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(Securities identification code: 6462)

June 3, 2022

To our shareholders:

Yasunori Maekawa
President (CEO & COO)
Riken Corporation
8-1, Sanbancho, Chiyoda-ku, Tokyo

Notice of the 98th Ordinary General Meeting of Shareholders

We are pleased to announce the 98th Ordinary General Meeting of Shareholders of Riken Corporation (the “Company”), which will be held as described below.

Although we will hold the Meeting upon implementation of proper infection prevention measures to prevent the spread of the novel coronavirus (COVID-19) infections, we request that our shareholders refrain from attending the Meeting to the extent possible, irrespective of their individual health condition, and instead exercise their voting rights in writing (via postal mail) or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by the method of exercising voting rights no later than 5:30 p.m., Thursday, June 23, 2022 (Japan Standard Time).

Meeting Details

1. **Date and time:** Friday, June 24, 2022 at 3:30 p.m. (Japan Standard Time)
2. **Venue:** Lecture Hall, 2F annex
The International House of Japan
5-11-16, Roppongi, Minato-ku, Tokyo
3. **Purposes of the Meeting:**
Items to be reported:
 1. Business Report and Consolidated Financial Statements for the 98th Term (from April 1, 2021 to March 31, 2022), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-Consolidated Financial Statements for the 98th Term (from April 1, 2021 to March 31, 2022)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
 - Proposal 2:** Partial change to Articles of Incorporation
 - Proposal 3:** Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 4:** Continuation of Measures to Respond to a Large-Scale Acquisition of Our Company’s Stock
4. **Exercising Voting Rights**

If you exercise your voting rights multiple times via the Internet, etc., your last vote shall be deemed effective.

If you exercise your voting rights through multiple methods such as in writing (by postal mail) and via the Internet, etc., the vote via the Internet, etc. shall be deemed effective.

5. Internet Disclosure

The reference materials appended to this Notice do not include the documents listed below, as these documents have been posted on the Company's website (<https://www.riken.co.jp/english/>) pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation.

- (1) Matters Related to Company Stock Acquisition Rights, etc. from Business Report
- (2) System to Ensure the Appropriateness of Operations from Business Report
- (3) Consolidated Statement of Changes in Equity from Consolidated Financial Statements
- (4) Notes to the Consolidated Financial Statements
- (5) Statement of Changes in Equity from Non-Consolidated Financial Statements
- (6) Notes to Non-Consolidated Financial Statements

Therefore, please note that these appended documents do not fully encompass the Consolidated Financial Statements and Non-Consolidated Financial Statements that the Accounting Auditor audited when preparing the Accounting Auditor Report; nor do they fully encompass the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements that the Audit and Supervisory Committee audited when preparing its Audit Report.

1. **A summary of measures to prevent the spread of infection at the venue is stated on our website (<https://www.riken.co.jp/english/>). Please check it out.**
2. When attending the meeting, please submit the enclosed voting form at the reception desk.
3. When there are any revisions to the details of the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements, we will notify shareholders by posting on our website (<https://www.riken.co.jp/english/>).
4. We request your understanding about the fact that we will refrain from giving out souvenirs on this occasion in light of fairness, etc., between shareholders who visit the venue and those who have difficulty visiting the venue.

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Reference Documents for the General Meeting of Shareholders

Proposals and Notes

Proposal 1: Appropriation of surplus

The Company aims to deliver stable shareholder returns while considering the Company's current performance as well as the future business climate and prospects for business development.

According to the policy, the Company proposes as a term-end dividend to pay 60 yen per share.

The Company has already paid an interim dividend of 60 yen per share. Accordingly, the proposed annual dividend for the fiscal year under review amounts to 120 yen per share.

1. Matters related to year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and their aggregate amount

60 yen per common share of the Company

Total amount of dividends: 600,164,160 yen

(3) Effective date of distribution of dividends of surplus

June 27, 2022

Proposal 2: Partial change to Articles of Incorporation

1. Reasons for proposal

Because the revised provisions set forth in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation due to the introduction of the system for providing reference documents for the general meeting of shareholders in electronic format.

- (1) Because it is compulsory to allow for the provision of information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, the Company proposes to establish Article 15, paragraph 1 of the Proposed Amendments (Measures, etc. for Providing Information in Electronic Format).
- (2) Among items for which measures will be taken to provide information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic form, the Company proposes to establish Article 15, paragraph 2 of the Proposed Amendments (Measures, etc. for Providing Information in Electronic Format) to enable it to restrict the scope of paper-based document delivery to shareholders who have requested the same, to the scope set out in the Ministry of Justice Order.
- (3) When the system for providing reference documents for the general meeting of shareholders in electronic format is adopted, the provisions of Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will become unnecessary, and the Company therefore proposes to delete them.
- (4) The Company proposes to establish supplementary provisions regarding the effective date, etc. of the above-mentioned establishment and deletion of provisions. Furthermore, these supplementary provisions will be deleted after the appointed date has passed.

2. Details of amendments

The details of the amendments are as follows.

(The underlined sections denote the amended text.)

Current Articles of Incorporation	Proposed Change
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Change
<p style="text-align: center;">(New)</p> <p>Supplementary Provisions</p> <p style="text-align: center;">(New)</p>	<p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 15</u></p> <ol style="list-style-type: none"> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u> <p>Supplementary Provisions</p> <p><u>(Transitional Measures for Providing Information in Electronic Format)</u></p> <p><u>Article 2</u></p> <ol style="list-style-type: none"> <u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (Measures, Etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions set forth in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective with regard to any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u> <u>3. The provisions of this Article shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u>

Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this Meeting.

The Company proposes to increase the number of Directors by one (1) in order to strengthen the management structure, and therefore requests the election of seven (7) Directors.

Selection of candidates for Director has undergone deliberations by our voluntary Nomination and Compensation Committee, of which a majority of members are independent Outside Directors.

In addition, in relation to this proposal, the Audit and Supervisory Committee of the Company has determined that all of the candidates for Director are suitable for these roles.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kaoru Itoh (April 9, 1953) [Reelection]	<p>April 1976 Joined The Industrial Bank of Japan, Limited</p> <p>April 2005 Managing Executive Officer of Mizuho Bank, Ltd.</p> <p>March 2008 President and CEO of Mizuho Research Institute Ltd.</p> <p>June 2012 Managing Director of the Company</p> <p>June 2013 Senior Managing Director, Chairman of the Corporate Strategy Committee of the Company</p> <p>June 2015 Representative Director, President (COO) of the Company</p> <p>April 2018 Representative Director, President (CEO & COO) of the Company</p> <p>April 2020 Chairman (CEO) of the Company</p> <p>April 2022 Representative Director, Chairman of the Company (present position)</p> <p>Reasons for nomination as candidate for Director As CEO and COO, Kaoru Itoh has successfully led the Company's operations. We have nominated him again for the post of Director, believing his wide-ranging experience and competence to be invaluable to the Company's management.</p> <p>Attendance at the Board of Directors Meetings during the fiscal year 18/18 (100%)</p>	23,800

