

Note: This English translation is only a part of the original Japanese version of the Notice of Convocation of the 65th Annual General Meeting of Shareholders and in particular does not include a translation of the annex (the Business Report, the Financial Statements (consolidated and non-consolidated) and the Audit Reports). In addition, 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 7970)

June 5, 2025

(Start Date of Electronic Provision Measures: May 29, 2025)

To our shareholders:

Toshiaki Deto
Representative Director / President
Shin-Etsu Polymer Co., Ltd.
1-1-3 Otemachi, Chiyoda-ku, Tokyo

Notice of Convocation of the 65th Annual General Meeting of Shareholders

You are hereby notified that the 65th Annual General Meeting of Shareholders of Shin-Etsu Polymer Co., Ltd. (the “Company”; and this meeting, this “Meeting”) will be held as described below.

In convening this Meeting, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (“Electronic Provision Measures Matters”) in electronic format, and has posted the information on the Company’s website. Please access the following website to view the information.

The Company’s website:

<https://www.shinpoly.co.jp/ja/ir/stock/meeting.html> (in Japanese)

In addition to the Company’s website, the Electronic Provision Measures Matters are also posted on the website of the Tokyo Stock Exchange (TSE). Please visit the website below and review the information.

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “Shin-Etsu Polymer” in “Issue name (company name)” or the Company’s securities code “7970” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Please confirm by clicking “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

Instead of attending this Meeting in person, you may exercise your voting rights in writing or through the Internet. Please review the Reference Documents for the Meeting of Shareholders attached hereto and exercise your voting rights by no later than 5:35 p.m. on Monday, June 23, 2025 (Japan Standard Time).

Exercising Voting Rights in Writing (via Mail)

Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form (“Voting Form”), which was sent together with this Notice of Meeting, and return the form to us so that it arrives by the above-mentioned deadline for exercising your voting rights.

Exercising Voting Rights via the Internet, etc.

Please refer to the “Information About Exercising Your Voting Rights via the Internet, etc.” below¹ and follow the instructions on the screen to enter your approval or disapproval of the proposals by the above-mentioned deadline for exercising your voting rights.

¹ Translator’s Annotation

Please refer to page 5 of the original Japanese version of the Notice of Convocation of the 65th Annual General Meeting of Shareholders as to “Information About Exercising Your Voting Rights via the Internet, etc.” (Japanese only)

- 1. Date and Time:** Tuesday, June 24, 2025, at 10:00 a.m. (Japan Standard Time; reception begins at 9:00 a.m.)
- 2. Venue:** Station Conference Manseibashi, 4th Floor of JR Kanda Manseibashi Building
1-25 Kanda-Sudacho, Chiyoda-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports by the Accounting Auditor and by the Audit & Supervisory Board on the Consolidated Financial Statements for the 65th fiscal year (From April 1, 2024 to March 31, 2025)
2. Report on the Non-consolidated Financial Statements for the 65th fiscal year (From April 1, 2024 to March 31, 2025)

Matters to be resolved:

- Proposal No. 1:** Dividends from Surplus
- Proposal No. 2:** Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Five Directors
- Proposal No. 4:** Election of Two Audit & Supervisory Board Members
- Proposal No. 5:** Delegation to the Board of Directors of the Company of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to Executive Officers and Employees of the Company

4. Predetermined Items Related to the Convocation of this Meeting

- (1) If you do not indicate your approval or disapproval for any proposal on the Voting Form, you will be deemed to have approved that proposal.
 - (2) If you exercise your voting rights multiple times, both by returning the Voting Form and via the Internet, only the voting via the Internet will be deemed effective.
 - (3) If you exercise your voting rights multiple times via the Internet, only the last vote will prevail.
- Among the Electronic Provision Measures Matters, the following items are not included in the paper-based documents delivered to shareholders who requested the delivery of paper-based documents, in accordance with laws and regulations and the provisions the Articles of Incorporation of the Company. Accordingly, the paper-based documents delivered to shareholders who requested the delivery of paper-based documents are part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by Audit & Supervisory Board Members and part of Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor.
 - Matters Concerning Share Acquisition Rights, Etc. and Matters Concerning a System for Ensuring the Propriety of Business Activities in the Business Report
 - Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
 - Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
 - If revisions to the Electronic Provision Measures Matters arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each website where the information is available.
 - You are kindly requested to present the enclosed Voting Form to the receptionist when you attend this Meeting in person.

