

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 8051

June 5, 2023

To our shareholders:

Koji KISHIDA
Representative Director and President
YAMAZEN CORPORATION
2-3-16 Itachibori, Nishi-ku, Osaka

Notice of the 77th Annual General Meeting of Shareholders

We are pleased to announce the 77th Annual General Meeting of Shareholders of YAMAZEN CORPORATION (the “Company”), which will be held as stated below.

When convening this general meeting of shareholders, the Company takes 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 are to be taken) electronically and posts the items subject to measures for electronic provision on websites. Please access one of the following websites to check the information.

[The Company’s website]

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

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/8051/teiji/> (in Japanese)

In addition to posting items subject to measures for electronic provision on the websites above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the internet address shown below, enter “YAMAZEN” in the issue name (company name) or the Company’s securities code “8051” in “Code,” and click “Search,” and 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].”

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

If you are not attending the meeting, you can exercise your voting rights via the Internet or in writing (by mail). Please consider the Reference Documents for General Meeting of Shareholders and exercise your voting rights in accordance with the “Information on the Exercise of Voting Rights” (in Japanese only) no later than 5:30 p.m. on Monday, June 26, 2023 (JST).

1. Date and Time: Tuesday, June 27, 2023 at 10:00 a.m. (JST) (Door opens at 9:00 a.m.)

2. Venue: 7th floor conference room in the Head Office of YAMAZEN CORPORATION
2-3-16 Itachibori, Nishi-ku, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 77th fiscal year (April 1, 2022 to March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 77th fiscal year (April 1, 2022 to March 31, 2023)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 2 | Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |

4. Matters Determined Concerning the Convocation (Information on the Exercise of Voting Rights)

- (1) If you exercise your voting rights in writing (by mail) and do not indicate “for” or “against” for each of the proposals on the Voting Rights Exercise Form, it will be treated as “for.”
- (2) If you exercise your voting rights more than once via the Internet, etc., the last vote will be treated as the valid vote.
- (3) If you exercise your voting rights both via the Internet and in writing (by mail), we will treat your vote via the Internet as valid, regardless of the date and time of arrival.

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each website mentioned above.
- For the 77th Annual General Meeting of Shareholders, we will send the documents stating the items subject to measures for electronic provision to all shareholders with voting rights, including shareholders who have requested the paper-based documents, but the documents will exclude the following matters pursuant to the provisions of laws and regulations and Article 15, paragraph 2 of the Company’s Articles of Incorporation.
 - (i) “The Systems to Ensure the Appropriateness of Operations,” “Outline of the Operating Status of the System to Ensure the Appropriateness of Operations,” “Basic Policy Regarding Control of the Company,” and “Policy on Determination of Dividends from Surplus, etc.” in the business report
 - (ii) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the consolidated financial statements
 - (iii) “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the non-consolidated financial statements

Therefore, the business report, consolidated financial statements and non-consolidated financial statements included in this document are part of the subject documents audited by the Accounting Auditor in preparing the Accounting Auditor’s Report and by the Audit and Supervisory Committee in preparing its Audit Report.

No souvenirs will be distributed to shareholders attending the General Meeting of Shareholders.

We appreciate your understanding.

Although electronic provision of informational materials for general meetings of shareholders has been introduced, we have uniformly sent the materials in writing as before, regardless of whether or not a request for the paper-based documents to be sent to shareholders has been made, in order to avoid confusion and inconvenience for our shareholders.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In order to ensure flexibility in the operation of the Board of Directors, Article 22 (Convener and Chairman of Board of Directors) of the current Articles of Incorporation, which limits the chairman of Board of Directors to the Director and President, shall be changed to allow other Directors to serve as the chairman.

