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(Securities Code: 7952)

June 6, 2022

To Shareholders with Voting Rights:

Hiroataka Kawai
Chairman, President & CEO
**Kawai Musical Instruments
Manufacturing Co., Ltd.**
200 Terajima-cho, Naka-ku, Hamamatsu,
Shizuoka, Japan

NOTICE OF CONVOCATION OF THE 95TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

This is to inform you of the 95th Annual General Meeting of Shareholders of Kawai Musical Instruments Manufacturing Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

You may exercise your voting rights in writing or via the Internet, etc. instead of attending the meeting. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Monday, June 27, 2022 (JST).

1. Date and Time: Tuesday, June 28, 2022 at 10:00 a.m. (JST, the reception desk opens at 9:00 a.m.)

2. Venue: Building No. 10 at the Company Headquarters located at
200 Terajima-cho, Naka-ku, Hamamatsu,
Shizuoka, Japan

3. Meeting Agenda:

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 95th Fiscal Year (from April 1, 2021 to March 31, 2022), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the 95th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1:** Dividends of Surplus
- Proposal 2:** Amendment to the Articles of Incorporation
- Proposal 3:** Election of Ten Directors
- Proposal 4:** Election of One Substitute Corporate Auditor
- Proposal 5:** Determination of the Amount and Contents of Stock Compensation, etc. for Directors
- Proposal 6:** Renewal of the Measures against the Large-scale Purchase of the Shares in the Company (a Takeover Defense Measure)

4. Other Matters concerning the General Meeting of Shareholders

- (1) If you arrange attendance by your proxy, please appoint one shareholder of the Company holding voting rights. In this case, you are kindly requested to submit a document proving such proxy prior to the opening of the General Meeting of Shareholders.
- (2) If you are diversely exercising your voting rights, please give notice in writing to the Company on your intention of such diverse exercise and the reasons therefor, no later than three days prior to the date of the General Meeting of Shareholders.
- (3) Of the documents to be included in this notice of convocation, “Systems and policies of the Company” in the Business Report, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company’s website (<https://www.kawai.co.jp/ir/sokai/>) (in Japanese only) pursuant to the applicable laws and regulations as well as Article 15 of the Company’s Articles of Incorporation. Therefore, they are not included in the Attachment of this Notice. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by Corporate

Auditors and the Accounting Auditor include the aforementioned documents posted on the Company's website, in addition to those presented in the Attachment.

Request to shareholders: When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Notice: Any amendment to the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or Reference Documents for the General Meeting of Shareholders will be posted on the Company's website (<https://www.kawai.co.jp/ir/sokai/>) (in Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividends of Surplus

The Company's basic principle is to provide shareholder returns with the aims of distributing stable dividends to shareholders based on the consolidated business results, while ensuring sufficient level of internal reserve for stabilizing the management base, in consideration of the business results of each fiscal year as well as the business environment and business development in the future. Currently, the Company only pays year-end dividends, in principle.

The Company proposes to pay the year-end dividends as follows for the fiscal year under review based on such principle, as a show of appreciation for the constant support by the shareholders.

Matters concerning the year-end dividends

Type of the dividend property: Cash

Matters concerning the assignment of the dividend property and its amount
(per common share of the Company):

Ordinary dividend: ¥75

Total dividends: ¥644,613,450

Effective date of the dividends of surplus: June 29, 2022

Proposal 2: Amendment to the Articles of Incorporation

1. Reasons for the proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 15, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 15, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendment

The details of the amendment are as follows.

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 15</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u> (Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p>(Measures, etc. for Providing Information in Electronic Format) <u>Article 15</u> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u> (Supplementary Provisions) <u>1. The amendment to the Articles of Incorporation pertaining to Article 15 shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p>

Current Articles of Incorporation	Proposed amendments
	<p data-bbox="821 197 1441 353"><u>2. Notwithstanding the provision of the preceding paragraph, Article 15 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="821 353 1441 510"><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Ten Directors

The terms of office of all ten incumbent Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of ten Directors is proposed.

The candidates for Directors are as follows.

No.	Name	Current positions	Responsibilities
1	Hiroataka Kawai	Reappointment Chairman, President & CEO	
2	Teruyuki Ito	Reappointment Director and Vice President	Executive Officer General Manager, General Affairs & Human Resources Division
3	Kentaro Kawai	Reappointment Director and Vice President	Executive Officer General Manager, Production Control Division
4	Masakazu Kusaka	Reappointment Senior Managing Director	Executive Officer General Manager, Domestic Business Division
5	Harumitsu Makita	Reappointment Managing Director	Executive Officer General Manager, Material Processing Division, Production Control Division
6	Hiroshi Ushio	Reappointment Managing Director	Executive Officer General Manager, Piano Division, Production Control Division
7	Masafumi Minowa	Reappointment Director	Executive Officer General Manager, Electronic Musical Instruments Division, Production Control Division
8	Naoki Mori	Reappointment Director	Executive Officer General Manager, Overseas Business Division
9	Ichisei Katagiri	Reappointment Outside Independent Director	
10	Shoji Nakamura	Reappointment Outside Independent Director	

