

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

Securities code: 5989

June 11, 2024

To our shareholders

KANEDA Atsushi  
Representative Director  
**H-ONE CO., LTD.**  
11-5, Sakuragi-cho 1-chome, Omiya-ku,  
Saitama-shi, Saitama 330-0854, Japan

## Notice of the 18th Ordinary General Meeting of Shareholders

You are hereby notified that the 18th Ordinary General Meeting of Shareholders of H-ONE CO., LTD. (the “Company”) will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format will be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website (**information available from June 4, 2024**):

<https://www.h1-co.jp/ir/stock/meeting.html> (in Japanese)

TSE website (Listed Company Search; **information available from June 4, 2024**):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter the Company’s name “H-ONE” in “Issue name (company name)” or the Company’s securities code “5989” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Website for posted informational materials for the general meeting of shareholders (**information available from June 4, 2024**):

<https://d.sokai.jp/5989/teiji/> (in Japanese)

If you opt not to attend the meeting in person, you may exercise your voting rights via the Internet or in writing (by postal mail). In that case, please exercise your voting rights by 5:00 p.m. on Tuesday, June 25, 2024 (Japan Time), having reviewed the Reference Documents for the General Meeting of Shareholders.

**1. Date and Time:** June 26, 2024 (Wednesday) 10:00 a.m. (reception opens at 9:30 a.m.) (Japan Time)

**2. Venue:** 11-5, Sakuragi-cho 1-chome, Omiya-ku, Saitama-shi, Saitama, Japan  
Saisan Hall, 8th Floor, KS Building

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 18th fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 18th fiscal year (from April 1, 2023 to March 31, 2024)

#### **Matters to be resolved:**

- Proposal 1** Appropriation of the Surplus
- Proposal 2** Partial Amendments to the Articles of Incorporation
- Proposal 3** Election of Six (6) Directors
- Proposal 4** Election of One (1) Substitute Audit & Supervisory Board Member

### **4. Matters Decided in Connection with this Convocation**

- (1) If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the aforementioned websites.
- (2) If you exercise your voting rights in writing (by postal mail) but have not indicated approval or disapproval of a proposal on the voting rights exercise form, it will be deemed a vote of approval.
- (3) If you exercise your voting rights multiple times via the Internet, the final vote will be deemed valid.
- (4) If you exercise your voting rights multiple times via the Internet and in writing (by postal mail), the voting rights exercised via the Internet will be deemed valid.

- For this General Meeting of Shareholders, paper-based documents containing items for which measures for providing information in electronic format are to be taken have been sent regardless of whether such were requested.
- Among the items for which measures for providing information in electronic format are to be taken, the following matters are not included among the paper-based documents to be sent based on laws and provisions, and Article 15 of the Articles of incorporation.
  - i The “Consolidated Statements of Changes in Equity” and “Notes to the Consolidated Financial Statements” as a part of the Consolidated Financial Statements
  - ii The “Non-consolidated Statements of Changes in Equity” and “Notes to the Financial Statements” as a part of the Non-consolidated Financial Statements

Therefore, the Consolidated Financial Statements and Non-consolidated Financial Statements mentioned in these documents are part of the subject documents that were audited by the Accounting Auditor in preparing the Accounting Audit Report and by Audit & Supervisory Board Members in preparing the Audit Report.

- If you plan to attend the meeting in person, please present the voting form at the reception desk upon your arrival. Be sure to bring this Notice of General Meeting of Shareholders as agenda materials.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1 Appropriation of the Surplus

With regard to the appropriation of the surplus, having taken into account the performance for the fiscal year under review and future business expansion, the Company proposes the following:

#### Year-end dividends

- |                                                            |               |
|------------------------------------------------------------|---------------|
| (1) Type of dividends:                                     | Cash          |
| (2) Dividend allocation and their aggregate amount thereof |               |
| Dividend per common share of the Company:                  | ¥8            |
| Total dividends:                                           | ¥227,128,600  |
| (3) Effective date of dividends of surplus:                | June 27, 2024 |

(Reference Note)

#### Dividend Policy

The Company regards the continuous return of profits to its shareholders as a highly important management policy, and maintains a basic policy to stably implement dividends according to the Company's performance to its shareholders over the long term, having taken into consideration future business expansion, investments in facilities, and the like, as well as striving to improve the return on equity attributable to owners of the parent (ROE).

