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(Securities Code: 2270)

June 7, 2023

(Electronic provisional measures commence on May 31, 2023)

**To Shareholders with Voting Rights:**

1-1, Naebocho 6-chome, Higashi-ku,  
Sapporo City, Hokkaido  
MEGMILK SNOW BRAND Co., Ltd.  
Representative Director and President  
Masatoshi Sato

**NOTICE OF  
THE 14TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby informed that the 14th Annual General Meeting of Shareholders of MEGMILK SNOW BRAND Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and posted the matters subject to the measures for electronic provision on the following website.

The Company’s website (English) <https://www.meg-snow.com/english/investors/stock-information/>

In addition to the Company’s website, matters subject to the measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search service) below, perform a search by entering “Megmilk Snow Brand” as the “Company name” or “2270” as the “Code,” and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

TSE website (Listed Company Search service) (English)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

We will be offering a live stream via the Internet on the day so that the shareholders can view the General Meeting of Shareholders.

For exercising your voting rights in advance, please review the attached “Reference Documents for the General Meeting of Shareholders,” **exercise your voting rights via the Voting Rights Exercise Form or Internet by 6:00 p.m. on Tuesday, June 27, 2023, Japan time.**

- 1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m., Japan time  
(Reception begins at 9:00 a.m.)
- 2. Place:** 3rd Floor of International Convention Center Pamir, Sapporo Prince Hotel  
Nishi 12-chome, Minami 3-jo, Chuo-ku, Sapporo  
\*A map to the venue can be found on the back cover of this booklet.
- 3. Meeting Agenda:**  
**Matters to be reported:** The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company’s 14th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

**Proposals to be resolved:**

- Proposal 1:** Election of Nine Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 2:** Election of Two Substitute Directors Serving as Audit and Supervisory Committee Members
- Proposal 3:** Revision of the Compensation Amount for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 4:** Revision of the Amount and Details of Performance-based Stock Compensation for Directors

**4. Matters Concerning Exercise of Voting Rights, etc.**

Please review “Matters Concerning Exercise of Voting Rights” on pages 3.

**5. Matters Concerning the Meeting**

- (1) For shareholders who have given consent to receive Notices of General Meetings of Shareholders via the Internet and indicated that paper copies of the Voting Rights Exercise Form are not required, the Company has not sent Voting Rights Exercise Forms. If you plan to attend on the day of the Meeting, please request a paper copy of the Voting Rights Exercise Form from the shareholder registry administrator (Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.) by Tuesday, June 20, 2023 at 5:00 p.m., Japan time.
- (2) Votes may only be exercised via proxy if the proxy is a shareholder with voting rights in the Company. You may not designate more than one proxy. Additionally, in this event, the Voting Rights Exercise Form of the shareholder must be submitted accompanied by written documentation proving the authority of the proxy.
- (3) Shareholders who require assistance or Japanese interpretation are allowed to be accompanied by one caregiver or interpreter. However, unless these accompanying individuals are shareholders with voting rights, their speech and conduct will be limited to their capabilities as a caregiver or interpreter.
- (4) If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it shall be deemed a vote of approval.
- (5) If a shareholder exercises the voting rights in duplicate by postal mail and via electromagnetic means (e.g., Internet), the voting rights exercised via electromagnetic means (e.g., Internet) shall be deemed valid. In addition, if a shareholder exercises the voting rights more than once via electromagnetic means (e.g., Internet), the last vote cast shall be deemed valid.

<p>[Contact Information for Voting Rights Exercise Form Requests] Transfer Agent Department, Mizuho Trust &amp; Banking Co., Ltd. 8-4 Izumi 2-chome, Suginami-ku, Tokyo, 168-8507 Telephone: 0120-288-324 (Toll free within Japan) Hours of operation: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and holidays)</p>
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- When attending on the day of the Meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist. We also request that you bring these documents with you to as reference.
  - In the event that there are revisions to the matters subject to the measures for electronic provision, the revision details shall be posted on the websites shown above.
  - In convening this General Meeting, the Company has sent physical documents containing the matters subject to the measures for electronic provision to all shareholders, irrespective of whether they requested provision of physical documents. However, of the matters subject to the measures for electronic provision, the following items are posted on the websites of the Company and the Tokyo Stock Exchange in accordance with laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are not included in the physical documents sent. As a result, the physical documents sent are a subset of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor to prepare the Audit Reports.
    1. Basic Policies on Control of a Stock Company
    2. Consolidated Statement of Changes in Net Assets
    3. Notes to Consolidated Financial Statements
    4. Non-consolidated Statement of Changes in Net Assets
    5. Notes to Non-consolidated Financial Statements
  - Please note that the proceedings of this General Meeting of Shareholders will be conducted entirely in Japanese.
  - Please be mindful of your own health, and if you are not in good physical condition, please do not feel obliged to attend and rather consider abstaining from attending the meeting.