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Yasunori Maekawa (February 27, 1958) [Reelection]	<p>March 1986 Joined the Company</p> <p>February General Manager of Nagoya Sales 2004 Division of the Company</p> <p>June 2010 Director, Chairman of Overseas Committee of the Company</p> <p>May 2013 Director of the Company</p> <p>June 2015 Managing Director of the Company</p> <p>May 2016 Director, Managing Executive Officer of the Company</p> <p>April 2019 Director, Senior Managing Executive Officer of the Company</p> <p>June 2019 Representative Director, Senior Managing Executive Officer of the Company</p> <p>April 2020 Representative Director, President (COO) of the Company</p> <p>April 2022 Representative Director, President (CEO & COO) of the Company (present position)</p>	18,200
		<p>Reasons for nomination as candidate for Director</p> <p>During his long years of service in the Company, Yasunori Maekawa has engaged in overseas sales, domestic sales and overseas business and contributed to the global expansion of the Group. Since becoming COO in 2020 and CEO in 2022, he has steadily been working on management issues including the formulation and execution of a new medium-term management plan. We have nominated him again for the post of Director, believing his wide-ranging experience and competence to be invaluable to the Company's management.</p>	
		<p>Attendance at the Board of Directors Meetings during the fiscal year</p> <p>18/18 (100%)</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Kouei Watanabe (November 19, 1958) [Reelection]	<p>April 1983 Joined the Company</p> <p>October 2014 General Manager of Quality Assurance Division of the Company</p> <p>April 2017 Executive Officer, General Manager of Piston Ring Division # 2 of the Company</p> <p>April 2020 Managing Executive Officer, General Manager of the Technology Management Division of the Company</p> <p>April 2021 Managing Executive Officer, General Manager of Technology Management Head Office of the Company</p> <p>June 2021 Director, Managing Executive Officer & CTO of the Company (present position)</p>	9,100
		<p>Reasons for nomination as candidate for Director</p> <p>During his long years of service in the Company, Kouei Watanabe has led manufacturing operations, quality assurance operations and technical management operations for piston rings, one of the Company's key products, which has helped the Company increase profitability. We have nominated him again for the post of Director, believing his wide-ranging experience and competence to be invaluable to the Company's management.</p>	
		<p>Attendance at the Board of Directors Meetings during the fiscal year</p> <p>14/14 (100%)</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Takashi Ohashi (September 7, 1958) [Reelection]	<p>November 1989 Joined the Company</p> <p>June 2008 General Manager of Business Process Reengineering Division of the Company</p> <p>November 2011 General Manager of Production Management Division of the Company</p> <p>November 2017 General Manager of Information Systems Division of the Company</p> <p>April 2018 Executive Officer, General Manager of Information Systems Division of the Company</p> <p>June 2018 Executive Officer, General Manager of Ring Production Engineering Division of the Company</p> <p>April 2020 Managing Executive Officer of the Company</p> <p>June 2021 Director, Managing Executive Officer of the Company (present position)</p>	10,800
		<p>Reasons for nomination as candidate for Director During his long years of service in the Company, Takashi Ohashi has led production management, information systems and production technology operations, which has contributed to the reinforcement of management systems, as the base for improvement of our profitability. We have nominated him again for the post of Director, believing his wide-ranging experience and competence to be invaluable to the Company's management.</p>	
		<p>Attendance at the Board of Directors Meetings during the fiscal year 14/14 (100%)</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Hidehiro Sakaba (November 22, 1962) [New election]	<p>April 1985 Joined the Company</p> <p>June 2011 General Manager of Corporate Planning Division of the Company</p> <p>May 2016 Executive Officer, General Manager of Corporate Planning Division of the Company</p> <p>June 2020 Executive Officer of the Company, President of Riken Mexico, S.A. DE C.V.</p> <p>April 2022 Managing Executive Officer of the Company, President of Riken Mexico, S.A. DE C.V.</p> <p>May 2022 Managing Executive Officer, General Manager of Corporate Management Head Office (present position)</p> <p>Reasons for nomination as candidate for Director During his long years of service in the Company, Hidehiro Sakaba has led corporate management in such areas as corporate planning and accounting and finance, and the formulation and promotion of management plans, including external alliances, in addition to which, as the president of the Company's main overseas manufacturing subsidiary since 2020, he has contributed to enhancing the corporate value of the Company. We have nominated him for the post of Director, believing his wide-ranging experience and competence to be invaluable to the Company's management.</p>	5,100

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Eiji Hirano (September 15, 1950) [Reelection] [Outside] [Independent]	<p>April 1973 Joined Bank of Japan</p> <p>May 1999 Director-General of International Department of Bank of Japan</p> <p>June 2002 Executive Director of Bank of Japan</p> <p>June 2006 Director, Vice President of Toyota Financial Services Corporation</p> <p>May 2015 Director, Representative Statutory Executive Officer of MetLife, Inc.</p> <p>June 2015 Outside Director of the Company (present position)</p> <p>June 2016 Outside Director of NTT DATA Corporation (present position)</p> <p>September 2017 Director, Vice Chairman of MetLife, Inc. (present position)</p> <p>October 2017 Chairperson of the Board of Governors of Government Pension Investment Fund</p> <p>June 2022 External Director, Ichiyoshi Securities Co., Ltd. (scheduled to assume the position)</p>	0
		<p>Reasons for nomination as candidate for Outside Director and outline of expected role</p> <p>Eiji Hirano held a top post in the Bank of Japan and subsequently held executive posts in a number of companies. We have nominated him again for the post of Outside Director because we expect that the Company's management will benefit from his in-depth expertise and global and extensive experience. In addition, if he is reelected, the Company would like him to continue to be a member of the voluntary Nomination and Compensation Committee of the Company, and be involved in selection of candidates for officer of the Company and decisions on compensation for officers, etc., from an objective and neutral standpoint. He will have served as Outside Director for seven (7) years at the conclusion of this General Meeting of Shareholders.</p>	
		<p>Attendance at the Board of Directors Meetings during the fiscal year</p> <p>17/18 (94.4%)</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Koji Tanabe (February 1, 1952) [Reelection] [Outside] [Independent]	<p>April 1975 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)</p> <p>July 2002 Director-General of Research and Statistics Department of the Ministry of Economy, Trade and Industry</p> <p>April 2005 Professor of Graduate School of Innovation Management of Tokyo Institute of Technology</p> <p>February 2012 Director of the Japan Asia Group Limited</p> <p>April 2017 Professor Emeritus of Tokyo Institute of Technology (present position) Specially-Appointed Professor of School of Environment and Society of Tokyo Institute of Technology</p> <p>June 2019 Outside Director of the Company (present position)</p> <p>January 2021 Director of Intron Space Inc. (present position)</p>	0
		<p>Reasons for nomination as candidate for Outside Director and outline of expected role</p> <p>Koji Tanabe worked as a professor at the Tokyo Institute of Technology after serving at the Ministry of Economy, Trade and Industry for many years. We have nominated him again for the post of Outside Director because we expect that the Company's management will benefit from in-depth expertise and extensive experience particularly in innovation management. In addition, if he is reelected, the Company would like him to continue to be a member of the voluntary Nomination and Compensation Committee of the Company, and be involved in selection of candidates for officer of the Company and decisions on compensation for officers, etc., from an objective and neutral standpoint. He will have served as Outside Director for three (3) years at the conclusion of this General Meeting of Shareholders.</p>	
		<p>Attendance at the Board of Directors Meetings during the fiscal year</p> <p>18/18 (100%)</p>	

(Notes)

1. There is no special interest between each of the candidates and the Company.
2. Eiji Hirano and Koji Tanabe are candidates for Outside Director. In addition, both satisfy the requirements under "Standards for Judgment of Independence of Outside Directors" (page 14) provided by the Company.
3. The Company has designated Eiji Hirano and Koji Tanabe as independent officers according to the rules of the Tokyo Stock Exchange, Inc., and has registered them with the said exchange. If they are reelected, they will continue to be registered as independent officers.
4. In accordance with Article 427 (1) of the Companies Act, the Company has entered into agreements with Eiji Hirano and Koji Tanabe regarding liability for damages under Article 423 (1) of the Companies Act to the Company, limiting their

liability to the extent stipulated in legislation. The Company intends to continue these agreements if their reelection is approved.

