

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6235

March 9, 2023

To our shareholders:

Bin Fan  
Representative Director and President/CEO  
**Optorun Co., Ltd.**  
Registered head office:  
10-1, Takeno, Kawagoe-shi, Saitama  
Tokyo office (headquarters):  
11th Floor, Metropolitan Plaza Building,  
1-11-1, Nishi-Ikebukuro, Toshima-ku, Tokyo

### **Notice of the 24th Annual General Meeting of Shareholders**

We hereby announce that the 24th Annual General Meeting of Shareholders of Optorun Co., Ltd. (the “Company”), which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which the measures for providing information in electronic format will be taken) in electronic format, and posts this information on the Company’s website. Please access the website by using the Internet address shown below to review the information.

The Company’s website: <https://www.optorun.co.jp> (in Japanese only)  
(From the above website, select “Investor Relations,” “IR Library,” and then “Annual General Meeting of Shareholders.”)

In addition to posting items subject to measures for electronic provision on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE) and the website for posted Informational Materials for the General Meeting of Shareholders shown below.

TSE website (Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)  
(To access this information, access the TSE website by using the Internet access given above, enter the issue name (company name) “Optorun” or the Company’s securities code “6235,” click “Search,” and then click “Basic information,” select “Documents for public inspection/PR information,” and click “Notice of Annual General Meeting of Shareholders/Informational Materials for the General Meeting of Shareholders” under “Documents for public inspection.”)

Website for posted Informational Materials for the General Meeting of Shareholders  
<https://d.sokai.jp/6235/teiji/> (in Japanese only)  
(Access the website given above.)

As a measure to prevent infection with the novel coronavirus disease (COVID-19), continuing from the previous year, we have made arrangements to hold the meeting at an on-site venue this time, and at the same time, as a hybrid participatory virtual general meeting of shareholders via the Internet, so that shareholders can watch the meeting. The Company will implement thorough infection control measures and place the highest priority on preventing any unforeseen infection of shareholders. Accordingly, we have decided to limit the number of shareholders who can enter the venue to 15, and we kindly request that you view the presentation online via the Internet if at all possible. In such cases, you may exercise your voting rights by any of the methods described below.

If you are unable to attend the meeting due to the limited number of attendees at the venue, you may also exercise your voting rights either by proxy using the form provided at the venue or by one of the following methods.

[Exercising your voting rights in writing]

Please indicate your approval or disapproval of the proposals in the voting form, and then return the form to the Company by postal mail so that your vote is received by 5:30 p.m. on Monday, March 27, 2023 (JST).

[Exercising voting rights via the Internet, etc.]

Please review the “Guide to Exercising Voting Rights via the Internet, etc.” (available in Japanese only) on this notice, and enter your approval or disapproval of the proposals by 5:30 p.m. on Monday, March 27, 2023 (JST).

[Gifts for Shareholders]

Please be aware that there will be no gifts for shareholders who attend the meeting.

- 1. Date and Time:** Tuesday, March 28, 2023, at 10:00 a.m. (JST)  
(Reception is scheduled to open at 9:00 a.m.)
- 2. Venue:** Marigold Room, 3rd Floor, Kawagoe Prince Hotel  
1-22, Shintomi-cho, Kawagoe-shi, Saitama

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 24th fiscal year (from January 1, 2022 to December 31, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Board of Auditors
2. The Non-consolidated Financial Statements for the 24th fiscal year (January 1, 2022 to December 31, 2022)

#### **Matters to be resolved:**

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Appropriation of Surplus  |
| <b>Proposal No. 2</b> | Partial Amendments to the Company’s Articles of Incorporation   |
| <b>Proposal No. 3</b> | Election of Seven Directors   |
| <b>Proposal No. 4</b> | Determination of Remuneration for Directors to Grant Performance-Conditions Restricted Shares Thereto |

If neither approval nor disapproval of each proposal is indicated on the voting form when you exercise your voting rights in writing (by mail), the Company will deem that you indicated your approval of the proposal.

If you exercise your voting rights via the Internet more than once, your final votes shall prevail.

If you exercise your voting rights by two different means, that is, via the Internet as well as in writing (by mail), votes via the Internet shall prevail regardless of the arrival date and time.

