

*This document has been translated from a part of the Japanese original for the convenience of non-Japanese shareholders.
In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

(Securities identification code: 4027)
June 5, 2020

To our shareholders:

Masao Nagita
Representative Director, President
Executive Officer
Tayca Corporation
1-3-47 Funamachi, Taisho-ku, Osaka
(Head Office: 3-6-13 Kitahama, Chuo-ku, Osaka)

Notice of the 154th Ordinary General Meeting of Shareholders

We are pleased to announce the 154th Ordinary General Meeting of Shareholders of Tayca Corporation (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please exercise your voting rights no later than 5:40 p.m., Wednesday, June 24, 2020 (Japan Standard Time) after reviewing the attached Reference Documents for the General Meeting of Shareholders.

To avoid risk of infections of the novel coronavirus disease (COVID-19) at this General Meeting of Shareholders, you are asked to exercise your voting rights beforehand if possible, and refrain from attending the General Meeting of Shareholders in person.

Exercising Voting Rights in Writing

Please indicate your approval or disapproval for the proposals on the enclosed voting form and then return it to us so that it arrives by the above deadline.

Exercising Voting Rights by Electromagnetic Method (Internet)

Please access the Company’s designated voting site (<https://evote.tr.mufg.jp/>). Next, please use the login ID and provisional password given on the enclosed voting form and then input your approval or disapproval for the proposals by the above deadline in accordance with the instructions on the screen.

Meeting Details

- 1. Date and time:** Thursday, June 25, 2020 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Banquet, TKP Garden City Premium Shinsaibashi
3rd floor, Hulic Shinsaibashi Building, 4-3-2 Minamisenba, Chuo-ku, Osaka
(Please note that the venue is changed from the last year's meeting.)

*If future developments necessitate any changes in the way the General Meeting of Shareholders will be run, shareholders will be informed on the Company's website (<http://www.tayca.co.jp/>). Shareholders who plan to attend the meeting are asked to check it before the General Meeting of Shareholders.

3. Purposes:

Items to be reported:

1. Report on the contents of Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 154th Term (from April 1, 2019 to March 31, 2020)
2. Results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 154th Term

Items to be resolved:

- Proposal 1:** Election of Five (5) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 2:** Continuation of the Response Policy on Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)

We ask that you please present the enclosed voting form to the reception desk in the venue when attending the meeting in person.

<Requests to Shareholders>

- Among the documents which we should provide when giving notice of this meeting, the notes to the consolidated financial statements and the notes to the non-consolidated financial statements have been posted on the Company's website (<http://www.tayca.co.jp/>) according to the provisions of laws and regulations and the Company's Articles of Incorporation. Therefore, they are not given in the documents accompanying this notice. Accordingly, the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and the Audit & Supervisory Committee include the notes to the consolidated financial statements and notes to the non-consolidated financial statements posted on the Company's website in addition to the documents accompanying this notice.
- We will post any changes made to the matters described in the business reports, consolidated financial statements, non-consolidated financial statements and Reference Documents for General Meeting of Shareholders on the Company's website (<http://www.tayca.co.jp/>).

[Measures to prevent the infection of COVID-19 at the General Meeting of Shareholders]

- We kindly ask shareholders who attend the meeting in person to cooperate in having their body temperature checked, wearing of face masks and using hand sanitizer.
 - Shareholders will be seated at a distance from each other, and therefore there will be fewer seats available than usual. For that reason, even shareholders who come to the venue may not be allowed to enter.
 - We will not be handing out gifts to shareholders who attend the General Meeting of Shareholders this year.
- Thank you for your understanding.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Election of Five (5) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office for all five (5) Directors (excluding, however, Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this meeting. The Company proposes the election of five (5) Directors.

Furthermore, the Company confirmed that there are no matters that need to be stated by the Audit & Supervisory Committee at the General Meeting of Shareholders with regard to this proposal

The candidates for Directors are as follows:

Candidates for Directors

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masao Nagita (April 13, 1950)	<p>April 1973 Joined the Company</p> <p>June 2004 General Manager of the Tokyo Branch of the Company</p> <p>June 2005 Director and General Manager of the Tokyo Branch of the Company</p> <p>June 2009 Managing Director and General Manager of the Tokyo Branch of the Company</p> <p>June 2010 President of Tayca Trading Co., Ltd.</p> <p>October 2010 Managing Director and General Manager of the Sales Department of the Company</p> <p>October 2011 Managing Director of the Company</p> <p>June 2013 Senior Managing Director of the Company</p> <p>June 2014 President of the Company</p> <p>June 2014 President of Tayca Warehousing Co., Ltd.</p> <p>April 2017 President of Japan Sericite Corporation</p> <p>June 2019 Representative Director, President Executive Officer of the Company (present position)</p> <p>(Current responsibilities)</p> <p>In charge of the Internal Auditing Department, the Osaka Research Laboratory and Okayama Research Laboratory</p>	27,590
<p>Reasons for nomination as a candidate for Director:</p> <p>Masao Nagita has accumulated a wealth of business experience and achievements in research departments and sales departments since joining the Company. In addition, he has been responsible for management as President of the Company since June 2014. The Company proposes his reelection as a candidate for Director with the expectation that he will make appropriate management judgments by utilizing these experiences and achievements.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hirofumi Yamazaki (July 4, 1955)	<p>April 1979 Joined Dai-Ichi Kangyo Bank, Ltd.</p> <p>October 1999 General Manager of Komazawa Branch of Dai-Ichi Kangyo Bank, Ltd.</p> <p>May 2005 General Manager of Yokohama-Nishiguchi Branch of Mizuho Bank, Ltd.</p> <p>December 2006 Senior Executive Officer of Mizuho Credit Guarantee Co., Ltd.</p> <p>June 2009 Managing Director of Mizuho Credit Guarantee Co., Ltd.</p> <p>May 2011 Joined the Company as Adviser</p> <p>June 2011 Director of the Company</p> <p>November 2013 Director and General Manager of the Accounting Department of the Company</p> <p>June 2014 Managing Director and General Manager of the Accounting Department of the Company</p> <p>June 2014 President of Tayca Trading Co., Ltd.</p> <p>April 2015 Managing Director of the Company</p> <p>June 2018 Senior Managing Director of the Company</p> <p>June 2019 Representative Director, Senior Managing Executive Officer of the Company (present position)</p> <p>(Current responsibilities)</p> <p>In charge of the General Affairs Department, the Materials Compilation Department, the Personnel Department, the Accounting Department, Okayama Factory and Kumayama Factory</p>	10,500
<p>Reasons for nomination as a candidate for Director:</p> <p>Hirofumi Yamazaki has extensive insight into finance and corporate management cultivated in his previous employment. Moreover, he has accumulated plenty of achievements in management departments and factory departments since joining the Company. The Company proposes his reelection as a candidate for Director with the expectation that he will use these insights and achievements in the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Masahiko Nishino (October 9, 1959)	<p>April 1984 Joined Nissho Iwai Corporation</p> <p>September 2003 Joined Sun Chlorella Corporation</p> <p>August 2010 Joined the Company</p> <p>October 2011 General Manager of the Sales Department of the Company</p> <p>April 2015 General Manager of the Tokyo Branch of the Company</p> <p>June 2015 Director and General Manager of the Tokyo Branch of the Company</p> <p>June 2017 Director of the Company</p> <p>June 2017 President of Tayca Trading Co., Ltd. (present position)</p> <p>June 2019 Director, General Manager of the Corporate Planning Department of the Company</p> <p>June 2019 Director, Senior Executive Officer and General Manager of the Corporate Planning Department of the Company</p> <p>April 2020 Director, Senior Executive Officer of the Company (present position)</p> <p>(Current responsibilities)</p> <p>In charge of the Corporate Planning Department, Environmental and Quality Department, the Intellectual Property Department, and the Purchasing Department</p> <p>[Significant concurrent positions outside the Company]</p> <p>President of Tayca Trading Co., Ltd.</p>	3,700
<p>Reasons for nomination as a candidate for Director:</p> <p>Masahiko Nishino has accumulated a wealth of sales experience and overseas work achievements in working at trading companies over many years. In addition, he has accumulated plenty of achievements in sales departments and management departments since joining the Company. The Company proposes his reelection as a candidate for Director with the expectation that he will use these insights and achievements in the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Shunji Idei (March 24, 1964)	<p>April 1986 Joined the Company</p> <p>April 2012 General Manager of the Okayama Research Laboratory of the Company</p> <p>April 2015 General Manager of the Sales Department of the Company</p> <p>June 2017 General Manager of the Tokyo Branch of the Company</p> <p>June 2018 Director and General Manager of the Tokyo Branch of the Company</p> <p>August 2018 President of TFT Corporation (present position)</p> <p>June 2019 Director, Senior Executive Officer and General Manager of the Tokyo Branch of the Company (present position)</p> <p>(Current responsibilities)</p> <p>In charge of the Sales Department and the Electronic Ceramics and Devices Department, General Manager of the Tokyo Branch</p> <p>[Significant concurrent positions outside the Company]</p> <p>President of TFT Corporation</p>	2,200
<p>Reasons for nomination as a candidate for Director:</p> <p>Shunji Idei has accumulated a wealth of business experience and achievements in research departments and sales departments since joining the Company. The Company proposes his reelection as a candidate for Director with the expectation that he will use these experiences and expertise in the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Tamataro Iwasaki (March 29, 1967)	<p>April 1989 Joined the Company</p> <p>April 2010 Assistant General Manager of the Tokyo Branch of the Company</p> <p>January 2016 General Manager of Sales Department of Tayca Warehousing Co., Ltd.</p> <p>October 2016 General Manager of Sales Warehouse Supervising Department of Tayca Warehousing Co., Ltd.</p> <p>June 2017 President of Tayca Warehousing Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>President of Tayca Warehousing Co., Ltd.</p>	1,500
<p>Reasons for nomination as a candidate for Director:</p> <p>Tamataro Iwasaki has accumulated a wealth of business experience and achievements in sales departments and factory departments since joining the Company. In addition, he has been responsible for management as President of an associate, Tayca Warehousing Co., Ltd., since June 2017. The Company proposes his election as a candidate for Director with the expectation that he will use these experiences and expertise in the management of the Company.</p>			

