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Securities Code: 7294

May 7, 2021

To Our Shareholders:

3-7-60 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa

YOROZU CORPORATION

President Tsutomu Hiranaka

Notice of the 76th Ordinary General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 76th Ordinary General Meeting of Shareholders as described below.

To prevent the spread of novel coronavirus infection and protect the safety of shareholders, you are strongly requested to exercise your voting rights in advance in writing or via the Internet, etc. for this year's General Meeting of Shareholders to the extent possible and refrain from coming to the venue on the day of the meeting. You are kindly requested to exercise your voting rights via the methods stated in "To exercise your voting rights by post" or "To exercise your voting rights via the Internet, etc." on page 4. Please do so on or before the end of the Company's business hours (5:30 p.m.) on Monday, June 28, 2021 (Japan Standard Time), after examining Reference Materials for the General Meeting of Shareholders on the following pages.

1. Date:	10:00 a.m. on Tuesday, June 29, 2021
2. Venue:	3-7-60 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa Yorozu Corporation Head Office building
3. Purposes: Items to be reported:	<ol style="list-style-type: none">1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit and Supervisory Committee for the 76th business period (April 1, 2020 to March 31, 2021)2. The non-consolidated financial statements for the 76th business period (April 1, 2020 to March 31, 2021)

<p>Items to be resolved:</p>	<p>Agenda Item No. 1: Election of six (6) Directors (excluding those who are members of the Audit and Supervisory Committee)</p> <p>Agenda Item No. 2: Election of three (3) Directors who are members of the Audit and Supervisory Committee</p> <p>Agenda Item No. 3: Election of one (1) Director who is a substitute member of the Audit and Supervisory Committee</p> <p>Agenda Item No. 4: Continuation of Yorozu's policy on large-scale purchasing of its own shares (Anti-Takeover Measures)</p>
<p>4. Other matters on this Notice of the Meeting:</p>	<p>Of the matters to be provided with this Notice, Share Subscription Rights of the Company, Status of Accounting Auditors, Systems to Ensure the Appropriateness of Business Operations and Management, Basic Policies related to the Company's Ownership Control, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are disclosed on Yorozu's website (http://www.yorozu-corp.co.jp/en/) and are not included in this Notice pursuant to the laws and regulations and provisions of Article 14 of the Articles of Incorporation.</p>

- ⦿ If any revisions are made to the reference materials for shareholders' meeting, business reports, non-consolidated financial statements, consolidated financial statements or other matters on this Notice, the revisions will be disclosed on Yorozu's website (<http://www.yorozu-corp.co.jp/>).
- ⦿ With respect to the exercise of voting rights by proxy, you may exercise your voting rights by appointing one (1) other shareholder with Yorozu's voting rights as your proxy. In this case, please submit a letter of proxy as well as the voting forms of the shareholder and the proxy as proof of the right of representation. Please note that non-shareholders, such as proxies and accompanying persons who are not shareholders, will not be able to attend the General Meeting of Shareholders.
- ⦿ As a measure to prevent infection with the novel coronavirus, sufficient space will be ensured between seats at the venue. Depending on the situation, we may have to restrict entry to the venue. We would appreciate your understanding. If any changes are made to the operation of the shareholders' meeting based on the situation in the future, information will be posted on the Company's website mentioned above.
- ⦿ No souvenirs for the shareholders' meeting will be distributed. In addition, light meals and beverages will not be served. We would appreciate your understanding.
- ⦿ The notice of resolutions of this General Meeting of Shareholders will be posted on the website mentioned above.

Agenda Item No. 1: Election of six (6) Directors (excluding those who are members of the Audit and Supervisory Committee)

The terms of office for six (6) Directors will end at the conclusion of this General Meeting, and we ask that six (6) Directors be appointed.

If Agenda Items No.1 and No.2 are approved as proposed, four (4) out of nine (9) Directors of the Company, including Directors who are members of the Audit and Supervisory Committee, will be independent outside directors as stipulated by the Tokyo Stock Exchange, accounting for one-third or more of the Board of Directors.

Below is the list of candidates.

Candidate Number	Candidate Name		Age	Current position and responsibility at the Company	Attendance at Board of Directors meetings	Service years
1	Akihiko Shido	Re-election	78	Chairman and Chief Executive Officer of the Company	15 out of 15 meetings (100%)	38
2	Ken Shido	Re-election	51	Director, Vice Chairman of the Company	15 out of 15 meetings (100%)	5
3	Tsutomu Hiranaka	Re-election	62	President and Chief Operating Officer of the Company	15 out of 15 meetings (100%)	9
4	Akira Saso	Re-election	62	Director, Chief Executive Vice President and Chief Financial Officer of the Company	15 out of 15 meetings (100%)	11
5	Masashi Oshita	Re-election Outside Independent	65	Outside Director	15 out of 15 meetings (100%)	3
6	Hiroshi Moriya	Re-election Outside Independent	64	Outside Director	12 out of 12 meetings (100%) *The Board meetings held after assuming office as an Outside Director	1



Brief history, title, position, and other important posts held

April 1968	Entered the Company
October 1981	Manager of Production Control Department of the Company
June 1983	Director of the Company
June 1988	Managing Director of the Company
June 1991	Executive Director of the Company
June 1992	Executive Vice President of the Company
June 1996	Senior Executive Vice President of the Company
June 1998	President of the Company
June 2001	President, Chief Executive Officer, and Chief Operating Officer of the Company
June 2008	Chairman and Chief Executive Officer of the Company, Chief Officer of YGHO
April 2020	Chairman and Chief Executive Officer of the Company, to date

■ Other important posts held

- Outside Director of Yorozu Express Co., Ltd.
- Outside Director of Ogura Kinzoku Co., Ltd.
- Outside Director of Toho Corporation
- Outside Director of Ahresty Corporation (Audit & Supervisory Committee Member)
- Outside Director of Univance Corporation
- Outside Director of MarkLines Co., Ltd.

- Number of Company's shares held: 24,474
- Number of years served as director: 38
- Attendance at Board of Directors meetings
15 out of 15 meetings (100%)

Reasons for Nomination as Candidate for Director

We have determined that Akihiko Shido remains a suitable choice for the position of Director because he has managed the Group as Representative Director and Chairman of the Company to date. Further, his achievements in leading the Group with his strong leadership skills and his extensive knowledge and experience in overall management would enable him to contribute to sustainable growth of the Group and to further strengthening the functions of the Board of Directors.



Brief history, title, position, and other important posts held

May 2003	Entered the Company
January 2013	General Manager of Corporate Strategy Office of the Company
April 2013	Executive Officer and General Manager of Corporate Strategy Office of the Company
May 2014	Executive Officer of the Company, President of Yorozu Engineering Corporation
June 2014	Executive Officer of the Company, President of Shonai Yorozu Corporation, President of Yorozu Engineering Corporation
June 2016	President and Chief Operating Officer of the Company, Deputy Chief Officer of YGHO
April 2020	President and Chief Operating Officer of the Company, Head of Manufacturing Function Group, Director of Global Technical Center, Head of Japan Group Regional Department
April 2021	Director, Vice Chairman of the Company, Charge of Long-term Strategy, Head of Japan Group Regional Department, to date

■ Other important posts held

Chairman of Yorozu Tochigi Corporation
 Chairman of Yorozu Oita Corporation
 Chairman of Yorozu Aichi Corporation
 Chairman of Shonai Yorozu Corporation
 Chairman of Yorozu Service Corporation

- Number of Company's shares held: 83,700
- Number of years served as director: 5
- Attendance at Board of Directors meetings 15 out of 15 meetings (100%)

Reasons for Nomination as Candidate for Director

Ken Shido, as Representative Director and President since 2016, and as Director and Vice Chairman since April 2021, has been responsible for the long-term strategy and spearheaded implementation of measures to address management issues of the Group. We expect that he will continue contributing to improving the Group's corporate value. Accordingly, we have determined that he remains a suitable choice for the position of Director.



- Number of Company's shares held: 7,900
- Number of years served as director: 9
- Attendance at Board of Directors meetings 15 out of 15 meetings (100%)

Brief history, title, position, and other important posts held

April 1982	Entered Nissan Motor Co., Ltd.
April 2003	Supervisor of Second Procurement Department of Nissan Motor
April 2004	Supervisor of LCV Business Department of Nissan Motor
April 2005	Vice Manager of Second Project Department of Nissan Motor
April 2006	Manager of Second Project Department of Nissan Motor
April 2007	Manager of Purchasing Control Department of Nissan Motor
April 2012	Entered the Company, Executive Officer, and General Manager of Marketing and Sales Department
June 2012	Director, Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
June 2014	Director, Managing Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
June 2015	Director, Senior Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
June 2016	Director, Vice President and Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
April 2020	Director, Chief Executive Vice President of the Company, Chairman of Marketing Sales and Management Function
April 2021	President and Chief Operating Officer of the Company, to date

Reasons for Nomination as Candidate for Director

Tsutomu Hiranaka has played a key leadership role in expanding the Group's sales channels with his exceptional judgment and negotiation skills in the M&S Function. As Chief Operating Officer from April this year, he is expected to bring his experience and insight to the Board in supporting further development of the Group, which is why we believe he is fully qualified to continue to serve on the Board.



- Number of Company's shares held: 8,800
- Number of years served as director: 11
- Attendance at Board of Directors meetings
15 out of 15 meetings (100%)

Brief history, title, position, and other important posts held

- March 1981 Entered the Company
 - March 2002 Chief Financial Officer of Yorozu America Corporation
 - June 2006 Executive Officer of the Company
 - June 2008 Executive Officer and General Manager of Finance Department of the Company
 - June 2010 Director, Executive Officer, Chief Financial Officer, and General Manager of Finance Department of the Company
 - June 2012 Director, Managing Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function, and General Manager of Finance Department
 - June 2013 Director, Senior Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function and General Manager of Finance Department
 - June 2016 Director, Vice President and Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function and General Manager of Finance Department
 - April 2020 Director, Chief Executive Vice President and Chief Financial Officer of the Company, Chairman of Finance and Project Management Function Group, to date
- Other important posts held
 - Director of Yorozu Tochigi Corporation
 - Director of Yorozu Oita Corporation
 - Director of Yorozu Aichi Corporation
 - Director of Shonai Yorozu Corporation
 - Director of Yorozu Engineering Corporation
 - Director of Yorozu Service Corporation
 - Outside Corporate Auditor of Yorozu Express Co., Ltd.

Reasons for Nomination as Candidate for Director

We have determined that Akira Saso remains a suitable choice for the position of Director because he has led the finance and accounting departments as the Group's Chief Financial Officer and has impressive knowledge based on wide-ranging experience in these fields.



Brief history, title, position, and other important posts held

April 1981	Entered the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry (METI))
July 2009	Director General for the Japan External Trade Organization, JETRO Paris
April 2012	Director General of National Institute of Public Administration, National Personnel Authority
June 2014	Director General of Human Resources Bureau, National Personnel Authority
March 2016	Retired from METI
June 2016	Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association (present post)
June 2018	Director of the Company (present post)

- Number of Company's shares held: 1,000
- Number of years served as Outside Director: 3
- Attendance at Board of Directors meetings
15 out of 15 meetings
(100%)

■ Other important posts held

Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association
 Director of the Japan Automobile Research Institute
 Director of Japan Society for the Promotion of Machine Industry

Reasons and Expected Roles for Nomination as Candidate for Outside Director

Since assuming the Outside Director position of the Company in June 2018, Masashi Oshita has provided oversight of the Company's management from an independent and neutral position. In addition, he has provided valuable advice to the Company's management based on extensive experience and knowledge acquired at METI. Therefore, we have determined that Masashi Oshita is a suitable candidate for the position of Outside Director due to the expectation of the above roles.

He has also served as the Chair of the nominating committee and a member of the compensation committee which have been voluntarily established to increase the transparency and objectivity of the decision-making process related to appointment and compensation of Directors, etc.

While he has never been directly involved in corporate management other than being Outside Director, we expect him to appropriately fulfill his responsibilities as Outside Director due to the reasons stated above.



