majority of the ballots of the shareholders at the meeting if the shareholders present hold at least one-third of the total ballots of all shareholders. In the case of a written ballot, acceptance or rejection of the proposal shall be determined by a majority of the ballots of the shareholders who cast their ballots and hold at least one-third of the total ballots of all shareholders.

If the General Meeting of Shareholders for the Confirmation of Shareholders' Intentions or a written ballot is implemented, the Board of Directors of the Company shall promptly disclose the results of the votes and any other matters that the board deems appropriate.

- 7) Discontinuation of countermeasures or revocation of the decision to exercise countermeasures

Even after the Board of Directors of the Company has passed a resolution approving the exercise of countermeasures in accordance with the procedure prescribed in 5) above or has started exercising countermeasures, if (i) the Purchaser has withdrawn the proposal for a Large-Scale Purchase, etc. or (ii) there have been changes in the facts on which the judgment is made as to whether countermeasures should be exercised and it is no longer deemed appropriate to maintain the countermeasures that have been exercised from the perspective of protecting and enhancing the corporate value of the Company and the common interest of shareholders, the board shall discontinue countermeasures or revoke the decision to exercise countermeasures.

When the Board of Directors of the Company has passed such a resolution, it shall promptly disclose the outline of the resolution together with information about any other matters deemed appropriate by the board.

- 8) Commencement of a Large-Scale Purchase, etc.
The Purchaser shall comply with the procedures prescribed in the Plan and cannot commence the Large-Scale Purchase, etc. unless the Board of Directors passes a resolution on the exercise or non-exercise of countermeasures.

- (2) Specific countermeasures to be exercised under the Plan

The countermeasures to be exercised by the Board of Directors of the Company based on its resolution as described in (1) 5) above shall be the allotment of share acquisition rights without contribution.

The outline of the allotment of the Share Acquisition Rights without contribution shall be as prescribed in Appendix 3 “Outline of the Allotment of the Share Acquisition Rights Without Contribution.”

As described in (1) 7) above, the Board of Directors of the Company may discontinue countermeasures or revoke the decision to exercise countermeasures even after it has passed a resolution approving the exercise of countermeasures or has started exercising countermeasures. For example, if the Purchaser discontinues the Large-Scale Purchase, etc. in the case where Board of Directors of the Company had passed a resolution to conduct an allotment of the Share Acquisition Rights without contribution as countermeasures, and the board passed a resolution described in (1) 7) above, the board may revoke the decision to exercise countermeasures by methods such as canceling the allotment of the Share Acquisition Rights without contribution during the period up until the day immediately preceding the ex-rights date pertaining to the record date set for the allotment of the Share Acquisition Rights without contribution and having the Company acquire the Share Acquisition Rights without contribution during the period from the effective date of the allotment of the Share Acquisition Rights without contribution to the day immediately preceding the start date of the exercise period of the Share Acquisition Rights.

- (3) Effective period, abolition, and change of the Plan

The effective period of the Plan shall expire at the conclusion of the Annual General Meeting of Shareholders scheduled to be held in June 2026 subject to the approval of this Annual General Meeting of Shareholders.

However, if a resolution approving the change or abolition of the Plan is passed at a General Meeting of Shareholders of the Company anytime before the expiration of the said effective period, the Plan shall be changed or abolished at that time pursuant to the resolution. In addition, if a resolution approving the abolition of the Plan is passed by the Board of Directors consisting of Directors elected at a General Meeting of Shareholders of the Company, the Plan shall be abolished at that time.

The Board of Directors of the Company may revise or change the Plan when it judges that formal changes are necessary due to the following: a change in the Companies Act, Financial Instruments and Exchange Act, or other laws or regulations or rules of the financial instruments exchange; a change in the interpretation or operation thereof; or a change in the taxation system, judicial precedents, etc.

In cases where the Plan is abolished or the content of the Plan is changed in a way that would substantially affect the shareholders of the Company, the Company shall disclose such a fact of abolition or change and (in the case of a change) the details of the change together with information about any other matters deemed appropriate by the Board of Directors of the Company.

5. Rationale of the Plan

- (1) The Plan satisfies all the requirements of the guidelines on takeover defense measures.

