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(Stock code: 6246)
June 6, 2025
(Start date of measures for electronic provision: May 30, 2025)

To our shareholders

Haruhiro Iida
President
Techno Smart Corp.
2-5-28 Kyutaromachi, Chuo-ku, Osaka

Notice of Convocation of the 91st Ordinary General Meeting of Shareholders

We are pleased to inform you that the 91st Ordinary General Meeting of Shareholders (the “Meeting”) will be held as detailed below.

In convening the Meeting, we have taken electronic provision measures for information contained in the Reference Documents for the General Meeting of Shareholders and other documents (the “Matters Subject to Electronic Provision Measures”). They are posted on our website, etc. as the “Notice of Convocation of the 91st Ordinary General Meeting of Shareholders.” Please access the following website to review the information.

The Company’s Website
https://www.technosmart.co.jp/en/cat_ir/notification/
(Access the Company’s website above to review the information by clicking on “PDF” to the right of “Notice of Convocation of the 91st Ordinary General Meeting of Shareholders.”)

If you will not attend the Meeting in person, you have the option to exercise your voting rights via the Internet or in writing (by mail). We cordially request that you review the Reference Documents for the General Meeting of Shareholders and exercise your rights by 5:35 p.m. on Tuesday, June 24, 2025 (JST).

1. Date and Time: Wednesday, June 25, 2025 at 10:00 a.m.
2. Place: Meeting Room Nos. 5 and 6, Tekko Hall, Midosuji Honmachi Urban Building 11F, 3-5-12 Kitakyuhojimachi, Chuo-ku, Osaka
3. Purpose

Matters to be reported: Business Report and Non-consolidated Financial Statements for the 91st Fiscal Year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Five (5) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Proposal No. 3 Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

Proposal No. 4 Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

Proposal No. 5 Continuation of Measures to Respond to Large-scale Purchases of the Company's Shares (Takeover Response Policy)

4. Matters Decided upon Convocation

(1) If you exercise your voting rights both via the Internet and in writing (by mail), the vote exercised via the Internet will be counted as valid. If you exercise your voting rights multiple times via the Internet, the last vote you enter will be counted as valid.

(2) If there is no indication of either approval or disapproval of the respective proposals on the voting form, it will be deemed a vote of approval.

◎ When attending the Meeting in person, please submit the voting form that has been sent to you together with this Notice of Convocation at the reception desk at the venue.

◎ If any amendments are made to the matters subject to measures for electronic provision, a notice of the amendments, as well as the matters before and after the amendments, will be posted on the Company's website shown on the previous page and on the TSE website.

Reference Documents for the General Meeting of Shareholders

Proposals and Matters for Reference

Proposal No. 1 Appropriation of Surplus

Based on a basic principle of continuous dividend payments to shareholders, the Company proposes a year-end dividend of ¥45 per share, which consists of an ordinary dividend of ¥41 per share and a special dividend of ¥4 per share, in consideration of the Company's business results for the fiscal year under review, future management environment, and internal reserves for business development.

Year-End Dividends	
① Dividends to be paid	Cash
② Allotment of dividend assets for shareholders and total amount	¥45 per common share of the Company (¥41 ordinary dividend, ¥4 special dividend) Total amount : ¥517,079,475 This results in an annual dividend, including interim dividends, of ¥86 per share for the fiscal year under review.
③ Effective date of payment of surplus available for dividends	June 26, 2025

Proposal No. 2 Election of Five (5) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The term of office of all five (5) directors (excluding directors who are Audit & Supervisory Committee members) will expire at the closing of the Meeting. Accordingly, the Company proposes the election of five (5) directors (excluding directors who are Audit & Supervisory Committee members).

For reference, this proposal has been reviewed by the non-statutory Nomination and Compensation Committee, whose members consist mainly of outside directors and the Audit & Supervisory Committee, which have expressed their opinions that the candidates are suitable as directors (excluding directors who are Audit & Supervisory Committee members) of the Company in light of their execution of duties, performance, experience, etc. during the fiscal year under review.

The candidates for election as directors (excluding directors who are Audit & Supervisory Committee members) are as follows:

Candidate No.	Name (Date of Birth)	Career Summary, Positions, Responsibilities, and Significant Concurrent Positions		Number of Company Shares Owned
1	Haruhiro Iida (October 28, 1964)	April 1988	Joined the Company	8,700
		April 2010	Senior Manager of the Planning & Design Department, Engineering Division	
		April 2012	Acting Department Manager of the Planning & Design Department, Engineering Division	
		April 2013	Department Manager of the Planning & Design Group, Engineering Department	
		April 2015	Senior General Manager and Group Manager of the Planning & Design Group and the R&D Group, Engineering Department	
		June 2015	Director and Deputy General Manager of the Engineering Department, and Department Manager of the Information Systems Department	
		June 2016	Director and General Manager of the Sales Department, Manager of the Tokyo Branch, and Head of the Planning & Design Group, Engineering Department	
		April 2019	Managing Director and Overall Manager of the Engineering Department, the Manufacturing Department, and the Procurement Department	
		April 2021	Managing Director and Overall Manager of the Engineering, Manufacturing, and Procurement Division, and Manager of the Shiga Plant	
		June 2021	Managing Director and Overall Manager of the Engineering, Manufacturing, Procurement, and Administration Division	
		June 2022	Managing Director and Manager of the Shiga Plant, and Overall Manager of the Procurement and Administration Division	
		April 2024	President (to present)	
	Reasons for Nomination Mr. Haruhiro Iida has been re-nominated as a director since he possesses experience and track records in the mechanical design, sales, manufacturing, and administration departments of the Company, as well as managerial insight into the entire company, and has exercised strong leadership in his direction and supervision over business management in general.			

<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Positions, Responsibilities, and Significant Concurrent Positions</th><th>Number of Company Shares Owned</th></tr>
<tr><td rowspan="2">2</td><td>Yoshiki Nishimiya
(December 28, 1964)</td><td>April 1988
May 2006

November 2017
April 2018

April 2021

June 2022
April 2024</td><td>Joined Hitachi Maxell, Ltd. (now Maxell, Ltd.)
Chief Engineer of the Manufacturing Department, Kyoto Plant of Hitachi Maxell, Ltd. (now Maxell, Ltd.)
Joined the Company
Group General Manager of the Manufacturing Group, Manufacturing Department
Senior General Manager and Deputy General Manager of the Manufacturing Division
Director and General Manager of the Manufacturing Division
Managing Director and Manager of the Shiga Plant, and Overall Manager of the Manufacturing and Procurement Division
(to present)</td><td>2,600</td></tr>
<tr><td colspan="4">Reasons for Nomination
Mr. Yoshiki Nishimiya has been re-nominated as a director since he has been deemed to be capable of making appropriate decisions on key managerial matters as a director of the Company due to his many years of experience in the launch and quality improvement of mass production facilities for rechargeable batteries and the launch of plants abroad, his contribution to business streamlining in the manufacturing division, safety promotion and work improvement after joining the Company, leveraging the above knowledge and experience, and his excellent management skills.</td></tr>
<tr><td rowspan="2">3</td><td>Toshikazu Shimomura
(August 13, 1971)</td><td>April 1994
April 2011

April 2013

April 2015

October 2015

May 2017

June 2017

April 2021</td><td>Joined the Company
Senior Section Manager of the Section I, Mechanical Engineering Department
Acting Department Manager of the Mechanical Engineering Group I, Engineering Department
Department Manager of the Mechanical Engineering Group I, Engineering Department
Group General Manager of the Mechanical Engineering Group I, Engineering Department
Senior General Manager and Group General Manager of the Mechanical Engineering Group I, Engineering Department
Director and General Manager of the Engineering Department, and Department Manager of the Information Systems Department
Director and General Manager of the Engineering Division
(to present)</td><td>4,000</td></tr>
<tr><td colspan="4">Reasons for Nomination
Mr. Toshikazu Shimomura has been re-nominated as a director since he has been deemed to be capable of making appropriate decisions on key managerial matters as a director of the Company due to his wealth of experience and track record in the mechanical design division of the Company, deep knowledge in the Company's mechanical technology, and managerial insight.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Positions, Responsibilities, and Significant Concurrent Positions</th><th>Number of Company Shares Owned</th></tr>
<tr><td rowspan="2">4</td><td>Kaname Takahashi
(May 18, 1962)</td><td>April 1985
May 1992
May 1997
May 2001
April 2007

April 2013
February 2014
October 2014

April 2018
April 2021
April 2022

April 2024

June 2024</td><td>Joined Management Service Center Co., Ltd.
Joined Ikegami Accounting Office
Joined TechnoBouquet Inc. (now transcosmos inc.)
Joined Naturum Co., Ltd.
Director, General Manager of the Management Department and General Manager of the Accounting and Finance Department of Naturum Co., Ltd.
Resigned as Director of Naturum Co., Ltd.
Joined the Company
Senior Manager of the Accounting Group, Administration Department
Chief of the Audit Office
Deputy General Manager of the Administration Division
Senior General Manager and Deputy General Manager of the Administration Division
Operating Officer and General Manager of the Administration Division
Director and General Manager of the Administration Division
(to present)</td><td>1,500</td></tr>
<tr><td colspan="4">Reasons for Nomination
Mr. Kaname Takahashi has been re-nominated as a director since he has been deemed capable of making appropriate decisions on key managerial matters as a director of the Company due to his solid business execution in the accounting department by utilizing the wide range of knowledge and experience he acquired in his previous job, maintaining corporate governance in the audit office, his current contribution to the development of the Company's business by coordinating the administration department, and his experience as a director in previous employment.</td></tr>
<tr><td rowspan="2">5</td><td>Koji Misawa
(October 23, 1972)</td><td>April 1996
April 2015

April 2017

April 2020

April 2023

April 2024

June 2024</td><td>Joined the Company
Senior Manager of the Osaka Sales Group, Sales Department
Chief Group Manager of the Osaka Sales Group, Sales Department
Group General Manager of the Osaka Sales Group, Sales Department
Senior General Manager and Department Manager of the Osaka Sales Department, Sales Division
Operating Officer and Deputy General Manager of the Sales Division
Director and General Manager of the Sales Division, and Manager of the Tokyo Branch Office
(to present)</td><td>2,800</td></tr>
<tr><td colspan="4">Reasons for Nomination
Mr. Koji Misawa has been re-nominated as a director since he has been deemed capable of making appropriate decisions on key managerial matters as a director of the Company due to his remarkable contribution to the improvement of the Company's performance by accumulating sales results as a person in charge of major customers in the sales division and his ability to lead the division with excellent management skills while coordinating with related divisions.</td></tr>
</table>

Notes: 1. There are no special interests existing between each of the candidates and the Company.
2. The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as prescribed in Article 430-3, Paragraph (1) of the Companies Act. This policy is designed to indemnify the directors, who are the insureds, from damages that arise while pursuing their official responsibilities or that result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. However, there are certain exclusions, such as cases where an act is carried out with the knowledge that it is in violation of the law. The insurance premium is fully borne by the Company. Each candidate will be included as an insured of the insurance policy. The Company plans to renew the insurance policy with the same terms and conditions at the next renewal.