Brief history and other important posts held

April 1980	Entered Nissan Motor Co., Ltd.
April 2004	VP of Nissan Motor
April 2006	CVP of Nissan Motor
March 2007	Retired from Nissan Motor
April 2007	SVP of Calsonic Kansei Corporation (currently Marelli Corporation)
April 2008	Senior Executive Officer of Calsonic Kansei, Chairman of Calsonic Kansei Europe plc
June 2011	Director, Senior Executive Officer of Calsonic Kansei
April 2012	Director, EVP of Calsonic Kansei
April 2013	Director, President & CEO of Calsonic Kansei
April 2018	Director, Chairman of Calsonic Kansei
January 2019	Chairman of Calsonic Kansei (present post)
June 2020	Director of the Company (present post)

■ Other important posts held

Chairman of Marelli Corporation
 Outside Director of SNT CORPORATION (scheduled to assume office in June 2021)
 Member of Saitama Prefectural Personnel Commission

- Number of Company's shares held: 0

- Number of years served as Outside Director: 1

- Attendance at Board of Directors meetings
 *12 out of 12 meetings (100%)

*The Board meetings held after assuming office as an Outside Director

Reasons and Expected Roles for Nomination as Candidate for Outside Director

Since assuming the Outside Director position of the Company in June 2020, Hiroshi Moriya has provided oversight of the Company's management from an independent and neutral position. In addition, he has engaged in the automotive industry for many years, and has provided valuable advice to the Company's management based on his abundant experience and broad expertise as a manager of global companies. Therefore, we have determined that Hiroshi Moriya is a suitable candidate for the position of Outside Director due to the expectation of the above roles.

He has also served as a member of the nominating committee and the compensation committee which have been voluntarily established to increase the transparency and objectivity of the decision-making process related to appointment and compensation of Directors, etc.

- Notes:
1. Masashi Oshita and Hiroshi Moriya are candidates for Outside Directors. The Company considers Masashi Oshita and Hiroshi Moriya to be highly independent with no possibility of conflicts of interest with general shareholders. Accordingly, we have designated them as an independent director as prescribed by the Tokyo Stock Exchange and notified the Tokyo Stock Exchange to that effect.
 2. There are no special interests between each Outside Director candidate and the Company.
 - (1) Special interest between Outside Director candidate Masashi Oshita and the Company
 - He serves as Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association, with which the Company has a transactional relationship of paying membership fees. However, we have determined that it has no impact on his independence because the percentages of the transaction amount to the Company's net sales and the Association's ordinary income in the most recent business year are respectively less than 0.1%.
 - He serves as Director of the Japan Automobile Research Institute, with which the Company has a transactional relationship in the certification business. However, we have determined that it has no impact on his independence because the percentages of the transaction amount to the Company's net sales and the Institute's ordinary income in the most recent business year are respectively less than 0.1%.
 - (2) Special interest between Outside Director candidate Hiroshi Moriya and the Company
 - He serves as Chairman of Marelli Corporation, with which the Company has a transactional relationship involving automotive parts. However, we have determined that it has no impact on his independence because the percentages of the transaction amount to the Company's net sales and Marelli's sales in the most recent business year are respectively less than 0.1%.
 - There are no special interests between SNT CORPORATION and the Company.
 3. The Company signed a contract with Outside Directors Masashi Oshita and Hiroshi Moriya for limited liability with the minimum liability limit as stipulated in Article 425, Paragraph 1 of the Companies Act based on the Articles of Incorporation regarding the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. If appointment of Masashi Oshita and Hiroshi Moriya is approved, the Company plans to continue the said contract with them for limited liability.
 4. Yorozu has entered into a liability insurance contract for directors and corporate auditors as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the insurance contract, compensation is to be paid for damages that may arise from the insured officers, etc. assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If the election of each candidate is approved, the Company plans to continue the relevant insurance contract with all the candidates as the insured. For details, please refer to page 54 of the Business Report.
 5. Overview of Opinions of the Audit & Supervisory Committee on Election of Directors (excluding those who are members of the Audit & Supervisory Committee)

The Audit & Supervisory Committee has examined the election of Directors (excluding those who are members of the Audit & Supervisory Committee) based on discussions at the nominating committee from perspectives such as the qualifications of each candidate, effectiveness of the Board of Directors as a whole and enhancement of corporate value.

As a result, the Audit & Supervisory Committee has determined that it is appropriate to elect the candidates for Directors. This is because, for inside Director candidates, they have deep expertise and abundant experience, are qualified as Directors, and have established a structure that contributes to medium- to long-term enhancement of business performance; and, for the Outside Director candidates, their independence is ensured and, their international experience, extensive knowledge in industrial policies or abundant management experience in the automotive industry have contributed to deepening discussions at the Board of Directors meeting.

Agenda Item No. 2: Election of three (3) Directors who are members of the Audit and Supervisory Committee

The terms of office for three (3) Directors who are members of the Audit and Supervisory Committee will end at the conclusion of this General Meeting, and we ask that three (3) Directors who are members of the Audit and Supervisory Committee be appointed.

The consent of the Audit & Supervisory Committee to this Agenda Item has been obtained in advance.

Below are the candidates.

Candidate Number	Candidate Name	Age	Current position and responsibility at the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Committee meetings	Service years
1	Satoshi Miura	New	60 Executive Vice President of the Company	-	-	-
2	Chiaki Tsuji	Re-election Outside Independent	68 Outside Director (A Member of the Audit and Supervisory Committee)	15 out of 15 meetings (100%)	13 out of 13 meetings (100%)	4
3	Chieko Ogawa	Re-election Outside Independent	58 Outside Director (A Member of the Audit and Supervisory Committee)	15 out of 15 meetings (100%)	13 out of 13 meetings (100%)	4



- Number of Company's shares held: 276,783

Brief history, title, position, and other important posts held

- August 1991 Entered the Company
- June 2008 Executive Officer and General Manager of Purchasing Department of the Company
- July 2009 Executive Officer of the Company, President of Guangzhou YOROZU Bao Mit Automotive Co., Ltd.
- January 2012 Executive Officer and General Manager of Corporate Strategy Office of the Company
- June 2012 Director, Executive Officer and General Manager of Corporate Strategy Office of the Company
- June 2013 Director, Senior Vice President and General Manager of Corporate Strategy Office of the Company, Chairman of Guangzhou YOROZU Bao Mit Automotive Co., Ltd., Chairman of Wuhan YOROZU Bao Mit Automotive Co., Ltd.
- June 2014 Director, Senior Vice President, General Manager of Purchasing Department and General Manager of Production Control Department of the Company
- June 2015 Senior Vice President, General Manager of Purchasing Department and General Manager of Production Control Department of the Company
- June 2017 Executive Vice President, General Manager of Purchasing Department and General Manager of Production Control Department of the Company
- June 2019 Executive Vice President and General Manager of Purchasing Department of the Company, to date

■ Other important posts held

- Outside Director of Ogura Kinzoku Co., Ltd. (scheduled to assume office in July 2021)
- Auditor of Yorozu Tochigi Corporation
- Auditor of Yorozu Oita Corporation
- Auditor of Yorozu Aichi Corporation
- Auditor of Shonai Yorozu Corporation
- Auditor of Yorozu Engineering Corporation
- Auditor of Yorozu Service Corporation
- Auditor of Guangzhou YOROZU Bao Mit Automotive Co., Ltd. (scheduled to assume office in June 2021)
- Auditor of Wuhan YOROZU Bao Mit Automotive Co., Ltd. (scheduled to assume office in June 2021)
- Chairman of Guangzhou YOROZU Bao Mit Automotive Co., Ltd. (scheduled to retire in June 2021)
- Chairman of Wuhan YOROZU Bao Mit Automotive Co., Ltd. (scheduled to retire in June 2021)

Chairman of YOROZU (Thailand) Co., Ltd. (scheduled to retire in June 2021)
Chairman of Y-Ogura Automotive (Thailand) Co., Ltd. (scheduled to retire in June 2021)
Chairman of YOROZU Engineering Systems (Thailand) Co., Ltd. (scheduled to retire in June 2021)
Chairman of YOROZU JBM Automotive Tamil Nadu Pvt. Ltd. (scheduled to retire in June 2021)
Chairman of PT. YOROZU Automotive Indonesia (scheduled to retire in June 2021)

Reasons for Nomination as Candidate for Outside Director who is a member of the Audit & Supervisory Committee

He is expected to be able to appropriately fulfill the role of Director as a member of the Audit and Supervisory Committee by utilizing his wide range of knowledge and high level of insight cultivated through his business experience in overseas subsidiaries, corporate strategy planning, production control and purchasing divisions, and therefore we have judged him to be an appropriate candidate for the position of Director as a member of the Audit and Supervisory Committee.



Brief history and other important posts held

April 1979	Registered with Tokyo Bar Association as attorney
April 1979	Joined Yamamoto Eisoku Law Office
October 1990	Lawyer's license (Japanese law) in Germany
October 1990	Partner of Peter & Beyer Law Office (Germany)
July 2001	Partner Lawyer of YOSHIOKA TSUJI LAW OFFICE
April 2004	Professor at the Graduate School of Law, Yamanashi Gakuin University
June 2017	Director of the Company (a member of the Audit & Supervisory Committee) (present post)
July 2019	Partner Lawyer of Kinorr Tokyo Law Office (present post)

- Number of Company's shares held: 3,500

- Number of years served as Outside Director: 4

- Attendance at Board of Directors meetings
15 out of 15 meetings (100%)

- Attendance at Audit and Supervisory Committee meetings
13 out of 13 meetings (100%)

- Other important posts held

- Outside Director of Takara Leben Co., Ltd. (scheduled to assume office in June 2021)

Reasons and Expected Roles for Nomination as Candidate for Outside Director who is a member of the Audit & Supervisory Committee

Since her appointment as Director who is a member of the Audit and Supervisory Committee in June 2017, she has actively provided opinions from an objective perspective at meetings of the Board of Directors, etc., based on her expertise and extensive experience cultivated not only as a lawyer in Japan but also as a lawyer in Germany. We expect that her expertise and experience, as well as the opinions and advice she has provided to date, will continue to be utilized in the supervision and auditing of the management of the Group, and therefore we have judged her to be an appropriate candidate for the position of Outside Director who is a member of the Audit and

Supervisory Committee.

While she has never been directly involved in corporate management other than being Outside Director (a member of the Audit & Supervisory Committee), etc., we expect her to appropriately fulfill her responsibilities as Outside Director who is a member of the Audit & Supervisory Committee due to the reasons stated above.

She has also served as a member of the nominating committee and the compensation committee which have been voluntarily established to increase the transparency and objectivity of the decision-making process related to appointment and compensation of Directors, etc.



Brief history and other important posts held

April 2005	Registered as certified public accountant
February 2006	Joined Nihombashi Corporation Japan (auditing firm)
July 2010	Joined Resources Global Professionals Japan K.K.
September 2010	Registered as US CPA (registered in Washington State)
February 2014	Registered as tax accountant
March 2014	Opened Ogawa Accounting Office (present post)
June 2017	Director of the Company (a member of the Audit & Supervisory Committee) (present post)

■ Other important posts held

Chief Audit Commissioner of Toda City

- Number of Company's shares held: 3,700
- Number of years served as Outside Director: 4
- Attendance at Board of Directors meetings
15 out of 15 meetings
(100%)
- Attendance at Audit and Supervisory Committee meetings
13 out of 13 meetings
(100%)

Reasons and Expected Roles for Nomination as Candidate for Outside Director who is a member of the Audit & Supervisory Committee

Since her appointment as Director who is a member of the Audit and Supervisory Committee in June 2017, she has actively provided opinions from an objective perspective at meetings of the Board of Directors, etc., based on her expertise and extensive experience cultivated not only in Japan but also in the US as a certified public accountant. We expect that her expertise and experience, as well as the opinions and advice she has provided to date, will continue to be utilized in the supervision and auditing of the management of the Group, and therefore we have judged her to be an appropriate candidate for the position of Outside Director who is a member of the

Audit and Supervisory Committee.

While she has never been directly involved in corporate management other than being Outside Director (a member of the Audit & Supervisory Committee), etc., we expect her to appropriately fulfill her responsibilities as Outside Director who is a member of the Audit & Supervisory Committee due to the reasons stated above.

She has also served as a member of the nominating committee and the Chair of the compensation committee which have been voluntarily established to increase the transparency and objectivity of the decision-making process related to appointment and compensation of Directors, etc.

- Notes:
1. There are no special interests between each candidate and the Company.
 2. Chiaki Tsuji and Chieko Ogawa are candidates for Outside Directors. The Company considers Chiaki Tsuji and Chieko Ogawa to be highly independent with no possibility of conflicts of interest with general shareholders. Accordingly, we have designated them as an independent director as prescribed by the Tokyo Stock Exchange and notified the Tokyo Stock Exchange to that effect.
 3. The Company signed a contract with Directors who are the members of the Audit & Supervisory Committee Chiaki Tsuji and Chieko Ogawa for limited liability with the minimum liability limit as stipulated in Article 425, Paragraph 1 of the Companies Act based on the Articles of Incorporation regarding the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. If appointment of Chiaki Tsuji and Chieko Ogawa is approved, the Company plans to continue the said contract with them for limited liability.
 4. If appointment of Satoshi Miura is approved, the Company plans to sign a contract with him for limited liability with the minimum liability limit as stipulated in Article 425, Paragraph 1 of the Companies Act based on the Articles of Incorporation regarding the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act.
 5. Yorozu has entered into a liability insurance contract for directors and corporate auditors as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the insurance contract, compensation is to be paid for damages that may arise from the insured officers, etc. assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If the election of Chiaki Tsuji and Chieko Ogawa is approved, the Company plans to continue the relevant insurance contract with both candidates as the insured. Regarding Satoshi Miura, if this proposal is approved, the Company plans to enter the relevant insurance contract with him as the insured. For details, please refer to page 54 of the Business Report.