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
1	Hiroataka Kawai (June 27, 1947) Reappointment	<p>Jan. 1976 Joined the Company</p> <p>Aug. 1979 Director</p> <p>Aug. 1983 Managing Director</p> <p>Aug. 1985 Representative Director and Senior Managing Director</p> <p>June 1987 Representative Director and Vice President</p> <p>Oct. 1989 President & Chief Executive Officer</p> <p>June 2015 Chairman, President & CEO (to present)</p> <p>(Significant concurrent positions)</p> <p>Director, KAWAI FOUNDATION FOR SOUND TECHNOLOGY & MUSIC</p> <p>Director, KAWAI SEIMITSU KINZOKU Co., Ltd</p> <p>Audit & Supervisory Board Member, Kabushiki Kaisha Kawai Shadan</p>	118,500
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Hiroataka Kawai has served as Chief Executive Officer for many years and has deep knowledge and achievements concerning the Group's business management. In the midst of severe changes in the business environment, he has exerted strong leadership and contributed to the enhancement of corporate value. We believe that he will continue to exert management leadership and is qualified to supervise the business execution.</p>			
No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
2	Teruyuki Ito (September 1, 1953) Reappointment	<p>Apr. 1978 Joined the Company</p> <p>Oct. 2008 General Manager, Musical Education Department, Domestic Business Division</p> <p>Feb. 2010 Executive Officer</p> <p>June 2014 Director & Executive Officer</p> <p>Apr. 2015 General Manager, Business Strategy Department, Domestic Business Division</p> <p>Apr. 2016 General Manager, General Affairs & Human Resources Division</p> <p>Apr. 2018 General Manager, Administration Division</p> <p>June 2018 Executive Vice President (to present)</p> <p>June 2019 General Manager, General Affairs & Human Resources Division (to present)</p> <p>(Significant concurrent positions)</p> <p>None</p>	4,500
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Teruyuki Ito works on many issues and has experience and achievements as a person in charge of the General Affairs & Human Resources Division. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
3	Kentaro Kawai (June 1, 1977) Reappointment	<p>Oct. 2007 Joined the Company</p> <p>Apr. 2012 General Manager, Piano Division Executive Officer</p> <p>May 2015 Auditor, PT. Kawai Indonesia (to present)</p> <p>June 2015 Director & Executive Officer</p> <p>Apr. 2016 General Manager, Musical Instruments Manufacturing Division and Piano Division</p> <p>June 2016 Managing Director</p> <p>June 2018 Senior Managing Director General Manager, Production Control Division (to present)</p> <p>June 2020 Director and Vice President, Executive Officer (to present)</p> <p>(Significant concurrent positions) Director, KAWAI SEIMITSU KINZOKU Co., Ltd Auditor, PT. Kawai Indonesia</p>	3,100
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Kentaro Kawai works on many issues and has well-informed experience in the field and achievements as a person in charge of the business administration division and the production division. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>			
No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
4	Masakazu Kusaka (November 12, 1953) Reappointment	<p>Mar. 1976 Joined the Company</p> <p>Feb. 2008 General Manager, Chubu (central area) Business Division</p> <p>June 2008 Executive Officer</p> <p>Feb. 2009 General Manager, Kanto (Tokyo and surrounding areas) Business Division</p> <p>Apr. 2013 General Manager, Domestic Business Division</p> <p>June 2013 Director & Executive Officer</p> <p>June 2015 Managing Director</p> <p>Apr. 2016 Deputy General Manager, Business Division and General Manager, Domestic Business Division</p> <p>June 2016 Senior Managing Director, Executive Officer (to present)</p> <p>May 2019 General Manager, Domestic Business Division (to present)</p> <p>(Significant concurrent positions) None</p>	6,000
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Masakazu Kusaka has abundant experience and achievements in management as a person in charge of the Domestic Business Division. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
5	Harumitsu Makita (January 18, 1957) Reappointment	<p>Apr. 1979 Joined the Company</p> <p>Apr. 2013 General Manager, Metal Division</p> <p>June 2013 Representative Director and President, KAWAI SEIMITSU KINZOKU Co., Ltd (to present)</p> <p>June 2014 Executive Officer</p> <p>Apr. 2016 General Manager, Material Processing Division</p> <p>June 2016 Director & Executive Officer</p> <p>June 2018 Managing Director (to present)</p> <p> General Manager, Material Processing Division, Production Control Division (to present)</p> <p>(Significant concurrent positions)</p> <p>Representative Director and President, KAWAI SEIMITSU KINZOKU Co., Ltd</p>	3,600
		<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Harumitsu Makita works on many issues and has experience and achievements as a person in charge of the material processing business. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>	
No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
6	Hiroshi Ushio (February 11, 1961) Reappointment	<p>Jan. 1983 Joined the Company</p> <p>Apr. 2005 General Manager, PT. Kawai Indonesia</p> <p>June 2011 President, PT. Kawai Indonesia</p> <p> Executive Officer</p> <p>Apr. 2012 Deputy General Manager, Piano Division</p> <p>Apr. 2016 Deputy General Manager, Piano Division, Musical Instruments Manufacturing Division</p> <p>June 2017 Director & Executive Officer</p> <p>June 2018 General Manager, Piano Division, Production Control Division (to present)</p> <p>Feb. 2019 Representative Auditor, PT. Kawai Indonesia (to present)</p> <p>June 2020 Managing Director, Executive Officer (to present)</p> <p>(Significant concurrent positions)</p> <p>Representative Auditor, PT. Kawai Indonesia</p>	3,500
		<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Hiroshi Ushio has served as a person in charge of overseas manufacturing bases for many years and has abundant experience and achievements. In addition, he is working on many issues as a person in charge of Piano Division. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
7	Masafumi Minowa (February 14, 1964) Reappointment	Apr. 1988 Joined the Company June 2011 Vice President, PT. Kawai Indonesia June 2012 Deputy General Manager, Electronic Musical Instruments Division Apr. 2013 General Manager, Electronic Musical Instruments Division June 2013 Executive Officer May 2014 Chairman, Shanghai Kawai EMI Co., Ltd. (to present) May 2015 Auditor, PT. Kawai Indonesia (to present) June 2018 General Manager, Electronic Musical Instruments Division, Production Control Division (to present) June 2019 Director & Executive Officer (to present) (Significant concurrent positions) Chairman, Shanghai Kawai EMI Co., Ltd. Auditor, PT. Kawai Indonesia	3,000
		<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Masafumi Minowa has served as a person in charge of Electronic Musical Instruments Division, works on many issues and has abundant experience and achievements. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>	
8	Naoki Mori (October 12, 1957) Reappointment	Apr. 1981 Joined the Company Apr. 2007 General Manager, Kawai America Corporation June 2011 President, Kawai America Corporation Apr. 2013 Executive Officer May 2019 General Manager, Overseas Business Division (to present) June 2020 Director & Executive Officer (to present) (Significant concurrent positions) Director, Kawai America Corporation Director, Kawai Europa GmbH	2,300
		<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Naoki Mori has served as a person in charge of overseas sales bases, works on many issues and has abundant experience and achievements. We believe that he is qualified to continuously carry out management strategies and supervise the business execution as a Director.</p>	
9	Ichisei Katagiri (July 9, 1947) Reappointment Outside Independent	Apr. 1985 Registered as an attorney Representative, Ichisei Katagiri Law Office (to present) June 2012 Outside Director (to present) (Significant concurrent positions) Representative, Ichisei Katagiri Law Office	1,400
		<p>Reasons for nomination as a candidate for Outside Director and overview of expected roles</p> <p>Mr. Ichisei Katagiri has abundant knowledge and deep insight as an attorney and has offered helpful advice and supervision concerning the Company's management from his professional perspective. We expect to continuously receive appropriate guidance from him. Although he does not have direct experience of corporate business outside of serving as an Outside Director and Outside Corporate Auditor, we believe that he can continue to appropriately, carry out duties as an Outside Director for the reasons stated above.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of shares of the Company held
10	Shoji Nakamura (January 26, 1942) Reappointment Outside Independent	Apr. 1964 Joined Osaka Gas Co., Ltd. Mar. 1969 Joined CHUBU GAS CO., LTD. Mar. 1983 Director, CHUBU GAS CO., LTD Mar. 1990 Managing Director, CHUBU GAS CO., LTD. July 1992 Representative Director and Senior Managing Director, CHUBU GAS CO., LTD. Mar. 1993 Representative Director and Vice President, CHUBU GAS CO., LTD. Mar. 1994 Representative Director and President, CHUBU GAS CO., LTD. Feb. 2003 Chairman and Representative Director, SALA Corporation Jan. 2006 Chairman and Representative Director, SALA HOUSE CO., LTD. Mar. 2012 Representative Director and Chairman, CHUBU GAS CO., LTD. (presently SALA ENERGY CO., LTD.) June 2015 Outside Director (to present) Feb. 2022 Executive Advisor, SALA Corporation (to present) (Significant concurrent positions) Executive Advisor, SALA Corporation	4,700
Reasons for nomination as a candidate for Outside Director and overview of expected roles With many years of experience and knowledge through involvement in corporate management, we expect that Mr. Shoji Nakamura can continuously offer valuable advice and suggestions in ensuring transparency and validity of decision-making for the Company's management.			

- Notes:
1. Mr. Hirotaka Kawai, a candidate for Director, is concurrently serving as Director of KAWAI FOUNDATION FOR SOUND TECHNOLOGY & MUSIC. The Company has business relationship including donation of money and leasing of buildings with KAWAI FOUNDATION FOR SOUND TECHNOLOGY & MUSIC.
 2. Other than the above 1., there is no special interest between each candidate for Director and the Company.
 3. Matters concerning candidates for Outside Directors are as follows:
 - 1) Candidates for Directors, Messrs. Ichisei Katagiri and Shoji Nakamura, are the candidates for Outside Directors. The Company has designated them as independent directors defined under the provisions of Tokyo Stock Exchange, Inc. and registered them as such therewith.
 - 2) Candidates for Directors, Messrs. Ichisei Katagiri and Shoji Nakamura, are currently serving as Outside Directors of the Company, and they will have served ten years and seven years, respectively, at the conclusion of this General Meeting of Shareholders.
 - 3) The Company has entered into an agreement for the limitation of liability with Messrs. Ichisei Katagiri and Shoji Nakamura who are candidates for Director, pursuant to Article 427, paragraph (1) of the Companies Act, limiting their liability for damages prescribed under Article 423, paragraph (1) of the said Act. The limit of liability for damages based on the agreement is the minimum liability prescribed by laws and regulations, while the limitation of liability is allowed only when the Directors are carrying out their duties in good faith without involving gross negligence. Upon approval of their reappointment, the Company will continue the agreement for the limitation of liability with them.
 4. The Company has entered into a liability insurance policy for officers, etc. with an insurance company as defined in Article 430-3, paragraph (1) of the Companies Act. The scope of the insureds under this insurance policy includes the Company's Directors, Corporate Auditors, Executive Officers, managerial employees, and officers dispatched outside of the Company, and the insureds do not bear insurance premiums. Under the insurance policy, the Company will be compensated for the legal liability for damages borne by the insureds due to their actions. In addition, the Company has taken measures to ensure that the appropriateness of the execution of duties by the relevant officers, etc. is not impaired by setting a limit on the amount to be covered.
 5. All candidates for Directors have indicated consent to the "Measures against the Large-scale Purchase of the Shares in the Company (a Takeover Defense Measure)," scheduled to be renewed subject to the approval of Proposal 6 at this General Meeting of Shareholders.

<Reference> Directors' Skill Matrix

If Proposal 3 is approved and adopted as originally proposed, Directors' skill matrix will be as follows.

Name/Skill		Expected knowledge, experience, and capabilities						
		Corporate management	Legal affairs, risk management	Finance, accounting	Manufacturing, technology	Sales marketing	Global	Industry knowledge (music, musical instruments)
Chairman, President & CEO	Hiroataka Kawai	•		•	•		•	•
Director and Vice President	Teruyuki Ito		•	•		•		
Director and Vice President	Kentaro Kawai			•	•		•	•
Senior Managing Director	Masakazu Kusaka					•		•
Managing Director	Harumitsu Makita	•			•			
Managing Director	Hiroshi Ushio	•			•		•	
Director	Masafumi Minowa				•		•	
Director	Naoki Mori	•				•	•	
Outside Director	Ichisei Katagiri		•					
Outside Director	Shoji Nakamura	•						

* The above list does not show all expertise and experiences each Director may have.