**Proposal 2** Partial Amendments to the Articles of Incorporation

1. Reason for the proposal:

As of April 1, 2024, the Company is implementing organization restructuring with the aim of strengthening management speed and Group governance along with renewing the structure of officers. Based on this, the necessary changes shown below will be made in connection with provisions related to the Director and President in the current Articles of Incorporation.

- (1) In order to amend the convening authority and chairperson of the general meeting of shareholders and the Board of Directors to the Representative Director determined in advance by the Board of Directors, amendments will be made to Article 14 (Convening Authority and Chairperson) and Article 24 (Convening of Meetings of the Directors Meetings) in the current Articles of Incorporation.
- (2) The Company has appointed a President and Chief Executive Officer based on the resolution by the Board of Directors, and this is stipulated in Article 30 (Operating Officers), Paragraph 1 of the current Articles of Incorporation. Therefore, Article 22 (Representative Director, etc.), Paragraph 2 of the current Articles of Incorporation will be deleted.

2. Details of the amendments:

The details of the amendments are as follows (underlined text indicates amendments.):

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1 to 13 (Provisions omitted) (Convening Authority and Chairperson) Article 14 Unless otherwise stipulated in laws and regulations, the general meeting of shareholders shall be convened by the <u>Director and President</u> based on a resolution by the Board of Directors, and they shall serve as chairperson. If the <u>Director and President</u> is unable to fulfill their duty, another Director shall take their place according to the order specified by the Board of Directors in advance.</p> <p>Articles 15 to 21 (Provisions omitted) (Representative Director, <u>etc.</u>) Article 22 1. (Provisions omitted) 2. <u>The Board of Directors shall appoint one Director and President according to that resolution.</u></p> <p>Article 23 (Provisions omitted) (Convening Meetings of the Board of Directors) Article 24 1. Unless otherwise stipulated in laws and regulations, meetings of the Board of Directors shall be convened by the <u>Director and President</u>, and they shall serve as chairperson. If the <u>Director and President</u> is unable to fulfill their duty, another Director shall take their place according to the order specified by the Board of Directors in advance. 2. (Provisions omitted)</p> <p>Articles 25 to 48 (Provisions omitted)</p>	<p>Articles 1 to 13 (Unchanged) (Convening Authority and Chairperson) Article 14 Unless otherwise stipulated in laws and regulations, the general meeting of shareholders shall be convened by the <u>Representative Director</u> based on a resolution by the Board of Directors, and they shall serve as chairperson. If the <u>Representative Director</u> is unable to fulfill their duty, another Director shall take their place according to the order specified by the Board of Directors in advance.</p> <p>Articles 15 to 21 (Unchanged) (Representative Director) Article 22 (Unchanged) (Deleted)</p> <p>Article 23 (Unchanged) (Convening Meetings of the Board of Directors) Article 24 1. Unless otherwise stipulated in laws and regulations, meetings of the Board of Directors shall be convened by the <u>Representative Director</u>, and they shall serve as chairperson. If the <u>Representative Director</u> is unable to fulfill their duty, another Director shall take their place according to the order specified by the Board of Directors in advance. 2. (Unchanged)</p> <p>Articles 25 to 48 (Unchanged)</p>

### Proposal 3 Election of Six (6) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes to elect six (6) Directors.

Candidates for Director are as follows:

