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(Stock Exchange Code 7729)

June 3rd, 2024

Date electronic provisional measures become available: May 27th, 2024

To Shareholders with Voting Rights:

Hitoshi Yoshida
Chairman and CEO
Tokyo Seimitsu Co., Ltd.
2968-2, Ishikawa-machi, Hachioji, Tokyo

**NOTICE OF
THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 101st Annual General Meeting of Shareholders of Tokyo Seimitsu Co., Ltd. (the “Company”) will be held for the purposes described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures to provide information (matters for electronic provision) electronically. Please access the Company's website below to view this information.

The Company’s Website: <https://ir.accretech.jp/en/stock/meeting.html>

In addition to the above website, the Company has also disclosed matters for electronic provision on the website of the Tokyo Stock Exchange (TSE). Please access the below TSE website (TSE Listed Company Information Service), enter and search for the issue name (company name) or securities code, then select in the order of "Basic information" and "Documents for public inspection/PR information."

Tokyo Stock Exchange website (TSE listed company information service)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In lieu of attendance at the meeting, you can exercise your voting rights by mail or via the Internet (personal computers or smartphones). Please review the Reference Documents for the General Meeting of Shareholders provided in the matters for electronic provision, and exercise your voting rights after reading “Guidance on Exercising Voting Rights” on the following page.

- 1. Date and Time:** Friday, June 21st, 2024 at 10 a.m. Japan time
- 2. Place:** “Sho-oh,” 5th Floor, Keio Plaza Hotel Hachioji
located at 14-1, Asahi-cho, Hachioji, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements for the Company’s 101st Fiscal Year (April 1st, 2023 – March 31st, 2024) and the results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. The Non-Consolidated Financial Statements for the Company’s 101st Fiscal Year (April 1st, 2023 – March 31st, 2024)

Proposals to be resolved:

- Proposal 1:** Dividends of Surplus
- Proposal 2:** Election of 8 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 3:** Election of 1 Director Serving as Audit and Supervisory Committee Member
- Proposal 4:** Revision of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 5:** Introduction of a Performance-linked Stock Compensation Plan for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Modifications, if any, to the matters for electronic provision will be posted on the above websites.
- We are sending a portion of the Reference Documents for the General Meeting of Shareholders and Business Report to those shareholders who have requested a paper copy. Pursuant to the provisions of applicable laws and regulations and the Articles of Incorporation, a portion of the matters for electronic provision are not included in the paper copy to be sent to shareholders who have requested it.
- Pursuant to the provisions of applicable laws and regulations and the Articles of Incorporation, the “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and “Notes to the Non-Consolidated Financial Statements” of the Non-Consolidated Financial Statements are included in the “Documents Omitted from Paper Copies” provided on the respective websites, therefore are not included in the paper copy provided to shareholders who have requested it. The said paper copy is a portion of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Accounting Auditors and the Audit & Supervisory Committee Members in preparing the accounting audit report and audit report.
- Please also note that **no distribution of souvenirs nor informal gathering for discussion** is scheduled.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference

Proposal 1: Dividends of Surplus

Based on a consolidated dividend payout ratio of approximately 40% set forth in the “Policy for Profit Distribution to Shareholders” and taking into account the performance in the fiscal year under review, we hereby propose the Company’s dividend as follows, considering the amount of net profit.

1. Type of property for dividends: Cash
2. Matters concerning allotment of dividend property to shareholders and the total amount thereof
The Company’s common shares: ¥103 per share
Total amount to be distributed: ¥4,161,130,269
3. Effective date for the dividends of surplus: June 24th, 2024

[Policy for Profit Distribution to Shareholders]

The Company believes the most important management task for the Company is to enhance its corporate value and constantly distribute profits to shareholders through a business model of providing World’s No. 1 products based on state-of-the-art technologies in the growing market.

The Company maintains a core policy regarding the distribution of profits linked to the business performance of the Company and the Company aims to pay stable dividends targeting a consolidated dividend payout ratio of 40%. Also, considering the aim to provide stable and continuous dividend payments, the Company maintains an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this basic policy if the Company experiences deficit in two consecutive years.

The Company’s normal operating procedure for dividends is to pay a dividend twice a year. The General Meeting of Shareholders determines the year-end dividend and the Company’s Board of Directors decides the interim dividend.

Internal reserves will be used effectively for the research and development and capital investment for state-of-the-art technologies, overseas development, sophistication of Information systems, new business development, and M&A investment. Also, since our product lines are greatly impacted by economic fluctuations, the Company considers it important to maintain and strengthen the soundness of our financial position and prepare for possible economic downturns.

The Company’s acquisition of its own outstanding stock is a flexible measure for the profit return that supplements its dividends from retained earnings. The Company will comprehensively analyze its cash flows and internal reserves before undertaking acquisition of its own stock.

Proposal 2: Election of 8 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of 8 Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same applies in the rest of this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of 8 Directors.

Details of the candidates for Directors are as described in pages 4 through 9 below.

The candidates are capable of performing the duties of Directors appropriately, and regardless of gender, nationality and other individual attributes, have superior dignity, ethics and insight, and are well versed in corporate management and the Company's operations.

Please refer to page 20 for the opinion of the Audit and Supervisory Committee regarding this proposal.

