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Securities code: 7537
June 8, 2021

To Our Shareholders:

Toru Iino
CEO and Representative Director
MARUBUN CORPORATION
8-1, Nihonbashi Odenmachi, Chuo-ku,
Tokyo, Japan

Notice of the 74th Ordinary General Meeting of Shareholders

Please be informed that the 74th Ordinary General Meeting of Shareholders (the “Meeting”) of MARUBUN CORPORATION (the “Company”) will be held as indicated below.

However, in order to prevent the spread of COVID-19, we request to our shareholders to exercise your voting rights in writing (by mail) or via the Internet in advance as much as possible, and we strongly request that you refrain from traveling to the venue on the date of the Meeting, regardless of your health condition.

Please review the attached “Reference Documents for the General Meeting of Shareholders,” follow “Instructions Concerning the Exercise of Voting Rights” (page 3), indicate “approval” or “disapproval” for each of the proposals in the enclosed Voting Right Exercise Form, and return the form to us no later than 5:30 p.m., Thursday, June 24, 2021 (Japan Standard Time), or enter “approval” or “disapproval” for each of the proposals on the website for exercising voting rights (the “Voting Website”) specified by the Company (<https://evote.tr.mufig.jp/>) no later than the above-mentioned deadline.

1. **Date and Time:** June 25, 2021 (Friday) at 10:00 a.m.
2. **Place:** Conference Hall, 5th floor of the Company’s Head Office
8-1, Nihonbashi Odenmachi, Chuo-ku, Tokyo, Japan
3. **Meeting Agenda:**
Report matters:
 1. The Business Report and the Consolidated Financial Statements for the 74th Fiscal Year (April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee
 2. Non-consolidated Financial Statements for the 74th Fiscal Year (April 1, 2020 to March 31, 2021)

Resolution matters:

- First proposal:** Appropriation of surplus
 - Second proposal:** Election of five (5) Directors (excluding Directors serving as Audit & Supervisory Committee Members)
 - Third proposal:** Election of three (3) Directors serving as Audit & Supervisory Committee Members
 - Fourth proposal:** Continuation of Countermeasures against Large-Scale Purchases of the Company’s Shares or Other Securities
4. **Matters Determined for Convocation** Please refer to “Instructions Concerning the Exercise of Voting Rights” on page 3.

(Notes)

- If you plan to attend the Meeting, please submit the enclosed Voting Right Exercise Form to the receptionist at the Meeting.
- Of documents to be attached to this Notice, “System to Ensure the Appropriateness of the Operations and the Overview of the Operating Status” and “Basic Policy regarding Control of the Company” of Business Report, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the website of the Company in accordance with laws and regulations, and the provision in Article 14 of the Company’s Articles of Incorporation. Therefore, they are not included in this Notice of the 74th Ordinary General Meeting of Shareholders. Meanwhile, these matters are included in the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements which have been audited by Financial Auditor or by Audit & Supervisory Committee to prepare an accounting audit report or an audit report.
- Any amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements will be posted on the Company’s website. (URL: <https://www.marubun.co.jp/>) (Japanese only).
- Gifts are not provided to attendants of the General Meeting of Shareholders. We appreciate your kind understanding for that.

<Regarding measures against COVID-19>

At this General Meeting of Shareholders, as the measures of prevention of spread of COVID-19, in order to avoid a risk of infection to our shareholders, directors and our on-site staff of the Company, we would like to announce as follows. We look forward to the understanding and cooperation of our shareholders who attend this meeting.

- 1) Please consider exercise your voting rights in writing (by mail) or via the Internet in advance as much as possible.**
- 2) At the venue of the General Meeting of Shareholders, we would like to ask our shareholders to wear a mask, to use alcohol disinfectant and to cooperate with body temperature measurement etc. If you are found to have a fever or appear to be unwell, you may be asked to refrain from entering the venue.**
- 3) Directors and our on-site staff members at the General Meeting of Shareholders will be wearing a mask.**
- 4) In order to arrange the seating to leave as much space as possible, we may not secure enough seats for attendants.**
 - * We will post further information on the Company’s website if the measures above change due to the situation in the future.**

The Company’s website: <https://www.marubun.co.jp/ir/events/generalmeeting.html> (Japanese only)

Instructions Concerning the Exercise of Voting Rights

The right to vote at the General Meeting of Shareholders is a key right for all shareholders. Please exercise your voting rights.

Further, concerning this General Meeting of Shareholders, please consider exercise your voting rights in writing (by mail) or via the Internet in advance as much as possible.

You may exercise your voting rights by the following three methods.

Exercise of voting rights by attendance at the General Meeting of Shareholders

Please submit the enclosed Voting Right Exercise Form to the receptionist on the day of the General Meeting of Shareholders. (No seal is needed.)

▶ Date and Time of the General Meeting of Shareholders: 10:00 a.m. on June 25, 2021 (Friday)

Exercise of voting rights in writing (by mail)

After considering the Reference Documents for the General Meeting of Shareholders below, please indicate your approval or disapproval on the enclosed Voting Right Exercise Form and send it back to us. (No postage is needed.)

▶ Arrival deadline for the exercise of voting rights in writing (by mail): No later than 5:30 p.m. on June 24, 2021 (Thursday)

Exercise of voting rights via the Internet

Please access the Voting Website (<https://evote.tr.mufg.jp/>) either through a personal computer, smartphone or mobile phone. At this site, you may indicate “approval” or “disapproval” for each of the proposals. Log in using the “Login ID” and “Temporary Password” printed on the Voting Right Exercise Form and then follow the instructions provided on screen so that you can exercise vote.

▶ Deadline for the exercise of voting rights via the Internet: No later than 5:30 p.m. on June 24, 2021 (Thursday)

Electronic Voting Platform for Institutional Investors

Institutional investors may use the electronic voting rights exercise platform operated by ICJ Inc. as a means to exercise voting rights electromagnetically.

- If you exercise your voting rights redundantly in writing (by mail) and via the Internet, the voting rights exercised via the Internet shall be treated as valid.
- If you exercise your voting rights more than once via the Internet, the Company will regard the content of the last exercise as valid.

Reference Documents for the General Meeting of Shareholders

First proposal: Appropriation of surplus

The Company decides dividends based on its basic policy of continued return of profits to its shareholders, while also placing emphasis on dividend payout ratio by employing performance-linked dividends in order to actively return profits according to its business performance. The Company decides the dividend amount with a consolidated payout ratio of 30% or more as a target.

Based on this policy, the Company would like to propose the following as a year-end dividend for the 74th fiscal year.

(1) Type of dividend assets

Cash

(2) Distribution of dividend assets to shareholders and total amount of dividends

Payment of ¥8.00 per share of common shares (Total amount of dividends: ¥209,080,472)

The annual dividend amount, including the interim dividend, for the fiscal year ended March 31, 2021 will be ¥16.00 per share of common shares.

(3) Effective date of distribution of surplus

June 28, 2021

Second proposal: Election of five (5) Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors serving as Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this Meeting. In that regard, the Company requests the election of five (5) Directors.

The candidates for Director are as follows.

Candidate No.	Name	Positions, etc. in the Company		Attribute of candidate	Attendance rate of Board of Directors' meetings
1	Toru Iino	Chief Executive Officer and Representative Director	In charge of Internal Audit Office, Legal Dept., Internal Control and Security Export Control General Manager of Devices & Systems Business Unit	Reelection	100%
2	Kazuaki Iwamoto	Senior Executive Vice President and Representative Director	In charge of General Affairs Div., Business Administration Div., ICT Administration Div. and Administration of Subsidiaries	Reelection	92%
3	Satoshi Fujino	Senior Vice President	In charge of Device Business (including Subsidiaries) Deputy General Manager of Devices & Systems Business Unit	Reelection	100%
4	Hiroshi Imamura	Vice President	In charge of Systems Business (including Subsidiaries) Deputy General Manager of Devices & Systems Business Unit	Reelection	100%
5	Hiroshi Horikoshi	Vice President	In charge of Domestic Device Business Deputy General Manager of Devices & Systems Business Unit	Reelection	100%

Candidate No. 1	Toru Iino (March 7, 1959)		
<Career summary, positions and responsibilities>			
June 1985	Joined the Company	January 2020	Chief Executive Officer and Representative Director (to present)
June 2017	Vice President		In charge of Internal Audit Office (to present)
April 2018	Senior Vice President		In charge of Legal Dept. (to present)
	In charge of Systems Business of Subsidiaries		In charge of Internal Control (to present)
June 2018	Vice President of Marubun Tsusho Co., Ltd.		In charge of Security Export Control (to present)
October 2018	In charge of Systems Business (including Subsidiaries) of the Company		General Manager of Devices & Systems Business Unit (to present)
		June 2020	President of Marubun Research Promotion Foundation (to present)
<Significant concurrent positions>			
President, Marubun Research Promotion Foundation			
<Reasons for nominating as candidate for Director>			
<p>Having long engaged in the Systems business of the Company, Mr. Toru Iino has promoted expanding business and reinforcing relationships with business partners as a person in charge of the overall Systems business. At the present, serving as Chief Executive Officer and Representative Director of the Company and showing his excellent business execution power and leadership, he has managed and supervised the management and by assuming general command of the Company, has comprehensively lead in managing the Company.</p> <p>The Company deems that he is adequate to promote the business strategy of the Company and the Group, with the aim of improving profitability and expanding the business, and therefore nominates him as a candidate for Director.</p>			
			Reelection
			Number of shares of the Company held 3,000 shares
			Term of office as Director 4 years
			Number of Board of Directors' meetings attended 12/12