#### List of Candidates for Director

Candidate No.	Name	Current Position Within the Company	Main responsibilities within the Company or significant concurrent positions outside the Company	Candidate attributes	Attendance at the Board of Directors meetings
1	MAYUMI Seiki	President and Chief Executive Officer	- Chief Operating Officer of Business Management Operations	New election	-
2	WATANABE Hiroyuki	Director Managing Officer	- Chief Operating Officer of Japan Business Operations	Re-election	12/12
3	OKUDA Masamichi	Managing Officer	- In charge of Corporate Planning Division, Information Systems Division, and Accounting Division	New election	-
4	MARUYAMA Keiichiro	Director	- Deputy Managing Partner of Nagawa-Okamura Law Firm	Re-election Outside Independent	10/12
5	TODOKORO Kunihiro	Director	- Director and Chairperson of FUJI WAREHOUSE&TRANSPORTATION CO., LTD.	Re-election Outside Independent	12/12
6	YAMAMOTO Sawako	Director		Re-election Outside Independent	12/12

New election: Candidate for new election as Director

Re-election: Candidate for re-election as Director

Outside: Candidate for Outside Director

Independent: Independent Officer as stipulated by the Tokyo Stock Exchange

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company		Number of the Company's Shares Owned (Thousands of Shares)
1	<p>MAYUMI Seiki (October 26, 1967) [New election]</p> <p>Attendance at the Board of Directors meetings -- meetings</p> <p>Number of years in office as a Director -- years</p>	<p>Apr. 1991</p> <p>Jun. 2009</p> <p>Jun. 2015</p> <p>Apr. 2018</p> <p>Apr. 2023</p> <p>Apr. 2024</p>	<p>Joined HIRATA TECHNICAL CO., LTD.</p> <p>Vice President of UYT Limited</p> <p>Operating Officer and General Manager of the Corporate Management Planning Operations of the Company</p> <p>Vice President of KTH Parts Industries, Inc.</p> <p>Senior Operating Officer and Assistant to President of the Company</p> <p>President and Chief Executive Officer (<b>current position</b>) and Chief Operating Officer of Business Management Operations of the Company (<b>current position</b>)</p>	7
<p>[Reasons for Nomination as a Candidate for Director]</p> <p>Mr. MAYUMI Seiki possesses considerable insight related to global business operations including years of involvement with management of business bases in Europe and the United States based on his abundant experience at having engaged in operations as production, development, overseas business, and corporate planning. As the Company Group President, he is currently demonstrating strong leadership based on his experience and knowledge, and is taking the lead to oversee the business strategy for improving Company Group value.</p> <p>Given this, the Company has determined that he can sufficiently fulfill the role of deciding on important matters and supervising the execution of business within the Company Group, and so the Company proposes the election of him as a new candidate for Director.</p>				