If you attend the meeting, we ask for your cooperation in taking measures to prevent infection, such as wearing a face mask, disinfecting, maintaining social distancing, and refraining from conversation. Also, please submit the voting form to the venue reception when attending the meeting.

If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's aforementioned website, the TSE website and the website for posted Informational Materials for the General Meeting of Shareholders.

## Guide to the 24th Annual General Meeting of Shareholders

In order to prevent the spread of the novel coronavirus disease (COVID-19), the Company will implement the following measures regarding the holding and operation of this meeting. With respect to this meeting, as preventing infection of our shareholders is a top priority, we strongly recommend that you refrain from attending the meeting on site if at all possible, and exercise your voting rights in advance by mail or via the Internet.

### 1. Limitation on the number of on-site attendees on the day of the meeting (in-advance registration required)

We will limit the number of shareholders who can attend the Annual General Meeting of Shareholders on site to 15.

Please note that in-advance application is required for those who wish to attend the meeting in person. Shareholders who apply will be contacted by the Company. Please note that if the number of applicants exceeds 15, we will not be able to accept your on-site attendance. If you plan to attend the meeting on site, please do so only after the Company contacts you to confirm that you are able to attend the meeting.

\* Application period: Monday, March 20, 2023 and Wednesday, March 22, 2023 - Friday, March 24, 2023

\* Application time: 9:00 a.m. - 5:30 p.m. (JST)

\* Application method

Application address	soukai-info@optorun.co.jp
Email subject (shareholder number is indicated on the voting form)	Application for on-site attendance – ●●●● (shareholder number)
Email body	Name (full name) and contact information

If you do not have an email address, please contact us at +81-3-6635-9487. (The application deadline will be the same as when you apply by e-mail.)

\* Please note that in-advance applications will be closed when the maximum number of participants (15) is reached.

If you enter the meeting venue, please be sure to take measures to prevent infection, such as wearing a face mask, disinfecting, maintaining social distance, limiting conversations.

\* Please note that we will not be able to accept entrance to the meeting venue for shareholders who have not applied in advance.

### 2. Guide to the hybrid participatory virtual General Meeting of Shareholders

The Company will introduce a “hybrid participatory virtual General Meeting of Shareholders” (hereinafter referred to as “the virtual General Meeting of Shareholders”), to allow shareholders to participate in the meeting from remote locations via the Internet, etc., without traveling to the meeting venue.

We strongly recommend that you attend the virtual General Meeting of Shareholders, and if you wish to do so, please confirm the following items.

[1] What is the virtual General Meeting of Shareholders?

- (1) This is an option for shareholders who will not attend the meeting on site to watch the meeting via a live video streamed on the “Shareholders Website” using their shareholder ID and password.
- (2) While you will not be able to exercise your voting rights, ask questions or make proposals under the Companies Act through the virtual General Meeting of Shareholders, you will be able to send your questions while watching the live video. Please note that while we will try to answer primarily the most asked questions, we cannot guarantee that we will be able to answer all of your questions.
- (3) We will also not be able to respond to questions sent by means described above if they fall under the following categories:
  - (i) Questions that are not relevant to the purpose of the General Meeting of Shareholders
  - (ii) Questions that violate personal privacy or are defamatory
  - (iii) Questions of unclear purpose
  - (iv) Questions that do not comply with “[2], (3)” below
  - (v) Other questions that are in conflict with laws and regulations or that are considered inappropriate

[2] Participation procedure

- (1) Shareholders who wish to participate in the meeting through the virtual General Meeting of Shareholders should enter their ID (shareholder number) and password as described at “[4]” below on the “Shareholders Website” described at “[5]” below.
- (2) Shareholders participating in the virtual General Meeting of Shareholders do not count as attending the meeting as defined in the Companies Act.  
Therefore, since you will not be able to exercise your voting rights on the day of the meeting in the virtual General Meeting of Shareholders, please exercise your voting rights in writing or via the Internet by 5:30 p.m. on Monday, March 27, 2023 (JST).
- (3) Please limit each question to 300 characters.
- (4) Please ask your questions in Japanese only.
- (5) Proposals cannot be submitted with questions.
- (6) Please note that while we will try to answer primarily the most asked questions, we cannot guarantee that we will be able to answer all of your questions.