# Matters Concerning Exercise of Voting Rights

## 1. Exercise of Voting Rights via Mail

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and **return it so that it arrives by 6:00 p.m. on Tuesday, June 27, 2023, Japan time.**

## 2. Exercise of Voting Rights via the Internet, etc.

### (1) Voting Rights Exercise Website

In lieu of exercising voting rights via writing, voting rights may be exercised on the “Voting Rights Exercise Website” (below) designated by the Company. For shareholders who wish to exercise voting rights via the Internet, please log in and follow the on-screen instructions by utilizing the voting rights exercise code and password printed along the right edge of the enclosed Voting Rights Exercise Form. For security purposes, you will be required to change your password upon initial login.

**<https://soukai.mizuho-tb.co.jp/>**

### (2) Exercise of Voting Rights

- a. **Votes exercised by 6:00 p.m. on Tuesday, June 27, 2023, Japan time are valid.**
- b. In the event that voting rights are exercised both via writing and the Internet, the vote cast via the Internet shall be deemed valid.
- c. In the event that voting rights are exercised multiple times via the Internet, the most recent vote cast shall be deemed valid.

### (3) Passwords

- a. Passwords (including those modified by shareholders) are valid only for this general meeting. New passwords will be issued for the next General Meeting of Shareholders.
- b. Passwords are an important method to verify the identity of shareholders that are exercising votes via the voting rights exercise website. Please ensure that other people do not know your password. The Company and the shareholder registry administrator (Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.) will never request passwords from shareholders.
- c. After a certain number of failed login attempts, the password will become locked and invalid. If it becomes locked, please follow the on-screen instructions.

### (4) Other Matters to Note

- a. Expenses to use the Internet (Internet service provider fees, transmission fees, etc.) are to be borne by the shareholder.
- b. The voting rights exercise website has been tested with typical Internet connection equipment, but the website may not be accessible depending upon your equipment.
- c. For any questions, please contact the organizations below.

**[Contact Information]**

1. Dedicated line for inquiries concerning using the voting rights exercise website, etc.  
Internet Help Center, Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.  
Telephone: 0120-768-524 (Toll free within Japan)  
Hours of operation: 9:00 a.m. to 9:00 p.m. (excluding Saturdays, Sundays, and holidays)
2. Inquiries concerning questions other than 1. above  
Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.  
Telephone: 0120-288-324 (Toll free within Japan)  
Hours of operation: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and holidays)

### ◇ Exercise of Voting Rights via the “Electronic Voting Rights Exercise Platform” for Institutional Investors

Institutional investors that have applied to use the Electronic Voting Rights Exercise Platform operated by ICJ Co., Ltd. ahead of time may use the Platform as the electronic method for exercise of voting rights for this General Meeting of Shareholders of the Company.

## Live Streaming of General Meeting of Shareholders

We will be offering a live stream via the Internet so that the shareholders can view the General Meeting of Shareholders.

Available from:	Wednesday, June 28, 2023 at 10:00 a.m.	
How to watch the live stream:	<p>Click on the “14th Ordinary General Meeting of Shareholders Live Streaming” button on the Company’s website, and enter your shareholder ID and password on the login screen to view the stream.</p> <p>Streaming URL:  <a href="https://www.meg-snow.com/ir/stockinformation/shareholders/">https://www.meg-snow.com/ir/stockinformation/shareholders/</a></p> <p>Shareholder ID: “<u>Shareholder Number</u>” stated on the Voting Rights Exercise Form (9 digits)</p> <p>Password: Shareholder’s “<u>Postal Code</u>” on the address registered on the shareholders registry current as of March 31, 2023 (7 digits, no hyphens)</p>	

### Important notes

[Important note for those attending the General Meeting of Shareholders in person]

- While we will make every effort to avoid showing attending shareholders on the stream, please be aware that you may be shown on the stream under unavoidable circumstances.