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
2	<p>WATANABE Hiroyuki (February 25, 1960) [Re-election]</p> <p>Attendance at the Board of Directors meetings (12/12)</p> <p>Number of years in office as a Director 3 years</p>	<p>Mar. 1978      Joined Hirata Press Kogyo Co., Ltd.</p> <p>Oct. 2006      General Manager of the Production Division of the Maebashi Factory of the Company</p> <p>Apr. 2011      Factory Operating Officer of the Kameyama Factory of the Company</p> <p>Jun. 2012      Operating Officer of the Company</p> <p>Apr. 2014      General Manager of the Production Planning Group</p> <p>Jun. 2014      Director of the Company</p> <p>Aug. 2014      Factory Operating Officer of the Koriyama Factory</p> <p>Jun. 2016      Senior Operating Officer of the Company</p> <p>Apr. 2019      Managing Officer, Chief Operating Officer of the Production Operations, and Risk Management Officer of the Company (<b>current position</b>)</p> <p>Mar. 2021      Factory Operating Officer of the Kameyama Factory</p> <p>Jun. 2021      Director and Managing Officer of the Company (<b>current position</b>)</p> <p>Apr. 2024      Chief Operating Officer of Japan Business Operations (<b>current position</b>), in charge of Business Management Division (<b>current position</b>), and Executive Manager of East Japan Management Division (<b>current position</b>)</p>	11
<p>[Reasons for Nomination as a Candidate for Director]</p> <p>Mr. WATANABE Hiroyuki has engaged in management of the Company's overseas subsidiary and business operations in production bases in Japan in the past. He presently promotes various initiatives for strengthening the Company Group's business foundation and risk management system as the supervisor of production. He therefore possesses abundant experience and considerable insight related to the manufacturing and marketing of automobile parts, the primary business of the Company Group.</p> <p>The Company has determined that he can sufficiently fulfill the role of deciding on important matters and supervising the execution of business within the Company Group, and so the Company proposes the reelection of him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company		Number of the Company's Shares Owned (Thousands of Shares)
3	OKUDA Masamichi (April 3, 1965) [New election]  Attendance at the Board of Directors meetings –/– meetings  Number of years in office as a Director – years	Mar. 1988  Oct. 2007  Apr. 2011  Oct. 2012  Feb. 2016  Apr. 2020  Apr. 2023   Apr. 2024	Joined HIRATA TECHNICAL CO., LTD.  General Manager of Overseas Operations of the Company  General Manager of Sales Planning Division  General Manager of Sales Division 1  President of WH Auto Parts Industries Inc.  Operating Officer of the Company  General Manager of Corporate Management Planning Division and General Manager of Digital Transformation Promotion Group  Managing Officer ( <b>current position</b> ) and in charge of Corporate Planning Division, Information Systems Division, and Accounting Division, Business Management Operations of the Company ( <b>current position</b> )	10
<p>[Reasons for Nomination as a Candidate for Director]</p> <p>Mr. OKUDA Masamichi has handled work supervising the Sales Division, and has also been involved in corporate manage at business bases in China for many years to realize various initiatives for improving added value of automobile parts and for gaining new customers, thereby contributing to increasing sales. Currently, as a supervisor of Corporate Planning, he takes the initiative to promote business strategies that lead to expanding the business of the Company Group. Therefore, he has abundant experience and knowledge.</p> <p>Given this, the Company has determined that he can sufficiently fulfill the role of deciding on important matters and supervising the execution of business within the Company Group, and so the Company proposes the election of him as a new candidate for Director.</p>				



Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company		Number of the Company's Shares Owned (Thousands of Shares)
4	MARUYAMA Keiichiro (November 27, 1963) [Re-election] [Candidate for Outside Director] [Independent Officer]  Attendance at the Board of Directors meetings 10/12 meetings  Number of years in office as a Director 10 years	Apr. 1998 Apr. 1998 Jan. 2001 May 2009 Jul. 2010 Jun. 2014 Jun. 2016 Apr. 2021	Registered as lawyer (TOKYO BAR ASSOCIATION) Joined Nagawa-Okamura Law Firm Deputy Managing Partner of Nagawa-Okamura Law Firm ( <b>current position</b> ) Director of Tokyo College of Music Director of Johokusaitama Gakuen (Incorporated Educational Institution) ( <b>current position</b> ) Outside Director of the Company ( <b>current position</b> ) Outside Corporate Auditor of TODA CORPORATION ( <b>current position</b> ) Chairman of the Board of Tokyo College of Music ( <b>current position</b> )	—
	<p>[Reasons for Nomination as a Candidate for Outside Director and Expected Roles]</p> <p>Mr. MARUYAMA Keiichiro possesses abundant experience and considerable insight cultivated as a lawyer. Since his appointment as an Outside Director of the Company, he has been active in making proposals and recommendations regarding the management of the Company Group in Board of Directors meetings of the Company.</p> <p>The Company has determined he will be able to continue making statements on the execution of business of the Company Group from a professional viewpoint as a lawyer, while overseeing the business from his independent and fair standpoint, and so the Company proposes the reelection of him as a candidate for Outside Director.</p> <p>He does not have experience of directly contributing to the management of a company; however, he has elevated and broad perspective as a lawyer. Moreover, given that he is knowledgeable of the governance of companies and has sufficient discernment as an Outside Director, the Company has judged that he is able to appropriately execute his duties.</p> <p>[Considerations on His Independence]</p> <p>Nagawa-Okamura Law Firm, at which Mr. MARUYAMA Keiichiro serves as Deputy Managing Partner, has entered into a consulting contract with the Company; however, the remuneration amounts paid by the Company during the fiscal year ended March 31, 2024 are less than one (1) percent of the sales of the Firm and less than one (1) percent of the consolidated revenue of the Company.</p> <p>TODA CORPORATION and the Tokyo College of Music, at which he serves in significant concurrent positions, have no transactions with the Company.</p> <p>For the above reasons, the Company has judged that there are no problems with regards to his independence.</p> <p>Moreover, the Company has submitted notification of his position as Independent Officer to the Tokyo Stock Exchange.</p>			