Note: There is no special interest between each of the candidates and the Company.

Proposal 2: Continuation of the Response Policy on Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures)

The Company has operated the “Response Policy on Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures)” (hereinafter referred to as the “Current Response Policy”) following the shareholders’ approval at the Ordinary General Meeting of Shareholders held on June 27, 2008, and subsequently shareholders’ approval on the partial amendment and continuation at the Ordinary General Meeting of Shareholders held on June 28, 2017. However, the Current Response Policy will expire at the conclusion of this meeting.

The Company has continued to consider the ideal form for increasing corporate value and common interests of shareholders since the continuance of the Current Response Policy. As a result, at the Board of Directors held on May 12, 2020, the Company decided to partially amend and continue the Current Response Policy (hereinafter the response policy after the amendment is referred to as the “Response Policy”), subject to the approval of the shareholders at this meeting. Therefore, the Company requests the shareholders’ approval to continue the Response Policy.

For details of the Response Policy, please refer to the attached material “Continuation of the Response Policy on Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures).”

(Attached material: From material publically disclosed by the Company on May 12, 2020)

Continuation of the Response Policy on Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

In accordance with the resolution passed at the Board of Directors meeting held on May 12, 2017, and approved at the Ordinary General Meeting of Shareholders held on June 28, 2017, Tayca Corporation (the "Company") has maintained its policy (hereinafter referred to as the "Current Policy") to address purchases of the Company's share certificates, etc. (Note 1) by a specific group of shareholders (Note 2) with an intent to raise their voting rights ratio (Note 3) to twenty percent (20%) or more of the total voting rights of the Company, or purchases of the Company's share certificates, etc. that result in a specific group of shareholders holding twenty percent (20%) or more of the total voting rights of the Company (hereinafter, such purchase is referred to as "Large-Scale Purchase" with the party intending to make such a purchase referred to as "Large-Scale Purchaser"). As the Current Policy is set to expire at the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2020, the Company spent a lot of time on deliberation by taking into account subsequent changes in laws and the situation of discussions on takeover defense measures takeover defense measures. The Company hereby announces that the Board of Directors of the Company, at its meeting held today, resolved to continue the Current Policy the "Handling of Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)" (hereinafter the plan as so revised is referred to as the "Response Policy") for an additional three years.

The continuation of the Response Policy shall be subject to a proposal to and the approval at the Ordinary General Meeting of Shareholders to be held on June 25, 2020.

The status of the Company's shares as of March 31, 2020 is as described in Exhibit 1, and as of today the Company has not received any proposal regarding a Large-Scale Purchase of the Company's shares.

The provisions of the laws and regulations cited in this document are assumed to be effective as of May 12, 2020. In the event that the laws and regulations are revised on or after the same date and the revised laws and regulations are enacted subsequently, the provisions cited in this Policy can be interpreted through the amended provisions in the revised laws and regulations or any new clauses that substantially inherit their meaning, unless specified otherwise separately by the Board of Directors of the Company.

I The Company's initiatives to increase corporate value

The Tayca Group's management philosophy is to "create materials that impress customers with the power of chemistry and deliver dreams and smiles to the world." Under the slogan "earnest in creating impressive materials," we persist in our efforts to create technology and products that contribute extensively to society by ensuring better solution through sincere responses to customers and adherence to the research principle of uncompromising, repeated trials and errors. In line with these basic ideas, the Tayca Group has been producing titanium dioxide and surfactants based on sulfuric acid-related technology since its foundation. In addition, we make full use of surface treatment, dispersion and sulfonation technologies, which we have perfected over many years in our products, to create highly value-added products, including micro titanium dioxide for cosmetics, surface treatment products, and medical piezoelectric materials, as a part of efforts to increase our corporate value.

In December 2019, the Tayca Group celebrated the 100th anniversary of its foundation. As a first step to the next 100 years, we established a long-term management vision covering the next 10 years through 2029. In this long-term management vision, we will strive to help ensure a sustainable society and increase our corporate value by further exploring the market with existing products, impressing customers, and creating new value, taking into consideration the realities of the global environment. Currently, the Tayca Group is in the process of establishing a three-year medium-term management plan starting from FY2020, the year of pass point in our long-term management vision, which includes the setting of clear interim goals shared by all employees.

For our corporate governance system, the transfer to the company with audit and supervisory committee system was approved at the Ordinary General Meeting of Shareholders held on June 26, 2019. Herein, the aim was to further enhance the system through reinforcement of the supervisory function of the Board of Directors, improvement of management transparency and soundness with the further utilizing of outside directors, etc. Furthermore, in order to clearly divide the management decision-making from supervisory function and business execution function, we have introduced the executive officer system and promoted delegation of business execution authority to establish an agile management system that can promptly respond to rapid changes in the business environment. These system transfer and introduction have helped us address the aspiration to further increase our corporate value.