Proposal 4: Election of One Substitute Corporate Auditor

The election of one substitute Corporate Auditor is proposed in advance, in case the number of Corporate Auditors falls below the number required by the law, as a substitute Outside Corporate Auditor for Outside Corporate Auditors Messrs. Takahisa Tabata and Haruo Kato.

The validity of the election under this proposal can be nullified by resolution of the Board of Directors if the consent of the Board of Corporate Auditors has been obtained; provided, however, that it is only in a time before assuming office.

The consent of the Board of Corporate Auditors has been obtained with respect to this proposal.

The candidate for substitute Corporate Auditor is as follows.

Name (Date of birth)	Career summary and position in the Company	Number of shares of the Company held
Shinichi Mizuno (September 25, 1955)	July 2007 Director, Rulings and Legal Affairs Division, Nagoya Regional Taxation Bureau	0
	July 2008 District Director, Mishima Tax Office	
	July 2014 Assistant Regional Commissioner, Second Taxation Department, Nagoya Regional Taxation Bureau	
	July 2015 Assistant Regional Commissioner, Large Enterprise Examination Department, Nagoya Regional Taxation Bureau	
	Sept. 2016 Manager, Shinichi Mizuno Tax Accountant Office (to present)	
	(Significant concurrent positions) Manager, Shinichi Mizuno Tax Accountant Office	
<p>Reasons for nomination as a candidate for substitute Corporate Auditor</p> <p>Despite never having been involved in the management of a company in the past, except as an outside officer, Mr. Shinichi Mizuno has worked in various national tax services, has served as a District Director, etc. of tax offices and has abundant knowledge and deep insight concerning taxes and accounting as a tax accountant. We expect him to contribute to strengthening the Company's audit structure based on his abilities when he assumes the position. We believe that he can appropriately carry out duties as a Corporate Auditor (Outside).</p>		

- Notes:
1. There is no special interest between the candidate for substitute Corporate Auditor and the Company.
 2. Mr. Shinichi Mizuno is a candidate for substitute Corporate Auditor (Outside).
 3. When Mr. Shinichi Mizuno assumes the position of Corporate Auditor (Outside), the Company intends to enter into an agreement with him pursuant to Article 427, Paragraph (1) of the Companies Act, limiting his liability for damages prescribed under Article 423, Paragraph (1) of the said Act. The limit of liability for damages based on the agreement is the minimum liability amount prescribed by laws and regulations, while the limitation of liability is allowed only when the Corporate Auditor is carrying out his duties in good faith without involving gross negligence. He will also be included as insured under the liability insurance policy for officers, etc. as defined in Article 430-3, paragraph (1) of the Companies Act, which the Company has entered into with an insurance company. In addition, the Company intends to designate him as an independent director defined under the provisions of Tokyo Stock Exchange, Inc. and register him as such therewith.

Proposal 5: Determination of the Amount and Contents of Stock Compensation, etc. for Directors

1. Reasons for the proposal and reasons that the proposed compensation plan is considered to be reasonable
 The remuneration for Directors of the Company is currently comprised only of fixed compensation. This proposal is to ask for approval for the introduction of a new stock compensation plan (hereinafter the “Plan”) for Directors of the Company (excluding Outside Directors as described below). The Company requests that its details be left to the discretion of the Board of Directors within the framework of 2. below.

The purpose of the Plan is to make the remuneration for Directors and the value of the Company’s stock more clearly linked and increase Directors’ awareness of their contribution to the enhancement of business performance and improvement of corporate value over the medium to long term by having Directors share interests and risks of fluctuation of the stock price with shareholders.

To be specific, the proposal is to provide new stock compensation for Directors (excluding Outside Directors; the same shall apply hereinafter) who take office during the period of five years from the next day of the conclusion of this Annual General Meeting of Shareholders to the day of the conclusion of the Annual General Meeting of Shareholders to be held in June 2027 (hereinafter the “Applicable Period”), separately from the maximum amount of remuneration for Directors approved at the 90th Annual General Meeting of Shareholders held on June 27, 2017, which was ¥360 million (for Outside Directors, ¥24 million) excluding employee salaries. The outline of the details of the policy on deciding the details of individual remuneration for Directors of the Company is as described in (4) Amount of remuneration, etc. for Directors and Corporate Auditors 3), 4. Matters related to the corporate officers in the Business Report. Subject to the approval and adoption of this proposal, the details will be changed as described in this proposal. As this proposal is in line with the amended policy and is necessary and reasonable to provide individual remuneration, etc. for Directors, we believe the details of the proposal are suitable.

If Proposal 3 “Election of Ten Directors” is approved and adopted as originally proposed, eight Directors will be eligible for the Plan.

2. Amount and details of compensation under the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan where a trust set up by the Company through cash contribution (hereinafter the “Trust”) acquires shares of the Company, and the Trust delivers to each Director the number of shares of the Company corresponding to the number of points granted from the Company to each Director.

Directors will receive shares of the Company upon their retirement, in principle.

1)	Persons eligible for the Plan	Directors of the Company (excluding Outside Directors)
2)	Applicable Period	From the next day of the conclusion of this Annual General Meeting of Shareholders to the day of the conclusion of the Annual General Meeting of Shareholders to be held in June 2027
3)	The maximum amount of cash to be contributed by the Company during the Applicable Period in 2) as the funds necessary for acquiring shares of the Company to be delivered to the eligible persons in 1)	¥550 million in total
4)	Method of acquiring shares of the Company	By disposing of treasury stock or acquiring from the stock market (including off-floor trading)
5)	The maximum total points granted to the eligible persons in 1)	12,000 points per fiscal year
6)	Standards for granting points	Points are granted based on the position, etc.
7)	Timing of delivering shares of the Company to the eligible persons in 1)	Upon retirement, in principle

(2) The maximum amount of cash to be contributed by the Company

The initial trust period of the Trust will be around five years. During the Applicable Period, the Company will contribute cash up to ¥550 million in total as the funds necessary for acquiring shares of the Company for delivery to the Directors under the Plan as compensation for Directors in office during the Applicable

Period, and set up the Trust in which Directors acquiring beneficiary rights as provided for in (3) 3) below will be beneficiaries. The Trust will use cash entrusted by the Company to acquire shares of the Company by disposing of treasury shares or acquiring shares from the stock market (including off-floor trading).

Note: The Company will entrust necessary expenses such as trust fees and remuneration for the trust administrator in addition to the funds for acquiring shares of the Company as described above.

The Company may extend the Applicable Period for a maximum of five years each time by the decision of the Board of Directors of the Company, and accordingly extend the trust period of the Trust (including practically extending the trust period by transferring the asset in the Trust to another trust that is set up under the same purpose of the Trust set up by the Company; the same shall apply hereinafter) and continue the Plan. In this case, the Company will contribute cash to the Trust up to the amount calculated by the number of extended years of the Applicable Period multiplied by ¥110 million as the funds necessary for acquiring additional shares of the Company to be delivered to the Directors under the Plan, and continue to grant points and deliver shares of the Company as described in (3) below.

Even if we do not extend the Applicable Period or continue the Plan as mentioned above, if any of the Directors who have already received points is still in office at the expiration of the trust period, the trust period of the Trust may be extended until the said Director retires and receives shares of the Company.

(3) Calculation method and maximum amount of shares of the Company to be delivered to Directors

1) Method, etc. of granting points to Directors

According to the share granting rules determined by the Board of Directors of the Company, the Company will grant points based on the position, etc. on the point granting date stipulated in the share granting rules during the trust period.

The maximum total points granted from the Company to a Director shall be 12,000 points per fiscal year.

2) Delivery of shares according to the number of points granted

Directors will receive shares of the Company according to the procedures described in 3) below based on the number of points granted in 1) above.

One share of the Company will be delivered in exchange for one point. If shares of the Company undergo a share split, reverse share split, etc. that makes it reasonable to adjust the number of shares of the Company to be delivered, the number of shares delivered per point shall be adjusted according to the relevant share split ratio, reverse share split ratio, etc.

3) Delivery of shares of the Company to Directors

In principle, each Director will obtain a beneficiary right to the Trust upon retirement through prescribed procedures and receive shares of the Company as described in 2) above from the Trust as a beneficiary of the Trust.

A certain portion of such shares of the Company, however, may be sold and converted into cash by the Trust to withhold tax payment funds for income tax, etc. by the Company and provided by cash instead of shares of the Company. If shares of the Company in the Trust are converted into cash, such as when a tender offer for shares of the Company in the Trust is accepted and settled, cash may be granted instead of shares of the Company.

(4) Exercise of voting rights

Voting rights of shares of the Company in the Trust will not be exercised without exception according to the instructions of the trust administrator independent of the Company and the Company's officers. This measure will ensure the neutrality against the management of the Company regarding the exercise of voting rights of shares of the Company in the Trust.