Agenda Item No. 3: Election of one (1) Director who is a substitute member of the Audit and Supervisory Committee

One (1) substitute Director who is a member of the Audit & Supervisory Committee is to be appointed in case the number of Directors who are members of the Audit & Supervisory Committee falls below the number stipulated in the law.

The consent of the Audit & Supervisory Committee to this Agenda Item has been obtained in advance.

Below is the candidate.

Kazuhiko Saito

(Born August 23, 1956; age 64)

Re-election	
Outside	Independent



Brief history and other important posts held

April 1988	Registered as a lawyer (Tokyo Bar Association)
April 1992	Founded Okada Saito Law Office
April 2006	Executive Director of Kanto Federation of Bar Associations
April 2007	Director of Tokyo Family Conciliation Association
April 2009	Founded Saito Law Office, to date

■ Other important posts held

Outside Auditor of KOKUSAI CO., LTD.

- Number of Company's shares held: 0

Reasons and Expected Roles for Nomination as Candidate for Outside Director who is a substitute member of the Audit & Supervisory Committee

We have determined that Kazuhiko Saito is a suitable choice for the position of substitute Director (Outside Director) who is a member of the Audit & Supervisory Committee because he would be able to contribute to enhancement of the decision-making and oversight functions of the Company's Board of Directors by leveraging his professional knowledge acquired as a lawyer and his abundant experience.

While he has never been directly involved in corporate management other than being Outside Auditor, we expect him to appropriately fulfill his responsibilities as Outside Director who is a member of the Audit & Supervisory Committee due to the reasons stated above.

- Notes:
1. There are no special interests between the above candidate and the Company.
 2. Kazuhiko Saito is a candidate for a substitute Outside Director who is a member of the Audit & Supervisory Committee. He satisfies the requirements for an independent director under the regulations of the Tokyo Stock Exchange.
 3. If Kazuhiko Saito is appointed as Outside Director, the Company plans to sign a contract with him for limited liability with the minimum liability limit as stipulated in Article 425, Paragraph 1 of the Companies Act based on the Articles

- of Incorporation regarding the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act.
4. Yorozu has entered into a liability insurance contract for directors and corporate auditors as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the insurance contract, compensation is to be paid for damages that may arise from the insured officers, etc. assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If this proposal is approved and the election of Kazuhiko Saito is approved as Outside Director, the Company plans to enter the relevant insurance contract with him as the insured. For details, please refer to page 54 of the Business Report.

Agenda Item
No. 4:

Continuation of Yorozu's policy on large-scale purchasing of its own shares (Anti-Takeover Measures)

At Yorozu's Board of Directors Meeting held on May 10, 2018, the following resolutions were adopted: one is about a basic policy on how a person who controls decisions on the Company's financial matters and business policies should be (defined in the main paragraph of Article 118, Paragraph 3 of the Ordinance for Enforcement of the Companies Act, and hereinafter referred to as the "Basic Policy"), and another is about amendment and continuation of Yorozu's policy on large-scale purchasing of its own shares (Anti-Takeover Measures) that were approved by the shareholders at the 70th Ordinary General Meeting of Shareholders held on June 10, 2015. They are part of commitments (Article 118, Item (iii), (b) 2 of the Ordinance for Enforcement of the Companies Act) to prevent decisions on Yorozu's financial matters and business policies from being controlled by persons who are inappropriate in light of the Basic Policy. The amendment and continuation of the Anti-Takeover Measures were approved by the shareholders at the 73rd Ordinary General Meeting of Shareholders held on June 18, 2018 (the Anti-Takeover Measures approved by the shareholders at the 73rd Ordinary General Meeting of Shareholders held on June 18, 2018 are hereinafter referred to as the "Existing Plan"), and the Existing Plan has been continued. However, the effective period of the Existing Plan is until the end of the Board of Directors meeting held for the first time after this Ordinary General Meeting of Shareholders.

As the current plan is set to expire, Yorozu carefully considered changes in and continuation of the Existing Plan from the viewpoint of improving its enterprise value and shareholders' common interests in the medium and long term, while taking into account the opinions of its shareholders including institutional investors in Japan and overseas, recent trends in takeover defense measures, the status of legal developments, and the composition of shareholders, in the light of changes in the management environment surrounding Yorozu and the impact of such changes. Based on this review, and after consultation with Yorozu's Independent Advisory Committee (hereinafter referred to as the "Independent Advisory Committee") and the approval of all the members of the Committee, Yorozu's Board of Directors, at a meeting held on May 14, 2021, decided to submit a proposal for approval of the continuation of the Anti-Takeover Measures to this Ordinary General Meeting of Shareholders as one of the measures to prevent decisions on Yorozu's financial and business policies from being controlled by persons who are inappropriate in light of the Basic Policy, after making necessary changes to the Existing Plan (the plan after the changes is hereinafter referred to as the "Plan") as below. This received the approval of all Directors including the Outside Directors, and Directors serving as members of the Audit and Supervisory Committee.

This proposal is to ask the shareholders to approve the Plan.

The Plan shall come into effect subject to the approval of Yorozu's shareholders regarding the above proposal submitted to this Ordinary General Meeting of Shareholders, and the Existing Plan shall be changed to the Plan subject to such approval.

With regard to the continuation of the Anti-Takeover Measures under the Plan, Yorozu has amended the wording including clarification of the grounds, but the Plan does not substantially change the contents of the Existing Plan.

If and when the Companies Act, the Financial Instruments and Exchange Act, ordinances, cabinet orders, Cabinet Office Orders and ministerial orders (hereinafter referred to collectively as the “Laws and Regulations”) are amended (including amendment of law names and establishment of a new law succeeding the old one), and such amendments are enforced, the clauses of the Laws and Regulations quoted in the Plan shall be replaced by the clauses that effectively succeed the amended clauses of such Laws and Regulations, respectively, unless otherwise determined by Yorozu’s Board of Directors.

1. Basic Policy

(1) Content of the Basic Policy

Yorozu is of the view that its enterprise value has its origin in enhancing common interests of its shareholders as Yorozu and its subsidiaries and affiliates (hereinafter referred to as the “Yorozu Group”). And it vigorously pushes forward with agile corporate activities drawing fully upon the strength of its know-how in sales, technology, production and brand image that the Yorozu Group has accumulated over many years based on the management philosophy discussed in (2) below and hence contributes to the development of society at home and abroad. For that reason, the Company's Basic Policy is to take reasonable measures to secure and enhance the enterprise value or shareholders’ common interests, to the extent permitted by laws and regulations and the Articles of Incorporation. It does so in the event that the enterprise value or shareholders’ common interests are likely to be impaired as a result of acquisition of shares with voting rights equivalent to 20% or more of the Company's total voting rights (hereinafter referred to as "Controlling Shares") by any particular person or group who is deemed to be inappropriate as a person controlling decisions on the financial matters and business policies.

(2) Background to formulation of Basic Policy

Since its establishment in 1948, the Company has made efforts on a daily basis as an automotive parts manufacturer focused mainly on suspensions, based on the management stance, "Our basic business creed is to conduct reliable management," and has earned the trust of automotive manufacturers as our name became synonymous with suspensions. The manufacturing of suspensions, the flagship business of the Yorozu Group, is not limited to mere manufacturing and selling of regular products. It extends to a level where automotive manufacturers’ needs are fully understood and developments are made together with automotive manufacturers in a manner conforming to such needs. Accordingly, in order to respond to the needs of automotive manufacturers and to manufacture suspensions, which are important safety parts for vehicles, it is essential to have state-of-the-art and advanced technology. In addition, it is extremely important to accurately understand business processes of automotive manufacturers, to get involved in them, and to work on product development. The Group has thoroughly pursued efficiency to consistently manufacture suspensions from development to production using its own development and technological capabilities, and maintained outstanding quality, while reducing costs and shortening delivery times. In order to continuously maintain and enhance its enterprise value and the common interests of its shareholders, the Yorozu Group expands overseas and makes capital investments actively with the aim of expanding its customer base and earnings capability.

We believe that sources of improvement of the Group's enterprise value supported by the initiatives mentioned above and the results thereof are as follows: the understanding and support of our shareholders from a medium- and long-term perspective, management initiatives based on a medium- to long-term viewpoint that emphasize the automotive parts industry to which the Group belongs and the business lines, good working relationships with automotive manufacturers, proactive capital investments based on our sound financial position, willingness to steadily strengthen the management base kept by management with a wealth of knowledge and experience concerning market characteristics as well as by employees who are sincere in their business, both of who are aware of each other's respective roles, maintenance of advanced technology and its further improvement, and ongoing high motivation of all employees who support these, together with a deep understanding of the long-term trust with stakeholders built through these initiatives.

While technological innovation progresses on a global scale, the Yorozu Group understands accurately the trends of demand in the markets at home and abroad. It makes effective and maximum use of these management resources, fulfills its social responsibilities by continuing to conduct environmentally friendly corporate activities, and makes every effort to enhance its enterprise value.

On the other hand, against the backdrop of development of new legal systems and changes in economic structure and corporate culture, recently, there have been sporadic cases in which purchases of a large amount of shares in target companies are forced unilaterally without approval of management. We may not be able to rule out a possibility that sustainable improvement of the Group's enterprise value based on the above management resources will be hindered in some cases.

In light of such circumstances, the Company believes that it is necessary to presume that a person who intends to acquire controlling shares and a group thereof (hereinafter referred to as "Purchaser, etc.") will appear.

Needless to say, the Company has no negative opinion on every acquisition of controlling shares.

However, certain recent acts of acquiring Controlling Shares do include those acts which are likely to cause irreparable damage to Yorozu's enterprise value or the common interests of the shareholders such as (i) those acts, given the Purchaser's purposes for acts to acquire Controlling Shares, which obviously do not seek genuinely reasonable management, (ii) those acts which are likely to force the general shareholders to effectively sell their shares under unfavorable conditions, (iii) those acts in which the information necessary for the general shareholders to properly determine whether or not to accede to acts of acquiring Controlling Shares or a reasonable period for consideration is not provided or secured, or (iv) those acts in which the information including opinions for or against the acts of acquisition of Controlling Shares or Business Plan, etc. substituting the purchase proposal or business plan presented by the Purchaser, an opportunity for negotiation with the Purchaser or a reasonable period for consideration is not provided to the Board of Directors.

Yorozu deems those persons who seek to acquire its Controlling Shares in a manner not consistent with securing or enhancing its enterprise value or the common interests of shareholders to be inappropriate as persons controlling the decisions of Yorozu's financial matters and business policies, and finds it necessary to take some sort of measures against such persons in order to prevent such situation from coming into being.

2. Special Approach to Implementing the Basic Policy

We aim to allow a large number of investors to be able to continue investing in Yorozu over a medium- and long-term period, and wish to take an approach to enhancing and securing Yorozu's enterprise value or the common interests of the shareholders. To this end, Yorozu, with the corporate philosophy and basic management stance described in (1) below, implements its approach aimed at enhancing its enterprise value as described in (2) below, its approach aimed at reinforcing its corporate governance as described in (3) below, sustainable return to shareholders as described in (4) below, and its approach to fulfilling what Yorozu believes to be its social responsibilities as described in (5) below. Yorozu is of the view that it can prevent a situation impeding sustainable enhancement of its enterprise value based on the abovementioned management resources from occurring by enhancing its enterprise value or the common interest of shareholders and appropriately reflecting those in its share value, and therefore that these approaches contribute to the realization of the Basic Policy as discussed in 1. above.

(1) Corporate Philosophy and Basic Management Stance

Yorozu has strived to sustainably increase its enterprise value and shareholders' common interests through the corporate philosophy of "contributing to society by continually striving to deliver technological innovation and create products that are beneficial to people" from long-term perspectives with understanding of the sources of enterprise value described above.

(2) Approach Aimed at Enhancing Enterprise Value

Yorozu has announced its medium-term business plan for FY2018 to FY2020, "Yorozu Spiral-up Plan 2020" (hereinafter referred to as "Medium-term Business Plan") to further increase its enterprise value.

Based on the Medium-Term Business Plan, the Company has implemented the following priority initiatives with an eye to improving the enterprise value.