Proposal No. 3 Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

The term of office of all three (3) directors who are Audit & Supervisory Committee members will expire at the closing of the Meeting.

Accordingly, the Company proposes the election of three (3) directors who are Audit & Supervisory Committee members.

For this proposal, consent has been obtained from the non-statutory Nomination and Compensation Committee, whose members consist mainly of outside directors, and the Audit & Supervisory Committee.

Furthermore, each director who is an Audit & Supervisory Committee member reviewed this proposal, but expressed no opinion.

The candidates for election as directors who are Audit & Supervisory Committee members are as follows:

Candidate No.	Name (Date of Birth)	Career Summary, Positions, Responsibilities, and Significant Concurrent Positions	Number of Company Shares Owned
1	Toru Aoki (July 11, 1961)	April 1984 Joined Asahi Chemical Industry Co., Ltd. (now Asahi Kasei Corporation) March 1990 Joined Japan LCA July 1992 Joined Sanwa Research Institute Corp. (now Mitsubishi UFJ Research and Consulting Co., Ltd.) April 2002 General Manager of Management Strategy Department No. 1 of UFJ Institute Ltd. (now Mitsubishi UFJ Research and Consulting Co., Ltd.) April 2006 General Manager of Management Strategy Department of Mitsubishi UFJ Research and Consulting Co., Ltd. June 2014 Corporate Officer, Deputy Head of the Osaka Unit, Consulting & International Business Division, and General Manager of Personnel Strategy Department of Mitsubishi UFJ Research and Consulting Co., Ltd. April 2016 Representative of Caliber Management AOKI Chief Advisor of Consulente HYAKUNEN June 2017 Outside Director [Audit & Supervisory Committee Member] of the Company (to present) (Significant Concurrent Positions) Representative of Caliber Management AOKI Chief Advisor of Consulente HYAKUNEN	0
	Reasons for Nomination and Outline of Expected Roles Mr. Toru Aoki has been re-nominated as an outside director who is an Audit & Supervisory Committee member since we believe he will be able to perform his duties as an Audit & Supervisory Committee member appropriately from an objective standpoint independent of executive members of management, leveraging his wealth of knowledge and insight in corporate management based on his knowledge and experience gained from many years of involvement in management consulting. The main role expected of Mr. Aoki is to promote appropriate operation of the Company's audit system based on this knowledge and experience.		

<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th>Career Summary, Positions, Responsibilities, and Significant Concurrent Positions</th><th>Number of Company Shares Owned</th></tr>
<tr><td rowspan="2">2</td><td>Kenji Oka
(February 27, 1961)</td><td>April 1983 Joined Management System Research Institute Co., Ltd.
February 1990 Registered as a tax accountant (Kinki Certified Public Tax Accountants' Association)
March 1990 Opened Oka Accounting Firm, Head of Oka Tax Firm
June 2015 Outside Auditor of Sankyo Kasei Corporation
June 2019 Outside Director [Audit & Supervisory Committee Member] of Sankyo Kasei Corporation
June 2021 Outside Director [Audit & Supervisory Committee Member] of the Company (to present)
(Significant Concurrent Positions)
Tax accountant (head of Oka Tax Firm)</td><td>0</td></tr>
<tr><td colspan="3">Reasons for Nomination and Outline of Expected Roles
Mr. Kenji Oka has been re-nominated as an outside director who is an Audit & Supervisory Committee member since we believe he will be able to perform his duties as an Audit & Supervisory Committee member appropriately from an objective standpoint independent of executive members of management, leveraging his advanced knowledge and experience in tax affairs and accounting gained from his many years of service as a tax accountant and his knowledge and experience gained from serving as auditor and director who is an Audit & Supervisory committee member of several companies.The main role expected of Mr. Oka is to improve the Company's corporate structure and audit system in terms of tax affairs and accounting.</td></tr>
<tr><td rowspan="2">3</td><td>Ayako Hiramatsu
(October 23, 1974)</td><td>October 2002 Registered as an attorney (Osaka Bar Association) Joined Kyoei Law Office
July 2014 National Tax Trial Examiner, Osaka National Tax Tribunal
July 2018 Re-registered as an attorney (Osaka Bar Association)
August 2018 Registered as a tax accountant (Kinki Certified Public Tax Accountants' Association)
April 2020 Audit Committee Member, Ikoma City
August 2020 Partner of Kyoei Law Office
June 2021 Outside Director [Audit & Supervisory Committee Member] of the Company
December 2022 Fixed Asset Evaluation Review Committee Member, Moriguchi City
June 2023 Outside Director [Audit & Supervisory Committee Member] of ODK Solutions Co., Ltd.
April 2024 Civil Mediation Commissioner of the Kishiwada Summary Court (to present)
June 2025 Scheduled to take office as Outside Director of Kobelco Wire Company, Ltd.
(Significant Concurrent Positions)
Attorney (Partner of Kyoei Law Office), tax accountant,
Outside Director [Audit & Supervisory Committee Member] of ODK Solutions Co., Ltd.
Outside Director of Kobelco Wire Company, Ltd. (scheduled to take office in June 2025)</td><td>0</td></tr>
<tr><td colspan="3">Reasons for Nomination and Outline of Expected Roles
Ms. Ayako Hiramatsu has been re-nominated as an outside director who is an Audit & Supervisory Committee member since we believe she will be able to reflect her advanced expertise and experience gained from her many years of service as an attorney and tax accountant and in other roles in local government, such as an Audit Committee member, in the Company's audit system.The main role expected of Ms. Hiramatsu is to enhance the Company's audit system appropriately, leveraging her expertise and experience.</td></tr>
</table>

Notes: 1. There are no special interests existing between each of the candidates and the Company.

2. Messrs. Toru Aoki, Kenji Oka, and Ayako Hiramatsu are candidates for election as outside directors who are Audit & Supervisory Committee members.

3. The years served as a Company outside director who is an Audit & Supervisory Committee member will be eight years for Mr. Toru Aoki and four years for Messrs. Kenji Oka and Ayako Hiramatsu at the closing of the Meeting.

4. In accordance with Article 427, Paragraph (1) of the Companies Act, the Company has entered into agreements with Messrs. Toru Aoki, Kenji Oka, and Ayako Hiramatsu that limit their liability to the minimum amount stipulated in Article 425, Paragraph (1) of said Act. The agreements will be continued if the candidates are re-elected.

5. The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as prescribed in Article 430-3, Paragraph (1) of the Companies Act. This policy is designed to indemnify the directors, who are the insureds, from damages that arise while pursuing their official responsibilities or that result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. However, there are certain exclusions, such as cases where an act is carried out with the knowledge that it is in violation of the law. The insurance premium is fully borne by the Company. Each candidate will be included as an insured of the insurance policy. The Company plans to renew the insurance policy with the same terms and conditions at the next renewal.

6. The Company has registered Messrs. Toru Aoki, Kenji Oka, and Ayako Hiramatsu as independent officers with the Tokyo Stock Exchange. The Company requests Kyoei Law Office, of which Ms. Ayako Hiramatsu has been a partner since August 2020, to prepare contracts and provide legal advice as needed. However, there have been no requests since October 2017, and the number of requests and total fees paid in the six years prior to that were six and ¥3.75 million, respectively. The Company has requested Ms.Hiramatsu to provide harassment prevention training at each plant to all employees of the Company and has paid approximately ¥600,000 in total between March and June 2022 as compensation. However, these payments have no significance that would affect her independence.

(Reference) Skill Matrix of Directors after the Closing of the Meeting

The skill matrix of directors if Proposal Nos. 2 and 3 of the Meeting are approved as proposed will be as follows:

Skill Matrix of Directors

Name	Attribute	Corporate management	Finance & accounting	Legal affairs	Risk management	Personnel & labor affairs	Manufacturing, technology, R&D	Sales	Global experience
Haruhiro Iida President		○	○			○	○	○	
Yoshiki Nishimiya Managing Director		○					○		○
Toshikazu Shimomura Director		○					○		
Kaname Takahashi Director		○	○	○	○	○			
Koji Misawa Director							○	○	○
Toru Aoki Director (Audit & Supervisory Committee Member)	Outside Independent	○				○			
Kenji Oka Director (Audit & Supervisory Committee Member)	Outside Independent	○	○						
Ayako Hiramatsu Director (Audit & Supervisory Committee Member)	Outside Independent		○	○	○				

Proposal No. 4 Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

To prepare for a shortage in the statutory number of directors who are Audit & Supervisory Committee members, the Company proposes the election of one (1) substitute director who is an Audit & Supervisory Committee member.

For this proposal, consent has been obtained from the non-statutory Nomination and Compensation Committee, whose members consist mainly of outside directors, and the Audit & Supervisory Committee.

Furthermore, each director who is an Audit & Supervisory Committee member reviewed this proposal but expressed no opinion.

The candidate for election as a substitute director who is an Audit & Supervisory Committee member is as follows:

Name (Date of Birth)	Career Summary, Positions, Responsibilities, and Significant Concurrent Positions	Number of Company Shares Owned
Shoichi Nakashita (May 9, 1968)	April 1991 Joined The Sanwa Bank, Ltd. (now MUFG Bank, Ltd.) October 2005 Joined AIG Edison Life Insurance Company (now The Gibraltar Life Insurance Co., Ltd.) June 2007 Founder and Representative Director of One To One Synergy Co., Ltd. June 2009 Director of Kamitsu Seisakusho Ltd. (now TMT Kamitsu, Inc.) April 2015 Representative Director of Kamitsu Seisakusho Ltd. (now TMT Kamitsu, Inc.) May 2015 Representative Director of Sun Business Support Co., Ltd. April 2020 Joined Fujii Electric Works Co., Ltd. (now FEW Co., Ltd.) August 2020 Representative Director of Fujii Electric Works Co., Ltd. (now FEW Co., Ltd.) October 2023 Representative Director of Koike Engineering and Service Co., Ltd. (to present) (Significant Concurrent Positions) Representative Director of One To One Synergy Co., Ltd. Representative Director of Sun Business Support Co., Ltd. Representative Director of FEW Co., Ltd. Representative Director of Koike Engineering and Service Co., Ltd.	0
Reasons for Nomination and Outline of Expected Roles Mr. Shoichi Nakashita has been nominated as a substitute outside director who is an Audit & Supervisory Committee member since we believe he will be able to appropriately reflect his knowledge and experience in corporate management gained from his management consulting operations and his direct involvement in management as representative director of business enterprises in the Company's audit system if he is appointed a director who is an Audit & Supervisory Committee member. The main role expected of Mr. Nakashita is to offer advice on the increase of corporate value and reinforcement of the audit system from a wide range of viewpoints.		