II Purpose of introduction of the Response Policy

If the Company is subject to a Large-Scale Purchase, we shall not necessarily disallow such a transaction if it contributes to our corporate value and shareholders' common interests. Since the Company, as a listed company, allows the free purchase and sale of the Company's shares, we believe that the decision to sell the Company's shares in response to a Large-Scale Purchase offer should ultimately be left to the judgment of the shareholders.

However, we believe that it is difficult for the shareholders to adequately judge whether the acquisition price for the Company's shares offered by the Large-Scale Purchaser is reasonable or not on such short notice following a sudden Large-Scale Purchase offer. Therefore, we believe that it is necessary for the Large-Scale Purchaser to provide an adequate amount of information and ensure that the shareholders have sufficient time for examining the offer.

In addition, it is essential for the shareholders to understand the Company's expertise and know-how that we have accumulated since our foundation and sufficiently recognize the relationship, etc. that we have built with such stakeholders as customers, suppliers, and employees in order to judge our future corporate value accurately, and not depend only on the information provided by the Large-Scale Purchaser in a unilateral way. It is the Board of Directors of the Company that sufficiently understands our corporate value. Hence, we believe that it is critical to provide the Board's evaluation and opinion of the said Large-Scale Purchase to the shareholders.

Based on the above-mentioned idea, the Board of Directors of the Company believes that a Large-Scale Purchase should be conducted in accordance with certain reasonable rules to safeguard shareholders' common interests. Accordingly, the Company determined to establish rules on Large-Scale Purchase, the contents of which are outlined below.

III Details of the Response Policy

1 Outline of the Response Policy

The purposes of the Response Policy are to provide in advance procedures that the Large-Scale Purchaser should comply with and to ensure that the Company has necessary and sufficient time to negotiate with the Large-Scale Purchaser regarding the Large-Scale Purchase or an offer thereof, collect and examine the details of the proposal made by the Large-Scale Purchaser, inform the shareholders about the Large-Scale Purchase offer, and present an alternative proposal and the plan of the Board of Directors of the Company so that the shareholders of the Company can make a proper decision regarding whether or not to accept the said Large-Scale Purchase offer based on sufficient information, including impact, etc. of the said Large-Scale Purchase on the Company's corporate value and shareholders' common interests.

This Response Policy requires the Large-Scale Purchaser to comply with the procedures prescribed by the Company (hereinafter referred to as the "Large-Scale Purchase Rules") when conducting the Large-Scale Purchase, and the Company may take an appropriate countermeasure in case of non-compliance with the Large-Scale Purchase Rules by the Large-Scale Purchaser, or in the event that the said Large-Scale Purchase is deemed to damage the Company's corporate value and shareholders' common interests even if the Large-Scale Purchaser is in compliance with the said rules.

This Response Policy applies only to Large-Scale Purchases that do not have the prior consent of the Board of Directors of the Company, and is not applicable to Large-Scale Purchases that are executed with the agreement of the Board of Directors of the Company.

2 Procedures to continue the Response Policy

The continuation of the Response Policy was unanimously approved at the meeting of the Board of Directors held on May 12, 2020, which included four independent outside directors.

To ensure that the shareholders have an opportunity to express their opinion on the continuation of the Response Policy, the Company will request the shareholders to vote on the Response Policy at the Ordinary General Meeting of Shareholders to be held on June 25, 2020, and the effectuation of this Policy is subject to their approval.

3 Details of Large-Scale Purchase Rules

(1) Request for provision of Large-Scale Purchase Information

The Large-Scale Purchase Rules require a Large-Scale Purchaser, before starting a Large-Scale Purchase, to provide necessary and sufficient information (hereinafter referred to as "Large-Scale Purchase Information") to the Board of Directors of the Company for the judgment of the shareholders and for evaluation and examination by the Board of Directors of the Company.

i) Submission of Statement of Intent

Where a Large-Scale Purchaser attempts to carry out a Large-Scale Purchase, a statement of intent regarding the execution of the Large-Scale Purchase (hereinafter referred to as the "Statement of Intent") must first be submitted to the Board of Directors of the Company in accordance with the Large-Scale Purchase Rules.

The Statement of Intent shall include the Large-Scale Purchaser's name, address, governing law, representative name, and contact information within Japan; type and number of the Company's share certificates, etc. that the Large-Scale Purchaser currently owns; trading status of the Company's shares by the Large-Scale Purchaser for sixty (60) days before the submission of the Statement of Intent; a summary of the proposed Large-Scale Purchase; and covenants that adhere to the Large-Scale Purchase Rules in implementing the Large-Scale Purchase. Only the Japanese language shall be used for any and all other opinions and responses to be submitted or forwarded to the Company by the Large-Scale Purchaser, including the Statement of Intent.

ii) Provision of Large-Scale Purchase Information

Within ten (10) business days (excluding the first day) of receipt of the Statement of Intent from the Large-Scale Purchaser, the Board of Directors of the Company will, with the assistance of the Independent Committee established later, prepare and send a list to the Large-Scale Purchaser

specifying the Large-Scale Purchase Information required initially to enable the Board of Directors of the Company to form an opinion and the shareholders to make a judgment. In principle, the Large-Scale Purchaser is required to submit the Large-Scale Purchase Information to the Board of Directors of the Company no later than ten (10) business days (excluding the first day) after the receipt of the request. In case the Large-Scale Purchaser requests to extend the submission deadline on a reasonable basis, however, the deadline may be extended.

Where the information submitted by the Large-Scale Purchaser is deemed to be insufficient as Large-Scale Purchase Information, the Board of Directors of the Company may ask the Large-Scale Purchaser to submit additional information until sufficient Large-Scale Purchase Information is obtained. In principle, the Large-Scale Purchaser is required to complete the submission of the Large-Scale Purchase Information no later than sixty (60) days after the delivery of the list of Large-Scale Purchase Information from the Board of Directors of the Company (hereinafter referred to as the "Large-Scale Purchase Information Submission Period"). The Board of Directors of the Company may, however, extend the Large-Scale Purchase Information Submission Period up to thirty (30) days, depending on the recommendation of the Independent Committee, taking into consideration the content and scale of the Large-Scale Purchase as well as the specific submission status of the Large-Scale Purchase Information.

The facts that the Company has received a Large-Scale Purchase offer and the Large-Scale Purchase Information submitted to the Board of Directors of the Company shall be disclosed on a timely and adequate basis if it is deemed necessary for the Company's shareholders to make a judgment. Where the Board of Directors of the Company has determined that the submission of the Large-Scale Purchase Information has been completed, the Company shall promptly disclose the fact to the Company's shareholders. The means of disclosure and announcement to the Company's shareholders in accordance with the Large-Scale Purchase Rules shall be carried out via the Company's website unless otherwise provided by the said rules and the Board of Directors of the Company.

While the Large-Scale Purchase Information that the Company requests the Large-Scale Purchaser to submit may vary based on the details of the Large-Scale Purchase, the general elements of the Large-Scale Purchase Information are outlined below. The following information shall be provided only in Japanese.

[1] Overview of Large-Scale Purchaser and its group

Specific name, business description, major shareholders or investors, investment ratio, financial conditions, and names of officers and their career summaries. Where a Large-Scale Purchaser and its group are a fund or an entity in which they have invested, names about major partners, investors, and other constituent members as well as executive partners and persons who continue to provide investment advice shall be included.