Note: The Company has entered into an agreement with Mr. MARUYAMA Keiichiro to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of said act. In the event that the candidate is re-elected as Director, the Company intends to roll over this limitation of liability contract with him.

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company		Number of the Company's Shares Owned (Thousands of Shares)
5	<p>TODOKORO Kunihiro (May 29, 1954) [Re-election] [Candidate for Outside Director] [Independent Officer]</p> <p>Attendance at the Board of Directors meetings (12/12)</p> <p>Number of years in office as a Director 8 years</p>	Apr. 1977	Joined Saitama Bank, Ltd. (current Saitama Resona Bank, Limited)	-
		Jun. 2009	Representative Director and Vice President of Saitama Resona Bank, Limited	
		Jun. 2013	Representative Director and President of J AND S INSURANCE SERVICE Co., Ltd.	
		Jun. 2015	Representative Director and President of FUJI WAREHOUSE&TRANSPORTATION CO., LTD.	
		Jun. 2016	Outside Director of the Company ( <b>current position</b> )	
		Jun. 2019	Chair of SAITAMA KEIZAI DOYUKAI ( <b>current position</b> )	
		Jun. 2020	Representative Director and Chairperson of FUJI WAREHOUSE&TRANSPORTATION CO., LTD.	
		Apr. 2021	Representative Director, Chairperson and President of FUJI WAREHOUSE&TRANSPORTATION CO., LTD.	
		Jun. 2023	Director and Chairperson of FUJI WAREHOUSE&TRANSPORTATION CO., LTD. ( <b>current position</b> )	
	[Reasons for Nomination as a Candidate for Outside Director and Expected Roles]			
	<p>Mr. TODOKORO Kunihiro has engaged in the management of a financial institution and multiple business companies. Since his appointment as an Outside Director of the Company, he has been active in leveraging this abundant experience and considerable insight to make proposals and recommendations regarding the management of the Company Group in Board of Directors meetings of the Company.</p> <p>The Company has determined he will be able to continue making statements on the execution of business of the Company Group from a professional viewpoint as the one experienced in management, while overseeing the business of the Company Group from his independent and fair standpoint, and so the Company proposes the reelection of him as a candidate for Outside Director.</p>			
	[Considerations on His Independence]			
	<p>The Company makes transactions related to storage and warehousing of goods with FUJI WAREHOUSE&amp;TRANSPORTATION CO., LTD., at which Mr. TODOKORO Kunihiro serves as Director and Chairperson; however, the transaction amounts were ¥0 million during the fiscal year ended March 31, 2024.</p> <p>The Company is a borrower of Saitama Resona Bank, Limited, of which Mr. TODOKORO Kunihiro was formerly Representative Director and Vice President; however, more than eleven (11) years have passed since he retired from that position.</p> <p>For the above reasons, the Company has judged that there are no problems with regards to his independence.</p> <p>Moreover, the Company has submitted notification of his position as Independent Officer to the Tokyo Stock Exchange.</p>			

Note: The Company has entered into an agreement with Mr. TODOKORO Kunihiro to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of said act. In the event that the candidate is re-elected as Director, the Company intends to roll over this limitation of liability contract with him.