Candidate No. 2	Kazuaki Iwamoto (July 26, 1954)			
<Career summary, positions and responsibilities>				
June 2006	Joined the Company	January 2012	In charge of Administration of Subsidiaries (to present)	
	Vice President	June 2012	In charge of Sales Business Administration Div.	
April 2007	Senior Vice President, General Manager of Business Administration Div.		In charge of ICT Administration Div. (to present)	Reelection
February 2010	Vice President of Marubun Tsusho Co., Ltd. (to present)	April 2013	In charge of Internal Business Innovation Office	Number of shares of the Company held 13,000 shares
April 2010	Executive Vice President of the Company	June 2013	Senior Executive Vice President and Representative Director (to present)	Term of office as Director 15 years
June 2011	Executive Vice President and Representative Director		In charge of General Affairs Div. (to present) In charge of Business Administration Div. (to present)	Number of Board of Directors' meetings attended 11/12
<Significant concurrent positions>				
Vice President, Marubun Tsusho Co., Ltd.				
<Reasons for nominating as candidate for Director>				
<p>Having long engaged in and supervised the management division of the Company and served as a person in charge of the internal control as well as such departments and divisions as General Affairs, Human Recourses, Finance & Accounting, Corporate Planning and IT at the Company and the Group, Mr. Kazuaki Iwamoto has ample experience and achievements, including his initiatives for the group-wide enhancement of the internal control and corporate governance, serving as Senior Executive Vice President and Representative Director of the Company.</p> <p>The Company deems that he is adequate to promote the overall business management of the Company and the Group and to enhance the corporate governance and internal control, and therefore nominates him as a candidate for Director.</p>				

Candidate No. 3	Satoshi Fujino (January 22, 1964)		
<Career summary, positions and responsibilities>			
April 1986	Joined the Company	April 2019	In charge of New Device Business
April 2004	CEO of Marubun/Arrow Asia, Ltd.		In charge of Marubun/Arrow
June 2007	Vice President of the Company		Global CEO of Marubun/Arrow (to present)
January 2012	Senior Vice President (to present)		President of Marubun USA Corporation (to present)
June 2013	In charge of Business of Subsidiaries	October 2019	In charge of Sales Management Div. of the Company
July 2013	Chairman of Marubun Taiwan, Inc.		In charge of Sales Administration Div.
April 2014	Deputy General Manager of Devices & Systems Business Unit of the Company		In charge of Marketing Div.
	General Manager of Marketing Div.		General Manager of Marketing Div.
April 2016	General Manager of Devices & Systems Business Unit	January 2020	In charge of Device Business (including Subsidiaries) (to present)
April 2018	In charge of Device Business of Subsidiaries		Chairman of Marubun Taiwan, Inc. (to present)
	Deputy General Manager of Devices & Systems Business Unit (to present)	October 2020	General Manager of Marketing Div. 2 of the Company (to present)
October 2018	In charge of Device Business (including Subsidiaries)		
<Significant concurrent positions>			
Global CEO, Marubun/Arrow President, Marubun USA Corporation Chairman, Marubun Taiwan, Inc.			
<Reasons for nominating as candidate for Director>			
<p>Having long engaged in the Device business of the Company, Mr. Satoshi Fujino has served as a person in charge of sales of the Device business and CEO at overseas group companies. As Vice President of the Company, he has accumulated broad experience and achievements by leading the Device business at domestic and overseas, while pursuing the reinforcement of relationships with business partners and expansion of the new businesses.</p> <p>The Company deems that he is adequate to promote the business strategy of the Company and the Group aimed at the reinforcement of their competitiveness, and therefore nominates him as a candidate for Director.</p>			
			Reelection
			Number of shares of the Company held 6,000 shares
			Term of office as Director 14 years
			Number of Board of Directors' meetings attended 12/12

Candidate No. 4	Hiroshi Imamura (April 17, 1965)			
<Career summary, positions and responsibilities>				Reelection
April 1988	Joined the Company	June 2020	Vice President (to present)	Number of shares of the Company held 1,400 shares
April 2010	Director of Sales Dept. 1 of Systems Sales & Marketing Div.		In charge of Systems Business (including Subsidiaries) (to present)	
April 2018	General Manager of Systems Sales & Marketing Div. 1 (to present)		Deputy General Manager of Devices & Systems Business Unit (to present)	Term of office as Director 1 year
January 2020	Officer		Vice President of Marubun Tsusho Co., Ltd. (to present)	
<Significant concurrent positions>				Number of Board of Directors' meetings attended 9/9
Vice President, Marubun Tsusho Co., Ltd.				
<Reasons for nominating as candidate for Director>				
<p>Having long engaged in the Systems business of the Company, Mr. Hiroshi Imamura has served as a person in charge of sales of the Systems business. In addition to pursuing the enhancement of new products and expansion of business areas as Vice President of the Company, supervising the Systems business of the Group, he has ample experience and broad knowledge.</p> <p>The Company deems that he is adequate to promote the expansion of the Systems business and the reinforcement of relationships with group companies, and therefore nominates him as a candidate for Director.</p>				

Candidate No. 5	Hiroshi Horikoshi (May 30, 1979)			
<Career summary, positions and responsibilities>				Reelection
October 2009	Joined the Company	April 2020	Deputy General Manager of Devices & Systems Business Unit of the Company (to present)	Number of shares of the Company held 766,800 shares
June 2011	Vice President	June 2020	Vice President (to present)	
June 2012	Officer		In charge of Domestic Device Business (to present)	Term of office as Director 1 year
	Deputy General Manager of Devices & Systems Business Unit			
April 2018	CEO of Marubun/Arrow Asia, Ltd.			Number of Board of Directors' meetings attended 9/9
<Significant concurrent positions>				
Not applicable				
<Reasons for nominating as candidate for Director>				
<p>Having long supervised the overall sales business and served as a person in charge of sales of the domestic businesses and CEO at and overseas group company, Mr. Hiroshi Horikoshi has promoted the reinforcement and expansion of its business foundation at domestic and overseas. Having engaged in reinforcement of relationships with domestic business partners of the Device business as Vice President of the Company, he has ample experience and distinguished insight.</p> <p>The Company deems that he is adequate to promote the business strategy and to further strengthen decision making of Board of Directors and therefore nominates him as a candidate for Director.</p>				

- (Notes) 1. Mr. Satoshi Fujino concurrently serves as Chairman of Marubun Taiwan, Inc., which is a subsidiary of the Company. The Company has purchase and sale transactions related to sales of electronics components, etc. with this company. There are no conflicts of interest between the Company and any of the above candidates for Director other than that given above.
2. The Company has taken out a directors & officers liability insurance policy as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan with an insurance company. Including riders, the policy can compensate for damages borne by the insured which may result from any liability during the execution of their duties or any claim concerning pursuit of the liability (Except the claim for compensation for damages resulted from intentional actions or gross negligence). The insurance fee for the policy is borne by the Company. If each candidate is elected and takes office as a Director (excluding Director serving as Audit & Supervisory Committee Member), they will become the insured under the insurance policy. As the policy period of this insurance is one year, the Company plans to renew it with the above details at the time of next renewal.

Third proposal: Election of three (3) Directors serving as Audit & Supervisory Committee Members

The terms of office of all three (3) Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this Meeting. Accordingly, the Company requests the election of three (3) Directors serving as Audit & Supervisory Committee Members.

The agreement of the Audit & Supervisory Committee has been received for this proposal.

The candidates for Director serving as Audit & Supervisory Committee Member are as follows.

Candidate No.	Name	Positions, etc. in the Company	Attribute of candidate	Attendance rate of Board of Directors' meetings	Attendance rate of Audit & Supervisory Committee meetings
1	Koji Kakinuma	Director (Audit & Supervisory Committee Member)	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director	100%	100%
2	Yoshisaburo Mogi	Director (Audit & Supervisory Committee Member)	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director	100%	100%
3	Yasuhiko Watanabe	Director (Audit & Supervisory Committee Member)	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director	100%	100%

Candidate No. 1	Koji Kakinuma (March 3, 1957)			
<Career summary, positions and responsibilities>				
October 1981	Joined Shinko Audit Corporation	August 2003	Representative Partner of Asahi & Co.	Reelection
September 1985	Registered as Certified Public Accountant	September 2016	Auditor of KPMG AZSA LLC	Outside Director
October 1989	Joined The Sumitomo Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)	July 2017	Chairperson of the Management Oversight Committee of KPMG AZSA LLC	Independent Director
October 2000	Joined Asahi & Co. (currently KPMG AZSA LLC)	June 2019	Outside Director of the Company (to present)	Number of shares of the Company held 0 shares
		July 2019	Representative of KAKINUMA ACCOUNTING OFFICE (to present)	
<Significant concurrent positions>				
Representative, KAKINUMA ACCOUNTING OFFICE				Term of office as Outside Director 2 years
<Reasons for nominating as candidate for Outside Director and summary of expected roles>				
<p>The Company expects that Mr. Koji Kakinuma can provide appropriate opinions especially on the management of the Company and enhancement of the functions of the Board of Directors from a fair and objective standpoint as an expert, in view of his high level of expertise and extensive experience as a certified public accountant. Therefore, the Company nominates him as a candidate for Outside Director.</p> <p>If his election is approved, he is going to continue involvement in the nomination process of Directors and decision making of remuneration of Directors etc., from a neutral standpoint as a member of Personnel Advisory Committee.</p>				

Candidate No. 2	Yoshisaburo Mogi (September 26, 1950)			
<Career summary, positions and responsibilities>				
April 1996	General Manager of Yurakucho Branch of The Bank of Tokyo- Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)	June 2003	External Corporate Auditor of OMRON Corporation	Reelection
June 2000	General Manager of London Branch of The Bank of Tokyo-Mitsubishi, Ltd.	June 2011	Executive Director of The Mitsubishi Foundation Director of The Japan Foundation Center	Outside Director
June 2002	Managing Director of Mitsubishi Tokyo Wealth Management Securities, Ltd.	June 2012	Executive Director of The Japan- British Society	Independent Director
		June 2015	Outside Director of the Company (to present)	Number of shares of the Company held 9,900 shares
<Significant concurrent positions>				
Not applicable				
<Reasons for nominating as candidate for Outside Director and summary of expected roles>				
<p>The Company expects that Mr. Yoshisaburo Mogi can provide opinions especially on the management of the Company and enhancement of the functions of the Board of Directors from fair, objective and diverse standpoints, in view of extensive experience and insight as a management executive at financial institutions and business entities. Therefore, the Company nominates him as a candidate for Outside Director.</p> <p>If his election is approved, he is going to continue involvement in the nomination process of Directors and decision making of remuneration of Directors etc., from a neutral standpoint as a member of Personnel Advisory Committee.</p>				
				Term of office as Outside Director 6 years