(5) Treatment of dividends

The Trust will receive dividends on shares of the Company in the Trust and apply them to the funds for acquiring shares of the Company, trust fees for trustees of the Trust, etc.

Proposal 6: Renewal of the Measures against the Large-scale Purchase of the Shares in the Company (a Takeover Defense Measure)

Effective period of the Measures against the Large-scale Purchases of the Shares in the Company (hereinafter the “Current Plan”) currently in force after the renewal based on the resolution at the 92nd Annual General Meeting of Shareholders held on June 26, 2019, will expire at the conclusion of this General Meeting.

In the face of the expiry of the effective period of the Current Plan, the Board of Directors of the Company has considered various aspects including the amendment to laws and regulations after the introduction of the Current Plan, the trend of practical operations, and changes in the business environment.

As a result of such consideration, the Company resolved at the Board of Directors’ meeting held on May 19, 2022, that the Current Plan be renewed upon revising the purpose of renewal of the measures against a large-scale purchase of the shares in the Company, basically succeeding the contents thereof and changing some details (the measures after the renewal are hereinafter referred to as the “Plan”), becoming effective subject to the approval at this General Meeting.

A key change from the Current Plan is that the Plan clearly states that, when the Company considers the implementation of countermeasures under the Plan, the Company may confirm the shareholders’ intention at a general meeting of shareholders under certain circumstances.

1. Objectives of the Plan

- (1) A measure for ensuring and enhancing the Company’s corporate value and the common interest of its shareholders

- 1) Management philosophy

The Company aims to become “a creative and well-liked corporation” with the following management philosophy.

- (i) Creating a comfortable and fulfilling living environment
- (ii) Providing products and services focused on customer satisfaction
- (iii) Promoting corporate activities for a new era
- (iv) Aiming to become a pleasant company that values its employees

The Company is striving to ensure and enhance the Company’s corporate value and the common interest of its shareholders by continuously creating new values truly sought by society and providing such values to customers on a timely basis.

- 2) Source of the Company’s corporate value and the common interest of its shareholders

The Company, as a business engaged in manufacturing and sales of musical instruments, has been striving to accumulate expertise, experience and know-how with the aim of realizing our founder’s dream of “making the world’s finest piano.” Based on the recognition that piano manufacturing is a business to be run with a century-long perspective, the Company is striving for further enhancement of quality and technology innovation in order to achieve the aforementioned dream.

In addition, the Company has been hitherto supported by the growth of peripheral businesses derived from the traditional core business of manufacturing and sales of musical instruments, namely music school business operating around 4,000 directly managed music schools throughout Japan, physical education business involving physical education schools targeting children and health schools for adults and seniors, which is attracting growing attention in recent years, metal business utilizing the high precision rolling technologies derived from research on the process of manufacturing the sounding body of musical instruments, and coating business capitalizing on the wood coating technique derived from piano coating. Interactions among these businesses are enhancing the Company’s brand image, thus creating corporate value.

Sales of musical instruments and music school business in Japan, in particular, have developed our unique business model based on the direct selling system. Customers learn how to play the piano in our music schools and buy Kawai pianos, for which we provide after-sales services such as tuning. In recent years, the Company is developing this business model not only in Japan but also in overseas markets, primarily Asian countries, in an effort to promote our business activities based on continuous trustful relationships with customers through pianos, products involving years of use.

Furthermore, since 1963, the Company has been inviting many famous musicians to Japan through Kawai Music Foundation, contributing to the advancement of the Japanese music culture, while

holding more than 2,300 times of Kawai Concerts, thereby creating opportunities to enjoy quality music in rural areas. We recognize that these music promotion activities are conducted not only by providing musical instruments as a manufacturer, but also by gaining the understanding and empathy of all stakeholders surrounding the Company based on consistent favorable relationships with musicians and performers in various genres.

We believe it is such promotion of the Group's business activities in hardware as well as software that derives the Company's corporate value and the common interest of its shareholders.

3) The 7th Medium-term Management Plan "Resonate 2024"

The Company has formulated the 7th Medium-term Management Plan, "Resonate 2024," covering the three years from April 2022 to March 2025.

The Group aims to become a creative and well-liked corporation with the management philosophy of "creating a comfortable and fulfilling living environment," "providing products and services focused on customer satisfaction," "promoting corporate activities for a new era," and "aiming to become a pleasant company that values its employees," and makes it our mission to spread the excitement to everyone through musical instruments including pianos and musical education and contribute to the creation of a fulfilling living environment.

Specific measures under this Medium-term Management Plan are described in (4) Issues to be addressed, 1. Matters related to the current state of the Group in the Business Report for the 95th term as presented in the Attachment to the Notice of Convocation of this General Meeting.

We believe that the steady implementation of the various measures under the Plan should contribute to increasing the Company's corporate value and enhancing the common interest of its shareholders.

4) Vital framework for ensuring and enhancing the Company's corporate value and the common interest of its shareholders

The Company has been upholding and addressing a priority issue of enhancing corporate governance as a framework vital for ensuring and enhancing the Company's corporate value and the common interest of its shareholders.

For the purpose of acceleration of decision-making and clarification of management responsibilities, the Company has adopted the Executive Officer System as a measure for achieving separation of business execution from management supervision. The term of office of Directors is set to be one year.

In addition, the Company has appointed highly independent Outside Corporate Auditors to be responsible for audits on business execution by Directors and elected two Outside Directors in June 2015. Furthermore, the Company established the Corporate Governance Committee in December 2015. The committee is comprised of all independent officers registered at the Tokyo Stock Exchange, the chairman of the Board of Directors, the Representative Director, and other Directors whom the Board of Directors delegates as necessary, and the majority of the members shall be independent officers. By having such a committee whose independence is ensured, the Company makes an effort to ensure further reinforcement of corporate governance.

The Company will work on ensuring and enhancing the Company's corporate value and the common interest of its shareholders by further promoting various measures to enhance corporate governance. At the same time, the Company will strive for developing stable and trustful relationships with shareholders on a long-term basis through initiatives such as holding briefings for institutional investors and security analysts and promoting investor relations activities for individual investors.

(2) Necessity of the Plan

The Company will promote the aforementioned corporate activities as the Group, and will aim to ensure and enhance the Company's corporate value and the common interest of its shareholders. In order to achieve this, we believe it is essential to maintain our expertise, experience and know-how accumulated over the years since the foundation of the Company, along with the trustful relationships with all stakeholders both in Japan and overseas, including customers, business partners, local communities and employees.

Core businesses of the Company are the fields such as music and education, which are not limited to just providing hardware and software, but are profoundly related to culture. Our consistent music promotion activities as a social contribution are also considered to be an important component of our business.

Education for young children, in particular, is believed to have a significant impact on those promising children for their emotional as well as physical health. Thus, we believe that the operation of these special businesses requires a well-balanced management attitude based on the considerations of cultural aspects, in addition to economic factors.

Meanwhile, in the Japanese capital market, there are quite a few cases involving a large-volume purchase of share certificates, etc. of a company without prior approval of its management in an attempt to gain its control. Recently, in particular, these cases occur frequently, and more and more of those cases are brought to court.

The Company has no intention to reject an attempt to purchase share certificates, etc. in a large-volume (hereinafter the “Large-volume Purchase of Share Certificates, etc.”), insofar as the Purchase may contribute to ensuring and enhancing the Company’s corporate value and the common interest of its shareholders, and believes that whether or not to accept the Large-volume Purchase of Share Certificates, etc. should ultimately be entrusted to the decision of shareholders.

However, we also believe that shareholders, in deciding whether or not to accept the Large-volume Purchase of Share Certificates, etc., are required to adequately understand the potential impact of the Large-volume Purchase of Share Certificates, etc. on the stakeholders of the Company and the Group companies, including customers, business partners, local communities and employees, as well as to give due consideration to the cultural aspects of the Company’s business. For that reason, the party intending to conduct the Large-volume Purchase of Share Certificates, etc. is desired to provide shareholders the information regarding the Purchase in advance, allowing sufficient time for shareholders to consider whether or not to accept the Large-volume Purchase of Share Certificates, etc. In addition, it is also believed that the Board of Directors of the Company needs to provide shareholders the information regarding various factors that constitute the Group’s corporate value, while evaluating the Large-volume Purchase of Share Certificates, etc. and presenting its opinion thereon.

The Board of Directors of the Company believes, based on the aforementioned philosophy, that it is critical for the Board of Directors of the Company, in the event of a Large-volume Purchase of Share Certificates, etc. of the Company, to provide information necessary for shareholders to decide whether or not to accept the Large-volume Purchase of Share Certificates, etc., while ensuring sufficient time and information necessary for the Board of Directors of the Company to present an alternative proposition as appropriate, and ensuring sufficient time for the Board of Directors of the Company to negotiate with the party that intends to implement the Large-volume Purchase of Share Certificates, etc. Therefore, the Company has determined that it is necessary to renew the Plan.