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company		Number of the Company's Shares Owned (Thousands of Shares)
6	YAMAMOTO Sawako (June 5, 1960) [Re-election] [Candidate for Outside Director] [Independent Officer]	Apr. 1983	Joined Secretariat of Fair Trade Commission (current General Secretariat of Fair Trade Commission)	-
		Jun. 2008	Division Manager, Personnel Division, Secretariat, General Secretariat of Fair Trade Commission	
		Sep. 2012	Deputy Director General, Investigation Bureau, General Secretariat of Fair Trade Commission	
	Attendance at the Board of Directors meetings (12/12)	Jul. 2014	Senior Deputy Secretary General, Secretariat, General Secretariat of Fair Trade Commission	
		Jun. 2016	Director General, Investigation Bureau, General Secretariat of Fair Trade Commission	
	Number of years in office as a Director 3 years	Jun. 2021	Outside Director of the Company ( <b>current position</b> )	
		Jan. 2022	Member of the National Personnel Authority's Exchange Examination Committee ( <b>current position</b> )	
[Reasons for Nomination as a Candidate for Outside Director and Expected Roles]				
<p>Ms. YAMAMOTO Sawako has held important positions at the Fair Trade Commission. Since her appointment as an Outside Director of the Company, she has been active in leveraging the abundant experience and considerable insight cultivated through these positions to make proposals and recommendations regarding the execution of business at the Company Group in Board of Directors meetings of the Company.</p> <p>The Company has determined she will be able to continue making statements on the execution of business of the Company Group from a professional viewpoint as an expert in corporate law, while overseeing the business of the Company Group from an independent and fair standpoint, and so the Company proposes the reelection of her as a candidate for Outside Director.</p> <p>She does not have experience of directly contributing to the management of a company; however, she has elevated and broad perspective backed by her experience serving at the Fair Trade Commission. Moreover, given that she is knowledgeable of the governance of companies and has sufficient discernment as an Outside Director, the Company has judged that she is able to appropriately execute her duties.</p>				
[Considerations on Her Independence]				
<p>The Fair Trade Commission, at which Ms. YAMAMOTO Sawako served as Director General of the Investigation Bureau until July 2018, has no transactions with the Company.</p> <p>For the above reasons, the Company has judged that there are no problems with regards to her independence.</p> <p>Moreover, the Company has submitted notification of her position as Independent Officer to the Tokyo Stock Exchange.</p>				

Note: The Company has entered into an agreement with Ms. YAMAMOTO Sawako to limit her liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of said act. In the event that the candidate is re-elected as Director, the Company intends to roll over this limitation of liability contract with her.

Notes applicable to all of the six (6) candidates above:

- There are no special interests between any of the candidates for Directors and the Company.
- The number of shares of the Company owned by each of the candidates for Director includes the shares held under the name of the Officer's Shareholder Association and employee stock ownership.
- Number of years in office as a Director of each candidate is at the conclusion of this General Meeting of Shareholders.
- The Company has not entered into an indemnity agreement stipulated by Article 430-2, Paragraph 1 of the Companies Act, with each of the candidates for Director.
- The Company has entered into a Directors and Officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act.  
According to the said insurance agreement, if a claim for damages is made against the insured resulting from the insured's action (including nonfeasance) in the capacity of such position during the period of insurance, legal compensation for damages and fees for legal actions, etc. will be compensated.  
However, in order not to impair the appropriateness of duty execution by the insured, the policy includes an exemption such that it does not cover criminal acts of the insured or damages to an officer in person who has intentionally acted in violation of the law.  
If each candidate for Director is appointed as Director, he/she will become one of the insureds under said insurance agreement. The Company plans to renew the said insurance agreement under the same conditions during the Directors' terms of office.

#### Proposal 4 Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for the case of absences causing the number of Audit & Supervisory Board Members required by law not being met, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member, pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act.

This proposal has obtained the consent of the Audit & Supervisory Board.