(1) Improve profitability

(2) Strengthen product competitiveness and development capabilities

(3) Enhance corporate capabilities

We were unable to achieve the performance targets for FY2020 set in the Medium-Term Business Plan, due to a deterioration in earnings caused by stagnant economic activities in the coronavirus pandemic, which also caused suspended operations or production cutbacks at our customers. However, we worked to improve our corporate strength by laying the foundation for a strong corporate structure to increase earnings in the future. We did this through a review of our production system and emergency profit improvement activities implemented from the second half of FY2019.

Based on the above Medium-Term Business Plan, in May 2021, Yorozu formulated the "Yorozu Sustainability Plan 2023" (hereinafter referred to as "New Medium-Term Business Plan"), a new medium-term business plan for the period from FY2021 to FY2023. Our new corporate vision is "Our aim is to become a 100-year-old company attested by unceasing growth and dedication to customers with the one and only technologies in suspensions." Based on this, we will strive to further expand our enterprise value by pursuing sound management that is resilient to change and setting out the following three pillars. The

first pillar is to establish management that is conscious of “ESG” (Environmental, Social, and Corporate Governance) to work together with people, society and the earth. The second one is to bring "Profit stability" through robust corporate infrastructure not affected by production volume. And the third one is "New technologies and methods" that will improve our competitiveness of suspension parts.) Yorozu will steadily carry out the New Medium-Term Business Plan to achieve sustainable growth and increase enterprise value with strategies based on medium- to long-term perspectives.

(3) Initiatives to strengthen corporate governance

The Company's basic management philosophy is "Advancing fair and transparent corporate activities with a strong sense of ethics and strict adherence to laws and regulations." The Board of Directors makes decisions on basic management policies, matters stipulated by laws and regulations, and other important management matters. It is positioned as an organization that supervises the execution of duties by Directors and Executive Officers. And at the 56th Ordinary General Meeting of Shareholders held on June 27, 2001, the term of office of Directors was shortened to one (1) year from two (2) in order to further clarify the management's responsibility to shareholders.

Furthermore, with a view to further strengthening corporate governance, at the 70th Ordinary General Meeting of Shareholders held on June 10, 2015, the Company enhanced its audit and supervisory functions. It did this by shifting to a "Company with an Audit and Supervisory Committee" in which an Audit and Supervisory Committee comprised of a majority of Outside Directors is established. In conjunction with this appointment, the Company newly elected two females who are well versed in legal and accounting fields respectively and who meet the requirements for independent Outside Directors stipulated by the Tokyo Stock Exchange, as Director and the member of the Audit and Supervisory Committee, to replace the two former Outside Directors. Afterwards, the succeeding Directors serving as Audit and Supervisory Committee members who were elected at the 72nd Ordinary General Meeting of Shareholders held on June 16, 2017 were also two females who were similarly knowledgeable in legal and accounting fields respectively and who met the requirements for independent Outside Directors. Accordingly, the members of the Board of Directors are selected by taking diversity into account.

Further, for Directors who are not Audit and Supervisory Committee members, we increased the number of Outside Directors by one at the 73rd Ordinary General Meeting of Shareholders held on June 18, 2018, and another one at the 75th Ordinary General Meeting of Shareholders held on June 26, 2020, namely, an increase of two (2) in total. As a result, four of the Company's nine Directors, including those serving as Audit and Supervisory Committee members, are Independent Outside Directors as prescribed by the Tokyo Stock Exchange, and more than one-third of the members of the Board of Directors are Independent Outside Directors. Additionally, in December 2018, we established a "Nominating Committee" and a "Compensation Committee," where the majority of members are Independent Outside Directors. The purpose was to increase the transparency and objectivity of the decision-making process concerning appointment of the Directors and determination of their remuneration.

In order for the Company to achieve sustainable growth and raise its enterprise value over the medium to long term, the Company has established the "Corporate Governance Guidelines" (<http://www.yorozu->

corp.co.jp/csr/governance/). They clarify the Company's basic stance on corporate governance and management policies.

Through these efforts, the Company will strengthen its corporate governance, achieve sustainable growth as a corporation, and continue striving to increase the enterprise value for all stakeholders.

(4) Sustained return to shareholders

Yorozu's basic policy on financial strategy under the Medium-Term Business Plan was to focus on shareholder return in addition to financial stability. Accordingly, Yorozu changed its dividend policy from that of "stable dividends" to that of "establishment of a targeted dividend payout ratio," and set the consolidated dividend payout ratio at 35% from FY2015.

In accordance with this basic policy and dividend policy, Yorozu achieved the consolidated payout ratio of 35% from FY2015 to FY2020. In addition, in September 2016, Yorozu at its Board of Directors meeting resolved to acquire 4.0% of its total issued and outstanding shares as treasury stock and acquired them.

This basic policy continues under the New Medium-Term Business Plan with the target for the consolidated payout ratio set at 35%. The Company will continue to strive for sustainable shareholder returns.

(5) Company's approach to Corporate Social Responsibility

The Company has maintained a management stance of "Advancing fair and transparent corporate activities with a strong sense of ethics and strict adherence to laws and regulations" since its establishment. It has conducted its business activities with the recognition that it is necessary to not only comply with relevant laws and regulations, but also to fulfill its social responsibilities as a good corporate citizen. We will continue to fulfill our corporate social responsibility by ensuring customer satisfaction, technological innovation, and compliance with laws and regulations. We will do so while addressing environmental issues, developing as a global company, disclosing corporate information, respecting human rights, conducting fair transactions, and clarifying responsibility as the senior management.

3. Content of the Plan (Approach to preventing Yorozu's financial matters and business policies from being controlled by an inappropriate party in the context of the Basic Policy)

(1) Purpose of Continuing Takeover Defense Measures under the Plan

As described in 1. above, the Company believes that it may be necessary to take some measures against a Purchaser, etc. Basically, since the Company is a listed company, the final decision as to whether to sell the shares to the purchaser, etc. or whether to entrust management of the Company to the Purchaser, etc. should be left to the will of individual shareholders.

However, in order for the shareholders to make appropriate decisions, we believe that it is necessary, as a prerequisite, that they fully consider the Company's unique business characteristics and our Group's history as described above, and that they appropriately grasp the Company's enterprise value and the sources that generate that value. In order to understand what sort of influence the acquisition by the Purchaser of Yorozu's Controlling Shares may exert on Yorozu's enterprise value or on the source of such enterprise value,

the information provided by the Purchaser alone may well be inadequate. Yorozu is of the view that, in order to allow the shareholders to make an appropriate judgment, it would be necessary for them to obtain information from Yorozu's Board of Directors, which fully understands the peculiar characteristic features of Yorozu's business, evaluations and opinions of Yorozu's Board of Directors on the act of acquiring Controlling Shares or, in some cases, new proposals from Yorozu's Board of Directors based on said evaluations and opinions.

Therefore, Yorozu believes that it would be very important to secure ample time for the shareholders to analyze and examine multifaceted information.

On the other hand, Yorozu thinks that there may be cases in which this does not function effectively in response to an act of acquiring Controlling Shares in the Company because: stock accumulation in the market is not regulated under the current tender offer regulations and therefore abusive accumulation in the market cannot be dealt with; and, even in cases in which the tender offer regulations apply, there will be restrictions such as that sufficient information will not be disclosed to shareholders and adequate time to consider whether or not to accept a tender offer cannot be secured with the result that information is not provided before the tender offer starts and Yorozu is obliged to submit a statement of its position on the tender offer within 10 business days from the date on which the start of the tender offer is announced. From the foregoing perspectives and in light of the abovementioned Basic Policy, Yorozu would make it possible for the shareholders to make a proper judgment as to whether or not they should accede to the Large-Scale Purchase of Yorozu's Shares (defined in (2)(a) below; hereafter the same shall apply), for Yorozu's Board of Directors to present opinions for or against said Large-Scale Purchase or present to the shareholders a business plan substituting a purchase proposal or Business Plan, etc. presented by the person seeking to conduct or currently conducting the Large-Scale Purchase of Yorozu's Shares (hereinafter referred to as the "Large-Scale Purchaser") (hereinafter referred to as the "Substitute Plan"), or for Yorozu's Board of Directors to conduct negotiations with said Large-Scale Purchaser for and on behalf of the shareholders. Yorozu would do this by seeking in advance to be provided with the necessary information on the Large-Scale Purchase of Yorozu's Shares and seeking to secure a period of time for consideration and examination. Yorozu has thereby reached the conclusion that it would be necessary to continue with the anti-takeover measures under the Plan as part of the approach to prevent decisions on Yorozu's financial matters and business policies from being controlled by inappropriate persons in the context of the Basic Policy (specifically meaning "Persons Falling under Exceptions" defined in (2)(h) below).

Needless to say, it is desirable to confirm the intentions of shareholders when continuing takeover defense measures under this Plan. For this reason, Yorozu plans to confirm the wishes of the shareholders on whether or not the anti-takeover measures should continue under the Plan.

For the reasons stated above, Yorozu's Board of Directors plans to confirm the wishes of the shareholders by submitting the proposal for approval of the continuation of the anti-takeover measures under the Plan, and has decided to continue with the anti-takeover measures under the Plan on condition that the Plan shall concurrently come into effect if approval of the shareholders is obtained at this Ordinary General Meeting of Shareholders.

At this point in time, Yorozu has not received any specific proposal for Large-Scale Purchase of its shares.

The status of Yorozu's major shareholders as of March 31, 2021 is as described in the "Overview of the Status of Holding of Yorozu's Shares" (Exhibit 1).

(2) Content of the Plan

The specific content of the Plan is as follows. A flowchart summarizing an overview of the procedures relating to the Plan is as described in (Exhibit 2).

(a) Definition of a Large-Scale Purchase of Shares against Which Countermeasures Would Be Exercised

When an act which falls or may fall under any of items (i) through (iii) (excluding an act approved in advance by Yorozu's Board of Directors; hereinafter referred to as the "Large-Scale Purchase of Yorozu's Shares") is committed or is about to be committed, the countermeasures under the Plan may be exercised.

(i) Purchase or other acquisition of the share certificates, etc. whereby the share certificates, etc. holding rate (Note 2) of a specific shareholder of the Company in relation to the share certificates, etc.) issued by the Company (Note 1) is 20% or more. (Note 3)

(ii) Purchase or other forms of acquisition (Note 7) of the share certificates issued by Yorozu (Note 4) in which the ratio of holding of share certificates by a specific shareholder (Note 5) and its Persons in a Special Relationship (Note 6) would be equal to or greater than 20%.

(iii) Regardless of whether or not any of the acts set forth in (i) or (ii) above have been performed, an agreement or other act made between a specific shareholder of the Company and another shareholder of the Company (including multiple shareholders and the same shall apply in this text (iii)) whereby such other shareholder comes to fall under the category of a joint holder of such specific shareholder; or an act of establishing a relationship (Note 8) between such specific shareholder and such other shareholder whereby one of the two substantially controls the other, or whereby they act together or in concert (Note 9) (provided, however, that this shall be limited to cases where the sum of the holding ratio of the share certificates, etc. issued by the Company becomes 20% or more).

(Note 1) Refers to share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided.

(Note 2) Refers to the share certificates, etc. holding rate as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. Except as otherwise provided below, in calculating such Share Certificate, etc. Holding Rate, (i) Persons in a Special Relationship as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act, and (ii) investment banks, securities companies, and other financial institutions that have entered into financial advisor agreements with such specific shareholders, as well as the Tender Offer Agent and Lead Managing Underwriter of such specific shareholders (hereinafter referred to as "Contracted Financial Institutions, etc."), shall be deemed to be Joint Holders (refer to "Joint Holder" as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed to be Joint Holders pursuant to Paragraph 6 of the same Article, and hereinafter the same shall apply) of such specific shareholders under this Plan. In addition, for the purpose of calculating such ratio of holding of share certificates, the aggregate number of Yorozu's issued and outstanding shares may be based on the most recent information published by Yorozu.

(Note 3) Includes claims for handover of share certificates under a sale/purchase or other contract and transactions prescribed in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange (FIX) Act.

(Note 4) Refers to share certificates, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. In the context of (2), the same shall apply hereinafter.

(Note 5) Refers to the Share Certificate, etc. Holding Rate as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided. And for the purpose of calculating the Share Certificate, etc. Holding Rate, determining the total number of voting rights of the Company

can be done by referring to the latest information the Company announced.

