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(Securities Code 4249)

Date of sending: June 3, 2024

Commencement date of measures for providing information in an electronic format: May 28, 2024

To All Shareholders:

1-1-1 Minami-Aoyama, Minato-ku, Tokyo

**MORIROKU HOLDINGS COMPANY, LTD.**

President and CEO Takashi Kurita

## **NOTICE OF THE 109th ORDINARY GENERAL SHAREHOLDERS' MEETING**

Dear Shareholder,

Please refer to the following for information about the upcoming the 109th Ordinary General Shareholders' Meeting (the "General Shareholders' Meeting") of Moriroku Holdings Company, Ltd. (the "Company").

**As the measures for providing information in an electronic format are adopted for the convocation of this General Shareholders' Meeting, the Information that constitutes the content of reference documents for general meetings of shareholders, etc. (items for which the measures for providing information in an electronic format are taken) are posted on the following websites, so please access any of those websites to confirm the information.**

**[The Company website (in Japanese)]**

**<https://www.moriroku.co.jp/ir/shareholder.html>**

**[Website posting General Shareholders' Meeting materials (in Japanese)]**

**<https://d.sokai.jp/4249/teiji/>**

**[Tokyo Stock Exchange website (Listed Company Search) (in Japanese)]**

**<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>**

[Please access the TSE website above, enter "Moriroku" in the "Issue name (company name)" field or the Company's securities code "4249" in the "Code" field, click "Search," select "Basic information," then "Documents for public inspection/PR information," and confirm "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" under the "Documents for public inspection."]

A video of the General Shareholders' Meeting will be available for viewing on the Company website (<https://www.moriroku.co.jp>) at a later date.

If you are not attending the Meeting on the day, you are entitled to exercise your voting rights online or in writing (by mail). In this case, please study the "Reference Documents for the General Meeting of Shareholders" and exercise your voting rights by no later than **5:30 p.m. on June 17, 2024 (Monday)**.

Sincerely yours,

- 1. Date and time:** 10:00 a.m., Tuesday, June 18, 2024  
(Reception start time: 9:30 a.m.)
- 2. Venue:** Forest Terrace Meiji Jingu, Keyaki Hall (2nd floor)  
1-1 Yoyogi-Kamizono-cho, Shibuya-ku, Tokyo  
(Please refer to the “Guide map of the venue of the ordinary general shareholders’ meeting” attached to this Notice at the end.)

**3. Agenda:**

**Reports:**

- (1) Reports on business review, consolidated financial statements and report by the Accounting Auditor and the Audit & Supervisory Board on the audit results of the consolidated financial statements for the 109th Fiscal Year (April 1, 2023 through March 31, 2024)
- (2) Report on non-consolidated financial statements for the 109th Fiscal Year (April 1, 2023 through March 31, 2024)

**Resolutions:**

- Proposed Resolution 1: Partial Amendments to the Articles of Incorporation (1)
- Proposed Resolution 2: Partial Amendments to the Articles of Incorporation (2)
- Proposed Resolution 3: Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposed Resolution 4: Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposed Resolution 5: Election of Two (2) Directors who are Substitute Audit and Supervisory Committee Members
- Proposed Resolution 6: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposed Resolution 7: Determination of the Amount of Remuneration, etc. for Directors who are Audit and Supervisory Committee Members
- Proposed Resolution 8: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) to Grant Them Restricted Stock

**4. Matters decided in connection with this convocation:**

1. When exercising your voting rights in writing (by mail), if no indication of approval or disapproval is made for each agenda item on the returned Form for Exercising Voting Rights, it will be treated as approval.
2. If you exercise your voting rights both online and in writing (by mail), the last vote to arrive at the Company will be treated as valid. When both votes arrive on the same day, the vote cast online will be treated as valid.

Notes: - If you attend the meeting in person, please submit the enclosed ballot at the reception desk.

- If there are any revisions to the “items for which the measures for providing information in an electronic format are taken,” a notice stating to that effect shall be posted on the websites on page 1 along with the contents of the revision.

- Those shareholders who have requested the delivery of paper-based documents will also receive documents stating the “items for which the measures for providing information in an electronic format are taken,” which do not include the following in accordance with the law and Article 16 of the Company’s Articles of Incorporation.

- (1) Business Report: Current Situation of Corporate Group: Major Business Lines, Principal Offices and Factories, Employees, Major Lenders  
Business Report: Current Situation of the Company: Shares of the Company, Share Acquisition Rights, etc., Company Officers (Outline of Liability Limiting Contract, Outline of Indemnification Contract, etc., Outline of Directors and Officers Liability Insurance Policy, etc., Status of Outside Officers), Accounting Auditor, Framework to Ensure Proper Operation of Business and its Operations
- (2) Consolidated Financial Statements: Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements
- (3) Non-consolidated Financial Statements: Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements

Therefore, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements included in the documents are part of the materials audited to prepare the Accounting Audit Report by the Accounting Auditor and the Audit Report by the Audit and Supervisory Board Members.

No gift is provided to the shareholders attending the General Shareholders’ Meeting. We would appreciate your kind understanding of this matter.

## Reference Documents

Proposed resolutions and reference matters

### Proposed Resolution 1: Partial Amendments to the Articles of Incorporation (1)

1. Reason for Proposal

- (1) For the purpose of further enhancing corporate governance by further strengthening the monitoring structure through the reinforcement of the supervisory function of the Board of Directors by including the Audit and Supervisory Committee Members in charge of auditing the performance of duties by Directors, etc. in the Board of Directors as its members, and for the purpose of further improving corporate value by separating business execution from its supervision and expediting management decision-making through the Board of Directors' delegation of its broad authority to decide on business execution to Directors, the Company has decided to make transformation from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee, and the Company will make changes to newly establish provisions relating to Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, which are required for the transformation to a company with an Audit and Supervisory Committee, and to delete provisions relating to Audit and Supervisory Board Members and the Audit and Supervisory Board.
- (2) The Company will also make other changes, including modification of letters and words, required for the changes mentioned above.

2. Contents of amendments

The proposed amendments are as follows:

The amendments to the Articles of Incorporation relevant to this Proposal item shall take effect at the conclusion of this General Shareholders' Meeting.

(The amended parts are underlined.)

Current	As Amended
Chapter I (General Provisions)	Chapter I (General Provisions)
Articles 1 through 3 (Omitted)	Articles 1 through 3 (No change)
(Organizational bodies)	(Organizational bodies)
Article 4 The Company shall establish the following organizational bodies in addition to the General Meeting of Shareholders and the Directors. (1) Board of Directors (2) <u>Audit and Supervisory Board Members</u> (3) <u>Audit and Supervisory Board</u> (4) <u>Independent Auditors</u>	Article 4 The Company shall establish the following organizational bodies in addition to the General Meeting of Shareholders and the Directors. (1) Board of Directors (2) <u>Audit and Supervisory Committee</u>  (Deleted) (3) <u>Independent Auditors</u>
Article 5 (Omitted)	Article 5 (No change)

Current	As Amended
<p>Chapter II (Shares)</p>	<p>Chapter II (Shares)</p>
<p>Articles 6 through 12 (Omitted)</p>	<p>Articles 6 through 12 (No change)</p>
<p>Chapter III (General Meetings of Shareholders)</p>	<p>Chapter III (General Meetings of Shareholders)</p>
<p>Articles 13 through 19 (Omitted)</p>	<p>Articles 13 through 19 (No change)</p>
<p>Chapter IV (Directors and the Board of Directors)</p>	<p>Chapter IV (Directors and the Board of Directors)</p>
<p>(Number of Directors) Article 20 The Company shall have no more than nine (9) Directors.</p>	<p>(Number of Directors) Article 20 The Company shall have no more than nine (9) Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u></p>
<p>(Newly established)</p>	<p><u>2. The Company shall have no more than five (5) Directors who are Audit and Supervisory Committee Members.</u></p>
<p>(Method of election)</p>	<p>(Method of election)</p>
<p>Article 21 Directors shall be elected by a resolution of the General Meeting of Shareholders.</p>	<p>Article 21 Directors shall be elected by a resolution of the General Meeting of Shareholders, <u>distinguishing Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>2. (Omitted) 3. (Omitted)</p>	<p>2. (No change) 3. (No change)</p>
<p>(Term of office)</p>	<p>(Term of office)</p>
<p>Article 22 The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.</p>	<p>Article 22 The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.</p>
<p>(Newly established)</p>	<p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after their election.</u></p>
<p>(Newly established)</p>	<p><u>3. The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill the vacancy of another Director who was an Audit and Supervisory Committee Member and resigned before expiration of his or her term of office shall expire at the close of the term of office of said other Director who was an Audit and Supervisory Committee Member.</u></p>