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

Name (Date of Birth)	Career Summary and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
IJIMA Hiroyuki (October 27, 1974)	Apr. 1997      Joined Plaza Create Co., Ltd. Oct. 2002      Joined Iijima Certified Public Tax Accountant Office ( <b>current position</b> ) Apr. 2007      Registered as a certified public tax accountant	—
[Reasons for Nomination as a Candidate for Substitute Outside Audit & Supervisory Board Member] Mr. IJIMA Hiroyuki is an active certified public tax accountant and, if he is appointed as Audit & Supervisory Board Member, the Company's supervisory organization will benefit from the specialized knowledge and experience that he has cultivated as a certified public tax accountant; therefore, the Company proposes his appointment as a substitute Outside Audit & Supervisory Board Member. He does not have experience of directly contributing to the management of a company; however, he has elevated and broad perspective as a certified public tax accountant. Moreover, given that he has sufficient discernment to be an Outside Audit & Supervisory Board Member, the Company has determined that he is able to appropriately execute his duties.		
[Considerations on His Independence] Iijima Certified Public Tax Accountant Office, at which Mr. IJIMA Hiroyuki is engaged in his significant concurrent position, has no transactions with the Company and has no contractual relationships, such as for consulting, with the Company. For the above reasons, the Company has judged that there are no problems with regards to his independence. If he is appointed as Audit & Supervisory Board Member, the Company intends to submit notification of his position as Independent Officer to the Tokyo Stock Exchange.		

Notes:

1. There are no special interests between Mr. IJIMA Hiroyuki and the Company.
2. Mr. IJIMA Hiroyuki is a candidate for substitute Outside Audit & Supervisory Board Member.
3. If Mr. IJIMA Hiroyuki is appointed as Audit & Supervisory Board Member, the Company intends to enter into an agreement with him to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of said act.
4. The Company has entered into a Directors and Officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act.  
According to the said insurance agreement, if a claim for damages is made against the insured resulting from the insured's action (including nonfeasance) in the capacity of such position during the period of insurance, legal compensation for damages and fees for legal actions, etc. will be compensated. However, in order not to impair the appropriateness of duty execution by the insured, the policy includes an exemption such that it does not cover criminal acts of the insured or damages to an officer in person who has intentionally acted in violation of the law.  
If Mr. IJIMA Hiroyuki is appointed as Audit & Supervisory Board Member, he will become one of the insureds under said insurance agreement.

(Reference)

### **Basic Policy for Corporate Governance**

Based on our Management Philosophy, the Company has formulated a basic sustainability policy to “become a company that contributes to the world” by promoting various activities in each ESG (environment, society, and governance) area.

Based on this basic policy, the Company recognizes the enhancement of corporate governance as one of its important issues in management and will consistently take initiatives for the continuous growth of the Company Group, responding to the expectation and trust from our shareholders, customers, employees, and society.

### **The Corporate Governance System**

The Company is a company with an Audit & Supervisory Board and has established the following organs: General Meeting of Shareholders, Board of Directors, Audit & Supervisory Board, and Accounting Auditor. In addition, the Company has streamlined the decision-making and enhancement of supervising functions on business execution by the Board of Directors by expanding the Operating Officer system such as by delegating business execution to Operating Officers.

#### **1. Board of Directors**

In order to supervise business execution from a wider perspective, the Board of Directors consists of six (6) Directors, including three (3) Outside Directors. The Board of Directors, upon deliberation, passes resolutions for important matters concerning management and matters designated by laws and regulations.

The Company has appointed one (1) lawyer (male), one (1) person (male) who possesses management experience at another company, and one (1) person (female) who has experience serving at an administrative organ as Outside Directors. The Company thinks that a composition which combines Inside Directors who have a thorough understanding of the Company’s business and industry trends with Outside Directors who have varied experience, insight, and values will result in the optimal overall structure for the Board of Directors in terms of the balance of knowledge, experience, and abilities, diversity, and other aspects.

At this General Meeting of Shareholders, the Company is proposing the election of six (6) Directors.