[3] Others

- (1) Please note that video and audio may be distorted or temporarily interrupted due to system failure or poor communication environment.
- (2) Any and all expenses for communication equipment, Internet connection fees, and communication costs required for participation in the virtual General Meeting of Shareholders will be borne by the shareholders.
- (3) Please note that the Company will not be responsible for any damage suffered by shareholders due to poor communication environment or system failures.
- (4) Only shareholders of shares constituting one unit who are registered in the Company’s register of shareholders (as of December 31, 2022) are eligible to participate in the virtual General Meeting of Shareholders. Please refrain from participating if you are not a said shareholder of the Company.
- (5) Please be aware that although we are making every effort to ensure that you are able to participate in the virtual General Meeting of Shareholders, you may not be able to participate due to unforeseen circumstances such as deterioration of the communication environment or system failure, and that the meeting may be cancelled depending on the circumstances.

[4] ID and password

ID	Shareholder number (the 9-digit half-width-character number shown on the voting form) *Please be sure to have your shareholder number handy before you mail in your voting form.
Password	Postal code (the 7-digit half-width-character number of the postal code of the shareholder’s registered address <u>as of December 31, 2022</u> ) (For overseas shareholders, the 7-digit half-width-character number of the postal code of the registered address of the standing proxy or domestic mailing address (domestic mailing address will be prioritized in the case that both are applicable) as of December 31, 2022)

[5] Shareholders Website

Address <https://6235.ksoukai.jp>

■For inquiries about watching the live video

Phone number: +81-3-4314-1706

Date and time for inquiries: Monday, March 27, 2023, from 9:00 a.m. to 9:00 p.m. (JST), and Tuesday, March 28, 2023, from 9:00 a.m. (JST) to the end of the General Meeting of Shareholders

### 3. Operation on the day of the meeting

- We will limit the number of shareholders who can attend the Annual General Meeting of Shareholders on site to 15.
- We will ask all shareholders who attend the meeting on site to wear face masks. Please note that we will not be able to accept entrance to the meeting venue if you do not wear a face mask. Note that until COVID-19 is reclassified to “Class V” under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases, we will continue to take the same infection prevention measures we have been practicing up till now.
- Alcohol disinfectant will be available at the entrance of the venue.
- On the day of the meeting, we will measure your body temperature upon entry to the venue, and if you have a fever of 37.5 degrees Celsius or higher, you will not be allowed to enter. Even if your body temperature is below 37.5 degrees Celsius, we may refuse admission if you show symptoms such as coughing.
- During the Q&A session, the Company employees will sanitize the wireless microphone each time it is used.
- The air conditioning will be set to take in about 30 percent of the outside air.
- As a general rule, we will wear face masks when answering your questions inside the hotel.
- Please note that acrylic panels will be placed in front of the podium and between each of the executives’ seats.
- The proceedings of the General Meeting of Shareholders will be conducted in as short a time as possible to ensure smooth progress.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company considers the return of profit to shareholders a top priority of management and operates under the basic policy to pay stable dividends while giving full consideration to matters including future business development. Accordingly, the Company proposes to pay year-end dividends for the 24th fiscal year as follows:

#### Year-end dividends

- (1) Type of dividend property  
To be paid in cash.
- (2) Allotment of dividend property and the aggregate amount thereof  
The Company proposes to pay a dividend of ¥50 per common share of the Company.  
In this event, the total dividends will be ¥2,174,241,300.
- (3) Effective date of dividends of surplus  
The effective date of dividends will be March 29, 2023.

**Proposal No. 2** Partial Amendments to the Company's Articles of Incorporation

1. Reasons for the Amendment

In order to strengthen the business foundation, the location of the registered head office as stipulated in Article 3 of the current Articles of Incorporation will be changed from Kawagoe-shi, Saitama to Tsurugashima-shi, Saitama, effective April 1, 2023.

2. Details of the Amendment

Details of the proposed amendments are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
Article 3 (Registered Head Office) The Company shall have its registered head office in <u>Kawagoe-shi</u> , Saitama.	Article 3 (Registered Head Office) The Company shall have its registered head office in <u>Tsurugashima-shi</u> , Saitama.

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.