- (Note 6) Refers to Persons in a Special Relationship as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. However, the persons set forth in Item 1 of that Paragraph are excluded from the persons specified in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other Than Issuer. (i) Joint Holders and (ii) Contracted Financial Institutions, etc. shall be deemed to be the Persons in a Special Relationship of such specific shareholders under the Plan. The same shall apply hereinafter unless otherwise provided.
- (Note 7) Includes purchase and other acceptance of transfer for value (including those prescribed in Article 6, paragraph 3 of the Order for Enforcement of the FIX Act).
- (Note 8) Judgment as to whether or not the relationship in which the specific shareholder effectively controls Other Shareholders or vice versa or the relationship in which one party acts jointly or in cooperation with the other exists shall be based on the formation or otherwise of a new equity contribution relationship, a business affiliation relationship, a transactional or contractual relationship, a concurrent executive service relationship, a financing relationship, a credit relationship, or an effective relationship of interests in Yorozu's shares through derivatives and stock lending, or direct and indirect effect such specific shareholders or Other Shareholders have on Yorozu.
- (Note 9) Judgment as to whether or not the act prescribed in text (iii) has been committed shall be made by Yorozu's Board of Directors in accordance with the recommendations of the Independent Advisory Committee. Yorozu's Board of Directors may, after consulting the Independent Advisory Committee, ask Yorozu's shareholders to provide necessary information within the limits necessary for judgment on whether or not the requirements of text (iii) are fulfilled.

(b) Submission of a Letter of Intention

Except where Yorozu's Board of Directors otherwise permits, the Large-Scale Purchaser shall, prior to commencement or execution of the Large-Scale Purchase of Yorozu's Shares, submit to Yorozu's President & COO a document signed or sealed by the representative of the Large-Scale Purchaser, in a form and substance prescribed by Yorozu, which would covenant to Yorozu's Board of Directors that the Large-Scale Purchaser would comply with the procedures prescribed in the Plan (hereinafter referred to as the "Large-Scale Purchase Rules") and a certificate of qualification of the representative (hereinafter referred to collectively as the "Letter of Intention"). Yorozu's President & COO shall submit the abovementioned Letter of Intention to Yorozu's Board of Directors and the Independent Advisory Committee immediately upon its receipt.

In addition to the covenant to comply with the Large-Scale Purchase Rules, the following matters must be stated in the Letter of Intention. The language to be used in the Letter of Intention shall be limited to Japanese.

(1) Overview of Large-Scale Purchaser

- (i) Name or trade name
- (ii) Address, or location of head office, business office, and the like
- (iii) Governing law for incorporation
- (iv) Name of the representative
- (v) Contact information in Japan

(2) Class and number of shares actually held by the Large-Scale Purchaser

(3) The Large-Scale Purchaser's status of trading shares of Yorozu during the period of 60 days before submission of the Letter of Intention and an overview of the planned Large-Scale Purchase

When a Letter of Intention is submitted by a Large-Scale Purchaser, Yorozu will disclose those matters which are deemed appropriate by its Board of Directors or the Independent Advisory Committee in a timely

and appropriate manner in accordance with the applicable laws and regulations, and the rules and regulations of Financial Instruments Exchanges.

(c) Information Provision Demand against a Large-Scale Purchaser

Within five (5) business days (not counting the first day) from the date of receipt of the Letter of Intention by Yorozu's Board of Directors and the Independent Advisory Committee, the Large-Scale Purchaser shall submit to Yorozu's Board of Directors the information specified in (1) through (16) below (hereinafter referred to collectively as the "Large-Scale Purchase Information"), together with a document covenanting that the Large-Scale Purchase does not fall under the category of an abusive acquisition (defined in (f) i) 2) below). Yorozu's Board of Directors will submit the Large-Scale Purchase Information to the Independent Advisory Committee immediately upon its receipt.

Yorozu's Board of Directors or the Independent Advisory Committee may judge that it is difficult for its shareholders to appropriately judge whether or not to accept the Large-Scale Purchase only with the Large-Scale Purchase Information initially provided by the Large-Scale Purchaser. Or they may judge that it is difficult for the Board of Directors and the Independent Advisory Committee to form opinions about approval or disapproval of the Large-Scale Purchase (hereinafter referred to as "Opinion Formation") or to formulate an alternative plan (hereinafter referred to as "Alternative Plan Formulation") to present it appropriately to the shareholders. In such cases, the Board of Directors or the Independent Advisory Committee may set a deadline of a reasonable period (up to 60 days (the first day is not counted) from the date of request for provision of additional information to the Large-Scale Purchaser, and hereinafter referred to as the "Necessary Information Provision Period"), and then disclose the specified deadline and the reason for requiring the specific period to the shareholders. The Board of Directors or the Independent Advisory Committee may, at any time, request the Large-Scale Purchaser to provide additional Large-Scale Purchase Information necessary for an appropriate judgment by the shareholders and for Opinion Formation and Alternative Plan Formulation by the Board of Directors and the Independent Advisory Committee. However, the specific content of the Large-Scale Purchase Information may differ depending on the content and size of the Large-Scale Purchase. Hence, Yorozu's Board of Directors considers the content and size of the Large-Scale Purchase and the specific status of provision of the Large-Scale Purchase Information. And if the information provided by the expiration of the Necessary Information Provision Period is deemed insufficient for an appropriate judgment by the shareholders and for the Opinion Formation and the Alternative Plan Formulation by the Board of Directors and the Independent Advisory Committee, the Board may extend the Necessary Information Provision Period by a maximum of 30 days, based on the recommendation of the Independent Advisory Committee. In such cases, the Board of Directors shall respect the opinion of the Independent Advisory Committee to the maximum extent possible.

Yorozu's Board of Directors or the Independent Advisory Committee may determine that provision of Large-Scale Purchase Information has been completed (including cases in which part of the information demanded has not been submitted but a reasonable explanation on such non-submission is given and hence provision of Large-Scale Purchase Information may be considered to have been completed) or the

Necessary Information Provision Period may expire. In these cases, Yorozu will immediately disclose that fact to the shareholders in accordance with the applicable laws and regulations, and the rules and regulations of the Financial Instruments Exchanges. As described in (d) below, the Board of Directors' Evaluation Period (defined in (d) below) shall be calculated from the day immediately following the date of said disclosure. Furthermore, in principle, Yorozu will disclose the information that is part of the Large-Scale Purchase Information and may be necessary for the shareholders to determine whether or not to accede to the Large-Scale Purchase in a timely and appropriate manner at a certain appropriate time. This will happen subsequent to receipt of the initial or additionally provided Large-Scale Purchase Information pursuant to the decision of Yorozu's Board of Directors or the Independent Advisory Committee in accordance with the applicable laws and regulations, and rules and regulations of the Financial Instruments Exchanges.

The language to be used in providing the Large-Scale Purchase Information pursuant to the Large-Scale Purchase Rules and other notices and communications to Yorozu shall be limited to Japanese.

(1) Outline (including specific name, address, governing law for incorporation, capital structure, investee, investment ratio to the investee, financial details, details of investment policy, details of financing activities within the past 10 years, and whether or not "foreign investor" as defined in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "Foreign Exchange Law") is applicable, and information by which it is supported, whether or not there has been any violation of laws and regulations within the past 10 years (and the outline thereof, if any), names and brief biographical outlines of officers, and whether or not there has been any violation of laws and regulations within the past 10 years (and the outline thereof, if any)) of the Large-Scale Purchaser and its group companies, etc. (including their major shareholders or investors (regardless of being direct or indirect, the same shall apply hereinafter) and significant subsidiaries, affiliates, Joint Holders and Persons in Special Relationship, and when the Large-Scale Purchaser is a fund or an entity to which it invests (regardless of being established in any legal form under Japanese law or foreign law, and hereinafter referred to as "Fund, etc.") or when there exists a Fund, etc. substantially controlled or operated by the Large-Scale Purchaser, its major partners, investors and other members, managing partners, and persons who continuously provide advice on investments are included, and hereinafter the same shall apply.)

(2) The specific content and presence or absence, or state of effectiveness in the internal control system of the Large-Scale purchaser and its group (including the group internal control system; hereafter the same shall apply);

(3) Status of holdings of our company Share Certificates, etc., status of holdings of our company Share Certificates, etc., or derivatives and other financial derivatives whose underlying assets are assets related to the business of our company or our group, status of contracts with the Large-Scale Purchaser and its group companies, etc., and status of lending, borrowing, and short selling of our company Share Certificates, etc.

(4) In cases where the Large-Scale Purchaser or its group companies, etc. already hold a loan contract,

a collateral contract, a resale contract, a pre-contract for sale or purchase, or any other important contract or arrangement concerning Yorozu's Share Certificates, etc. (hereinafter referred to as "Collateral Contract, etc."), the specific contents of the relevant Collateral Contract, etc. such as the type of contract, the counterparty to the contract, and the volume of the Share Certificates, etc. covered by the contract, etc.

(5) In cases where the Large-Scale Purchaser intends to conclude a Collateral Contract, etc. or is scheduled to reach an agreement with a third party concerning the Share Certificates, etc. that he/she intends to acquire through the Large-Scale Purchase, the specific contents of said agreement, such as the type of agreement scheduled, the counterparty to the contract, and the volume of the Share Certificates, etc. that are the subject of the contract;

(6) The purpose, method and details of the Large-Scale Purchase (whether or not there is an intention to participate in the management, the class and number of the target share certificates, etc. of the Large-Scale Purchase and the ownership ratio of Yorozu's share certificates, etc. after the purchase, etc. pertaining to the Large-Scale Purchase, the type and value of the consideration for the Large-Scale Purchase, the timing of the Large-Scale Purchase, the scheme of related transactions, the legality of the method of the Large-Scale Purchase, the feasibility of the Large-Scale Purchase and related transactions (if the Large-Scale Purchase is subject to certain conditions, details of such conditions), and the policy for holding Yorozu's share certificates, etc. after the completion of the Large-Scale Purchase, and if Yorozu's share certificates, etc. are expected to be delisted, the fact thereof and the reasons thereof shall be included. With regard to the legality of the method of the Large-Scale Purchase, a written opinion by a qualified lawyer is also required to be submitted.)

(7) Presence or absence of communication of intent with a third party on the occasion of the Large-Scale Purchase (including the communication of intent on performing the Important Proposed Act, etc. to Yorozu (meaning the Important Proposed Act, etc. defined in Article 27-26, Paragraph 1 of the FIX Act; hereafter the same shall apply), and its specific aspect, content and outline of the third party, if the communication of intent exists;

(8) Calculation basis for consideration of the purchase related to the Large-Scale Purchase and its calculation details (including facts and assumptions constituting the premises of calculation, calculation method, name of calculating organ, information on said calculating organ, numerical value information used for calculation, amounts of synergy and dis-synergy that are expected to arise from a series of transactions relating to the Large-Scale Purchase);

(9) Financial backing for the purchase, etc. in relation to the Large-Scale Purchase (including the specific name, the method of procurement, existence and details of the conditions under which the funds will be provided, existence and details of any collateral or pledge after the provision of funds, and specific details of any related transactions of the provider of such funds (including any substantial provider (whether direct or indirect)));

(10) Management policies of Yorozu and the Group intended after the completion of the Large-Scale Purchase, careers and other detailed information of the candidates for Directors planned to be

dispatched after the completion of the Large-Scale Purchase (including information on their knowledge and experience in the same type of business as that of Yorozu and the Group), business plans, financial plans, capital plans, investment plans, capital policies (including policies on the share buyback), dividend policies, etc. (including plans on the sale of Yorozu's assets after the completion of the Large-Scale Purchase, provision of security, and other dispositions)

(11) Treatment policy on officers, employees, business partners, customers of Yorozu and the Group, local stakeholders (including local governments where the research institutes, the factories, the production facilities, etc. are located), as well as on other stakeholders involved in Yorozu, after the completion of the Large-Scale Purchase.

(12) Specific measures to avoid conflicts of interest between the Large-Scale Purchaser and other shareholders of Yorozu;

(13) Whether or not there is any relationship (direct or indirect) between the Large-Scale Purchaser and its group companies, etc. (including its officers and employees, etc.) and antisocial forces or terrorism-related organizations, and if there is any relationship, details of such relationship, and the policy for dealing with such relationship;

(14) Regulatory matters based on the Foreign Exchange and Foreign Trade Act and other domestic and foreign laws and regulations that may apply to the Large-Scale Purchase, and the probability of obtaining approvals or licenses based on the Antimonopoly Act, the Foreign Exchange and Foreign Trade Act, and other laws and regulations that should be obtained from domestic and foreign governments or third parties (with respect to these matters, an opinion by an attorney qualified in the relevant jurisdiction shall be submitted.);

(15) Possibility of maintaining permits and approvals under various domestic and foreign laws and regulations necessary for the management of Yorozu Group after the completion of the Large-Scale Purchase, and possibility of compliance with various domestic and foreign laws and regulations; and

(16) Any other information that Yorozu's Board of Directors or the Independent Advisory Committee may reasonably find necessary and a Letter of Intention in writing, in principle, within five (5) business days from the date of receipt by Yorozu's Board of Directors of a flawless and appropriate request.