Current	As Amended
(Newly established)	4. <u>The election of a substitute Director who is an Audit and Supervisory Committee Member elected pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after their election.</u>
(Representative Directors and President) Article 23 Representative Directors shall be designated by a resolution of the Board of Directors.	(Representative Directors and President) Article 23 Representative Directors shall be designated <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by a resolution of the Board of Directors.
2. One (1) President shall be designated by a resolution of the Board of Directors.	2. One (1) President shall be designated <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by a resolution of the Board of Directors.
(Convener and chairperson of the Board of Directors) Article 24 <u>The President</u> shall convene meetings of the Board of Directors and serve as Chairperson unless otherwise provided for by laws and regulations.	(Convener and chairperson of the Board of Directors) Article 24 <u>A Director who has been designated by the Board of Directors in advance</u> shall convene meetings of the Board of Directors and serve as Chairperson unless otherwise provided for by laws and regulations.
2. If <u>the President is unavailable or the position is vacant</u> , another Director shall convene the meeting of the Board of Directors and serve as Chairperson in accordance with the order determined in advance by the Board of Directors.	2. If <u>the Director in the preceding paragraph is unavailable</u> , another Director shall convene the meeting of the Board of Directors and serve as Chairperson in accordance with the order determined in advance by the Board of Directors.
(Notice for convening a meeting of the Board of Directors) Article 25 Notice for convening a meeting of the Board of Directors shall be dispatched to each Director <u>and each Audit and Supervisory Board Member</u> at least three (3) days prior to the date of the meeting. Such period of notice may, however, be shortened in case of urgency.	(Notice for convening a meeting of the Board of Directors) Article 25 Notice for convening a meeting of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the date of the meeting. Such period of notice may, however, be shortened in case of urgency.
2. A meeting of the Board of Directors may be held without the convening process with the consent of all Directors <u>and Audit and Supervisory Board Members</u> .	2. A meeting of the Board of Directors may be held without the convening process with the consent of all Directors.
(Method of adopting resolutions of the Board of Directors) Article 26 Resolutions of the Board of Directors	(Method of adopting resolutions of the Board of Directors) Article 26 Resolutions of the Board of Directors

Current	As Amended
<p>shall be adopted by a majority of the Directors present at a meeting, where a majority of Directors are present.</p> <p>(Omission of resolutions of the Board of Directors)</p> <p>Article 27 If all Directors agree in writing to a matter to be resolved at the Board of Directors, the Company shall deem the matter to be adopted by a resolution of the Board of Directors; <u>provided, however, that this does not apply if an Audit and Supervisory Board Member raises an objection.</u></p> <p>(Newly established)</p>	<p>shall be adopted by a majority of the Directors present at a meeting, where a majority of Directors are present.</p> <p>(Omission of resolutions of the Board of Directors)</p> <p>Article 27 If all Directors agree in writing <u>or through an electromagnetic record</u> to a matter to be resolved at the Board of Directors, the Company shall deem the matter to be adopted by a resolution of the Board of Directors.</p> <p><u>(Delegation of the decision on the execution of important operations)</u></p> <p><u>Article 28 Pursuant to the provisions in Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate the whole or part of the decision on the execution of important operations (excluding matters as set forth in Paragraph 5 of the same article) to Directors by a resolution of the Board of Directors.</u></p>
<p>(Minutes of meetings of the Board of Directors)</p> <p>Article <u>28</u> The substance of the proceedings of the meetings of the Board of Directors, the results thereof, and other matters prescribed by laws and regulations shall be entered or recorded in the minutes. <u>Directors and Audit and Supervisory Board Members</u> in attendance shall sign <u>or</u> affix their name and seal to said minutes.</p>	<p>(Minutes of meetings of the Board of Directors)</p> <p>Article <u>29</u> The substance of the proceedings of the meetings of the Board of Directors, the results thereof, and other matters prescribed by laws and regulations shall be entered or recorded in the minutes. Directors in attendance shall sign, affix their name and seal to, <u>or electronically sign</u> said minutes.</p>
<p>Article <u>29</u> (Omitted)</p> <p>(Remuneration, Etc.)</p> <p>Article <u>30</u> The remuneration, bonus, and other property benefits which Directors receive from the Company in compensation for their performance of duties (<u>hereinafter "Remuneration, Etc."</u>) shall be determined by a resolution of the General Meeting of Shareholders.</p>	<p>Article <u>30</u> (No change)</p> <p>(Remuneration, Etc.)</p> <p>Article <u>31</u> The remuneration, bonus, and other property benefits which Directors receive from the Company in compensation for their performance of duties shall be determined by a resolution of the General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>31</u> (Omitted)</p> <p>Chapter V (The Audit and Supervisory Board and its members)</p>	<p>Article <u>32</u> (No change)</p> <p>(Deleted)</p>

Current	As Amended
<p><u>(Number of members)</u>  <u>Article 32 The Company shall have no more than four (4) Audit and Supervisory Board Members.</u></p>	(Deleted)
<p><u>(Method of election)</u>  <u>Article 33 Audit and Supervisory Board Members shall be elected by a resolution of the General Meeting of Shareholders.</u>  <u>2. A resolution for the election of Audit and Supervisory Board Members shall be adopted by an affirmative vote of a majority of the voting rights held by shareholders present, where such shareholders present hold shares representing one-third (1/3) or more of the exercisable voting rights of shareholders.</u>  <u>3. The election of a substitute Audit and Supervisory Board Members elected pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after their election.</u></p>	(Deleted)
<p><u>(Term of office)</u>  <u>Article 34 The term of office of Audit and Supervisory Board Members shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after their election.</u>  <u>2. The term of office of an Audit and Supervisory Board Member elected to fill the vacancy of another Audit and Supervisory Board Member who resigned before expiration of his or her term of office shall expire at the close of the term of office of said other member.</u></p>	(Deleted)
<p><u>(Full-time Audit and Supervisory Board Members)</u>  <u>Article 35 The Audit and Supervisory Board shall, by resolution of the same, elect full-time Audit and Supervisory Board Members.</u></p>	(Deleted)
<p><u>(Notice for convening a meeting of the Audit and Supervisory Board)</u>  <u>Article 36 Notice for convening a meeting of the Audit and Supervisory Board shall be dispatched to each Audit and Supervisory Board Member at least three (3) days prior to the date of the</u></p>	(Deleted)



Current	As Amended
<p><u>meeting. Such period of notice may, however, be shortened in case of urgency.</u></p> <p><u>2. A meeting of the Audit and Supervisory Board may be held without the convening process with the consent of all Audit and Supervisory Board Members.</u></p>	
<p><u>(Method of adopting resolutions of the Audit and Supervisory Board)</u></p> <p><u>Article 37 Resolutions of the Audit and Supervisory Board shall be adopted by a majority of Audit and Supervisory Board Members unless otherwise provided for in laws and regulations.</u></p>	(Deleted)
<p><u>(Minutes of meetings of the Audit and Supervisory Board)</u></p> <p><u>Article 38 The substance of the proceedings of the meetings of the Audit and Supervisory Board, the results thereof, and other matters prescribed by laws and regulations shall be entered or recorded in the minutes. Audit and Supervisory Board Members in attendance shall sign or affix their name and seal to said minutes.</u></p>	(Deleted)
<p><u>(Regulations of the Audit and Supervisory Board)</u></p> <p><u>Article 39 Matters relating to the Audit and Supervisory Board shall be determined in accordance with laws and regulations, these Articles of Incorporation, and Regulations of the Audit and Supervisory Board established by the Audit and Supervisory Board.</u></p>	(Deleted)
<p><u>(Remuneration, Etc.)</u></p> <p><u>Article 40 The Remuneration, Etc. of Audit and Supervisory Board Members shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Exemption of Audit and Supervisory Board Members from liability)</u></p> <p><u>Article 41 The Company may, by a resolution of the Board of Directors, exempt Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) from liability for damages due to negligence of their duties, as per Article 426, Paragraph 1 of the Companies Act, to the extent authorized by laws and regulations.</u></p>	(Deleted)

Current	As Amended
<p><u>2. The Company may enter into a contract with Audit and Supervisory Board Members to limit each member's liability for damages due to negligence of their duties, as per Article 427, Paragraph 1 of the Companies Act; provided, however, that said contract shall limit liability to a predetermined amount of at least one million (1,000,000) yen or an amount stipulated by laws and regulations, whichever is higher.</u></p>	
<p>(Newly established)</p>	<p>Chapter V <u>(The Audit and Supervisory Committee)</u></p>
<p>(Newly established)</p>	<p><u>(Full-time Audit and Supervisory Committee Members)</u> <u>Article 33 The Audit and Supervisory</u></p>
<p>(Newly established)</p>	<p><u>Committee may, by resolution of the same, elect full-time Audit and Supervisory Committee Members.</u></p>
<p>(Newly established)</p>	<p><u>(Notice for convening a meeting of the Audit and Supervisory Committee)</u> <u>Article 34 Notice for convening a meeting of the</u></p>
<p>(Newly established)</p>	<p><u>Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting. Such period of notice may, however, be shortened in case of urgency.</u></p>
<p>(Newly established)</p>	<p><u>2. A meeting of the Audit and Supervisory Committee may be held without the convening process with the consent of all Audit and Supervisory Committee Members.</u></p>
<p>(Newly established)</p>	<p><u>(Method of adopting resolutions of the Audit and Supervisory Committee)</u> <u>Article 35 Resolutions of the Audit and</u></p>
<p>(Newly established)</p>	<p><u>Supervisory Committee shall be adopted by a majority of the Audit and Supervisory Committee Members present at a meeting, where a majority of Audit and Supervisory Committee Members are present.</u></p>
<p>(Newly established)</p>	<p><u>(Minutes of meetings of the Audit and Supervisory Committee)</u> <u>Article 36 The substance of the proceedings of</u></p>
<p>(Newly established)</p>	<p><u>the meetings of the Audit and Supervisory Committee, the results thereof, and other matters prescribed by laws and regulations shall be entered or recorded in the minutes. Audit and Supervisory Committee Members in attendance shall sign,</u></p>