The Board of Directors of the Company has decided to renew the measures against the large-scale purchase of the shares in the Company by continuously setting up implementation rules (hereinafter the “Large-scale Purchase Rules”) especially for the Large-scale Purchase (as defined in 2. hereunder; hereinafter the same) among all types of the Large-volume Purchase of Share Certificates, etc.

Major shareholders of the Company as of March 31, 2022 are as stated in Appendix 1. There is no actual circumstance at this moment, in which the Company has received any notice of the Large-scale Purchase or proposal for acquisition from a specific third party.

2. Purchase of the Company’s shares subject to the Plan

Purchase of the Company’s shares subject to the Plan is defined as the purchase of the Company’s share certificates, etc. (Note 3) which, whether by intention or not, results in an increase of the voting rights ratio (Note 2) of a specific shareholder group (Note 1) to 20% or higher (using whatever purchase method including market trading and tender offer, but excluding any purchase based on the prior agreement of the Board of Directors of the Company. Such purchase shall hereinafter be referred to as the “Large-scale Purchase,” and the party engaging in such purchase is referred to as the “Large-scale Purchaser”).

3. Detail of the Large-scale Purchase Rules

The Large-scale Purchase Rules stipulate that the Large-scale Purchaser shall provide the Board of Directors of the Company necessary and sufficient information in advance so that the Board has a time period to assess and consider the Large-scale Purchase based on the information disclosed, and that the Large-scale Purchase shall commence after the expiry of such time period.

In this process, the following specific procedures shall be followed.

(1) Request for information from the Large-scale Purchaser

The Large-scale Purchaser shall provide the Board of Directors of the Company necessary and sufficient information in Japanese for shareholders to make a decision as well as for the Board to engage in an assessment and consideration prior to the Large-scale Purchase.

The scope and contents of the information to be provided will differ depending on the manner and details of the Large-scale Purchase.

The Large-scale Purchaser shall prepare and submit to the Board of Directors of the Company a document in Japanese containing a declaration to conduct the Large-scale Purchase according to the Large-scale Purchase Rules (hereinafter the “Purchase Statement”) before engaging in the Large-scale Purchase.

The Purchase Statement shall include the following.

- (i) Name of the Large-scale Purchaser (corporate name, if the Large-scale Purchaser is a body corporate or organization such as a union)
- (ii) Address of the Large-scale Purchaser (address of head office or principal office, if the Large-scale Purchaser is a body corporate or organization such as a union)
- (iii) Governing law of incorporation, if the Large-scale Purchaser is a body corporate or organization such as a union
- (iv) Name of the representative, if the Large-scale Purchaser is a body corporate or organization such as a union
- (v) Name and address of a contact person in Japan
- (vi) Outline of the Large-scale Purchase intended
- (vii) Number of share certificates, etc. of the Company currently owned and scheduled to be purchased by the Large-scale Purchaser
- (viii) Declaration to comply with the Large-scale Purchase Rules

The Board of Directors of the Company, upon receipt of the Purchase Statement from the Large-scale Purchaser, immediately presents the fact of such receipt and the contents thereof to the independent committee described in 3. (3) below (hereinafter the “Independent Committee”). In addition, the Board immediately discloses the fact of such receipt and promptly discloses the outline thereof in a way deemed appropriate.

The Independent Committee discloses through the Board of Directors of the Company the whole or part of the contents of the Purchase Statement presented by the Board, if and when deemed necessary and appropriate to disclose specific details in addition to the outline disclosed by the Board for the shareholders to make a decision.

The Board of Directors of the Company will issue a list of information to be submitted from the Large-scale Purchaser (hereinafter the “Large-scale Purchase Information”) to the Large-scale Purchaser within five business days counting from the following day of the receipt of the Purchase Statement.

The Large-scale Purchaser shall prepare a document in Japanese that provides the Large-scale Purchase Information as requested by the aforementioned list and submit it to the Board of Directors of the Company within a reasonable period of time.

The Large-scale Purchase Information includes the following items.

- (a) General information on the Large-scale Purchaser and its group (such as names, capital structures and financial conditions)
- (b) Objectives, methods and details of the Large-scale Purchase (including the price and type of consideration for the Purchase, timing, legitimacy of the method, structure of the related transactions, likelihood of delisting of the Company’s shares after the Purchase and reasons therefor)
- (c) Basis for calculating the Purchase consideration (including the facts and assumptions for the calculation, calculation method, numerical information used in the calculation, amount of synergy expected to be derived from the transactions related to the Purchase and the basis of calculation thereof), as well as the source of the Purchase fund (such as the specific names of the providers of the fund (including actual providers), funding methods and details of the related transactions)
- (d) Policies and plans intended after the completion of the Large-scale Purchase for the purpose of ensuring and enhancing the Company’s corporate value and the common interest of its shareholders,

- such as management policies, business plans, funding plans, investment plans, capital policies and dividend policies at the Company and the Group
- (e) Changes scheduled after the completion of the Large-scale Purchase, if any, to the policies for treating the relationships of the Company and the Group with their stakeholders, including customers, business partners, local communities and employees, and the details of such change
 - (f) Any other information reasonably considered necessary by the Board of Directors and the Independent Committee

The Board of Directors of the Company, upon receipt of the Large-scale Purchase Information, immediately presents the fact of such receipt and details of the information to the Independent Committee. The Independent Committee discloses through the Board of Directors of the Company the whole or part of the Large-scale Purchase Information presented, if and when deemed necessary and appropriate to disclose the information for the shareholders to make a decision.

The Independent Committee may request through the Board of Directors of the Company additional information from the Large-scale Purchaser, if the information presented by the Board is considered insufficient as the Large-scale Purchase Information based on a review thereof, with the time limit specified as appropriate (provided, however, that the final time limit shall not exceed 60 days counting from the date of receipt of the Large-scale Purchase Information, even if the necessary and sufficient information has not been provided).

In such case, the Large-scale Purchaser shall prepare a document in Japanese that provides the information requested and submit it to the Board of Directors of the Company by the time limit specified.

The Independent Committee, if the provision of the Large-scale Purchase Information by the Large-scale Purchaser is determined to be completed, immediately notifies the fact to the Large-scale Purchaser through the Board of Directors of the Company (hereinafter the “Notice Regarding the Completion of the Provision of Information”) and discloses it in a manner deemed appropriate. In determining whether the provision of the Large-scale Purchase Information has been completed, the Independent Committee may seek advice from external specialists such as attorneys, certified public accountants and investment banks (hereinafter the “External Specialists, etc.”) that are independent from the Board of Directors of the Company, as appropriate.

(2) Assessment and consideration by the Board of Directors of the Company

The Board of Directors of the Company believes that once the Large-scale Purchaser has completed the provision of the Large-scale Purchase Information to the Board, reasonable time period commensurate with the nature and details of the Large-scale Purchase shall be secured for the Board to engage in an assessment and consideration of the Large-scale Purchase and the Large-scale Purchase Information, negotiate with the Large-scale Purchaser, form opinions as the Board of Directors of the Company and formulate an alternative proposition, and that the Large-scale Purchase shall commence only after the expiry of such time period.

Therefore, a time period of (a) or (b) below shall be established as a period for the purpose of assessment and consideration, formation of opinions and formulation of an alternative proposition by the Board of Directors of the Company (hereinafter the “Board of Directors’ Assessment Period”).

- (a) A period of 60 days counting from the day on which the Notice Regarding the Completion of the Provision of Information is issued in the case of a tender offer of the whole of the Company’s share certificates, etc. through a tender offer with consideration only in cash (in Japanese yen)
- (b) A period of 90 days counting from the day on which the Notice Regarding the Completion of the Provision of Information is issued in all other cases of the Large-scale Purchase

However, for the purpose of ensuring and enhancing the Company’s corporate value and the common interest of its shareholders, the Board of Directors of the Company may extend the Board of Directors’ Assessment Period for up to 30 days insofar as it is necessary for the assessment and consideration of the Large-scale Purchase based on the Large-scale Purchase Information, negotiation with the Large-scale Purchaser, formation of opinions as the Board of Directors of the Company and the formulation of an alternative proposition. The Board of Directors of the Company, once the extension has been decided, shall disclose the reason therefor, the extension period and other matters deemed necessary and appropriate without delay after the resolution of the extension.