Details of all the candidates for Directors and all the candidates for External Directors are as described in page 11 below.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Hitoshi Yoshida (November 26th, 1959)</p>	<p>April 1983 Joined the Company</p> <p>April 2000 Leader, Multipurpose Measuring Instruments Group, Metrology Group, Tsuchiura Plant, Production Division</p> <p>April 2002 Executive Officer, Metrology Company</p> <p>April 2005 Managing Executive Officer, Metrology Company</p> <p>June 2005 Director</p> <p>October 2007 President, Metrology Company</p> <p>June 2011 Representative Director</p> <p>April 2015 President and CEO In charge of Metrology Company</p> <p>April 2022 Chairman and CEO (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> ▪ Chairman, Japan Precision Measuring Instruments Manufacturers Association (May 2010 to May 2016, May 2020 to present) ▪ Chairman, Accrettech (China) Co., Ltd. <p>The Company has a business relationship of selling its products to this company.</p> <p>There is no special interest between the candidate and the Company.</p>	10,700
<p>[Reasons for nominating the candidate for Director]</p> <p>As Chairman and CEO, Mr. Hitoshi Yoshida supervises the overall Group, takes command of management and sufficiently plays roles in deciding important managerial matters and supervising business execution. Accordingly, we consider that he is the right person for pushing ahead with global management with his strong leadership based on his extensive experience and track records as a Director, and therefore ask shareholders to elect him as a Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p style="text-align: center;">Reappointment</p> <p>Ryuichi Kimura (December 30th, 1962)</p>	<p>April 1986 Joined the Company</p> <p>April 2005 Executive Officer, Semiconductor Company Manager of the Tokyo Office and the Osaka Office, Sales Division</p> <p>June 2005 Director</p> <p>April 2007 Managing Executive Officer, Semiconductor Company</p> <p>August 2007 President, Semiconductor Company</p> <p>June 2011 Representative Director</p> <p>April 2015 Executive Vice President and COO In charge of Semiconductor Company</p> <p>April 2019 Head of Semiconductor Company (to present)</p> <p>April 2022 President and COO (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman, Accretech America Inc. • Chairman, Accretech (Europe) GmbH • Chairman, Accretech Taiwan Co., Ltd. <p style="padding-left: 20px;">The Company has a business relationship of selling its products to each of these companies.</p> <p>There is no special interest between the candidate and the Company.</p>	5,412
<p>[Reasons for nominating the candidate for Director]</p> <p>As President and COO, Mr. Ryuichi Kimura takes command of the overall Group and fully plays roles in deciding important managerial matters and supervising business execution. Accordingly, we consider that he is the right person for realizing global management by leveraging his abundant experience in, and knowledge of, the Semiconductor Production Equipment business, which is a principal business of the Group, and therefore ask shareholders to elect him as a Director again.</p>			
3	<p style="text-align: center;">Reappointment</p> <p>Koichi Kawamura (October 5th, 1957)</p>	<p>April 1980 Joined the Fuji Bank, Limited</p> <p>April 2007 General Manager, Financial Institutions & Public Sector Promotion Department, Mizuho Bank, Ltd.</p> <p>April 2008 Joined the Company</p> <p>April 2009 Managing Executive Officer, Administration Company</p> <p>June 2009 Director</p> <p>April 2011 President, Administration Company</p> <p>April 2015 In charge of Administration Company</p> <p>June 2015 Representative Director and CFO</p> <p>April 2019 Head of Administration Company (to present)</p> <p>April 2022 Executive Vice President and CFO (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President, Tosei Systems Co., Ltd. <p style="padding-left: 20px;">The Company entrusts this company with the development of software relative to its products.</p> <ul style="list-style-type: none"> • President, Accretech Finance Co., Ltd. <p style="padding-left: 20px;">The Company receives the provision of financial services from this company.</p> <ul style="list-style-type: none"> • Chairman, Accretech Korea Co., Ltd. <p style="padding-left: 20px;">The Company has a business relationship of selling its products to this company.</p> <p>There is no special interest between the candidate and the Company.</p>	11,700
<p>[Reasons for nominating the candidate for Director]</p> <p>As Executive Vice President and CFO, Mr. Koichi Kawamura takes command of the overall Group and fully plays roles in deciding important managerial matters and supervising business execution. Accordingly, we consider that he is the right person for realizing growth of each business, improvement of performance of the Group as a whole and financial strategies by making the most of his extensive experience and knowledge acquired at financial institutions, and therefore ask shareholders to elect him as a Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Takahiro Hokida (April 24 th , 1962)	October 1995 Joined the Company April 2009 Leader, Prober System Group, Test Technology Department, Technology Division, Semiconductor Company (to present) April 2010 Executive Officer, Semiconductor Company April 2012 General Manager, Test Technology Department, Technology Division, Semiconductor Company (to present) April 2014 Managing Executive Officer, Semiconductor Company (to present) June 2015 Director (to present) October 2015 General Manager, Information System Department, Administration Company (to present) July 2023 General Manager, Technology Division, Semiconductor Company (to present)	3,500
		There is no special interest between the candidate and the Company.	
[Reasons for nominating the candidate for Director] Mr. Takahiro Hokida has engaged in probing machines, among Semiconductor Production Equipment, which are mainstay products of the Group, for many years and sufficiently plays roles in deciding important managerial matters and supervising business execution as a Director, by making the most of his abundant experience and knowledge. Accordingly, we consider that he is the right person for realizing growth of business, technological innovation and information strategies, and therefore ask shareholders to elect him as a Director again.			
5	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Shuichi Tsukada (April 18 th , 1959)	April 1983 Joined the Company Technology Division, Tsuchiura Plant April 2004 General Manager, Sales Engineering and Marketing Department, Metrology Company April 2005 General Manager, Quality Assurance Department, Tsuchiura Plant, Metrology Company October 2008 General Manager, Metrology Center, Metrology Company April 2015 Executive Officer, Metrology Company Plant Manager, Tsuchiura Plant April 2017 Managing Executive Officer, Metrology Company April 2020 Senior Executive Officer, Metrology Company April 2021 Executive Officer and Head of Metrology Company (to present) June 2021 Director (to present)	2,700
		There is no special interest between the candidate and the Company.	