Notes:
1. There are no special financial interests between the candidate and the Company.
2. Mr. Shoichi Nakashita is a candidate for election as a substitute outside director. If he is appointed an outside director who is an Audit & Supervisory Committee member, the Company plans to register him as an independent officer with the Tokyo Stock Exchange.
3. If Mr. Shoichi Nakashita is appointed an outside director who is an Audit & Supervisory Committee member, the Company plans to enter into an agreement with him that limits his liability to the minimum amount stipulated in Article 425, Paragraph (1) of the Companies Act in accordance with Article 427, Paragraph (1) of said Act.
4. The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as prescribed in Article 430-3, Paragraph (1) of the Companies Act. This policy is designed to indemnify the directors, who are the insureds, from damages that arise while pursuing their official responsibilities or that result from personal lawsuits brought against them seeking compensation on the grounds of such responsibilities. However, there are certain exclusions, such as cases where an act is carried out with the knowledge that it is in violation of the law. The insurance premium is fully borne by the Company. If Mr. Shoichi Nakashita is appointed an outside director who is an Audit & Supervisory Committee member, he will be included as an insured of the insurance policy. The Company plans to renew the insurance policy with the same terms and conditions at the next renewal.

Proposal 5: Continuation of Measures to Respond to Large-scale Purchases of the Company's Shares (Takeover Response Policy)

At the 88th Ordinary General Meeting of Shareholders of the Company held on June 24, 2022, the "Measures to Respond to Large-scale Purchases of the Company's Shares (hereinafter, "Current Plan") was approved by shareholders, and the effective period of the Current Plan is through the close of the 91st Ordinary General Meeting of Shareholders (hereinafter, "General Meeting")

The Board of Directors of the Company, at its meeting held on May 23, 2025 and attended by all eight Directors, resolved by unanimous approval of all Directors of the Company that the continuation of the Current Plan with some changes in wording be submitted to the General Meeting for the approval of shareholders (by ordinary resolution) in order to further reflect the intention of shareholders and that the revised Current Plan be continued subject to the approval of shareholders (hereinafter, the revised plan is referred to as the "Plan"), as part of the Company's efforts to prevent the Company's financial and business policies from being controlled by a person who is inappropriate in view of the "basic policy regarding the persons who control the stock company's decisions on its financial and business policies" provided for in Article 118, item (iii) of the Regulations for Enforcement of the Companies Act (hereinafter, "Basic Policy on the Control of the Company").

If the proposal for the continuation of the Plan is not approved by shareholders at the General Meeting, the Plan is to be abolished immediately.

Therefore, we request the shareholders' approval for the continuation of the Plan.

I. Basic Policy Regarding Persons Who Control the Company's Decisions on its Financial and Business Policies

The Company, as a company whose share are listed on a financial instruments exchange, respects free trading of the Company's shares on the market and does not always deny a Large-scale Purchase (as defined in III. 3.(1)[1] below; hereinafter the same shall apply) of the Company's shares by a particular person provided that it contributes to the maintenance and enhancement of the corporate value of the Company and the common interest of shareholders. The Company also believes that whether to respond to the Purchaser's large-scale purchase proposal should be left ultimately to the decision of each shareholder.

However, large-scale share purchase proposals may include those that may impair the corporate value of the Company and the common interest of shareholders due to, for example, the possibility that they may not be able to maintain a good relationship with stakeholders, those that do not sufficiently reflect the value of the Company, or those that do not sufficiently provide necessary information for shareholders to make their final decisions.

The Board of Directors of the Company believes that depending on the case, it needs to take appropriate measures against such proposals to enhance the corporate value of the Company and maximize the common interest of shareholders, as part of its responsibilities as a fiduciary of shareholders to the extent permitted by laws and regulations and the Articles of Incorporation of the Company.

II. Special Efforts That Contribute to the Realization of the Basic Policy

1. Efforts to enhance corporate value

(1) Management philosophy of the Company

The Company has determined the three pillars of "integrity," "action," and "revolution" as its management philosophy and has contributed to people around the world through the realization of a rich society by providing manufacturing equipment that enables the coating and drying technologies that the

Company has developed to be used for products produced globally in a variety of fields to create better changes in life. The Company conducts proprietary research and development on the adaptation and application of its longstanding coating and drying technologies to cutting-edge technologies to ensure that its technologies are adapted to customers' products to their satisfaction and will contribute to industrial society by providing manufacturing equipment and solutions that meet customers' requirements and expectations and ensuring that they are incorporated into products that use rapidly evolving cutting-edge technologies.

Management philosophy

Integrity: Manufacturing top-class products with integrity to contribute to the advancement of our customers and of the regional societies and to the happiness of Techno Smart employees.

Action: The creative ideas and strengths of all the employees are brought together to move forward in the creation of a global company.

Revolution: Cultivating the pioneer spirit at all times to work for perennial business prosperity, even in the face of adversities at times, with the spirit of unrelenting and imperturbable enterprise.

(2) History and business of the Company

After its foundation in 1912, the Company engaged in the manufacture and sales of equipment related to the dyeing and drying of textiles while cultivating its technological strengths. Leveraging its technological strengths, the Company subsequently expanded the areas of its operation and businesses in order to meet the demands of customers, introducing the latest technologies at that time, such as printing and film technologies.

The Company also conducted research and development under technological and business alliances with overseas companies in order to further develop its technological strengths in combination with business expansion.

Regarding lithium-ion batteries installed in electric vehicles, the pace of introduction of electric vehicles has currently slowed down a little globally, and demand growth in the electric vehicle market has also slowed down as purchases by users who are highly concerned about environmental issues have settled down and subsidies have been discontinued in various countries. However, the slower growth in demand can also be interpreted as an adjustment phase for, for example, increasing the availability of charging equipment, and demand for electric vehicles is expected to increase in the medium to long term.

The Company has also started initiatives in new fields, such as all-solid-state batteries, fuel cells, and perovskite solar cells. In addition, the Company is working to secure more orders for coater & dryer machines for optical films, which are used for displays of LCD TVs, smartphones, and tablets, functional films, and electronic components.

In February 2025, the Company received orders for coaters for secondary batteries, among other products, from European customers for the first time, through Dürr Systems AG, the Company's business alliance partner. Taking this opportunity, the Company will further focus on securing orders in Europe and the U.S.

(3) Sources of corporate value of the Company

We believe that the sources of corporate value of the Company are as follows:

(i). Technological strengths

The Company has been promoting research and development of coating and drying technologies for many years and is working every day on improving and evolving its equipment. We will continue to adhere

to this policy going forward. Looking around the world, we can see that cutting-edge technologies are being researched and developed in various places every day, and products that utilize such technologies are being created. We will strive to further strengthen our research and development capabilities to adapt our technologies to these products and will continue to hone our core technologies in Japan going forward. In order to strengthen our capabilities in research, development, and design technology, we will increase our staff.

In addition, with the operation of our new laboratory building (Technical Synergy Center) starting in March 2025, we will have three experimental machines, enabling us to better meet the diverse needs of our customers.

(ii). Good relationship with customers both in Japan and overseas

The Company does business with customers in a wide range of fields both in Japan and overseas, and many of its transactions are with customers who handle cutting-edge technology products. In particular, the Company conducts research and development in collaboration with large domestic customers and contributes to the overseas business expansion of domestic customers by providing equipment that utilizes its core technologies. The Company also manufactures and sells manufacturing equipment that utilizes cutting-edge technologies, such as optical films (polarizing plates, HC, AG, AR, etc.), electrodes and separators of lithium-ion batteries, and aluminum laminate exterior materials, based on the requirements of domestic and overseas customers.

(iii). Financial structure

The Company maintained its equity ratio at 60.2% for the fiscal year ended March 2025, 65.8% for the fiscal year ended March 2024, and 66.6% for the fiscal year ended March 2023. As such, the Company maintains its equity ratio at high levels.

(4) Measures to maintain and further enhance corporate value

The Company is working on the following items as basic measures to maintain and further enhance the above-mentioned foundation for creating corporate value. The Company also believes that the survival of a company is the greatest sustainability achievement and will continue to promote its initiatives accordingly.

(i). Enhancing customer satisfaction
- Improve the quality of work through a spirit of hospitality
- Maintain safe and secure production facilities

(ii). Expanding market share of core products through globalization
- Increase sales of coating machines for lithium-ion battery electrodes and separators for electric vehicles
- Promote initiatives in the fields of all-solid-state batteries, fuel cells, and perovskite solar cells
- Enhance sales activities overseas by expanding the network of sales agents and business partners and consider establishing overseas bases

(iii). Expanding market share of coating machines through new technology
- Promote the development of new proprietary technologies
- Acquiring new customers by offering the latest coaters with the completion and operation of a new laboratory building (Technical Synergy Center)

(iv). Sustainability initiatives
- Promote ESG initiatives
- Create new businesses through M&A of promising companies

(v). Initiatives under the 3rd medium-term management plan

- Calculate the cost of equity
- Focus on increasing corporate value and set a target ROE that exceeds the cost of equity
- Determine the use of cash on hand (formulate a capital allocation policy)
- Set a target DOE as a shareholder return policy

2. Corporate governance

(1) Basic philosophy of corporate governance

In accordance with the Corporate Governance Code stipulated by Tokyo Stock Exchange, Inc., the Company will strive to enhance its corporate governance in order to improve the efficiency and transparency of management and ensure sound management. The Company will also strive to maintain and strengthen friendly relationships of trust with its stakeholders, including shareholders, business partners, and local communities, in order to achieve sustainable growth and realize medium- to long-term enhancement of corporate value.