[2] Purpose, method, and details of Large-Scale Purchase

Type and value of purchase consideration for the Large-Scale Purchase, timing of the Large-Scale Purchase, structure of related transactions, lawfulness of the method of the Large-Scale Purchase, and feasibility of the Large-Scale Purchase and relevant transactions, and whether there is a possibility of the Company's shares being delisted after the completion of the Large-Scale and the reasons therefor. Regarding lawfulness of the Large-Scale Purchase, the Company will request a written opinion from a lawyer to be submitted.

[3] Presence or absence of any contact made with a third party in the Large-Scale Purchase; if there is contact, an overview of the third party and specific mode and details of such contact

[4] Basis for the calculation of the purchase consideration

Facts and assumptions that form the premise of the calculation of the purchase consideration in the Large-Scale Purchase, calculation method, numerical information used in the calculation, and the amounts or the details of synergies that are expected to be created through the series of transactions relating to the Large-Scale Purchase, and basis of the calculation therefor.

- [5] Financial support for Large-Scale Purchase
Specific names, capital structure, financing methods, and the terms of any related transactions of providers of funds for the Large-Scale Purchaser (including indirect providers of funds).
- [6] Management policy, business plan, capital policy, dividend policy, and asset utilization policy for the Company and the Tayca Group planned to be implemented after the completion of the Large-Scale Purchase;
Including plans related to the sale of the Company's business or assets, provision of collateral, or other dispositions after the completion of the Large-Scale Purchase.
- [7] Measures to increase the Company and the Tayca Group's corporate value continuously and stably, and the justification that such measures will increase the Company and the Tayca Group's corporate value
- [8] Policy on the treatment of the Company and the Tayca Group's employees, suppliers, local community, and other stakeholders after the completion of the Large-Scale Purchase;
Including whether the employment relationship will be continued, and whether there is any plan of changing the relationship with suppliers and, if yes, the details of such a plan.
- [9] Specific measures to avoid any conflict of interest with the Company's other shareholders
- [10] Presence or absence of any relationship with antisocial forces or terrorism-related organizations (directly or indirectly) and policies for dealing with them
- [11] Other information that the Board of Directors of the Company or the Independent Committee deems necessary on a reasonable basis

(2) Period of review by the Board of Directors of the Company

The Board of Directors of the Company shall be granted the following period for assessment, review, negotiation, forming of opinions, and submission of alternative plans by the Board of Directors of the Company (hereinafter referred to as the "Board Assessment Period") depending on the difficulty of evaluation and review of the Large-Scale Purchase after the completion of submission of the Large-Scale Purchase Information.

- [1] Sixty (60) days (excluding the first day) in case of the purchase of all of the Company's shares by tender offer with cash-only (Japanese yen) consideration; or
- [2] Ninety (90) days (excluding the first day) in case of any other Large-Scale Purchase.

The Large-Scale Purchase shall be initiated only after the Board Assessment Period has elapsed.

In case of unavoidable circumstances due to which the Board of Directors of the Company did not pass a resolution for implementation or non-implementation of countermeasures within the Board Assessment Period for reasons such as the Independent Committee did not reach a recommendation for implementation or non-implementation of the countermeasures within the Board Assessment Period, the Board of Directors of the Company can, by its resolution, extend the Board Assessment Period for a maximum of thirty (30) days within the necessary range. Where the Board of Directors of the Company resolves to extend the Board Assessment Period, the Company shall promptly disclose the specific period of extension and the reason for such extension to the shareholders in accordance with relevant laws and regulations as well as financial instrument exchange regulations.

The Board of Directors of the Company will fully evaluate and review the Large-Scale Purchase Information provided, while receiving advice, as deemed necessary, from financial advisors, certified public accountants, lawyers, consultants, and other outside experts, and shall carefully organize and publicly announce the Board's opinion on the Large-Scale Purchase. The Board of Directors of the Company may, if it deems it necessary, negotiate with the Large-Scale Purchaser concerning improvements in the terms of the Large-Scale Purchase and may also, as the Board of Directors of the Company, present alternative proposals to the through a public announcement.

4 Policies in the event of Large-Scale Purchase

(1) Where a Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules

If a Large-Scale Purchaser carries out a Large-Scale Purchase without complying with the Large-Scale Purchase Rules, in principle, the Board of Directors of the Company will consider the Large-Scale Purchase to be a takeover that might damage the Company's corporate value and shareholders' common interests and will implement a gratis allotment of stock acquisition rights as countermeasures, with the condition that only non-qualified parties cannot exercise such rights. An outline of the gratis allotment of stock acquisition rights that would be implemented by the Board of Directors of the Company as countermeasures is provided in Exhibit 2.

The Board of Directors of the Company shall place the highest value on the recommendation of the Independent Committee in implementing such countermeasures and follow the said recommendation unless the observance of the recommendation violates the Directors' obligation of due care of a prudent manager.

(2) Where a Large-Scale Purchaser complies with the Large-Scale Purchase Rules

If a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Board of Directors of the Company will examine within the Board Assessment Period whether the Large-Scale Purchase will contribute to the maintenance and enhancement of the Company's corporate value and an increase in shareholders' common interests. Only if it is determined that the Large-Scale Purchase would significantly damage the Company's corporate value and shareholders' common interests, the Board of Directors of the Company would trigger a gratis allotment of stock acquisition rights with a view to securing the Company's corporate value and shareholders' common interests. An outline of the gratis allotment of stock acquisition rights is provided in Exhibit 2, same as in the case of III4(1) mentioned above.

A Large-Scale Purchase is considered to be significantly damaging to the Company's corporate value and shareholders' common interests if it falls under any of the following categories:

- [1] Where it is determined that the acquisition of the Company's shares is being conducted for the sole purpose of driving up the stock price to have those shares repurchased by related persons of the Company at a premium, with the acquirer having no intention of truly participating in the management of the Company (so-called "greenmailing")
- [2] Where it is determined that the purchase of the Company's shares is being carried out for the purpose of temporarily controlling the management of the Company so that the intellectual property rights, know-how, trade secrets, principal suppliers, customers, and other items that are necessary for the Company or the Tayca Group companies' business operations can be transferred to the Large-Scale Purchaser, its group companies, or other third parties;
- [3] Where it is determined that the purchase of the Company's shares is being conducted after obtaining a controlling interest in the management of the Company with the intention of appropriating the Company or the Tayca Group's assets to secure or pay off the debts of the Large-scale Purchaser and its group companies, etc., causing irreparable damage to the Company;
- [4] Where it is determined that the purchase of the Company's shares is being conducted for the purpose of temporarily controlling the management of the Company and having the Company or the Tayca Group companies sell or otherwise dispose of expensive assets such as real property and securities to make temporary high dividends with the profits of such disposal, or for the purpose of taking the opportunity of the rapid increase in a stock price due to the temporary high dividends and selling the Company's shares at a premium, causing irreparable damage to the Company;
- [5] Where it is determined that the purchasing method of the Company's shares proposed by a Large-Scale Purchaser will restrict the shareholders' opportunity and freedom to make decisions, such as oppressive two-stage purchases (executing purchases of shares, such as tender offers, whereby no solicitations for purchasing all the shares are made in the initial purchase, and disadvantageous purchase terms are set or the purchase terms are not made

explicitly clear in the second stage), whereby shareholders may essentially be forced to sell their shares of the Company (provided that partial tender offers shall not always correspond hereto);

Whereas, if a Large-Scale Purchase does not fall under any of the above-mentioned categories and a category causing a significant damage on the Company's corporate value and shareholders' common interests, the Board of Directors of the Company will not trigger a gratis allotment of stock acquisition rights as countermeasures. Even in this case, if the Board of Directors of the Company opposes the Large-Scale Purchase, it may express its dissenting opinion on the Large-Scale Purchase, offer alternative plans, persuade the Company's shareholders, etc.