The Board of Directors of the Company shall engage in an assessment and consideration of the Large-scale Purchase, form opinions as the Board of Directors of the Company, and if necessary, develop an alternative proposition and negotiate with the Large-scale Purchaser, based on the Large-scale Purchase Information provided by the Large-scale Purchaser from the perspective of ensuring and enhancing the Company's corporate value and the common interest of its shareholders during the Board of Directors' Assessment Period. In the process, the Board of Directors of the Company shall seek advice from the External Specialists, etc., who are independent from the Board of Directors of the Company, as appropriate and if necessary.

The Board of Directors of the Company, once the Board of Directors' Assessment Period expires, immediately notifies the Large-scale Purchaser of the expiration and discloses it in a manner deemed appropriate.

If a general meeting of shareholders to confirm shareholders' intention (defined in 4. (3) below) is decided to be held in the process of forming opinions of the Board of Directors of the Company during the Board of Directors' Assessment Period based on the result of consultation with the Independent Committee described in 3. (3) below, the Large-scale Purchaser shall not be able to perform the Large-scale Purchase until the shareholders' intention is confirmed at the general meeting of shareholders to confirm shareholders' intention, and may perform the Large-scale Purchase only after the conclusion of the general meeting of shareholders to confirm shareholders' intention.

(3) Consultation with the Independent Committee

The Board of Directors of the Company makes the decision on whether the Large-scale Purchaser complied with the Large-scale Purchase Rules and whether the Large-scale Purchase is considered to compromise the Company's corporate value and the common interest of its shareholders significantly, even if the Large-scale Purchase Rules have been duly complied.

For the purpose of preventing the Board of Directors of the Company from making arbitrary decisions, the Company stipulates the Independent Committee Regulations (please refer to Appendix 2 for the outline of the Regulations) and establishes the Independent Committee as an organization independent from the Board, which serves as an advisory body assisting the Board in making various decisions concerning the Large-scale Purchase Rules.

The Independent Committee shall comprise three members selected from among Outside Directors, Outside Auditor & Supervisory Board Members, attorneys, certified public accountants, tax accountants, academics, persons familiar with investment banking business and persons outside the Company with experience as directors or executive officers of other companies. Names and career summaries of the members of the Independent Committee as of the renewal of the Plan are as described in Appendix 3.

4. Countermeasures by the Board of Directors of the Company

(1) In the case where the Large-scale Purchaser is not acting in compliance with the Large-scale Purchase Rules

In the event the Large-scale Purchaser violates the Large-scale Purchase Rules, the Board of Directors of the Company may take measures against the Large-scale Purchase authorized under the Companies Act and other laws and regulations, as well as the Articles of Incorporation of the Company, including a gratis allotment of stock acquisition rights (hereinafter the "Countermeasures") for the purpose of protecting the Company's corporate value and the common interest of its shareholders.

The overview of stock acquisition rights in the event of a gratis allotment carried out as part of the Countermeasures is as described in Appendix 4. The conditions for exercising stock acquisition rights, exercise period and acquisition terms may be established in consideration of effectiveness as a Countermeasure.

(2) In the case where the Large-scale Purchaser is acting in compliance with the Large-scale Purchase Rules

In the case where the Large-scale Purchaser is acting in compliance with the Large-scale Purchase Rules, the Board of Directors of the Company will not take any Countermeasure to the Large-scale Purchase, in principle, but endeavor to persuading shareholders by expressing opposition or presenting an alternative proposition, even if it opposes the Large-scale Purchase. It shall be entrusted to the judgment of shareholders whether or not to accept the proposal made by the Large-scale Purchaser, based on the consideration of factors, including the Large-scale Purchase Information, the opinion thereon of the Board of Directors of the Company and its alternative proposition.

However, even in the case where the Large-scale Purchase Rules are complied with, the Countermeasures shall be taken if the Large-scale Purchaser or the Large-scale Purchase falls under any of the following circumstances, and if it is considered to significantly compromise the Company's corporate value and the common interest of its shareholders.

- (a) If the Large-scale Purchaser is engaged in or intends to be engaged in the purchase of the Company's share certificates, etc., solely for the purpose of artificially inflating the share price and having the shares repurchased by the Company or the Group at an inflated price without serious intention to participate in the management of the Company (so-called green mailer);
 - (b) If the Large-scale Purchaser is considered to have an intention of gaining temporary control over the management of the Company for the purpose of transferring tangible and intangible assets, major customers and business partners that have significant importance to the management of the Company or the Group, to the Large-scale Purchaser or its group companies, etc.;
 - (c) If the Large-scale Purchase is considered to be carried out for the purpose of diverting the assets of the Company or the Group as collateral for the debts or funds for repayment by the Large-scale Purchaser or its group companies, etc., after gaining control over the management of the Company;
 - (d) If the Large-scale Purchase is considered to be carried out for the purpose of gaining temporary control over the management of the Company, in order to force the Company or the Group to dispose of its expensive assets such as real estate and securities through sales thereof or other means, with the aim of generating temporary high dividends based on the proceeds from the disposal, or enabling the Large-scale Purchaser to sell the Company's shares at a high price, taking advantage of the soaring share price resulting from the temporary high dividends;
 - (e) If the Large-scale Purchase is considered likely to practically force shareholders to sell the Company's share certificates, etc. by restricting the opportunities or discretion for the shareholders to make judgment, such as the case of a tender offer without offering to purchase all shares at the initial phase, and declaring that the purchase terms in the second phase will be less attractive (so-called coercive two-phase purchase) (provided, however, that a partial tender offer does not automatically fall under this category);
 - (f) If the Large-scale Purchase involves inadequate or inappropriate purchase terms, etc. (including the price and type of consideration offered, timing of the Purchase, legitimacy of the method, probability that the Purchase will be made, as well as management policies, business plans, capital policies and dividend policies intended after the Purchase) in light of the intrinsic value of the Company.
- (3) Procedures for implementing the Countermeasures

When implementing the Countermeasures, the Board of Directors of the Company shall follow the procedures described below for the purpose of ensuring reasonableness and fairness of its decision.

The Board of Directors of the Company consults with the Independent Committee about the appropriateness of implementing the Countermeasures prior to the implementation.

The Independent Committee determines whether the Large-scale Purchaser is acting in compliance with the Large-scale Purchase Rules and whether the Large-scale Purchase is considered to significantly compromise the Company's corporate value and the common interest of its shareholders based on the consultation, and makes recommendations to the Board of Directors of the Company regarding the appropriateness of implementing the Countermeasures.

The Board of Directors of the Company determines whether the Large-scale Purchaser is acting in compliance with the Large-scale Purchase Rules and whether the Large-scale Purchase is considered to significantly compromise the Company's corporate value and the common interest of its shareholders based on the Large-scale Purchase Information provided by the Large-scale Purchaser as well as the advice from the External Specialists, etc., as appropriate, and makes the final decision whether to implement the Countermeasures, fully respecting the recommendations from the Independent Committee.

Furthermore, the Board of the Directors of the Company may confirm the shareholders' intention regarding the implementation of the Countermeasures at a general meeting of shareholders (a general meeting of shareholders to confirm shareholders' intention is hereinafter referred to as the "General Meeting of Shareholders to Confirm Shareholders' Intention") if 1) the Independent Committee makes a recommendation regarding the implementation of the Countermeasures with a reservation that confirming shareholders' intention in advance is suitable, or 2) the Board of Directors of the Company determines that confirming shareholders' intention regarding the implementation of the Countermeasures in advance is

suitable considering the time, etc. required to hold a general meeting of shareholders and in light of a good manager's duty of care. On top of that, if shareholders agree to implement the Countermeasures at the General Meeting of Shareholders to Confirm Shareholders' Intention, the Board of Directors of the Company will decide to implement the Countermeasures, and if shareholders do not agree to implement the Countermeasures at the General Meeting of Shareholders to Confirm Shareholders' Intention, the Board of Directors of the Company will decide not to implement the Countermeasures.

After having implemented the Countermeasures, the Board of Directors of the Company shall present the specific circumstances and consult with the Independent Committee on the appropriateness of maintaining the Countermeasures in force, if the situation falls under any of the following events.

- (a) In the event the Large-scale Purchaser terminates or withdraws the Large-scale Purchase;
- (b) In the event that changes have occurred to the facts that served as the basis of determining whether or not to implement the Countermeasures, and that it has become questionable whether it is appropriate to maintain the Countermeasures in force from the perspective of ensuring and enhancing the Company's corporate value and the common interest of its shareholders.

The Independent Committee considers the appropriateness of maintaining the Countermeasures based on the consultation and makes recommendations to the Board of Directors of the Company.

The Board of Directors of the Company considers whether or not to maintain the Countermeasures in force, while receiving advice from the External Specialists, etc. The Board shall fully respect the recommendations from the Independent Committee in the process.

Thus, the Board of Directors of the Company will terminate or withdraw the Countermeasures in force, if it comes to the conclusion that it is not appropriate to maintain the Countermeasures from the perspective of ensuring and enhancing the Company's corporate value and the common interest of its shareholders even after deciding to implement the Countermeasures.