5. The Company has concluded a liability insurance contract for officers, etc. (D&O Insurance Contract) under Article 430-3 (1) of the Companies Act with an insurance company, with all the Directors including Directors who are Audit and Supervisory Committee Members as the insured. Under the insurance contract, damages or legal costs, etc. that may be incurred by the insured due to claims for damages being filed arising due to acts (including omissions) committed by the insured based on the status of company officer, etc. will be covered. However, there are certain exclusion reasons, such as damages arising from an act upon recognition of the illegality of the act not being covered. Insurance premiums for the insurance contract are covered by the Company, based on approval by the Board of Directors and the consent of the Outside Directors.

If election of candidates for Director is approved, they will be included in the insured under the insurance contract. The Company plans to renew the insurance contract with the same terms at the next renewal in February 2023.

(Reference) Standards for Judgment of Independence of Outside Directors

The Company will elect persons who are judged not to fall under any of the following items as independent Outside Director, in order to ensure objectiveness and transparency of management.

1. Business executors of the Group (executive directors, executive officers, operating officers, and other equivalent persons and employees; the same shall apply hereinafter), or persons who used to be business executors of the Group in the past ten (10) years
2. The Company's current major shareholders (shareholders who hold 10% or greater on a voting rights basis in their own name or in the name of others at the end of the most recent fiscal year of the Company) or their business executors
3. Major business partners of the Group that fall under any of the following items or business executors thereof
 - (i) Business partners to whom the Group provides products, etc., who have paid the Company 2% or greater of the Company's annual consolidated sales in the most recent fiscal year.
 - (ii) Business partners who provide products, etc. to the Group and have received payment of 2% or greater of the annual consolidated sales of those parties in the most recent fiscal year.
 - (iii) Financial institutions from which the Group borrows funds and from which the actual borrowing balance (after offsetting deposits) exceeds 2% of the Company's consolidated total assets at the end of the most recent three (3) fiscal years of the Company.
4. Persons who belong to an audit firm that is an accounting auditor of the Company or its consolidated subsidiaries
5. Parties (if it is an organization such as a corporation or association, etc., persons who belong to the relevant organization) who provide professional services such as consultants, lawyers, certified accountants, etc. who receive a large amount of money or other property* from the Group in addition to officer compensation.
6. Parties who have received a large amount of donations from the Group (meaning the case of the annual amount exceeding 10 million yen in the most recent fiscal year) (if a party is a group such as a corporation or association, etc., a business executor of the relevant group)
7. Business executors of companies that have appointed a business executor of the Group as their officer
8. Those who used to fall under any of the above 2 to 7 in the past five (5) years
9. Spouses or relatives within the second degree of kinship of parties that fall under any of the above 1 to 7
10. Persons who have been in office as outside officers of the Company for ten (10) years or longer in total
11. Any other persons who have a risk of conflict of interest with general shareholders and have circumstances under which they are reasonably judged to be unable to perform duties as independent outside directors.

* "Large amount of money or other property" is defined as follows.

If the party who provides professional services is an individual: those that exceed 10 million yen per year on average in the most recent three (3) business years

If the party who provides professional services is a group: those that exceed 2% of consolidated sales or annual total income of the relevant group on average in the most recent three (3) business years

(Reference) List of Officers After the Conclusion of this Meeting

If Proposal 3 “Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved and adopted in its original form, officers of the Company after the conclusion of this Meeting will be as follows.

Position in the Company	Name	Responsibilities and significant concurrent positions outside the Company
Representative Director, Chairman	Kaoru Itoh	Chairman of the Board of Directors
Representative Director, President	Yasunori Maekawa	CEO, COO, General Manager of Sales Head Office, General Manager of Digital Transformation (DX) Promotion Division
Director	Kouei Watanabe	Managing Executive Officer, CTO (Chief Technical Officer), General Manager of Technology Management Head Office, in charge of Quality Assurance, Precision Components Business, Thermal Engineering Business, EMC Business, and supervising Kumagaya Plant
Director	Takashi Ohashi	Managing Executive Officer, in charge of Information (IT), Global Procurement, Maintenance Division, Engineered Plastic Products Business, Casting Components Business, Marine and Industrial Business, and Camshaft Business, General Manager of Kashiwazaki Plant
Director	Hidehiro Sakaba	Managing Executive Officer, General Manager of Corporate Management Head Office
Outside Director	Eiji Hirano	Director, Vice Chairman of MetLife, Inc. Outside Director of NTT DATA Corporation External Director, Ichiyoshi Securities Co., Ltd.
Outside Director	Koji Tanabe	Professor Emeritus of Tokyo Institute of Technology Director of Intron Space Inc.
Director (Full-Time Audit and Supervisory Committee Member)	Akira Kunimoto	
Outside Director (Audit and Supervisory Committee Member)	Shuji Iwamura	Outside Auditor of CANON ELECTRONICS INC. Outside Corporate Auditor of The Hokkaido Bank, Ltd. Outside Director of Hayashikane Sangyo Co., Ltd. Attorney at T&K Partners
Outside Director (Audit and Supervisory Committee Member)	Osamu Honda	Outside Auditor of Kurimoto Ltd.

Name	Main areas in which Directors are expected to have experience						
	Corporate management	Global management	Legal affairs / Risk management	Finance / Accounting	Technology / R&D	Manufacturing	Marketing / Sales
Kaoru Itoh	○	○		○			○
Yasunori Maekawa	○	○					○
Kouei Watanabe					○	○	
Takashi Ohashi					○	○	
Hidehiro Sakaba	○	○		○		○	
Eiji Hirano	○	○	○	○			
Koji Tanabe	○				○		
Akira Kunimoto	○	○		○	○	○	
Shuji Iwamura	○		○	○			
Osamu Honda	○		○	○			

Proposal 4: Continuation of Measures to Respond to a Large-Scale Acquisition of Our Company's Stock

On June 28, 2007, Measures to Respond to a Large-Scale Acquisition of Our Company's Stock were adopted by our shareholders at the Company's 83rd Annual General Meeting of Shareholders and were most recently reapproved by shareholders at the 95th Annual General Meeting of Shareholders on June 21, 2019 (hereinafter the continued measures are referred to as "the Existing Plan"). The effective term of the Plan lasts until the end of the 98th Annual General Meeting of Shareholders to be held on June 24, 2022 (hereinafter referred to as "the General Meeting of Shareholders"). In light of securing and improving not only the value of the Company but also the common interests of our shareholders, we have given ongoing consideration to how to best respond to a large-scale acquisition of the Company's stock, and even discussed whether the Plan should stay in effect. We would like to inform you that our Board of Directors met on May 24, 2022, to discuss this matter, and decided that, upon approval of our shareholders at the General Meeting of Shareholders, we will continue to use the Existing Plan after changing part of it (the modified Plan is hereinafter referred to as "the Plan").

Although the basic framework of the Plan remains unchanged from the previous one, some minor changes have been made, including clarification of wording.

I. Basic Policy Regarding Who Should Oversee Decisions Regarding the Financial and Business Policies of the Company

As a publicly traded company, we believe that shareholders come to us thanks to a freedom to trade on the share market. Therefore, we believe that the final decision concerning whether or not to accept proposals regarding acquisitions accompanying the transfer of control of the Company should lie with the shareholders. We do not necessarily deny large-scale share acquisitions, especially when they can contribute to the value of the Company and the common interests of our shareholders.

However, some large-scale share acquisitions can undermine the value of the Company or the common interests of our shareholders, including those that may virtually force shareholders into selling their shares or those that do not provide the Board of Directors and shareholders of the Company with the reasonably needed amount of time and information to consider the details of the acquisition. As an exception, the Company considers any person who undertakes this kind of inappropriate large-scale acquisitions to be unfit to oversee decisions concerning the financial and business policies of the Company.

II. Efforts that Contribute to the Realization of the Basic Policy for the Control of the Company

In 1927, RIKEN, formerly known as the Institute of Physical and Chemical Research, was founded to commercialize its own invention, the piston ring manufacturing method. Since then, the Company has been operating globally by providing a wide variety of products, including, of course, piston rings which are its core competency, camshafts and other internal-combustion engine parts, cast iron parts for automobiles and industrial machinery, piping materials, and products for thermal engineering and EMC businesses.