Current	As Amended
	<u>affix their name and seal to, or electronically sign said minutes.</u>
(Newly established)	<u>(Regulations of the Audit and Supervisory Committee)</u>
	<u>Article 37 Matters relating to the Audit and Supervisory Committee shall be determined in accordance with laws and regulations, these Articles of Incorporation, and Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u>
<p style="text-align: center;">Chapter VI (Accounts)</p>	<p style="text-align: center;">Chapter VI (Accounts)</p>
Articles <u>42</u> through <u>45</u> (Omitted)	Articles <u>38</u> through <u>41</u> (No change)
<p style="text-align: center;">Chapter VII (Supplementary Provisions)</p>	<p style="text-align: center;">Chapter VII (Supplementary Provisions)</p>
(Newly established)	<u>(Transitional measures for exemption of Audit and Supervisory Board Members from liability)</u>
	<u>Article 42 The Company may, by a resolution of the Board of Directors, exempt Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) from liability for damages due to negligence of their duties, relating to acts committed prior to the close of the 109th Ordinary General Meeting of Shareholders, as per Article 426, Paragraph 1 of the Companies Act, to the extent authorized by laws and regulations.</u>
Article <u>46</u> (Omitted)	Article <u>43</u> (No change)

## Proposed Resolution 2: Partial Amendments to the Articles of Incorporation (2)

### 1. Reason for Proposal

Because the Company will make transformation from a pure holding company to an operating holding company through a reorganization within the Group companies and change its trade name to “Moriroku Company, Ltd.,” it was approved by the 108th Ordinary General Shareholders’ Meeting held on June 22, 2023 that Article 1 (Corporate name) and Article 2 (Objective) of the Articles of Incorporation shall be amended and that Supplementary Provisions shall be added to state that the said amendment takes effect on the effective date of the merger (scheduled for April 1, 2024, hereinafter “the Merger”) between Moriroku Technology Company, Ltd. and Moriroku Chemicals Company, Ltd., which are the Company’s wholly owned subsidiaries, on condition that the said merger takes effect. After that, as a result of further discussion and examination on what is the most effective method to maximize the effect of the reorganization within the Group companies, it has been determined that the effect of the reorganization within the Group companies can be maximized by having the Company take over all the businesses of Moriroku Technology Company, Ltd. and Moriroku Chemicals Company, Ltd. other than their overseas subsidiary management business through the method of absorption-type split (hereinafter “the Split”), rather than the Merger, which was an initially planned method, and the Company decided to cancel the Merger and conduct the Split. Since it is certain due to the cancellation of the Merger that Article 1 (Corporate name) and Article 2 (Objective) of the Articles of Incorporation will not take effect on condition that the Merger takes effect, the Company will amend Article 1 and Article 2 again and amend the Article of Incorporation to add Supplementary Provisions to state that the said amendment takes effect on the effective date of the Split (scheduled for April 1, 2025) on condition that the Split takes effect.

The change of the Article numbers shall be on condition that the Proposed Resolution 1 “Partial Amendments to the Articles of Incorporation (1)” is approved as proposed.

### 2. Contents of amendments

The proposed amendments are as follows. As described in 1. above, it has become definite that the amendments to Articles 1 and 2 would not take effect since the Merger, upon which these amendments were conditioned, has been cancelled. Therefore, Articles 1 and 2 of the Company’s current Articles of Incorporation will be the same as they were prior to the amendments to the Articles of Incorporation resolved at the 108th Ordinary General Shareholders’ Meeting held on June 22, 2023. Article 46 of the Supplementary Provisions, which specifies the effective date of the amendments to the Articles of Incorporation, remains as part of the current Articles of Incorporation without being deleted, since the effective date of the Merger will not occur; however, its article number is subject to modification in Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1).”

(The amended parts are underlined.)

Current	As Amended
Chapter I (General Provisions)	Chapter I (General Provisions)
(Corporate name) Article 1 The trade name of the Company shall be “ <u>Moriroku Holdings Kabushiki Kaisha.</u> ” In English translation, it shall be “ <u>Moriroku Holdings Company, Ltd.</u> ”	(Corporate name) Article 1 The trade name of the Company shall be “ <u>Moriroku Kabushiki Kaisha.</u> ” In English translation, it shall be “ <u>Moriroku Company, Ltd.</u> ”

Current	As Amended
<p>(Objective)  Article 2 The objective of the Company shall be to <u>control and manage companies that carry out the following business activities as well as foreign companies that carry out equivalent business activities by holding stock or equity therein.</u>  (1) through (11) (Omitted)  2. (Omitted)</p> <p style="text-align: center;">Chapter VII  (Supplementary Provisions)</p>	<p>(Objective)  Article 2 The objective of the Company shall be to carry out the following business activities.</p> <p style="text-align: center;">(1) through (11) (No change)  2. (No change)</p> <p style="text-align: center;">Chapter VII  (Supplementary Provisions)</p>
<p>(Effective Date)  Article <u>46</u> The changes in Article 1 (Corporate name) and Article 2 (Objective) shall <u>become effective on the effective date of the merger (scheduled for April 1, 2024), subject to the condition that the merger between the Company, Moriroku Technology Company, Ltd. and Moriroku Chemicals Company, Ltd. becomes effective. Furthermore, this Article shall be deleted as of the effective date of such merger.</u></p>	<p>(Effective Date)  Article <u>43</u> The changes in Article 1 (Corporate name) and Article 2 (Objective) shall <u>become effective on the effective date of the absorption-type split (scheduled for April 1, 2025), subject to the condition that the absorption-type split of Moriroku Technology Company, Ltd. and Moriroku Chemicals Company, Ltd. to the Company becomes effective. Furthermore, this Article shall be deleted as of the effective date of such absorption-type split.</u></p>

**Proposed Resolution 3: Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)**

If Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” is approved as originally proposed, the Company will transition to a company with audit and supervisory committee. This means that all six (6) Directors are required to resign due to the expiration of their term of office upon the amendments to the Articles of Incorporation taking effect.

Therefore, the Company proposes the election of six (6) Directors who will serve as such (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal item) after the transition of the Company to a company with audit and supervisory committee.

This proposed resolution will take effect on condition that the amendments to the Articles of Incorporation proposed in Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” take effect.

The candidates for the positions of Director are as follows:

No.	Name	Current position and main areas of responsibility at the Company, etc.	Position	Attendance at the Board of Directors meetings
1	Naoki Kurose	Executive Managing Officer Corporate Planning, DX Promotion and Sustainability Supervisor Manager of Corporate Planning Division	Newly appointed	- / -
2	Koichi Kikuchi	Executive Fellow	Newly appointed	- / -
3	Koichiro Shibata	Outside Director	Re-appointed Outside Independent	20 / 20
4	Kenichi Hirai	Outside Director	Re-appointed Outside Independent	20 / 20
5	Ryo Otsuka	Outside Director	Re-appointed Outside Independent	20 / 20
6	Hitomi Yokote	Outside Director	Re-appointed Outside Independent	15 / 15

Newly appointed: a candidate for newly appointed Director

Re-appointed: a candidate for re-appointed Director

Outside: a candidate for Outside Director

Independent: an independent officer under the rules of the Tokyo Stock Exchange, Inc.

No.		Brief career summary, position and main areas of responsibility at the Company	
1	Naoki Kurose (May 3, 1969)  Newly appointed  Number of the Company's shares owned 7,500 shares	April 1988	Joined the Company
		January 2015	Moriroku Technology North America EVP
		April 2018	Executive Officer of Moriroku Technology Company, Ltd. and Head of North America Operations
		June 2022	Executive Officer of the Company Corporate Planning and DX Promotion Supervisor Manager of Corporate Planning Division
		June 2023	Executive Managing Officer of the Company Corporate Planning, DX Promotion and Sustainability Supervisor Manager of Corporate Planning Division (current) Director of Moriroku Technology Company, Ltd. (current) Director of Moriroku Chemicals Company, Ltd. (current)
		Important concurrent duties	
Director of Moriroku Technology Company, Ltd. Director of Moriroku Chemicals Company, Ltd.			
Reason for nomination as candidate for Director			
Mr. Naoki Kurose has promoted the Company's international business development as Head of North America Operations of the Resin-Treated Products Business. Since 2022, Mr. Kurose has supervised the Company's corporate planning and sustainability, has worked on the enhancement of the Group's operation base, and has led various measures toward improving the corporate value of the Group. Since the Company evaluated that he is an appropriate talented person to realize sustainable growth and further improvement of the corporate value of the Group, it newly elected him as a candidate for Director.			