In determining whether a Large-Scale Purchase falls under any category causing significant damage on the Company's corporate value and shareholders' common interests, the Board of Directors of the Company shall place the highest value on the recommendation of the Independent Committee and follow the recommendation unless the observance of the said recommendation violates the obligation of due care of a prudent manager.

5 Convocation of Shareholders' Meeting for Confirmation of Shareholders' Opinion

As described in III4, the Board of Directors of the Company shall, while placing the highest value on the recommendation of the Independent Committee, pass a resolution for the implementation, non-implementation or suspension of countermeasures, or other matters.

However, where the Independent Committee recommends the implementation of the countermeasures subject to obtaining approval at a shareholders' meeting of the Company in advance, or where the Board of Directors of the Company decides, at its discretion, to convene a shareholders' meeting of the Company to take a vote on whether or not to implement countermeasures regardless of the recommendation of the Independent Committee, the Board of Directors of the Company shall promptly convene a shareholders' meeting of the Company (hereinafter referred to as "Shareholders' Meeting for Confirmation of Shareholders' Opinion"). Where the Board of Directors of the Company has passed a resolution for convening a Shareholders' Meeting for Confirmation of Shareholders' Opinion, a Large-Scale Purchaser shall not commence a Large-Scale Purchase until the completion of the Shareholders' Meeting for Confirmation of Shareholders' Opinion.

Upon convening the Shareholders' Meeting for Confirmation of Shareholders' Opinion, the Board of Directors of the Company shall adopt a resolution concerning the implementation of countermeasures in accordance with the resolution (ordinary resolution) at the Shareholders' Meeting for Confirmation of Shareholders' Opinion.

Even if convocation procedures for the Shareholders' Meeting for Confirmation of Shareholders' Opinion have been taken, where the Board of Directors of the Company subsequently passes a resolution on the non-implementation of the countermeasures or determines that it is necessary to resolve implementation of the countermeasures, the Company may cancel call procedures for the Shareholders' Meeting for Confirmation of Shareholders' Opinion. Where such resolution has been passed, the Company shall promptly disclose to shareholders the opinion of the Board of Directors of the Company and the reason thereof along with other appropriate information in accordance with relevant laws and regulations as well as financial instrument exchange regulations.

6 Cancellation or revocation of countermeasures

Where, after the Board of Directors of the Company has passed a resolution implementing the countermeasures according to procedures set forth in III4 or 5, the Large-Scale Purchaser cancels or revokes the Large-Scale Purchase, or any changes occur in the facts on which the decision on whether or not to trigger the countermeasures is based, the Board of Directors of the Company may cancel or revoke the implementation of the countermeasures.

7 Establishment of Independent Committee

(1) Overview of the Independent Committee

The Board of Directors of the Company shall establish an independent committee as an entity that is independent of the Board of Directors of the Company in accordance with the Independent Committee Regulations (for the outline, refer to Exhibit 3) in a bid to prevent the Board from making any arbitrary decisions regarding the implementation of the countermeasures.

(2) Composition of the Independent Committee

The Independent Committee shall consist of at least three (3) members who are selected and appointed by the Board of Directors of the Company from among outside directors, lawyers, certified public accountants, academic experts, or/and outside business experts having experience as a director or auditor in order to ensure fair and neutral judgments.

The career summary of the Independent Committee members is set out in Exhibit 4.

(3) Role of Independent Committee

Where the Board of Directors of the Company makes a judgment regarding whether or not to trigger the countermeasures, the following procedures shall be pursued to ensure the fairness of such judgment.

Prior to triggering the countermeasures, the Board of Directors of the Company shall seek the Independent Committee's opinion regarding the appropriateness of such countermeasures, whereupon the Independent Committee shall make a recommendation to the Board of Directors of the Company on the suitability of implementing such countermeasures while accepting advice from outside experts based on the said inquiries. The recommendation shall determine whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules or the presence or absence of reasons set forth in III4(2)[1] to [5].

In principle, a resolution on the recommendation shall be made by a resolution of the Independent Committee. In determining whether or not to trigger the countermeasures, the Board of Directors of the Company shall place the highest value on the recommendation of the Independent Committee and follow the recommendation unless the observance of the said recommendation violates the obligation of due care of a prudent manager.

8 Impact of continuation of Response Policy on shareholders and investors

(1) Impact of continuation of Response Policy

Upon the continuation of the Response Policy, the Company will not implement a gratis allotment of stock acquisition rights. Accordingly, it may not have any direct and specific impact on the rights and economic benefits of the shareholders and investors.

(2) Impact of implementation of countermeasures

The Board of Directors of the Company may issue stock acquisition rights as countermeasures with a view to ensuring and/or increasing the Company's corporate value and shareholders' common interests. Although the value per share of the Company will be diluted upon the implementation of the countermeasures, the total value of the Company's shares held by the shareholders will not be diluted. Thus, the Company does not assume a situation in which the shareholders and investors will incur material damages in respect of legal rights and/or financial terms. However, those who cannot exercise stock acquisition rights in the countermeasures may incur legal and/or financial damage upon the implementation of the countermeasures.

After the Board of Directors of the Company passes a resolution implementing a gratis allotment of stock acquisition rights, the Company may cancel the gratis allotment of stock acquisition rights or acquire the stock acquisition rights for free without delivering the Company's shares to the holders of the stock acquisition rights due to such situations as the Large-Scale Purchaser's cancellation of the Large-Scale Purchase. In that case, the shareholders and investors who traded the Company's shares on the premise that dilution of the value of the Company's shares would occur may incur considerable damage due to fluctuations in the stock price. The shareholders of the Company and investors shall pay attention to the actions of the Large-Scale Purchaser.

(3) Necessary procedures for shareholders upon implementation of countermeasures

Where the Board of Directors of the Company has passed a resolution triggering the countermeasures and, therefore, stock acquisition rights would be allotted, it will be necessary for the shareholders to be recorded in the final shareholder registry as of the record date since the stock acquisition rights will be allotted to shareholders who are recorded in the final shareholder registry as of the record date that is determined separately by the Board of the Company and publicly notified in proportion to the number of their holding shares. Additionally, the shareholders need to complete the payment of a fixed sum determined by the Board of Directors of the Company within the prescribed period in order to exercise the stock acquisition rights.

If the stock acquisition rights have been allotted with an exercise condition of acquisition, the shareholders may acquire the Company's common shares without paying money.

The Company shall notify the details of these procedures when they are actually required in accordance with relevant laws and regulations as well as financial instrument exchange regulations.

9 Expiration date, continuation, termination, and change of Response Policy

(1) The expiration date of the Response Policy shall be on the completion of the General Meeting of Shareholders to be held in June 2023, and at that time, the Company will seek the shareholders' opinion on the renewal of the Response Policy. Accordingly, the issue of whether or not to continue the Response Policy and its details in case of continuation shall be determined by shareholders.

