

Securities Code: 6312

May 14, 2025

(Start of electronic distribution: May 7, 2025)

To Our Shareholders:

Iwao Fusejima, President & CEO

Freund Corporation

6-25-13 Nishi-shinjuku, Shinjuku-ku, Tokyo

Notice of Convocation of the 61st Annual General Meeting of Shareholders

We are pleased to announce the 61st Annual General Meeting of Shareholders of Freund Corporation (the “Company”), which will be held as indicated below.

Documents concerning this shareholders meeting are distributed electronically. Information distributed electronically is posted on the following website as documents titled “Notice of Convocation of the 61st Annual General Meeting of Shareholders” and “Other Items Provided Electronically (Items Omitted from Paper Documents).”

Company website

<https://www.freund.co.jp/english/ir/library/shareholders/>

In addition to the Company’s website, information is posted on the following website.

Website of the Tokyo Stock Exchange

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

After accessing the Tokyo Stock Exchange website, enter “Freund” or “6312” (the Freund securities code) and click search. Then select “Basic information” and “Documents for public inspection/PR information.”

You may submit your votes by postal mail (in writing) or by using the Internet instead of attending this meeting. Please review the Reference Documents for General Meeting of Shareholders and submit your votes no later than 5:30 p.m., Wednesday, May 28, 2025 (JST).

Meeting Details

1. **Date and Time:** Thursday, May 29, 2025, at 10:00 a.m. (Reception starts at 9:00 a.m.)
2. **Venue:** BELLESALLE Shinjuku Grand Conference Center
Sumitomo Fudosan Shinjuku Grand Tower 5F, 8-17-1, Nishi-shinjuku, Shinjuku-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 61st fiscal year (from March 1, 2024 to February 28, 2025), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 61st fiscal year (from March 1, 2024 to February 28, 2025)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Seven (7) Directors
Proposal No. 3: Election of Three (3) Audit & Supervisory Board Members
Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

4. Matters Prescribed for Convocation

If you do not indicate your approval or disapproval for the proposals on the voting form, the Company will assume that you have voted in favor of the proposal.

-
- * If you are attending the meeting, please submit the enclosed voting form to the reception desk upon arrival.
 - * Among the matters subject to electronic provision, the following matters are not provided in the paper-based documents delivered to shareholders who have requested the delivery of such documents, in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation. The Audit & Supervisory Board members and the Accounting Auditors have audited the documents subject to audit, including the following matters.
 - Consolidated Financial Statements: Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements
 - Non-consolidated Financial Statements: Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements
 - * If information distributed electronically is revised, the revised information will be posted on the Company's website and the Tokyo Stock Exchange website.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Maximizing shareholder value is the highest priority of the Company. Our policy is to use the benefits of higher shareholder value for earnings distributions to shareholders while retaining earnings for making the company stronger in order to adapt swiftly and accurately to changes in the operating environment.

The basic policy for the distribution of earnings is to make distributions based on results of operations. The target for the annual consolidated dividend payout ratio is 30%. We will maintain stable distributions while taking into account the need for retained earnings in order to build a stronger base of operations and take actions aimed at growth.

For the fiscal year that ended in February 2025, we are proposing to add a commemorative dividend to a year-end dividend as we celebrated its 60th anniversary on April 22, 2024.

Year-end dividend

1. Type of dividend property

Cash

2. Allotment of dividend property and aggregate amount

¥25 per common stock of the Company, which includes an ordinary dividend of ¥20 and a commemorative dividend of ¥5 for the Company's 60th anniversary

Total dividends will be ¥422,906,425.

3. Effective date of dividend of surplus

May 30, 2025

Proposal No. 2 Election of Seven (7) Directors

The terms of office of all five (5) Directors will expire at the conclusion of this shareholders meeting. To further strengthen management and corporate governance, shareholders are asked to approve the election of seven (7) Directors (including three (3) Outside Directors), which will increase the number of Directors and Outside Directors by one (1) each.