(2) Outline of the corporate governance system and reasons for adopting it

The Company, as a “company with an audit & supervisory committee,” has established the Board of Directors and the Audit & Supervisory Committee.

The Board of Directors comprises five directors who are not Audit & Supervisory Committee members and three directors who are Audit & Supervisory Committee members, of which three directors are elected as independent outside directors for the purpose of strengthening the management structure and enhancing supervisory functions. The Board of Directors meets at least once a month in principle and is chaired by the President of the Company. The Board makes decisions on important management matters and business execution and reports on and supervises the status of business execution. The Audit & Supervisory Committee meets at least once a month in principle for the purposes of reporting, discussing, and making decisions on important matters related to audits. The Audit & Supervisory Committee comprises all directors who are Audit & Supervisory Committee members and is chaired by a director who is an Audit & Supervisory Committee member appointed by mutual vote of directors who are Audit & Supervisory Committee members.

Internal audits are conducted by the Audit Department, which consists of a general manager and two staff members.

The Company has appointed three independent outside directors (who are Audit & Supervisory Committee members) among its eight directors, and each of them maintains a position independent from management.

The Company also believes that it has established a sufficient system for oversight and supervision of the business execution of directors through close coordination between the accounting auditor and the internal audit department (Audit Department). For these reasons, the Company has adopted “company with an audit & supervisory committee” as its corporate structure.

In addition to Board of Directors meetings, the Company holds management meetings to share monthly sales status and other management information and discuss management issues, risks, etc. Management meetings are held twice a month in principle and are attended by executive directors and, as appropriate, by independent outside directors and executive officers as observers.

In addition, pursuant to the resolution of the Board of Directors passed at its meeting held on May 12, 2023, the Company has established a non-statutory Nomination and Compensation Committee to strengthen the supervisory functions of the Board of Directors and improve the corporate governance structure of the Company by ensuring the transparency and objectivity of evaluation and determination

processes pertaining to the nomination and compensation of directors.

(3) Other

In addition to the efforts described above, the Company is working to strengthen its corporate governance based on the latest Corporate Governance Code.

For the details of the corporate governance structure of the Company, please refer to the Corporate Governance Report of the Company.
(https://www.technosmart.co.jp/cat_ir/corporate-governance/)

III. Efforts to Prevent the Company's Decisions on its Financial and Business Policies from Being Controlled by a Person Who is Inappropriate in View of the Basic Policy

1. Purpose of the continuation of the takeover response policy under the Plan

As stated in I. above, the Company believes that it may become necessary to take some measures against the Purchaser (as defined in 3.(1)[1] below) depending on the case. On the other hand, the Company, as a listed company, believes that whether to sell shares to the Purchaser and whether it is desirable to put the management of the Company into the hands of the Purchaser should, basically, be left ultimately to the decision of each shareholder.

However, in order for shareholders to make an appropriate decision, their decision needs to be based on an appropriate understanding of the corporate value of the Company and the sources thereof with sufficient knowledge of the business characteristics specific to the Company described above, as well as the history of the Company. It is easy to imagine circumstances in which only the information provided by the Purchaser is not sufficient for shareholders to understand the potential impact of the Large-scale Purchase by the Purchaser on the Company's corporate value and the sources thereof. In order for shareholders to make an appropriate decision, we believe that shareholders need to review also the information provided by the Board of Directors of the Company, which sufficiently understands the business characteristics specific to the Company, evaluation and opinions of the Board of Directors of the Company on the Large-scale Purchases by the Purchaser, and depending on the case, a new proposal by the Board of Directors of the Company.

Therefore, the Company believes that it is very important for the Company to secure sufficient time for shareholders to analyze and examine such diverse information.

From the standpoint described above and in view of the Basic Policy stated above, the Company has decided to continue the takeover response policy under the Plan, subject to the approval of shareholders at the General Meeting as part of efforts to prevent the Company's decisions on its financial and business policies from being controlled by an inappropriate person in view of the Basic Policy, in order for the Board of Directors of the Company to be able to enable shareholders to make an appropriate decision on whether to respond to the Large-scale Purchase by demanding that the Purchaser provide in advance necessary information on the Large-scale Purchase and secure a period for consideration and negotiation, to present to shareholders its opinion on whether the Large-scale Purchase is appropriate or its alternative to the acquisition proposal, business plan, etc., proposed by the Purchaser (hereinafter, "Alternative") based on the recommendations of the Independent Committee (as defined in 2 below; hereinafter the same shall apply), and to negotiate with the Purchaser on behalf of shareholders.

2. Outline of the Plan

As stated below, the Plan prescribes rules that should be followed by a person who intends to carry out a Large-scale Purchase of the Company's shares. It also warns any person who intends to carry out a

Large-scale Purchase that does not contribute to the Company's corporate value and the common interest of shareholders by clarifying and properly disclosing that a person who intends to carry out such a Large-scale Purchase may incur damage due to countermeasures taken by the Company in certain circumstances.

In order to prevent the Board of Directors of the Company from making an arbitrary judgment with regard to the invocation of countermeasures, among other matters, under the Plan and to ensure the objectivity and reasonableness of its judgment and responses, the Board is required by the Independent Committee Regulations of the Company (for its outline, please refer to Schedule 1) to establish, and respect to the maximum extent the recommendations of, an independent committee whose members consist of outside directors of the Company and external experts (corporate executives with a strong track record, former government officials, lawyers, certified public accountants, academic experts, or other equivalent persons) who are independent from management responsible for the Company's business execution (hereinafter, "Independent Committee"). The Board of Directors of the Company is also required to ensure transparency through timely information disclosure to shareholders. The Board of Directors of the Company plans to appoint the three persons listed in Schedule 2 as members of the Independent Committee.

The status of the Company's major shareholders as of March 31, 2025 is as shown in Schedule 3 "Major Shareholders of the Company." The Company has not currently received any proposal for a Large-scale Purchase of its shares.

3. Details of the Plan

(1) Procedures of the Plan

[1] Applicable Large-scale Purchases

This Plan applies to those purchases or other acquisitions of the Company's shares that fall under (i), (ii), or (iii) below or any other similar acts (excluding those that are approved by the Board of Directors of the Company; hereinafter, "Large-scale Purchases"). Any person who carries out, or intends to carry out, a Large-scale Purchase (hereinafter, "Purchaser") shall follow the procedure prescribed by the Plan in advance.

(i). A purchase or other acquisition[4] of shares[1] issued by the Company that is to raise the shareholding ratio[3] of specific shareholders[2] of the Company to 25% or above (including a purchase or other acquisition by such specific shareholders in the case where the shareholding ratio of them has already been 25% or above before the Large-scale Purchase);

(ii). A purchase or other acquisition[8] of shares[5] issued by the Company that is to raise the combined total of the share ownership ratio[6] of specific shareholders of the Company and the share ownership ratio of their specially related parties[7] to 25% or above (including a purchase or other acquisition by such specified shareholders in the case where the share ownership ratio of them has already been 25% or above before the Large-scale Purchase);

(iii). Regardless of whether any of the acts listed in (i) or (ii) above is carried out, an act carried out between specific shareholders of the Company and another shareholder (including the case of multiple shareholders; the same shall apply hereinafter in this (iii)) of the Company that is also an act of reaching an agreement as a result of which the other shareholder falls under a joint holder of the specific shareholders or a similar act or an act of establishing[10] a relationship between the specific shareholders and the other shareholder in which one of the parties effectively controls the other party or both parties act jointly or in collaboration[9] (limited to cases where the combined shareholding ratio or the share ownership ratio of the specific shareholders

and the other shareholder will become 25% or more with regard to shares issued by the Company)

1. The term "shares" means "share certificates, etc." as defined in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act. Hereinafter the same shall apply unless prescribed otherwise.
2. The term "shareholders" includes "holders" provided for in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act and those who are included in "holders" pursuant to the provisions of paragraph (3) of the same Article.
3. The term "shareholding ratio" means "ownership ratio of share certificates, etc." as defined in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act. Hereinafter the same shall apply unless prescribed otherwise. For the purpose of calculating the shareholding ratio under the Plan, (A) "specially related parties" as defined in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act, (B) investment banks, securities companies, or other financial institutions that have entered into a financial advisory agreement with the specific shareholders, their joint holders, or their specially related parties, (C) the specific shareholders' tender offer agents, lead underwriters, lawyers, certified public accountants, or other advisors, (D) persons who have been determined reasonably by the Board of Directors of the Company to be those who are effectively controlled by the specific shareholders, their joint holders, or their specially related parties or those who act jointly or in collaboration with them (hereinafter, persons falling under any of (B) through (D) above are referred to as "Related Parties"), and (E) persons who have acquired the Company's shares from the specific shareholders, their joint holders, or any of the persons falling under (A) through (D) above through an OTC transaction outside the market or the off-hour trading system (ToSTNeT-1) of Tokyo Stock Exchange, Inc. shall be deemed to be joint holders (meaning "joint holders" defined in Article 27-23, paragraph (5) of the Financial Instruments and Exchange Act, including those who are determined by the Board of Directors of the Company as those who are deemed to be joint holders pursuant to the provisions of paragraph (6) of the same Article; hereinafter the same shall apply) of the specific shareholders. For the purpose of calculating the shareholding ratio, the Board of Directors of the Company may determine the total number of issued shares of the Company by referencing the latest information publicly disclosed by the Company.
4. The term "purchase or other acquisition" includes obtaining the right to request the delivery of shares under a sale and purchase agreement or any other agreement and carrying out any of the transactions provided for in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.
5. The term "shares" means "share certificates, etc." as defined in Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act. Hereinafter the same shall apply in (ii).
6. The term "share ownership ratio" means "ownership ratio of share certificates, etc." as defined in Article 27-2, paragraph (8) of the Financial Instruments and Exchange Act. Hereinafter the same shall apply. For the purpose of calculating the share ownership ratio, the Board of Directors of the Company may determine the total number of voting rights of the Company by referencing the latest information publicly disclosed by the Company.
7. The term "specially related parties" means "specially related parties" as defined in Article 27-2, paragraph (7) of the Financial Instruments and Exchange Act. However, from those listed in item (i) of the same paragraph, those who are provided for in Article 3, paragraph (2) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers shall be excluded. Under the Plan, (A) joint holders, (B) related parties, and (C) persons who have acquired the Company's shares from the specific shareholders or any person falling under (A) or (B) above through an OTC transaction outside the market or the off-hour trading system (ToSTNeT-1) of Tokyo Stock Exchange, Inc. shall be deemed to be specially related parties. Hereinafter the same shall apply.
8. The term "purchase or other acquisition" includes purchase or other acquisition for value and those that are similar to acquisition for value provided for in Article 6, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act.
9. Whether "a relationship between the specific shareholders and the other shareholder in which one of the parties effectively controls the other party or both parties act jointly or in collaboration" has been established shall be determined based on the new capital relationship, business partnership, transactional or contractual relationship, concurrent positions held by officers, provision of funds, provision of credit, effective formation of interest related to the Company's shares through derivatives, stock loaning, etc., and any direct and indirect influence that the specific shareholders and the other shareholder have on the Company.
10. Whether any of the acts listed in (iii) has been carried out shall be determined reasonably by the Board of Directors of the Company in accordance with the recommendations of the Independent Committee. The Board of Directors of the Company may request that shareholders provide necessary information to the extent necessary for the determination of whether the purchase falls under the requirements set forth in (iii) above.