No.		Brief career summary, position and main areas of responsibility at the Company	
2	Koichi Kikuchi (December 22, 1963)  Newly appointed  Number of the Company's shares owned - shares	April 1986	Joined The Mitsui Trust and Banking Company, Limited (current Sumitomo Mitsui Trust Bank, Limited)
		October 2000	Joined PricewaterhouseCoopers Financial Advisory Services Company, Ltd.
		June 2001	Joined IBM Japan, Ltd.
		October 2010	CFO and Controller of Systems & Technology Group of IBM Japan, Ltd.
		February 2012	Executive Officer of Calbee, Inc. General Manager of Finance & Accounting Group
		June 2019	Director of Calbee, Inc. Managing Executive Officer and CFO
		April 2023	Director of Calbee, Inc. Executive Vice President and CRO
		April 2024	Director of Calbee, Inc. (current)
		April 2024	Joined the Company Executive Fellow (current)
		Important concurrent duties	
None			
Reason for nomination as candidate for Director			
Mr. Koichi Kikuchi has worked extensively in corporate management and has deep insight in financial strategies, IR, and risk management. He has extensive practical experience and excellent knowledge in global business management. Because the Company evaluated that Mr. Kikuchi is an appropriately talented human resource to realize sustainable growth and further improvement of the corporate value of the Group, it newly elected him as a candidate for Director.			

No.		Brief career summary, position and main areas of responsibility at the Company	
3	Koichiro Shibata (April 17, 1961)  Re-appointed Outside Independent  Number of the Company's shares owned - shares	April 1993	Registered as Lawyer (Daini Tokyo Bar Association) Nagano Mayama Law Firm
		February 1998	Lawyer Shibata Koichiro Law Firm (current)
		June 2012	Member of the Discipline Committee, Daini Tokyo Bar Association
		October 2017	Outside Director of the Company (current)
		April 2018	Member of the Ethics Committee, Daini Tokyo Bar Association (current)
		June 2022	Outside Director of NAKABOHEC CORROSION PROTECTING CO., LTD. (current)
		Important concurrent duties	
Lawyer Shibata Koichiro Law Firm, Lawyer Outside Director of NAKABOHEC CORROSION PROTECTING CO., LTD.			
Reason for nomination as candidate for Outside Director and outline of expected roles			
<p>Mr. Koichiro Shibata has abundant experience and extensive knowledge as a lawyer. He is particularly well versed in the fields of legal affairs and risk management, and has led the Nominating and Compensation Advisory Committee as a chairman from an objective and professional standpoint. It is expected that he will continue to supervise the execution of the duties by Directors, etc. from an independent position, thereby reinforcing the function of the Company's Board of Directors. The Company therefore elected him as a candidate for Outside Director again.</p> <p>He has not been directly involved in the management of a company. However, due to the reasons above, the Company believes that he can properly execute the duties of Outside Director.</p>			

No.		Brief career summary, position and main areas of responsibility at the Company	
4	Kenichi Hirai (September 3, 1954)  Re-appointed Outside Independent  Number of the Company's shares owned 700 shares	April 1978	Joined Nissan Diesel Motor Co. Ltd. (current UD Trucks Corporation)
		January 2008	Vice President of Nissan Diesel Motor Co. Ltd. CFO of Volvo Powertrain Japan
		April 2012	Vice President of UD Trucks Corporation Volvo Group Trucks Operations Japan Controlling Coordination
		January 2016	Director of KH Neochem Co., Ltd. General Manager of Finance Division
		March 2018	Managing Director of KH Neochem Co., Ltd. General Manager of Finance Division
		June 2020	Outside Director of the Company (current)
		Important concurrent duties	
None			
Reason for nomination as candidate for Outside Director and outline of expected roles			
<p>Mr. Kenichi Hirai has been involved in corporate management in the automotive and chemical industries and is well versed also in the industries of the Company. He has extensive knowledge and experience particularly in the fields of accounting and finance, and has provided appropriate advice and suggestions to the Nominating and Compensation Advisory Committee as a member from an objective and professional standpoint. Since 2024, Mr. Hirai has also served as independent lead Outside Director of the Company and has, in this capacity, collected and summarized opinions of the independent Outside Directors, engaged in coordination between the Board of Directors and the Audit &amp; Supervisory Board, and provided recommendations on business operations.</p> <p>It is expected that he will continue to supervise the execution of the duties by Directors, etc. from an independent position, thereby reinforcing the function of the Company's Board of Directors. The Company therefore elected him as a candidate for Outside Director again.</p>			



No.		Brief career summary, position and main areas of responsibility at the Company	
5	Ryo Otsuka (November 14, 1964)  Re-appointed Outside Independent  Number of the Company's shares owned - shares	April 1990	Joined the Company
		March 1994	Joined OHTSUKA POLY-TECH CO., LTD.
		May 1995	Director of OHTSUKA POLY-TECH CO., LTD.
		June 2001	Managing Director of OHTSUKA POLY-TECH CO., LTD.
		July 2010	Director and Vice President of OHTSUKA POLY-TECH CO., LTD.
		September 2012	President of OHTSUKA POLY-TECH CO., LTD. (current)
		June 2020	Outside Director of the Company (current)
		Important concurrent duties	
		President of OHTSUKA POLY-TECH CO., LTD.	
		Reason for nomination as candidate for Outside Director and outline of expected roles	
<p>Mr. Ryo Otsuka has been serving as Representative Director in a manufacturing company for many years and is also well versed in the industries of the Company.</p> <p>The Company expects that he will continue to supervise the execution of the duties by Directors, etc. from an independent position by utilizing his abundant experience and extensive knowledge that he has accumulated to date in management in general, thereby reinforcing the function of the Company's Board of Directors. The Company therefore elected him as a candidate for Outside Director again.</p>			

No.		Brief career summary, position and main areas of responsibility at the Company	
6	Hitomi Yokote (November 26, 1962)  Re-appointed Outside Independent  Number of the Company's shares owned - shares	April 1986	Consulate-General of Japan in Sydney
		April 2003	Manager of External Relations Department at Sony Corporation
		April 2007	Corporate Officer of Toys"R"Us-Japan, Ltd.
		March 2011	Executive Officer of Japan Association for the World Food Programme
		September 2013	General Manager of SMART INSIGHT, Corporation.
		July 2015	General Manager of Mark-i Inc.
		August 2018	ICU Service-Learning Center Coordinator and lecturer
		December 2020	Director of Centre for International Capacity Building (ICB) (current)
		February 2023	Councilor of Asian Rural Institute (current)
		June 2023	Outside Director of the Company (current)
		July 2023	CEO of Second Harvest Japan (current)
		February 2023	Director of Alliance of Japan Foodbanks (current)
		Important concurrent duties	
		Director of Centre for International Capacity Building (ICB) Councilor of Asian Rural Institute CEO of Second Harvest Japan Director of Alliance of Japan Foodbanks	
Reason for nomination as candidate for Outside Director and outline of expected roles			
<p>Ms. Hitomi Yokote has a wealth of international experience, including negotiations with foreign governments and organizations, as well as experience and insight into a wide range of fields, including management, serving as executive director of a non-profit organization, and human resource development.</p> <p>The Company expects that she will continue to supervise the execution of the duties by Directors, etc. from an independent position, and thereby reinforce the function of the Company's Board of Directors. The Company therefore elected her as a candidate for Outside Director again.</p>			

- Notes: 1. Mr. Naoki Kurose and Mr. Koichi Kikuchi are candidates for Directors to be newly appointed.
2. There are no special conflicts of interest between each of the candidates and the Company.
3. Mr. Koichiro Shibata, Mr. Kenichi Hirai, Mr. Ryo Otsuka and Ms. Hitomi Yokote are candidates to become Outside Directors.
4. Mr. Koichiro Shibata, Mr. Kenichi Hirai, Mr. Ryo Otsuka, and Ms. Hitomi Yokote are currently Outside Directors of the Company. Upon the conclusion of this General Shareholders' Meeting, Mr. Koichiro Shibata would have served as an Outside Director of the Company for 6 years and 9 months, Mr. Kenichi Hirai would have served as an Outside Director of the Company for 4 years, Mr. Ryo Otsuka would have served as an Outside Director of the Company for 4 years, and Ms. Hitomi Yokote would have served as an Outside Director of the Company for 1 year.
5. The Company concluded with Mr. Koichiro Shibata, Mr. Kenichi Hirai, Mr. Ryo Otsuka, and Ms. Hitomi Yokote a contract for limitation of liability which specifies their liability under Paragraph 1, Article 423 of the Companies Act as the minimum amount of the limit for liability provided by the Act, according to the provision of Paragraph 1, Article 427 of the Act. The limitation of liability based on the contract shall be either one million (1,000,000) yen or the amount prescribed by laws and regulations, whichever is higher. If the appointment of those candidates is approved, the Company will continue the contract with them.
6. The Company has entered into a contract with Mr. Koichiro Shibata, Mr. Kenichi Hirai, Mr. Ryo Otsuka, Ms. Hitomi Yokote to indemnify them for the expenses prescribed in Item (i), Paragraph 1, Article 430-2 of the Companies Act and for the loss prescribed in Item (ii) of the same paragraph within the scope stipulated by laws and regulations. If the appointment of those candidates is approved, the Company will continue the contract with them. In addition, if the appointment of Mr. Naoki Kurose and Mr. Koichi Kikuchi is approved, the Company will execute a contract similar to the aforementioned contract with them.
7. The Company has concluded with an insurance company a directors and officers liability insurance contract as provided in Paragraph 1, Article 430-3 of the Companies Act. The said insurance contract will compensate for any damages (legal damages and dispute costs) arising in the event a claim for compensation for damages is made in connection with the execution of operations by an insured person. If the appointment or reappointment of the candidates is approved, they will be the insured under the insurance contract. The Company also plans to renew the insurance contract with the same details at the time of next renewal.
8. The Company appointed Mr. Koichiro Shibata, Mr. Kenichi Hirai, Mr. Ryo Otsuka, and Ms. Hitomi Yokote as independent officers under the rules of the Tokyo Stock Exchange, Inc., and filed a notice with it in this regard. If their appointment is approved, the Company will appoint them as independent officers again.
9. Mr. Koichi Kikuchi will resign as Director of Calbee, Inc. on June 25, 2024.