(d) Establishment of Board of Directors' Evaluation Period

In accordance with the contents of Large-Scale Purchase disclosed by the Large-Scale Purchaser, Yorozu's Board of Directors shall establish the following period (i) or (ii) as the period for the Board of Directors to evaluate, examine, formulate its opinion, draft alternative proposals, and negotiate with the Large-Scale Purchaser (both periods shall start on the date following the day when the Company has disclosed that the Board of Directors or Independent Advisory Committee judged the completion of the provision of information on the Large-Scale Purchase or the period for providing necessary information ended; hereinafter referred to as the "Board of Directors' Evaluation Period"). A Large-Scale Purchase shall be commenced only after the expiration of the Board of Directors' Evaluation Period, unless otherwise stated in the Plan. The said Board of Directors' Evaluation Period was established taking into consideration the difficulty in evaluating and examining the contents of Yorozu's business, and the degree of difficulty in

formulating its opinion and drafting alternative proposals, etc.

(1) In cases where purchase of all shares, etc. of the Company is to be done by a tender offer which proposes cash (yen currency) as the only consideration: Sixty (60) days at maximum; or

(2) In cases where a Large-Scale Purchase other than (1) above is to take place: Ninety (90) days at maximum.

Based on the information provided by the Large-Scale Purchaser, Yorozu's Board of Directors shall evaluate, examine, formulate its opinion, draft alternative proposals, and negotiate with the Large-Scale Purchaser concerning Large-Scale Purchase which is intended to protect and enhance the corporate value of the Company and shareholders' common interests during the Board of Directors' Evaluation Period. When Yorozu's Board of Directors takes these actions, it shall receive advice from third-party experts (financial advisors, attorneys, certified public accountants, tax accountants, etc.) independent of the Board, if necessary. All expenses incurred shall be borne by Yorozu, except for exceptional cases which are specifically deemed unreasonable.

If there are unavoidable circumstances where Yorozu's Board of Directors is unable to initiate countermeasures or resolves not to initiate them during the Board of Directors' Evaluation Period because the Independent Advisory Committee does not make recommendations listed in (f) below during the Board of Directors' Evaluation Period, Yorozu's Board of Directors, in accordance with the recommendation of the Independent Advisory Committee, may extend the Board of Directors' Evaluation Period up to thirty (30) days (the first day of the period shall not be included in the calculation). If Yorozu's Board of Directors resolves to extend the Board of Directors' Evaluation Period, the said specific period resolved and the reasons why said specific period is necessary shall be disclosed in a timely and appropriate manner in accordance with applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

(e) Consultation with Independent Advisory Committee

Under the existing Plan, Yorozu has established, in order to eliminate arbitrary decisions by its Board of Directors regarding its triggering, an Independent Advisory Committee consisting of at least three persons from among the outside directors (including their candidates and substitutes), lawyers, certified public accountants and other outside experts who are independent of the management team that executes Yorozu's business, and the Independent Advisory Committee is still set under the Plan. The current criteria for the election of members of the Independent Advisory Committee, requirements for resolutions, matters to be resolved, etc. are as described in Exhibit 3. When Yorozu's Board of Directors decides whether or not to take countermeasures against a Large-Scale Purchase in accordance with the Plan, it will consult with the Independent Advisory Committee in advance in order to avoid arbitrary decisions by the Board of Directors about taking the countermeasures.

The names and brief histories of the members of the Independent Advisory Committee as of this moment are as shown in (Exhibit 4).

(f) Recommendation procedures of the Independent Advisory Committee and Resolution by Yorozu's Board of Directors

A. Recommendations of the Independent Advisory Committee

In accordance with (1)–(4) below, the Independent Advisory Committee shall give recommendations concerning the Large-Scale Purchase to Yorozu’s Board of Directors during the Board of Directors’ Evaluation Period.

(1) In cases where the Large-Scale Purchase Rules are not complied with

In cases where the Large-Scale Purchaser violates the Large-Scale Purchase Rules on important points, if the said violation is not rectified within five (5) business days (the first day of the period shall not be included in the calculation; hereinafter referred to as the “rectification period”) after Yorozu’s Board of Directors demands in writing that the said Large-Scale Purchaser rectifies the violation, the Independent Advisory Committee shall recommend that Yorozu’s Board of Directors take countermeasures against the Large-Scale Purchase (if it is clear that the said violation is not going to be rectified, the initiation of countermeasures shall be recommended even before the expiration of the rectification period) except for cases where it is clearly necessary for the protection and enhancement of the corporate value of Yorozu and shareholders’ common interests not to initiate countermeasures, or there are other specific circumstances. If such recommendations are made, Yorozu shall disclose in a timely and appropriate manner the opinion of the Independent Advisory Committee and the reasons for its opinion as well as other information deemed appropriate in accordance with applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

It should be noted that even after having recommended the initiation of countermeasures, if the Large-Scale Purchase is withdrawn or there have otherwise been changes to the facts which were the preconditions for the decision, the Independent Advisory Committee may recommend the revocation of countermeasures, the suspension of the initiation, etc. When such recommendation is made again, Yorozu shall also disclose in a timely and appropriate manner the opinion of the Independent Advisory Committee and the reasons for its opinion as well as other information deemed appropriate in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

(2) In cases where the Large-Scale Purchase Rules are observed

If a Large-Scale Purchaser observes the Large-Scale Purchase Rules, the Independent Advisory Committee shall, in general, recommend to Yorozu’s Board of Directors a non-initiation of the countermeasures against the Large-Scale Purchase.

However, even for cases where the Large-Scale Purchase Rules are observed, if the Independent Advisory Committee judges that the said Large-Scale Purchase is found to significantly undermine Yorozu’s enterprise value and common interests of shareholders due to reasons specified either in item (a) or (b) below (hereinafter collectively referred to as an “Abusive Purchase”) and the initiation of countermeasures would be appropriate, the Committee shall recommend the initiation of countermeasures against such Large-Scale Purchase:

(a) In cases where it is clear that a Large-Scale Purchase will significantly undermine Yorozu’s enterprise value and common interests of shareholders due to the acts listed below:

(i) Act of acquiring share certificates of Yorozu merely for the purpose of raising its stock price and selling them to relevant parties of Yorozu at high prices despite having no intention to truly participate in Yorozu's management, (so-called green mailers);

(ii) Act of acquiring share certificates of Yorozu for the purpose of conducting so-called scorched-earth management, such as temporarily controlling the management of Yorozu in order to transfer intellectual property rights, know-how, confidential business information, major business partners and customers, etc. to the Large-Scale Purchaser or its group companies, etc.;

(iii) Act of acquiring share certificates of Yorozu so that after gaining control over Yorozu's management, it will divert assets of Yorozu to collateral or funds for repayment of the said Large-Scale Purchaser or its group companies, etc.

(iv) Act of acquiring share certificates of Yorozu for the purpose of temporarily controlling the management of Yorozu in order to dispose of, by selling, etc., valuable assets such as properties and securities so that high dividends are paid temporarily with the gains of such disposals, or shares will be bought at high prices upon a rapid rise of stock prices due to temporary high dividends;

(b) In cases where the methods of purchase proposed by the Large-Scale Purchaser, represented by so-called coercive two-tier tender offers (executing purchases of shares, such as tender offers, whereby all shares are not purchased in the initial purchase, and disadvantageous purchase terms are set, the purchase terms are not made explicitly clear, or concerns arise about future marketability of Yorozu by the delisting, etc. in the second stage; and as a result shareholders may essentially be forced to accept tender offers)—which structurally restrict the opportunities or freedom of shareholders to decide, may effectively force shareholders to sell the share certificates of Yorozu;

Procedures for disclosure concerning such recommendations and the subsequent new recommendations shall be in accordance with those in (1) above.

(3) Recommendation by the Independent Advisory Committee for the confirmation of shareholders' intent

The Independent Advisory Committee may recommend that Yorozu's Board of Directors confirm shareholders' intent in the form of a vote about the need for and contents of the initiation of countermeasures against the Large-Scale Purchase at the general meeting of shareholders.

If such recommendation is made, Yorozu shall disclose the matters deemed appropriate by its Board of Directors in a timely and appropriate manner in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

It should be noted that even after having recommended that Yorozu's Board of Directors confirm shareholders' intent, if the Large-Scale Purchase is withdrawn or there have otherwise been changes to the facts which were the preconditions for the decision, the Independent Advisory Committee may give a new recommendation to the Board of Directors.

When such new recommendation is made, Yorozu shall also disclose in a timely and appropriate manner the opinion of the Independent Advisory Committee and the reasons for its opinion, and other information deemed appropriate in accordance with applicable laws and regulations as well as the rules and regulations of Financial Instruments Exchanges.

(4) Other recommendations, etc. by the Independent Advisory Committee

In addition to the above, the Independent Advisory Committee may give Yorozu's Board of Directors recommendations deemed appropriate from the viewpoint of maximizing the enterprise value of Yorozu or the common interests of shareholders as appropriate. The Independent Advisory Committee may also recommend that Yorozu's Board of Directors cancel countermeasures or suspend their initiation.

Procedures for the disclosure of such recommendations and the subsequent new recommendations shall be in accordance with those in (1) above.

B. Resolution by Yorozu's Board of Directors

Unless there are some extraordinary circumstances which clearly run counter to the Duty of Due Care of a Prudent Manager as Director, Yorozu's Board of Directors, while respecting the recommendations of the Independent Advisory Committee to the maximum extent, shall make the initiation or non-initiation of countermeasures, convocation of Yorozu's General Meeting of Shareholders in the method stated in C. below, and other necessary resolutions in accordance with the prescribed procedures under the Plan without delay.

Moreover, it should be noted that even after the Independent Advisory Committee recommends that Yorozu's Board of Directors initiate countermeasures, if the Large-Scale Purchase is withdrawn or there have otherwise been changes in the facts which were the preconditions for the decision, Yorozu's Board of Directors may decide on the cancellation of the initiation of countermeasures, etc.

When these resolutions are made, Yorozu will disclose opinions of its Board of Directors, the reasons therefor and any other information that is considered appropriate in a timely and appropriate manner in accordance with the applicable laws and regulations, etc. and the rules and regulations of the Financial Instruments Exchanges.

C. Convocation of Yorozu's General Meeting of Shareholders

Yorozu's Board of Directors shall convene Yorozu's General Meeting of Shareholders as soon as possible if it decides to hold Yorozu's General Meeting of Shareholders to vote on the initiation of countermeasures under the Plan. In this case, a Large-Scale Purchase shall be executed after the disapproval of the proposal to initiate countermeasures at Yorozu's General Meeting of Shareholders and its conclusion. If the proposal to initiate countermeasures under the Plan is approved, Yorozu's Board of Directors shall resolve to initiate countermeasures under the Plan against the said Large-Scale Purchase. If the proposal to initiate countermeasures under the Plan is disapproved at the said General Meeting of Shareholders, countermeasures under the Plan shall not be initiated against the said Large-Scale Purchase.

Even when convocation procedures are started for the said General Meeting of Shareholders, if subsequently Yorozu's Board of Directors resolves to not initiate countermeasures, or it is decided that it is appropriate for Yorozu's Board of Directors to resolve to initiate countermeasures, Yorozu may cancel the convocation procedures for its General Meeting of Shareholders. When such resolutions are made, Yorozu will disclose the opinions of the Board of Directors, the reasons for such opinions and any other information that is considered appropriate in a timely and appropriate manner in accordance with the

applicable laws and regulations, etc. and the rules and regulations of the Financial Instruments Exchanges.

(g) Changes in Large-Scale Purchase Information

In accordance with the provisions in (c) above, after Yorozu discloses that the provision of Large-Scale Purchase information has completed, and if Yorozu's Board of Directors or Independent Advisory Committee judges that important changes have been made by the Large-Scale Purchaser to the information on the said Large-Scale Purchase, by disclosing the same in a timely and appropriate manner and its reasons, and other information deemed appropriate in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges, procedures under the Plan concerning the Large-Scale Purchase based on previous information on the Large-Scale Purchase (hereinafter referred to as the "Pre-Change Large-Scale Purchase") shall be cancelled, and the Large-Scale Purchase based on the information after the change on the Large-Scale Purchase shall be treated as a different Large-Scale Purchase from the previous one, and new procedures under the Plan shall be applied.

(h) Specific Contents of Countermeasures

The countermeasures to be initiated by Yorozu under the Plan against the Large-Scale Purchase are expected to be those by Allotment of Subscription Rights without Contribution under Article 277 et seq. of the Companies Act (hereinafter the allotted subscription rights are referred to as the "Share Subscription Rights"). Provided, however, that if it is judged appropriate to initiate other measures recognized as falling under the mandate of the Board of Directors by the Companies Act or other laws and regulations as well as the Articles of Incorporation of Yorozu, said measures may be taken.