The Company has defined the Group Mission Statements outlined in the following paragraph. It also sets out the following Guiding Principles: “Be Customer Driven. Be Compliant with the Law. Be focused on the Basics. Be Open. Be Proactive. Be Prompt.” In addition, it developed the Midterm Strategic Plan and the Annual Management Plan in its effort to help its customers strengthen their global competitiveness and to develop and sell products that are highly satisfactory in terms of quality, technology, and price.

<Mission Statement>

- We continue to be a corporate citizen committed to protecting global environment and serving the society in which we conduct our business.
- We are committed to creating corporate value from a global perspective by effectively utilizing the capital invested by our shareholders.
- We will offer products and services that continually exceed our customers’ increasing expectations through constant innovation and continued advancements in knowledge and technology.
- We have high aspirations and a broad vision, and we are always willing to change.

Based on the policy stated above, and with the aim of achieving the continuous growth of the Group Companies, the Company established and has been promoting “PLAN 2022,” which is a three-year midterm strategic plan running from fiscal 2020 through fiscal 2022. Under the plan with its main theme of “Manufacturing Transformation that challenges the Future,” the Company has been focusing its efforts on “strengthening competitiveness in the core businesses,” “rebuilding the business infrastructure,” and “expanding the next-generation (non-ICE) businesses” to ensure that “PLAN 2022” is successfully executed until its completion at the end of fiscal 2022, thereby further enhancing the Company’s value.

The Company aims for continuous improvement in corporate value by fulfilling its responsibilities in a variety of fields including economy, environment, and society. It regards the implementation of corporate governance as the top-priority management issue.

The Company has introduced an executive officer system to separate the business execution function from the management decision-making and supervision function.

In June 2019, the Company transitioned from “Company with Board of Corporate Auditors” to “Company with Audit and Supervisory Committee” in its effort to strengthen the audit and supervision functions of the Board of Directors and further promote corporate governance. The Company’s Audit and Supervisory Committee comprises a full-time internal director and two external directors who maintain a fair and neutral standpoint independent from the management. This committee composition helps enhance the audit function over the execution of duties by directors.

Furthermore, in May 2019, the Company established the Nomination and Compensation Committee, which is a voluntary advisory body with the majority of members being independent outside directors, in its efforts to reinforce the supervision function of the Board

of Directors by assuring the transparency and objectivity of the procedure related to the nomination and compensation of directors, etc., and further enhance corporate governance.

Thus far, the Company has been working to appropriately operate management bodies (Board of Directors and Management Meeting) and ensure corporate transparency, efficiency and soundness, such as thorough compliance and complete risk management in accordance with the Basic Policy for Developing an Internal Control System (the development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by Ministry of Justice Order as systems necessary to ensure the properness of operations of a Stock Company).

Furthermore, the Company has reinforced internal control by establishing the Sustainability Committee and the Compliance Committee, and works to improve further by having the entire Group oversee environmental activities, activities that contribute to society, accurate and appropriate information disclosure, the creation of CS (customer satisfaction), etc.

III. Description of the Plan to Be Approved

1. Purpose of Continuing the Plan

The Plan, which replaces the existing one, has been introduced and implemented to prevent someone who is deemed unfit to control decisions concerning the financial and business policies of the Company in light of the Basic Policy for the Control of the Company from taking control of the Company.

In the event of a large-scale acquisition of the Company's shares, our shareholders should be given enough information, time, and the opportunity to negotiate with the purchaser or other relevant parties in accordance with certain reasonable rules so as to allow them to make appropriate decisions about the acquisition and to ensure that both the corporate value and the common interest of the shareholders are protected. Based on this understanding, the Company's Board of Directors defined the following rules concerning the assurance of enough information and time to allow shareholders to consider the possible consequences of large-scale share acquisitions (hereinafter referred to as "Rules for Large-Scale Acquisitions"), and decided to ask the shareholders attending this Annual General Meeting of Shareholders for approval to continue using the Plan to address large-scale share acquisitions by someone who is deemed unfit to take control of the company in light of the Basic Policy for the Control of the Company.

2. Acquisition of the Company's Shares That Is Addressed in the Plan

The acquisition of the Company's shares that is addressed in the Plan refers to an attempt to acquire the Company's share certificates, etc. (Note 3), for the purpose of allowing a group of specific shareholders (Note 1) to hold at least 20% of the voting rights (Note 2), or an attempt to acquire the Company's share certificates, etc., that can cause a group of specific shareholders to hold at least 20% of the voting rights. (In either of these cases, such acquisitions do not include those that have been approved by the Company's Board of Directors. Large-scale share acquisitions can take any forms, including market trading and takeover bids. Hereinafter, a large-scale acquisition of the Company's shares is referred to as a "large-scale share acquisition," and an entity involved in such acquisitions is referred to as a "large-scale purchaser.")

Note 1: A group of specific shareholders refers to:

- (i) holders of the Company's share certificates, etc., (meaning share certificates, etc., as stipulated in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act) (including entities regarded as holders pursuant to Article 27-23, paragraph 3 of the said Act, and hereinafter the same applies) and their joint holders (meaning joint holders as stipulated in Article 27-23, paragraph 5 of the said Act, which include entities regarded as joint holders pursuant to paragraph 6 of the same Article, and hereinafter the same applies), or;
- (ii) entities involved in the acquisition, etc., (meaning the acquisition, etc., as stipulated in Article 27-2, paragraph 1 of the said Act, including those carried out in the financial instruments exchange market) of the Company's share certificates, etc., (meaning share certificates, etc., as stipulated in Article 27-2, paragraph 1 of the said Act) and their special parties involved in the acquisition (meaning special parties involved in the acquisition as stipulated in Article 27-2, paragraph 7 of the said Act).

Note 2: Voting rights ratio refers to:

- (i) in the case of a group of specific shareholders mentioned in (i) under Note 1, the percentage of shares held by the said holders (meaning the holding ratio of share certificates, etc., as stipulated in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. In this case, the number of share certificates, etc., held by joint holders (meaning the number of share certificates, etc., held as stipulated in the said paragraph, and hereinafter the same applies) shall also be added in calculation of the voting rights ratio); or
- (ii) in the case of a group of specific shareholders mentioned in (ii) under Note 1, the total percentage of shares held by the said large-scale purchasers and the said special parties involved in the acquisition (meaning the holding ratio of share certificates, etc., as stipulated in Article 27-2, paragraph 8 of the said Act).

The most recent of the following three documents can be used to determine the number of total voting rights (meaning the one stipulated in Article 27-2, paragraph 8 of the said Act) and the total number of issued shares (meaning the one stipulated in Article 27-23, paragraph 4 of the said Act) to calculate each voting rights ratio:
Annual Securities Report, Quarterly Securities Report, and Share Buyback Report.

Note 3: Share certificates, etc., refers to share certificates, etc., as stipulated in Article 27-23, paragraph 1 or Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act.

3. Establishment of an Independent Committee

The final decision as to whether the Rules for Large-Scale Acquisitions have been observed or whether a countermeasure must be taken against an attempt at large-scale share acquisition that adheres to the Rules but substantially undermines not only the value of the Company but also the common interests of our shareholders lies with the Company's Board of Directors. To properly execute the Plan, to prevent the Board from making arbitrary decisions, and to ensure rationality and fairness in the Board's decision-making process, the Company decided to establish an Independent Committee in accordance with the Rules for the Independent Committee, as it did during the execution of the Existing Plan (for a summary of the Rules for the Independent Committee, see Attachment 1). The Independent Committee shall be comprised of three (3) or more members who are selected from among external directors or external experts (Note) independent of the management responsible for the execution of the Company's operations to enable them to make a fair and neutral judgement. Please refer to

Attachment 2 for the profiles of the four candidates for membership on the Independent Committee, i.e., Eiji Hirano, Shuji Iwamura, Koji Tanabe, and Osamu Honda.