Candidate No. 3	Yasuhiko Watanabe (January 25, 1942)			
<Career summary, positions and responsibilities>				
June 1995	Senior Vice President and Representative Director of The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)	June 2007	CEO and Representative Director of Marunouchi Heat Supply Co., Ltd. Outside Auditor of the Company	Reelection
June 2000	Statutory Auditor of Mitsubishi Estate Co, Ltd.	June 2010	Outside Director of Komatsu Store Co., Ltd.	Outside Director
June 2001	Senior Managing Director of Mitsubishi Estate Co., Ltd.		Outside Director of Dai Nippon Toryo Co., Ltd.	Independent Director
		June 2014	Outside Director of the Company (to present)	Number of shares of the Company held 0 shares
<Significant concurrent positions>				
Not applicable				
<Reasons for nominating as candidate for Outside Director and summary of expected roles>				Term of office as Outside Director 7 years
<p>The Company expects that Mr. Yasuhiko Watanabe can provide opinions especially on the management of the Company and enhancement of the functions of the Board of Directors from a wide range of viewpoints from a fair and objective standpoint, in view of his extensive experience, track record, and insight as a management executive at a financial institution and business entities. Therefore, the Company nominates him as a candidate for Outside Director.</p> <p>If his election is approved, he is going continue involvement in the nomination process of Directors and decision making of remuneration of Directors etc., from a neutral standpoint as a member of Personnel Advisory Committee.</p>				

- (Notes) 1. There are no conflicts of interests between the Company and Mr. Koji Kakinuma, Mr. Yoshisaburo Mogi or Mr. Yasuhiko Watanabe.
2. Mr. Koji Kakinuma, Mr. Yoshisaburo Mogi and Mr. Yasuhiko Watanabe are candidates for Outside Directors.
3. Although Mr. Koji Kakinuma has never been involved in the management of a company other than as an outside director, the Company judges that he will appropriately fulfill his duties as a Director serving as Audit & Supervisory Committee Member of the Company, as he has been involved in corporate accounting as a certified public accountant for many years, possessing specialist knowledge and a wealth of experience.
4. The Company has designated Mr. Koji Kakinuma, Mr. Yoshisaburo Mogi and Mr. Yasuhiko Watanabe as independent directors based on the regulations stipulated by the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange accordingly. If their reelection is approved, the Company plans for their appointment as independent directors to continue.
5. Pursuant to the provisions of Paragraph 1, Article 427, the Company has concluded agreements with Mr. Koji Kakinuma, Mr. Yoshisaburo Mogi and Mr. Yasuhiko Watanabe to limit their liability to the Company for compensation for damages stipulated in Paragraph 1, Article 423 of the Companies Act, up to the total amount stipulated in the matters set forth in Paragraph 1, Article 425 of the Companies Act. If their reelection is approved, the Company plans to renew the respective agreements with each one of them.
6. The Company has taken out a directors & officers liability insurance policy as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan with an insurance company. Including riders, the policy can compensate for damages borne by the insured which may result from any liability during the execution of their duties or any claim concerning pursuit of the liability (Except the claim for compensation for damages resulted from intentional actions or gross negligence). The insurance fee for the policy is borne by the Company. If each candidate is elected and takes office as a Director serving as Audit & Supervisory Committee Member, they will become the insured under the insurance policy. As the policy period of this insurance is one year, the Company plans to renew it with the above details at the time of next renewal.

Fourth proposal: Continuation of Countermeasures against Large-Scale Purchases of the Company's Shares or Other Securities

Marubun Corporation (hereinafter referred to as the "Company") introduced countermeasures against large-scale purchases of the Company's shares and other securities (hereinafter referred to as the "Current Plan") with the approval of shareholders at the 71st Ordinary General Meeting of Shareholders held on June 27, 2018, as efforts to prevent the decisions on the financial and business policies of the Company from being controlled by inappropriate persons in light of the basic policies related to the way in which a person is to control the decisions on the financial and business policies of the Company (i.e. the "Basic Policies" as defined in the Ordinance for Enforcement of the Companies Act, Article 118, Item 3 and hereinafter referred to as the "Basic Policies") (i.e. the efforts provided in Article 118, Item 3(b)(2) of the Ordinance for Enforcement of the Companies Act) and for the purpose of securing and enhancing the corporate value of the Company, namely, the common interests of the shareholders. The effective period of the Current Plan will end upon completion of the session of the 74th Ordinary General Meeting of Shareholders to be held on June 25, 2021 (the "Ordinary Shareholders' Meeting").

The Company has been reviewing the Current Plan to consider whether it is appropriate as an effort to secure and enhance the corporate value of the Company, namely, the common interests of the shareholders and whether it should be continued, in view of the changes in social and economic situations as well as various attitudes and the development of discussions with regard to takeover defense measures since the introduction of the Current Plan.

As a result, the Company has confirmed, at the meeting of the Board of Directors held on May 14, 2021, that it will continue to uphold the Basic Policies and has resolved to continue the Current Plan as indicated below (the plan to continue the Current Plan is hereinafter simply referred to as the "Plan") as efforts to prevent the decisions on the financial and business policies of the Company from being controlled by inappropriate persons in light of the Basic Policies, subject to the approval of the Ordinary Shareholders' Meeting. Accordingly, the Company requests the shareholders to approve the continuation of the Plan.

The Plan includes some minimal changes to the wording of the Current Plan that do not substantially alter the meaning of the contents.

The meeting of the Board of Directors which resolved to adopt the Plan was attended by all three (3) of the outside directors who are serving as Audit & Supervisory Committee Members, and in the same meeting they all stated their opinion agreeing to the contents of the Plan subject to the condition that specific operation of the Plan would be appropriately conducted.

The status of the major shareholders of the Company as of March 31, 2021 is as provided in the "Status of Major Shareholders" chart shown in Appendix 1, and the Company has not received any proposals or similar actions for any large-scale purchases of the Company's shares or other securities by any specific third party at this moment.

I. Basic Policies Related to the Way a Person is to Control Decisions on Financial and Business Policies

The Company believes that, in principle, it should make the final decision, in accordance with the decision of its shareholders, as to the way a person is to control the decisions on the financial and business policies of the Company since transactions of the shares and other securities of the Company (being a publicly traded company) are left up to the free judgment of the shareholders and investors thereof. In addition, the Company believes that it should also make the final decision, in accordance with the decision of the whole body of shareholders, as to whether the Company should accept a large-scale purchase of the Company's shares and other securities involving any transfer of control of the management of the Company. Furthermore, the Company will not deny even a large-scale purchase of the Company's shares or other securities if the same will contribute to the corporate value of the Company, namely, the common interests of the Company's shareholders.

Nevertheless, among large-scale purchases of the Company's shares and other securities conducted without prior agreement of the Board of Directors, there may be examples which are likely to damage the corporate value of the Company, namely, the common interest of the shareholders, such as those which clearly damage the corporate value of the Company, namely, the common interests of the shareholders in light of the purposes and other circumstances of such large-scale purchases, which are, by their nature, likely to force shareholders to sell the shares, which do not give sufficient time and information for the Board of Directors and shareholders to examine the contents and other conditions of the large-scale purchases of shares and other securities or for the

Board of Directors to make an alternative proposal, and/or which require the Company to discuss and negotiate with such large-scale purchasers to obtain more beneficial conditions than those proposed by such large-scale purchasers.

We believe that the persons who control the decision making on the financial and business policies of the Company must fully understand the Company's management philosophy, the various sources of the Company's corporate value, and the trusting relationships with the stakeholders who support the Company, and must secure and enhance the corporate value, namely, the common interest of the shareholders, in the medium to long term. Further, we believe that persons like those mentioned above who engage in large-scale purchases of shares and other securities despite the lack of benefit to the Company's corporate value and the common interests of the shareholders are not appropriate to become persons who control the decision making over the financial and business policies of the Company, and therefore, necessary and appropriate countermeasures should be implemented against large-scale purchases by such persons to secure the corporate value, namely, the common interest of the shareholders.

II. Special Initiatives Contributing to Achievement of the Basic Policies

1. Characteristics of the Group's Business and Our Thoughts on Corporate Value

The Company was established as a fabric and textile wholesaler in 1844 and was reorganized into Marubun Corporation in July 1947. It has led the way as a pioneer in the industry and helped to build up the foundations of the industrial and R&D fields based on technology in the field of electronics. For example, the Company imported and introduced integrated circuits and laser devices to Japan at an early stage. Today, the Company develops global activities at 45 locations around the world and offers products and services of no less than 500 suppliers to more than 3,000 companies.

The Marubun group is an electronics trading company which conducts two businesses, one of which is the electronic devices business mainly covering the fields of semiconductors and electronic components and another of which is the electronic systems business covering electronic devices such as space and defense electronics, laser equipment and medical equipment, and it procures cutting-edge products from all over the world and sells them to customers including consumer equipment manufacturers, industrial equipment manufacturers, automotive manufacturers, and R&D organizations. The Marubun group's merchandise is used in products around us such as smartphones, televisions, and cars, as well as equipment and services used in hospitals and factories, and it therefore supports the development of society as a whole.

The Company has strived to enhance its corporate value by providing the best possible products, information and services adapted to changes in the environment and society by utilizing the philosophy made up of "forecasting" and "looking ahead" in order to "respond to the needs of the next generation by always looking one step ahead to the future," which has been inherited since the Company's establishment. We believe that the sources of the Marubun group's corporate value lie in: (i) the trusting relationship it has developed with each of its stakeholders, including suppliers and customers, over an extended period; (ii) the high level of expertise and wealth of experience and know-how; (iii) the high level of service provided, not simply in selling the products, but going beyond the regular business of a trading company, such as the provision of information on cutting-edge technology and products, proposals for solutions combining various products, technical support with equipment, facilities and know-how, and installment, repair and maintenance services for equipment; (iv) its wide range of products, with global sales and a logistics network developed by a joint venture formed with Arrow Electronics, a major electronics trading company in the United States; and (v) its energetic company spirit and human resources with adventurous spirits.

The Marubun Group will endeavor to enhance the corporate value of the Company and the common interests of the shareholders by continuing to provide cutting-edge technology and valuable products, services and solutions as well as hiring and fostering excellent human resources and implementing healthy and transparent management.