2. Details of the amendments

The details of the amendments are as follows:

(The underlined sections indicate amendments.)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter IV Director and Board of Directors</p> <p>Article 18 - Article 21 (Articles omitted)</p> <p>(Convener and Chairman of Board of Directors)</p> <p>Article 22</p> <ol style="list-style-type: none"> 1. Unless otherwise provided for in relevant laws and regulations, <u>the Director and President</u> shall convene meetings of the Board of Directors and preside thereat. 2. In case the Director <u>and President</u> is prevented from so acting, another Director, chosen by an order previously determined by resolution of the Board of Directors, shall convene meetings of the Board of Directors and preside thereat. 3. Notwithstanding the provisions of the preceding two paragraphs, Audit and Supervisory Committee Members selected by Audit and Supervisory Committee may convene a meeting of the Board of Directors. <p>Article 23 - Article 37 (Articles omitted)</p>	<p style="text-align: center;">Chapter IV Director and Board of Directors</p> <p>Article 18 - Article 21 (Unchanged)</p> <p>(Convener and Chairman of Board of Directors)</p> <p>Article 22</p> <ol style="list-style-type: none"> 1. Unless otherwise provided for in relevant laws and regulations, <u>a Director previously delegated by the Board of Directors</u> shall convene meetings of the Board of Directors and preside thereat. 2. In case the Director <u>in the preceding paragraph</u> is prevented from so acting, another Director, chosen by an order previously determined by resolution of the Board of Directors, shall convene meetings of the Board of Directors and preside thereat. 3. Notwithstanding the provisions of the preceding two paragraphs, Audit and Supervisory Committee Members selected by Audit and Supervisory Committee may convene a meeting of the Board of Directors. <p>Article 23 - Article 37 (Unchanged)</p>

Proposal No. 2 Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all eight Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire. Therefore, the Company will reduce the number of Directors by one to speed up the decision-making, and it proposes the election of seven Directors, including two outside Directors.

In addition, as a result of an examination, the Audit and Supervisory Committee judged that the candidates in this proposal are qualified.

The candidates for Director are as follows:

Candidate No.	Name	Candidate Attributes	Position and Responsibility in the Company	Years as Director (as of the Conclusion of this Meeting)	Attendance at Meetings of the Board of Directors in FY2022
1	Yuji NAGAO	Reelection	Director, Chairman	9 years	13/13 (100%)
2	Koji KISHIDA	Reelection	Representative Director, President & CEO	5 years	13/13 (100%)
3	Kimihisa SASAKI	Reelection	Representative Director, Executive Officer; President of General Sales H.Q.	3 years	13/13 (100%)
4	Masamichi YAMAZOE	Reelection	Director and Executive Officer; President of Corporate Administration H.Q.	5 years	13/13 (100%)
5	Naonori NAKAYAMA	Reelection	Director, Executive Officer; President of Home Products Division H.Q.	1 year	10/10 (100%)
6	Atsuko SUZUKI	Reelection Outside Independent Officer	Outside Director	3 years	13/13 (100%)
7	Hirohiko SUMIDA	Reelection Outside Independent Officer	Outside Director	1 year	10/10 (100%)