The Board of Directors contemplating a countermeasure against a large-scale share acquisition must first consult the Independent Committee for advice on the matter. After careful evaluation and examination of the large-scale share acquisition in question in light of the possible impact of the acquisition on the value of the Company and the common interests of the shareholders, the Committee advises the Board on whether the implementation of a countermeasure is justifiable under the current circumstances. Following the advice of the Committee (unless doing so constitutes a duty of care breach), the Board makes a final decision as to whether a countermeasure should be implemented against the acquisition. A summary of the advice given by the Independent Committee will be announced in a timely manner.

To enable the Independent Committee to make judgments that contribute to the value of the Company and the common interests of the shareholders, the Company allows the Independent Committee to seek advice of independent external experts (including financial advisers, certified accountants, attorneys, consultants, and other specialists) as necessary, and pays for the cost of it.

Note: External experts refers to experienced corporate managers, individuals familiar with investment banking, attorneys, certified accountants, academic experts specializing in the Companies Act, etc., or any other individuals with similar expertise.

4. Overview of the Rules for Large-Scale Acquisitions

(1) The prospective large-scale purchaser submits a statement of intent to the Company.

A prospective large-scale purchaser seeking a large-scale acquisition of the Company's shares is required to first submit, in a form prescribed by a Company, a statement of intent to the Company's Board of Directors prior to initiating or proposing a large-scale acquisition of the Company's shares. The statement of intent must be written in Japanese and contain the following information, along with a written pledge stating the prospective purchaser's intent to observe the Rules for Large-Scale Acquisitions.

- (i) The name and address of the prospective purchaser
- (ii) The law on which the establishment is based
- (iii) The name of the representative
- (iv) Contact address in Japan
- (v) A summary of the proposed large-scale share acquisition
- (vi) A written pledge stating the prospective purchaser's intent to observe the Rules for Large-Scale Acquisitions stipulated in the Plan

Upon receiving the statement of intent from the prospective purchaser, the Company's Board of Directors immediately announces the receipt of the statement and, if necessary, details of the information provided in the statement.

(2) The prospective large-scale purchaser submits the information required for evaluation to the Company.

Within ten (10) business days of the day following the day on which the statement of intent containing all the information outlined in (i) to (vi) under (1) in the preceding section is received, the Company's Board of Directors provides the prospective large-scale purchaser with a document describing all the information the Board needs from the purchaser pertaining to the proposed large-scale share acquisition. The prospective large-scale purchaser then prepares a document containing a detailed account of the proposed large-scale share acquisition, covering all the information requested in the document provided by the Board, and submits it to the Board.

The following information is generally required for evaluation. Although the specific details of the information required for evaluation may vary depending on the attributes of the large-scale purchaser and the purpose and specific details of the proposed large-scale acquisition, they must be “detailed enough” and “sufficient enough” to allow the Company’s shareholders and Board of Directors to reach a decision about the proposed large-scale acquisition.

- (i) Outline of the large-scale purchaser and its group (including joint holders, special parties involved in the acquisition, partners (applicable for funds), and other members of the group). (The outline must include names, business details, background or history, capital composition, and information about the purchaser’s (or group’s) experience in the fields of business that are similar to the one in which the Company and its Group Companies specialize in.)
- (ii) The purpose, method, and details of the large-scale share acquisition (including the amount and type of payment to be made for the proposed large-scale share acquisition, when it is scheduled to take place, how the related transactions work, legality of the method of the proposed large-scale share acquisition, and the feasibility of the proposed large-scale share acquisition and all the related transactions)
- (iii) The basis of the calculation of the price to be paid for the large-scale acquisition of the Company’s shares (including the facts that constitute the preconditions for the calculation, the method of calculation, information regarding the figures used in the calculation, and details about the synergy that is expected to occur as a result of a series of transactions that are expected to be executed in relation to the proposed large-scale share acquisition)
- (iv) The proof of availability of funds for the proposed large-scale share acquisition (including the specific names of the funders (including those individuals or entities who are effectively regarded as funders), information on how to appropriate funds for the acquisition, and details about the related transactions)
- (v) Information about the individuals the large-scale purchaser intends to elect to serve on the Company’s Board after the purchaser joins the management of the Company and its Group Companies (including information about their experience in the fields of business that are similar to the one in which the Company and its Group Companies specialize in), as well as a detailed account of the suggested management policies, business plans, financial plans, capital policies, dividend policies, asset utilization measures, etc.
- (vi) Whether or not the large-scale purchaser, after joining the management of the Company and its Group Companies, intends to make changes to the relationship the Company and its Group Companies have with their stakeholders (including business partners, customers, employees, etc.), and, if such changes are expected, a detailed account of the changes to be expected

In the interest of ensuring the timely implementation of the Rules for Large-Scale Acquisitions, the Board of Directors of the Company may, as necessary, give the large-scale purchaser a time limit for the submission of information. However, when the large-scale purchaser asks for an extension of the time limit on reasonable grounds, the time limit may be extended.

After scrutinizing the information required for evaluation prepared and submitted in accordance with the rules described above, the Company’s Board of Directors may conclude that the submitted information does not contain all the details necessary for the evaluation and examination of the proposed large-scale share acquisition. In this case, the Board may give a reasonable time frame for a reply (up to 60 days from the day on which

the initial information was received) and ask the large-scale purchaser for submission of additional information until it has all the information necessary for the evaluation.

When the Board of Directors conclude that the large-scale purchaser has submitted all the information necessary for the Board to evaluate and examine the proposed large-scale share acquisition, it informs the large-scale purchaser to that effect and announces it publicly.

If the large-scale purchaser receiving a request for additional information required for evaluation from the Company's Board of Directors offers a reasonable explanation as to why the purchaser is unable to provide some of the requested information, the Board may decide to end the negotiation or other forms of communication with the large-scale purchaser pertaining to the request for information, and proceed to the evaluation/examination process described hereafter under (3), even if it does not have all the information it needs to evaluate the proposed large-scale share acquisition.

The Board submits the received information required for evaluation to the Independent Committee, and, if the Board determines that the same information must be provided to the shareholders to allow them to make their own decisions about the proposed large-scale share acquisition, it will disclose all or part of such information to the public at the time it sees fit.

(3) Evaluation and examination of the information required for evaluation by the Company's Board of Directors

After the Company's Board of Directors receives all the information it needs from the large-scale purchaser to evaluate the proposed large-scale share acquisition, it sets a period to evaluate, examine, negotiate, and form opinions about, and propose alternative options for, the proposed large-scale share acquisition (hereinafter referred to as the "Board's evaluation period"). This period may vary depending on the difficulty involved in the evaluation of the proposed large-scale share acquisition, but must be no longer than 60 days when all of the Company's shares are to be acquired through a takeover bid and the bidder is to pay the offer price in cash only (in yen value), or no longer than 90 days for all the other types of large-scale share acquisition.

During the Board's evaluation period, the Board, after a thorough evaluation and examination of the provided information required for evaluation, carefully formulates its opinion about the proposed large-scale share acquisition by following the advice of the Independent Committee (unless doing so constitutes a duty of care breach), and announces its opinion publicly. During this process, the Board may, as necessary, seek advice of independent third-party specialists, such as financial advisers, certified accountants, attorneys, and consultants. When necessary, the Board may negotiate with the large-scale purchaser to ask for better conditions with respect to the proposed large-scale share acquisition, and propose alternative options to the shareholders.