5. Reasonableness and fairness of the Plan

The Plan satisfies the three principles set out under the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholder's Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, as well as a report titled "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008. It is considered to represent the reasonableness and fairness as required.

- (1) Ensuring and enhancing the Company's corporate value and the common interest of its shareholders

The Plan is intended to enable shareholders to make an appropriate decision regarding whether or not to accept the proposal by the Large-scale Purchaser, by requesting the Large-scale Purchaser to provide the Large-scale Purchase Information in advance and to allow sufficient time to determine the appropriateness of the Large-scale Purchase, and it shall be introduced ultimately for the purpose of ensuring and enhancing the Company's corporate value and the common interest of its shareholders as stated in 1. (2) above.

- (2) Disclosure in advance

The Company shall disclose the Plan in advance for the purpose of enhancing foreseeability of shareholders, investors and the Large-scale Purchaser in order to assist these parties in making appropriate decisions.

- (3) Respect for shareholders' intention

The Plan shall become effective subject to the approval of shareholders at the next Annual General Meeting of Shareholders.

If the Plan is kindly approved at the next Annual General Meeting of Shareholders, the Company will consult with shareholders on the appropriateness of renewing the Plan by submitting every three years a proposal for approval on the renewal of its term or discontinuation at the Annual General Meeting of Shareholders, and if the renewal is rejected at an Annual General Meeting of Shareholders, the effect of the Plan will expire at the conclusion of the Annual General Meeting of Shareholders.

Since the Company sets the term of office of its Directors to be one year, if the Plan is kindly approved at the next Annual General Meeting of Shareholders, each candidate for Director's intention with respect to the Plan shall be stated in the proposal concerning the election of Directors of the Company at the Annual General Meeting of Shareholders each year from 2023. In addition, Directors elected by shareholders shall

resolve to renew or discontinue the Plan at the first Board of Directors' meeting after the Annual General Meeting of Shareholders, and promptly disclose the resolution to shareholders and investors. Thus, the Company ensures to reflect shareholders' intention regarding the renewal or discontinuation of the Plan each year through the exercise of voting rights on a proposal concerning the election of Directors.

- (4) Establishment of the Independent Committee and acquiring of opinions of the External Specialists, etc.
The Company has established the Independent Committee. The Board of Directors of the Company shall fully respect the recommendations by the Committee in making the final decision whether or not to implement the Countermeasures against the Large-scale Purchaser. Meanwhile, the Board of Directors of the Company may seek advice from the External Specialists, etc., as appropriate. These arrangements are intended to prevent the Board of Directors of the Company from making arbitrary decisions, while ensuring objectivity and reasonableness thereof.
- (5) The Plan classified as neither a dead-hand type nor a slow-hand type of takeover defense measures
The Plan is neither a type of takeover defense measures that cannot be discontinued or deactivated even after the replacement of a majority of Directors has been resolved at a General Meeting of Shareholders (so-called dead-hand type), nor a type of takeover defense measures that takes time to stop its implementation because members of the Board of Directors cannot be replaced at once (so-called slow-hand type).

6. Impacts on shareholders and investors

- (1) Impacts on shareholders and investors at the time of introduction and renewal of the Plan
A gratis allotment of stock acquisition rights shall not be offered at the time of introduction or renewal of the Plan. Therefore, the introduction or renewal of the Plan will not have any direct and specific impact on the rights and economic benefits of shareholders and investors.
- (2) Impacts on shareholders and investors at the time of implementing the Countermeasures
The Board of Directors of the Company may adopt the Countermeasures described in 4. above for the purpose of protecting the Company's corporate value and the common interest of its shareholders. The appropriate and timely disclosure shall be made in accordance with applicable laws and regulations and financial instruments exchange rules, etc., once the Board decided to adopt the specific Countermeasures. At the time of implementing the Countermeasures, it is not envisaged that shareholders might suffer any particular loss in terms of their legal rights or economic benefits. However, the Large-scale Purchaser may end up suffering a loss in terms of their legal rights or economic benefits. The announcement of the Plan is intended to call attention so that the Large-scale Purchaser would not conduct the Large-scale Purchase in violation of the Large-scale Purchase Rules.
The Company may adopt a resolution for a gratis allotment of stock acquisition rights as part of the Countermeasures. If shareholders who received the allotment of stock acquisition rights decided not to exercise the rights, the ratio of voting rights per share in the Company and the associated economic value will be diluted as a result of other shareholders' exercise of their rights.
However, the Company may terminate the gratis allotment of stock acquisition rights in the period up to the day preceding the effective date of the allotment, or may acquire stock acquisition rights without compensation in the period from the effective date of the gratis allotment of stock acquisition rights to the date preceding the commencement date of the exercise period of the stock acquisition rights, even after the shareholders receiving the allotment of stock acquisition rights are determined. In these cases, the value per share in the Company will not be diluted. Thus, please be aware that shareholders and investors who engaged in trading in anticipation of diluting the value per share in the Company may suffer an unexpected loss due to share price fluctuations.
- (3) Procedures that shareholders will be required to follow in association with the implementation of the Countermeasures
In the case where the Board of Directors of the Company decides to implement the Countermeasures and conducts a gratis allotment of stock acquisition rights, the allotment will be offered to shareholders as of a certain record date determined by the Board. Thus, shareholders wishing to receive the allotment need to be registered on the final shareholder register on the record date. Furthermore, shareholders exercising stock acquisition rights will be required to make a certain amount of payment within a predetermined period in order to acquire shares. However, in the case where the Board of Directors of the Company makes a decision to acquire stock acquisition rights, the Company may acquire the stock acquisition rights on a

date set out under such decision and issue the Company's common stock as consideration thereof, in accordance with the statutory procedures. In such instance, shareholders (excluding the Large-scale Purchaser) will receive from the Company its common stock as consideration for the acquisition of the stock acquisition rights without following the payment procedure for exercising the stock acquisition rights (provided, however, that shareholders may be requested to submit a document proving that they do not constitute the Large-scale Purchaser). Details of these procedures are separately advised in accordance with applicable laws and regulations and financial instruments exchange rules, when shareholders are actually required to follow them.

7. Other

The contents of the Plan were decided by the approval of all Directors including two Corporate Auditors (Outside) at the Board of Directors' meeting of the Company held on May 19, 2022. All Corporate Auditors including two Corporate Auditors (Outside) were present at the meeting, and each Corporate Auditor stated an affirmative opinion for the Plan.

The Board of Directors of the Company will remain alert to the external developments, including the trends in judicial decisions, measures taken by financial instruments exchanges and other public institutions, amendments to the Companies Act, the Financial Instruments and Exchange Act, or listing rules of each financial instruments exchange, and amendments and abolitions of other laws and regulations. If it is deemed appropriate to reflect these amendments and abolitions on the Plan, or if it is appropriate to make minor revisions to the wording of the Plan without making amendments to its contents, the Board of Directors of the Company may make such amendments or revisions to the Plan based on its resolution subject to the approval of the Independent Committee from the perspective of ensuring and enhancing the Company's corporate value and the common interest of its shareholders. Furthermore, the Company will prepare to take whatever measures as appropriate, including the introduction of an alternative policy replacing the Plan, if necessary.

Note 1: Definition of a specific shareholder group

- (i) A specific shareholder group represents a holder (referring to a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including a party recognized to fall into the category of a holder in accordance with Article 27-23, Paragraph 3 of the said Act; hereinafter the same) of the Company's share certificate, etc. (referring to share certificates, etc. as defined in Article 27-23, Paragraph 1 of the said Act), and its joint holder (referring to a joint holder as defined in Article 27-23, Paragraph 5 of the said Act, including a party deemed to be a joint holder in accordance with Article 27-23, Paragraph 6 of the said Act; hereinafter the same); and,
- (ii) A party conducting purchases, etc. (referring to purchases, etc. as defined in Article 27-2, Paragraph 1 of the said Act, including purchases conducted in the financial instruments exchange market) of the Company's share certificates, etc. (referring to share certificates, etc. as defined in Article 27-2, Paragraph 1 of the said Act), and its specially related parties (referring to specially related parties as defined in Article 27-2, Paragraph 7 of the said Act).

Note 2: Definition of voting rights ratio

Depending on the specific purchase method adopted by the specific shareholder group, the voting rights ratio is defined as follows.