2. Efforts for the Enhancement of Corporate Value Based on Medium-Term Management Plan

Due to the progression of large-scale mergers and acquisitions, there have been great changes among the dominant parties in the electronics industry, which the Marubun Group operates in. At the same time, there are ongoing progresses in the changes of society and life brought about by new technologies, such as the increasing speed of a communication environment utilizing 5G communication technology, the evolution of sensing technology such as that in the IoT, the progress

of automated driving technology and the introduction of medical and nursing services utilizing AI and robots.

The Company has captured such changes as opportunities and has been striving to improve its profitability through the strengthening of the foundations of its existing businesses and the development of new businesses under the three basic policies of “Development of business models to create new value,” “Promotion of business development for growth markets” and “Stronger initiatives to contribute to a sustainable society,” upon carrying out the Medium-Term Management Plan covering the period ending in March 2022.

The Company’s specific efforts in each segment are as follows:

1) Electronic Devices

The Company will exert its efforts to establish new business models and improve its productivity through staffing which puts the right person in the right place, with the aim of maximizing business profits by providing high value-added products and services for achieving solutions.

a. Facilitation of High Value-Added Businesses

The Company will present proposals to customers by combining items of its wide range of commercial materials that are represented by semiconductor products and include electronic modules and software with the plan to further increase customer share. Furthermore, the Company will use its efforts to expand its businesses with new customers by exercising its strength for its unique services such as those utilizing its global sales network through the alliance with Arrow Electronics in the United States.

b. Expansion of Businesses for Growth Markets

The Company will explore new markets by finding groundbreaking and unique commercial materials and providing consultation for supporting the introduction of such materials in the sectors that are expected to continue to grow in the future such as the automotive sector, the information and communication sector, the medical and nursing sector, the industrial equipment sector and the IoT sector.

c. Development of New Business Models

The Company will facilitate the development of new business models such as license businesses and subscription sales. In addition, the Company will exert its efforts to increase the efficiency of its business operation by facilitating digital marketing and utilizing robotics technologies.

2) Electronic Systems

The Company will agilely capture technological innovations and customer needs, exert its efforts to differentiate itself from others by providing products, technologies and services based on its strong expertise, promote customers’ market competitiveness and facilitate initiatives with the aim of improving profitability.

a. Product Differentiation

The Company will exert its efforts to upgrade the utility of its system integrations such as to customize or modularize equipment responding to customer requests by combining its products, technologies and know-hows. Furthermore, the Company will facilitate its development of new commercial materials and its strengthening of the capability to propose solutions considering the progress of digital transformation and will promote its capturing of demands in markets for new goods and services such as local 5G and smart factories.

b. Service Differentiation

The Marubun group’s strength lies in its total support from product sales to maintenance services. The Company has affiliates which provide maintenance services under the same Marubun group and will further promote its ability to apply its experience and technologies acquired through its long history and promote expansion of its field service business. In addition, the Company will endeavor to acquire and foster human resources with high expertise and continue to exert greater efforts to secure technological superiority.

c. Exercising the Comprehensive Capability of the Group

The Company will further strengthen the cooperation within the group by way of a plan to expand the sales area of its products and improve the market shares by

promoting its initiatives to utilize the business resources of the Marubun group to the maximum extent.

III. Efforts to Prevent Decisions on Company's Financial and Business Policies from Being Controlled by Inappropriate Persons in Accordance with Basic Policies

1. Purpose of Adopting the Plan

This Plan is adopted for the purpose of continuing to secure and enhance the corporate value of the Company, namely, the common interests of the shareholders, in accordance with the Basic Plan provided in Part I: "Basic Policies Related to the Way a Person is to Control the Decisions on the Financial and Business Policies" above.

The Board of Directors of the Company believes that, as set forth in the Basic Policies, persons who engage in large-scale purchases of shares or other securities of the Company despite the lack of any benefit to the Company's corporate value, namely, the common interests of the shareholders are not appropriate to become the persons who control the decision making over the financial and business policies of the Company. The Company also believes that, in order to prevent the decisions on the financial and business policies of the Company from being controlled by such inappropriate persons and in order to inhibit large-scale purchases of shares or other securities from compromising the corporate value of the Company, namely, the common interests of the shareholders, it is necessary: (i) to require a large-scale purchaser to provide necessary and sufficient information for shareholders to appropriately determine the influence of such large-scale purchase on the corporate value of the Company, namely, the common interests of the shareholders,; (ii) for the Board of Directors to evaluate and examine the influence of the business and management policies proposed by such large-scale purchaser on the corporate value of the Company, namely, the common interests of the shareholders, and present their opinion to the shareholders for their reference in judgment; (iii) to secure the process whereby the Board of Directors negotiates on and discusses the business and management policies of the Company and other issues with the large-scale purchaser and proposes an alternative plan related to the business and management policies and other issues to the shareholders; and (iv) in some cases, to exercise countermeasures against the large-scale purchase of shares or other securities in order to prevent any irreparable damage from being caused to the corporate value of the Company, namely, the common interests of the shareholders, as this will contribute to securing and enhancing the corporate value of the Company, namely, the common interests of the shareholders.

Accordingly, the Company established certain rules requiring the provision of information to the Company and other matters to be complied with when a large-scale purchase of shares or other securities is proposed (hereinafter referred to as the "Large-Scale Purchase Rules"), and has decided to adopt the Plan which stipulates the procedures to exercise the countermeasures as continuing efforts to prevent the decisions on the financial and business policies of the Company from being controlled by an inappropriate person in light of the basic policies provided in Part I: "Basic Policies Related to the Way a Person is to Control the Decisions on the Financial and Business Policies" above, in cases where a large-scale purchase is conducted by such person in order to ensure that large-scale purchases of shares or other securities of the Company are conducted in accordance with established and reasonable rules.

2. Details of the Plan

The Plan provides the rules for the Board of Directors of the Company to require a Large-Scale Purchaser to provide Large-Scale Purchase Information (as defined in the following section 3(1) b "Provision of Information") in advance, in order to secure sufficient time and information necessary for the shareholders to appropriately determine whether or not to accept the Large-Scale Purchase, to evaluate and consider such Large-Scale Purchase, to negotiate with the Large-Scale Purchaser concerning the terms of purchase and other terms, or to make alternative proposals or take other actions in relation to the shareholders, and to exercise any other countermeasures against the Large-Scale Purchaser which are deemed appropriate at the time, including a gratis allotment of share acquisition rights, while respecting the recommendation of the Independent Committee (please refer to the following section 3(3)a "Establishment of Independent Committee" for more details) to the maximum extent.

“Large-Scale Purchase” is defined as: (i) a purchase of the Company’s shares or other securities¹ which are vested with the voting rights² of specified shareholders³ of the Company’s shares or other securities at 20% or more; or (ii) a purchase of the Company’s shares or other securities that results in the ratio of voting rights of the specified shareholders becoming 20% or more (with respect to any of them, unless agreed by the Company’s Board of Directors in advance, and in whatever the specific purchase method, such as a market transaction and a tender offer); or (iii) regardless of whether or not a purchase falls under (i) or (ii), the specified shareholders of the Company agreeing or engaging in other actions with other shareholders⁴ of the Company so that such other shareholders become joint holders of such specified shareholders or such agreement or engagement creates a relationship in which one substantially controls the others or in which they jointly or cooperatively act⁵ (provided that this is limited to the case where the ratio of voting rights of such specified shareholder and such other shareholders becomes 20% or more).

“Large-Scale Purchaser” is defined as a person conducting a Large-Scale Purchase.

Under this Plan, the Board of Directors of the Company will convene a Shareholders’ Meeting and entrust the final decision on whether or not the countermeasures should be exercised to the decision of the Shareholders’ Meeting if the Board of Directors of the Company determines that it is practically appropriate to directly confirm the will of the shareholders in addition to consulting with the Independent Committee or if the Independent Committee recommends holding a Shareholders’ Meeting.

A Large-Scale Purchaser must not commence a Large-Scale Purchase until the resolution as to whether or not the countermeasures should be taken is made either by the Board of Directors or the Shareholders’ Meeting in accordance with the Large-Scale Purchase Rules.

For the flow of the procedure of the Plan, please refer to Appendix 2 “Summary of the Plan”.

¹ Shares or other securities stipulated in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act

² The total voting rights which are to be the denominator in calculating the ratio of voting rights shall be the number calculated by the number of the total issued shares (limited to the shares with voting rights) at the time of calculation (excluding the number of shares less than one unit) minus the sum of the number of shares less than one unit reported in the most recently submitted report among the Securities Reports and Quarterly Reports and the number of treasury shares reported in the most recently submitted report among the Securities Reports, Quarterly Reports and Submission of Share Buyback Reports (excluding the number of shares less than one unit), divided by the number of shares per share unit.

³ (i) A holder (as stipulated in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including a person deemed as a holder pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act or by the Board of Directors) of shares or other securities (as stipulated in Note 1) of the Company, and any joint holders (as stipulated in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including a person deemed as a joint holder pursuant to Article 27-23, Paragraph 6 thereof or by the Board of Directors; the same will apply hereafter), or

(ii) A person who makes a purchase (as stipulated in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, including a purchase made on a securities exchange market, regardless of the way of purchase) of shares or other securities (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act) of the Company, and any specially related parties (the parties defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act and those deemed as the same by the Board of Directors).

⁴ This can be singular or plural. This also applies to item (ii).

⁵ Determination of whether or not “such agreement or engagement creates a relationship in which one substantially controls the others or in which they jointly or cooperatively act” shall be made based on the creation of substantial interests and other circumstances concerning the shares and other securities of the Company through the newly created relationship related to investment, partnership, transactions or contracts, concurrent appointment of officers, financing, provision of credit, derivatives, loaned shares, etc., and the direct or indirect influence of such specified shareholders and other shareholders on the Company.

⁶ Determination of whether or not such action as provided in item (iii) above shall be reasonably made by the Board of Directors based on a recommendation of the Independent Committee. The Board of Directors may require the shareholders of the Company to provide necessary information to the extent deemed necessary to determine whether or not the action satisfies such actions in item (iii).