5. Policy for Addressing Large-Scale Share Acquisitions

(1) When the large-scale purchaser fails to observe the Rules for Large-Scale Acquisitions

Whatever the specific method of acquisition, if the large-scale purchaser fails to observe the Rules for Large-Scale Acquisitions, the Company's Board of Directors may take legally justified countermeasures against the large-scale share acquisition (including the allotment of stock acquisition rights without contribution) pursuant to the Companies Act and other relevant laws as well as the Company's Articles of Incorporation in order to protect the value of the Company and the common interests of its shareholders. A decision as to whether the Rules for Large-Scale Acquisitions have been observed will be made taking into consideration, to a reasonable extent, the circumstances of the large-scale purchaser.

The Board shall not conclude that the Rules for Large-Scale Acquisitions have been violated solely on the ground that part of the information required for evaluation has not been submitted by the large-scale purchaser.

(2) When the large-scale purchaser observes the Rules for Large-Scale Acquisitions

When the large-scale purchaser observes the Rules for Large-Scale Acquisitions, the Company's Board of Directors will not, in principle, take countermeasures against the large-scale share acquisition in question. Even when the Board is against the proposed acquisition, it will not go beyond expressing its disagreement with the proposed acquisition or persuading the shareholders by proposing alternative options to them. The shareholders of the Company are asked to make their own decision as to whether to accept the acquisition proposal made by the large-scale purchaser after considering the said acquisition proposal as well as the opinion and alternative options the Company offers in response to the proposal.

Even when the Rules for Large-Scale Acquisitions are observed, if the Board determines the said large-scale acquisition is being executed for one of the purposes described in (i) to (v) below, and is clearly being driven by an abusive motive, which, in the end, can cause irreversible damage to the Company and significantly undermine the value of the Company and the common interests of the shareholders, the Board may, as an exception, take the countermeasures described in section (1) above to the extent necessary and adequate to protect the value of the company and the common interests of our shareholders.

- (i) The large-scale purchaser has no intention of participating in the management of the Group Companies, and is purchasing the Company's shares for the sole purpose of driving up the stock price and forcing the concerned parties of the Company to buy the purchased shares back at a premium (the so-called "greenmailing").
- (ii) The large-scale purchaser is purchasing the shares of the Company for the purpose of implementing the so-called "scorched-earth management," wherein the purchaser gains a temporary control over the management of the Group Companies to transfer the intellectual property, know-how, commercial secrets, primary suppliers, and customers, which are essential to the Group Companies' business operations, to the purchaser or its group companies.
- (iii) The large-scale purchaser is purchasing the shares of the Company for the purpose of gaining control over the management of the Group Companies so that it can use their assets to provide collateral for, or to liquidate, its or its group companies' indebtedness.
- (iv) The large-scale purchaser is purchasing the shares of the Company for the purpose of gaining temporary control over the management of the Group Companies to make the Group Companies sell off expensive assets such as real estate and securities of no immediate importance for their businesses, to make them use the proceeds to temporarily pay a high level of dividends, or to take the opportunity of an enhanced share price due to temporarily high dividends to sell its holding at a profit.
- (v) The method of share acquisition proposed by the large-scale purchaser is deemed to constitute a so-called "high-handed, two-stage buyout" (wherein the purchaser initially do not solicit for the acquisition of all of the Company's shares but later on proceeds to buy out the remaining shares of the Company through a takeover bid or other means, setting disadvantageous conditions for the second-stage share acquisition or concealing such conditions), which can not only restrict the opportunity and freedom of decision-making by the Company's shareholders but also, in effect, force them to sell their shares.

(3) Resolutions of the Board of Directors and the convocation of a General Meeting of Shareholders

The Company's Board of Directors, which, under the circumstances described under (1) or (2) above, is required to make a decision as to whether to take countermeasures against a large-scale purchaser, must follow the advice of the Independent Committee (unless doing so constitutes a duty of care breach), and, after careful consideration of the necessity and adequacy of the countermeasures being proposed, make a final decision as an establishment responsible for making decisions about the implementation of countermeasures and matters pertaining to real estate as defined in the Companies Act.

The Board is responsible for selecting the specific measures to be implemented after careful consideration of the best options available at that moment. The Board may choose the allotment of stock acquisition rights without contribution as the specific countermeasure to be taken against the large-scale purchaser. In principle, the allotment of such stock acquisition rights is carried out as outlined in Attachment 3. In practice, however, an appropriate period and proper conditions (for example, allowing only those stock acquisition rights holders who do not belong to a group of specific shareholders having more than a specified percentage of the voting rights to exercise their stock acquisition rights) may be set for the exercise of the stock acquisition rights so that the allotment of these rights can actually function as a countermeasure. Under this circumstance, however, the Company has no intention of offering money to acquire the stock acquisition rights held by the large-scale purchaser.

When the Independent Committee provides recommendations about a countermeasure and calls for a General Meeting of Shareholders to be held to obtain the shareholders' approval for the countermeasure, the Board shall set a period of no longer than 60 days (hereinafter referred to as the "consideration period for shareholders") to allow the shareholders to carefully consider the pros and cons of taking such a countermeasure pursuant to the Plan, and hold a General Meeting of Shareholders during the consideration period for shareholders.

When the Board has reached a decision on the convocation of a General Meeting of Shareholders and the base date, the Board's evaluation period will end on that date and the consideration period for shareholders will begin.

Prior to holding the said General Meeting of Shareholders, the Board will prepare a document containing the information necessary for evaluation provided by the large-scale purchaser, the opinions of the Board concerning that information, alternative option proposed by the Board, and other matters deemed appropriate by the Board, and send it to the shareholders together with the convocation notice for the General Meeting of Shareholders to disclose information pertaining to the meeting in a timely and appropriate manner.

When a decision is reached during the General Meeting of Shareholders as to whether or not to proceed with the countermeasure being proposed, the Board shall comply with that decision. In other words, if the shareholders attending the Meeting decide against the countermeasure, the Board will not take that countermeasure against the large-scale shareholder. The consideration period for shareholders ends at the conclusion of the General Meeting of Shareholders, and the decisions reached during the Meeting will be disclosed in a timely and appropriate manner.

(4) Waiting period for a large-scale acquisition

In the absence of a consideration period for shareholders, the Board's evaluation period is set as the waiting period for a large-scale acquisition. If a consideration period for

shareholders is set, the Board's evaluation period plus the consideration period for shareholders is set as the waiting period for a large-scale acquisition.

A large-scale acquisition can only take place after the elapse of the waiting period for a large-scale acquisition.

(5) Withdrawal, etc., of countermeasures

If, after a decision is reached to take a specific countermeasure against the large-scale purchaser during the Board's meeting or the General Meeting of Shareholders, as described under (3) above, the said large-scale purchaser decides to back down from or make changes to its method of the large-scale share acquisition, the Company's Board of Directors may decide that it is no longer appropriate to take the countermeasure against the purchaser. In that case, the Board may, following the opinion and recommendations of the Independent Committee (unless doing so constitutes a duty of care breach), withdraw the said countermeasure.

For example, even if the allotment of stock acquisition rights without contribution has been selected as the countermeasure against the large-scale share acquisition, approved by the Board, and/or actually carried out, the Board may still decide to withdraw the countermeasure if the said large-scale purchaser decides to back down from or make changes to its method of the large-scale share acquisition and the Board decides that it is no longer appropriate to take the countermeasure against the purchaser. In that case, the Board may follow the recommendations of the Independent Committee (unless doing so constitutes a duty of care breach) and cancel the allotment of stock acquisition rights without contribution up until the day prior to the day when the stock acquisition rights take effect. Even after the stock acquisition rights have been allotted without contribution, the Board can still withdraw the countermeasure by way of stock acquisition by the Company without contribution up until the day prior to the day when the exercise period begins.