[Important notes for shareholders watching the live stream of the General Meeting of Shareholders]

- Unlike those attending the Meeting in person, those viewing the live stream will not be able to participate in voting on the day of the Meeting. Please exercise your voting rights in advance by mail or via the Internet (please see page 3). In addition, please note that we will not be able to accept questions or comments from shareholders watching the live stream during the deliberation.
- Viewing the stream may not be possible depending on your computer, Internet connection, Internet traffic conditions, etc.
- The live stream may be unavoidably interrupted or suspended due to circumstances such as equipment or system trouble.
- Shareholders are responsible for any costs related to viewing the stream.
- It is prohibited to reproduce, publish, or reprint the video or audio data of the live stream, or to provide it to a third party.
- The sharing of shareholder IDs and passwords with third parties is strictly prohibited.
- In order to protect the privacy of shareholders attending the Meeting, only the areas near the Meeting chairperson and the officers will be shown in the live stream.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal 1:** Election of Nine Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The term of office of all nine Directors (excluding Directors Serving as Audit and Supervisory Committee Members; hereinafter the same applies within this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect nine Directors.

In the event that the election of the Directors is approved, the term of office of Directors will be up to the conclusion of the next Annual General Meeting of Shareholders.

The candidates for Director were decided after deliberation by the Nomination Advisory Committee, which comprises of a majority of independent External Directors.

The candidates for Director are as follows:

No.	Name	Present positions at the Company	Present responsibilities at the Company	Candidate category
1	Masatoshi Sato	Representative Director and President	Overall management	Reappointment
2	Tomomi Ishii	Representative Director and Executive Vice President	Overall management (Operations management) and assistant to the President, In charge of General Affairs and Secretarial Dept.	Reappointment
3	Hideki Motoi	Representative Director and Executive Vice President	Overall management (Administration management) and assistant to the President, In charge of Personnel and Internal Audit	Reappointment
4	Takehiko Inoue	Director and Managing Executive Officer	In charge of Production and Production Technology	Reappointment
5	Satoshi Inaba	Director and Managing Executive Officer	In charge of Dairy Foods Marketing, Milk Beverages & Desserts Marketing, and Functional Food Marketing	Reappointment
6	Ryoichi Sueyasu	Director and Managing Executive Officer	In charge of International Dept. and Purchasing	Reappointment
7	Teiji Iwahashi	Director and Managing Executive Officer	In charge of Affiliated Company Control, Deputy Manager of General Affairs	Reappointment
8	Kumiko Bando	External Director	—	Reappointment External Director Independent Officer
9	Hiroshi Fukushi	External Director	—	Reappointment External Director Independent Officer