The Plan satisfies all three principles (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' will and the principle of ensuring the necessity and reasonableness of defensive measures) prescribed in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interest” jointly published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and is also designed based on the “Takeover Defense Measures in Light of Recent Environmental Changes” released by the Corporate Value Study Group on June 30, 2008.

- (2) The Plan is being introduced for the purpose of protecting and enhancing the corporate value of the Company and the common interest of shareholders.

As stated in 3. above, the continuation of the Plan is proposed for the purpose of protecting and enhancing the corporate value of the Company and the common interest of shareholders in the case where a Large-Scale Purchase, etc. of shares, etc. of the Company is proposed by securing information and time necessary for the shareholders to decide whether to accept the proposal for the Large-Scale Purchase, etc. or for the

Board of Directors of the Company to present an alternative proposal, as well as by enabling the Company to negotiate with the Purchaser on behalf of its shareholders or to take similar actions.

- (3) The Plan respects shareholders' intentions.
The Plan is designed to directly confirm the intentions of shareholders regarding the exercise of countermeasures against a Large-Scale Purchase, etc. by the Purchaser except in cases where the Purchaser makes a Large-Scale Purchase, etc. without following the procedures prescribed in the Plan.
The Plan is to be continued subject to the consent of shareholders at this Annual General Meeting of Shareholders. As stated in 4. (3) above, if a resolution approving the change or abolition of the Plan is passed at a General Meeting of Shareholders of the Company anytime after it is approved at this Annual General Meeting of Shareholders, the Plan will be changed or abolished pursuant to that resolution. Therefore, the intention of shareholders will adequately be reflected on the Plan's continuation and abolition through the procedure mentioned above.
- (4) Reasonable and objective requirements for the exercise of the Plan
As stated in 4. (1) above, the Company has structured the Plan so it will not be exercised unless reasonable and objective requirements are satisfied and has put in place a mechanism to prevent the Board of Directors of the Company from arbitrarily exercising it.
- (5) The Plan is not a dead-hand type or slow-hand type takeover defense plan.
As stated in 4. (3) above, the Plan may be abolished anytime by the Board of Directors consisting of Directors who are elected at the General Meeting of Shareholders of the Company. Therefore, the Plan is not a dead-hand type takeover defense plan (a takeover defense plan whose exercise cannot be prevented even after replacing a majority of the members of the Board of Directors).
Since the Company does not use staggered terms, the Plan is not a slow-hand type takeover defense plan (a takeover defense plan that requires time to prevent exercise of the plan because the members of the Board of Directors cannot be replaced at once).

6. Impact on Shareholders

- (1) Impact of the continuation of the Plan on shareholders and investors upon its taking effect
When the continuation of the Plan takes effect, none of the Share Acquisition Rights will be issued. Therefore, upon its taking effect, the Plan will not directly have any specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders and investors.
As stated in 4. (1) above, depending on whether the Purchaser complies with the Plan, the response policy of the Company to the proposed Large-Scale Purchase, etc. will be different. Therefore, shareholders and investors are advised to pay attention to any action that the Purchaser may or may not take.
- (2) Impact on shareholders at the time of allotment of the Share Acquisition Rights without contribution
In the case where the Board of Directors of the Company decides to exercise countermeasures and carry out allotment of the Share Acquisition Rights without contribution, the Share Acquisition Rights will be allotted without contribution to shareholders whose names are recorded in the shareholder register as of the allotment date to be specified separately at the rate of up to two Share Acquisition Rights per share held. Due to the nature of such a structure, while the allotment of the Share Acquisition Rights without contribution causes dilution of the economic value per share of the Company held by each shareholder and investor, it does not cause dilution of the total economic value of the shares of the Company or dilution of voting rights per share of the Company. As such, the allotment of the Share Acquisition Rights without contribution is not expected to directly have a specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders and investors.
However, as a result of the exercise of these countermeasures, the Purchaser may eventually be subject to a certain impact on its legal rights and economic benefits.
In cases where the Board of Directors passes a resolution approving the allotment of the Share Acquisition Rights without contribution but subsequently decides to discontinue countermeasures that it has exercised or revoke the decision to exercise countermeasures in accordance with the procedure described in 4. (1) 7) above, the price of shares of the Company may fluctuate accordingly. For example, in cases where the Company revokes the exercise of countermeasures after the shareholders to receive the allotment of the Share Acquisition Rights without contribution are determined and thereby it acquires the Share Acquisition

Rights without contribution and does not deliver new shares, no dilution of economic value per share of the Company held by each shareholder and investor occurs. Accordingly, investors who have traded shares of the Company based on the assumption that dilution of economic value per share of the Company would occur may be exposed to a loss due to share price fluctuations.