The candidates for Director are as follows:

No.	Name (Date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Number of the Company shares held
1	 Iwao Fusejima (Dec. 13, 1969)	Nov. 1997 Joined the Company May 2008 Director of the Company Mar. 2010 Managing Director of the Company Mar. 2012 President & CEO of the Company Sep. 2012 President & CEO of Freund Chemicals, Ltd. Mar. 2013 Chairperson & CEO of Freund-Vector Corporation (currently Freund Inc.) Apr. 2014 Chairperson & CEO of Freund-Turbo Corporation Nov. 2020 Director of Cos.Mec S.r.l. (currently Freund S.r.l.) (to present) Apr. 2023 Chairperson of Freund-Vector Corporation (currently Freund Inc.) (to present) Apr. 2024 Director of Freund-Turbo Corporation (to present) Mar. 2025 President & CEO, Division Director of International Business Division of the Company (to present)	306,799 shares
2	 Toshiaki Honda (Aug. 19, 1974)	Apr. 1997 Joined the Company Mar. 2014 General Manager of Sales Department, Equipment Division of the Company Mar. 2017 Division Director of Domestic Sales Division of the Company Sep. 2019 Corporate Officer, Division Director of Customer Business Division of the Company Apr. 2021 Director of Freund-Turbo Corporation (to present) May 2021 Director of the Company Mar. 2023 Director, Division Director of Machinery Business Division, in charge of Chemicals Business Division and Hamamatsu Technical Center of the Company Mar. 2024 Director, Division Director of Machinery Business Division, in charge of Corporate Administration Division of the Company (to present)	20,730 shares

No.	Name (Date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Number of the Company shares held
3	 Toshifumi Moriguchi (Jan. 4, 1958)	<p>Apr. 1985 Joined Yoshitomiya kuhin Corporation</p> <p>Oct. 2007 General Manager of Facility Engineering Department, Pharmaceutical Division of Mitsubishi Tanabe Pharma Corporation</p> <p>Jun. 2011 Director, Yoshitomi Plant Manager of Mitsubishi Tanabe Pharma Factory Ltd.</p> <p>Jun. 2013 Director, Vice President of Mitsubishi Tanabe Pharma Factory Ltd.</p> <p>Sep. 2017 Director, General Manager of Business Management Department of BIKEN Co., Ltd.</p> <p>Jun. 2019 Joined the Company, Assistant to Division Director of Chemicals Division, in charge of Production Planning</p> <p>Sep. 2019 Executive Officer, Division Director of Production Business Division of the Company</p> <p>Mar. 2023 Executive Officer, Division Director of Chemicals Business Division of the Company</p> <p>May 2023 Director, Division Director of Chemicals Business Division, in charge of Hamamatsu Technical Center and Quality Assurance Division of the Company</p> <p>Mar. 2025 Director, Division Director of Food Preservatives Division, in charge of Excipient Business Division, Hamamatsu Technical Center and Quality Assurance Division of the Company (to present)</p>	15,630 shares
4 New	 Hiroaki Sekiwa (Oct. 24, 1966)	<p>Apr. 1989 Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Jul. 2002 Audit & Supervisory Board Member of bBreak Systems Company, Limited</p> <p>Mar. 2005 Director of Japan Private Equity Co., Ltd.</p> <p>Sep. 2009 General Manager of Planning Department of Medical Line Co., Ltd.</p> <p>Feb. 2023 Joined the Company, General Manager of Corporate Planning Division</p> <p>Mar. 2024 Executive Officer, Division Manager of Corporate Administration Division and General Manager of Corporate Planning Division and Information Systems Division of the Company (to present)</p> <p>Apr. 2024 Director of Freund Inc. (to present) Director of Freund-Turbo Corporation (to present)</p>	2,000 shares