- (i) In the case where the specific shareholder group comprises holders and their joint holders of the Company's share certificate, etc. (referring to share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act), the voting rights ratio refers to the holding ratio of share certificates, etc. of the holders (referring to the holding ratio of share certificates, etc. as defined in Article 27-23, Paragraph 4 of the said Act, where the number of share certificates, etc. held by their joint holders (referring to the number of share certificates, etc. held as defined in the aforementioned Paragraph 4) is also taken into account for the purpose of calculation); or,
- (ii) In the case where the specific shareholder group comprises the Large-scale Purchaser of the Company's share certificate, etc. (referring to share certificates, etc. as defined in Article 27-2, Paragraph 1 of the said Act) and its specially related parties, the voting rights ratio refers to the combined total of the ownership ratio of share certificates, etc. of the Large-scale Purchaser and that of its specially related parties (referring to the ownership ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the said Act).

For the purpose of calculating the holding ratio of share certificates, etc. and ownership ratio of share certificates, etc., the total number of voting rights (referring to the number of voting rights as defined in Article 27-2, Paragraph 8 of the said Act) and the total number of issued shares (referring to the total number of issued shares as defined in Article 27-23, Paragraph 4 of the said Act) may be referred to from the most recently submitted securities report, quarterly report or share buyback report.

Note 3: Definition of share certificates, etc.

Share certificates, etc. refer to the share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

(Appendix 1)

Major Shareholders

Major shareholders of the Company as of March 31, 2022 are as follows (the number of shares held less than one thousand is omitted).

Names	Number of shares held (thousand shares)	Ratio of the number of shares held against the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,319	15.35
HSBC Broking Securities (Asia) Limited	893	10.40
Kabushiki Kaisha Kawai Shadan	477	5.56
Sumitomo Realty & Development Co., Ltd.	441	5.14
Kawai Musical Instruments Business Partners Shareholding Association	354	4.12
Kawai Employee Shareholding Association	312	3.63
Meiji Yasuda Life Insurance Company	300	3.49
Gakken Holdings Co., Ltd.	278	3.24
Tokio Marine & Nichido Fire Insurance Co., Ltd.	275	3.20
The Kyoei Fire and Marine Insurance Company, Limited	225	2.62
Total	4,876	56.74

The total number of issued shares excludes 416,714 shares of treasury stock.

(Appendix 2)

Outline of the Independent Committee Regulations

1. The Independent Committee shall be established by the resolution of the Board of Directors of the Company.
2. The Independent Committee shall comprise three members selected by the resolution of the Board of Directors of the Company for the purpose of making objective and neutral decisions from among Outside Directors and Corporate Auditors (Outside) of the Company who are independent from Directors engaging in business execution of the Company or external experts (such as attorneys, certified public accountants, tax accountants, academics, persons familiar with investment banking business and persons outside the Company with experience as directors or executive officers of other companies).
3. The term of office of the Independent Committee members shall expire at the conclusion of the first Board of Directors' meeting held after the Annual General Meeting of Shareholders for the last fiscal year ending within one year after their appointment, provided, however, that their reappointment shall not be interfered with. If the Board of Directors of the Company, etc. resolves to discontinue the Plan, their term of office shall be terminated at the time of the discontinuation of the Plan.
4. When a member of the Independent Committee, who has been an Outside Director or Corporate Auditor (Outside) of the Company, ceases to be an Outside Director or Corporate Auditor (Outside) respectively, or no longer meets the qualification requirement set out by the Company, his/her term of office as a member of the Independent Committee shall be terminated at the same time.
5. The Independent Committee shall make recommendations on the matters consulted by the Board of Directors of the Company, including whether the Large-scale Purchaser complied with the Large-scale Purchase Rules, whether the Large-scale Purchase is considered to significantly compromise the Company's corporate value and the common interest of its shareholders, whether or not to implement the Countermeasures, whether or not to suspend the Countermeasures once implemented, by providing, in principle, the contents of the decisions along with their reasons and grounds to the Board of Directors of the Company. The Independent Committee may also make a recommendation with a reservation stating that holding a General Meeting of Shareholders to Confirm Shareholders' Intention is suitable. Each member of the Independent Committee is required to make decisions from the perspective of protecting the Company's corporate value and the common interest of its shareholders, not for the purpose of personal gains for himself/herself or for Directors of the Company.
6. The Independent Committee may seek advice in making deliberations or resolutions, as appropriate, from third parties independent from the Company (including but not limited to specialists such as financial advisors, certified public accountants, attorneys and consultants) at the expense of the Company.
7. Resolutions of the Independent Committee shall be made with all members of the Committee in attendance and by a majority of those in attendance, provided, however, that if any member of the Committee is absent due to sickness or other unavoidable circumstance of similar nature, resolution may be made with a majority of the members in attendance.

(Appendix 3)

Names and Career Summaries of the Members of the Independent Committee

The following three persons are scheduled to be the members of the Independent Committee at the time of the renewal of the Plan (as listed in the order of the Japanese syllabary).

Haruo Kato

(March 3, 1954)

July 2010	District Director, Nakagawa Tax Office
July 2011	First Deputy Commissioner, Second Taxation Department, Nagoya Regional Taxation Bureau
July 2013	District Director, Shizuoka Tax Office
Aug. 2014	Established Haruo Kato Tax Accountant Office
June 2020	Corporate Auditor of the Company (to present)
June 2020	Independent Committee Member of the Company (to present)

Takahisa Tabata

(August 28, 1956)

Apr. 1980	Joined Tokyo Kaikan Co., Ltd.
Oct. 1987	Joined Ota & Showa Audit Corporation
Mar. 1991	Registered as a certified public accountant
June 1993	Established Tabata Certified Public Accountant Office
June 2010	Corporate Auditor of the Company (to present)
June 2010	Independent Committee Member of the Company (to present)

Masao Fujita

(January 26, 1953)

Apr. 1975	Joined the Ministry of International Trade and Industry
June 1998	Councilor, Cabinet Councilors' Office on Internal Affairs, Cabinet Secretariat
Jan. 2001	Director-General, Policy Planning and Coordination Department, Japan Patent Office, Ministry of Economy, Trade and Industry
Apr. 2003	Deputy Secretary General, Japan Association for the 2005 World Exposition
Jan. 2006	General Manager in charge of Projects, Corporate Planning Office, Komatsu Ltd.
Apr. 2007	Chairman of Komatsu CIS
Apr. 2013	Senior Executive Officer (Jomu), Komatsu Ltd.
Oct. 2015	President, Sakhalin Oil and Gas Development Co., Ltd. (to present)

*Messrs. Haruo Kato and Takahisa Tabata are currently the Corporate Auditor (Outside) as defined under Article 2, Item 16 of the Companies Act. The Company has entered into agreements to limit liability for compensation as stipulated under Article 423, Paragraph 1 of the Companies Act with them. There is no special interest between the Company and the two Corporate Auditors (Outside). Both of them are independent officers as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.

Outline of a Gratis Allotment of Stock Acquisition Rights

1. Shareholders entitled to the allotment of stock acquisition rights and the method for allotment
One stock acquisition right shall be allotted for each share of the common stock held by shareholders (excluding, however, the Company's shares held by the Company) to the shareholders registered on the final shareholder register as of the record date as set out by the Board of Directors of the Company.
2. Class and number of shares to be delivered upon the exercise of stock acquisition rights
One share of the Company's common stock shall be delivered upon the exercise of one stock acquisition right.
3. Total number of stock acquisition rights to be allotted to shareholders
The total number of stock acquisition rights to be allotted to shareholders shall not exceed the number of issued shares of the Company as of the record date (excluding, however, the number of the Company's shares held by the Company).
4. Type and amount of assets to be contributed upon the exercise of each stock acquisition right
The assets to be contributed upon the exercise of each stock acquisition right shall be cash in the amount no less than ¥1 per share as determined by the Board of Directors of the Company.
5. Restrictions on the transfer of the stock acquisition rights
The transfer of the stock acquisition rights shall require the approval of the Board of Directors of the Company.
6. Conditions for exercising the stock acquisition rights
The Large-scale Purchaser, its joint holders, its specially related parties and any third party in a communicative relationship with the Large-scale Purchaser with respect to the Large-scale Purchase (including joint holders and specially related parties of such third party) shall not be able to exercise the stock acquisition rights, while any other conditions for exercising the stock acquisition rights shall be decided separately by the Board of Directors of the Company.
7. Acquisition terms
On the date set out by the Board of Directors of the Company (hereinafter the "Acquisition Date"), the Company may acquire all of the stock acquisition rights yet to be exercised as of the day preceding the Acquisition Date (excluding, however, the stock acquisition rights held by a party who cannot exercise the stock acquisition rights due to the conditions for exercising the stock acquisition rights, exercise period and other acquisition terms as determined by the Board of Directors), and grant one share of the Company's common stock in exchange for each stock acquisition right acquired.
8. Exercise period for the stock acquisition rights
Exercise period for the stock acquisition rights and other matters required to be determined shall be decided separately by the Board of Directors of the Company.
9. This outline may be subject to a change by the authority of the Board of Directors' meetings held for making resolutions for the gratis allotment of stock acquisition rights as the implementation of the Countermeasures.