3. Details of the Large-Scale Purchase Rules

(1) Requiring Large-Scale Purchaser to Provide Information

a. Submission of Statement of Intent upon Purchase

First, a Large-Scale Purchaser is required to submit to the Board of Directors of the Company a statement of intent upon purchase (hereinafter referred to as the “Statement of Intent”), including basic information (name, address, governing law of establishment, name of representative person, contact information in Japan, etc.) about the Large-Scale Purchaser, a summary of a proposal for the Large-Scale Purchase by the Large-Scale Purchaser, and other proposals, and a pledge to observe the Large-Scale Purchase Rules in Japanese in a format prescribed by the Company if it intends to conduct a Large-Scale Purchase.

b. Provision of Information

Within ten (10) business days from the day following the date of receipt of the Statement of Intent, the Board of Directors of the Company will provide the Large-Scale Purchaser with a list of information required to be submitted (hereinafter referred to as the “Large-Scale Purchase Relevant Information”) in order for the shareholders to make judgments and for the Board of Directors to form opinions. The Large-Scale Purchaser is required to promptly submit the information provided in such list to the Board of Directors in Japanese in a format prescribed by the Company. The items which are required to be submitted are as set forth in the following items i) to ix):

- i) A summary of the Large-Scale Purchaser and its group (hereinafter, including the specified shareholders, etc., stakeholders, and partners or other members in the case of a partnership or fund) (including specific names, business descriptions, capital constitution and financial information, etc.);
- ii) The purpose, method, and contents of the Large-Scale Purchase (including the type and number of shares or other securities subject to the purchase, type and amount of compensation, time of purchase, scheme of the relevant transactions, legality of the method, possibility of conduct; if it is assumed that the shares or other securities of the Company will be delisted after the Large-Scale Purchase, such description and reasons shall be also included.);
- iii) Whether or not the Large-Scale Purchaser has any communication with a third person upon the Large-Scale Purchase, and if it has, the contents of such communication;
- iv) The basis of the calculation of the compensation for the Large-Scale Purchase (including assumptions upon which the calculation is based, way of calculation, information on the valuation organization, information on values used in the calculation, contents of the expected synergies which may be generated by the transactions, etc.);
- v) The financial proof of the Large-Scale Purchase (including the specific names of the fund providers (including substantial providers), the way of funding, and the contents of any other related transactions);
- vi) The intention regarding management policies including the business plan of the Company and its group, capital policies, dividend policies, and financial policies after the Large-Scale Purchase;
- vii) The policy regarding the treatment of customers, business partners, and the Company’s employees and other stakeholders after the Large-Scale Purchase;
- viii) The specific measures to avoid any conflicts of interest with the Company’s shareholders other than the Large-Scale Purchaser; and
- ix) Other information deemed reasonably necessary by the Board of Directors or the Independent Committee

If the Board of Directors determines, after consulting with the Independent Committee, that the Large-Scale Purchase Relevant Information provided by the Large-Scale Purchaser is insufficient to examine the contents or other relevant matters of the Large-Scale Purchase intended by the Large-Scale Purchaser, it may request the Large-Scale Purchaser to submit additional information, providing an appropriate deadline.

In addition, the Board of Directors of the Company may require the Large-Scale Purchaser to provide the Large-Scale Purchase Relevant Information concerning the Large-Scale Purchase

which is amended if the Large-Scale Purchaser amends the contents of the Large-Scale Purchase for which the Large-Scale Purchase Relevant Information is required after commencement of the Examination Period (as defined in the following item (2) “Examination, etc. of Large-Scale Purchases by the Board of Directors”).

Further, the Board of Directors of the Company will make timely and appropriate disclosure of the fact that the Large-Scale Purchase is proposed and the information which is provided by the Large-Scale Purchaser if it is deemed that such information is necessary for shareholders to make a judgment. Further, if it is reasonably deemed that the provision of the Large-Scale Purchase Relevant Information by the Large-Scale Purchaser is complete, the Board of Directors of the Company will make a timely and appropriate disclosure as well as giving notice to the Large-Scale Purchaser providing that the Large-Scale Purchase Relevant Information is complete and the start and finish dates of the Examination Period (as defined in the following item (2)) (hereinafter referred to as the “Notice of Completion of Information Provision”).

(2) Examination, etc. of Large-Scale Purchases by the Board of Directors

The Board of Directors will evaluate and examine whether or not the Large-Scale Purchase by the Large-Scale Purchaser will contribute to securing and enhancing the corporate value of the Company, namely, the common interests of the shareholders based on the Large-Scale Purchase Relevant Information received from the Large-Scale Purchaser and information independently obtained by the Board of Directors after giving the Notice of Completion of Information Provision, and may negotiate with the Large-Scale Purchaser on the terms of purchase and other terms or make alternative proposals while considering whether or not it will exercise the countermeasures if necessary (all of such examinations shall be hereinafter referred to as the “Examination”).

Upon the Examination, the Board of Directors will consult with the Independent Committee provided in the following item (3) “Recommendation of Independent Committee” and may seek advice from a third party independent from the Board of Directors of the Company (including professionals such as financial advisers, certified public accountants, lawyers, and consultants) if necessary.

The Board of Directors will designate either of the following periods as a period for the Examination (hereinafter referred to as the “Examination Period”) corresponding to the contents of the Large-Scale Purchase, and the Large-Scale Purchaser may not commence the Large-Scale Purchase until the Examination Period is completed (provided that, until the Shareholders’ Meeting resolves for or against the exercise of the countermeasures if the Board of Directors decides to hold a Shareholders’ Meeting in the following 4(1)c.)

- a. Purchase of the entirety of the Company’s shares or other securities by a tender offer wherein the entire consideration is to be paid in cash (yen value): 60 days from the date of Notice of Completion of Information Provision (excluding the first day)
- b. Other purchases : 90 days from Notice of Completion of Information Provision notice (excluding the first day)

The Examination Period may be extended for up to thirty (30) days by a resolution of the Board of Directors of the Company with a recommendation from the Independent Committee. The Board of Directors of the Company will give a notice to the Large-Scale Purchaser providing for the extension of the Examination Period and the reason for such extension if the Board of Directors decides to extend the Examination Period by its resolution and will make timely and appropriate disclosure thereof.

The Board of Directors will carefully compile opinions regarding the Large-Scale Purchase among Directors in the Examination and disclose the opinion of the Board in a timely and appropriate manner.

(3) Recommendation of the Independent Committee

a. Establishment of the Independent Committee

Under the Plan, in order to eliminate any arbitrary judgment by the Board of Directors upon exercising the countermeasures against the Large-Scale Purchaser, the Company sets up an Independent Committee as an advisory board to the Board of Directors of the Company solely

comprising members from outside of the Company independent from the management team which executes the Company's operations (please refer to Appendix 3 "Summary of the Rules of Independent Committee"). The Independent Committee comprises three or more members who are elected from among external directors or external professionals (lawyers, certified public accountants, experienced management executives, academic experts or similar experts), highly independent from the Board of Directors. Please refer to Appendix 4 "Name and Career Summary of Independent Committee Members" for the names and biographies of the candidates for the members of the Independent Committee after adoption of the Plan is approved.

b. Examination and Other Roles by Independent Committee

During the Examination Period, the Independent Committee will conduct an examination and perform consideration as to the items consulted by the Board of Directors of the Company and will issue a recommendation (including as to the exercise of the countermeasures and any actions on which the Board of Directors has sought advice) to the Board of Directors.

The Independent Committee will conduct a discussion and consideration based on the Large-Scale Purchase Relevant Information received through the Board of Directors and any other information provided by the Large-Scale Purchaser; however, it may request the Large-Scale Purchaser to provide additional information through the Board of Directors, providing an appropriate deadline, if it deems that such information is not sufficient for such discussion and consideration.

Further, the Independent Committee may request the Board of Directors for an opinion (including a statement withholding an opinion) on the contents of the Large-Scale Purchase Relevant Information and other information provided by the Large-Scale Purchaser, the materials supporting the opinion, the alternative proposal (if any) by the Board of Directors, and any other information which it considers necessary, providing an appropriate deadline, in order to compare and examine the Large-Scale Purchase Relevant Information and other information provided by Large-Scale Purchaser with respect to a business plan of the Board of Directors and the evaluation of the corporate value and other analysis by the Board of Directors.

In addition, if necessary when conducting the discussion and consideration, the Independent Committee may seek advice from a third party (including professionals such as financial advisors, certified public accountants, lawyers, and consultants) which is independent from the Board of Directors of the Company, with the costs to be borne by the Company.

If a recommendation is issued by the Independent Committee, the Board of Directors will disclose the same, a summary of such recommendation, and other matters which the Board of Directors deems appropriate, in a timely and appropriate manner. Further, the Board of Directors must respect the contents of the recommendation of the Independent Committee to the maximum extent when determining its resolution.

The Independent Committee may change the contents of a recommendation or withdraw a recommendation even after it issues a recommendation to the Board of Directors of the Company if there is any change in the facts on which the recommendation was premised, such as the case where the Large-Scale Purchaser stops the Large-Scale Purchase after such recommendation.

4. Countermeasures against Large-Scale Purchase

(1) Conditions of Exercise

a. If the Large-Scale Purchase Rules Are Observed

The Plan provides certain procedures for the purpose of providing opportunities to receive sufficient information necessary for the shareholders to examine whether or not to accept the Large-Scale Purchase, including the Large-Scale Purchase Relevant Information as well as the evaluations, opinions, and alternative proposals of the Board of Directors of the Company based on negotiations with the Large-Scale Purchaser, and also provides sufficient time necessary for their consideration in view of securing and enhancing the corporate value of the Company, namely, the common interests of the shareholders with respect to the Large-Scale Purchase to the extent that it may have an important impact on the management of the Company.

Therefore, the Board of Directors will not, in principle, exercise the countermeasures, as long as the Large-Scale Purchaser observes the Large-Scale Purchase Rules.