**Proposal No. 3** Election of Seven Directors

The terms of office of all seven Directors will expire at the conclusion of this meeting. The Company proposes to elect seven Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Ihei Hayashi (February 27, 1957)	Feb. 1981      Joined Shanghai Semiconductor Device Laboratory Apr. 1993      Joined Tokyo Electronic Metallurgy Laboratory (current TDY Inc.) Aug. 2000      Joined the Company May 2001      Executive Officer and General Manager of Production Technology Division and General Manager of Production Department June 2001      Director Nov. 2003      Managing Director, Senior Executive Officer, General Manager of Production and Technology Department, and General Manager of Component Preparation Office Mar. 2006      Director Apr. 2006      Director and Senior Executive Officer May 2006      President of OPTORUN (SHANGHAI) CO., LTD. Apr. 2013      Vice Chairman of OPTORUN (SHANGHAI) CO., LTD. Oct. 2013      Chairman of OPTORUN TAIWAN CO., LTD. (current position) Mar. 2014      Representative Director and President/CEO of the Company Aug. 2016      President of OPTORUN (SHANGHAI) TRADING CO., LTD. (current position) Apr. 2017      Representative Director and President/CEO, and General Manager of Production Management Department of the Company Sept. 2018      Representative Director and President/CEO Mar. 2019      Chairman of OPTORUN (SHANGHAI) CO., LTD. (current position) Mar. 2022      Director and Chairman of the Company (current position)	770,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Bin Fan (November 21, 1972)	<p>Sept. 1994      Joined Shanghai Institute of Technical Physics, Chinese Academy of Sciences</p> <p>Feb. 2000      Joined the Company</p> <p>Apr. 2008      General Manager of Technical Development Department</p> <p>Apr. 2013      Executive Officer and General Manager of Technical Development Department</p> <p>Mar. 2014      Director, Executive Officer and General Manager of Technical Development Department</p> <p>Aug. 2014      Director and CEO of Oporun USA, INC. (current position)</p> <p>Mar. 2017      Managing Executive Officer and General Manager of Technical Development Department of the Company</p> <p>Aug. 2017      Chairman of Zhejiang Shochi Optronics Technology Co., Ltd. (current position)</p> <p>Sept. 2018      Managing Executive Officer and General Manager of Technical Development Division of the Company</p> <p>Mar. 2019      Director, Senior Managing Executive Officer and General Manager of Technical Development Division</p> <p>Mar. 2019      Director of OPTORUN TAIWAN CO., LTD. (current position)</p> <p>Dec. 2020      Director of Afly solution Oy (current position)</p> <p>Mar. 2021      Director of OPTORUN (SHANGHAI) CO., LTD. (current position)</p> <p>Mar. 2022      Representative Director and President/CEO and General Manager of Technical Development Division of the Company (current position)</p> <p>Certificates: Doctor of Engineering</p>	439,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Mitsuo Yamada (December 29, 1966)	<p>Apr. 1990      Joined The Bank of Tokyo, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jan. 2011      Chief Manager of Strategic Business Development Group, Asia &amp; Oceania Planning Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>June 2013      Seconded to VietinBank (Hanoi) in Vietnam, Co-Director of Financial Planning Division</p> <p>July 2015      Seconded to Mitsubishi UFJ Securities Holdings Co., Ltd., General Manager of Human Resources Division and Global HR Office</p> <p>May 2017      Managing Director of Global Financial Crimes Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>Mar. 2020      Seconded to the Company, General Manager of Management Department of the Company</p> <p>Jan. 2021      Executive Officer of the Company</p> <p>Mar. 2021      Director &amp; Executive Officer, General Manager of Corporate Management Department (current position)</p> <p>Mar. 2021      Director of OPTORUN TAIWAN CO., LTD.</p> <p>Mar. 2021      Director of Optorun USA, INC. (current position)</p> <p>Dec. 2021      Auditor of OPTORUN TAIWAN CO., LTD. (current position)</p> <p>Certificates: MBA, U.S. Certified Management Accountant</p>	6,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Min Rin (December 7, 1961)	Apr. 1984 Deputy Director of Zhejiang Crystal Factory Apr. 1993 President of Taizhou Wote Electronics Co., Ltd. Apr. 1997 Vice President of Zhejiang Crystal Electronics Group Co., Ltd. Aug. 2002 Chairman of Zhejiang Crystal-Optech Co., Ltd. (current position) Mar. 2018 Outside Director of the Company (current position) (Significant concurrent positions outside the Company) Chairman of Zhejiang Crystal-Optech Co., Ltd.	-
5	Naoko Yamazaki (December 27, 1970)	Apr. 1996 Joined the National Space Development Agency of Japan (current Japan Aerospace Exploration Agency (JAXA)) Apr. 2010 Engaged in the assembly and resupply mission to the International Space Station Aug. 2011 Resigned from JAXA Apr. 2012 Visiting Professor of Ritsumeikan University (current position) July 2012 Member of the Committee on National Space Policy under the Cabinet Office May 2013 Visiting Professor of Joshibi University of Art and Design (current position) July 2015 Director of the Japanese Rocket Society and Chairman of the "Sorajo" Board (current position) Apr. 2016 Specially Appointed Associated Professor, Graduate School of Advanced Integrated Studies in Human Survivability of Kyoto University Sept. 2017 Outside Director of the Company (current position) June 2018 Outside Director of Topcon Corporation (current position) July 2018 Representative Director of Space Port Japan Association (current position) June 2020 Outside Director of FANUC CORPORATION (current position) Oct. 2022 Project Professor of Keio University Global Research Institute (current position) (Significant concurrent positions outside the Company) Outside Director of Topcon Corporation Outside Director of FANUC CORPORATION Project Professor of Keio University Global Research Institute	-