When a decision is made to withdraw or otherwise cancel the countermeasure, that decision, along with other information deemed necessary by the Independent Committee, will be disclosed in a timely and appropriate manner pursuant to the relevant laws and regulations as well as to the listing rules set out by the stock exchange where the Company's stock is listed.

6. Commencement, Effective Period, and Cancellation of the Plan

Upon approval of our shareholders at this General Meeting of Shareholders, the Plan shall come into effect immediately and remain effective until the end of the Annual General Meeting of Shareholders, which is scheduled to be held in June 2025. However, even after the continuation of the Plan is approved at the General Meeting of Shareholders and the Plan comes into effect, (1) if a resolution is passed in a General Meeting of Shareholders of the Company regarding the cancellation of the Plan, or (2) if such a resolution is passed by the Board of Directors of the Company, the Plan shall be canceled immediately.

Even during the effective term of the Plan, the Board may review the Plan from time to time to ensure that it contributes to improving the value of the company and the common interests of our shareholders, and revise the plan with the approval of the shareholders in attendance at the General Meeting. Whenever the Board decides to continue, revise, or cancel the Plan, it immediately discloses information to that effect.

There are some circumstances under which the Board may decide to revise or make changes to the Plan even when the effective term of the Plan has not expired, provided that such revisions or changes do not create disadvantage for the shareholders, and with the approval of the Independent Committee if necessary. These circumstances include the legislation, amendment, or abolishment of the relevant laws and regulations, including the

rules set out by the stock exchange, which necessitates the revision of the Plan, and the presence of some typographical errors and omissions that require correction.

IV. Supplementary Information

1. Possible Impact of the Plan on Our Shareholders

(1) Possible impact of the Rules for Large-Scale Acquisitions on our shareholders

The Rules for Large-Scale Acquisitions have been set out to ensure that our shareholders are provided with the information necessary to determine whether the offer made by the large-scale purchaser is acceptable for them, to allow them to hear what the Company's Board members who are actually involved in the Company's management have to say about the acquisition, and to give them the opportunity to be presented with alternative options. In other words, the Rules are designed to allow our shareholders to make informed decisions about whether to accept the offer made by the large-scale purchaser, which can contribute to protecting not only the value of the Company but also the common interests of our shareholders. By setting these Rules, we lay the foundation for proper decision-making by our shareholders, thereby contributing to the benefit of our shareholders.

However, as stated in 5. above, our policies for addressing large-scale share acquisitions vary depending on whether or not the Rules for Large-Scale Acquisitions are observed by large-scale purchasers. Shareholders are therefore advised to pay close attention to the movements of large-scale purchasers.

(2) Possible impact of the countermeasures taken against large-scale share acquisitions on our shareholders

When a large-scale purchaser fails to observe the Rules for Large-Scale Acquisitions, or when the large-scale share acquisition in question is in line with the Rules but can cause irreversible damage to the Company and significantly undermine the value of the Company and the common interests of our shareholders, the Company's Board of Directors may take legally justified countermeasures against the large-scale share acquisition pursuant to the Companies Act and other relevant laws as well as the Company's Articles of Incorporation in order to protect the value of the Company and the common interests of its shareholders. Due to the nature of these countermeasures, the Company thinks it highly unlikely that the shareholders (except large-scale purchasers who do not observe the Rules for Large-Scale Acquisitions and those whose act of share acquisition can cause irreversible damage to the Company and substantially undermine the common interests of our shareholders) could incur substantial losses in terms of their legal rights and financial status. If the Board decides to take a specific countermeasure against the large-scale purchaser, it will disclose information to that effect in a timely and appropriate manner pursuant to the relevant laws and regulations as well as to the listing rules set out by the stock exchange where the Company's stock is listed.

For example, when stock acquisition rights are to be allotted to our shareholders as a countermeasure against a large-scale share acquisition, all of our shareholders who are listed on the Shareholder Register as of the date of the allotment will receive stock acquisition rights. Our shareholders will be allotted stock acquisition rights without them needing to make a request. The Company will be carrying out the procedure necessary to acquire the stock acquisition rights, so that our shareholders can receive the shares of the Company in exchange for the stock acquisition rights the Company has acquired for them, without them having to pay an amount equivalent to the price of exercising the stock acquisition rights. This means that our shareholders do not have to make any requests or payments or go through any special procedures whatsoever in association with the said stock acquisition rights. However, in such cases, the Company may request the

shareholders who will be allotted stock acquisition rights to submit, in a form prescribed by the Company, a written pledge stating that they are not involved in the said large-scale share acquisition themselves.

Even on the date of the allotment of stock acquisition rights or even after the exercise of the stock acquisition rights takes effect, there are circumstances under which the Company may decide to withdraw the countermeasure (such as when the large-scale purchaser has backed down from the large-scale share acquisition). In this case, the Company may cancel the allotment of stock acquisition rights up until the day prior to the day when the exercise period begins, or acquire the stock acquisition rights without contribution instead of issuing the Company's share to the stock acquisition rights holders. Under these circumstances, shareholders who have sold their holdings under the assumption that the price per share would eventually become diluted may incur losses due to fluctuations in the share price.

2. Rationality of the Plan (The Plan That Complies With Our Basic Policies and Seeks to Enhance the Common Interests of Our Shareholders, Instead of Focusing on Maintaining the Positions of the Company Executives)

(1) The Plan satisfies the requirements of policies regarding takeover defense measures.

The Plan satisfies the three principles defined in the Guidelines on Takeover Defense Measures for Securing and Improving Corporate Value and the Common Interests of Shareholders, which were announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005: the principle of protecting and enhancing corporate value and the common interests of shareholders; the principle of prior disclosure and respect for the intent of shareholders; and the principle of confirming necessity and legitimacy).

The Plan is also informed by a report titled "Takeover Defense Measures in Light of Recent Environmental Changes," which was published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008, and by "Principle 1.5 Anti-Takeover Measures" in the "Japan's Corporate Governance Code," which was announced by the Tokyo Stock Exchange on June 1, 2015, and most recently revised on June 11, 2021.

(2) The Plan assures continued focus on the aim of securing and improving the common interests of shareholders.

As stated in "III. 1. Purpose of Continuing the Plan" above, the Plan, which is aimed at securing and improving the value of the Company and the common interests of the shareholders, assures continued focus on securing enough information and time for both our shareholders and the Board of Directors when an attempt is made at a large-scale acquisition of the Company's shares, so that the shareholders can decide whether the offer made by the large-scale purchaser is acceptable for them and the Board can propose alternative options and negotiate with the purchaser on behalf of the shareholders. Accordingly, it is not for the purpose of defending the current management team from general takeover.

(3) The plan reflects the intent of the shareholders.

The Plan comes into effect with the approval of the shareholders attending the General Meeting of Shareholders. The intent of our shareholders regarding the Plan is confirmed at the General Meeting of Shareholders so as to ensure that the Plan reflects the intent of our shareholders.

If our shareholders attending a General Meeting of Shareholders decide to cancel the Plan, that decision will immediately take effect to respect the intent of the shareholders, even when the effective term of the renewed Plan has not expired yet.

- (4) The Plan respects the decision made by independent external entities.

As stated in “III. 5. Policy for addressing large-scale share acquisitions” above, the Board of Directors contemplating a countermeasure pursuant to the Plan must first consult the Independent Committee comprised of members independent of the Company’s management team responsible for the execution of the Company’s business operations, and follow the advice of the Committee (unless doing so constitutes a duty of care breach) with regard to the countermeasure being proposed. This procedure is taken to ensure the transparent operation of the Plan so that the Plan contributes to the value of the Company and serves the common interests of our shareholders.

- (5) The Plan does not constitute a dead-hand or slow-hand takeover defense measure.

The Company’s Board of Directors, which is comprised of members selected by shareholders attending a General Meeting of Shareholders hosted by the Company, has the authority to cancel the Plan. The Plan therefore does not constitute a “dead-hand” measure (in which the execution of takeover defense measures cannot be canceled even when the majority of board members are replaced).