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Reappointment Masatoshi Sato (January 18, 1963)</p> <p>Record of attendance at Board of Directors meetings 13 out of 13 (100%)</p> <p>Years in office 1 year</p>	<p>April 1985      Joined Snow Brand Milk Products Co., Ltd.</p> <p>October 2008    Deputy General Manager, Corporate Planning Dept. of Nippon Milk Community Co., Ltd.</p> <p>October 2009    Sendai Branch manager of Nippon Milk Community Co., Ltd.</p> <p>April 2011      General Manager, Metropolitan West Sales Branch Office of the Company</p> <p>April 2013      Deputy General Manager, Corporate Planning Div.</p> <p>June 2014      General Manager, Chubu Regional Sales Office</p> <p>April 2017      General Manager, Secretarial Dept.</p> <p>April 2019      General Manager, Dairy Foods Marketing Dept.</p> <p>June 2020      Managing Executive Officer</p> <p>April 2022      President and Chief Executive Officer</p> <p>June 2022      Representative Director and President (current position)</p> <p>(Responsibilities) Overall management</p> <p>(Significant concurrent positions) Chairman of Japan Cheese Promotion Council Committee Chair of Japan Cheese Fair Trade Council Chairman of Japan Milk Fair Trade Conference</p>	<p>Common stock 3,641 shares</p>
<p>[Reasons for selecting the candidate for Director] Mr. Masatoshi Sato has extensive experience and wide-ranging insight as a corporate manager, as well as expertise in the Company's business including marketed milk for home use, and has shown leadership as a top executive by setting forth clear management policies and others. The Company has determined that he has the appropriate experience and capabilities to serve as Director of the Company and has reappointed him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
2	Reappointment Tomomi Ishii (July 5, 1957)  Record of attendance at Board of Directors meetings 13 out of 13 (100%)  Years in office 1 year	April 1980 April 2007 January 2008 July 2010 June 2013 June 2021 June 2022  (Responsibilities) Overall management (Operations management) and assistant to the President, In charge of General Affairs and Secretarial Dept.	Joined National Federation of Agricultural Cooperative Associations (ZEN-NOH) Deputy General Manager, Headquarters Livestock Production Division of ZEN-NOH General Manager, Headquarters Livestock Production Division of ZEN-NOH Senior Executive Director, Scientific Feed Laboratory Co., Ltd. Representative Director and President, Scientific Feed Laboratory Co., Ltd. Managing Executive Officer of the Company Representative Director and Executive Vice President (current position)	Common stock 1,400 shares
		[Reasons for selecting the candidate for Director] Mr. Tomomi Ishii has extensive experience and wide-ranging insight as a corporate manager, as well as expertise in the livestock and feed sectors and other fields, and has shown leadership as a management executive. The Company has determined that he has the appropriate experience and capabilities to serve as Director of the Company and has reappointed him as a candidate for Director.		
3	Reappointment Hideki Motoi (December 20, 1961)  Record of attendance at Board of Directors meetings 18 out of 18 (100%)  Years in office 7 years	April 1984 July 2004 August 2005 July 2007 July 2009 October 2009 April 2011 July 2011 June 2014 May 2016 June 2016 June 2019  (Responsibilities) Overall management (Administration management) and assistant to the President, in charge of Personnel and Internal Audit	Joined The Norinchukin Bank General Manager, Naha Branch of The Norinchukin Bank General Manager of JA Sales Dept. of Mizuho Securities Co., Ltd. Deputy General Manager, Credit & Alternative Portfolio Planning Div. of The Norinchukin Bank General Manager, Corporate Planning Dept. of Snow Brand Milk Products Co., Ltd. General Manager, Corporate Planning Dept. of the Company General Manager, Corporate Planning Div. General Manager, Agriculture, Forestry, Fishery & Ecology Business Planning Div. of The Norinchukin Bank Managing Director of The Norinchukin Bank Adviser of the Company Director and Managing Executive Officer Representative Director and Executive Vice President (current position)	Common stock 6,690 shares
		[Reasons for selecting the candidate for Director] Mr. Hideki Motoi possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with the fields such as management planning, personnel, finance, information systems, and others, and has shown leadership as a management executive. The Company has determined that he has the appropriate experience and capabilities to serve as a Director of the Company and has reappointed him as a candidate for Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Reappointment Takehiko Inoue (December 15, 1965)	April 1989	Joined Snow Brand Milk Products Co., Ltd.	Common stock 2,127 shares
	Record of attendance at Board of Directors meetings 18 out of 18 (100%)	April 2015 April 2017 April 2019 June 2020 June 2023	General Manager, Fukuoka Plant of the Company General Manager, Taiki Plant General Manager, Production Dept. Director and Managing Executive Officer Director and Managing Executive Officer, General Manager, Production Dept. (current position)	