[Reasons for nominating the candidate for Director] Mr. Shuichi Tsukada has engaged in the field of Metrology Equipment, which is a principal business of the Company, for many years and sufficiently plays roles in deciding important managerial matters and supervising business execution as a Director, by making the most of his abundant experience and knowledge. Accordingly, we consider that he is the right person for realizing growth of business and global management strategies, and therefore ask shareholders to elect him as a Director again.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Romi Pradhan (August 10th, 1968)</p>	<p>January 1991 Joined California Energy Commission, U.S.A.</p> <p>October 1992 Joined Bridgestone Corporation Design Development Engineer</p> <p>August 2000 Joined Teradyne Inc. Application Engineer</p> <p>March 2001 Joined ACCRETECH AMERICA INC. (the Company's U.S. subsidiary) Project Manager</p> <p>April 2012 Director & Vice-president, ACCRETECH AMERICA INC.</p> <p>April 2013 Executive Officer, Semiconductor Company, and in charge of World Wide accounts (to present)</p> <p>June 2016 President, ACCRETECH AMERICA INC. (to present)</p> <p>June 2023 Director of the Company (to present)</p> <p>[Significant concurrent position] • President, ACCRETECH AMERICA INC. The Company has a business relationship of selling its products to this company.</p> <p>There is no special interest between the candidate and the Company.</p>	840
<p>[Reasons for nominating the candidate for Director] Mr. Romi Pradhan has engaged in the management of an overseas subsidiary of the Company and fully plays roles in deciding important managerial matters and supervising business execution as a Director, by leveraging his abundant experience and knowledge. Accordingly, we consider that he is the right person for realizing growth strategies of the Group's overseas operations, and ask shareholders to elect him as a Director again.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">External Director</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Director</div> <p>Kiyoshi Takamasu (October 8th, 1954)</p> <p>Rate of attendance at the Board of Directors meetings in FY2024/3 100% (16/16)</p>	<p>April 1982 Assistant, The Department of Precision Machinery Engineering, School of Engineering, The University of Tokyo</p> <p>October 1987 Associate Professor, Department of Precision Mechanical Engineering, School of Engineering, Tokyo Denki University</p> <p>March 1990 Visiting Researcher, The University of Warwick, U.K.</p> <p>April 1993 Associate Professor, The Department of Precision Machinery Engineering, Graduate School of Engineering Research, The University of Tokyo</p> <p>November 2001 Professor, The Department of Precision Machinery Engineering (currently The Department of Precision Engineering), Graduate School of Engineering Research, The University of Tokyo</p> <p>March 2006 Chairman, Intelligent Nano-Measure Committee, The Japan Society for Precision Engineering</p> <p>March 2014 Retired from Chairman, Intelligent Nano-Measure Committee, The Japan Society for Precision Engineering</p> <p>March 2016 Vice-president, The Japan Society for Precision Engineering</p> <p>March 2018 Retired from Vice-president, The Japan Society for Precision Engineering</p> <p>March 2020 Retired from Professor, The Department of Precision Engineering, Graduate School of Engineering Research, The University of Tokyo</p> <p>March 2020 President, The Japan Society for Precision Engineering</p> <p>June 2020 External Director (Serving as Audit and Supervisory Committee Member) of the Company</p> <p>June 2021 Emeritus Professor, The University of Tokyo (to present)</p> <p>June 2021 Retired from External Director (Serving as Audit and Supervisory Committee Member) of the Company</p> <p>June 2021 External Director (Not Serving as Audit and Supervisory Committee Member) of the Company (to present)</p> <p>March 2022 Retired from President, The Japan Society for Precision Engineering</p> <p>[Significant concurrent position] • Emeritus Professor, The University of Tokyo</p> <p>There is no special interest between the candidate and the Company.</p>	-
<p>[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p>Although he has no experience of having directly engaged in corporate management other than in his role as an External Director, Mr. Kiyoshi Takamasu has professional expertise and abundant experience at universities and research institutes. Having served as President and other positions of business organizations related to precision measurement as well as hosting various international conferences, he has globally sophisticated skills, knowledge and insight. We judge that his skills, knowledge and insight are highly useful for the production of the Group's products and research and development as well as the nurturing of our executives and employees. Expecting that he will play these roles, we ask shareholders to elect him as an External Director again.</p> <p>His term of office as an External Director of the Company will be four years at the conclusion of this Annual General Meeting of Shareholders.</p> <p>As he satisfies Standards for Independence of External Officers established by the Company (page 11), the Company has appointed him as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. and intends to continue to appoint him as such. In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Takamasu entered into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The Company intends to continue this agreement. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">External Director</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Director</div> <p>Kazuya Mori (August 18th, 1959)</p> <p>Rate of attendance at the Board of Directors meetings in FY2024/3 100% (12/12)</p>	<p>April 2014 Factory Head, Oita Operations, Toshiba Corporation</p> <p>March 2016 Retired from Toshiba Corporation</p> <p>April 2016 President & Chief Executive Officer, Japan Semiconductor Corporation</p> <p>June 2021 Retired as President & Chief Executive Officer of Japan Semiconductor Corporation</p> <p>June 2021 Full time Audit & Supervisory member, NuFlare Technology, Inc (to present)</p> <p>[Significant concurrent position]</p> <ul style="list-style-type: none"> • Full time Audit & Supervisory member, NuFlare Technology, Inc <p>There is no special interest between the candidate and the Company.</p>	-
<p>[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p>Mr. Kazuya Mori has excellent knowledge in relation to semiconductor and process technologies and experience in corporate management. We judge that he will be able to provide valuable opinions and advice on the management of the Company and to nurture and improve our executives and employees, which also will be highly useful in addressing the interests of our shareholders. Expecting that he will play these roles, we ask shareholders to elect him as an External Director again.</p> <p>The Company has business transactions with Japan Semiconductor Corporation, where the candidate previously served as Director, in the form of product sales, however the transaction ratio is less than 2% of our consolidated sales. His term of office as an External Director of the Company will be one year at the conclusion of this Annual General Meeting of Shareholders.</p> <p>As he satisfies Standards for Independence of External Officers established by the Company (page 11), the Company has appointed him as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc. and intends to continue to appoint him as such. In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, Mr. Mori entered into a liability limitation agreement with the Company to limit his liability for compensation for damages, which is stipulated in Article 423, Paragraph 1 of the Act. The Company intends to continue this agreement. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