However, the Board of Directors will decide to exercise the countermeasures by its resolution while respecting the recommendation of the Independent Committee to the maximum extent even in cases where the Large-Scale Purchaser observes the Large-Scale Purchase Rules if it considers that the Large-Scale Purchase will clearly cause irreparable damage to the Company and it is appropriate to take the countermeasures against such Large-Scale Purchase as a result of the consideration of the contents and other terms of the Large-Scale Purchase based on the Large-Scale Purchase Relevant Information and other information which the Board of Directors receives from the Large-Scale Purchaser and other information independently obtained by the Board of Directors. The types of cases where it may be deemed that a Large-Scale Purchase would clearly cause irreparable damage to the Company shall be specifically those where any of the following eight (8) conditions are satisfied:

- (i) Where the Large-Scale Purchase is made for the purpose of causing the Company or interested parties of the Company to assume shares or other securities at a high price by boosting the price of the Company shares despite having no intent to truly participate in the company management of the Company (a so-called “green mail” situation);
- (ii) Where the Large-Scale Purchase is made for the purpose of transferring to the Large-Scale Purchaser or its group the intellectual property rights, know-how, trade secret information, major business partners, customers or other items necessary for the business management of the Company by temporarily taking control of the Company’s management;
- (iii) Where the Large-Scale Purchase is made in order to divert the Company’s assets as collateral for or repayment of debts of the Large-Scale Purchaser or its group after taking control of the Company’s management;
- (iv) Where the Large-Scale Purchase is made by temporarily controlling the Company’s management and having the Company sell or dispose of real estate, securities, or other high valued assets which are not related to the Company’s business for the time being, for the purpose of bringing about temporarily high dividends, or selling shares or other securities of the Company at a high price, by taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends from such disposal;
- (v) Where the Large-Scale Purchase is conducted in a coercive way that, by its scheme, restricts the shareholders’ opportunity or discretion to provide their judgment, especially where the purchase results in virtually compelling the shareholders to sell their shares, by setting unfavorable terms of the purchase in the second stage or concealing the terms of the purchase in the second stage, and by making the purchase without soliciting a purchase of all shares or other securities of the Company in the initial stage (a so-called “coercive two-tiered tender offer”);
- (vi) Where the terms of the purchase (including the price and type of the purchase consideration, the timing of the purchase, the legality of the purchase method, the probability of implementing the purchase, the management policies and business plans after the purchase, the response policies to the Company’s other shareholders and other stakeholders of the Company, and other matters after the purchase) are insufficient or inappropriate in light of the primary value of the Company;
- (vii) Where the Large-Scale Purchaser is reasonably considered to be inappropriate to become a person who controls the decision making over the financial and business policies of the Company in light of public policy, such as where there is a person who is related to anti-social forces among the Large-Scale Purchaser, its management, or its major shareholders or investors; or
- (viii) Where the transfer of control to the Large-Scale Purchaser damages the corporate value of the Company, including the interests of the Company’s customers, suppliers, employees, and other stakeholders who are imperative to generate the corporate value of the Company, and thereby significantly damages the common interests of the shareholders.

b. If the Large-Scale Purchase Rules Are NOT Observed

If the Large-Scale Purchaser does not observe the Large-Scale Purchase Rules, the Board of Directors may resolve to exercise the countermeasures while respecting the recommendation of the Independent Committee to the maximum extent in order to secure and enhance the corporate value of the Company, namely, the common interests of the shareholders.

c. Shareholders' Meeting to Be Held

If the Large-Scale Purchase Rules are observed, as provided in a. "If the Large-Scale Purchase Rules Are Observed" above, the Board of Directors of the Company will, in principle, resolve for or against the exercise of the countermeasures against the Large-Scale Purchase while respecting the recommendation of the Independent Committee to the maximum extent; however, upon making its decision as to whether or not the countermeasures against the Large-Scale Purchase under the Plan should be exercised, the Board of Directors shall convene a Shareholders' Meeting to confirm the shareholders' intention as to whether or not the Board of Directors should exercise the countermeasures if it determines that it is practically appropriate to directly confirm the shareholders' intention in addition to consulting with the Independent Committee, or if the Independent Committee so recommends taking into consideration the contents of the Large-Scale Purchase by the Large-Scale Purchaser, various factors including the time allowance in light of the laws and regulations as well as the duty of care of a good manager of a director of the Company. If the Board of Directors decides to hold a Shareholders' Meeting, it shall promptly disclose such determination and the reason therefor and convene a Shareholders' Meeting as soon as practicably possible.

In addition, when the Board of Directors holds a Shareholders' Meeting in such case, it will follow the decision of the Shareholders' Meeting on whether or not to exercise the countermeasures.

Further, the Large-Scale Purchaser may not commence the Large-Scale Purchase until the Shareholders' Meeting resolves for or against the exercise of the countermeasures if the Board of Directors decides to hold a Shareholders' Meeting.

(2) Exercise and Contents of Countermeasures

The Board of Directors shall exercise the countermeasures against the Large-Scale Purchase, while respecting the recommendation of the Independent Committee to the maximum extent, if the Large-Scale Purchaser does not observe the Large-Scale Purchase Rules or if it considers that the Large-Scale Purchase will clearly cause irreparable damage to the Company and it is appropriate to take countermeasures against such Large-Scale Purchase even if the Large-Scale Purchaser observes the Large-Scale Purchase Rules. In addition, upon exercising the countermeasures, if a Shareholders' Meeting is held for confirmation of the shareholders' intention, in addition to consultation with the Independent Committee, the Board shall determine whether or not the countermeasures should be taken in accordance with the shareholders' decision made in the Shareholders' Meeting.

As for the specific countermeasures, the Board of Directors shall choose an appropriate option at the time and situation from among various options authorized for the Board of Directors under the laws and regulations or the Articles of Incorporation of the Company, including a gratis allotment of share acquisition rights. Please refer to Appendix 5 "Summary of Share Acquisition Rights" for the summary of such share acquisition rights for a gratis allotment of share acquisition rights.

The Board of Directors may cancel or withdraw the resolution for exercising the countermeasures after consulting with the Independent Committee if such Large-Scale Purchase is no longer deemed to be a conduct which clearly causes irreparable damage to the Company or if it is deemed to be inappropriate to take the countermeasures for the reasons that there has been a change in the facts on which the exercise of countermeasures are premised, such as change of the contents or withdrawal of the Large-Scale Purchase or for any other reasons even after it has decided to exercise the countermeasures.

If the Company cancels or withdraws a resolution for exercising the countermeasures, it will make a timely and appropriate disclosure thereof.

5. Effective Period, Abolishment, and Amendment

The effective period of the Plan will run until the completion of the Ordinary General Meeting of Shareholders regarding the latest fiscal year among the fiscal years ending within three (3) years after the adoption of the Plan is approved in the General Shareholders' Meeting. This Plan shall be abolished when the Shareholders' Meeting or the Board of Directors resolves to abolish the Plan even before the end of the effective period thereof.

The Board of Directors may amend or change the Plan with the approval of the Independent Committee, even during the effective period of the Plan, unless such amendment or change would cause any disadvantage to the shareholders, if it becomes appropriate to amend provisions due to newly established or amended laws and regulations or the securities exchange rules in relation to the Plan or to correct typos or add missing words, unless this would go against the purpose of introducing the Current Plan and adopting the Plan.

The Board of Directors of the Company will make a timely and appropriate disclosure as to the abolishment, revision or change in the facts and the contents and other matters if the Board of Directors makes any abolishment, revision, or change with regard to the Plan.

IV. The Board's Judgment on Each Effort and Reason

1. Regarding Special Initiatives Contributing to Achievement of the Basic Policies (Part II above)

Each initiative provided in "Special Initiatives Contributing to Achievement of the Basic Policies" provided in Part II above is formulated as a specific initiative to continuously and sustainably secure and enhance the corporate value of the Company, namely, the common interests of the shareholders, and contributes to accomplishing the Basic Policies.

Therefore, each of these initiatives is compliant with the Basic Policies, will not harm the common interests of the shareholders of the Company, and is not intended by the incumbent officers of the Company to maintain their positions in the Company.

2. Examination of Efforts to Prevent Decisions on Company's Financial and Business Policies from Being Controlled by Inappropriate Persons in Accordance with Basic Policies (Part III above)

(1) Plan Complying with the Basic Policies

The Plan provides the shareholders with opportunities to examine whether or not a Large-Scale Purchase should be accepted and secures the time and information necessary and sufficient for the Board of Directors to make an alternative proposal and/or to negotiate with the Large-Scale Purchaser for the shareholders' interests when a Large-Scale Purchase is to be made. Accordingly, it is consistent with the Basic Policies because it is an initiative to secure the corporate value of the Company, namely, the common interests of the shareholders.

(2) Plan Which Does Not Harm the Common Interests of Shareholders and Is Not for the Purpose of Maintaining Positions of Officers

The Company believes that the Plan does not harm the common interests of the shareholders of the Company and is not the one intended by the incumbent officers to maintaining their positions in the Company because of the following reasons:

a. Compliance with Each of the Takeover Defense Guidelines

The Plan perfectly satisfies the three principles (i.e. (i) protection and enhancement of the corporate value and the shareholders' common interests, (ii) prior disclosure and meeting the shareholders' intent, and (iii) necessity and appropriateness), set out in the "Guidelines Regarding Takeover Defense for the Purpose of Securing or Enhancing Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice as of May 27, 2005, as well as the matters provided in Article 440 (Matters to be Observed Pertaining to Introduction of Takeover Defense Measures) of the Securities Listing Regulations of the Tokyo Stock Exchange. In addition, the Plan takes into consideration the "Takeover Defense Measures in Light of Recent Environment Changes" released by the Corporate Value Study Group on June 30, 2008, and General Principle 1.5 (i.e. takeover defense measures) and Supplementary Principle 1.5.1 in "Japan's Corporate Governance Code" released by the Tokyo Stock Exchange on June 1, 2015.

b. Respecting Shareholders' Intentions

The Plan will be adopted subject to approval of the Ordinary Shareholders' Meeting; therefore, the shareholders' intentions will be reflected in the adoption of the Plan.

In addition, as mentioned in Part III, section 5: “Effective Period, Abolishment, and Amendment” above, the Plan shall be abolished if so resolved in a Shareholders’ Meeting of the Company even before the expiration of the effective period of the Plan; therefore, the shareholders’ intentions will be respected even in the abolishment of the Plan.

Further, as mentioned in Part III, section 4, item (1) c: “Shareholders’ Meeting to Be Held” above, the Board of Directors must convene a Shareholders’ Meeting to confirm the shareholders’ intentions as to whether or not the countermeasures should be exercised if the Board deems it practically appropriate to do so and it is recommended so by the Independent Committee. Thereby, the shareholders’ intentions will be reflected.