Reference Documents for the Meeting of Shareholders

Proposal No. 1: Dividends from Surplus

The Company proposes the dividends from surplus as follows:

The Company considers the return of profits to shareholders to be one of the most important management priorities. With the objective of increasing corporate value through a strengthening of its corporate foundation and sustainable growth, the basic policy of the Company is to continue paying stable dividends on a medium-term basis in line with business results, while at the same time securing funds for the soundness of financial strength, R&D investment, investments for production facilities, M&A, etc.

As for the year-end dividend for the 65th fiscal year, in comprehensive consideration of the business performance, future business developments, dividend payout ratio, etc., the Company proposes to pay a dividend of ¥27 per share. As a result, the annual dividend will total ¥52 per share, including the interim dividend paid of ¥25 per share, which is ¥6 higher than that for the previous fiscal year.

Matters concerning year-end dividend:

- (1) Type of dividend property
Cash
- (2) Matters concerning allocation of dividend property to shareholders and the total amount thereof
¥27 per share of common stock of the Company totaling ¥ 2,171,955,357
- (3) Effective date of dividend from surplus
June 25, 2025

Proposal No. 2: Amendments to the Articles of Incorporation

1. Reason for the proposal

The Company asks shareholders to approve changing the terms of office of Directors from two years to one year for the purpose of establishing a management structure that is able to quickly respond to changes in the business environment and increasing the opportunity for shareholders to express confidence in Directors.

2. Details of the amendments

Details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
(Term of Office) Article 21 1 Directors shall hold office until the conclusion of the Annual General Meeting of Shareholders for the last of the business years ending within <u>two (2) years</u> following their election. 2 A Director elected in conjunction with an increase in the number of Directors or elected as a substitute for a Director who retired before the expiration of his or her term of office shall hold office until the terms of office of other incumbent Directors expire.	(Term of Office) Article 21 1 Directors shall hold office until the conclusion of the Annual General Meeting of Shareholders for the last of the business years ending within <u>one (1) year</u> following their election. 2 A Director elected in conjunction with an increase in the number of Directors or elected as a substitute for a Director who retired before the expiration of his or her term of office shall hold office until the terms of office of other incumbent Directors expire.

Proposal No. 3: Election of Five Directors

At the conclusion of this Meeting, the terms of office of all five Directors will expire.

Therefore, the Company proposes the election of five Directors.

The Board of Directors determined the candidates below based on a report of the Nomination and Remuneration Committee.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company		Gender	Attendance at meetings of the Board of Directors
1	Yoshiaki Ono	Representative Director - Chairman Chief Executive Officer	Reelection	Male	13/13
2	Toshiaki Deto	Representative Director - President Chief Operating Officer	Reelection	Male	13/13
3	Satoru Sugano	Director Managing Executive Officer, General Manager of Development Unit	Reelection	Male	13/13
4	Osamu Miyashita	Director	Reelection Outside Independent	Male	13/13
5	Tamami Murata	-	New election Outside Independent	Female	-