[2] Submission in advance of a letter of intent" to the Company

The Purchaser is requested to submit to the Board of Directors of the Company a document in Japanese containing, among other things, a pledge statement to the effect that the Purchaser will follow the procedure prescribed by the Plan in executing the Large-scale Purchase (hereinafter, "Letter of Intent") in the format prescribed by the Company before executing the Large-scale Purchase.

More specifically, the Purchaser is requested to include the following matters in the Letter of Intent:

(i). Outline of the Purchaser
  (a) Name and address or location;
  (b) If the Purchaser is a company or any other type of corporation, the names and career summaries for the last 10 years of its representative(s) and directors (or persons holding an equivalent position; hereinafter the same shall apply);
  (c) If the Purchaser is a company or any other type of corporation, its purpose and business description;
  (d) If the Purchaser is a company or any other type of corporation, an outline of its direct and indirect major shareholders or large investors (ranking top 10 in terms of shareholding ratio or investment ratio) and beneficial owners (investors);
  (e) Contact information in Japan;
  (f) If the Purchaser is a company or any other type of corporation, the law governing its incorporation;
  (g) Names, head office location, and business description of major investees as well as the Purchaser's shareholding ratio or investment ratio in each of them;

(ii). The number of the Company's shares currently held by the Purchaser and the trading status of the Company's shares by the Purchaser during the period of 60 days preceding the submission of the Letter of Intent;

(iii). An outline of the Large-scale Purchase proposed by the Purchaser (including the class and the number of the Company's shares that the Purchaser intends to acquire through the Large-scale Purchase, and the purpose of the Large-scale Purchase (gaining control or participating in management, pure investment or strategic investment, transfer of the Company's shares to a third party after the Large-scale Purchase, etc., and if there is any other purpose, such as making a material proposal[11], that fact and its description; if there are more than one purpose, the Purchaser is requested to state all of them)).

11. The term "material proposal" means "material proposal" defined in Article 27-26, paragraph (1) of the Financial Instruments and Exchange Act, Article 14-8-2, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates. Hereinafter the same shall apply.

[3] Provision of "Necessary Information"

If the Purchaser has submitted the Letter of Intent under [2] above, the Purchaser is requested to provide the Company with necessary and sufficient information for its shareholders and investors to make a decision on the Large-scale Purchase and for the evaluation, examination, etc., of the Large-scale Purchase by the Board of Directors and the Independent Committee of the Company (hereinafter, "Necessary Information") in Japanese by following the procedure prescribed below.

First, the Company will send an information list that indicates the information that should initially be submitted to the address indicated in the contact information in Japan in [2] (i)(E) above within 10 business days[12] (not counting the first day) from the day on which it received the Letter of Intent, and the Purchaser is requested to provide the Company with sufficient information in accordance with the information list.

If the Board of Directors or the Independent Committee of the Company reasonably determines that the information provided by the Purchaser in accordance with the information list mentioned above is insufficient for decisions by shareholders and investors and for the evaluation, examination, etc., by the Board of Directors and the Independent Committee of the Company in view of the details, state, etc., of the Large-scale Purchase, the Purchaser is requested to submit additional information separately

requested by the Board of Directors and the Independent Committee of the Company. The Board of Directors of the Company may set a due date for the provision of information for the Purchaser to observe (which shall not exceed 60 days from the day on which the Purchaser received the information list) as necessary in order to ensure the prompt operation of the procedure prescribed in the Plan. However, if an extension is requested by the Purchaser based on reasonable grounds, the Board of Directors of the Company may extend the due date to the extent necessary.

Information regarding any of the items below shall in principle be included in the information regardless of the details, state, etc., of the Large-scale Purchase:

(i). Details (including the history, specific name, capital structure, business description, financial condition, names and career histories of officers, and any violation of law during the last 10 years (if there is any, the outline thereof)) of the Purchaser and its group (including joint holders[13], specially related parties[14], and if the Purchaser is a fund, its partners and other members);

(ii). Specific description of the internal control systems of the Purchase and its group (including group internal control systems) and an evaluation of their effectiveness or description of their situation;

(iii). The purpose (the details of the purpose disclosed in the Letter of Intent), method, and details (including whether the Purchaser intends to participate in management, the type and the amount of consideration for the Large-scale Purchase, timing of the Large-scale Purchase, the mechanism of related transactions, the number of the Company's shares to be acquired, the share ownership ratio after the completion of the Large-scale Purchase, the legality of the method of the Large-scale Purchase, the feasibility of the Large-scale Purchase and related transactions (if the Large-scale Purchase is contingent upon certain conditions, a description of such conditions), and, if the Company's shares are expected to be delisted, that fact and reasons therefor; regarding the legality of the method of the Large-scale Purchase, the Purchaser is requested to submit also a written legal opinion prepared by a qualified lawyer) of the Large-scale Purchase;

(iv). Basis for calculation of the consideration for the Large-scale Purchase (including the underlying facts, calculation method, numerical information used for calculation, synergy expected to arise from transactions related to the Large-scale Purchase, and, if the opinion of a third party is sought in calculating the amount of consideration, the name of the third party, a summary of its opinion, and the background for the determination of the amount based on the opinion);

(v). Funding sources for the Large-scale Purchase (specific names of the providers of funds (including effective provider of funds), funding methods, the existence and details of any conditions precedent for the execution of the provision of funds, the existence and details of any security requirements or covenants after the provision of funds, and details of related transactions);

(vi). Existence of any communication of intentions between the Purchaser and a third party (including such communication of intentions regarding the intention to make a material proposal to the Company; hereinafter the same shall apply) and if there is such communication of intentions, the details thereof and an outline of the third party;

(vii). If there is a lease agreement, security agreement, repurchase agreement, purchase-sale commitment agreement, or any other important agreement regarding the Company's shares already held by the Purchaser (hereinafter, "Security Agreement, etc."), the specific terms and conditions of the Security Agreement, etc., including the type of agreement, the other parties to

the agreement, and the quantity of the Company's shares that are covered by the agreement.

(viii). If there is a promise to enter into a Security Agreement, etc. with a third party regarding the Company's shares that the Purchaser plans to acquire through a Large-scale Purchase or a promise to enter into any other agreement with a third party, the specific terms and conditions of the promised agreement, including the type of agreement, the other parties to the agreement, and the quantity of the Company's shares that are covered by the agreement;

(ix). The management policies of the Company after the completion of the Large-scale Purchase, career summaries and other details (including information about their knowledge and experience in the same type of business as those of the Company) of the officer candidates scheduled to be dispatched, business, financial, funding, and investment plans, capital policy, and dividend policy (including plans for selling, offering as security, and otherwise disposing of assets of the Company after the Large-scale Purchase);

(x). Policies for the treatment of stakeholders of the Company, including their officers, employees, labor unions, business partners, customers, and local communities, after the Large-scale Purchase;

(xi). Specific measures to prevent any conflicts of interest between the Purchaser and other shareholders of the Company;

(xii). Any regulatory matters based on Japanese and foreign laws and regulations that may be applicable to the Large-scale Purchase, and the possibility of acquiring the approvals, licenses, and permits that should be obtained from the Japanese or foreign governments or a third party based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange and Foreign Trade Act, or any other laws and regulations (regarding these matters, the Purchaser is requested to submit also a written legal opinion prepared by a qualified lawyer);

(xiii). The possibility that licenses and permits that are necessary in relation to the management of the Company based on Japanese and foreign laws and regulations will be maintained after the Large-scale Purchase and the possibility of regulatory compliance, such as compliance with Japanese and foreign laws and regulations; and

(xiv). Whether there is any relationship with anti-social forces or terrorist organizations (whether direct or indirect) and if there is such a relationship, the details thereof,

The Board of Directors of the Company will properly disclose the fact that a proposal for a Large-scale Purchase has been made by the Purchaser and will disclose, at the time determined appropriate, all or part of any information determined to be necessary for decision-making by shareholders and investors among the outline of the proposal, the outline of Necessary Information, and other information.

If the Board of Directors of the Company has determined that Necessary Information has been provided sufficiently by the Purchaser, it shall notify the Purchaser to that effect (hereinafter, "Notice of Completion of the Provision of Information") and promptly disclose that fact.

12. The term "business days" means days other than those listed in the items of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs.
13. The term "joint holders" includes those who are deemed to be joint holders for the purpose of calculating the shareholding ratio pursuant to Note 3 above.
14. The term "specially related parties" includes those who are deemed to be specially related parties pursuant to Note 7 above.

[4] Setting a Board of Directors' Evaluation Period

Depending on the level of difficulty in evaluating the Large-scale Purchase, the Board of Directors of the Company will set either of the periods specified in (i) or (ii) (each will start from the day immediately following the day on which the Board of Directors of the Company gave the Notice of Completion of the Provision of Information) as a period for evaluation, examination, negotiation, opinion formation, and the formulation of an alternative by the Board of Directors of the Company (hereinafter, "Board of Directors' Evaluation Period") and will promptly disclose it.

(i). Up to 60 days in the case of a takeover bid targeting all of the Company's shares for consideration only in the form of cash (in yen); or

(ii). Up to 90 days in the case of any other Large-scale Purchase.

In either (i) or (ii) above, the Board of Directors' Evaluation Period may be extended only if the Board of Directors of the Company and the Independent Committee have reasonably determined that it is insufficient for their evaluation and examination; provided, however, that the extension period shall not exceed 30 days. In this case, the Board will notify the Purchaser of the specific extension period and the specific reason for needing the extension period and will disclose them also to shareholders and investors.