Proposal 3: Election of 1 Director Serving as Audit and Supervisory Committee Member

The term of office of 1 Director serving as Audit and Supervisory Committee Member, Ms. Tsuneko Murata, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 1 Director serving as Audit and Supervisory Committee Member is proposed.

The Audit and Supervisory Committee has previously given its consent to this proposal. Details of the candidate for Director serving as Audit and Supervisory Committee Member are as described on page 10 below.

Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">External Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Director</div> <p>Motoko Kawasaki (January 24, 1961)</p>	<p>June 2016 General Manager, CSR Group, Corporate Planning Div., FUJIFILM Holdings Corporation General Manger, CSR Promotion Div., FUJI FILM Corporation</p> <p>June 2019 Corporate Vice President, General Manager of ESG Div. and Corporate General Administration Div., FUJIFILM Holdings Corporation Corporate Vice President, General Manager, ESG Promotion Div. FUJIFILM Corporation</p> <p>June 2021 Full-time Audit & Supervisory Board Member, FUJIFILM Holdings Corporation (to present) Full-time Audit & Supervisory Board Member, FUJIFILM Corporation (to present)</p> <p>[Significant concurrent position]</p> <ul style="list-style-type: none"> • Full time Audit & Supervisory Board Member, FUJIFILM Holdings Corporation • Full time Audit & Supervisory Board Member, FUJIFILM Corporation <p>There is no special interest between the candidate and the Company.</p>	-
<p>[Reasons for nominating the candidate for External Director and outline of expected roles]</p> <p>Ms. Motoko Kawasaki has many years of experience in corporate management in the areas of CSR operations, promotion of ESG activities, and compliance/risk management operations, as well as deep insight and knowledge mainly in governance, etc. which she gained through serving as an Auditor at business companies. We expect that she will leverage these assets to supervise and audit the management of the Group, and therefore ask shareholders to elect her as an External Director serving as Audit and Supervisory Committee Member.</p> <p>Ms. Motoko Kawasaki's name on the family register is Motoko Kubota.</p> <p>The Company has business transactions with FUJIFILM Holdings Corporation, where the candidate currently serves as full-time Audit & Supervisory Board Member (including at FUJIFILM Corporation, where the candidate currently serves as full-time Audit & Supervisory Board Member), in the form of product sales, however the transaction ratio is less than 2% of our consolidated sales.</p> <p>As she satisfies Standards for Independence of External Officers established by the Company (page 11), the Company plans to appoint her as an Independent Director as prescribed in the regulations of Tokyo Stock Exchange, Inc.</p> <p>In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into a liability limitation agreement with her to limit her liability for compensation for damages. The limit amount of the liability for compensation for damages under such an agreement is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>		

[Matters related to all of the candidates for Director]

1. The Company has entered into a directors and officers liability insurance contract that insures all the Directors. The insurance contract covers damages that may arise due to the insured Director assuming liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. However, there are certain exemptions; for instance, damage will not be covered if an insured person has caused it intentionally or with gross negligence. If each of the candidate takes office as a Director, he or she will automatically be insured under the said insurance contract.

2. The Company has entered into an indemnity agreement with each Director pursuant to Article 430-2, paragraph 1 of the Companies Act in which the Company promises to indemnify Directors for the expenses prescribed in (i) of the same paragraph and the losses prescribed in (ii) of the said paragraph within the scope stipulated by laws and regulations. If each candidate is reappointed or appointed as Director, they will be the insured under the said indemnity agreement (the Company plans on entering into new indemnity agreements with newly-appointed Directors.)

[Standards for Independence of External Directors]

In the event that an External Director falls under all of the following items, the Company shall deem the said External Director to have independence.

1. Not an executive (*1) of Tokyo Seimitsu Group (Accretech Group) within 10 years
2. Not the principal shareholder (*2) or its executive
3. Not an executive of the following company or party within 3 years
 - (1) A company or party that Accretech Group is principal client/supplier for (*3)
 - (2) A company or party that is Accretech Group's principal client/supplier (*3)
 - (3) A company or party that is Accretech Group's principal lender (*4)
4. Not a certified public accountant belongs to Accretech Group's financial accountant
5. Not an expert such as public accountant, tax accountant, attorney, judicial scrivener, nor patent attorney that obtains significant amount of cash (*5) or assets from the Accretech Group
6. Nor others as shown below
 - (1) Not a person from the company with which the Company has mutual directorship (*6)
 - (2) A person's spouse, relative within the second degree of kinship, relative living together or those who share a living are all applicable from 1. to 5. above
 - (3) Not having other significant conflicts of interest with the Company

Notes:

*1. Executive: Directors in charge of business execution, Executive officer and/or equivalent responsibilities

*2. Principal shareholder: shareholder who directly or indirectly owns over 10% of total voting rights

*3. Principal client/supplier: Client/supplier whose sales amount at previous fiscal year is over 2% of consolidated sales amount

*4. Principal lender: Lender that Accretech Group's outstanding loans payable at previous fiscal year is over 10% of total assets

*5. Significant amount of cash: over 10 million yen per year (in 3 years average) excluding directorship compensation

*6. Mutual directorship: A person from a Company that an Accretech Group employee (or ex-employee) is being appointed to as an external director

(Reference)

Structure of the Board of Directors (Skills Matrix, etc.)