- Notes:
1. Since Naonori NAKAYAMA and Hirohiko SUMIDA were newly elected as Directors at the 76th Annual General Meeting of Shareholders (June 28, 2022), their attendance numbers are different from those of other Directors.
 2. The Company has entered into a liability insurance contract with an insurance company for officers, etc. as stipulated in Article 430-3, paragraph 1 of the Companies Act. This insurance policy covers the costs of disputes and damages incurred by the insured due to third party lawsuits, shareholder representative lawsuits, corporate lawsuits, etc., and the Company bears the full amount of all insurance premiums for the insured. If the candidates are elected and appointed as Directors as proposed, all of the Directors will be insured under the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Yuji NAGAO (December 25, 1954)</p> <p>[Years as Director (as of the conclusion of this meeting)] 9 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1977 Joined the Company</p> <p>Apr. 2011 Vice President; Vice President of Housing Equipment & Materials Division H.Q.</p> <p>Apr. 2012 Vice President; Vice President of Housing Equipment & Materials Division H.Q. and General Manager in charge of Higashi Nippon Region</p> <p>Apr. 2013 Senior Vice President; President of Housing Equipment & Materials Division H.Q. and General Manager in charge of Nishi Nippon Region</p> <p>Apr. 2014 Senior Vice President; President of Housing Equipment & Materials Division H.Q.</p> <p>Jun. 2014 Director and Senior Vice President</p> <p>Apr. 2015 Managing Director and Senior Vice President</p> <p>Apr. 2016 Director and Executive Officer; President of Production Equipment</p> <p>Apr. 2017 Representative Director, President & CEO</p> <p>Apr. 2023 Director, Chairman (to present)</p>	55,100 shares
<p>[Reasons for nomination as candidate for Director] Yuji NAGAO has governed the Company and the Group as Representative Director and President of the Company over the years, and contributed to the growth of the Group significantly based on his abundant experience. Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value and strengthening the supervisory function of the Board of Directors, and proposes that he again be elected as Director.</p> <p>[Special interests] There is no special interest between Yuji NAGAO and the Company.</p> <p>Note: The Company has entered into an agreement with Yuji NAGAO to limit his liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If his reelection is approved, the Company plans to maintain the aforementioned agreement with him.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Koji KISHIDA (September 2, 1960)</p> <p>[Years as Director (as of the conclusion of this meeting)] 5 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2016 Corporate Officer; Vice President of Machine Tools Division H.Q. (in charge of overseas business), General Manager of International Department and President of YAMAZEN (KOREA) LTD.</p> <p>Oct. 2016 Corporate Officer; Vice President of Machine Tools Division H.Q. (in charge of overseas business) and President of YAMAZEN (KOREA) LTD.</p> <p>Apr. 2018 Executive Officer; President of Production Equipment Business H.Q.</p> <p>Jun. 2018 Director and Executive Officer</p> <p>Apr. 2020 Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business) and General Manager of the International Department, Machine Tools Division H.Q.</p> <p>Apr. 2021 Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business); President of Total Factory Solutions Division H.Q. and General Manager of the International Department, Machine Tools Division H.Q.</p> <p>Oct. 2021 Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business)</p> <p>Apr. 2022 Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business)</p> <p>Apr. 2023 Representative Director, President & CEO (to present)</p>	21,300 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Currently, Koji KISHIDA governs the Company and the Group as Representative Director and President of the Company, and exhibits strong leadership with a global perspective and sensibility cultivated through his many years of experience stationed overseas based on his abundant experience.</p> <p>Taking into account the above facts, the Company determined that he is capable of further promoting efforts to realize the Group's vision and contributing to the sustainable growth of the Group and further enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests]</p> <p>There is no special interest between Koji KISHIDA and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Kimihiya SASAKI (January 25, 1957)</p> <p>[Years as Director (as of the conclusion of this meeting)] 3 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1980 Joined the Company</p> <p>Apr. 2013 Vice President; Vice President of Osaka Regional H.Q.</p> <p>Apr. 2015 Senior Vice President</p> <p>Apr. 2016 Corporate Officer</p> <p>Apr. 2017 Executive Officer; President of Osaka Regional H.Q.</p> <p>Jun. 2017 Director and Executive Officer</p> <p>Apr. 2018 Director and Executive Officer; President of Osaka Regional H.Q.</p> <p>Jun. 2019 Resigned as Director Executive Officer</p> <p>Apr. 2020 Executive Officer; President of General Sales H.Q. (to present)</p> <p>Jun. 2020 Director</p> <p>Apr. 2021 Representative Director (to present)</p>	24,900 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Kimihiya SASAKI possesses abundant experience and a broad insight gained through his services as a supervisor of the General Sales H.Q. in control of all Company business operations, and in directing the general management of the General Sales H.Q. He currently serves as Representative Director of the Company.</p> <p>Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests]</p> <p>There is no special interest between Kimihiya SASAKI and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Masamichi YAMAZOE (March 10, 1960)</p> <p>[Years as Director (as of the conclusion of this meeting)] 5 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1982 Joined the Company</p> <p>Apr. 2015 Vice President; General Manager of Legal & Credit Department of Administration H.Q.</p> <p>Apr. 2016 Corporate Officer; General Manager of International Administration Department of Administration H.Q.</p> <p>Apr. 2017 Corporate Officer; Vice President of Administration H.Q. and General Manager of International Administration Department</p> <p>Nov. 2017 Corporate Officer; President of Administration H.Q.</p> <p>Apr. 2018 Executive Officer; CFO</p> <p>Jun. 2018 Director and Executive Officer</p> <p>Apr. 2020 Director and Executive Officer; CIO, President of Corporate Planning H.Q. and CFO, President of Administration H.Q.</p> <p>Oct. 2021 Director and Executive Officer, President of Corporate Administration H.Q. (to present)</p>	21,900 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Masamichi YAMAZOE possesses abundant experience and broad insight gained through his services as a supervisor of domestic and overseas legal affairs sections and current responsibility as a supervisor of the Corporate Administration H.Q.