**Proposed Resolution 4: Election of Three (3) Directors who are Audit and Supervisory Committee Members**

If Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” is approved as originally proposed, the Company will transition to a company with audit and supervisory committee. Therefore, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members. The Audit & Supervisory Board has given its consent to this proposal item. This proposed resolution will take effect on condition that the amendments to the Articles of Incorporation proposed in Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” take effect.

The candidates for the positions of Director who is Audit and Supervisory Committee Member are as follows:

No.	Name	Current position at the Company, etc.	Position	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings
1	Koichi Tada	Full-time Audit and Supervisory Board Member	Newly appointed	20 / 20	22 / 22
2	Fujio Furukawa	Outside Audit and Supervisory Board Member	Newly appointed Outside Independent	20 / 20	22 / 22
3	Chiaki Tsuji	Outside Audit and Supervisory Board Member	Newly appointed Outside Independent	20 / 20	22 / 22

Newly appointed: a candidate for newly appointed Director

Outside: a candidate for Outside Director

Independent: an independent officer under the rules of the Tokyo Stock Exchange, Inc.

No.		Brief career summary, position and main areas of responsibility at the Company	
1	Koichi Tada (August 13, 1956)  Newly appointed  Number of the Company's shares owned 5,600 shares	April 1980	Joined Isuzu Motors Limited
		December 2002	Joined ARUZE CORP. (current Universal Entertainment Corporation)
		September 2004	Joined the Company
		February 2005	Block Leader of accounting, Accounting & Finance Division of the Company
		June 2008	Head of the Internal Audit Office of the Company
		June 2016	Audit and Supervisory Board Member of the Company (current)
		June 2019	Corporate Auditor of Moriroku Technology Company, Ltd. (current) Corporate Auditor of Moriroku Chemicals Company, Ltd. (current)
		Important concurrent duties	
		Corporate Auditor of Moriroku Technology Company, Ltd. Corporate Auditor of Moriroku Chemicals Company, Ltd.	
		Reason for nomination as candidate for Director who is Audit and Supervisory Committee Member	
		After joining the Company, Mr. Koichi Tada worked at the Accounting & Finance Division followed by serving as the Head of the Internal Audit Office. Since 2016, Mr. Tada has served as an Audit and Supervisor Board Member of the Company. He has adequate knowledge in finance and accounting and is familiar with the Group's businesses through his previous services. Because the Company believes that Mr. Tada is capable of appropriately supervising and auditing the Company's management, it elected him as a candidate for Director who serves as an Audit and Supervisory Committee Member.	

No.		Brief career summary, position and main areas of responsibility at the Company	
2	Fujio Furukawa (January 20, 1958)  Newly appointed Outside Independent  Number of the Company's shares owned - shares	April 1976	Joined the Regional Taxation Bureau
		July 2014	Director, Personnel Evaluation Division, Management and Coordination Department, Tokyo Regional Taxation Bureau
		July 2015	Chief Internal Inspector, Tokyo Regional Taxation Bureau, Commissioner's Secretariat, National Tax Agency
		July 2017	Deputy Commissioner, Fourth Large Enterprise Examination Department, Tokyo Regional Taxation Bureau
		July 2018	Retired from the Taxation Bureau
		August 2018	Fujio Furukawa Tax Accountant Office (current)
		June 2020	External Audit and Supervisory Board Member of the Company (current)
		Important concurrent duties	
		Fujio Furukawa Tax Accountant Office, Tax Accountant	
		Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and outline of expected roles	
		Mr. Fujio Furukawa held many important positions during his long years of service at the Taxation Bureau. Currently, he actively works as a licensed tax accountant. Mr. Furukawa is familiar with finance and accounting as well as tax affairs and has adequate knowledge to supervise management in general. Because the Company believes that Mr. Furukawa is capable of appropriately supervising and auditing the Company's management from an independent and fair standpoint, it proposes his election as a Director who serves as an Audit and Supervisory Committee Member. Although Mr. Furukawa has no experience of being directly involved in corporate management, the Company believes that he will be able to appropriately perform duties as an Outside Director who serves as an Audit and Supervisory Committee Member for the reasons stated above.	

No.	Brief career summary, position and main areas of responsibility at the Company	
3	Chiaki Tsuji (April 29, 1953)  Newly appointed Outside Independent  Number of the Company's shares owned 1,000 shares	April 1979 Registered as Lawyer (Tokyo Bar Association) Yamamoto Eisoku Law Office
		October 1990 Qualified as Lawyer in Germany (Japanese law) Partner Lawyer of Peter Beyer Law Firm (Germany)
		July 2001 Partner Lawyer of Yoshioka & Tsuji Law Office
		April 2004 Professor at Department of Law, Graduate School, Yamanashi Gakuin University
		April 2011 Member of Certified Evaluation and Accreditation for Law Schools, Japan University Accreditation Association
		June 2017 Outside Director (Audit and Supervisory Committee member) of Yorozu Corporation (current)
		April 2018 Visiting professor at Department of Law, Yamanashi Gakuin University
		June 2019 Outside Director of Keihin Corporation (current Hitachi Astemo, Ltd.)
		July 2019 Partner Lawyer of Kinorr Tokyo Law Office (current)
		June 2021 Outside Director of MIRARTH HOLDINGS, Inc. (former Takara Leben Co., Ltd.) (current)
June 2022 External Audit and Supervisory Board Member of the Company (current)		
Important concurrent duties		
Partner Lawyer of Kinorr Tokyo Law Office Outside Director (Audit and Supervisory Committee member) of Yorozu Corporation		
Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and outline of expected roles		
<p>Ms. Chiaki Tsuji has extensive experience and deep insight nurtured as a lawyer not only in Japan but also in Germany. She has international experience and sufficient knowledge to supervise management in general. Because the Company believes that Ms. Tsuji is capable of supervising and auditing the Company's management, it proposes her election as an Outside Director.</p> <p>Although Ms. Tsuji has no experience of being directly involved in corporate management, the Company believes that she will be able to appropriately perform duties as an Outside Director who serves as an Audit and Supervisory Committee Member for the reasons stated above.</p>		

- Notes: 1. Each of the candidates is a candidate for Director to be newly appointed.
2. There are no special conflicts of interest between each of the candidates and the Company.
3. Mr. Fujio Furukawa and Ms. Chiaki Tsuji are candidates to become Outside Directors.
4. Mr. Fujio Furukawa and Ms. Chiaki Tsuji are currently Outside Audit and Supervisory Board Members of the Company. Upon the conclusion of this General Shareholders' Meeting, Mr. Fujio Furukawa would have served as an Outside Audit and Supervisory Board Member of the Company for 4 years, Ms. Chiaki Tsuji would have served as an Outside Audit and Supervisory Board Member of the Company for 2 years.
5. The Company concluded with Mr. Koichi Tada, Mr. Fujio Furukawa, and Ms. Chiaki Tsuji a contract for limitation of liability which specifies their liability under Paragraph 1, Article 423 of the Companies Act as the minimum amount of the limit for liability provided by the Act, according to the provision of Paragraph 1, Article 427 of the Act. The limitation of liability based on the contract shall be either one million (1,000,000) yen or the amount prescribed by laws and regulations, whichever is higher. If the appointment of those candidates is approved, the Company will continue the contract with them.
6. The Company has entered into a contract with Mr. Koichi Tada, Mr. Fujio Furukawa, and Ms. Chiaki Tsuji to indemnify them for the expenses prescribed in Item (i), Paragraph 1, Article 430-2 of the Companies Act and for the loss prescribed in Item (ii) of the same paragraph within the scope stipulated by laws and regulations. If the appointment of those candidates is approved, the Company will continue the contract with them.

7. The Company has concluded with an insurance company a directors and officers liability insurance contract as provided in Paragraph 1, Article 430-3 of the Companies Act. The said insurance contract will compensate for any damages (legal damages and dispute costs) arising in the event a claim for compensation for damages is made in connection with the execution of operations by an insured person. If the appointment or reappointment of the candidates is approved, they will be the insured under the insurance contract. The Company also plans to renew the insurance contract with the same details at the time of next renewal.
8. The Company appointed Mr. Fujio Furukawa and Ms. Chiaki Tsuji as independent officers under the rules of the Tokyo Stock Exchange, Inc., and filed a notice with it in this regard. If their appointment is approved, the Company will appoint them as independent officers again.
9. Ms. Chiaki Tsuji will resign as Outside Director of MIRARTH HOLDINGS, Inc. on June 26, 2024.