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Tadashi Takiguchi (April 3, 1962)	<p>Apr. 1986      Joined Nomura Securities Co., Ltd.</p> <p>Nov. 1997      Senior Managing Director of Windmark Investment Advisors Co., Ltd.</p> <p>July 2002      Representative Director of Accel Investment Co., Ltd.</p> <p>Dec. 2005      President and Representative Director of WERU Investment Co., Ltd. (current position)</p> <p>Apr. 2011      Part-time lecturer of Waseda Business School</p> <p>May 2012      Representative Project Promoter of the START project of the Ministry of Education, Culture, Sports, Science and Technology (current the START program of the Japan Science and Technology Agency)</p> <p>July 2014      Director of Japan Venture Capital Association</p> <p>Apr. 2017      Visiting Professor of Waseda University (current position)</p> <p>June 2020      Director of Faith, Inc. (current position)</p> <p>Oct. 2020      Director of VALUENEX Japan Inc. (current position)</p> <p>Mar. 2022      Outside Director of the Company (current position)</p> <p>Certificates: Ph.D. (International Business Management) (Significant concurrent positions outside the Company)</p> <p>President and Representative Director of WERU Investment Co., Ltd.</p> <p>Visiting Professor of Waseda University</p> <p>Director of Faith, Inc.</p> <p>Director of VALUENEX Japan Inc.</p>	-

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Mikiko Shimaoka (February 4, 1969)  [Newly appointed]	<p>Apr. 1994      Joined Greenpeace Japan (Specified non-profit corporation)</p> <p>Apr. 2001      Campaign Director of Greenpeace Japan (Specified non-profit corporation)</p> <p>Apr. 2008      Full-time contract employee of Waseda University (Research Promotion Division)</p> <p>Apr. 2011      Associate Researcher of Governance and Capacity Group of Institute for Global Environmental Strategies (IGES)</p> <p>Oct. 2011      Research Associate of WBS Research Center of Research Institute of the Faculty of Commerce of Waseda University</p> <p>Apr. 2014      Assistant Professor of Center for Research Strategy of Waseda University</p> <p>Apr. 2016      Associate Professor of Center for Research Strategy and Deputy General Manager of WASEDA-EDGE Global Talent Development Program of Waseda University</p> <p>Apr. 2019      Professor of Graduate School of Political Science Public Management Major of Faculty of Political Science and Economics, Concurrently Researcher of Research Innovation Center, and General Manager of WASEDA-EDGE Global Talent Development Program of Waseda University</p> <p>Apr. 2019      Professor of School of Health Innovation of Kanagawa University of Human Services (current position)</p> <p>Sept. 2021      Professor of Research Strategy Section of Research Innovation Center of Waseda University (current position)</p> <p>Certificates: Ph.D. (Public Management) (Significant concurrent positions outside the Company) Professor of Waseda University</p>	-