</p> <p>Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests]</p> <p>There is no special interest between Masamichi YAMAZOE and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Naonori NAKAYAMA (June 11, 1962)</p> <p>[Years as Director (as of the conclusion of this meeting)] 1 year</p> <p>[Attendance at Board of Directors meetings] 10/10 (100%)</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2015 Vice President; General Manager of Sales Division, Home Products Division H.Q.</p> <p>Apr. 2016 Corporate Officer; Vice President of Home Products Division H.Q. and General Manager of Sales Division</p> <p>Oct. 2017 Corporate Officer; Vice President of Home Products Division H.Q. (in charge of sales) and General Manager of Sales Division 2</p> <p>Apr. 2018 Corporate Officer; President of Home Products Division H.Q.</p> <p>Apr. 2021 Executive Officer; President of Home Products Division H.Q.</p> <p>Apr. 2022 Executive Officer; President of Home Products Division H.Q. (to present)</p> <p>Jun. 2022 Director (to present)</p>	8,400 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Naonori NAKAYAMA serves as the person responsible for the Home Products Division H.Q., contributes significantly to the development of the business, and has abundant experience and broad insight of the consumer goods-related business.</p> <p>Taking into account the above facts, the Company determined that he is capable of providing sound advice on the general management of the Company and contributing to the future enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests]</p> <p>There is no special interest between Naonori NAKAYAMA and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<p style="text-align: center;">Reelection Outside Independent Officer</p> <p style="text-align: center;">Atsuko SUZUKI (September 9, 1962)</p> <p>[Years as Director (as of the conclusion of this meeting)] 3 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1986 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)</p> <p>Apr. 2008 Director and Manager of the CSR Office (resigned in December 2014)</p> <p>Apr. 2010 Outside Director and Auditor, Nara Women's University (resigned in December 2012)</p> <p>Jan. 2015 Joined Asahi Breweries, Ltd.</p> <p>Apr. 2015 Manager of the Social Environment Department</p> <p>Oct. 2015 Manager of the Sustainability Promotion Section, Olympic/Paralympic Promotion Headquarters (concurrently held)</p> <p>Apr. 2017 Director and General Manager of the CSR Division of Asahi Group Holdings, Ltd.</p> <p>May 2019 Resigned from Asahi Breweries, Ltd.</p> <p>Jun. 2020 Outside Director of the Company (to present) (Significant concurrent positions outside the Company) Outside Director (Audit and Supervisory Committee Member) of ASAHI CO., LTD.; External Audit & Supervisory Board Member of Lion Corporation</p>	0 shares
6	<p>[Reasons for nomination as candidate for outside Director and overview of expected roles]</p> <p>Although Atsuko SUZUKI has not been directly involved in business administration other than being an outside Director, she does possess abundant experience and broad insight into strategic CSR/ESG development aimed at bolstering a company's social standing, namely in the form of past experience promoting diversity, formulating CSR policy and promoting ESG strategy at other companies.</p> <p>The Company determines that it can be expected that her active advice at meetings of the Board of Directors offering an independent perspective away from management involved in business operations will help tie CSR activities into the Company's business operations, and further enhance corporate governance for the Group, and proposes that she again be elected as outside Director of the Company.</p> <p>[Special interests]</p> <p>There is no special interest between Atsuko SUZUKI and the Company.</p> <p>Notes: 1. Atsuko SUZUKI is a candidate for outside Director. Furthermore, she satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning her appointment as an independent officer.</p> <p>2. Although Atsuko SUZUKI was involved in the execution of business at Panasonic Corporation (currently Panasonic Holdings Corporation) through to December 2014, and the Company and Panasonic Corporation have supply transactions, with the transaction amount for such accounting for less than 2% of the consolidated net sales of the Company for the most recent fiscal year.</p> <p>3. Atsuko SUZUKI is currently an outside Director of the Company, and at the conclusion of this meeting, her tenure will have been three years.</p> <p>4. The Company has entered into an agreement with Atsuko SUZUKI to limit her liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If her reelection is approved, the Company plans to maintain the aforementioned agreement with her.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p style="text-align: center;">Reelection Outside Independent Officer</p> <p style="text-align: center;">Hirohiko SUMIDA (August 21, 1956)</p> <p>[Years as Director (as of the conclusion of this meeting)] 1 year [Attendance at Board of Directors meetings] 10/10 (100%)</p>	<p>Feb. 1991 Joined Mitsubishi Corporation</p> <p>Jan. 2003 General Manager of Strategic IT Planning and Solution Business Unit, Living Essentials Group</p> <p>Apr. 2008 CIO of Living Essentials Group</p> <p>Feb. 2011 Joined Toyo Kohan Co., Ltd.</p> <p>Apr. 2011 Executive Officer, Chief and General Manager of President's office</p> <p>Apr. 2012 Executive Officer, Chief of Strategic Planning Division and General Manager of Business Development Dept.</p> <p>Jun. 2012 Director</p> <p>Apr. 2013 Director and Executive Officer, Chief of Strategic Planning Division</p> <p>Jun. 2014 Representative Director and President</p> <p>Jun. 2014 Corporate Officer of Toyo Seikan Group Holdings, Ltd.</p> <p>Jun. 2018 Director, Toyo Kohan Co., Ltd. (resigned in March 2022)</p> <p>Jun. 2018 Executive Vice President and Director, Toyo Seikan Group Holdings, Ltd. (resigned in June 2022)</p> <p>Jun. 2022 Outside Director of the Company (to present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Not applicable</p>	0 shares
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles] Hirohiko SUMIDA possesses keen insight and abundant experience gained through his service as a representative director and president at another company, in addition to extensive knowledge of IT. The Company determines that it can be expected that his pertinent advice on matters concerning the overall management of the Company will improve the effectiveness of the decision-making and supervisory functions of the Board of Directors, and further enhance corporate governance for the Group, and proposes that he again be elected as outside Director of the Company.</p> <p>[Special interests] There is no special interest between Hirohiko SUMIDA and the Company.</p> <p>Notes: 1. Hirohiko SUMIDA is a candidate for outside Director. Furthermore, he satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning his appointment as an independent officer.</p> <p>2. Hirohiko SUMIDA is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been one year.</p> <p>3. The Company has entered into an agreement with Hirohiko SUMIDA to limit his liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If his reelection is approved, the Company plans to maintain the aforementioned agreement with him.</p>			