In cases where discriminatory conditions are attached in relation to the exercise or acquisition of the Share Acquisition Rights, while the legal rights and economic benefits of the Purchaser are expected to be affected with regard to the said exercise or acquisition, such conditions are not expected to directly have a specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders and investors other than the Purchaser.

In carrying out the allotment of the Share Acquisition Rights without contribution, the Board of Directors of the Company will disclose information regarding the terms and conditions of the issuance of share acquisition rights, the possibility of incurring damages when trading shares of the Company, and other matters that the board deems appropriate.

(3) Procedures need to be followed by shareholders in conjunction with the allotment of the Share Acquisition Rights without contribution

As those shareholders whose names are recorded in the last shareholder register as of the date of the allotment of the Share Acquisition Rights without contribution would naturally become holders of share options as of the effective date of the allotment of the Share Acquisition Rights without contribution, no application procedure needs to be followed by these shareholders.

If the Company takes actions for the acquisition of stock acquisition rights with acquisition clauses, shareholders other than the Purchaser will receive the Company's shares as consideration for the acquisition of the Share Acquisition Rights by the Company without paying the cash equivalent to the exercise price of the stock acquisition rights. Therefore, no payment or other procedures pertaining to the said stock acquisition rights needs to be followed by these shareholders.

In addition to the above, after the Board of Directors passes a resolution approving the allotment of the Share Acquisition Rights without contribution, the allotment method, the exercise method, the method of acquisition by the Company, the method of delivery of the shares and other details of the required procedures will be, based on the applicable laws and regulations and rules of the financial instruments exchange, disclosed or notified by the Company to shareholders in a timely and appropriate manner for their confirmation.

- 1 This term is as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise prescribed. In the case of an amendment to any of the laws and regulations, etc. referred to in the Plan (including changes in the names of laws and regulations and the establishment of new laws and regulations, etc. that succeed old laws and regulations, etc.), any reference to the provisions of such laws and regulations, etc. in the Plan shall be deemed to be replaced with a reference to the provisions of amended laws and regulations, etc. that substantively succeed the old provisions unless otherwise prescribed by the Board of Directors of the Company.
- 2 This term means holders as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act and includes parties who are included in the category of holders pursuant to the provisions of paragraph 3 of that article.
- 3 This term is as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
- 4 This term is as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in (ii).
- 5 This term is as defined in Article 27-2, paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
- 6 This term is as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
- 7 This term means specially related parties as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act. However, the parties set forth in item (i) of that paragraph shall exclude those who are prescribed in Article 3, paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. The same shall apply hereinafter.
- 8 This term means material proposal as defined in Article 27-26, paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large Volume Holding of Share Certificates, etc. The same shall apply hereinafter unless otherwise prescribed.

- 9 A business day means a day other than the days set forth in the items of Article 1, paragraph 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.
- 10 This term means joint holder set forth in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act and includes parties who are deemed as joint holders by the Board of Directors of the Company pursuant to the provisions of paragraph 6 of that article. The same shall apply hereinafter.