	Age	External Director / Diversity*	Major past experience	Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Council
Hitoshi Yoshida	64		Measurement technology	○		
Ryuichi Kimura	61		Semiconductor sales	○		
Koichi Kawamura	66		Financial institutions	○		
Takahiro Hokida	62		Semiconductor technology	○		
Shuichi Tsukada	65		Metrology equipment production	○		
Romi Pradhan	55	●	Overseas subsidiary management	○		
Kiyoshi Takamasu	69	◎	Academic	○		○
Kazuya Mori	64	◎	Corporate management	○		○
Shinji Akimoto	60		Human resources	○	○	○
Yuriko Sagara	49	◎○	Attorney	○	○	○
Masaki Sunaga	62	◎	Certified public accountant/tax accountant	○	○	○
Motoko Kawasaki	63	◎○	Corporate management	○	○	○

Age: as of June 30, 2024

Independent External Director: ◎

Female: ○

Foreigner: ●

	Skills and Experiences								
	Corporate management / Management strategies	Industry knowledge	Technology / Intellectual property / Manufacturing	Sales / Marketing	International business / Global experiences	Accounting / Finance	Legal / Risk management	Personnel / Labor / Human resources development	IT / Information systems
Hitoshi Yoshida	○	○	○	○	○				○
Ryuichi Kimura	○	○		○	○				
Koichi Kawamura	○				○	○	○	○	
Takahiro Hokida		○	○	○	○				○
Shuichi Tsukada		○	○						
Romi Pradhan	○	○		○	○				
Kiyoshi Takamasu		○	○		○				
Kazuya Mori	○	○	○		○				
Shinji Akimoto							○	○	
Yuriko Sagara			○		○		○		
Masaki Sunaga	○					○	○		
Motoko Kawasaki	○						○		

This matrix represents the areas in which we expect each of them to have more expertise and play a more active role, based on their experience and other factors. This matrix does not represent all the knowledge and experience of each person

Proposal 4: Revision of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company was approved to be ¥480 million per year at the 98th Annual General Meeting of Shareholders (held on June 21st, 2021) (including a maximum of ¥70 million for External Directors). This amount has remained unchanged. Until now, within the scope of this remuneration, the Company has paid monetary remuneration consisting of basic remuneration (fixed remuneration paid regularly each month) and performance-linked bonuses (variable remuneration paid at a certain time each year that is linked to indicators set by the Company such as consolidated financial results). However, as we strive to expand our business performance and enhance corporate value over the medium- to long-term, performance-linked bonuses are expected to rise in line with advances with the current business performance. Accordingly, the Company proposes that the maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) be increased to ¥700 million yen per year (including a maximum of ¥70 million for External Directors).

An overview of the section on remuneration for officers (current policy) in the Basic Corporate Governance Policy is provided in the Business Report (pages 36 to 37) (Japanese version only). If Proposal 5 is approved, the Company plans to make changes to the contents (revised policy) provided in pages 21 to 22 below (Japanese version only) at a meeting of the Board of Directors after the conclusion of this Annual General Meeting of Shareholders. The Company has determined that this proposal is consistent with the current policy, and that the contents are necessary and reasonable for establishing the content of individual remuneration, etc. for Directors in line with the revised policy. The Company has further determined that the contents are appropriate as they were decided by the Board of Directors based on deliberation and reporting by the Company's Nomination and Compensation Council.

The remuneration for External Directors shall be basic remuneration only as before, in view of their responsibilities.

In addition, the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall not include the employee salary portion for Directors concurrently serving as employees, as before.

The current number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company is eight (8) (including two (2) External Directors). If Proposal 2 is approved as proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company will be eight (8) (including two (2) External Directors).

Proposal 5: Introduction of a Performance-linked Stock Compensation Plan for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

1. Reasons for the proposal and reasons it is deemed appropriate

The Company requests approval for this proposal to introduce this plan for the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) in association with the introduction of a new performance-linked stock compensation plan called the "Board Benefit Trust" (BBT), (hereinafter, "the Plan") for the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors), Executive Officers, as well as some Directors (excluding External Directors) and Executive Officers of the Company's subsidiaries and affiliated companies).

(The Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors), Executive Officers, as well as some Directors (excluding External Directors) and Executive Officers of the Company's subsidiaries and affiliated companies) who are subject to the Plan are hereinafter referred to as "Eligible Officers").

The purpose of this proposal is to raise awareness of contributing to an improvement in business performance and an increase in corporate value over the medium to long term by further clarifying the link between Director remuneration and the Company's business performance and share value, and enabling Directors to share not only the benefits of rising share prices but also the risks of declining share prices together with shareholders.

An overview of the section on remuneration for officers in the Basic Corporate Governance Policy is provided in the Business Report (pages 36 to 37) (Japanese version only). If this proposal is approved, the Company plans to make changes to the contents provided in pages 21 to 22 below (Japanese version only) at a meeting of the Board of Directors after the conclusion of this Annual General Meeting of Shareholders. The Company has determined that the contents of the performance-linked stock compensation based on this proposal are necessary and reasonable for establishing the content of individual remuneration, etc. for Directors in line with the revised policy. In addition, the Company has received a report from the Company's Nomination and Compensation Council confirming that the introduction of the Plan is appropriate, taking into account the purpose of the Plan and its effect on providing incentives for improving business performance over the medium to long term.

This proposal, separately from the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members; however, not including the employee salary portion for Directors concurrently serving as employees) (a maximum of ¥700 million per year including ¥70 million for External Directors) for which approval has been requested in Proposal 4, requests approval for specific methods of calculation and specific details of amounts of remuneration, etc., in order to pay remuneration to Directors based on the Plan. Details of the Plan will be left to the discretion of the Board of Directors within the framework of 2. below.

If Proposal 2 is approved as proposed, the number of the Company's Directors who will be subject to the Plan will be six (6).

Please refer to page 20 for the opinion of the Audit and Supervisory Committee regarding this proposal.

In addition, at the 98th Annual General Meeting of Shareholders held on June 21, 2021, the Company received approval for the maximum amount of remuneration, etc. relating to stock acquisition rights allotted as restricted stock and stock options to Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors) to be ¥300 million per year, separately from monetary remuneration, and for the maximum number of shares of restricted stock to be allotted to Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors) each fiscal year to be 8,000 shares. The Company also received approval for the maximum number of shares that may be granted by exercising stock acquisition rights allotted to Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors) to be 36,000 shares, as well as approval for the specific details of the restricted stock and stock acquisition rights. This has remained unchanged. However, subject to the approval of the proposal regarding the Plan, the remuneration limits for Directors pertaining to said restricted stock and stock acquisition rights will be abolished. Nonetheless, restricted stock and stock acquisition rights that have already been allotted to Directors shall remain in place.