An outline of the gratis allotment of Share Subscription Rights as a countermeasure against a Large-Scale Purchase is set forth in (Exhibit 5), but in the event of the actual gratis allotment of Share Subscription Rights, the following conditions may be determined: (i) the exercise conditions in which the exercise of rights by Persons Falling under Exceptions (a Large-Scale Purchaser and certain other parties specified by Yorozu's Board of Directors in accordance with the prescribed procedures based on the recommendations of the Independent Advisory Committee, Joint Holders and Persons in a Special Relationship with such parties, and parties that the Board of Directors recognizes, based on the recommendations of the Independent Advisory Committee, as parties that are substantially controlled by or act jointly or in concert with such parties) will not be permitted, and (ii) when Yorozu decides to acquire a part of the Share Subscription Rights, acquisition provisions stipulating that only the Share Subscription Rights held by the Share Subscription Rights holders other than Persons Falling under Exceptions can be purchased, the exercise period in consideration of the effect as a countermeasure against a Large-Scale Purchase, exercise conditions, acquisition provisions, etc.

Yorozu may make shelf registration concerning the Share Subscription Rights with the resolution of Yorozu's Board of Directors, in order to enable flexible Allotment of Share Subscription Rights as a countermeasure.

4. Term of Validity of the Plan and Its Continuation, Abolishment and Changes

On continuing the Anti-Takeover Measures with the Plan, Yorozu shall submit a proposal for approval concerning the continuation of the Anti-Takeover Measures with the Plan to this Ordinary General Meeting of Shareholders, in order to have an opportunity to appropriately reflect the intention of shareholders.

The Term of Validity of the Plan shall be from the time when a proposal for approval concerning the continuation of the Anti-Takeover Measures by the Plan is approved at the conclusion of the first Board of Directors' meeting to be held after the last Ordinary General Meeting of Shareholders which ends within three years from the conclusion of this Ordinary General Meeting of Shareholders. Provided, however, that if a Large-Scale Purchase is actually being conducted or contemplated at the time of the conclusion of such Board of Directors' meeting, the Plan shall continue to apply even after the conclusion of the above Board of Directors' meeting in relation to such conduct being conducted or contemplated. However, even before the expiration of the Term of Validity, the Plan shall be abolished when: (1) a proposal to abolish the Plan is approved based on Yorozu's proposal at its General Meeting of Shareholders; or (2) a resolution to abolish the Plan is made at Yorozu's Board of Directors meeting. Moreover, since the terms of office for Yorozu's Directors (excluding Directors who are Audit and Supervisory Committee members) is one (1) year, it is possible to confirm the intent of shareholders concerning the continuation or abolition of the Plan through the exercise of voting rights concerning a proposal for the selection of Directors at Yorozu's Ordinary General Meeting of Shareholders. If the proposal for approval concerning the continuation of the Anti-Takeover Measures by the Plan is not approved by shareholders in this Ordinary General Meeting of Shareholders, the Plan shall be abolished immediately.

From this year onward, the pros and cons of the continuation of, abolishment of or changes to the Plan shall be examined at the first meeting of Yorozu's Board of Directors to be held after Yorozu's Ordinary General Meeting of Shareholders; and required resolutions shall be made, if necessary.

Moreover, there are cases where Yorozu revises or changes the Plan, with the approval of the Independent Advisory Committee, to the extent deemed reasonably necessary due to the revision of laws and regulations, and the rules and regulations of the Financial Instruments Exchanges; changes in their interpretation and implementation; or changes in the tax system, judicial precedents, etc. Provided, however, that when making important changes to the contents of the Plan, in order to have an opportunity to appropriately reflect the intent of shareholders, Yorozu shall submit to its General Meeting of Shareholders a proposal for approval concerning the introduction of the Plan after the change; the Plan after the change shall take effect on condition of shareholders' approval.

When a resolution for abolition, changes, etc. of the Plan is approved, Yorozu shall disclose in a timely and appropriate manner matters deemed appropriate by its Board of Directors in accordance with applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

5. Impact on shareholders and investors

(1) The Plan's impact on shareholders and investors at the time of its taking effect

Share Subscription Rights themselves are not issued when the Plan takes effect. As a result, the Plan shall

not have a direct and concrete effect on the rights and economic interests of shareholders and investors when the Plan takes effect.

(2) Impact on shareholders and investors at the time of providing Share Subscription Rights without Contribution

While there are cases where Yorozu's Board of Directors takes countermeasures against a Large-Scale Purchase with the aim of ensuring and improving enterprise value or shareholders' common interests, it is not envisaged to have a direct and concrete impact on statutory rights and economic interests of shareholders and investors. This is because, due to the structure of the expected countermeasures, at the time of issuing Share Subscription Rights, despite dilution of value per share possessed by shareholders, there is no dilution of value for all the shares of Yorozu possessed by shareholders.

Provided, however, that if Anti-Takeover Measures are initiated, there is a possibility that there will consequently be an impact on the statutory rights or economic interests of Persons Falling under Exceptions.

Moreover, in cases where Allotment of Share Subscription Rights without contribution is resolved as a countermeasure, and after shareholders to receive Share Subscription Rights without Contribution are determined, if Yorozu cancels the Allotment of Share Subscription Rights without Contribution or acquires without compensation Share Subscription Rights allotted without contribution, there shall be no dilution of value per share of Yorozu; and therefore, there is a possibility that investors who have performed transactions assuming that dilution of value per share of Yorozu will occur, will suffer from corresponding damages due to changes in stock prices.

Regarding procedures for the exercise and acquisition of allotted Share Subscription Rights without Contribution, procedures concerning shareholders are as follows:

If Yorozu's Board of Directors resolves to allot Share Subscription Rights without Contribution, Yorozu shall set the record date for the allotment of Share Subscription Rights, and allot Share Subscription Rights according to the number of owned shares to the shareholders who are written or recorded on the final list of shareholders on the said record date. Yorozu will send a request form for the exercise of the Share Subscription Rights (the form is prescribed by Yorozu in which the shareholder pledges that he/she is not a Person Falling under Exceptions, and the form may include a statement to the effect that Yorozu's common shares delivered shall be immediately returned if such pledge is found to be false) and other documents necessary for the exercise of the Share Subscription Rights to the shareholders entered or recorded in Yorozu's final shareholder registry as of the Record Date. Shareholders will be issued one (1) share of Yorozu's common stock per Share Subscription Right, upon payment of one (1) yen per Share Subscription Right to the agent for payments as well as submission of these necessary documents within the exercise period of the Share Subscription Rights separately determined by Yorozu's Board of Directors. Provided, however, that there are cases in which Persons Falling under Exceptions may not be able to exercise the Share Subscription Rights.

On the other hand, in cases where mandatory repurchase of Share Subscription Rights is attached to Share Subscription Rights, and Yorozu acquires the Share Subscription Rights, shareholders shall, without paying the equivalent of the exercise price, receive Yorozu's common stock as consideration for the

acquisition by Yorozu of Share Subscription Rights. (Please be advised that in this case, shareholders may be required to submit documents stating to the effect that shareholders themselves pledge that they are not Persons Falling under Exceptions, etc., and if such pledge included a false statement, they would return Yorozu's allotted common shares immediately, in addition to the document for personal identification and the document describing information on the account for the transfer of Yorozu's common stock.) Provided, however, that as stated above, for Persons Falling under Exceptions, Share Subscription Rights owned by them may not become subjects of acquisition.

Details of these procedures shall be disclosed in a timely and appropriate manner in accordance with applicable laws and regulations, as well as the rules and regulations of the Financial Instruments Exchanges when these procedures are required in practice; please confirm the said contents.

6. Rationality of the Plan

As shown below, the Plan meets the three principles 1) Principle of protecting and enhancing enterprise value and shareholders' common interests; 2) Principle of prior disclosure and the principle of shareholders' intent; and 3) Principle of ensuring necessity and reasonableness stipulated in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. In addition, it has high rationality, taking into account "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008; "Principle 1-5 Anti-Takeover Measures" in "Japan's Corporate Governance Code: Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term" published by the Tokyo Stock Exchange on June 1, 2018; and other practices and discussions on anti-takeover measures.

(1) Protection and enhancement of enterprise value or shareholders' common interests

As stated in 3.(1) above, the Plan makes it possible—by requiring Large-Scale Purchasers to provide in advance necessary information concerning the Large-Scale Purchase and ensure the period for consideration and negotiation—for shareholders to decide appropriately whether or not to accept the said Large-Scale Purchase; Yorozu's Board of Directors provides shareholders with its opinion (approval or disapproval) as well as substitute plans; or it negotiates with the Large-Scale Purchasers on behalf of shareholders; therefore, the Existing Plan should continue with the objective of protecting and enhancing Yorozu's enterprise value and common interests of its shareholders.

(2) Prior disclosure

The Company shall disclose the Plan in order to increase predictability for shareholders, investors and Large-Scale Purchasers, as well as ensure appropriate opportunities for selection for shareholders.

Moreover, going forward, Yorozu will disclose matters in a timely and appropriate manner in accordance with the applicable laws and regulations, and the rules and regulations of the Financial Instrument Exchanges.

(3) Giving importance to shareholders' intent

The Company shall confirm shareholders' intent by submitting an approval proposal concerning the

continuation of Anti-Takeover Measures of the Plan at this Ordinary General Meeting of Shareholders. If shareholders do not approve, the Plan will be abolished. In addition, as mentioned above, if a proposal to abolish the Plan based on Yorozu's proposal is approved at the General Meeting of Shareholders, the Plan will be abolished at that time, and therefore, its continuation depends on the will of the shareholders.

(4) Acquisition of outside experts' opinion

As stated in 3.(2)(d) above, when Yorozu's Board of Directors evaluates, examines, forms opinions, and prepares a Substitute Plan concerning a Large-Scale Purchase, and negotiates with the Large-Scale Purchaser, it shall receive advice from third-party experts (financial advisors, attorneys, certified public accountants, tax accountants, etc.) independent of the Board, if necessary. This ensures objectivity and reasonableness of the judgment of the Board of Directors.

(5) Consultation with the Independent Advisory Committee

As described in 3.(2)(e) above, the Company shall utilize the Independent Advisory Committee that has already been established to ensure the necessity and appropriateness of the Plan and to prevent any abuse of the Plan for the protection of management, and in the event that the Board of Directors of the Company takes countermeasures, the Company shall ensure the fairness of its decision and respect, to the maximum extent possible, the recommendations of the Independent Advisory Committee in order to eliminate any arbitrary decisions by the Board of Directors. In addition, the Independent Advisory Committee may, if necessary, obtain advice of third-party experts (financial advisors, lawyers, certified public accountants, tax accountants, etc.) independent from the Board of Directors and the Independent Advisory Committee. This process will ensure the objectivity and rationality of the judgment of the Independent Advisory Committee on its recommendations.

(6) Establishment of Rational Objective Requirements

As described in 3.(2) above, this Plan is designed in ways so that countermeasures will not be exercised unless predetermined rational and objective requirements are satisfied. Therefore, a framework is in place for ensuring that countermeasures will not be arbitrarily initiated by Yorozu's Board of Directors.

(7) No Dead-Hand Feature or Slow-Hand Feature among the Anti-Takeover Measures

As stated in 4. above, since it can be abolished within the Effective Period by the resolution at Yorozu's General Meeting of Shareholders or its Board of Directors composed of Directors selected by the General Meeting of Shareholders, the Plan is not a so-called Dead-Hand Feature among the Anti-Takeover Measures (something that cannot be prevented even by changing the majority of the members of the Board of Directors) or Slow-Hand Feature among the Anti-Takeover Measures (something that requires time to prevent initiation as the members of the Board of Directors cannot be changed all at once).

(Exhibit 1)

Overview of the Status of Holding of Yorozu's Shares (as of March 31, 2021)

1. Total Number of Shares

Class	Total number of authorized shares
Common stock	64,000,000
Total	64,000,000

2. Issued and Outstanding Shares

Class	Total Number of Issued and Outstanding Shares	Listing Financial Instruments Exchange	Details
Common stock	25,055,636	Tokyo Stock Exchange First Section	The number of shares constituting one trading unit is 100.