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company		Number of the Company's shares owned
1	Yoshiaki Ono (January 1, 1944) (Male) Reelection Attendance at meetings of the Board of Directors 13/13 Tenure 12 years	Apr. 1967	Joined Shin-Etsu Chemical Co., Ltd.	96,400 shares
		June 2000	General Manager of Silicone-Electronics Materials Research Center	
		June 2003	Director	
		Nov. 2004	General Manager of Special Functional Products Department	
		June 2005	Managing Director	
		Dec. 2007	General Manager of R&D and Patent Department	
		June 2009	Representative Senior Managing Director and General Manager of Silicone Division	
		June 2013	Representative Director - President of the Company	
		June 2021	Chief Executive Officer	
		June 2023	Representative Director - Chairman and Chief Executive Officer (current position)	
		(Significant concurrent positions outside the Company)		
		No significant concurrent positions outside the Company.		
Reasons for nomination as candidate for Director Yoshiaki Ono possesses extensive knowledge and experience centered on the silicone business at Shin-Etsu Chemical Co., Ltd., and after he was appointed as Representative Director - President of the Company in June 2013, he strived to improve the Company's performance and achieved it. Since June 2023, he has served as Representative Director - Chairman and contributed to the supervision of the Company's management based on the experience he has gained. It was determined that he could continue to contribute to the enhancement of the Company's corporate value, and therefore, the Company has nominated him as a candidate for Director.				
2	Toshiaki Deto (December 17, 1952) (Male) Reelection Attendance at meetings of the Board of Directors 13/13 Tenure 13 years	Oct. 1980	Joined the Company	105,400 shares
		June 1997	OA Group Manager of Technology Products Business Unit	
		June 2007	General Manager of Technology Products Business Division, High Technology Products Business Unit	
		June 2012	Director	
		June 2013	General Manager of High Technology Products Business Unit	
		Apr. 2014	General Manager of Sales Unit	
		June 2016	Senior Director	
		June 2018	Executive Director	
		June 2021	Director and Senior Managing Executive Officer	
		June 2023	Representative Director - President and Chief Operating Officer (current position)	
		(Significant concurrent positions outside the Company)		
		No significant concurrent positions outside the Company.		
Reasons for nomination as candidate for Director Toshiaki Deto possesses abundant experience and knowledge in sales gained while mainly engaged in the precision molded product business and taking charge of Sales Unit for many years. Since June 2023, he has served as Representative Director - President and led the implementation of the Company's growth strategy. It was determined that he could continue to contribute to the enhancement of the Company's corporate value, and therefore, the Company has nominated him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company		Number of the Company's shares owned
3	Satoru Sugano (October 7, 1954) (Male) Reelection Attendance at meetings of the Board of Directors 13/13 Tenure 2 years	Apr. 1978	Joined the Company	57,400 shares
		Apr. 1995	SR Development Group Manager and Technology & Production Group Manager of Kodama Plant	
		Feb. 2002	General Manager of SR Production Division of Kodama Plant	
		Apr. 2003	General Manager of SR Production Management Division of Technology Products Business Division, High Technology Products Business Unit	
		Apr. 2008	General Manager of SR Technology & Production Management Division of Technology Products Business Division, High Technology Products Business Unit	
		June 2009	Manager of Kodama Plant	
		June 2013	Director	
		Apr. 2016	General Manager of Development Unit (current position)	
		June 2019	Senior Director	
		June 2021	Managing Executive Officer (current position)	
June 2023	Director (current position)			
(Significant concurrent positions outside the Company)				
No significant concurrent positions outside the Company.				
Reasons for nomination as candidate for Director				
Satoru Sugano possesses abundant knowledge and experience gained through his involvement with R&D and production technology, etc. while mainly engaged in the precision molded product business. Since April 2016, he has taken charge of the Development Unit. It was determined that he could contribute to the enhancement of the Company's corporate value, and therefore, the Company has nominated him as a candidate for Director				
4	Osamu Miyashita (December 18, 1954) (Male) Reelection Outside Independent Attendance at meetings of the Board of Directors 13/13 Tenure 6 years	Apr. 1978	Joined Mitsubishi Corporation	-
		Apr. 2010	Senior Vice President and Deputy General Manager of Kansai Branch	
		Apr. 2011	Senior Vice President and Division COO, Retail & Healthcare Division	
		Apr. 2015	Representative Director and President of MC Healthcare, Inc.	
		Apr. 2019	Advisor	
		June 2019	Director of the Company (current position)	
		(Significant concurrent positions outside the Company)		
No significant concurrent positions outside the Company.				
Reasons for nomination as candidate for outside Director				
The Company has nominated Osamu Miyashita as a candidate for outside Director because he possesses abundant experience and insight mainly in the area of the medical products business in a general trading company, and it was determined that he is capable of fully serving the role expected as an outside Director including providing objective and appropriate supervision of the Company's management from such a perspective. Furthermore, Osamu Miyashita is currently an outside Director of the Company. His tenure since assuming office as outside Director has been six years.				