2. Amounts of remuneration, etc. and specific calculation methods and details thereof pertaining to the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan in which shares of the Company are acquired through a trust (hereinafter, the trust established based on the Plan shall be referred to as "the Trust") with the source of funds consisting of money contributed by the Company, and in which the Company's shares and money equivalent to the amount of Company shares converted at market value (hereinafter, "Company Shares, etc.") are granted to Eligible Officers through the Trust in accordance with the Regulations Governing Share

Benefits for Officers established by the Company (defined in (6) below; hereinafter, the same shall apply). There are two types of grants under the Plan: “Grant 1” and “Grant 2.” As a general rule, the timing for Eligible Officers to receive the Company’s shares, etc. is at the time of retirement of the Eligible Officer for Grant 1 and at a certain time every year, in principle, for Grant 2.

(2) Persons subject to the Plan

The Company’s Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors), Executive Officers, as well as some Directors (excluding External Directors) and Executive Officers of the Company’s subsidiaries and affiliated companies designated by the Company

(3) Period of the Trust

From August 2024 (scheduled) until the conclusion of the Trust (no specific end date has been set for the Trust, and it will continue as long as the Plan continues. The Plan shall be terminated for reasons such as the delisting of shares or abolition of the Regulations Governing Share Benefits for Officers.)

(4) Trust amount

Subject to the approval of this proposal, for the three fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027 (hereinafter, the period of three fiscal years shall be referred to as “the Initial Applicable Period,” and the Initial Applicable Period and the period of three fiscal years starting from the end of the Initial Applicable Period shall be referred to as “the Applicable Period”). In order to introduce the Plan and grant the Company’s shares, etc. to Eligible Officers for each subsequent Applicable Period, the following amount of money will be contributed to the Trust as funds for the acquisition of Company shares by the Trust.

Firstly, the Company shall contribute an amount of money equivalent to the amount expected to be needed for the Initial Applicable Period to establish the Trust at the time of the Trust’s establishment (scheduled for August 2024). As stated in (6) below, since the maximum number of points to be granted to Eligible Officers under the Plan is 200,000 points per Applicable Period (including 120,000 points for the Company’s Directors), the funds reasonably expected to be needed to acquire a maximum of 200,000 shares, taking into account the closing price of the common stock of the Company in ordinary trading on the Tokyo Stock Exchange immediately prior to the time of establishment of the Trust, shall be contributed to the Trust. For reference, if the closing price of ¥10,815 is applicable on May 17, 2024, the funds needed as described above will be approximately ¥2,163 million.

Even after the Initial Applicable Period, the Company shall reasonably estimate the number of shares to be granted to Eligible Officers under the Plan, and contribute additional funds recognized as being required for the precedent acquisition thereof by the Trust for, in principle, each Applicable Period until the termination of the Plan. Provided, however, that, where additional contributions are to be made and where Company shares which remains in the trust assets (excluding Company shares that are equivalent to the number of points granted to Eligible Officers in connection with each Applicable Period up to the immediately preceding Applicable Period and that have not yet been granted to Eligible Officers) and money (hereinafter, the Company shares and money are collectively referred to as “Residual Shares etc.”) exist, the Residual Shares etc., shall be allocated to fund benefits to be granted under the Plan in subsequent Applicable Periods and the amount of additional contributions shall be calculated upon taking the Remaining Shares etc. into account. Any decision made by the Company to make additional contributions shall be disclosed in a timely and appropriate manner.

Note: Money actually contributed to the Trust by the Company shall be the sum of funds to acquire shares as mentioned above and the estimated amount of necessary costs to be incurred for trust fees and other expenses.

(5) Method by which Company shares shall be acquired by the Trust and the number of shares to be acquired

The acquisition of Company shares by the Trust shall be funded by funds contributed in accordance with (4) above and shall be carried out through a stock exchange or by accepting the disposition of the Company’s treasury shares.

As the maximum number of points granted to Eligible Officers is, as stated in (6) below, 200,000 per Applicable Period, the maximum number of Company shares to be acquired by the Trust during each Applicable Period is 200,000 shares. Details regarding the acquisition of Company shares by the Trust shall be disclosed in a timely and appropriate manner.

(6) Maximum number of Company shares etc. to be granted to Eligible Officers

For each fiscal year, Eligible Officers shall be granted points determined by position, etc., for Grant 1, and points determined in accordance with the degree of achievement of performance targets for the business performance for each fiscal year and the Mid-Term Business Plan, in accordance with the Regulations Governing Share Benefits for Officers (Grant 1) and Regulations Governing Share Benefits for Officers (Grant 2) (hereinafter collectively referred to as "Regulations Governing Share Benefits for Officers"). The total number of points for each Applicable Period shall be a maximum of 200,000 points (including 120,000 points for the Company's Directors). This has been determined by comprehensively taking into account the current level of remuneration being paid to Officers, trends in and projections concerning the number of Eligible Officers, and other factors, and has been deemed appropriate.

Points granted to Eligible Officers shall be converted at a rate of one share of the Company's common stock upon the grant of Company Shares, etc., as stated in (7) below (however, in the event that, after this proposal is approved, the Company shares are subject to, among other possibilities, a share split, allotment of shares without contribution, or reverse stock split, the maximum number of points, number of points already granted, or conversion rate may be reasonably adjusted in accordance with this ratio or other factors).

The ratio of 2,000 voting rights related to shares corresponding to the maximum number of points per Applicable Period granted to Eligible Officers to the 403,258 voting rights related to the total number of issued shares (as of March 31, 2024) is approximately 0.5%.

The number of points for Eligible Officers that serve as the basis for the granting of Company shares etc. as provided for in (7) below shall be, in principle, the number of points granted to the Eligible Officer by the time of retirement for Grant 1, and the number of points for which three years have lapsed since the date that points were granted to the Eligible officer for Grant 2 (hereinafter, points calculated accordingly shall be referred to as the "Confirmed Number of Points").

(7) Specific calculation method for the granting of Company Shares, etc. and the amount of remuneration, etc.