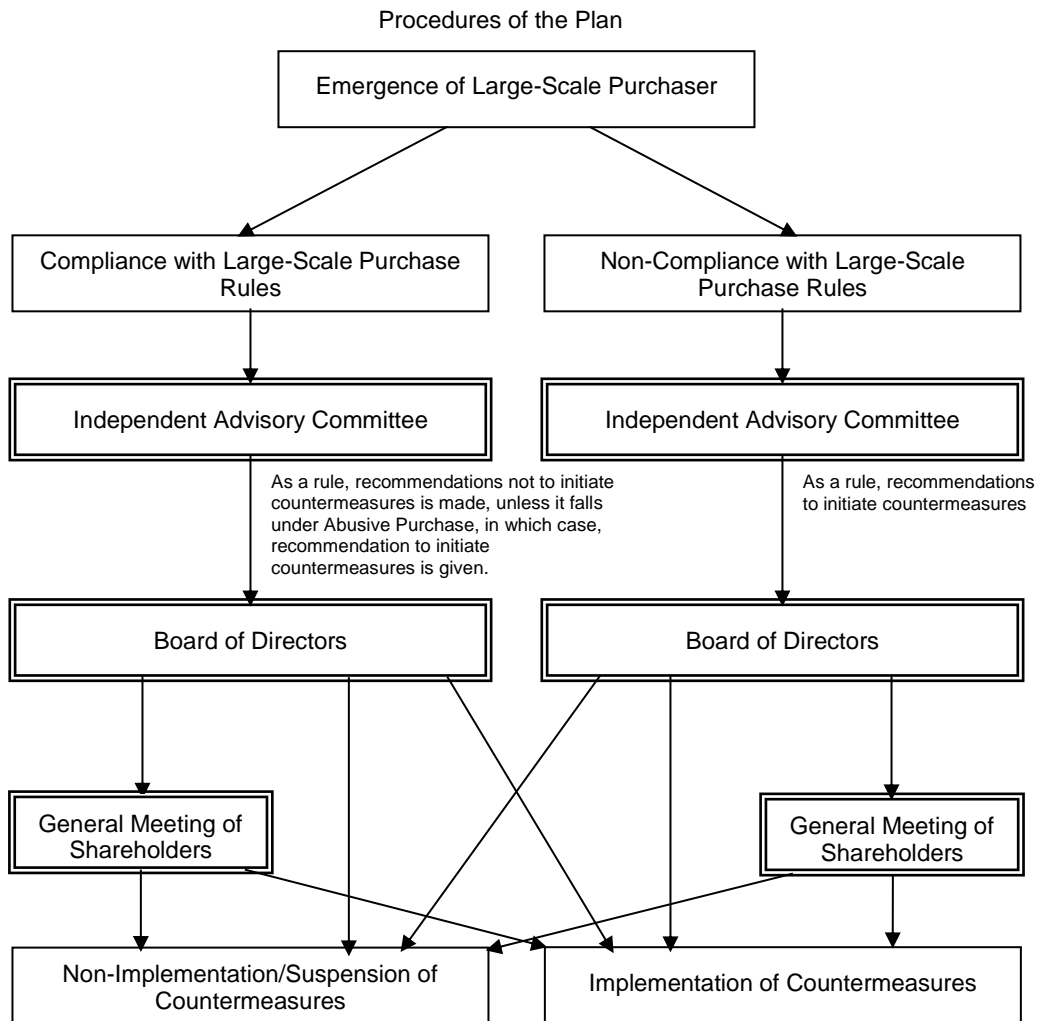
3. Major Shareholders

Name	Number of Shares Owned (1,000 shares)	Ownership Ratio (%)
City Index Eleventh Co., Ltd.	2,370	9.90
BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND	1,852	7.74
Custody Bank of Japan, Ltd.	1,440	6.02
Shido Holdings Co., Ltd.	883	3.69
JFE Steel Corporation	843	3.52
Mizuho Bank, Ltd.	842	3.52
The Bank of Yokohama, Ltd.	842	3.52
Suzuki Motor Corporation	800	3.34
The Master Trust Bank of Japan, Ltd. (trust account)	686	2.87
Mitsubishi UFJ Trust and Banking Corporation	682	2.85

(Notes) 1. The number of shares held is rounded down to the indicated unit, and the shareholding ratio is rounded to the indicated unit.

2. The Company owns 1,115,000 treasury shares, but the ownership ratio has been calculated by deducting treasury shares from the total number of issued and outstanding shares.

(Exhibit 2)



*Exhibit 2 indicates an outline of the procedures of the Plan. For further details, please see the text.

(Exhibit 3)

Outline of Independent Advisory Committee Rules

1. The purpose of the Independent Advisory Committee shall be to ensure the necessity and reasonableness of the Plan and to prevent the Plan from being abused for the management's own protection.
2. The number of members of the Independent Advisory Committee shall be three (3) or more and they shall be elected based on a resolution of Yorozu's Board of Directors from among the Outside Directors (including candidates and substitutes), attorneys, certified public accountants, and other outside experts who are independent from the management that executes Yorozu's business. In addition, Yorozu will enter into an agreement that includes provisions on duty of care and duty of confidentiality with the members of the Independent Advisory Committee.
3. The term of office of the members of the Independent Advisory Committee shall expire on the date of the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one (1) year from the time of their election, or on such other date as may be separately agreed upon by the members of the Independent Advisory Committee and Yorozu. Provided, however, that, if the mandate contract is terminated for any reason, the term of office of the members of the Independent Advisory Committee shall expire at such time.
4. The Independent Advisory Committee shall be convened by the Representative Director of Yorozu (or, in the event of an accident or other unavoidable circumstances involving the Representative Director, by a Director appointed by the Board of Directors) or any member of the Independent Advisory Committee.
5. The Chairman of an Independent Advisory Committee shall be elected from among the members of the Independent Advisory Committee.
6. As a general rule, resolutions of the Independent Advisory Committee shall be made by a majority of the members of the Independent Advisory Committee present. Provided, however, that if any of the members of the Independent Advisory Committee is unable to attend the meeting or there are other unavoidable circumstances, the resolutions shall be made by a majority of the members of the Independent Advisory Committee present at the meeting with the attendance of all members of the Independent Advisory Committee except for the member in question.
7. The Independent Advisory Committee shall deliberate and pass resolutions on the matters described in each of the following items, and recommend the details of such resolutions to Yorozu's Board of Directors with reasons therefor. Provided, however, that the Independent Advisory Committee may, if necessary, make recommendations to the Board of Directors on matters other than those consulted by the Board of Directors in connection with the Plan.
 - (1) Whether or not countermeasures under the Plan should be implemented
 - (2) Confirming shareholders' intent before implementation of countermeasures under the Plan
 - (3) Suspension of implementation of countermeasures pertaining to the Plan
 - (4) Abolishment of and changes in the Plan
 - (5) Other matters that Yorozu's Board of Directors voluntarily consults with the Independent Advisory Committee in connection with the Plan

The Independent Advisory Committee shall be required to deliberate and resolve matters from the viewpoint of whether or not it will contribute to securing and improving Yorozu's enterprise value and its shareholders'

common interests, and shall not have the purpose of pursuing personal interests of its own or Yorozu's management.

8. The Independent Advisory Committee may, as necessary, invite any of the Directors or employees of Yorozu, or any other person it deems necessary, to seek their opinions or explanations.

9. The Independent Advisory Committee may, in performing its duties, obtain the advice of experts (financial advisors, lawyers, certified public accountants, etc.) who are in a third-party position independent of Yorozu's Board of Directors. All expenses incurred to get advice shall be borne by Yorozu, except for exceptional cases which are specifically deemed unreasonable.

(Exhibit 4)

Names and Profiles of Independent Advisory Committee Members

Name (DOB)	Brief personal history	
Masashi Oshita (May 8, 1956)	April 1981	Entered the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
	July 2009	Director General for the Japan External Trade Organization, JETRO Paris
	April 2012	Director General of National Institute of Public Administration, National Personnel Authority
	June 2014	Director General of Human Resources Bureau, National Personnel Authority
	March 2016	Retired from the Ministry of Economy, Trade and Industry
	June 2016	Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association (present post)
	June 2018	Outside Director of the Company (present post)
Chiaki Tsuji (April 29, 1953)	April 1979	Registered with Tokyo Bar Association as attorney
	April 1979	Joined Yamamoto Eisoku Law Office
	October 1990	Lawyer's license (Japanese law) in Germany
	October 1990	Partner of Peter & Beyer Law Office (Germany)
	July 2001	Partner lawyer of YOSHIOKA TSUJI LAW OFFICE
	April 2004	Professor at the Graduate School of Law, Yamanashi Gakuin University
	June 2017	Outside Director of the Company (a member of the Audit and Supervisory Committee) (present post)
	July 2019	Partner lawyer of Kinorr Tokyo Law Office (present post)
Chieko Ogawa (February 14, 1963)	April 2005	Registered as certified public accountant
	February 2006	Joined Nihombashi Corporation Japan (auditing firm)
	July 2010	Joined Resources Global Professionals Japan K.K.
	September 2010	Registered as US CPA (registered in Washington State)
	February 2014	Registered as tax accountant
	March 2014	Opened Ogawa Accounting Office (present post).
	June 2017	Outside Director of the Company (a member of the Audit and Supervisory Committee) (present post)

*1. There is a business relationship between the Japan Auto Parts Industries Association, to which Mr. Masashi Oshita belongs, and to which Yorozu pays a membership fee, but Yorozu judges that this transaction amount will not affect its independence, as the ratios of the transaction amount to its sales and that to the Association's ordinary income in the most recent fiscal year are both less than 0.1 percent. Other than that, there was no transfer of money other than

remuneration as a member of the Independent Advisory Committee (however, remuneration as Outside Directors is excluded).

2. There is no transfer of money between Yorozu and Ms. Chiaki Tsuji, Ms. Chieko Ogawa or the organizations to which they belong, except for compensation as a member of the Independent Advisory Committee (however, remuneration as Outside Director is excluded).

(Exhibit 5)

Outline of Procedure for Exercising Share Subscription Rights without Contribution

1. Target shareholders

One (1) Share Subscription Right will be allocated without contribution for one (1) share owned by the shareholders who are listed or recorded on the final shareholders list on the record date separately designated by the Board of Directors (excluding Yorozu's common shares owned by Yorozu).

2. Number of shares to be granted upon the exercise of Share Subscription Rights

The class of the shares to be delivered upon the exercise of Share Subscription Rights will be Yorozu's common shares, and the number of the common shares to be granted by exercising the Share Subscription Rights will be one (1).

3. Effective date of Share Subscription Rights without Contribution

The effective date will be designated separately at Yorozu's Board of Directors.

4. Amount of assets contributed upon exercise of Share Subscription Rights

The objective of investment upon the exercise of Share Subscription Rights will be money, and the value of one (1) common share of Yorozu, which is the asset to be invested upon the exercise of share option rights, will be one (1) yen.

5. Restrictions on transfer of Share Subscription Rights

Any acquisition by transfer of Share Subscription Rights shall require approval of Yorozu's Board of Directors.

6. Conditions for exercise of Share Subscription Rights

The terms and conditions for the exercise of Share Subscription Rights shall be determined separately by Yorozu's Board of Directors (it may also attach exercise conditions that take into account the effect as a countermeasure against a Large-Scale Purchase, such as exercise conditions that the exercise of rights by a Large-Scale Purchaser, certain persons determined by Yorozu's Board of Directors in accordance with the prescribed procedures based on the recommendations of the Independent Advisory Committee, Joint-Holders and Persons in a Special Relationship with such persons, as well as persons who are recognized by the Board of Directors based on the recommendations of the Independent Advisory Committee as persons who substantially control these persons or act jointly or in concert with them (hereinafter referred to as "Persons Falling under Exceptions") will not be permitted.)

7. Acquisition of Share Subscription Rights by Yorozu

Acquisition provisions may be attached in consideration of the effectiveness as countermeasures against Large-Scale Purchases, such as acquisition provisions that Yorozu can acquire all of the Share Subscription Rights or the rights only owned by those but subject to exceptional reasons in accordance with the decisions of Yorozu's Board of Directors, subject to either the arrival of the day when Large-Scale Purchasers violate the Large-Scale Purchases rules and the occurrence of other certain reasons, or the arrival of the day that Yorozu's Board of Directors has separately specified.

8. Reasons for acquisition of Share Subscription Rights without Contribution (reasons for abolishment of countermeasures)

When any one of the following reasons occurs, Yorozu may acquire all Share Subscription Rights without payment of contribution.

(a) When an acquisition offer by a Large-Scale Purchaser is approved by ordinary resolution at Yorozu's Board

of Directors,

(b) When a unanimous decision is reached at the Independent Advisory Committee, and

(c) When Yorozu's Board of Directors decides separately.

9. Exercise period for Share Subscription Rights

The exercise period and other necessary issues for Share Subscription Rights shall be specified separately at Yorozu's Board of Directors in consideration of the effectiveness as countermeasures against Large-Scale Purchases.