No.	Name (Date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Number of the Company shares held
5	 Hisashi Tanaka (Jan. 13, 1955)	Apr. 1984 Joined Eisai Co., Ltd. Jun. 2008 Senior Vice President, Head of Clinical Research Center of Eisai Co., Ltd. Aug. 2009 Joined EPS Corporation (currently EPS Holdings, Inc.) Oct. 2018 President and Representative Director, President and Representative Corporate Officer of EPS Holdings, Inc. Oct. 2019 President and Representative Director, President and Corporate Officer of EPS Holdings, Inc. Oct. 2020 Vice Chairperson and Corporate Officer of EPS Holdings, Inc. Chairperson and Director of EPS Corporation Chairperson and Director, Chairperson and Corporate Officer of EPS International Co., Ltd. May 2021 Director of the Company (to present) Oct. 2021 Special Advisor of EPS Holdings, Inc.	-
6	 Ryuichi Kume (Nov. 8, 1956)	Apr. 1981 Joined Shionogi & Co., Ltd. Apr. 2006 Managing Executive Officer, Division Director of Manufacturing Division and General Manager of Production Technology Laboratory of Shionogi & Co., Ltd. Apr. 2017 Senior Executive Officer, Division Director of Pharmaceuticals Business Division of Shionogi & Co., Ltd. Apr. 2018 Senior Executive Officer, Division Director of CMC Research Center of Shionogi & Co., Ltd. Apr. 2019 Representative Director of Shionogi Pharma Co., Ltd. Jun. 2022 Outside Director of KOKANDO Co., Ltd. Jul. 2022 Director and Chairperson of Shionogi Pharma Co., Ltd. May 2023 Director of the Company (to present) Apr. 2024 Director and Chairperson of KOKANDO Co., Ltd. (to present)	-

No.	Name (Date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Number of the Company shares held
7 New	 Aya Miyake (Jul. 4, 1968)	Apr. 1991 Joined Japan Asia Investment Company, Limited Jul. 2002 Jasadq Securities Exchange, Inc. Apr. 2010 Executive Officer of Osaka Securities Exchange Co., Ltd. Jun. 2014 General Manager of Public Relations & IR Promotion Department of Japan Exchange Group, Inc. Apr. 2018 General Manager of Corporate Development Division of Ace Securities Co., Ltd. Feb. 2020 General Manager of Support Fund Business Preparation Office of MarkLines Co., Ltd. Apr. 2020 President and CEO of Automotive Fund Co., Ltd. Oct. 2024 Director of TNL Mediagene Japan Inc. (to present)	-

Notes

- The candidates for Director have no special conflicts of interest with the Company.
- Mr. Hisashi Tanaka, Mr. Ryuichi Kume and Ms. Aya Miyake are the candidates for election as Outside Directors. The Company has designated Mr. Tanaka and Mr. Kume as Independent Directors according to the rules of the Tokyo Stock Exchange. If Ms. Miyake is elected as proposed, she will be an independent officer.
- The candidates for Outside Directors are as follows:

Mr. Tanaka has many years of experience involving R&D and global development activities in the pharmaceutical industry and a broad range of knowledge as a manager. Shareholders are asked to reelect Mr. Tanaka as an Outside Director because he is expected to contribute to strengthening corporate governance by performing the oversight of management and providing advice regarding all aspects of management.

Mr. Tanaka will have served as an Outside Director for four (4) years at the conclusion of this General Meeting of Shareholders.

Mr. Kume has many years of experience involving R&D, manufacturing technologies and sales in the pharmaceutical industry and a broad range of knowledge as a manager. Shareholders are asked to reelect Mr. Kume as an Outside Director because he is expected to contribute to strengthening corporate governance by performing the oversight of management and providing advice regarding all aspects of management.

Mr. Kume will have served as an Outside Director for two (2) years at the conclusion of this General Meeting of Shareholders.