Moreover, as set forth in Part III, section 3, item (1): “Requiring Large-Scale Purchaser to Provide Information” above, the Board of Directors shall disclose the Large-Scale Purchase Relevant Information and other information provided by the Large-Scale Purchaser to the shareholders at the timing and in the manner which the Board deems appropriate so that such shareholders may appropriately form their opinions upon exercising their votes in the Shareholders’ Meeting which decides upon the abolishment of the Plan, whether or not the shares of the Company should be sold in response to the Large-Scale Purchase, whether or not the countermeasures should be exercised, and other matters.

- c. Establishment of System to Prevent Arbitrary Judgment of the Board of Directors
- i) Emphasizing Judgment of Highly Independent External Person

The Company has set up an Independent Committee to eliminate arbitrary judgment on the part of the Board of Directors of the Company. If a Large-Scale Purchase is conducted against the Company, as set forth in Part III, section 3, item (3): “Recommendation of the Independent Committee” above, the Independent Committee will discuss and consider whether or not the countermeasures against a Large-Scale Purchase should be exercised and issue a recommendation to the Board of Directors which must respect such Committee’s recommendations to the maximum extent in its resolution. Accordingly, a system is secured to eliminate the countermeasures being exercised based on the arbitrary judgment of the Board of Directors as much as practicable.

- ii) Setting Forth Reasonable and Objective Conditions

The countermeasures shall be exercised only when the Large-Scale Purchaser does not observe the Large-Scale Purchase Rules provided in the Plan or upon the satisfaction of the objective conditions prescribed in a reasonable and detailed manner to constitute a case where the Large-Scale Purchase will significantly damage the corporate value of the Company, as set forth in Part III, section 4: “Countermeasures against Large-Scale Purchase” above. In this regard, again, a system to eliminate the arbitrary judgment of the Board of Directors is secured as much as practicable in exercise of the countermeasures.

- d. No Dead-Handed or Slow-Handed Defense Measures

The Plan may be abolished by the Board of Directors, as set forth in Part III, section 5: “Effective Period, Abolishment, and Amendment” above, and is not a dead-handed takeover defense measure⁷. In addition, because the Company does not adopt a fixed-term system based on time differences with respect to the term of office for directors who are members of the audit and supervisory board whose term is two (2) years, and because the term of office for other directors is one (1) year, the Plan is not a slow-handed takeover defense measure⁸.

V. Impact on Shareholders and Investors and Other Matters

1. Impact on Shareholders and Investors upon Adoption of the Plan

At the time of adopting the Plan, there will be no direct impact in relation to the rights of the shareholders because the Plan does not allot share acquisition rights, etc. upon its continuation.

However, the purpose of the Plan is to secure sufficient time and information for the shareholders and investors to decide on whether or not the Large-Scale Purchase should be accepted, as well as the opportunity to receive an alternative proposal and to be provided with evaluation and opinion,

⁷ A dead-handed takeover defense measure means a takeover defense measure which can be utilized even if a majority of the constituent members of the Board of Directors are replaced.

⁸ A slow-handed takeover defense measure means a takeover defense measure that requires time to prevent the exercise thereof because constituent members of the Board of Directors may not all be replaced at one time.

etc. by the Board of Directors of the Company which is currently in charge of the management of the Company. We believe that the shareholders and investors may appropriately decide on whether or not the Large-Scale Purchase should be accepted with necessary and sufficient time and information and that the Plan accordingly contributes to securing the common interests of the shareholders and the investors. Therefore, adoption of the Plan becomes a precondition for shareholders and investors to be able to make appropriate investment decisions and contributes to securing and enhancing the common interests of the shareholders and investors. The shareholders and investors should pay careful attention to movements of Large-Scale Purchasers because, as set forth in Part III, section 4: “Countermeasures against Large-Scale Purchases,” the Company’s response to a Large-Scale Purchase will differ according to whether or not the Large-Scale Purchaser observes the Large-Scale Purchase Rules.

2. Impact, etc. on Shareholders and Investors upon Exercise of Countermeasures

The Board of Directors of the Company may make a gratis allotment of share acquisition rights or take other countermeasures authorized to the Board under the laws and regulations and the Articles of Incorporation for the purpose of securing the corporate value of the Company, namely, the common interests of the shareholders if the Large-Scale Purchaser does not observe the Large-Scale Purchase Rules; or, even if the Large-Scale Purchaser observes the Large-Scale Purchase Rules, if it is considered that the Large-Scale Purchase will clearly cause irreparable damage to the Company and it is appropriate to take the countermeasures. The Board of Directors of the Company will make a timely and appropriate disclosure in accordance with the laws and regulations and the rules of the stock exchange if it decides to take a specific countermeasure.

If the Board of Directors makes a gratis allotment of share acquisition rights as a countermeasure, the Large-Scale Purchaser may suffer damage in terms of legal rights and economic aspects by dilution of the shares which he/she owns or any other causes; however, we do not assume circumstances where shareholders other than the Large-Scale Purchaser will suffer particular damage in terms of legal rights and economic aspects because no dilution of the shares held by the shareholders other than the Large-Scale Purchaser will occur in the scheme of such countermeasure outlined in the Plan.

Please note that, even after the Board of Directors resolves to make a gratis allotment of share acquisition rights as a countermeasure, and the shareholders to whom the share acquisition rights will be allotted are decided, the Board of Directors may cancel such gratis allotment during the period until the day preceding the effective date, or acquire those share acquisition rights without compensation therefor during the period after the effective date of the gratis allotment until the day preceding the commencement date of the exercise period. In these circumstances, a dilution of the value per share of the Company shares will not occur, and therefore, shareholders or investors who make transactions based on the premise that a dilution of the value per share of the Company shares will occur may incur a corresponding loss because of changes in share prices.

3. Procedures Required to be Taken by Shareholders in Gratis Allotment of Share Acquisition Rights

The procedures related to the shareholders in cases where a gratis allotment of share acquisition rights or acquisition of share acquisition rights by the Company is selected to be taken among available countermeasures in accordance with the description in Appendix 5: “Summary of Share Acquisition Rights” are as follows:

(1) Gratis Allotment of Share Acquisition Rights

The shareholders to be granted a gratis allotment of share acquisition rights are not required to take any special procedure for such gratis allotment since they automatically become the subscribers as of the effective date determined by the Board of Directors.

However, please note that the shareholders are required to be registered as a shareholder in the shareholders register before a certain reference date determined by the Board of Directors because the share acquisition rights are granted to the shareholders registered in the shareholders register as of such reference date.

(2) Exercise of Share Acquisition Rights

If the share acquisition rights are to be exercised, a certain amount of money needs to be paid within a designated period for obtaining shares in the Company. The details of the relevant procedures will be separately notified in accordance with the laws and regulations when a gratis allotment of acquisition rights is actually decided to be made.

(3) Acquisition of Share Acquisition Rights by the Company

If the Company acquires share acquisition rights in exchange for shares in the Company, the shareholders holding such share acquisition rights will be entitled to receive the shares as compensation for the transfer of share acquisition rights to the Company without the need to take any procedure related to the exercise of share acquisition rights, such as payment of the amount equivalent to the exercise price if the Company takes the necessary procedure to acquire the share acquisition rights. However, please note that the Company may request the shareholders to submit documents or other materials evidencing that they are not the Large-Scale Purchaser.