During the Board of Directors' Evaluation Period, the Board of Directors of the Company shall sufficiently evaluate and examine the Necessary Information provided by the Purchaser and examine the Large-scale Purchase in detail from the perspective of maintaining and enhancing the corporate value of the Company and the common interest of shareholders while obtaining advice from external experts as necessary and appropriate. The Board of Directors of the Company will carefully develop its opinion on the Large-scale Purchase through these evaluation, examination, etc., notify the Purchaser of it, and disclose it also to shareholders and investors in a timely and appropriate manner. The Board of Directors of the Company will also negotiate with the Purchaser on the terms and conditions and the method of the Large-scale Purchase (depending on the case, the Board may also request the submission of a written oath to the effect that the Purchaser will not, and will not cause any person designated by the Company as the Purchaser's related party to, carry out a Large-scale Purchase resulting in a share ownership ratio that exceeds the share ownership ratio after the Large-scale Purchase indicated in Necessary Information) and may present its own alternative to shareholders and investors as necessary.

[5] Recommendations of the Independent Committee concerning the invocation of countermeasures

When a Purchaser appears, the independent Committee shall, within the Board of Directors' Evaluation Period, provide the Board of Directors of the Company with recommendations on whether countermeasures should be invoked, in accordance with the procedure prescribed below. The Independent Committee is allowed to obtain, at the expense of the Company, advice from third parities who are independent from management responsible for the Company's business execution (including investment banks, securities companies, financial advisors, certified public accountants, lawyers, consultants, academic experts, and other experts) in order to ensure that the judgment of the Independent Committee will be made in a manner that contributes to the maintenance and enhancement of the corporate value of the Company and the common interest of shareholders. When the Independent Committee has made recommendations to the Board of Directors of the Company as prescribed in (i) or (ii) below, the Board shall promptly disclose that fact, provide a summary of the recommendations, and disclose any other matters determined appropriate by the Board.

(i). If the Purchaser does not follow the procedure prescribed by the Plan

In the case where the Purchaser has violated the procedure prescribed by the Plan in material respects, if the violation has not been corrected within five business days (not counting the first day) from the written notice to the Purchaser by the Board of Directors of the Company demanding its correction, the Independent Committee shall, in principle, recommend the invocation of countermeasures by the Board of Directors of the Company based on its conclusion that the Large-scale Purchase is expected to significantly impair the corporate value of the Company and the common interest of shareholders, unless there are special circumstances, such as in the case where it is clearly necessary for the Board not to invoke countermeasures for the maintenance and enhancement of the corporate value of the Company and the common interest of shareholders.

(ii). If the Purchaser follows the procedure prescribed by the Plan

In the case where the procedure prescribed by the Plan is followed, if it is determined that the Large-scale Purchase is determined to significantly impair the corporate value of the Company and the common interest of shareholders because, for example, its intention is to carry out an act that falls under those listed in Schedule 4 and if the invocation of countermeasures is determined appropriate, the Independent Committee may recommend the invocation of countermeasures. The Independent Committee may also recommend that the invocation of countermeasures should be subject to the prior confirmation of the shareholders' intention.

[6] Resolution of the Board of Directors and confirmation of shareholders' intention

The Board of Directors of the Company shall respect the recommendations of the Independent Committee prescribed in [5] above to the maximum extent and, based on the recommendations and from the perspective of maintaining and enhancing the corporate value of the Company and the common interest of shareholders, promptly pass a resolution to decide whether to invoke countermeasures.

If, in recommending the invocation of countermeasures, the Independent Committee has also recommended that the invocation of countermeasures should be subject to the prior confirmation of the shareholders' intention or if the Board of Directors of the Company has determined it appropriate in practice to hold a general meeting of shareholders of the Company to confirm the intention of shareholders in addition to the recommendations of the Independent Committee, after considering various circumstances, such as the details of the Large-scale Purchase, the time required to hold a general meeting of shareholders, applicable laws and regulations, and the duty of care of a good manager of the directors of the Company, the Board of Directors of the Company shall convoke such a general meeting of shareholders (hereinafter, "General Meeting for Confirmation of Shareholders' Intention") as soon as possible and submit a proposal for the invocation of countermeasures to the general meeting. A General Meeting for Confirmation of Shareholders' Intention may be held at the same time as an ordinary general meeting of shareholders or an extraordinary general meeting of shareholders. If the Board of Directors of the Company has decided to hold a General Meeting for Confirmation of Shareholders' Intention, the Board of Directors' Evaluation Period shall expire immediately at that point. If the proposal to invoke countermeasures is approved at the General Meeting for Confirmation of Shareholders' Intention, the Board of Directors of the Company shall pass a resolution to invoke countermeasures and follow any necessary procedures in accordance with the resolution passed at the General Meeting for Confirmation of Shareholders' Intention. If the proposal to invoke countermeasures is rejected at the General Meeting for Confirmation of Shareholders' Intention, the Board of Directors of the Company shall pass a resolution not to invoke countermeasures.

When the Board of Directors of the Company has passed the resolution mentioned above (whether to or not to invoke countermeasures), the Board shall promptly provide an outline of the resolution and any

other matters determined appropriate by the Board and the Independent Committee.

After the initiation of the convocation procedure for a General Meeting for Confirmation of Shareholders' Intention, if the Board of Directors of the Company has passed a resolution not to invoke countermeasures or if the Board of Directors of the Company has determined that is appropriate for the Board to pass a resolution to invoke countermeasures, the Company may cancel the convocation procedure for a General Meeting for Confirmation of Shareholders' Intention. When the Board of Directors of the Company has passed the resolution mentioned above, the Board shall also promptly provide an outline of the resolution and any other matters determined appropriate by the Board.

[7] Suspension of invocation of countermeasures

After the Board of Directors of the Company has passed a resolution to invoke countermeasures in accordance with the procedure prescribed in [6] above or after the invocation of countermeasures, (i) if the Purchaser has canceled the large-scale Purchase or (ii) if there has been a change in any of the facts underlying its judgment as to whether countermeasures should be invoked and it is no longer appropriate to invoke countermeasures from the perspective of maintaining and enhancing the corporate value of the Company and the common interest of shareholders, the Board of Directors of the Company shall pass a resolution to suspend the invocation of countermeasures.

When the Board of Directors of the Company has passed the resolution mentioned above, the Board shall also promptly provide an outline of the resolution and any other matters determined appropriate by the Board.

[8] Commencement of a Large-scale Purchase

The Purchaser shall follow the procedure prescribed in the Plan and may not commence a Large-scale Purchase until the Board of Directors passes a resolution to or not to invoke countermeasures.

(2) Specific countermeasures under the Plan

The countermeasures that the Board of Directors of the Company will invoke based on the resolution prescribed in (1) [6] above shall be the gratis allotment of stock acquisition rights (hereinafter, "Stock Acquisition Rights").

The outline of the gratis allotment of Stock Acquisition Rights shall be as stated in Schedule 5 "Outline of Gratis Allotment of Stock Acquisition Rights."

However, if the invocation of other countermeasures permitted by laws and regulations and the Articles of Incorporation of the Company is determined to be appropriate, the other countermeasures may be used.

As prescribed in (1) [7] above, the Board of Directors of the Company may decide to suspend the invocation of countermeasures after passing a resolution to invoke countermeasures or after invoking countermeasures. For example, in the case where the Board of Directors of the Company has passed a resolution to approve gratis allotment of Stock Acquisition Rights, if the Purchaser has canceled the Large-scale Purchase and the Board of Directors of the Company has passed the resolution prescribed in (1) [7] above, the Board of Directors of the Company may suspend the invocation of countermeasures by canceling the gratis allotment of Stock Acquisition Rights during the period until the day immediately preceding the ex-rights date pertaining to the record date set for the gratis allotment of Stock Acquisition Rights or through the acquisition without consideration of Stock Acquisition Rights by the Company during the period from the effective date of the gratis allotment of Stock Acquisition Rights until the day immediately preceding the start date of the exercise period of Stock Acquisition Rights.

(3) Effective period, abolition, and revision of the Plan

If the Plan is approved at the General Meeting, the effective period of the Plan shall be from time it is approved to the close of the ordinary general meeting of shareholders scheduled to be held in June 2028.

If, at any time before the expiration of the effective period, a resolution to revise or abolish the Plan is passed at a general meeting of shareholders of the Company, the Plan shall be revised or abolished immediately in accordance with the resolution If the Board Directors, whose members consist of directors elected by the General Meeting of Shareholders of the Company, has passed a resolution to abolish the Plan, the Plan shall be abolished immediately.

If the Board of Directors of the Company has determined that formal changes in the Plan are necessary in relation to changes in the Companies Act, Financial Instruments and Exchange Act, other laws and regulations, or rules of a financial instruments exchange or the interpretation or operation thereof, or changes in the taxation system, court precedents, etc., the Board may correct or revise the Plan at any time after obtaining the approval of the Independent Committee. On the other hand, if the Board of Directors of the Company intends to revise the Plan in a manner to cause a substantial impact on the Company's shareholders, the Board shall submit a proposal for such revision to the first general meeting of shareholders scheduled to be held thereafter for the approval of shareholders.

If the Plan is abolished or revised in a manner to have a substantial impact on shareholders, the Company shall promptly disclose the fact of the abolition or revision, specific revisions (in the case of the latter), and any other matters determined appropriate by the board of Directors of the Company.

4. Reasonableness of the Plan

The Plan satisfies the three principles of the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (i.e., maintaining and enhancing corporate value and the common interest of shareholders, disclosing information and confirming shareholders' intention in advance, and ensuring necessity and appropriateness).

The Plan has also been prepared based on the "Takeover Defense Measures in Light of Recent Environmental Changes" issued on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry, the three principles of the "Guidelines for Corporate Takeovers" issued by the Ministry of Economy, Trade and Industry on August 31, 2023 (i.e., corporate value/common interest of shareholders, shareholders' intention, and transparency), "Principle 1.5 Anti-Takeover Measures" of the Corporate Governance Code, which was introduced by Tokyo Stock Exchange, Inc. through the revision of its Securities Listing Regulations and took effect on June 1, 2015 (as revised on June 1, 2018 and June 11, 2021), and other practices and discussions concerning takeover response polices.