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
5	<p>Tamami Murata (January 18, 1960) (Female)</p> <p>New election Outside Independent</p> <p>Attendance at meetings of the Board of Directors - Tenure -</p>	<p>Apr. 1988 Registered as a lawyer at DAINI TOKYO BAR ASSOCIATION Joined Tokyo Yaesu Law Offices (currently Asahi Law Offices)</p> <p>Aug. 2001 Representative of Murata Law Office (current position)</p> <p>Apr. 2008 Vice Chair of DAINI TOKYO BAR ASSOCIATION</p> <p>Apr. 2009 Member of the Committee of Tokyo Family Court</p> <p>Apr. 2013 Member of Radio Regulatory Council, the Ministry of Internal Affairs and Communications</p> <p>June 2014 Outside Director of Sompo Holdings, Inc.</p> <p>Apr. 2021 Member of Administrative Complaint Review Board, the Ministry of Internal Affairs and Communications (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative of Murata Law Office</p>	-
<p>Reasons for nomination as candidate for outside Director</p> <p>The Company has nominated Tamami Murata as a candidate for outside Director because she possesses diverse experience and deep insight in the area of law gained by practicing law for many years as well as years of knowledge and experience accumulated through her work at committees of public offices, and it was determined that based on her such experience and expertise she is capable of fully serving the role expected as an outside Director including supervising the decision-making by the Company's Board of Directors and Directors' performance of duties from an objective and professional perspective.</p> <p>Although Tamami Murata has not engaged in corporate management in other ways than serving as a company's outside director, the Company has determined that she is capable of duly performing the duties of the Company's outside Director for reasons stated above. Tamami Murata is serving as Representative of Murata Law Office, but there is no special interest between the law office and the Company.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The position and responsibility of the candidates who have served as persons executing business at Shin-Etsu Chemical Co., Ltd., the parent company of the Company, and its subsidiaries, etc. in the past ten years are provided in the "Career summary, and position and responsibility in the Company" section above.
 3. Osamu Miyashita and Tamami Murata are candidates for outside Director.
 4. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Osamu Miyashita has been appointed as an independent officer. If the reelection of Osamu Miyashita is approved at this Meeting, the Company plans to continue his designation as an independent officer. In addition, if Tamami Murata is elected as an outside Director at this Meeting, the Company plans to designate her as an independent officer stipulated in the regulations of Tokyo Stock Exchange, Inc.
 5. Limited liability agreements with candidates
The Company has set forth in its Articles of Incorporation that it may enter into an agreement with outside Directors limiting their liability to the scope set forth in the provisions of Article 427, paragraph 1 of the Companies Act.
The Company has entered into an agreement with outside Director candidate Osamu Miyashita limiting his liabilities according to the provisions of Article 427, paragraph 1 of the Companies Act. If Osamu Miyashita is reelected as an outside Director, the Company plans to renew the aforementioned limited liability agreement with him. In addition, if Tamami Murata is elected as an outside Director at this Meeting, the Company plans to enter into the same limited liability agreement with her. The details of the limited liability agreement are summarized as follows:
The maximum amount of liability for damages under the agreement shall be the minimum liability amount provided for under laws and regulations.
 6. The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. If the reelection of a candidate for Director is approved, he/she will continue to be included in the policy as the insured. The insured does not bear the cost of insurance premiums.
The policy covers damages and litigation expenses, etc. incurred by the insured in the event that a claim for damages is brought by a shareholder or a third party against the insured due to an act (including omission) committed by the insured concerning his or her duties as an officer of the Company or a subsidiary of the Company.
In addition, when the policy is renewed, the Company plans to renew it with the same terms.

Proposal No. 4: Election of Two Audit & Supervisory Board Members

At the conclusion of this Meeting, the terms of office of Audit & Supervisory Board Members Hideaki Hirasawa and Tatsuo Yoshihara will expire.