For Grant 1, an Eligible Officer who retires and satisfies the beneficiary requirements stipulated in the Regulations Governing Share Benefits for Officers (Grant 1) shall, in principle, receive a number of Company shares from the Trust in accordance with the Confirmed Number of Points stipulated in accordance with (6) above, following the Eligible Officer's retirement, by carrying out prescribed beneficiary confirmation procedures. Provided, however, that, where requirements as prescribed in the Regulations Governing Share Benefits for Officers (Grant 1) are satisfied, for a certain percentage, a monetary benefit equivalent to the market value of Company shares shall be received in lieu of Company shares. In some cases, the Trust may sell Company shares in order to provide a monetary benefit.

For Grant 2, an Eligible Officer who retires and satisfies the beneficiary requirements stipulated in the Regulations Governing Share Benefits for Officers (Grant 2) shall, in principle, be granted a number of Company shares from the Trust in accordance with the Confirmed Number of Points stipulated in accordance with (6) above, at a certain time each year by carrying out prescribed beneficiary confirmation procedures. In some cases, the Trust may sell Company shares in order to provide a monetary benefit.

In addition, if an Eligible Officer resigns because of certain unlawful acts committed during the term of office, or commits an inappropriate act that may cause damage to the Company during the term of office, that person, by resolution of the Board of Directors, may not be granted all or part of the points. In addition, if an Eligible Officer who has been granted points resigns because of certain unlawful acts committed during the term of office, or commits an inappropriate act that may cause damage to the Company during the term of office, that person, by resolution of the Board of Directors, may lose the right to acquire all or part of the points.

The amount of remuneration, etc. received by Eligible Officers shall be based on the sum of the total number of points granted to Eligible Officers multiplied by the book value per share of the Company's shares held by the Trust at the time that points are granted (however, in the event that the Company shares are subject to, among other possibilities, a share split, allotment of shares without contribution, or reverse stock split, this ratio may be reasonably adjusted).

In addition, in the event that money is provided exceptionally in accordance with the provisions of the Regulations Governing Share Benefits for Officers, that amount shall be added to said money if deemed appropriate.

(8) Exercise of voting rights

In accordance with the instructions of the trust administrator, voting rights pertaining to Company shares in

the Trust Account shall not be exercised in any manner. The applicable method is intended to ensure neutrality in terms of the impact of the exercising of voting rights pertaining to Company shares in the Trust Account on the management of the Company.

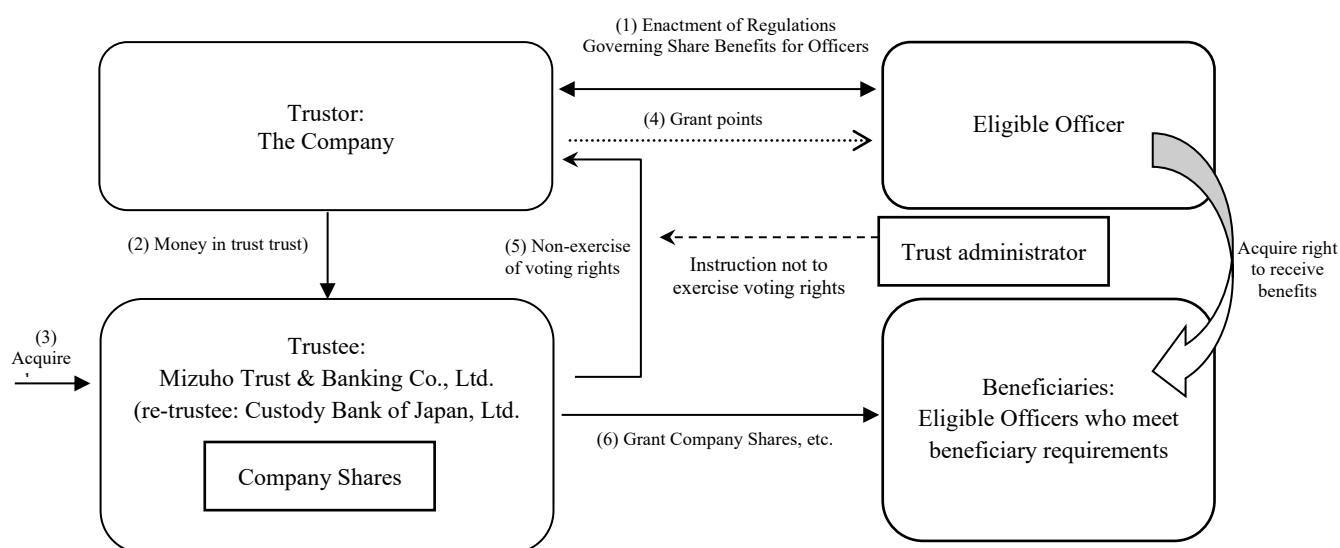
(9) Treatment of dividends

Dividends related to Company shares in the Trust Account shall be received by the Trust and be applied to the acquisition price of Company shares and the trust fees for the trustee as they relate to the Trust. In the event that the Trust is terminated, dividends etc. remaining in the Trust shall be distributed to Eligible Officers in office at the time of the termination of the Trust on a pro rata basis in relation to the number of points each Eligible Officer holds, in accordance with the provisions of the Regulations Governing Share Benefits for Officers.

(10) Treatment upon the termination of the Trust

The Trust shall be terminated in the event that the Company’s shares are delisted, the Regulations Governing Share Benefits for Officers are abolished, or other similar circumstance. Of the residual assets of the Trust at the time of its termination, all Company shares are to be acquired free of charge and canceled by a resolution by the Board of Directors. Of the residual assets of the Trust at the time of the termination of the Trust, the remaining amount after money is paid to Eligible Officers in accordance with (9) above shall be paid to the Company.