- Notes:
- The number of the Company's shares held is the number of shares as of February 21, 2023.
  - There is no special interest between any of the candidates and the Company.
  - WERU Investment Co., Ltd., where Tadashi Takiguchi serves as President and Representative Director, is an unlimited liability partner of the Waseda Investment Limited Partnership, in which the Company invests. However, there are no significant matters in light of the scale and nature of the transaction.
  - For five years since 2017, the Company made an annual donation of ¥10 million to Waseda University, where Tadashi Takiguchi serves as Visiting Professor. However, there are no significant matters in light of the scale and nature of the transaction.
  - For five years since 2017, the Company made an annual donation of ¥10 million to Waseda University, where Mikiko Shimaoka serves as Professor. However, there are no significant matters in light of the scale and nature of the transaction.
  - Min Rin, Naoko Yamazaki, Tadashi Takiguchi, and Mikiko Shimaoka are candidates for outside Director.
  - Matters regarding candidates for Director (excluding outside Directors)
- Reasons for nomination as candidate for Director
- Ihei Hayashi has led all facets of business at the Company as Representative Director, President/CEO, and Director and Chairman, and he has driven the growth of business at the Company. The Company nominates Ihei Hayashi as a candidate for Director of the Company so that his extensive experience, performance and knowledge related to corporate management may contribute to the management of the Company.
- Bin Fan has led all facets of business at the Company and the technical development of the whole Company as Representative Director and President/CEO, and General Manager of Technical Development Division. The Company nominates Bin Fan as a candidate for Director of the Company so that his extensive experience and performance may contribute to the management of the Company.

Mitsuo Yamada has many years of experience in key positions in the administrative departments, etc. of financial institutions. In addition, he has led the corporate management of the Company as Director and Executive Officer. The Company nominates Mitsuo Yamada as a candidate for Director of the Company so that his extensive experience, performance, high-level of expertise in finance and accounting as well as his knowledge related to corporate management may contribute to the management of the Company.

8. Matters regarding candidates for outside Director

Reasons for nomination as candidate for outside Director and outline of expected roles

Min Rin is Chairman of the Board of Zhejiang Crystal-Optech Co., Ltd., which is a shareholder of the Company, and he possesses extensive experience and a high-level of knowledge in corporate management. The Company nominates Min Rin as a candidate for outside Director of the Company so that it can continue to utilize his precise advice related to the management of the Company, making the best use of his experience and insight and from professional perspectives. Min Rin is currently outside Director of the Company, and at the conclusion of this meeting, his tenure as outside Director will have been five years.

Naoko Yamazaki has no experience of being directly involved in corporate management other than as an outside director, but she possesses experience as an astronaut and broad knowledge and insight into aerospace engineering. The Company nominates Naoko Yamazaki as a candidate for outside Director of the Company so that it can continue to expect her to contribute to the management of the Company, making the best use of her experience and insight and from professional perspectives on astronautics and corporate management. Naoko Yamazaki is currently outside Director of the Company, and at the conclusion of this meeting, her tenure as outside Director will have been five years and six months.

Tadashi Takiguchi is the representative of a venture capital firm and possesses extensive experience and a high-level of knowledge in corporate management. He also has experience teaching students leveraging his know-how on establishing ventures as Visiting Professor of Waseda University. The Company nominates Tadashi Takiguchi as a candidate for outside Director of the Company so that it can make the best use of his experience and insight as well as utilize his precise advice related to the future business management of the Company. Tadashi Takiguchi is currently outside Director of the Company, and at the conclusion of this meeting, his tenure as outside Director will have been one year.

Mikiko Shimaoka has no direct experience of being involved in management of a company other than being an outside officer, but as a professor at Waseda University, she has been engaged for many years in student education related to international public economy and creation of new businesses, at international NPO and in university education settings, and has made efforts for the development of human resources related to startups. The Company nominates Mikiko Shimaoka as a candidate for outside Director of the Company so that it can make the best use of her extensive experience and deep insight, as well as utilize her advice for the development of human resources and business development of the Company.

9. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Min Rin, Naoko Yamazaki and Tadashi Takiguchi to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If the reelection of Min Rin, Naoko Yamazaki and Tadashi Takiguchi is approved, the Company plans to renew the aforementioned agreements with them. Moreover, if the election of Mikiko Shimaoka is approved, the Company plans to enter into the same limited liability agreement with her.
10. The Company has submitted notification to Tokyo Stock Exchange that Naoko Yamazaki and Tadashi Takiguchi have been appointed as independent officers as provided for by the aforementioned exchange. If the reelection of Naoko Yamazaki and Tadashi Takiguchi is approved, the Company plans for their appointment as independent officers to continue. In addition, if the election of Mikiko Shimaoka is approved, the Company plans to submit notification to Tokyo Stock Exchange that Mikiko Shimaoka has been appointed as an independent officer as provided for by the aforementioned exchange.
11. The Company has entered into a liability insurance contract with an insurance company for directors and officers, etc., as stipulated in Article 430-3, paragraph (1) of the Companies Act. The insurance contract is scheduled to be renewed in fiscal 2023. Directors, Corporate Auditors, Executive Officers, other officers and retired officers of the Company are the insureds covered by the insurance contract, and they do not bear the insurance premium. Damages in cases where the insureds are liable for damage compensation arising from actions related to their duties will be covered under the insurance contract. However, there are some exemptions, such as cases where such actions are carried out with the understanding that their conduct violates laws and regulations, in order to ensure that the appropriateness of the execution of duties by the insureds is not impaired. If each candidate is elected and assumes the office as Director, each candidate will be included in the insurance contract as an insured.

[Reference] Skill Matrix of the Board of Directors after the General Meeting of Shareholders

If the candidates for Director in this proposal are elected as originally proposed, the composition of the Board of Directors and Board of Auditors, and the main expertise and experience of each individual are as follows.

Position	Name	Expertise						
		Corporate Management	R&D / Technology / Production	Global	Sales / Marketing	Finance and Accounting	Legal Affairs / Compliance / Risk Management	Personnel / Labor Affairs
Director	Ihei Hayashi	○	○	○	○			
Director	Bin Fan	○	○	○	○			
Director	Mitsuo Yamada			○		○	○	○
Director (outside)	Min Rin	○		○				
Director (outside)	Naoko Yamazaki		○	○				
Director (outside)	Tadashi Takiguchi	○		○				
Director (outside)	Mikiko Shimaoka						○	○
Full-time Corporate Auditor	Shinichi Kobayashi						○	○
Corporate Auditor (outside)	Hironobu Sasada					○	○	
Corporate Auditor (outside)	Ritsu Katayama						○	

The above list does not include all the expertise and experience, but shows the areas to which each individual is expected to contribute.

**Proposal No. 4** Determination of Remuneration for Directors to Grant Performance-Conditions Restricted Shares Thereto

The amount of remuneration, etc. for Directors of the Company shall be (i) set at an annual amount of up to ¥800 million as monetary remuneration (excluding the portion of employee salaries for Directors concurrently serving as employees), as approved at the 18th Annual General Meeting of Shareholders held on March 29, 2017, and (ii) for the purpose of providing incentives to continuously enhance the Company's corporate value and shareholder value over the medium to long term, the 20th Annual General Meeting of Shareholders held on March 27, 2019 approved a resolution to introduce a restricted shares remuneration plan (hereinafter referred to as the "Plan I") to the Company's Directors (excluding outside Directors, hereinafter referred to as the "Eligible Directors"). The Company has approved the payment of monetary remuneration claims of up to ¥100 million per year as property contributed in kind for the grant of restricted shares under the Plan I, separate from the above monetary remuneration limit, and that the total number of common shares of the Company to be issued or disposed of to the Eligible Directors under the Plan I shall be up to 70,000 shares per year, respectively.

In addition to the purpose of the Plan I, a new performance-conditions restricted shares remuneration plan (hereinafter referred to as the "Plan II") will be established for the Eligible Directors, separate from the above monetary remuneration and the Plan I, for the purpose of clarifying the linkage between performance targets and remuneration and making the Eligible Directors committed to performance. Approval is requested for the payment of remuneration for the grant of performance-conditions restricted shares based on this plan.

The Eligible Directors shall provide all of the monetary remuneration claims to be provided under this proposal in the form of property contributed in kind, and shall receive common shares of the Company that shall be issued or disposed of by the Company. The total amount of monetary remuneration to be provided to the Eligible Directors based on this proposal for the grant of performance-conditions restricted shares shall be an amount considered reasonable in light of the above purposes, and shall be no more than an annual amount of ¥200 million. The total number of common shares of the Company to be issued or disposed of thereby shall also be no more than 80,000 shares per year. However, the maximum number of shares shall be adjusted in accordance with such ratio when the total number of issued shares of the Company increases or decreases due to a share consolidation or a share split (including allotment of shares without contribution). Furthermore, the amount to be paid per share for such issuance or disposal shall be determined by the Board of Directors based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there no closing price on such date, the closing price of the closest preceding trading day), which will be within the range not especially advantageous to the Eligible Directors.