(1) Principle of maintaining and enhancing corporate value and the common interest of its shareholders

As stated in 1. above, the purpose of the continuation of the Plan is to secure opportunities for shareholders to make a decision on whether to respond to the proposed Large-scale Purchase of the Company's shares and for the Board of Directors of the Company to notify shareholders of the alternative that it has proposed and to enable the Board to negotiate with the Purchaser on behalf of shareholders in order to maintain and enhance the corporate value of the Company and the common interest of shareholders.

(2) Due respect for shareholders' intention

The continuation of the Plan is subject to the approval of shareholders at the General Meeting. As stated in 3.(3) above, after it is approved at the General Meeting, if a resolution to revise or abolish the Plan is passed at a subsequent general meeting of shareholders of the Company, the Plan will be revised or abolished in accordance with the resolution. For this reason, we make sure that the intention of our shareholders is sufficiently respected in determining whether to continue, revise, or abolish the Plan.

(3) Principle of ensuring necessity and appropriateness

[1] Respect for judgment of independent external parties and thorough information disclosure

As stated in 2. above, in order to prevent the Board of Directors of the Company from making an arbitrary judgment with regard to the invocation of countermeasures, etc. under the Plan and to ensure the objectivity and reasonableness of its judgment and responses, the Company has established an Independent Committee. The Board of Directors of the Company is required to pass a resolution regarding the invocation or non-invocation of countermeasures with maximum respect for the recommendations of the Independent Committee. The Independent Committee is also allowed to obtain, at the expense of the Company, advice from external experts who are independent from management responsible for the Company's business execution (including investment banks, securities companies, financial advisors, certified public accountants, lawyers, consultants, academic experts, and other experts) in order to ensure that the judgment of the Independent Committee will be made in a manner that contributes to the maintenance and enhancement of the corporate value of the Company and the common interest of shareholders.

Furthermore, the Company provides an outline, in a timely and appropriate manner, to its shareholders and investors of the judgment of the Independent Committee as part of the mechanism to ensure transparency in the operation of the Plan in order to contribute to the corporate value of the Company and the common interest of shareholders.

[2] Setting reasonable and objective requirements for invocation

As stated in 3. above, the Plan requires certain predetermined reasonable and objective requirements to be satisfied for the invocation of countermeasures in order to prevent them from being invoked arbitrarily by the Board of Directors of the Company.

[3] Not a dead hand- or slow hand-type response policy

As stated in 3.(3) above, the Plan can be abolished at any time by a resolution of the Board of Directors, whose members consist of Directors elected by the General Meeting of Shareholders of the Company. Therefore, the plan is not a dead hand-type response policy (i.e., a response policy whose invocation cannot be prevented even if a majority of the members of the Board of Directors are re

In addition, as the term of office of executive directors of the Company is one year, the Plan is not a slow hand-type response policy (i.e, a response policy whose invocation cannot be prevented quickly as it takes time to replace the members of the Board of Directors).

5. Impact on shareholders and investors

(1) Impact on shareholders and investors upon the continuation of the Plan

Upon the continuation of the Plan, Stock Acquisition Rights will not be issued. Therefore, the continuation of the Plan will not have any direct and specific impact on the legal rights and economic benefits pertaining to the Company's shares held by our shareholders.

As stated in 3.(1)[5] above, the Company's response policy differs depending on whether the Purchaser follows the Plan. Shareholders and investors are advised to pay close attention to the actions of the Purchaser.

(2) Impact on shareholders and investors upon gratis allotment of Stock Acquisition Rights

When the Board of Directors of the Company has decided to invoke countermeasures and carried out a gratis allotment of Stock Acquisition Rights, Stock Acquisition Rights are allotted without consideration of each shareholder recorded in the shareholder register on the allotment date separately determined by the Board of Directors of the Company, at the ratio of up to one Stock Acquisition Right for each share held by the shareholder. Given this mechanism, at the time of gratis allotment of Stock Acquisition Rights, the value per share of the Company's shares held by each shareholder will be diluted, but the total value of the Company's shares held by each shareholder will not be diluted. Therefore, the gratis allotment of Stock Acquisition Rights is not expected to have any direct and specific impact on the legal rights and economic benefits pertaining to the Company's shares held by our shareholders.

However, the invocation of these countermeasures may have an impact on the legal rights and economic benefits of the Purchaser.

If the Board of Directors of the Company passes a resolution to carry out an gratis allotment of Stock Acquisition Rights and subsequently decides to suspend the invocation of countermeasures in accordance with the procedure prescribed in 3.(1)[7] above, the price of the Company's shares may fluctuate in response to these developments. For example, if the Company suspends the invocation of countermeasures after the determination of shareholders to whom Stock Acquisition Rights are to be allotted without consideration and does not deliver new shares by acquiring Stock Acquisition Rights without consideration, the economic value per share of the Company's shares held by each shareholder will be not be diluted. Therefore, shareholders and investors who have traded the Company's shares based on the assumption that the economic value per share of the Company's shares will be diluted may suffer a loss due to changes in stock price.

If any discriminatory conditions are attached to the exercise or acquisition of Stock Acquisition Rights, they are expected to have an impact on the legal rights and economic benefits of the Purchaser in exercising or acquiring Stock Acquisition Rights. In this case also, such discriminatory conditions are not expected to have any direct and specific impact on the legal rights and economic benefits pertaining to the Company's shares held by its shareholders other than the Purchaser.

(3) Procedure to be followed by shareholders regarding the gratis allotment of Stock Acquisition Rights

There is no application procedure that should be followed by shareholders recorded in the latest shareholder register on the date of gratis allotment of Stock Acquisition Rights as they automatically become the holders of Stock Acquisition Rights on the effective date of the gratis allotment of Stock Acquisition Rights.

If the Company acquires Stock Acquisition Rights to which a call option is attached, shareholders will receive the Company's shares as consideration for the acquisition of Stock Acquisition Rights by the Company without paying money equivalent to the exercise price of the Stock Acquisition Rights. No payment for such Stock Acquisition Rights is required. However, the Purchaser may be excluded from the scope of such acquisition or acquire the same number of other stock acquisition rights subject to certain exercise conditions as the acquired Stock Acquisition Rights held by the Purchaser in exchange for the acquired Stock Acquisition Rights held by the Purchaser.

In addition, the Company will disclose the details of the procedure, including the allotment method, the exercise method, the method of acquisition by the Company, and the method of delivery of shares in a timely and appropriate manner, in accordance with applicable laws and regulations and rules of financial instruments exchanges, after the Board of Directors of the Company passes a resolution regarding the gratis allotment of Stock Acquisition Rights.

Outline of the Independent Committee Regulations

1. The Independent Committee shall be established in order to prevent the Board of Directors of the Company from making an arbitrary judgment in passing resolutions with regard to the invocation of countermeasures, etc. and to ensure the objectivity and reasonableness of its judgment and responses.
2. The number of Independent Committee members shall be at least three, and they shall be elected by a resolution of the Board of Directors of the Company from among outside directors of the Company and external experts (corporate executives with a strong track record, former government officials, lawyers, certified public accountants, or academic experts, or other equivalent persons), who are independent from management responsible for the Company's business execution. The Company shall enter into an agreement with the members of the Independent Committee that contains provisions concerning their duty of care of a good manager and confidentiality obligations.
3. The term of office of the members of the Independent Committee shall be through the close of the ordinary general meeting of shareholders pertaining to the last fiscal year among the fiscal years ending within three years from their election or the day separately agreed upon between each member and the Company unless otherwise prescribed by a resolution of the Board of Directors of the Company. If an outside director of the Company who is a member of the Independent Committee has resigned as director (excluding cases in which the director is re-elected), the term of office of the director as a member of the Independent Committee expires at the same time.
4. A meeting of the Independent Committee shall be convened by the Representative Director of the Company or any of the Independent Committee members.
5. The chairperson of the Independent Committee shall be appointed by mutual vote of the Independent Committee members.
6. A resolution of the Independent Committee shall, in principle, be passed by a majority of the votes of the Committee members present provided that all Committee members are present. However, if any of the Committee members cannot attend or if there are other special circumstances, a resolution of the Independent Committee shall be passed by a majority of the votes of the Committee members present provided that all other Committee members are present.
7. Upon the request of the Board of Directors of the Company, the Independent Committee shall deliberate and pass resolutions on the matters listed below and recommend their resolutions to the Board of Directors of the Company by clarifying the reasons therefor;
   (1) Whether countermeasures should be invoked under the Plan (including whether the intention of shareholders regarding the invocation should be confirmed in advance);
   (2) Discontinuation of countermeasures or suspension of the invocation of countermeasures under the Plan;
   (3) Abolition or revision of the Plan; and
   (4) Other matters on which the Board of Directors of the Company voluntarily seeks advice of the Independent Committee in relation to the Plan.

   Each Independent Committee member shall participate in deliberation and resolution at the meetings of the Independent Committee solely from the perspective of whether the resolution contributes to the medium- to long-term corporate value of the Company and the common interest of shareholders and shall not do so for the purpose of seeking his or her own personal

benefits or personal benefits of management members of the Company.

8. The Independent Committee may have directors or employees of the Company or any other persons determined to be necessary attend its meetings and seek their opinions or explanations on any matters desired by the Independent Committee.
9. In performing its duties, the Independent Committee may obtain, at the expense of the Company, advice from external experts who are independent from management responsible for the Company's business execution (investment banks, securities companies, financial advisors, certified public accountants, lawyers, consultants, academic experts, and other experts).