Ms. Miyake has many years of experience at financial institutions and other organizations and a broad range of knowledge as a manager involving securities markets and other areas. Shareholders are asked to elect Ms. Miyake as an Outside Director because she is expected to perform the oversight of management from an objective and neutral perspective.
- Limited liability contracts between the Company and Outside Directors

To enable the Outside Directors to fully perform their duties, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into a liability limitation agreement with the Outside Directors to limit their liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act. Pursuant to this agreement, the cap on the liability for damages is the minimum liability amount in Article 425, Paragraph 1 of the Companies Act. If Mr. Tanaka and Mr. Kume are reelected, the Company plans to renew this agreement with them. The Company will also enter into the same liability limitation agreement with Ms. Miyake if she is elected.
- The Company has purchased a liability insurance policy from an insurance company for Directors and Audit & Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy pays for damages that may be the responsibility of individuals covered by this policy. However, damages caused by intentional acts or serious negligence are not covered by this policy. If elected, all seven (7) Director candidates will be covered by this policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal. The Company pays the entire cost of these policies.

Proposal No. 3 Election of Three (3) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Ms. Sayoko Izumoto and Mr. Kazunari Hamada will expire at the conclusion of this shareholders meeting. Accordingly, shareholders are asked to approve the election of three (3) Audit & Supervisory Board Members. This proposal has received the consent of the Audit & Supervisory Board.

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

No.	Name (Date of birth)	Brief career history, positions and significant concurrent positions	Number of the Company shares held
1	 Sayoko Izumoto (Jul. 8, 1953)	Mar. 1976 Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC) Jul. 1995 Partner of Deloitte Touche Tohmatsu LLC Jul. 2001 Director of Headquarters of Japanese Institute of Certified Public Accountants Jan. 2007 Member of Business Accounting Council of Financial Services Agency Mar. 2008 Retirement Benefits Specialist of Accounting Standards Board of Japan Jul. 2010 Managing Director of Headquarters of Japanese Institute of Certified Public Accountants Jan. 2015 Member of Information and Communications Council of Ministry of Internal Affairs and Communications Jul. 2016 Retired from Deloitte Touche Tohmatsu LLC Aug. 2016 Established Izumoto Certified Public Accountant Office (to present) Apr. 2017 Member of Information Disclosure and Personal Information Protection Review Board of Ministry of Internal Affairs and Communications May 2017 Audit & Supervisory Board Member of the Company (to present) Jun. 2017 Outside Audit & Supervisory Board Member of Daiichi Sankyo Company, Limited Jun. 2017 Outside Director of Hitachi Transport System, Ltd. (currently LOGISTEED, Ltd.) Jun. 2022 Outside Director of NSK Ltd. (to present) Apr. 2023 Audit & Supervisory Board Member of LOGISTEED, Ltd. Jun. 2023 Outside Director of Tokyo Keiki Inc. (to present)	-

No.	Name (Date of birth)	Brief career history, positions and significant concurrent positions	Number of the Company shares held
2	 Kazunari Hamada (Nov. 3, 1973)	Oct. 2001 Registered as an attorney at law (Tokyo Bar Association) Joined Yanagida & Nomura (currently Yanagida & Partners) Aug. 2003 Seconded to Legal Department of Japan Airlines Co., Ltd. May 2009 Completed master's degree (LL.M.) at Duke University School of Law, USA Sep. 2009 Kelvin Chia Partnership, Republic of Singapore (Training) Jul. 2012 Resigned from Yanagida & Partners Joined Yabuki Law Offices Jul. 2014 Partner of Yabuki Law Offices (to present) May 2021 Audit & Supervisory Board Member of the Company (to present)	-
3 New	 Kazumi Mikura (Jul. 28, 1967)	Oct. 1990 Joined Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC) Aug. 1994 Registered as a certified public accountant Jun. 2007 Appointed employee (currently partner) of Deloitte Touche Tohmatsu LLC (to present)	-