In addition, the specific amount to allocate to each Eligible Director shall be determined by the Board of Directors. Currently the number of Eligible Directors is three, and if Proposal No. 3 is approved and adopted as proposed, the number of Eligible Directors will continue to be three.

In granting performance-conditions restricted shares under the Plan II, the Company and each Eligible Director shall enter into an agreement for the allocation of performance-conditions restricted shares (the "Allocation Agreement") that includes the provisions as summarized below.

- (1) An Eligible Director shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted in accordance with the Allocation Agreement (the "Allotted Shares") during the period specified by the Board of Directors of the Company (the "Restriction Period"). These restrictions are hereinafter referred to as the "Transfer Restrictions."
- (2) In the event an Eligible Director loses their position as a Director of the Company or any other position stipulated by the Board of Directors of the Company before the end of the term defined by the Board of Directors of the Company (the "Term of Appointment"), the Company shall automatically acquire such Allotted Shares without contribution, unless there is a reason the Board of Directors of the Company deems justifiable.
- (3) Upon the expiration of the Restriction Period, the Company may lift the Transfer Restrictions on all of the Allotted Shares on the condition that the Eligible Director has continuously served as a Director or in any other position stipulated by the Company's Board of Directors during the Term of Appointment and has achieved the

performance targets determined by the Company's Board of Directors for three consecutive fiscal years as determined by the Company's Board of Directors. However, if an Eligible Director loses their position defined in (2) above before the end of the Term of Appointment due to a reason deemed justifiable by the Board of Directors as stipulated in (2) above, the number of Allotted Shares on which the Transfer Restrictions are to be lifted or period of lifting Transfer Restrictions may be reasonably adjusted as necessary.

- (4) The Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted at the expiration of the Restriction Period in accordance with the provisions in (3) above.
- (5) During the Restriction Period, the Company shall naturally acquire the Allotted Shares without consideration when the Eligible Director violates laws and regulations, internal rules, or the Allocation Agreement, or when any other event specified by the Company's Board of Directors as a reason why it is appropriate to acquire the Allotted Shares without consideration occurs to the Eligible Director.
- (6) Notwithstanding the provisions in (1) above, if matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other reorganization, etc., are approved at the General Meeting of Shareholders of the Company during the Restriction Period (or approved by the Board of Directors of the Company in cases where approval at the General Meeting of Shareholders of the Company is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on or acquire without consideration the certain number of the Allotted Shares that will be reasonably determined in view of the period from the date of commencement of the Term of Appointment through the date of approval on the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective and the achievement of performance conditions, by resolution of the Board of Directors of the Company.
- (7) In cases specified in (6) above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted in accordance with the provisions in (6) above.

[Reasons why it is appropriate to grant performance-conditions restricted shares]

This proposal aims to provide the Eligible Directors with remuneration for the grant of performance-conditions restricted shares under the Plan II in order to provide the Eligible Directors with incentives to continuously enhance the Company's corporate value, to further promote shared values with shareholders, and to make the Eligible Directors committed to performance by clarifying the linkage between performance targets and remuneration.

At the Board of Directors meeting held on February 21, 2023, the Company revised its policy regarding the determination of the content of individual Director remuneration, etc., an overview of which is set forth on pages 24 to 25 of the Business Report (available in Japanese only), and the grant of restricted shares based on this proposal is necessary and reasonable in accordance with such policy. Also, the maximum number of shares to be issued or disposed of in one year based on the Plan II for this proposal also represents approximately 0.180% of the total number of shares issued and outstanding (as of February 21, 2023), and the total of the maximum number of shares to be issued or disposed of in one year based on the Plan I and the Plan II represents approximately 0.338% of the total number of shares issued and outstanding, and the dilution ratio is minimal.

Accordingly, the Company judges that the contents of this proposal are appropriate.

(Reference)

The Company intends to grant performance-conditions restricted shares similar to those in the Plan II, for Executive Officers of the Company.