Status of Major Shareholders

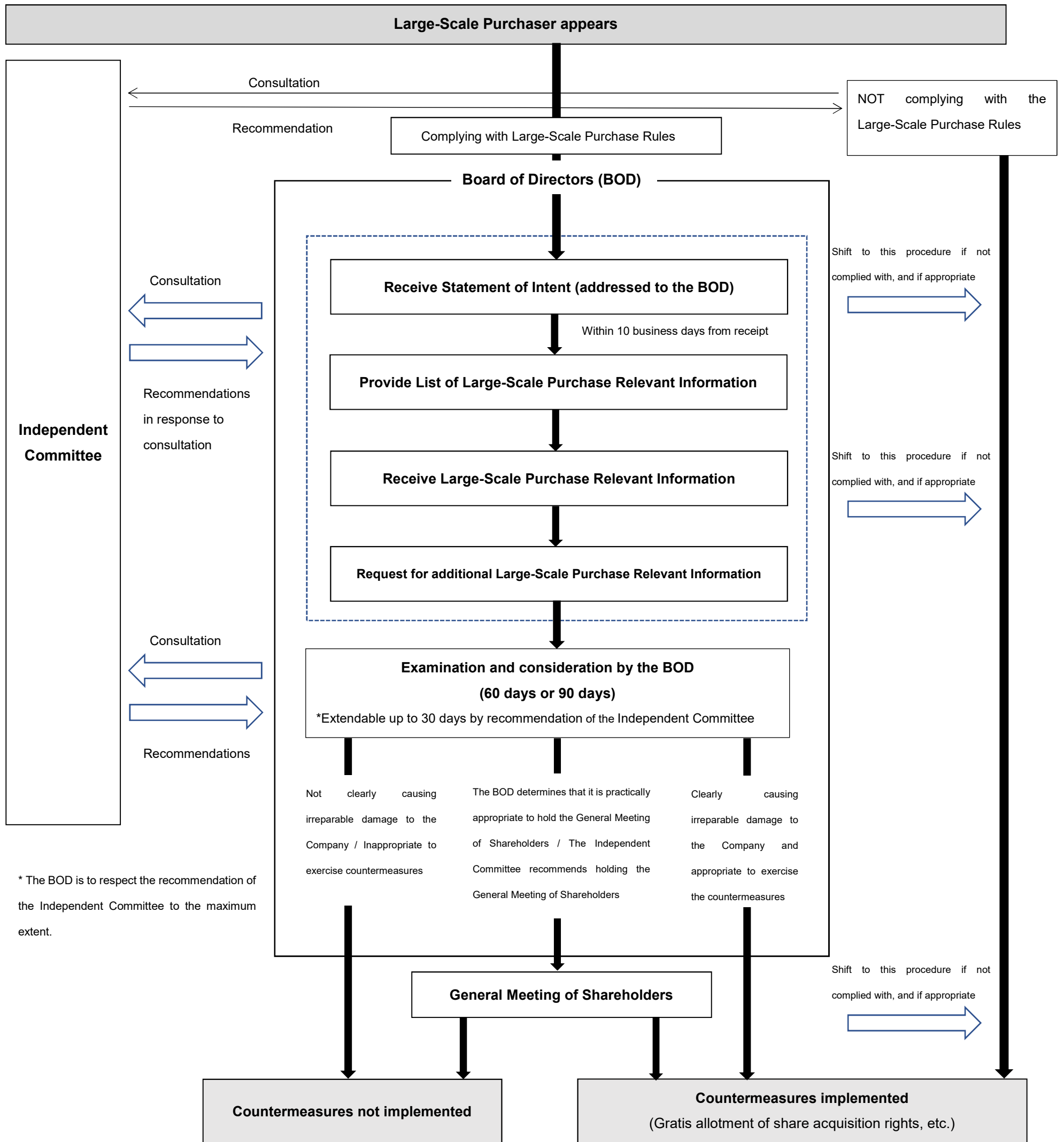
March 31, 2021

Name	Number of Shares Owned	Ratio of Number of Owned Shares to Total Number of Issued Shares
Arrow Electronics, INC. 590000 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	2,350,100	8.99
Marubun Research Promotion Foundation	2,304,000	8.82
Kiichi Horikoshi	2,001,500	7.66
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,482,100	5.67
Chiba Public Golf Course, Ltd.	1,399,026	5.35
Horikoshi LLC.	800,000	3.06
Hiroshi Horikoshi	766,800	2.93
Koji Horikoshi	754,300	2.89
Momoko Horikoshi	602,400	2.30
Custody Bank of Japan, Ltd. (Trust Account)	521,000	1.99

Notes

1. The total number of issued shares is 28,051,200 shares.
2. In addition to the above, it should be noted that the Company owns 1,916,141 shares as treasury shares.
3. The ratio of number of owned shares to total number of issued shares is calculated excluding treasury shares (1,916,141 shares), and rounded to two decimal places.

Summary of the Plan



The above flowchart is prepared for your reference and explains a mere overview of the Large-Scale Purchase Rules. Therefore, for more details about the content of the Large-Scale Purchase Rules, please refer to the main text of the proposal.

Summary of Rules of Independent Committee

1. Purpose of Establishment of Independent Committee

The Independent Committee is established to ensure the objectiveness, fairness and reasonableness of decisions by the Board of Directors in relation to the Plan.

2. Composition of Independent Committee

The Independent Committee shall comprise three or more members and shall be elected from among external directors or external professionals (lawyers, certified public accountants, experienced management executives, academic experts or similar experts) who are independent of the management team which executes the operation of the Company, to thereby enable the members to make fair and reasonable decisions.

3. Term of Independent Committee Members

(1) The term of the members of the Independent Committee shall be until the completion of the first meeting of the Board of Directors to be held after the completion of the Ordinary General Meeting of Shareholders regarding the latest fiscal year among the fiscal years ending within one (1) year after the appointment, and reappointment shall be allowed.

(2) The term of a member of the Independent Committee who has been elected in addition to incumbent members or who has been elected to fill a vacancy of any member who has resigned before the expiration of his/her term of office shall be up to the expiration of the term of office of the incumbent members.

4. Convocation Procedures for Independent Committee

The Independent Committee shall be convened by the chairman of the Independent Committee elected by a resolution of the Independent Committee or each member of the Independent Committee upon the request of the Representative Director of the Company.

5. Resolutions of Independent Committee

A resolution of the Independent Committee shall be adopted in the meeting where all members are present and by unanimous votes of the members, in principle.

6. Authority of Independent Committee

(1) The Independent Committee shall examine and consider the matters provided in the following items and make a recommendation thereon to the Board of Directors upon consultation from the Board; provided, however, that each member of the Independent Committee shall examine and consider each matter in view of whether or not such matter goes against securing and enhancing the corporate value of the Company, namely, the common interests of the shareholders.

a. Whether or not to exercise the countermeasures under the Plan (including whether or not to convene the Shareholders' Meeting)

b. Cancellation or repeal of the countermeasures of the Plan

c. Judgment as to whether or not the information provided by the Large-Scale Purchaser is sufficient

d. Extent of the additional information necessary to consider whether or not the countermeasures should be exercised in accordance with the following paragraph (2) which it requests the provision of

e. Whether or not to permit extension of the Examination Period

f. Extent of amendment or change of the Plan that does not cause any disadvantage to the shareholders

g. Other matters for which the Board of Directors uses their discretion to consult with the Independent Committee in relation to the Plan

(2) The Independent Committee may request the Large-Scale Purchaser to provide additional information through the Board of Directors upon discussion and consideration if it deems that the Large-Scale Purchaser Relevant Information and other information provided by the Large-Scale Purchaser is not sufficient.

7. Attendance at Independent Committee

The Independent Committee may request the directors, employees or other persons of the Company to attend a meeting of the Independent Committee and request them to provide information needed by the Independent Committee.

8. Advice from Third Party

The Independent Committee may seek advice from a third party independent from the Board of Directors of the Company (professionals such as financial advisers, certified public accountants, lawyers, and consultants) at the expense of the Company upon execution of their duties.

Name and Career Summary of Independent Committee Members

Name: Dai Suzuki (August 28, 1968)

Career Summary

- February 1994 Joined CSI Co., Ltd. (currently Mirai Consulting, Inc.)
- April 1997 Registered as Certified Public Accountant
- July 2007 Director of CSI Co., Ltd. (currently Mirai Consulting, Inc.)
- November 2008 Representative Certified Public Accountant of Reanda MC CPA Partners
- March 2012 Representative Member of Reanda MC International Tax Accountant Corporation (currently Tax Accountant Corporation Mirai Consulting)
- January 2015 Representative of Suzuki Dai CPA Office (to present)
- August 2016 Statutory Auditor (duties limited to the accounting) of LAPLACE co., Ltd.
- December 2017 Representative Director of SSC Inc. (to present)
- October 2019 Statutory Auditor of Sunrise Co., Ltd. (to present)

Name: Tomomichi Yoshihara (October 4, 1970)

Career Summary

- April 1997 Registered as an attorney-at-law
- October 1999 Joined Iwata Godo (to present)
- May 2005 Worked at Morrison & Foerster LLP in the United States

Name: Yasuhiko Watanabe (January 25, 1942)

Career Summary

- June 1995 Senior Vice President and Representative
Director of The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
- June 2000 Statutory Auditor of Mitsubishi Estate Co., Ltd.
- June 2001 Senior Managing Director and Representative
Director of Mitsubishi Estate Co., Ltd.
- June 2007 CEO and Representative Director of Marunouchi Heat Supply Co., Ltd.
Outside Auditor of the Company
- June 2010 Outside Director of Komatsu Store Co., Ltd.
Outside Director of Dai Nippon Toryo Co., Ltd.
- June 2014 Outside Director of the Company
- June 2015 Outside Director and Audit & Supervisory Committee Member of the Company (to present)

Note: Relation to Our Company

Mr. Yasuhiko Watanabe is an Outside Director and Audit & Supervisory Committee Member of the Company who is designated as an Independent Director/Auditor under the provisions of the Tokyo Stock Exchange. Accordingly, the Company filed a notification thereof with the Tokyo Stock Exchange. If he is reappointed as an Outside Director and Audit & Supervisory Committee Member at the Ordinary Shareholders' Meeting, the Company will file a notification with the Tokyo Stock Exchange to the effect that he continues to be an Independent Director/Auditor.

Mr. Dai Suzuki and Mr. Tomomichi Yoshihara do not have special interests in relation to the Company.

Summary of Share Acquisition Rights

1. Shareholders Granted the Gratis Allotment and the Number of Share Acquisition Rights to Be Allotted

The share acquisition rights shall be allotted to the shareholders who are stated or registered in the shareholders' registry as of the reference date determined by the Company's Board of Directors at the rate of one or more units of rights per share held thereby (excluding the common stock of the Company held by the Company) as determined by the Board of Directors, free of charge.

2. Type and Number of Shares Underlying Share Acquisition Rights

The type of shares underlying the share acquisition rights is common stock of the Company where the number of shares in the common stock of the Company to be provided by the exercise of one unit of the share acquisition rights shall be one (1). Further, the Company shall adjust the number of shares if the Company conducts a stock split or reverse stock split.

3. Effective Date for Gratis Allotment

To be separately determined by the Company's Board of Directors.

4. Value of Assets Contributed in Connection with the Exercise of Each Share Acquisition Right

The assets contributed in connection with the exercise of each share acquisition right shall be money and its value shall be at least one yen per share of common stock and as determined by the Board of Directors of the Company.

5. Limitation on Transfer of Share Acquisition Rights

Approval of the Company's Board of Directors is required for acquisition of the share acquisition rights by transfer.

6. Acquisition of Share Acquisition Rights by the Company

The Company may acquire all the share acquisition rights that have not been exercised by the day preceding the acquisition day determined by the Company's Board of Directors (the "Acquisition Day") at the time of the Acquisition Day (excluding the share acquisition rights held by any person who cannot exercise the rights due to the exercise conditions or other reasons determined in accordance with the provisions in item 7 below), and, in exchange for the above, may provide one share of the common stock of the Company per unit of the share acquisition rights.

7. Conditions for Exercise of Share Acquisition Rights

The Large-Scale Purchaser and its joint holders, etc. (meaning joint holders of a Large-Scale Purchaser (as provided in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including persons deemed to be joint holders under Paragraph 6 of the same article and persons who are deemed to constitute such joint holders by the Board of Directors of the Company) and the affiliated persons of the Large-Scale Purchaser (meaning the affiliated persons provided in Article 27-2, Paragraph 7 of the same Act and the persons deemed to constitute such affiliated persons by the Board of Directors of the Company)), and the persons who acquire or assume share acquisition rights from a Large-Scale Purchaser and its joint holders, etc. without approval of the Company's Board of Directors may not exercise the share acquisition rights. Any other conditions for exercise will be determined by the Company's Board of Directors.

8. Exercise Period of Share Acquisition Rights, etc.

The exercise period for the share acquisition rights and other necessary matters shall be separately determined by the Board of Directors.