Notes

- The candidates for Audit & Supervisory Board Member have no special conflicts of interest with the Company.
- Ms. Sayoko Izumoto, Mr. Kazunari Hamada and Ms. Kazumi Mikura are the candidates for election as Outside Audit & Supervisory Board Members. The Company has designated Ms. Izumoto and Mr. Hamada as Independent Officers according to the rules of the Tokyo Stock Exchange. If Ms. Mikura is elected as proposed, she will be an Independent Officer.
- The candidates for Outside Audit & Supervisory Board Members are as follows:

Ms. Izumoto has many years of experience as a certified public accountant and received a Medal of Honor with Yellow Ribbon for her accomplishments as an accountant. The Company believes that she can use her extensive knowledge of finance and accounting to perform her duties in a suitable manner as an Outside Audit & Supervisory Board Member.

Ms. Izumoto will have served as an Outside Audit & Supervisory Board Member for eight (8) years at the conclusion of this General Meeting of Shareholders.

Mr. Hamada has knowledge and experience as an attorney. The Company believes that he can perform his duties as an Outside Audit & Supervisory Board Member from an objective perspective as a legal professional in a suitable manner based on a comprehensive assessment that includes his experience as an attorney.

Mr. Hamada will have served as an Outside Audit & Supervisory Board Member for four (4) years at the conclusion of this General Meeting of Shareholders.

Ms. Mikura has considerable knowledge and experience as a certified public accountant. The Company believes that she can use her extensive knowledge of finance and accounting to support auditing activities at the Company and will therefore perform in a suitable manner her duties as an Outside Audit & Supervisory Board Member.
- Limited liability contracts between the Company and Outside Audit & Supervisory Board Members

To enable the Outside Audit & Supervisory Board Members to fully perform their duties, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into a liability

limitation agreement with the Outside Audit & Supervisory Board Members to limit their liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act. Pursuant to this agreement, the cap on the liability for damages is the minimum liability amount in Article 425, Paragraph 1 of the Companies Act. If Ms. Izumoto and Mr. Hamada are reelected, the Company plans to renew this agreement with them. The Company will also enter into the same liability limitation agreement with Ms. Mikura if she is elected.

5. The Company has purchased a liability insurance policy from an insurance company for Directors and Audit & Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy pays for damages that may be the responsibility of individuals covered by this policy. However, damages caused by intentional acts or serious negligence are not covered by this policy. If elected, all three (3) Audit & Supervisory Board Member candidates will be covered by this policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal. The Company pays the entire cost of these policies.
6. Ms. Mikura is employed by Deloitte Touche Tohmatsu LLC as a partner and plans to resign on June 30, 2025. If she is elected, she will become an Outside Audit & Supervisory Board Member on July 1, 2025.

**Reference: Directors and Audit & Supervisory Board Members
(following the 61st Annual General Meeting of Shareholders if approved by shareholders)**

Candidate No.	Name	Age	Position	Term of office	Attendance at the Board of Directors /Audit & Supervisory Board meetings	Advisory Committee	
						Nomination & Remuneration Committee	
Directors	1	Iwao Fusejima	55	President & CEO	17 years	16/16 times	Member of Nomination & Remuneration Committee
	2	Toshiaki Honda	50	Director	4 years	16/16 times	
	3	Toshifumi Moriguchi	67	Director	2 years	16/16 times	
	4	Hiroaki Sekiwa	58	Director	-	-	
	5	Hisashi Tanaka	70	Outside Director	4 years	16/16 times	Chairperson of Nomination & Remuneration Committee
	6	Ryuichi Kume	68	Outside Director	2 years	16/16 times	Member of Nomination & Remuneration Committee
	7	Aya Miyake	56	Outside Director	-	-	
Audit & Supervisory Board Members	-	Sakae Hirano	68	Audit & Supervisory Board Member (full time)	6 years	16/16 times 13/13 times	
	1	Sayoko Izumoto	71	Outside Audit & Supervisory Board Member	8 years	16/16 times 13/13 times	Observer of Nomination & Remuneration Committee
	2	Kazunari Hamada	51	Outside Audit & Supervisory Board Member	4 years	16/16 times 13/13 times	Observer of Nomination & Remuneration Committee
	3	Kazumi Mikura	57	Outside Audit & Supervisory Board Member	-	-	
						-	