	Years in office 3 years	(Responsibilities) In charge of Production and Production Technology		
[Reasons for selecting the candidate for Director] Mr. Takehiko Inoue has abundant and wide-ranging experience in the production division, and is particularly familiar with the fields of production technology and production control. The Company has determined that he has the appropriate experience and capabilities to serve as a Director of the Company and has reappointed him as a candidate for Director.				
5	Reappointment Satoshi Inaba (December 20, 1963)	April 1987	Joined Snow Brand Milk Products Co., Ltd.	Common stock 3,933 shares
	Record of attendance at Board of Directors meetings 18 out of 18 (100%)	October 2009 April 2011 June 2013 June 2015 June 2018 June 2020 June 2021	Deputy General Manager, Secretarial Dept. of the Company General Manager, Secretarial Dept. Deputy General Manager, Research & Development Dept. General Manager, Corporate Planning Div. President and Representative Director of Bean Stalk Snow Co., Ltd. Managing Executive Officer of the Company Director and Managing Executive Officer (current position)	
	Years in office 2 years	(Responsibilities) In charge of Dairy Foods Marketing, Milk Beverages & Desserts Marketing, and Functional Food Marketing		
[Reasons for selecting the candidate for Director] Mr. Satoshi Inaba has experience as General Manager of Corporate Planning Div. and President of a group company and is particularly familiar with the fields of group management, nutrition business, and dairy foods business, etc. The Company has determined that he has the appropriate experience and capabilities to serve as a Director of the Company and has reappointed him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Reappointment Ryoichi Sueyasu (September 20, 1959)	April 1983	Joined Snow Brand Milk Products Co., Ltd.	Common stock 9,244 shares
	Record of attendance at Board of Directors meetings 12 out of 13 (92%)	April 2007	General Manager, Logistics Division of Snow Brand Milk Products Co., Ltd.	
October 2007		General Manager, Purchase Division of Snow Brand Milk Products Co., Ltd.		
May 2009		General Manager, International Nutritional Foods Division of Snow Brand Milk Products Co., Ltd.		
October 2009		Deputy General Manager, International Strategic Planning Group, Corporate Planning Dept. of the Company		
April 2011		Deputy General Manager, International Strategic Planning Group, International Dept.		
November 2012		Representative Director and Vice President, PT. Megmilk Snow Brand Indonesia		
April 2018		Managing Executive Officer, General Manager of International Dept., of the Company		
April 2020		Managing Executive Officer		
June 2022	Director and Managing Executive Officer (current position)			
	Years in office 1 year	(Responsibilities) In charge of International Dept. and Purchasing		
[Reasons for selecting the candidate for Director] Mr. Ryoichi Sueyasu has extensive experience in logistics, purchasing, and overseas business, as well as in central and important responsibilities of the Group's international business development. The Company has determined that he has the appropriate experience and capabilities to serve as a Director of the Company and has reappointed him as a candidate for Director.				
7	Reappointment Teiji Iwahashi (March 1, 1964)	April 1987	Joined Snow Brand Milk Products Co., Ltd.	Common stock 1,614 shares
	Record of attendance at Board of Directors meetings 13 out of 13 (100%)	March 2014	General Manager, Osaka Branch Office of the Company	
April 2016		General Manager, Affiliated Company Control Dept.		
June 2020		General Manager, Dairy Foods Marketing Dept.		
April 2021		Managing Executive Officer		
June 2022		Director and Managing Executive Officer (current position)		
	Years in office 1 year	(Responsibilities) In charge of Affiliated Company Control, Deputy Manager of General Affairs		
[Reasons for selecting the candidate for Director] Mr. Teiji Iwahashi has experience in the dairy foods and marketed milk household business, as well as in central and important responsibilities of the group management. The Company has determined that he has the appropriate experience and capabilities to serve as a Director of the Company and has reappointed him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<p>Reappointment External Director Independent Officer</p> <p>Kumiko Bando (April 25, 1954)</p> <p>Record of attendance at Board of Directors meetings 13 out of 13 (100%)</p> <p>Years in office 1 year</p>	<p>April 1977      Joined Ministry of Education</p> <p>April 1998      Vice-Governor, Akita Prefecture</p> <p>July 2006      Director-General, Gender Equality Bureau of Cabinet Office</p> <p>July 2009      Director-General, Lifelong Learning Policy Bureau of Ministry of Education, Culture, Sports, Science and Technology</p> <p>January 2012    