<Reference: Workings of the Plan>



- (1) The Company enacts the Regulations Governing Share Benefits for Officers within the scope of the framework approved in accordance with this proposal.
- (2) The Company places money in trust within the scope approved in accordance with this proposal.
- (3) The Trust acquires Company shares using money entrusted in (2) as the source of funds either through the stock market or by underwriting the disposition of treasury stock.
- (4) The Company grants points to Eligible Officers in accordance with the Regulations Governing Share Benefits for Officers.
- (5) The Trust exercises the voting rights pertaining to the Company shares in the trust account in accordance with instructions from a trust administrator independent from the Company.
- (6) The Trust provides Eligible Officers who satisfy the requirements for beneficiaries stipulated in the Regulations Governing Share Benefits for Officers (hereinafter, “Beneficiaries”) with Company shares equivalent to the number of points granted to said Beneficiaries. Provided, however, that an Eligible Officer who satisfies the requirements stipulated in the Regulations Governing Share Benefits for Officers be paid money equivalent to the market value of Company shares for a certain percentage of points.

Policies and Procedures for the Board of Directors to Determine Remuneration for Management Executives and Directors (following revisions)

(1) Basic Policy

- 1) The purpose of the Board of Directors is to function appropriately to realize the corporate philosophy.
- 2) The remuneration system shall be based on the roles, responsibilities and results of each officer.
- 3) The Board of Directors shall create a remuneration system that provides a motivation to improve business performance and enhance corporate value and shareholder value over the medium to long term.
- 4) The Board of Directors shall conduct timely and appropriate reviews based on economic conditions, the Company's performance, and external surveys, etc.
- 5) The decision-making process shall be highly objective and transparent.

(2) Remuneration System

- 1) Remuneration for Directors who are not Audit and Supervisory Committee Members or Outside Directors (hereinafter, "Directors in charge of business execution") shall consist of "basic remuneration," which is fixed remuneration, and "performance-linked bonuses" and "stock compensation," which is variable remuneration.
- 2) Remuneration for Audit and Supervisory Committee Members and Outside Directors shall be "basic remuneration" only in view of their responsibilities in supervising and auditing business execution.
- 3) The "basic remuneration" paid to Directors shall be fixed monetary remuneration paid on a monthly basis during the term of office. The total annual payment amount, including basic remuneration and performance-linked bonuses, shall be within the maximum amount approved at the General Meeting of Shareholders. "Basic remuneration" is paid to each Director based on the standard amount of remuneration by position (*1).

(*1) Standard amount of remuneration by position: The amount of remuneration is based on the remuneration ratio determined in accordance with position, with the President as the standard, and is formulated by the Remuneration Proposal Review Committee and determined by the Nomination and Compensation Council.

- 4) Performance-linked bonuses paid to Directors responsible for business execution shall be short-term performance-linked monetary compensation paid at a fixed time every year during the term of office. The total annual payment amount, including basic remuneration and performance-linked bonuses, shall be within the maximum amount approved at the General Meeting of Shareholders. Performance-linked bonuses paid to individual Directors responsible for business execution shall be calculated using the following formula:

Amount of basic bonus payment (*2) x Corporate performance coefficient (*3) x Company performance coefficient (*4)

(*2) Amount of basic bonus payment: Consolidated net income x 1% x basic remuneration ratio

Basic remuneration ratio: Ratio of each Director's basic remuneration to the total amount of basic remuneration for Directors responsible for business execution

(*3) Corporate performance coefficient: Coefficient corresponding to the achievement status of the annual operating profit plan

Less than +/-10% of the plan: 1; +10% or more and less than 30%: 1.1; +30% or more and less than 50%: 1.2; +50% or more: 1.3

-30% or more and less than -10%: 0.9; -50% or more and less than -30%: 0.8; less than -50%: 0.7

(However, if there is a decrease in profit compared to the previous year, the value will be less than 1)

(*4) Company performance coefficient: Comprehensive evaluation of company performance and outstanding

achievements in other matters (0.9 - 1.1)

- 5) Stock compensation paid to Directors responsible for business execution is provided as a medium- to long-term incentive that allows the Company to share profits with shareholders. Stock compensation consists of Grant 1 and Grant 2. Points shall be granted to Directors based on the Regulations Governing Share Benefits for Officers, and if certain requirements are met, each point shall be converted into one share of the Company's shares, etc. in accordance with the number of shares held. The total number of points granted to Directors of the Company shall be within the maximum approved at the General Meeting of Shareholders. Points granted to individual Directors responsible for business execution shall be calculated as follows for each of Grant 1 and Grant 2.

A. Grant 1: Points determined by position (*5)

B. Grant 2: Points determined by position (*5) x capital efficiency coefficient (*6) x ESG coefficient (*7) x Medium-term performance coefficient (*8)

(*5) Points determined by position: Formulated by the Remuneration Proposal Review Committee and determined by the Nomination and Compensation Council taking into account the amount of standard remuneration by position

(*6) Capital efficiency coefficient: Average consolidated ROE for the most recent three fiscal years: 15% or more: 1.2; 10% or more and less than 15%: 1; less than 10%: 0.8

(*7) ESG coefficient: Evaluation of the status of initiatives toward ESG activities (evaluation by the Nomination and Compensation Council: 0.9 - 1.1)

(*8) Medium-term performance coefficient: Coefficient corresponding to the achievement status of medium-term operating profit targets

Basic coefficient: 1; when medium-term operating profit target is achieved: 2

(3) Remuneration decision-making process

- 1) The Board of Directors shall establish a Remuneration Proposal Review Committee comprising the Representative Director and some of the Directors, and shall commission the Committee to formulate a proposal for a remuneration system and proposals for position-based remuneration standards, etc. for Directors' remuneration.

■ Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee has considered the election and remuneration of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereafter), including confirmation of the deliberations, etc. by the Nomination and Compensation Council.

The election of Directors is determined after evaluating each candidate's status of business execution and performance during the fiscal year under review, statements made at the Board of Directors meetings, and career history, etc. In addition, remuneration for Directors is determined following consideration of the level and structure of remuneration, as well as the specific method of calculating the amount of remuneration, etc.

The Audit and Supervisory Committee has determined that the procedures for determining the election and remuneration of Directors are appropriate and that the contents are appropriate.

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