#### **2. Audit & Supervisory Board**

The Audit & Supervisory Board consists of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members. The Audit & Supervisory Board requests, when deemed appropriate, reports on the progress and results of operational audits and internal control audits conducted by Audit Operations, which is an independent internal audit division. It also attends important meetings including the Board of Directors meetings, and audits Directors’ execution of duties and decision-making of the Board of Directors by examining the business and financial status from a neutral and objective standpoint.

#### **3. Other optional meeting bodies**

- (1) The Management Committee, which consists of the Representative Director and Chief Operating Officers or General Managers the Business Management Operations, Development Business Operations, Japan Business Operations, North America Business Operations, China Business Operations, Asia Business Operations, and Audit Operations, adopts a system where important matters concerning business execution are either presented to the Board of Directors after prior deliberation, or resolved within its scope of authority and reported to the Board of Directors for an efficient and speedy decision making by the Board of Directors.
- (2) To ensure mutual collaboration between Outside Directors and Audit & Supervisory Board Members, the Information Exchange Meeting for Independent Officers, which consists of Independent Officers and Full-time Audit & Supervisory Board Member, is held monthly. At the Information Exchange Meeting for Independent Officers, understanding is shared through reports of business status of the Company Group made by Full-time Audit & Supervisory Board Member, or by related general managers when needed, and opinions which are mutually exchanged among Independent Officers.
- (3) In order to ensure transparency and objectivity in the process of determining remuneration, the Nomination and Remuneration Committee, chaired by Outside Independent Directors, determine, after final consultation, the amounts of remuneration, etc. for the Company’s Officers. Moreover, if changes are to be made on the policy concerning determination of calculation methods for the amounts of remuneration, etc. for Officers, they are determined by the Board of Directors after prior deliberation at the Nomination and Remuneration Committee.

#### **4. Standards for independence**

For elections of independent outside officers (Directors and Audit & Supervisory Board Members), aside from the requirements for outside officers pursuant to the Companies Act, the Company has set out a standard for designating independent outside officers so that candidates will meet qualifications of Independent Officer as stipulated by the Tokyo Stock Exchange and will be free of possible conflict of interest with general shareholders.

#### **5. Policy for nominating candidates for Directors and Audit & Supervisory Board Members**

With regard to candidates for Directors, election or nomination is made with comprehensive consideration from the perspective of abundance in experience, high-level expertise, considerable insight, and ethical point of view. The election or nomination for candidates for Directors is determined by the Board of Directors after prior deliberation at the Nomination and Remuneration Committee, which is chaired by Outside Independent Directors.

With regard to candidates for Audit & Supervisory Board Members, nominations are made with consideration from the perspective of insight into finance, accounting and legal affairs, and knowledge related to the Company’s businesses.

If Proposal 3 is approved and passed as proposed for this Ordinary General Meeting of Shareholders, the Board of Directors and the Audit & Supervisory Board will be composed as follows:

Name	Position Within the Company	Gender	Professionalism and Experience						
			Corporate management	Sales and marketing	Manufacture, engineering, and research & development	Finance and accounting	Legal affairs and risk management	Government and administrative organ	Global experience (experience of working overseas)
MAYUMI Seiki	Representative Director President and Chief Executive Officer	Male	○	○	○	○			○
WATANABE Hiroyuki	Director Managing Officer	Male	○		○		○		○
OKUDA Masamichi	Director Managing Officer	Male	○	○		○			○
MARUYAMA Keiichiro	Director Outside Independent	Male					○		
TODOKORO Kunihiro	Director Outside Independent	Male	○						○
YAMAMOTO Sawako	Director Outside Independent	Female					○	○	
YAMASHITA Kazuo	Full-time Audit & Supervisory Board Member	Male				○			○
KAWAI Hiroyuki	Audit & Supervisory Board Member Outside Independent	Male				○			
MURAKAMI Hiroki	Audit & Supervisory Board Member Outside Independent	Male					○		

Outside: Outside Director or Outside Audit & Supervisory Board Member  
Independent: Independent Officer as stipulated by the Tokyo Stock Exchange