Therefore, the Company proposes the election of two Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate No.	Name (Date of birth)	Career summary and position in the Company		Number of the Company's shares owned
1	Hideaki Hirasawa (September 25, 1955) (Male) Reelection Attendance at meetings of the Board of Directors 13/13 Attendance at meetings of the Audit & Supervisory Board 17/17 Tenure 4 years	May 1981 Aug. 1998 Sep. 1999 Mar. 2007 Jul. 2011 Apr. 2014 June 2021	Joined the Company General Manager of Shin-Etsu Polymer México, S.A. de C.V. General Manager of Shin-Etsu Polymer America, Inc. President of Shin-Etsu Polymer America, Inc. Accounting Group Manager of the Company General Manager of Accounting Department, Administration Unit Full-time Audit & Supervisory Board Member of the Company (current position) (Significant concurrent positions outside the Company) No significant concurrent positions outside the Company.	24,150 shares
	Reasons for nomination as candidate for Audit & Supervisory Board Member The Company has nominated Hideaki Hirasawa as a candidate for Audit & Supervisory Board Member because as he has been involved in accounting operations of the Company for many years and was in charge of overseas operating bases, he possesses considerable experience and expertise in accounting and finance, etc., and it was determined that his such experience and expertise can be utilized to strengthen the audit system of the Company.			
2	Tatsuo Yoshihara (December 27, 1954) (Male) Reelection Outside Independent Attendance at meetings of the Board of Directors 13/13 Attendance at meetings of the Audit & Supervisory Board 17/17 Tenure 4 years	Apr. 1977 Jan. 2010 Oct. 2011 Apr. 2014 Apr. 2016 June 2020 June 2021	Joined Sumitomo Bakelite Co., Ltd. Executive Officer (in charge of the European region business) General Manager of Corporate Planning Department Managing Executive Officer (in charge of the Plate, Decorative Laminate and Sheet Waterproofing Businesses) Managing Chair of Sumitomo Bakelite Co., Ltd. Representative Director and President of S.B. Information System Co., Ltd. Advisor of Sumitomo Bakelite Co., Ltd. Audit & Supervisory Board Member of the Company (current position) (Significant concurrent positions outside the Company) No significant concurrent positions outside the Company.	-
	Reasons for nomination as candidate for outside Audit & Supervisory Board Member The Company has nominated Tatsuo Yoshihara as a candidate for outside Audit & Supervisory Board Member because he possesses abundant experience and expertise in a wide range of fields in operating companies, and it was determined that his such experience and expertise can be utilized to strengthen the audit system of the Company. Tatsuo Yoshihara is currently an outside Audit & Supervisory Board Member of the Company. His tenure since assuming office as Audit & Supervisory Board Member has been four years.			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Tatsuo Yoshihara is a candidate for outside Audit & Supervisory Board Member.
 3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Tatsuo Yoshihara has been appointed as an independent officer. If the reelection of Tatsuo Yoshihara is approved at this Meeting, the Company plans to continue his designation as an independent officer.
 4. Limited liability agreements with candidates

The Company has set forth in its Articles of Incorporation that it may enter into an agreement with outside Audit & Supervisory Board Members limiting their liability to the scope set forth in the provisions of Article 427, paragraph 1 of the Companies Act.

The Company has entered into an agreement with Tatsuo Yoshihara limiting his liability to the scope set forth in the provisions of Article 427, paragraph 1 of the Companies Act.

If Tatsuo Yoshihara is reelected as an outside Audit & Supervisory Board Member, the Company plans to renew the aforementioned limited liability agreement with him.

The details of the limited liability agreement are summarized as follows:

The maximum amount of liability for damages under the agreement shall be the minimum liability amount provided for under laws and regulations.

5. The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and the details of the insurance policy are described on page 36 of the Business Report (in Japanese). If the election of a candidate for Audit & Supervisory Board Member is approved, he/she will be included in the policy as the insured. The insured does not bear the cost of insurance premiums.

The policy covers damages and litigation expenses, etc. incurred by the insured in the event that a claim for damages is brought by a shareholder or a third party against the insured due to an act (including omission) committed by the insured concerning his or her duties as an officer of the Company or a subsidiary of the Company.

In addition, when the policy is renewed, the Company plans to renew it with the same terms.

Proposal No. 5: Delegation to the Board of Directors of the Company of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to Executive Officers and Employees of the Company

The Company asks for the shareholders' approval to delegate to the Board of Directors of the Company the determination of the subscription requirements for stock acquisition rights to be issued as stock options to Executive Officers and employees of the Company in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Reasons for issuing stock acquisition rights with particularly favorable terms and conditions:

For the purpose of further enhancing the willingness and morale to contribute to the long-term increase of corporate value of the Company's group, and thus increasing the corporate value of the Company's group, the Company would like to issue stock acquisition rights to Executive Officers and employees of the Company without requiring any payment of money.