(2) Even before the expiration of the effective period of the Response Policy mentioned above, where a general meeting of the shareholders of the Company approves a proposal for termination of the Response Policy and where the Board of Directors of the Company passes a resolution to terminate the Response Policy, the Response Policy shall lose its effect at that point of time. As described above, the Response Policy may be terminated at any time according to shareholders' intention.

In addition, the Board of Directors of the Company may revise or change the details of the Response Policy in consultation with the Independent Committee within the permitted scope, which does not allow changes in essential matters, if it deems it necessary from the viewpoint of ensuring and/or improving the Company's corporate value and shareholders' common interests.

(3) Where a decision for the termination, change, etc. of the Response Policy is made, the Company shall make appropriate and timely disclosures to shareholders regarding matters that the Board of Directors of the Company or the Independent Committee deems appropriate in accordance with relevant laws and regulations as well as financial instrument exchange regulations.

10 Rationality of Response Policy

(1) Fulfillment of three principles set out in Guidelines Regarding Takeover Defense

The Response Policy fulfills the three principles (namely Principle of protecting and enhancing corporate value and shareholders' common interests; Principle of prior disclosure and shareholders' will ; and Principle of ensuring the necessity and reasonableness of defensive measure) of the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests," which were jointly announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. It also conforms to the content of "Takeover Defense Measures in Light of Recent Environmental Changes" released by the Corporate Value Study Group on June 30, 2008.

(2) Introduction with a view to ensuring and/or improving shareholders' common interests

The purpose of the Response Policy is to secure necessary information and time for the Company's shareholders to make a decision regarding the best course of action to ensure and/or improve the Company's corporate value and shareholders' common interests, and to also ensure opportunities for the Board of Directors of the Company to negotiate with the Large-Scale Purchaser and for shareholders to

receive an alternative plan by the Board of Directors of the Company. Accordingly, the Company will introduce the Response Policy with the aim of ensuring and/or improving its corporate value and shareholders' common interests.

(3) Implementation of prior disclosure

Upon the continuation of the Response Policy, the Company discloses its purpose and the specific details and effects of Takeover Defense Measures in advance to ensure the predictability of the shareholders, investors, and the Large-Scale Purchaser, and to also ensure that the shareholders have the opportunity to make appropriate choices in the event of a Large-Scale Purchase.

In addition, the Company will disclose information on a timely and adequate basis when necessary in accordance with relevant laws and regulations as well as financial instrument exchange regulations.

(4) Importance of shareholders' intentions

The Response Policy will be continued subject to the vote and approval of the shareholders at the Ordinary General Meeting of Shareholders to be held in June 2020. If the proposal is rejected, it shall not be effective. The effective period of the Response Policy is set for three years and it shall be automatically terminated if the shareholders do not approve its continuation at the General Meeting of Shareholders to be held in 2023.

The Response Policy contains a mechanism to directly ask shareholders to vote on whether or not to trigger countermeasures by convening the Shareholders' Meeting for Confirmation of Shareholders' Opinion should the Independent Committee recommend the implementation of countermeasures subject to obtaining prior approval at a shareholders' meeting, or where the Board of Directors of the Company determines, at its discretion, to convene a shareholders' meeting to hold a vote on whether or not to trigger the countermeasures.

As seen above, the Response Policy adopts a mechanism that sufficiently reflects the intentions of the shareholders.

(5) Importance of the judgment of the highly independent third party

The Company prescribes, in the Response Policy, the establishment of an independent committee as an advisory body to avoid an arbitrary activation of the countermeasures by the Board and to make an objective decision for the sake of shareholders. The Independent Committee shall consist of at least three (3) members who are outside experts, etc. in order to ensure fair and neutral judgments.

If a Large-Scale Purchase offer is made, the Independent Committee shall determine whether the Large-Scale Purchase might significantly damage the Company's corporate value and shareholders' common interests. In determining whether or not to trigger the countermeasures, the Board of Directors of the Company shall place the highest value on the recommendation of the Independent Committee and follow the recommendation unless the observance of the said recommendation violates the obligation of due care of a prudent manager.

Thus, by respecting the recommendation of the highly autonomous Independent Committee, the Company has put into place a framework to avoid the Board's arbitrary judgment and to operate the Response Policy in line with the objective of safeguarding the Company's corporate value and shareholders' common interests.

(6) Establishment of reasonable objective requirements

The Response Policy lists specific actions that may significantly damage the Company's corporate value and shareholders' common interests in advance and specifies that countermeasures against the Large-Scale Purchase shall be implemented only when the Purchase falls under these reasonable objective requirements. Accordingly, the Company ensures that a framework is in place to prevent the Board's arbitrary activation of the countermeasures.

(7) Does not have a potentially negative impact on shareholders regardless of the Purchase and ensures

fairness

The Response Policy is reasonable as a takeover defense tool since it may not have a direct and specific impact on the rights and economic benefits of the shareholders upon its continuation, and any situation in which the shareholders, excluding the Large-Scale Purchaser, will suffer material damages in respect of legal rights or in financial terms is not assumed if the countermeasures are triggered according to the Response Policy.

In addition, equality and fairness for all the shareholders other than the Large-Scale Purchaser are ensured by a provision of the countermeasures which was designed therefor, to issue share acquisition rights to all shareholders other than the Large-Scale Purchaser under the same condition without exception.

(8) Not a “dead-hand” or “slow-hand” takeover defense measure

The Response Policy may be terminated at any time at a general meeting of shareholders of the Company or by the Board of Directors consisting of Directors elected at a general meeting of shareholders, and thus it is not a so called head-hand takeover defense measure (a takeover defense measure in which the activation of the measure cannot be stopped even if a majority of the Board members are replaced).

Furthermore, the Company has not adopted a system of staggered terms of office for Directors, meaning the Response Policy is not a slow-hand takeover defense measure (a takeover defense measure in which the replacement of the Board members cannot occur all at once and therefore it takes time to stop its activation).

(Note 1) Share certificates, etc. mean:

- [1] For the specific group of shareholders specified in Note 2 [1], share certificates, etc. stipulated by Article 27-23, Paragraph 1 of the same Act, or;
- [2] For the specific group of shareholders specified in Note 2 [2], share certificates, etc. stipulated by Article 27-2, Paragraph 1 of the same Act.

(Note 2) A specific group of shareholders means:

- [1] Holders (meaning holders stipulated by Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act, including those deemed holders pursuant to Article 27-23, Paragraph 3 of the same Act) of the Company’s share certificates, etc. (meaning share certificate, etc. stipulated by Article 27-23, Paragraph 1 of the same Act) and their joint holders (meaning joint holders stipulated by Article 27-23, Paragraph 5 of the same Act, including those who are considered as joint holders pursuant to Article 27-23, Paragraph 6 of the same Act), or;
- [2] Persons who undertake the purchase, etc. (meaning purchase, etc. stipulated by Article 27-2, Paragraph 1 of the same Act, including transactions conducted in stock exchanges or financial product markets) of the Company’s share certificates, etc. (meaning share certificate, etc. stipulated by Article 27-2, Paragraph 1 of the same Act) and their special interested parties (meaning special interested parties stipulated by Article 27-2, Paragraph 7 of the same Act).