**Proposed Resolution 5: Election of Two (2) substitute Audit & Supervisory Board Members**

If Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” is approved as originally proposed, the Company will transition to a company with audit and supervisory committee. Therefore, the Company proposes the election of two (2) substitute Directors who are Audit and Supervisory Committee Members in case the number of Directors who are Audit and Supervisory Committee Members is insufficient in accordance with the laws and regulations. The Audit & Supervisory Board has given its consent to this proposal item.

The order of precedence in which the Directors who are substitute Audit and Supervisory Committee Members takes office is as follows: first, Mr. Hideki Koike; second, Ms. Akiko Yukimaru. However, in the event of vacancy of an Outside Director who is an Audit and Supervisory Committee Member, Ms. Akiko Yukimaru will fill the vacancy.

In addition, pursuant to Article 22, Paragraph 4 of the Company's Articles of Incorporation after amendments proposed in Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” “the resolution to elect substitute Directors who are Audit and Supervisory Committee Members shall be effective until the beginning of the Ordinary General Shareholders’ Meeting for the last fiscal year completed within two years after their election.

This proposed resolution will take effect on condition that the amendments to the Articles of Incorporation proposed in Proposed Resolution 1, “Partial Amendments to the Articles of Incorporation (1),” take effect.

The candidates for the positions of substitute Director who is Audit and Supervisory Committee Member are as follows:

No.	Brief career summary	
1	Hideki Koike (April 18, 1963)  Number of the Company's shares owned 3,942 shares	April 1982      Joined the Company
		February 2006      Group Leader of accounting, Accounting Block, Accounting & Finance Division of the Company
		April 2018      Section Manager, Corporate Planning Division of the Company
		October 2019      Director of Shikoku Kakoh Co., Ltd. General Manager of Administration Division
		June 2021      President of Shikoku Kakoh Co., Ltd.
		April 2024      Assistant to President of the Company (current)
		Important concurrent duties
		None
	Reasons for nomination as a candidate for substitute Director who is Audit and Supervisory Committee Member	
	Mr. Hideki Koike has extensive knowledge and experience in finance and accounting. He has also served as President of our Group company, and is familiar with all aspects of our Group's business. Because the Company believes that Mr. Koike is capable of appropriately supervising and auditing the Company's management, it elected him as a candidate for substitute Director who serves as an Audit and Supervisory Committee Member.	

No.	Brief career summary	
2	<p>Akiko Yukimaru (January 7, 1977)</p> <p>Outside Independent</p> <p>Number of the Company's shares owned - shares</p>	<p>October 2001 Tokyo District Court Assistant judge (54th term)</p> <p>July 2004 Georgetown Law School Visiting Researcher</p> <p>February 2008 Retired as judge Registered as lawyer Yoshioka &amp; Tsuji Law Office</p> <p>April 2019 Yokohama Sogo Law Office (current)</p> <p>June 2021 Outside Director of IPS, Inc. (current)</p> <p>August 2022 Independent Director, Audit and Supervisory Committee Member of SATORI ELECTRIC CO., LTD. (current)</p>
		<p style="text-align: center;">Important concurrent duties</p> <p>Yokohama Sogo Law Office, Lawyer Outside Director of IPS, Inc. Independent Director, Audit and Supervisory Committee Member of SATORI ELECTRIC CO., LTD.</p>
		<p>Reasons for nomination as a candidate for substitute Outside Director who is Audit and Supervisory Committee Member and outline of expected roles</p>
<p>Ms. Akiko Yukimaru has been active in a wide range of legal fields as a judge and a lawyer for many years. Because the Company believes that Ms. Yukimaru is capable of appropriately supervising and auditing the Company's management based on her extensive experience and deep insight, it elected her as a candidate for substitute Outside Director who serves as an Audit and Supervisory Committee Member.</p> <p>Although she has no experience of being directly involved in corporate management, the Company believes that the candidate will be able to appropriately perform duties as an Outside Director who serves as an Audit and Supervisory Committee Member for the reasons stated above.</p>		

- Notes: 1. There are no special conflicts of interest between each of the candidates and the Company.
2. The number of shares of the Company owned by Mr. Hideki Koike as stated above includes his share in the Company's employee shareholding association.
3. Ms. Akiko Yukimaru is a candidate to become substitute Outside Director.
4. If Mr. Hideki Koike and Ms. Akiko Yukimaru are appointed as Director, the Company will conclude with them a contract for limitation of liability prescribed in Paragraph 1, Article 423 of the Companies Act in accordance with the provisions of Paragraph 1, Article 427 of the same Act. The limitation of liability based on the contract shall be either one million (1,000,000) yen or the amount prescribed by laws and regulations, whichever is higher.
5. If Mr. Hideki Koike and Ms. Akiko Yukimaru are appointed as Director, the Company will conclude with them a contract of indemnification as provided in Paragraph 1, Article 430-2 of the Companies Act. Under the said contract of indemnification, the Company indemnifies the expenses indicated in item (i) of the said paragraph and the loss indicated in item (ii) of the said paragraph within the scope stipulated by laws and regulations.
6. The Company has concluded with an insurance company a directors and officers liability insurance contract as provided in Paragraph 1, Article 430-3 of the Companies Act. The said insurance contract will compensate for any damages (legal damages and dispute costs) arising in the event a claim for compensation for damages is made in connection with the execution of operations by an insured person. If each of the candidates assumes the position of Director, he or she will become the insured person of the said insurance contract. The Company also plans to renew the insurance contract with the same details at the time of next renewal.
7. Ms. Akiko Yukimaru has satisfied the requirements for an independent officer as stipulated by the Tokyo Stock Exchange, Inc., and if she is appointed as Outside Director, the Company will register



her as an independent officer with the Exchange, Inc.

**Proposed Resolution 6: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors who are Audit and Supervisory Committee Members)**

The amount of remuneration, etc. for the Company's Directors was approved by the Company's shareholders as no more than an annual amount of 324 million yen (not including the employee salary portion payable to Directors who concurrently serve as employees) at the 91st Ordinary General Shareholders' Meeting held on June 28, 2006. If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," is approved as originally proposed, the Company will transition to a company with audit and supervisory committee. Accordingly, the Company proposes that its shareholders approve: abolishing the above limit on the amount of remuneration, etc. and limiting the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) after the Company's new transition to a company with audit and supervisory committee to no more than an annual amount of 324 million yen (including no more than 60 million yen for Outside Directors, but not including the employee salary portion payable to Directors who concurrently serve as employees), considering the recent economic conditions and various other factors; and authorizing the Board of Directors to determine, by its resolutions, the specific amounts for individual Directors, the time of payment, and other details.

The Company plans to modify its policy for determining the details of remuneration, etc. for individual Directors of the Company after its transition to a company with audit and supervisory committee, by introducing provisions requiring Directors to return their remuneration (i.e., a malus clause and a clawback clause) as described under the heading "<Reference>" on page 31 of the notice of this general shareholders' meeting. The Company believes that the content of this proposed resolution is appropriate because this proposed resolution intends to pay a fixed basic remuneration and bonuses in accordance with the policy as so modified, and because this proposed resolution was determined by the Board of Directors after receiving a report from the voluntary Nominating and Compensation Advisory Committee.

The Company currently has six (6) Directors, four (4) of whom are Outside Directors. If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," and Proposed Resolution 3, "Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)," are approved as originally proposed, the number of Directors will be six (6), with four (4) of whom being Outside Directors.

This proposed resolution will take effect on condition that the amendments to the Articles of Incorporation proposed in Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," take effect.

**Proposed Resolution 7: Determination of the Amount of Remuneration, etc. for Directors who are Audit and Supervisory Committee Members)**

If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," is approved as originally proposed, the Company will transition to a company with audit and supervisory committee. Accordingly, the Company proposes that its shareholders approve: limiting the amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members after the Company's transition to a company with audit and supervisory committee to no more than an annual amount of 80 million yen, considering the recent economic conditions and various other factors; and authorizing Directors who are Audit and Supervisory Committee Members to determine, by their mutual consultation, the specific amounts for individual Directors who are Audit and Supervisory Committee Members, the time of payment, and other details.

The Company plans to modify its policy for determining the details of remuneration, etc. for individual Directors of the Company after its transition to a company with audit and supervisory committee, as described under the heading "<Reference>" on page 31 of the notice of this general shareholders' meeting. The Company believes that the content of this proposed resolution is appropriate because this proposed resolution intends to pay a fixed monetary remuneration in accordance with the policy as so modified, and because this proposed resolution was determined by the Board of Directors after receiving a report from the voluntary Nominating and Compensation Advisory Committee.

If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," and Proposed Resolution 4, "Election of Three (3) Directors who are Audit and Supervisory Committee Members," are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three (3).

This proposed resolution will take effect on condition that the amendments to the Articles of Incorporation proposed in Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," take effect.

Proposed Resolution 8: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) to Grant Them Restricted Stock

At its 104th Ordinary General Shareholders' Meeting held on June 27, 2019, the Company obtained the approval of its shareholders to monetary remuneration claims in an annual amount of no more than 210 million yen (not including the employee salary portion payable to Directors who concurrently serve as employees) to be paid to Directors (excluding Outside Directors) to grant them restricted stock, separately from the limit on the remuneration for Directors to an annual amount of 324 million yen (not including the employee salary portion payable to Directors who concurrently serve as employees).