2. Features and the maximum number of stock acquisition rights, etc. for which the Board of Directors will be authorized to determine subscription requirements, based on the matters to be determined at this Meeting:

(1) The maximum number of stock acquisition rights for which the Board of Directors will be authorized to determine subscription requirements based on the delegation

The maximum number of stock acquisition rights specified in item (3) below shall be four thousand (4,000). The maximum total number of shares of common stock of the Company to be delivered upon exercise of stock acquisition rights shall be four hundred thousand (400,000). If the number of shares to be granted is adjusted as prescribed in item (3) below, however, the adjusted number of shares to be granted shall be the product of the number of shares to be granted after adjustment multiplied by the above-mentioned maximum number of stock acquisition rights.

(2) No payment of money shall be required for the stock acquisition rights for which the Board of Directors will be authorized to determine subscription requirements based on the delegation.

(3) Features of stock acquisition rights for which the Board of Directors will be authorized to determine subscription requirements based on the delegation

(a) Class and number of shares underlying stock acquisition rights

The class of shares underlying stock acquisition rights shall be common stock and the number of shares underlying each stock acquisition right (hereinafter referred to as the "Number of Shares to Be Granted") shall be one hundred (100).

If, however, the Company either effects a share split of its common stock (including allotment of its shares of common stock without contribution; the same shall apply to the share split described hereinafter) or effects a consolidation of its shares of common stock, after the date of resolution of the Meeting of Shareholders (hereinafter referred to as the "Resolution Date"), the Number of Shares to Be Granted shall be adjusted according to the formula described below. Fractions of less than one (1) share resulting from such adjustments shall be rounded down.

$$\begin{array}{ccccc} \text{Number of Shares to Be} & & \text{Number of Shares to Be} & & \text{Ratio of share split or share} \\ \text{Granted after adjustment} & = & \text{Granted before adjustment} & \times & \text{consolidation} \end{array}$$

In addition to the above, if, after the Resolution Date, any event that would force the Company to adjust the Number of Shares to Be Granted occurs, the Company shall make appropriate adjustments to the Number of Shares to Be Granted within a reasonable range.

(b) Amount of assets to be contributed upon exercise of stock acquisition rights

The amount of assets to be contributed upon the exercise of each stock acquisition right shall be the amount obtained by multiplying the amount to be paid in for one (1) share to be delivered upon exercise of stock acquisition rights (hereinafter referred to as the "Exercise Price") by the Number of Shares to Be Granted.

The Exercise Price shall be the higher of either the amount obtained by multiplying 1.025 by the average of daily closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange (hereinafter referred to as the "Closing Price") during the month (excluding dates on which no trade is made) immediately prior to the month containing the date on which stock acquisition rights are allotted (hereinafter referred to as the "Allotment Date"), with any fractions of less than ¥1 to be rounded up; or the Closing Price on the Allotment Date (or in the event that there

is no Closing Price on that date, the Closing Price on the immediately preceding day on which the Company's common stock was traded).

If the Company effects either a share split or a consolidation of its shares of common stock after the Allotment Date, the Exercise Price shall be adjusted according to the formula described below. Fractions of less than ¥1 resulting from such adjustments shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

If, after the Allotment Date, the Company issues new shares of common stock or disposes of shares of treasury stock thereof at a price lower than the market price (excluding the sale of shares of treasury stock pursuant to the provisions of Article 194 of the Companies Act ["Demand for Sale of Shares Less than One Unit by Holders of Shares Less than One Share Unit"], the conversion of securities that shall or may be converted to shares of common stock of the Company, and the exercise of stock acquisition rights with which the delivery of shares of common stock of the Company can be requested [including bonds with stock acquisition rights]), the Exercise Price shall be adjusted according to the formula described below. Fractions of less than ¥1 resulting from such adjustments shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Payment amount per share}}{\text{Market price}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the formula above, "Number of issued shares" is the total number of shares of common stock issued by the Company excluding the number of treasury shares of common stock owned by the Company. In the case of the Company's disposal of treasury stock, "Number of newly issued shares" shall be replaced with "Number of shares of treasury stock to be disposed of."

In addition to the above, if, after the Allotment Date, any event that would force the Company to adjust the Exercise Price occurs, the Company shall make appropriate adjustments to the Exercise Price within a reasonable range.