Status of Major Shareholders of the Company

Status of the 10 largest holders of the Company (as of March 31, 2023)

	Shareholder Name	Status of Shares Held	
		Number of Shares Held (Thousands of Shares)	Percentage of Total
1	ITOCHU Corporation	2,540	7.6
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	2,189	6.5
3	The Chiba Bank, Ltd.	1,542	4.6
4	Mitsui & Co., Ltd	1,540	4.6
5	Yuasa Funashoku Co., Ltd.	1,233	3.7
6	Sompo Japan Insurance Inc.	1,197	3.6
7	Showa Sangyo client stock ownership	1,131	3.4
8	The Norinchukin Bank	1,103	3.3
9	Sojitz Corporation	1,000	3.0
10	Cargill Japan LLC	940	2.8

- Notes:
1. The number of shares held is rounded down to the nearest thousand shares, and the percentage of the total is rounded to the first decimal place.
 2. The Company holds 534 thousand shares of treasury stock but is excluded from the above list of major shareholders.
 3. The percentage of total shares issued is calculated excluding treasury stock.

Types of Large-Scale Purchase Proposals That Are Considered to Significantly Undermine the Corporate Value of the Company and the Common Interest of Shareholders

1. Cases where the Purchaser is found to be a party who does not have any intention to participate in corporate management and is acquiring or intends to acquire shares, etc. of the Company only for the purpose of selling the shares, etc. of the Company to the Company or a related party of the Company at a high price after driving the share price higher (so-called greenmailer)
2. Cases where the Purchaser is found to be acquiring shares, etc. of the Company for the purpose of transferring such assets of the Company or the Group companies, intellectual property rights, know-how, corporate secrets, major business partners or customers that are necessary for the business operation of the Company or the Group companies to the Purchaser or its group companies, etc. by temporarily acquiring control over the corporate management of the Company
3. Cases where the Purchaser is found to be acquiring shares, etc. of the Company for the purpose of using the assets of the Company or the Group companies as collateral or the source of funds to repay debts of the Purchaser or its group companies, etc. after acquiring control over the corporate management of the Company
4. Cases where the Purchaser is found to be acquiring shares, etc. of the Company for the purpose of temporarily acquiring control over the corporate management of the Company and disposing of high-value assets, etc., such as real estate, securities, etc., that are not currently related to the business of the Company or the Group companies by sale, etc. and temporarily paying higher dividends from the disposition proceeds or deliberately selling the shares, etc. of the Company at a high price as the share price surges during the period of the said temporarily higher dividends
5. Cases where the method of purchase of shares, etc. of the Company proposed by the Purchaser is found to impose restrictions on the opportunity or freedom of shareholders to make a decision by way of a so-called coercive two-tier tender offer (the method of carrying out a tender offer in two steps where the Purchaser does not solicit the sale of all shares, etc. of the Company in the first stage while specifying unfavorable terms and conditions for purchases in the second stage or not clarifying the terms and conditions for purchases in the second stage) and shareholders could be effectively forced to sell the shares, etc. of the Company
6. Cases where the terms and conditions for purchasing the Company's shares, etc. (including but not limited to class of shares, amount of the consideration, basis of calculation of the consideration, other specific terms and conditions [including the timing and method for the acquisition], whether there is any illegality and the feasibility) proposed by the Purchaser are found significantly inadequate or unsuitable with respect to the Company's corporate value
7. Cases where the acquisition of control of the Company by the Purchaser is found to cause a significant impediment to the protection and enhancement of the Company's corporate value and the common interest of shareholders as it is expected that, among other cases, such control would significantly damage the Company's corporate value and the common interest of shareholders including the interests of the Company's shareholders as well as customers, employees and other stakeholders of the Group