Furthermore, because the Company does not adopt staggered terms, the Plan does not constitute a “slow-hand” measure (in which there is no way to replace all members of the board at a time, and it therefore takes a long time to stop the execution of the takeover defense measure) either.

End of document

Summary of the Rules for the Independent Committee

- The Independent Committee shall be established by means of a resolution of the Board of Directors.
- The Independent Committee shall be comprised of three (3) or more members appointed by the Company's Board of Directors from among external directors or external experts who are independent of the management responsible for the execution of the Company's operations and are therefore capable of making fair and neutral judgment. External experts shall be experienced corporate managers, individuals familiar with investment banking, attorneys, certified accountants, academic experts specializing in the Companies Act, etc., or any other individuals with similar expertise.
- As a general rule, the Independent Committee shall respond to inquiries from the Company's Board of Directors by providing recommendations, along with the reason and evidence supporting the recommendations. Each member of the Independent Committee shall make recommendations that can best contribute to the value of the Company and serve the common interests of the shareholders, and not with the purpose of pursuing the committee member's own personal benefit or that of the management team of the Company.
- The Company allows the Independent Committee to seek advice of independent external experts (including financial advisers, certified accountants, attorneys, consultants, and other specialists) as necessary, and pays for the cost of it.
- A resolution of the Independent Committee shall be passed by means of a majority vote of the committee members.

End of document

Profiles of the candidates for membership on the Independent Committee

Name	Eiji Hirano	
Profile	April 1973	Joined Bank of Japan
	May 1999	Director-General of International Department of Bank of Japan
	June 2002	Executive Director of Bank of Japan
	June 2006	Director, Vice President of Toyota Financial Services Corporation
	May 2015	Director, Representative Statutory Executive Officer of MetLife, Inc.
	June 2015	Outside Director of the Company (present position)
	June 2016	Outside Director of NTT DATA Corporation (present position)
	September 2017	Director, Vice Chairman of MetLife, Inc. (present position)
	October 2017	Chairperson of the Board of Governors of Government Pension Investment Fund
	June 2022	External Director of Ichiyoshi Securities Co., Ltd. (scheduled to assume the position)
Name	Shuji Iwamura	
Profile	April 1976	Appointed as a public prosecutor
	June 2010	Superintending Prosecutor at Sendai High Public Prosecutors Office
	August 2011	Superintending Prosecutor at Nagoya High Public Prosecutors Office
	July 2012	Resigned from the office
	October 2012	Registered as an Attorney-at-Law Advisor for Nagashima Ohno & Tsunematsu
	June 2013	Outside Audit and Supervisory Board Member of the Company
	March 2015	Outside Auditor of Canon Electronics Inc. (present position)
	June 2015	Outside Corporate Auditor of Hokkaido Bank, Ltd. (present position)
	October 2017	Governor and Auditor of the Board of Governors of Government Pension Investment Fund (present position)
	June 2018	Outside Director of Hayashikane Sangyo Co., Ltd. (present position)
	June 2019	Outside Director who is a member of the Audit and Supervisory Committee of the Company (present position)
	January 2020	Attorney-at-Law at the Tokyo Flex Law Office
	April 2021	Attorney-at-Law at T&K Partners (present position)

Name	Koji Tanabe	
Profile	April 1975	Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
	July 2002	Director-General of Research and Statistics Department of the Ministry of Economy, Trade and Industry
	April 2005	Professor of Graduate School of Innovation Management of Tokyo Institute of Technology
	February 2012	Director of the Japan Asia Group Limited
	April 2017	Professor Emeritus of Tokyo Institute of Technology (present position) Specially-Appointed Professor of School of Environment and Society of Tokyo Institute of Technology Corporate Auditor of Shimazaki Denki Corporation
	June 2019	Outside Director of the Company (present position)
	January 2021	Director of Intron Space Inc. (present position)

Name	Osamu Honda	
Profile	April 1981	Joined the Industrial Bank of Japan, Limited
	April 2009	Executive Officer of Mizuho Securities Co., Ltd. and General Manager of the Corporate Planning Group HR Division of the same company
	June 2011	Vice President and Director of Japan Securities Agents, Ltd.
	June 2012	Director of Japan Information Processing Service Co., Ltd.
	June 2015	Director and Senior Managing Executive Officer of Securities Japan, Inc.
	June 2017	Representative Director and Senior Managing Director of Nitchitsu Co., Ltd.
	June 2019	Representative Director and Vice President of Nitchitsu Co., Ltd.
	June 2021	Outside Director who is a member of the Audit and Supervisory Committee of the Company (present position) Outside Auditor of Kurimoto Ltd. (present position)

The Company has no conflict of interest with any of these candidates.

The Company appointed Eiji Hirano, Shuji Iwamura, Koji Tanabe, and Osamu Honda as independent officers, and registered them as such with the Tokyo Stock Exchange per the regulations of the Exchange.

End of document

Outline of the Allotment of Stock Acquisition Rights Without Contribution

1. Shareholders Eligible for an Allotment of Stock Acquisition Rights Without Contribution and the Allotment Method

Shareholders registered in the latest Shareholder Register as of the allotment date designated by the Company's Board of Directors will be allotted stock acquisition rights without new contribution, whereby one (1) stock acquisition right will be allotted per one (1) share of common stock of the Company held by respective shareholders (this does not include common stock held by the Company).

2. Type and Number of Shares to be Acquired Upon the Exercise of the Stock Acquisition Rights

The shareholders exercising their stock acquisition rights will be acquiring the common stock of the Company, and the number of shares they acquire for each stock acquisition right they exercise shall be as separately determined by the Company's Board of Directors. However, in cases where a stock split or a reverse stock split is carried out by the Company, the required adjustment shall be carried out.

3. Total Number of Stock Acquisition Rights to be Allotted to the Shareholders

The maximum number of stock acquisition rights that can be allotted to the shareholders shall be the difference between the total number of authorized shares of the Company as of the allotment date set by the Company's Board of Directors and the total number of issued shares of common stock of the Company (excluding those held by the Company). The Board may allot stock acquisition rights multiple times.

4. Property to be Contributed Upon Exercise of Respective Stock Acquisition Rights and Its Value

The contributions upon exercise of each stock acquisition right shall be made in money, and the value thereof shall be an amount of no less than one (1) yen as determined by the Company's Board of Directors. When the Board decides to acquire stock acquisition rights, the Company may grant new shares to its shareholders in exchange for the stock acquisition rights the Company has acquired, without paying an amount equivalent to the price of exercising the stock acquisition rights.

5. Restrictions on the Transfer of Stock Acquisition Rights

Acquisition of stock acquisition rights by means of transfer of such rights requires the approval of the Company's Board of Directors.

6. Condition for Exercising the Stock Acquisition Rights

Stock acquisition rights holders who belong to a group of specific shareholders having 20% or more of the voting rights are not allowed to exercise their stock acquisition rights (this condition does not apply to those who have the prior approval of the Company's Board of Directors).

7. Exercise Period, Etc., of Stock Acquisition Rights

The date on which the allotted stock acquisition rights take effect, the period during which they must be exercised, the provisions relevant to the acquisition of stock acquisition rights, and other necessary matters shall be as separately defined by the Company's Board of Directors. The Company may set a provision stating that it may acquire the stock acquisition rights held by individuals other than those who are not allowed to exercise their stock acquisition rights pursuant to the condition described in section 6 above, and grant them shares of common stock of the Company whereby the stock acquisition rights holders receive the number of shares of common stock of the Company separately defined by the Board for each stock acquisition right they

hold. Under this circumstance, the Company has no intention of offering money to acquire the stock acquisition rights held by those individuals who are not allowed to exercise their stock acquisition rights.

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