- (c) Period during which stock acquisition rights may be exercised
From the day following the 2-year anniversary of the Allotment Date to March 31, 2031
- (d) Matters concerning increases in capital and capital reserves when shares are issued upon exercise of stock acquisition rights
 - i. The amount by which capital is to be increased by the issuance of shares upon exercise of stock acquisition rights shall be one-half of the maximum amount of increase in capital etc., which is calculated in accordance with Article 17, paragraph 1 of the Corporate Accounting Rules. Fractions of less than ¥1 resulting from such calculation shall be rounded up.
 - ii. The amount by which capital reserves are to be increased by the issuance of shares upon exercise of stock acquisition rights shall be the amount obtained by subtracting the amount by which capital is to be increased as prescribed in (i) above from the maximum amount of increase in capital etc. described in (i) above.
- (e) Restriction on acquisition of stock acquisition rights by transfer
Any acquisition of stock acquisition rights by transfer shall be subject to the approval by a resolution of the Board of Directors.
- (f) Conditions for exercise of stock acquisition rights
 - i. If a person granted stock acquisition rights or his or her heir has waived the stock acquisition rights, the stock acquisition rights cannot be exercised.
 - ii. If a person granted stock acquisition rights no longer falls under any of the following items, the person granted stock acquisition rights may exercise stock acquisition rights not yet exercised only until the earlier of the date two years after the person no longer falls under any of the following items or March 31, 2031.
 - a. A Director or Audit & Supervisory Board member, Executive Officer, employee, adviser, counselor [consultant] or temporary employee of the Company
 - b. A director or audit & supervisory board member or employee of a subsidiary of the Company or a subsidiary of the Company's parent company

- iii. An heir of a person granted stock acquisition rights may exercise the stock acquisition rights for only six months (up until March 31, 2031) from the day the stock acquisitions rights were succeeded to in accordance with the provisions of the Civil Code.
 - iv. Other conditions are as set forth in the agreement for allotment of stock acquisition rights concluded between the Company and the person granted stock acquisition rights, based on a resolution made by the Board of Directors of the Company.
- (g) Provisions for acquisition of stock acquisition rights
- i. In the event that a proposal for a merger agreement under which the Company will not be the surviving company, a proposal for a company split agreement or company split plan under which the Company will split, or a proposal for a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary is approved at a shareholders' meeting of the Company (or, in any of the above cases, when approval at a shareholders' meeting of the Company is not required and approval at a Board of Directors' meeting is granted), the Company may acquire the stock acquisition rights without consideration on the date separately specified by the Board of Directors of the Company.
 - ii. If a person granted stock acquisition rights or his or her heir can no longer exercise the stock acquisition rights pursuant to (f) above, the Company may acquire the stock acquisition rights without consideration on the date separately specified by the Board of Directors of the Company.
- (h) In the event where the Company engages in a merger (limited to the case where the Company ceases to exist after the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as the "Reorganization Actions"), the Company shall deliver to the holders of the remaining stock acquisition rights at the time the Reorganization Action takes effect (hereinafter referred to as the "Remaining Stock Acquisition Rights") the stock acquisition rights of the relevant stock companies listed in Article 236, paragraph 1, item (viii) - (a) through (e) of the Companies Act (hereinafter referred to as the "Reorganized Company"), in each case in accordance with the conditions set forth below. In this event, the Remaining Stock Acquisition Rights shall become extinct and new stock acquisition rights in the Reorganized Company shall be issued. However, the foregoing shall be on the condition that delivery of such stock acquisition rights by the Reorganized Company in accordance with the following conditions is included in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan.
- i. Number of stock acquisition rights of the Reorganized Company to be delivered
The same number of such stock acquisition rights as the number of the Remaining Stock Acquisition Rights possessed by each holder of the Company's stock acquisition rights shall be delivered.
 - ii. Class of shares of the Reorganized Company underlying stock acquisition rights
The class of shares underlying stock acquisition rights shall be common stock of the Reorganized Company.
 - iii. Number of shares of the Reorganized Company underlying stock acquisition rights
The number of shares shall be determined in the same manner as (a) above taking into consideration the conditions and other factors concerning the Reorganization Actions.
 - iv. Amount of assets to be contributed upon exercise of stock acquisition rights
The amount of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the amount to be paid in after reorganization, which is adjusted taking into consideration the conditions and other factors concerning the Reorganization Actions, by the number of shares underlying the relevant stock acquisition rights as determined in accordance with (iii) above.
 - v. Period during which stock acquisition rights may be exercised
This period shall commence either on the starting date of the period for exercising stock acquisition rights specified in (c) above or on the date on which the Reorganization Action comes into effect, whichever is later, and end on the expiry date of the period for exercising stock acquisition rights specified in (c) above.