Outline of the Allotment of the Share Acquisition Rights Without Contribution

1. Total number of the Share Acquisition Rights to be allotted
The total number of the Share Acquisition Rights to be allotted shall be the number separately specified by the Board of Directors of the Company in the resolution approving the allotment of the Share Acquisition Rights without contribution (hereinafter “Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution”) and this number shall not exceed the number equivalent to two times the final total number of issued shares of the Company as of a certain day separately specified by the board in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution (hereinafter the “Allotment Date”) (excluding the number of shares of the Company held by the Company as of the said date).
2. Shareholders eligible for allotment
The Share Acquisition Rights shall be allotted without contribution to shareholders whose names are recorded in the last shareholder register as of the Allotment Date at the rate of up to two Share Acquisition Rights per common share of the Company held by the said shareholders (excluding shares of the Company held by the Company as of the said date) that is separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.
3. Effective date of the allotment of the Share Acquisition Rights without contribution
The effective date shall be the day separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.
4. Class and number of shares that are the subject of the Share Acquisition Rights
The class of the shares that are the subject of the Share Acquisition Rights shall be common shares of the Company, and the number of shares that are the subject of a Share Acquisition Right (hereinafter the “Number of Subject Shares”) shall be the number separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution provided that the Number of Subject Shares shall not exceed one. However, in cases where the Company carries out a share split or share consolidation, the Number of Subject Shares shall be subject to adjustments, if necessary.
5. Type and amount of assets to be provided upon exercise of the Share Acquisition Rights
The type of assets to be provided upon exercise of the Share Acquisition Rights shall be money, and the amount of assets to be provided upon exercise of the Share Acquisition Rights per common share of the Company shall be the amount separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution provided that this amount shall not be less than 1 yen.
6. Restrictions on the transfer of the Share Acquisition Rights
Any transfer of the Share Acquisition Rights shall be subject to the approval of the Board of Directors of the Company.
7. Exercise conditions of the Share Acquisition Rights
A party falling under any of the following categories (hereinafter collectively referred to as “non-qualified parties”) are not entitled to exercise the Share Acquisition Rights: (1) a specified large volume holder,¹¹ (2) a joint holder of a specified large volume holder, (3) a specified large volume purchaser¹², (4) a specially related party of a specified large volume purchaser, (5) a party who has received or succeeded the Share Acquisition Rights from any of the parties listed in (1) through (4) without obtaining the approval of the Board of Directors of the Company, or (6) a related party of any of the parties falling under (1) through (5).¹³ The details of the conditions to exercise the Share Acquisition Rights shall be separately specified in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.
8. Acquisition of the Share Acquisition Rights by the Company
The Company may acquire the Share Acquisition Rights held by parties other than non-qualified parties and deliver common shares of the Company in the Number of Subject Shares per Share Acquisition Right in exchange for them on the day separately specified by the Board of Directors of the Company. The details of the acquisition conditions of the Share Acquisition Rights shall be separately specified in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.
9. Acquisition without contribution in the case of revocation, etc. of the decision to exercise countermeasures
In cases where the Board of Directors of the Company has revoked the exercise of countermeasures or other cases separately specified by the board in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution, the Company may acquire all of the Share Acquisition Rights without contribution.
10. Exercise period, etc. of the Share Acquisition Rights

The exercise period of the Share Acquisition Rights and other necessary matters shall be separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

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- 11 Specified large volume holder refers to a holder of shares, etc. issued by the Company whose ownership ratio of shares, etc. pertaining to the said shares, etc. is 20% or more or a party who falls under the category of specified large volume holder as determined by the Board of Directors of the Company. However, such a party shall not fall under the category of specified large volume holder if the board has determined that said party's acquiring or holding shares, etc. of the Company is not against the corporate value of the Company and the common interest of shareholders or if the said party is a party separately specified as such by the board in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.
 - 12 Specified large volume purchaser refers to a party who has given a public notice to the effect that it will carry out a purchase, etc. (meaning 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 shares, etc. (meaning share certificates, etc. as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) issued by the Company through a tender offer and the aggregate sum of whose ownership ratio of shares, etc. pertaining to its ownership after the said purchase, etc. (including those prescribed by Article 7, paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act as to be equivalent thereto) as combined with the ownership ratio of shares, etc. of its specially related parties is 20% or more or a party who falls under the category of specified large volume purchaser as determined by the Board of Directors of the Company. However, such a party shall not fall under the category of specified large volume holder if the board has determined that said party's acquiring or holding shares, etc. of the Company is not against the corporate value of the Company and the common interest of shareholders or if the said party is a party separately specified as such by the board in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.
 - 13 "Related party" of a given party means a party who substantively controls, or is controlled by, or is under the common control with the other party (including those who are determined by the Board of Directors of the Company to fall under the said definition) or a party who is determined by the board to act in cooperation with the other party. "Control" means the "cases where a party controls decisions on financial and business policies" of other companies, etc. (meaning the cases defined in Article 3, paragraph 3 of the Ordinance for Enforcement of the Companies Act).

Flow Chart for the Procedures of the Plan