Director-General, Higher Education Bureau of Ministry of Education, Culture, Sports, Science and Technology</p> <p>July 2013      Deputy Minister, Ministry of Education, Culture, Sports, Science and Technology</p> <p>August 2014    Secretary-General, Consumer Affairs Agency</p> <p>October 2017   Director, Japan Legal Support Center</p> <p>April 2018      President, Japan Legal Support Center</p> <p>May 2018      Governor, National Hospital Organization</p> <p>April 2022      Executive Governor, Japanese Red Cross Society (current position)</p> <p>June 2022      External Director of the Company (current position)</p> <p>(Significant concurrent positions)</p> <p>Executive Governor, Japanese Red Cross Society</p> <p>Executive Director, Tsuda University</p> <p>Director, The Toyota Foundation</p> <p>Member of New Technology Effectiveness Evaluation Committee of Cabinet Office</p>	<p>Common stock 149 shares</p>
<p>[Reasons for selecting the candidate for External Director and outline of expected role]</p> <p>Ms. Kumiko Bando has a wealth of experience in dealing with administrative and consumer issues, etc., based on a consumer perspective, and can be expected to provide important advice and oversight in the continuation of our “consumer-focused business operation,” although she has not been directly involved in the management of a company in the past. She also has a great deal of experience and knowledge in sustainability issues such as “human rights,” “diversity,” “life and work balance,” and “Contributing to local communities, Partnering with local communities.” The Company has determined that she can be expected to provide constructive advice on important management issues facing the Group, and has therefore reappointed her as a candidate for External Director.</p> <p>[Independence as an External Director]</p> <p>Ms. Kumiko Bando has been filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange.</p> <p>She is not scheduled to receive large sums of money or property (excluding remuneration as a Director) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, she is not a spouse, a relative within the third degree of kinship or the equivalent thereof of an executive officer or a non-executive director of the Company or a business entity that has a special relationship with the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Reappointment External Director Independent Officer</p> <p>Hiroshi Fukushi (April 25, 1958)</p> <p>Record of attendance at Board of Directors meetings 13 out of 13 (100%)</p> <p>Years in office 1 year</p>	<p>April 1984      Joined Ajinomoto Co., Inc.</p> <p>July 2009      General Manager, Amino Acids Dept. of Ajinomoto Co., Inc.</p> <p>June 2011      Member of the Board of Ajinomoto Co., Inc.</p> <p>June 2013      Member of the Board &amp; Corporate Vice President of Ajinomoto Co., Inc. General Manager, Bioscience Products &amp; Fine Chemicals Division of Ajinomoto Co., Inc.</p> <p>June 2015      Member of the Board &amp; Corporate Senior Vice President of Ajinomoto Co., Inc.</p> <p>June 2017      Representative Director, Member of the Board &amp; Corporate Senior Vice President of Ajinomoto Co., Inc.</p> <p>June 2019      Member of the Board &amp; Corporate Executive Deputy President of Ajinomoto Co., Inc. Chief Digital Officer (CDO) of Ajinomoto Co., Inc.</p> <p>June 2021      Representative Executive Officer &amp; Executive Vice President of Ajinomoto Co., Inc.</p> <p>July 2021      External Director of Marketing Applications, Inc. (currently Greater Fukuoka, Inc.) (current position)</p> <p>June 2022      Senior Corporate Advisor of Ajinomoto Co., Inc. (current position)</p> <p>June 2022      External Director of the Company (current position)</p> <p>(Significant concurrent positions) Chairman, Japan Food Additives Association Vice Chairman, Japan Food Hygiene Association Outside Director, TOYOBO CO., LTD.</p>	Common stock 500 shares
J	<p>[Reasons for selecting the candidate for External Director and outline of expected role] Mr. Hiroshi Fukushi has a wealth of experience from all angles, including overseas and business management experience, research and development experience, and promotion of corporate reform as CDO. The Company has determined that he can be expected to provide advice on the growth strategies of the Group and guidance based on his knowledge as an experienced manager of a company that is making pioneering efforts toward sustainability, and has reappointed him as a candidate for External Director.</p> <p>[Independence as an External Director] Mr. Hiroshi Fukushi has been filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange. He is not scheduled to receive large sums of money or property (excluding remuneration as a Director) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, he is not a spouse, a relative within the third degree of kinship or the equivalent thereof of an executive officer or a non-executive director of the Company or a business entity that has a special relationship with the Company.</p>		