Proposal No. 3**Election of One Substitute Director Who Is an Audit and Supervisory Committee Member**

At the commencement of this meeting, the validity of election of Yusaku AKASAKI, who was elected as a substitute Director who is an Audit and Supervisory Committee Member at the 75th Annual General Meeting of Shareholders held on June 24, 2021, will expire. Therefore, the Company again proposes the election of one substitute Director who is an Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The validity of the resolution for this proposal shall be until the commencement of the Annual General Meeting of Shareholders for the final business year ending within two years of this resolution, and can be nullified by resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that it is only in a time before assuming office.

In addition, the consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal. The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Reelection Substitute Outside Independent Officer</p> <p>Yusaku AKASAKI (January 20, 1983)</p>	<p>Dec. 2008 Graduated from the Supreme Court Legal Training and Research Institute Registered with Osaka Bar Association Joined Chuo Sogo Law Office, P.C. (to present)</p> <p>Jun. 2018 Registered as attorney in the state of New York</p> <p>Apr. 2021 Part-time lecturer at the Graduate School of Law / Faculty of Law, Kyoto University (to present)</p> <p>(Significant concurrent positions outside the Company) Director, Audit and Supervisory Committee Member of SPK Corporation; Outside Director of Smart Value, Inc.</p>	<p>0 shares</p>

[Reasons for nomination as candidate for substitute outside Director who is an Audit and Supervisory Committee Member and overview of expected roles]

Although Yusaku AKASAKI has not been directly involved in business administration other than being an outside Director, he does possess abundant experience and broad insight gained as an attorney-at-law, mainly in corporate legal matters such as M&A, corporate scandals, and responses to shareholders' meetings, as well as in various other matters such as dispute resolution and general domestic and international transactions.

The Company expects that, should he be appointed as an outside Director of the Company who is an Audit and Supervisory Committee Member, he will be able to provide valuable advice and appropriate audits and supervision in deliberation on proposals at meetings of the Board of Directors in the fields of legal affairs and risk management, from an objective and neutral standpoint, based on his extensive knowledge and wealth of experience cultivated as a lawyer. The Company therefore proposes that he be elected as a substitute outside Director who is an Audit and Supervisory Committee Member.