(Note 3) The voting rights ratio means:

- [1] For the specific group of shareholders specified in Note 2 [1], the holding ratio of share certificates, etc. by the holder of the Company’s share certificates, etc. (meaning the holding ratio of share certificates, etc. stipulated by Article 27-23, Paragraph 4 of the same Act. In this case, the number of share certificates, etc. held by joint holders of the said holder (meaning the number of share certificates, etc. held pursuant to Article 27-23, Paragraph 4 of the same Act) shall be included in the calculation) or;
- [2] For the specific group of shareholders specified in Note 2 [2], the total holding ratio of share certificates, etc. by the purchaser of the Company’s share certificates, etc. and its special interested parties (meaning the holding ratio of share certificate, etc. stipulated by Article 27-2, Paragraph 8 of the same Act).

Exhibit 1

Status of the Company's shares (as of March 31, 2020)

1. Total number of authorized shares 75,000,000 shares
2. Total number of issued shares 25,714,414 shares (of which 2,538,313 shares are treasury shares)
3. Number of shareholders 3,995

4. Major shareholders

Name of shareholder	Number of shares held (in thousands)	Ratio of shareholding (%)
KBL EPB S.A. 107704	2,918	12.59
MITSUI & CO., LTD.	1,784	7.69
Mitsubishi Corporation	1,630	7.03
Yamada Sangyo Co., Ltd.	1,470	6.34
Retirement benefit trust (Mizuho Bank account) of Mizuho Trust & Banking Co., Ltd. and re-trust trustees of Trust & Custody Services Bank, Ltd.	1,009	4.35
Employee stock ownership plan of Tayca Group	976	4.21
The Master Trust Bank of Japan, Ltd. (trust account)	864	3.73
NIPPON TOCHI-TATEMONO Co., Ltd.	694	2.99
Kansai Paint Co., Ltd.	612	2.64
Sumitomo Corporation	500	2.15

(Notes)

1. The Company holds 2,538 thousand shares of treasury stock, which are not included in the above.
2. With regard to the 1,009 thousand shares held by "Retirement benefit trust (Mizuho Bank account) of Mizuho Trust & Banking Co., Ltd. and re-trust trustees of Trust & Custody Services Bank, Ltd.," Mizuho Bank, Ltd., a trustor, retains the right to direct voting rights.
3. The shareholding ratio is calculated by excluding treasury shares.

- 1 Shareholders subject to the grant of stock acquisition rights and terms and conditions of issuance
Stock acquisition rights shall be allotted to shareholders who are registered in the final shareholder registry as on the given date determined by the Board of Directors of the Company (hereinafter referred to as the “allotment date”) at the rate of one (1) stock acquisition right per one (1) holding share (excluding the Company’s common shares held by the Company).
- 2 Type and number of shares underlying the stock acquisition rights
The type of shares underlying the stock acquisition rights shall be the Company’s common shares, and the number of shares to be delivered upon exercise of one (1) stock acquisition right shall be one (1) common share of the Company; provided, however, if the Company carries out a stock split or reverse stock split, the required adjustments shall be made.
- 3 Total number of stock acquisition rights to be issued
The Board of Directors of the Company shall determine the total number of stock acquisition rights to be allotted, which shall not exceed the upper limit of the number of the latest issued shares of the Company. However, common shares held by the Company as of the allotment date are excluded.
- 4 Effective date of gratis allotment of stock acquisition rights
The Board of Directors of the Company shall determine the date separately.
- 5 Type and value of asset to be paid upon exercise of stock acquisition rights
The type of asset to be paid upon exercise of stock acquisition rights shall be money and the amount shall be one (1) yen or more as prescribed by the Board of Directors of the Company.
- 6 Restriction on transfer of stock acquisition rights
The transfer of stock acquisition rights shall require the approval of the Board of Directors of the Company.
- 7 Conditions on exercise of stock acquisition rights
[1] The Large-Scale Purchaser, [2] joint holders of the Large-Scale Purchaser (meaning parties who are considered as joint holders in accordance with Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act, including parties recognized as falling in the category by the Board of Directors the Company), [3] special interested parties of the Large-Scale Purchaser (meaning parties stipulated by Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act, including parties recognized as falling in the category by the Board of Directors of the Company), [4] parties who have got or inherited stock acquisition rights allotted without compensation pursuant to the Response Policy from parties who fall under any of the preceding three categories without approval of the Board of Directors of the Company, or [5] related parties who fall under any of the preceding four categories (meaning parties who substantially control or are controlled by the said party, or act in cooperation with the said party and who are recognized as falling in such category by the Board of Directors of the Company. “Control” means “the authority to control decisions regarding financial and business policies of other companies, etc.” (Article 3, Paragraph 3 of the Regulation for Enforcement of the Companies Act) shall not exercise stock acquisition rights allotted without compensation pursuant to the Response Policy. The Board of Directors of the Company shall specify the details separately.

8 Exercise period of stock acquisition rights

The Board of Directors of the Company shall specify the exercise period of the stock acquisition rights separately.

9 The Company's acquisition of stock acquisition rights

The Company may acquire stock acquisition rights that have not been exercised by a date prior to the given date determined separately by the Board of Directors of the Company by delivering one (1) common share of the Company in exchange for one (1) stock acquisition right, except for stock acquisition rights held by parties who cannot exercise the stock acquisition rights according to item 7 mentioned earlier. Where, after the date on which the acquisition takes place, the Board of Directors of the Company recognizes the existence of any party holding the stock acquisition rights other than parties who cannot exercise the stock acquisition rights according to item 7 mentioned earlier, the Company may, on a given date determined by the Board of Directors of the Company after the date on which the acquisition by the Company takes place, acquire the stock acquisition rights held by that party that have not been exercised by the day prior to such given date by delivering one (1) common share of the Company in exchange for one (1) stock acquisition right. The same shall apply thereafter.

In addition on a date determined separately by the Board of Directors, the Company may acquire stock acquisition rights, including the ones held by those who cannot exercise the rights according to item 7 mentioned earlier, over the period starting from the effective date of the allocation of the stock acquisition rights to the date prior to either the first day of the execution period or the date of the acquisition mentioned earlier, whichever is earlier, if the Board of Directors of the Company determines that it is appropriate for the Company to acquire the stock acquisition rights.

1 Establishment

The Independent Committee shall be established through a resolution of the Board of Directors.

2 Composition

- (1) The Independent Committee shall have at least three (3) members.
- (2) Independent Committee members shall be selected and appointed from outside directors, or outside experts (including business managers, those who have experience in business management, lawyers, certified public accountants, and academic experts) who are independent of the management team that is responsible for the execution of the Company's business.
- (3) The appointment and dismissal of Independent Committee members shall be made by a resolution of the Board of Directors. A resolution for dismissal of Independent Committee members shall require a two-thirds majority vote of the directors present.

3 Term of office Independent Committee members

The term of the Independent Committee members shall be the period from the date of appointment to the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three years after the date of appointment. Where the continuation of the Response Policy is approved at the said Ordinary General Meeting of Shareholders, the Independent Committee members shall be reappointed without resolution. The same shall apply thereafter, except as otherwise provided by a resolution of the Board of Directors.

4 Role of Independent Committee

The Independent Committee shall make recommendations to the Board of Directors regarding whether the Large-Scale Purchase may cause significant damage to the Company's corporate value and shareholders' common interests, and whether it is reasonable to trigger countermeasures against the Large-Scale Purchase. In issuing such recommendations, the Independent Committee must make a judgment from the viewpoint of whether the said action will contribute or not contribute to the Company's corporate value and shareholders' common interests, and not with the purpose of pursuing the Committee members' own personal benefit or the interests of the Company's directors.