Reference: Skill Matrix

Candidate No.	Name	Expected areas of expertise									
		Corporate management	Sales / Marketing	Finance / Accounting	IT / Security	Labor / Human resources	Legal / Risk management	Global experience	Manufacture / R&D	ESG / Sustainability	
Directors	1	Iwao Fusejima	●	●					●		
	2	Toshiaki Honda		●					●	●	●
	3	Toshifumi Moriguchi		●				●		●	●
	4	Hiroaki Sekiwa			●	●	●	●			●
	5	Hisashi Tanaka	●			●	●	●	●	●	
	6	Ryuichi Kume	●	●					●	●	
	7	Aya Miyake	●		●						●
Audit & Supervisory Board Members	-	Sakae Hirano	●		●			●	●		●
	1	Sayoko Izumoto			●	●		●			
	2	Kazunari Hamada						●	●		
	3	Kazumi Mikura			●			●			

Proposal No. 4 Election of One (1) Substitute Audit & Supervisory Board Member

In case the number of Audit & Supervisory Board Members falls short of that required by laws and regulations, the Company requests the election of one (1) substitute Audit & Supervisory Board Member. If approved by shareholders, this individual will remain a substitute until the start of the Annual General Meeting of Shareholders for the last fiscal year that ends within four years of the date of the election as a substitute.

The effectiveness of the election may be canceled by a resolution of the Board of Directors with the consent of the Audit & Supervisory Board, provided it is before his appointment. This proposal has received the consent of the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Brief career history, positions and significant concurrent positions	Number of the Company shares held
 Kazuhide Yamazaki (Nov. 16, 1956)	Apr. 1980 Joined Nissan Motor Co., Ltd.	1,500 shares
	Apr. 1992 Joined Japan Airlines Co., Ltd.	
	Apr. 2005 Vice President, Legal Affairs of Japan Airlines Co., Ltd.	
	Apr. 2009 Vice President and Country Manager, Korea of Japan Airlines Co., Ltd.	
	Jun. 2014 Representative Director and Chairperson of Chitose Airport Fueling Facilities Co., Ltd.	
	Mar. 2017 Joined the Company, Vice President, of Legal Affairs	
	Sep. 2019 Deputy Director of Corporate Division of the Company	
Mar. 2023 Deputy General Manager of HR and GA Department, Corporate Administration Division of the Company (to present)		

Notes

1. The candidate for substitute Audit & Supervisory Board Member has no special conflicts of interest with the Company.
2. Mr. Kazuhide Yamazaki is a candidate for substitute Audit & Supervisory Board Member.
3. The candidate for substitute Audit & Supervisory Board Member is as follows:
Mr. Yamazaki has experience with the management of organizations and a broad range of corporate legal matters in Japan and other countries and is a specified labor and social security attorney. Since joining the Company, he has been involved with legal and administrative activities by leveraging on his knowledge and experience in the field of human resources and labor management. The Company believes that he can use his extensive experience and professional knowledge to contribute to the transparency and soundness of management.
4. If Mr. Yamazaki assumes a position as an Audit & Supervisory Board Member, pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into a liability limitation agreement with him to limit liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act. Pursuant to this agreement, the cap on the liability for damages is the minimum liability amount in Article 425, Paragraph 1 of the Companies Act.
5. The Company has purchased a liability insurance policy from an insurance company for Directors and Audit & Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy pays for damages that may be the responsibility of individuals covered by this policy. However, damages caused by intentional acts or serious negligence are not covered by this policy. If Mr. Yamazaki assumes a position as an Audit & Supervisory Board Member, he will be covered by this policy.