Schedule 2

Career summary of the members of the Independent Committee

Career summary of the members of the Independent Committee (in Japanese alphabetical order)

Toru Aoki (born July 11, 1961)

April 1984	Joined Asahi Chemical Industry Co., Ltd. (now Asahi Kasei Corporation)
March 1990	Joined Japan LCA
July 1992	Joined Sanwa Research Institute Corp. (now Mitsubishi UFJ Research and Consulting Co., Ltd.)
April 2002	General Manager of Management Strategy Department No. 1
April 2006	General Manager of Management Strategy Department
June 2014	Corporate Officer, Deputy Head of the Osaka Unit, Consulting & International Business Division, and General Manager of Personnel Strategy Department
April 2016	Representative of Caliber Management AOKI (to present) Chief Advisor of Consulente HYAKUNEN (to present)
June 2017	Outside Director [Audit & Supervisory Committee Member] of the Company (to present)

Kenji Oka (born February 27, 1961)

April 1983	Joined Management System Research Institute Co., Ltd.
February 1990	Registered as a tax accountant (Kinki Certified Public Tax Accountants' Association)
March 1990	Opened Oka Tax Firm, Head of Oka Tax Firm (to present)
June 2015	Outside Auditor of Sankyo Kasei Corporation
June 2019	Outside Director [Audit & Supervisory Committee Member] of Sankyo Kasei Corporation
June 2021	Outside Director [Audit & Supervisory Committee Member] of the Company (to present)

Ayako Hiramatsu (born October 23, 1974)

October 2002	Registered as an attorney (Osaka Bar Association) Joined Kyoei Law Office
July 2014	National Tax Trial Examiner, Osaka National Tax Tribunal
July 2018	Re-registered as an attorney (Osaka Bar Association)
August 2018	Registered as a tax accountant (Kinki Certified Public Tax Accountants' Association)
April 2020	Audit Committee Member, Ikoma City (to present)
August 2020	Partner of Kyoei Law Office (to present)
June 2021	Outside Director [Audit & Supervisory Committee Member] of the Company (to present)
December 2022	Fixed Asset Evaluation Review Committee Member, Moriguchi City (to present)
June 2023	Outside Director [Audit & Supervisory Committee Member] of ODK Solutions Co., Ltd. (to present)
April 2024	Civil Mediation Commissioner of the Kishiwada Summary Court (to present)
June 2025	Scheduled to take office as Outside Director of Kobelco Wire Company, Ltd.

* The Company has designated the above three individuals as independent officers pursuant to the regulations of the Tokyo Stock Exchange, Inc. and has notified the exchange of the designation.
* There are no advisory agreements or other relationships between the above three individuals and the Company.

Schedule 3

Major Shareholders of the Company (as of March 31, 2025)

Name	Number of shares held (shares)	Shareholding ratio (%)
Techno Smart Business Partner Shareholding Association	1,574,600	13.70
S.I.L. Inc.	1,082,400	9.42
Hikari Tsushin K.K.	928,000	8.08
ECM MF	533,100	4.64
UH Partners 2, Inc.	411,800	3.58
Shiga Bank, Ltd.	321,875	2.80
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	284,827	2.48
Tsubakimoto Kogyo Co., Ltd.	278,250	2.42
Techno Smart Employee Shareholding Association	277,675	2.42
PERSHING-DIV.OF DLJ SECS.CORP.	268,300	2.33

Note: The shareholding ratio is calculated by excluding treasury shares (911,065 shares).

Cases Where the Proposed Large-scale Purchase is Determined to Significantly Impair the Corporate Value of the Company and the Common Interest of Shareholders.

1. The Purchaser is determined to be a person who is acquiring or intends to acquire the Company's shares only for the purpose of causing the Company's related parties to purchase the Company's shares at high prices after artificially driving the stock price higher with no intention to truly participate in the management of the Company (so-called "greenmailer"), or the main purpose of the acquisition of the Company's shares is determined to be obtaining a short-term profit margin;
2. The Purchaser is determined to be a person who is acquiring or intends to acquire the Company's shares for the purpose of transferring, to the Purchaser or its group company, etc., the Company's assets, such as intellectual property rights, knowhow, corporate secret information, and major business partners or customers, that are necessary for the Company's business operations, by temporarily gaining the corporate control of the Company;
3. The Purchaser is determined to be a person who is acquiring or intends to acquire the Company's shares for the purpose of using the assets of the Company as security for debts of the Purchaser or its group company, etc. for the repayment of their debts;
4. The Purchaser is determined to be a person who is acquiring or intends to acquire the Company's shares for the purpose of causing, by temporarily gaining corporate control of the Company, the Company to sell or otherwise dispose of its high-value assets, such as real estate and securities, that are not related to its business for the time being in order to realize a temporarily high dividend or sell the Company's shares at high prices realized temporarily by such a temporarily high dividend;
5. The Purchaser is determined to be a person who intends to focus only on seeking its own profit by generating gains on sales exclusively through short- to medium-term resale of the Company's shares to the Company or third parties, by taking various measures after acquiring the Company's shares, including the ultimate disposition of assets of the Company, without showing any particular interest in or getting involved in the management of the Company;
6. It is difficult for shareholders to make decisions on the proposal of the Purchaser although it may impair the common interest of shareholders, due to, for example, the lack of sufficient information for shareholders to decide whether they should transfer shares to the Purchaser or continue to hold them, and the proposal of the Purchaser is determined to be one designed to limit the opportunities or freedom for shareholders to make their own judgment, which may effectively force them to sell the Company's shares.
7. The purchase method of the Company's shares proposed by the Purchaser is determined to be a method designed to limit the opportunities or freedom for shareholders to make their own judgment, which may effectively force them to sell the Company's shares, such as a coercive two-step transactions (a purchase, etc. of shares, such as a takeover bid, in which the purchase proposed in the first step is not for all the Company's shares, and in the second-step, purchase terms are unfavorable or unclear), a partial takeover bid (a takeover bid for part, but not all, of the Company' shares), and a market transaction carried out without clarifying necessary information for general shareholders to make investment decisions;
8. The purchase terms (including, but not limited to, the type and the amount of purchase consideration,

the basis for calculation of the amount, other specific terms and conditions (including the timing and method of the acquisition), existence of any illegality, and feasibility) of the Company's shares proposed by the Purchaser are determined to be extremely insufficient or inappropriate in view of the corporate value of the Company;

9. It is determined that, as a result of the Large-scale Purchase, the maintenance and enhancement of the corporate value of the Company and the common interest of shareholders will be significantly hampered, such as in the case where the Large-scale Purchase will destroy the Company's relationship with customers, employees, and other stakeholders, who are the sources of its corporate value, and a significant impairment of the corporate value of the Company and the common interest of shareholders is expected as a result;
10. It is determined that, in comparison to the future corporate value in the medium to long term, the corporate value of the Company in the case where the Large-scale Purchase is carried out is determined to be significantly inferior to the corporate value of the Company in the case where the Large-scale Purchase is not carried out;
11. The Purchaser is determined to be extremely inappropriate as a controlling shareholder of the Company from the perspective of public order and morals, such as in the case where there are persons who are related to a terrorist organization among the management members or major shareholders or investors of the Purchaser;
12. Due to false information contained in Necessary Information, it is determined that the Independent Committee cannot adequately examine the details of the Large-scale Purchase;
13. The management policies, business plans, etc., proposed by the Purchaser are determined to cause hindrance to the stable supply of the Company's products and a significant and serious impact on the profits of the Company's customers, as a result of which the Company will no longer be able to fulfill its management philosophy stated in II 1. above.
14. The Purchaser is determined to be a person who intends to carry out an act that effectively forces shareholders to sell their shares or to sell their shares at a low price that does not reflect the true corporate value to cause property damage to them; or
15. In addition to the cases listed in 1 through 14 above, the proposed Large-scale Purchase is otherwise determined to significantly impair the corporate value of the Company and the common interest of shareholders.

Outline of Gratis Allotment of Stock Acquisition Rights

1. Total number of Stock Acquisition Rights to be allotted

The total number of Stock Acquisition Rights to be allotted shall be the number separately determined by the Board of Directors of the Company by its resolution regarding the gratis allotment of Stock Acquisition Rights (hereinafter, "Stock Acquisition Rights Gratis Allotment Resolution") subject to the upper limit equal to the latest total number of issued shares of the Company (excluding the number of the Company's shares currently held by the Company) on a day separately determined by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution (hereinafter, "Allotment Date")

2. Shareholders entitled to the allotment

To all shareholders recorded in the latest shareholder register on the Allotment Date, Stock Acquisition Rights shall be allotted without consideration at the ratio separately determined by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution, subject to the upper limit equal to the ratio of one Stock Acquisition Right for each share of common stock of the Company held by the shareholders (excluding the Company's shares currently held by the Company).

3. Effective date of the gratis allotment of Stock Acquisition Rights

The effective date shall be the day separately determined by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution.

4. Class and number of shares to be delivered upon the exercise of Stock Acquisition Rights

The class of shares to be delivered upon the exercise of Stock Acquisition Rights shall be the Company's common stock, and the number of shares to be delivered upon the exercise of one Stock Acquisition Right (hereinafter, "Number of Underlying Shares") shall be the number separately determined by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution, subject to the upper limit of one. However, the number shall be adjusted as appropriate if the Company carries out a stock split, a reverse stock split, etc.

5. Description and price of property to be contributed upon the exercise of Stock Acquisition Rights

The type of property to be contributed upon the exercise of Stock Acquisition Right shall be monies. The amount per share of the Company's common stock of property to be contributed upon the exercise of Stock Acquisition Rights shall be the amount separately determined by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution, subject to the lower limit of one yen.

6. Restriction on the transfer of Stock Acquisition Rights

The approval of the Board of Directors of the Company is required for any transfer of Stock Acquisition Rights.

7. Conditions for the exercise of Stock Acquisition Rights

The exercise conditions of Stock Acquisition Rights shall be determined separately by the Board of Directors of the Company. The exercise conditions may be determined in consideration of their effectiveness as countermeasures against the Large-scale Purchase, such as exercise conditions that Stock Acquisition Rights cannot be exercised by certain Purchasers, their joint holders and specially related parties, and those who are determined by the Board of Directors of the Company to be persons

who are effectively controlled by them and act in collaboration with them (hereinafter, “Persons Satisfying the Conditions for Exceptional Treatment”).

8. Acquisition of Stock Acquisition Rights by the Company

The Company may attach to Stock Acquisition Rights call options in consideration of their effectiveness as countermeasures against the Large-scale Purchase, such as a call option whose conditions are that the Company can acquire all of the Stock Acquisition Rights or only those Stock Acquisition Rights that are held by holders other than Persons Satisfying the Conditions for Exceptional Treatment in accordance with a resolution of the Board of Directors on condition that certain circumstances have arisen or a certain date separately determined by the Board of Directors of the Company has arrived or a call option whose conditions are that the Company may acquire those Stock Acquisition Rights that are held by Persons Satisfying the Conditions for Exceptional Treatment in exchange for the same number of different stock acquisition rights whose exercise is subject to certain exercise restrictions.

9. Acquisition without consideration in the case of suspension of invocation of countermeasures

If the Board of Directors of the Company has suspended the invocation of countermeasures or in other cases determined separately by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution, the Company may acquire all of the Stock Acquisition Rights without consideration.

10. Exercise period and other terms and conditions of Stock Acquisition Rights

The exercise period of Stock Acquisition Rights or any other necessary matters shall be separately determined by the Board of Directors of the Company by the Stock Acquisition Rights Gratis Allotment Resolution.