5 Requirements for resolution

Resolutions by the Independent Committee shall be made, as a general principle, with all members of the Independent Committee in attendance and by a majority of those in attendance. However, if any member is unable to attend due to an accident or other unavoidable circumstances, a resolution may pass with all members in attendance, excluding the said member, and by a majority of those in attendance.

6 Advice of third party

The Independent Committee may, at Company expense, obtain advice from independent third parties (including financial advisers, certified public accountants, lawyers, consultants, or any other outside experts) when necessary.

Narihito Maishi

Date of birth: January 13, 1953

Career summary	April 1979	Registered as lawyer (Osaka Bar Association) and joined Irokawa Law Office (to present)
	June 1993	Outside Auditor & Supervisory Board Member of ONO PHARMACEUTICAL, CO., LTD.
	August 2001	Human Rights Commissioner of Ministry of Justice of Japan
	June 2003	Outside Auditor of OSAKA MONORAIL CO., LTD. (to present)
	July 2007	Auditor-Secretary of TAMATEYAMA GAKUEN
	June 2010	Outside Auditor of SUMITOMO DENSETSU CO., LTD. (to present)
	April 2014	Commissioner of TAMATEYAMA GAKUEN (to present)
	January 2015	Partner of Irokawa Legal Professional Corporation
	December 2016	Outside Auditor of inQs Co., Ltd.

Koji Yamamoto

Date of birth: December 28, 1954

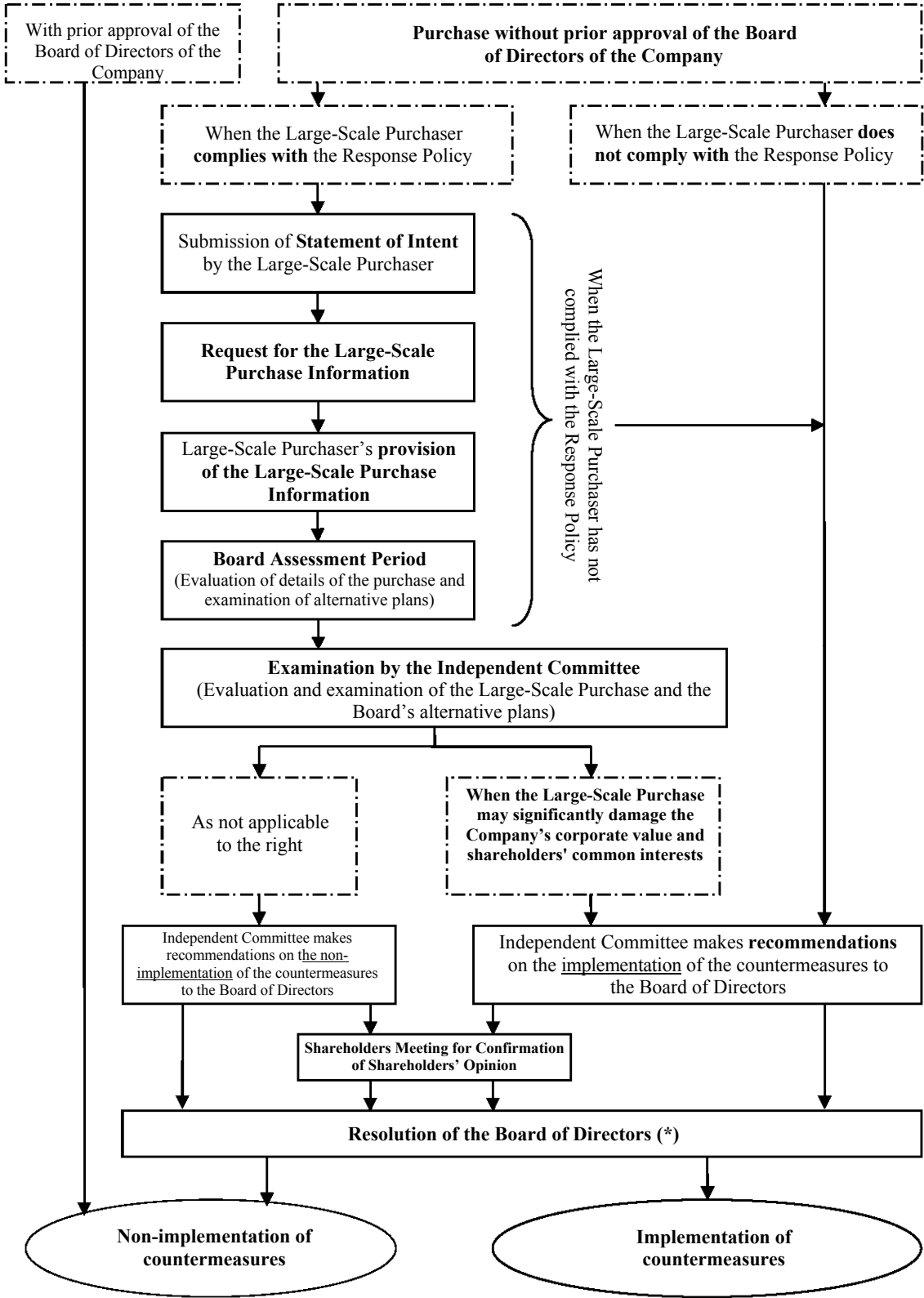
Career summary	April 1983	Instructor of School of Business of University of Kagawa
	April 1984	Associate Professor of School of Business of University of Kagawa
	October 1988	Associate Professor of Faculty of Economics of Osaka Prefecture University
	January 1996	Professor of Faculty of Economics of Osaka Prefecture University (Graduate School of Economics)
	April 2010	Chair of Faculty of Economics, Osaka Prefecture University
	April 2012	Vice Chair, College of Sustainable System Sciences and Chair of College of Management, Osaka Prefecture University
	June 2012	Extraordinary Vice President of Osaka Prefecture University
	November 2013	Chairperson of Osaka Prefecture Bid Monitoring Committee
	June 2014	Outside Audit & Supervisory Board Member of the Company
	November 2014	Chairperson of Council for Evaluation of Designated Finance Organizations of Osaka Prefecture
	July 2015	Audit Commission member of Osaka Prefecture (to present)
	March 2017	Emeritus Professor of Osaka Prefecture University (to present)
	April 2017	Professor of Faculty of Business Administration of Osaka Gakuin University (to present)
	June 2019	Director who is Audit & Supervisory Committee Member of the Company (to present)

Norikatsu Okada

Date of birth: July 7, 1953

Career	April 1976	Joined The Dai-Ichi Kangyo Bank, Ltd.
summary	January 1997	General Manager of Nishiarai Branch of The Dai-Ichi Kangyo Bank, Ltd.
	June 2000	Manager of Nishijin Branch of The Dai-Ichi Kangyo Bank, Ltd.
	April 2002	Manager of Nishijin Branch of Mizuho Bank, Ltd.
	March 2006	Executive Officer of NIPPON TOCHI-TATEMONO Co., Ltd.
	November 2009	Managing Executive Officer of NIPPON TOCHI-TATEMONO Co., Ltd.
	June 2015	Outside Audit & Supervisory Board Member of the Company

Exhibit 5 Details (flowchart) of Response Policy



* The Board of Directors of the Company shall follow the recommendation of the Independent Committee unless the observance of the said recommendation violates the obligation of due care of a prudent manager, or if the Shareholders' Meeting for Confirmation of Shareholders' Opinion was held, follow the resolution of the meeting.