If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," is approved as originally proposed, the Company will transition to a company with audit and supervisory committee. Accordingly, the Company proposes that its shareholders approve: abolishing the above limit on the remuneration for Directors to grant them restricted stock; and newly paying remuneration to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors") to grant them restricted stock, separately from Proposed Resolution 6, "Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors who are Audit and Supervisory Committee Members)," for the purpose of increasing the Eligible Directors' motivation to contribute to increasing the medium- to long-term corporate value of the Company and having the Eligible Directors further share the same values as the Company's shareholders, by further clarifying the linkage between the Eligible Directors' remuneration and performance.

The remuneration to be paid to the Eligible Directors to grant them restricted stock will be monetary claims (hereinafter referred to as "Monetary Remuneration Claims"), the total of which will be no more than an annual amount of 210 million yen (not including the employee salary portion payable to Directors who concurrently serve as employees). However, this amount of remuneration is based on the assumption that, in principle, an amount equivalent to the consideration for the Eligible Directors' performance of their duties for the three fiscal years covered by a medium-term management plan will be paid in a lump sum in the first of the three fiscal years. Therefore, the Company assumes that the amount of remuneration will substantially be no more than 70 million yen per fiscal year.

The specific time of payment and the specific amounts allocated to the individual Eligible Directors will be determined by the Board of Directors after deliberation by the voluntary Nominating and Compensation Advisory Committee.

The Company plans to modify its policy for determining the details of remuneration, etc. for individual Directors of the Company after its transition to a company with audit and supervisory committee, by introducing provisions requiring Directors to return their remuneration (i.e., a malus clause and a clawback clause) as described under the heading "<Reference>" on page 31 of the notice of this general shareholders' meeting. The Company believes that the content of this proposed resolution is appropriate because this proposed resolution intends to pay stock remuneration in accordance with that policy, and because this proposed resolution was determined by the Board of Directors after receiving a report from the voluntary Nominating and Compensation Advisory Committee.

The Company currently has two (2) Directors who are not Outside Directors. If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," and Proposed Resolution 3, "Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)," are

approved as originally proposed, the number of Eligible Directors will be two (2).

This proposed resolution will take effect on condition that the amendments to the Articles of Incorporation proposed in Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," take effect.

Pursuant to a resolution of the Company's Board of Directors, the Eligible Directors will pay the entire Monetary Remuneration Claims, which are to be received by them under this proposed resolution, as properties contributed in kind, upon which shares of the Company's common stock will be issued or disposed of to the Eligible Directors. The total number of shares of the Company's common stock to be so issued or disposed of will be no more than 81,000 shares per year (however, this total number will be adjusted to a reasonable extent if, on or after the date of approval of this proposed resolution, a stock split (including allotment without contribution) or a stock consolidation of the Company's common stock occurs or any other event arises that requires adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted shares). As described above, however, the Company assumes that Monetary Remuneration Claims involved in the restricted stock remuneration program will in principle be paid in a lump sum in the first of the three fiscal years covered by a medium-term management plan in an amount equivalent to the consideration for the Eligible Directors' performance of their duties for the three fiscal years. Therefore, the Company assumes that the number of shares granted will substantially be no more than 27,000 shares per fiscal year.

The amount per share to be paid in as described above will be determined by the Board of Directors based on the closing price of the Company's common stock at the Tokyo Stock Exchange on the business day preceding the date of the relevant resolution of the Board of Directors (or, if no trading takes place on that business day, the closing price on the immediately preceding trading day) and within a range that is not particularly advantageous to the Eligible Directors receiving shares of the Company's common stock. Before issuing or disposing of shares of the Company's common stock as described above, a restricted stock allotment agreement containing the following provisions (hereinafter referred to as the "Allotment Agreement") will be entered between the Company and each of the Eligible Directors.

(1) Period of transfer restriction

An Eligible Director must not transfer, create any security interest over, or otherwise dispose of, the shares of the Company's common stock allotted to him/her under the Allotment Agreement (hereinafter referred to as the "Allotted Shares"), for a period to be determined in advance by the Company's Board of Directors within the range of one to five years from the date of allotment under the Allotment Agreement (hereinafter referred to as the "Transfer Restriction Period") (hereinafter referred to as the "Transfer Restriction").

(2) Handling of the Allotted Shares upon resignation or retirement

If an Eligible Director resigns or retires from the position specified in advance by the Company's Board of Directors prior to the expiration of the Transfer Restriction Period, the Company will automatically acquire, without consideration, the Allotted Shares allotted to the Eligible Director unless his/her resignation or retirement is due to the expiration of his/her term of office or is otherwise justified. If the Company's Board of Directors otherwise decides that it is appropriate for the Company to acquire all of the Allotted Shares without consideration, the Company will automatically acquire the Allotted Shares without consideration.

(3) Lifting of transfer restriction subject to achievement of performance targets

Notwithstanding the provisions of (1) above, the Company will lift the Transfer Restriction on the Allotted Shares allotted to an Eligible Director upon the expiration of the Transfer Restriction Period: (i) on condition that the Eligible Director continues to hold, throughout the Transfer Restriction Period, the position specified in advance by the Company's Board of Directors; and (ii) subject to his/her achievement of, or according to the level of his/her achievement of, the targets for performance, management indicators, etc. set in advance by the Company's Board of Directors for the medium-term management plan covering the Transfer Restriction Period. However, if the Eligible Director resigns or retires from the position specified in advance by the Company's Board of Directors prior to the expiration of the Transfer Restriction Period due to the expiration of his/her term of office or for any other good reason, the number of Allotted Shares for which the Transfer Restriction is lifted will be reasonably adjusted according to the period during which he/she held the position. Any Allotted Shares for which the Transfer Restriction has not been lifted pursuant to the above provisions at the time of expiration of the Transfer Restriction Period will be automatically acquired by the Company without consideration.

(4) Handling of Allotted Shares in the event of reorganization or the like

Notwithstanding the provisions of (1) above, if, at any time during the Transfer Restriction Period, any merger agreement in which the Company will be the absorbed company, a share exchange agreement in which the Company will be a wholly-owned subsidiary, or a share transfer plan or any other event involving reorganization or the like is approved at the Company's general shareholders' meeting (or by the Company's Board of Directors if the reorganization or the like does not require approval of the Company's general shareholders' meeting), the Company will automatically acquire the Allotted Shares without consideration.

(5) Other matters to be determined by the Board of Directors

Other than the above, the methods of expressing intentions and those of giving notice under the Allotment Agreement, the method of amending the Allotment Agreement, and other matters to be specified by the Board of Directors will be contained in the Allotment Agreement.

**<Reference: Policy for Determining the Details of Remuneration, etc. for Individual Directors>**

If Proposed Resolution 1, "Partial Amendments to the Articles of Incorporation (1)," is approved as originally proposed, the Company will transition to a company with audit and supervisory committee upon conclusion of this ordinary general shareholders' meeting. The Company's policy for determining the details of remuneration, etc. for individual Directors after the Company's transition to a company with audit and supervisory committee will be as follows.

The Company regards its remuneration program for Directors as a mechanism for securing, maintaining, and motivating human resources who are essential for the Company's continued growth to continuously improve the corporate value of the Company, based on a basic approach to corporate governance. The Company will build and implement the program according to the following requirements:

- Remuneration should be of a nature that promotes improving the Company's short-, medium-, and long-term performance and improving the Company's short-, medium-, and long-term corporate value.
- Remuneration should be of a nature that secures human resources who are essential for the Company's continued development.
- Remuneration should be managed based on the management indicators emphasized by the Company and according to Directors' duties and contribution to the Company's performance, and the Company's financial condition, among other things.
- Remuneration should be determined through an appropriate process that secures objectivity and transparency.

The Company has established the voluntary Nominating and Compensation Advisory Committee whose chairperson and one half of whose members are Outside Directors, for purposes such as securing the objectivity and transparency of the process for determining the remuneration for Directors and ensuring proper exercise of Directors' authority to determine the remuneration, etc. for individual Directors.

The total amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors within the limits on remuneration resolved by the general shareholders' meeting and based on a report from the Nominating and Compensation Advisory Committee.

As for the amounts of fixed basic remuneration and bonuses for individual Directors (excluding Directors who are Audit and Supervisory Committee Members), the Board of Directors authorizes the President and CEO to determine these amounts. Specifically, the President and CEO is authorized to determine the amount of fixed basic remuneration for each Director and the amounts of bonuses for each Director based on his/her performance for the relevant fiscal year. The Board of Directors consults and receives a report from the Nominating and Compensation Advisory Committee to ensure appropriate exercise of this authority by the President and CEO, who determines those amounts in accordance with that report. As for stock remuneration, the Board of Directors determines the number of shares allotted to each Director based on the report from the Nominating and Compensation Advisory Committee.

The level of remuneration is examined by comparing with indicators for levels of remuneration at

major companies of the same size as the Company, by taking into account the Company's business line and business environment.

a) Remuneration system for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

The remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) consists of a fixed basic remuneration, bonuses, and performance-linked stock remuneration.

(i) Fixed basic remuneration

The fixed basic remuneration is a fixed monthly monetary remuneration for each position according to the level of job responsibility.