[Special interests]

There is no special interest between Yusaku AKASAKI and the Company.

- Notes:
1. Yusaku AKASAKI is a candidate for substitute outside Director who is an Audit and Supervisory Committee Member. Furthermore, he satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and, should he be appointed as outside Director who is an Audit and Supervisory Committee Member, the Company plans to submit notification to the aforementioned exchange concerning his appointment as an independent officer.
 2. While Yusaku AKASAKI belongs to Chuo Sogo Law Office, P.C., to which the Company entrusts services and from which the Company receives legal advice from attorneys-at-law in the firm other than the candidate, the annual amount of consulting fees paid by the Company to the firm is less than ¥10 million.
 3. Should Yusaku AKASAKI be appointed as outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with him to limit his liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations.
 4. The Company has entered into a liability insurance contract with an insurance company for officers, etc. as stipulated in Article 430-3, paragraph 1 of the Companies Act. This insurance policy covers the costs of disputes and damages incurred by the insured due to third party lawsuits, shareholder representative lawsuits, corporate lawsuits, etc., and the Company bears the full amount of all insurance premiums for the insured. If Yusaku AKASAKI is appointed as an outside Director who is an Audit and Supervisory Committee Member, he will be included in the insurance policy.

(Reference Information 1) Skill Matrix of the Company’s Board of Directors

The Board of Directors is made up of Directors who have the ability to adapt to change to effectively make important decisions and perform supervision of the execution of operations based on the Company’s philosophy of “Management of Fostering Personnel,” “Management of Breaking Through” and “Management of Trust,” and possess diverse knowledge, experience and capabilities thought to be required in light of the Company’s management strategy.

	Position in the Company	Name	Skills (Knowledge, Experience, Capabilities, Etc.)						
			General Management	Sales and Marketing	Global	Finance and Accounting	Legal and Risk Management	Personnel and Human Resource Development	ESG and Sustainability
1	Director, Chairman	Yuji NAGAO	○	○	○			○	○
2	Representative Director, President & CEO	Koji KISHIDA	○	○	○				
3	Representative Director	Kimihisa SASAKI	○	○				○	
4	Director	Masamichi YAMAZOE	○		○	○	○	○	
5	Director	Naonori NAKAYAMA	○	○	○				
6	Outside Director	Atsuko SUZUKI			○				○
7	Outside Director	Hirohiko SUMIDA	○	○	○				
8	Director Full-time Audit and Supervisory Committee Member	Satoshi MURAI			○	○		○	
9	Outside Director Audit and Supervisory Committee Member	Yoshinori TSUDA				○	○		
10	Outside Director Audit and Supervisory Committee Member	Naoko NAKATSUKASA			○		○		

Note: The skill matrix does not represent all of the knowledge of each Director.

(Reference Information 2) Policy on Cross-Shareholdings and Status of Cross-Shareholdings

Each year, the Board of Directors scrutinizes the necessity of holding or disposing of cross-shareholdings for each individual issue from the viewpoint of whether the purpose of holding is appropriate and whether the benefits and risks associated with holding the shares are commensurate with the cost of capital. As a result of this scrutiny, the Company has confirmed that all of the cross-shareholdings are appropriate. We will strive to reduce the amount while carefully assessing the impact on business relationships with suppliers as circumstances change in the future. As a result, as of March 31, 2023, the number of cross-shareholdings, including unlisted stocks, is 57 issues.

Sales of cross-shareholdings over the past three years

	FY2020		FY2021		FY2022	
	Number of stocks sold	Sold all	1 issue	Sold all	3 issues	Sold all
			Partial sale	3 issues	Partial sale	3 issues

Number of issues of cross-shareholdings and amounts reported on the balance sheet

Category		FY2020	FY2021	FY2022
Number of stocks	Listed stocks	43	41	40
	Unlisted stocks	18	*16	17
	Total	61	57	57

* One decrease in unlisted stocks is due to liquidation of a company.

		FY2020	FY2021	FY2022
Balance sheet amount (Millions of yen)	Listed stocks	17,104	15,249	15,716
	Unlisted stocks	425	384	488
	Total	17,529	15,633	16,204