- vi. Matters concerning increases in capital and capital reserves when shares are issued upon exercise of stock acquisition rights
These matters shall be determined in the same manner as (d) above.
- vii. Restriction on acquisition of stock acquisition rights by transfer
Any acquisition of stock acquisition rights by transfer shall be subject to the approval by resolution of the Board of Directors of the Reorganized Company.
- viii. Conditions for exercise of stock acquisition rights
These conditions shall be determined in the same manner as (f) above.
- ix. Provisions for acquisition of stock acquisition rights
These provisions shall be determined in the same manner as (g) above.
- (i) In cases where the number of shares to be delivered to the holders of the stock acquisition rights who have exercised the stock acquisition rights includes any fractions of less than one (1) share, such fractions shall be rounded down.
- (j) Other details with respect to stock acquisition rights
Other matters concerning stock acquisition rights and particulars not stipulated in the above shall be established by means of a resolution at a separately held Board of Directors' meeting.

(Reference)

Independence Criteria for Outside Officers

The Company stipulates that the criteria for determining independence of the Company's outside officers is that they are persons who do not fall under any of the items listed below.

1. Persons executing business (meaning Directors (excluding outside Directors), Executive Officers, Corporate Officers, the equivalents thereof and employees; the same applies hereinafter) of the Company or the parent company, subsidiaries and associates (including sister subsidiaries; the same applies hereinafter) of the Company
2. Audit & Supervisory Board Members of the Company's parent company
3. The Company's major business partners and persons for whom the Company is a major business partner (in the case of a corporation, etc., persons executing business of said corporation, etc.)
4. Persons who receive a large sum of remuneration for providing specialized services or consulting services related to law, finance, tax, etc. (in the case of a corporation, etc., persons who belong to said corporation, etc.)
5. Persons who have received a large sum of donations from the Company (in the case of a corporation, etc., persons executing business of said corporation, etc.)
6. Persons who have recently fallen under items 1 through 5 above
7. Relatives within the second degree of kinship of the persons listed below (limited to important persons (Note))
 - (1) Persons executing business of the Company or the parent company, subsidiaries and associates of the Company (including accounting advisors of a subsidiary in the case an outside Audit & Supervisory Board Member is designated as an independent officer)
 - (2) Persons listed in items 2 through 5 above
 - (3) Persons who have recently fallen under items (1) or (2) above

Notes: "Important persons" are:

- (a) In the case of persons executing business, Directors (excluding outside Directors), Executive Officers, Corporate Officers and employees in senior management positions of General Manager or higher.
- (b) Certified Public Accountants who belong to an audit firm or an accounting firm, attorneys who belong to a law firm, and council members, directors, auditors, etc. who belong to an incorporated foundation, an incorporated association, and educational corporation or other corporation.

(Reference)

Composition of the Board of Directors after this General Meeting (tentative) and Skill Matrix

	Name	Attributes	Main knowledge, experience, abilities, etc.						
			Corporate Management	Global	Technology	Marketing	Treasury and Finance	Legal and Governance	Human Capital Management
Director	Yoshiaki Ono		○	○	○				○
	Toshiaki Deto		○	○		○			○
	Satoru Sugano				○	○			○
	Osamu Miyashita	Outside Independent	○	○		○			
	Tamami Murata	Outside Independent						○	
Audit & Supervisory Board Member	Hideaki Hirasawa			○			○	○	
	Yoshiaki Torimaru			○		○		○	
	Tatsuo Yoshihara	Outside Independent	○	○	○				
	Tomoko Moriya	Outside Independent					○	○	

Note: This does not represent all the knowledge, experience, abilities, etc. possessed by each officer.