(ii) Bonuses

Bonuses are a short-term incentive in the form of performance-linked monetary remuneration whose amount changes based on the Company's performance for the relevant fiscal year. The amount of bonus for a Director is calculated by multiplying the monthly amount of his/her fixed basic remuneration by a certain factor, followed by multiplying the product by a factor (ranging within the range of 0% to 180%; 100% when the targets are achieved) according to the level of achievement of the targets for consolidated sales (evaluation weight: 50%) and operating income (evaluation weight: 50%). Bonuses are paid at certain times every year.

(iii) Stock remuneration

- Stock remuneration is an incentive for improving the Company's medium- and long-term performance and improving the Company's medium- and long-term corporate value, in the form of performance-linked restricted stock remuneration whose amount changes based on performance, management indicators, etc.
- In principle, stock remuneration is granted in the first of the fiscal years covered by a medium-term management plan. By granting shares during the term of office of Directors, stock remuneration intends to promote further sharing of the same values between Directors and shareholders.
- The number of shares granted to a Director will be set in proportion to the basic remuneration for the Director.
- The transfer restriction will be lifted subject to achievement of, or according to the level of achievement of, the targets whose achievement is evaluated using key management indicators specified in the medium-term management plan.

(iv) Ratio between different types of remuneration

The ratio between the fixed basic remuneration, bonuses, and stock remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) will be set roughly at 65:25:10.

(v) Return, etc. of remuneration (malus clause and clawback clause)

For the purpose of ensuring the soundness of the remuneration program, bonuses and stock remuneration are subject to the authority of the Board of Directors which is authorized, at its discretion after deliberation by the Nominating and Compensation Advisory Committee, to



forfeit unpaid remuneration (the malus clause) and/or demand return of paid remuneration (the clawback clause) in certain events, such as in the event of a serious breach of internal regulations or other offense or in the event of accounting or other serious errors or fraudulent acts that affect the indicators based on which the amount of remuneration is calculated.

- b) Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)  
To emphasize further enhancement of the independence of these Outside Directors from the Company's management, these Outside Directors will only receive fixed monthly monetary remuneration.

<Directors who are Audit and Supervisory Committee Members>

To emphasize further enhancement of the independence of these Directors from the Company's management, these Directors will only receive fixed monthly monetary remuneration. The amount of remuneration for these Directors is determined by consultation among themselves.

**<Reference: Policy for Appointing and Dismissing Executive Management Members and for Nominating Candidates for Directors>**

The Company appoints as its Directors persons who have high ethical values and respect for the law and have the knowledge, experience, expertise, etc. that are considered necessary for the Company's Board of Directors, in order for the Board of Directors to perform its functions of making decisions on the execution of important operations through full discussions and appropriately supervising and auditing the execution of operations. Directors are appointed by taking into account the balance and diversity across the Board of Director based on the skill matrix.

As for Outside Directors, the Company appoints persons who have extensive experience in management and/or high expertise in finance, accounting, legal affairs and/or other extensive knowledge and experience.

The appointment of the President involves repeated deliberations by the Nominating and Compensation Advisory Committee, the majority of whose members are independent Outside Directors. This clarifies the selection process, ensures the objectivity, timeliness, and transparency of the appointment, and helps the Company to select an appropriate person for the purpose of achieving the Company's management philosophy and management strategies, among other considerations.

If any of the following events occurs in respect of a Director or an Executive Officer, the Board of Directors will promptly deliberate dismissal of the Director or Executive Officer after receiving a report from the Nominating and Compensation Advisory Committee.

- If the Director or Executive Officer is found to have violated any law or regulation or the Company's Articles of Incorporation or the like, or to have otherwise committed any misconduct.
- If it becomes significantly difficult for the Director or Executive Officer to perform his/her duties.
- If there are objective and reasonable grounds for the Director's or Executive Officer's failure to sufficiently perform the roles required in his/her duties.

**<Reference: Skill Matrix of (Proposed) Directors after Conclusion of This General Shareholders' Meeting>**

	Name	Position	Gender	Corporate management	Legal affairs and risk management	Finance and accounting	Global experience	Business strategy	Knowledge in business and industry	Human resources development and diversity	Sustainability
Directors (Excluding Directors who are Audit and Supervisory Committee Members)	Naoki Kurose		Male	○			○	○	○		○
	Koichi Kikuchi		Male	○		○	○	○			
	Koichiro Shibata	Outside Independent	Male		○						○
	Kenichi Hirai	Outside Independent	Male	○		○	○	○	○		
	Ryo Otsuka	Outside Independent	Male	○			○		○		○
	Hitomi Yokote	Outside Independent	Female	○			○			○	○
Directors who are Audit and Supervisory Committee Members	Koichi Tada		Male		○	○	○				
	Fujio Furukawa	Outside Independent	Male		○	○					
	Chiaki Tsuji	Outside Independent	Female		○		○				○

The table below shows the knowledge, experience, expertise, and other skills that are considered to be necessary for the Company's Board of Directors, and the reasons for selecting those skills.

Skill(s)	Reasons for selection
Corporate management	Extensive experience in corporate management is necessary to achieve management that balances contribution to both a sustainable society and business expansion.
Legal affairs and risk management	These skills form a basis for continuously increasing the corporate value of the Company. Reliable knowledge and experience in the field of risk management is necessary to improve the effectiveness of the Board of Directors' supervision of the Company's management.
Finance and accounting	Reliable knowledge and experience in the field of finance and accounting is necessary to improve the efficiency (safety, efficiency, and growth potential) of management resources.
Global experience	Overseas business experience and/or practical experience in global companies is necessary to supervise the growth strategy and management of an international business.
Business strategy	Reliable knowledge and experience in the field of business strategy is necessary to create and continuously develop new growth fields and new businesses.
Knowledge in business and industry	Extensive, reliable knowledge in the Group's businesses and industries is necessary to perform the Board of Directors' function of supervising the Group that engages in manufacturing and trading.

Human resources development and diversity	Reliable knowledge and experience in the field of human resource development, including diversity promotion, is necessary to develop human resources and ensures the diversity of the Company's organization.
Sustainability	Reliable knowledge and experience in the field of sustainability is necessary to promote the Company's contribution to a sustainable society.

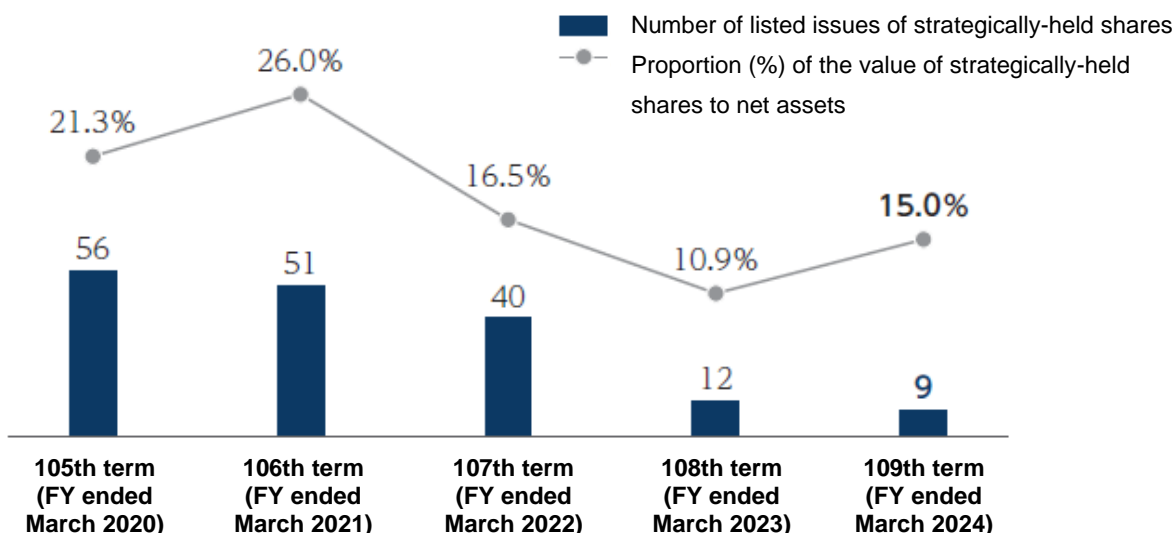
### <Reference: Strategically-held Shares>

The Company holds strategically-held shares only if doing so is considered reasonable and otherwise justified after considering factors including: the maintenance and enhancement of business relationships; continued growth and increase in the Company's medium- and long-term corporate value; and the risk involved in holding these shares. The Board of Directors periodically reviews the Company's holding of strategically-held shares and appropriately makes revisions, including selling these shares.

Based on the review results, the Company has sold three issues of strategically-held shares during the current fiscal year. The Company intends to continue to reduce its strategically-held shares in the future to further improve the efficiency of its assets and enhance its financial position.

- Changes in the number of strategically-held shares

Since the fiscal year ended March 31, 2020, the Company has reduced the number of strategically-held listed issues in stages. While the number of listed issues of strategically-held shares decreased as at the end of the current fiscal year, the proportion of the value of the strategically-held shares to the net assets has increased due to an increase in the value of the shares held by the Company.



- Policy on strategically-held shares

During the current fiscal year, the Company has acquired two unlisted issues to subscribe to the capital of venture companies, etc. that will lead to the creation of new businesses. The Company intends to continue in the future to utilize sales proceeds resulting from reductions in the number of strategically-held shares for investments in new businesses towards increasing the Company's corporate value and for return to shareholders.