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of years in office for each candidate is as of the conclusion of this Annual General Meeting of Shareholders.
3. Ms. Kumiko Bando and Mr. Hiroshi Fukushi are candidates for External Director.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company. A summary of the contents of the insurance contract is as shown on page 46 of the Business Report (available only in Japanese). If the election of the candidates for Directors is approved, they will continue to be included as the insured under the insurance contract. The insurance contract is scheduled to be renewed with the same contents at the next renewal.
5. The Company has concluded liabilities limitation contracts pursuant to Article 423, paragraph 1 of the Companies Act with Ms. Kumiko Bando and Mr. Hiroshi Fukushi, respectively. The terms of the contracts have stipulated that their upper limit of liabilities toward the Company is ¥10 million, or the amount provided by laws and regulations, whichever is greater. If they are reappointed, the Company plans to continue with said contracts.
6. Designation of Independent Officers is made pursuant to the “MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors” on page 15-16.

**Proposal 2:** Election of Two Substitute Directors Serving as Audit and Supervisory Committee Members

To prepare for the case where the number of Directors Serving as Audit and Supervisory Committee Members falls below the number required by laws and regulations, the Company proposes the election of two Substitute Directors Serving as Audit and Supervisory Committee Members.

The candidates for Substitute Directors Serving as Audit and Supervisory Committee Members are as follows. Mr. Kotaro Yamashita is a candidate for Substitute Director for Mr. Shinya Kosaka. Similarly, Mr. Tomohiko Manabe is a candidate for Substitute External Director for Mr. Ikuo Nishikawa and Mr. Akito Hattori. The resolution of this proposal shall remain in effect up to the beginning of the next Annual General Meeting of Shareholders.

The candidates for Substitute Directors Serving as Audit and Supervisory Committee Members were decided after deliberation by the Nomination Advisory Committee, which comprises of a majority of independent External Directors.

In addition, this proposal has been approved in advance by the Audit and Supervisory Committee.

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
1	Kotaro Yamashita (October 7, 1962)	<p>June 1995      Joined Snow Brand Milk Products Co., Ltd.  April 2010      Deputy General Manager, General Affairs Dept. of the Company  June 2013      General Manager, General Affairs Dept.  April 2017      General Manager, Internal Audit Dept.  June 2020      General Manager, Audit Office of Snow Brand Seed Co., Ltd.  June 2021      Corporate Auditor of Snow Brand Seed Co., Ltd. (current position)    To the present    (Significant concurrent positions)  Corporate Auditor of Snow Brand Seed Co., Ltd.</p>	Common stock 2,411 shares
<p>[Reasons for selecting the candidate for Substitute Director Serving as Audit and Supervisory Committee Member]  As Mr. Kotaro Yamashita has abundant experience in audits at the Company and group companies, the Company has determined that he has the appropriate experience and capabilities to supervise and audit Directors' business execution, etc., and has appointed him as a candidate for Substitute Director Serving as Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
2	Tomohiko Manabe (October 3, 1963)	<p>October 1991      Joined Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>May 2007          Partner of Ernst &amp; Young ShinNihon (currently Ernst &amp; Young ShinNihon LLC)</p> <p>July 2010          Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm</p> <p>July 2013          Senior Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm</p> <p>May 2015          Outside Director of Freund Corporation</p> <p>June 2015          Outside Corporate Auditor of NIPPON SHUPPAN HANBAI INC. (currently NIPPAN GROUP HOLDINGS, INC.) (Scheduled to retire in June 2023)</p> <p>June 2017          Outside Corporate Auditor of Shuppan Kyodo Ryutsu Inc. (Scheduled to retire in June 2023)</p> <p>March 2019        Corporate Auditor of Humans' Data Inc. (current position)</p> <p>June 2019        Councilor of the Nakabe Scholarship Foundation (current position)</p> <p>September 2020   Representative Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm (current position)</p> <p style="text-align: right;">To the present</p> <p>(Significant concurrent positions)</p> <p>Representative Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm</p> <p>Outside Corporate Auditor of NIPPAN GROUP HOLDINGS, INC.</p> <p>Outside Corporate Auditor of Shuppan Kyodo Ryutsu Inc.</p> <p>Corporate Auditor of Humans' Data Inc.</p> <p>Councilor of the Nakabe Scholarship Foundation</p>	Common stock 0 shares
<p>[Reasons for selecting the candidate for Substitute External Director Serving as Audit and Supervisory Committee Member and outline of expected role]</p> <p>Mr. Tomohiko Manabe has a specialized and high degree of knowledge and wide-ranging experience as a certified public accountant, although he has not been directly involved in the management of a company in the past. The Company has determined that he will be able to draw on his background in the supervision and auditing of Directors' business execution, and has appointed him as a candidate for Substitute External Director Serving as Audit and Supervisory Committee Member.</p> <p>[Independence as a Substitute External Director Serving as Audit and Supervisory Committee Member]</p> <p>Mr. Tomohiko Manabe is not scheduled to receive large sums of money or property (excluding remuneration as a Director) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, he is not a spouse, a relative within the third degree of kinship or the equivalent thereof of an executive officer or a non-executive director of the Company or a business entity that has a special relationship with the Company.</p>			

(Notes)

1. There is no significant conflict of interest between the Company and each candidate.
2. Mr. Tomohiko Manabe is a candidate for Substitute External Director Serving as Audit and Supervisory Committee Member.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company. A summary of the contents of the insurance contract is as shown on page 46 of the Business Report (available only in Japanese). In the event that the candidates are appointed as Directors Serving as Audit and Supervisory Committee Members, each of them will be included as the insured under the insurance contract.
4. In the event that each candidate assumes the position as a Director Serving as Audit and Supervisory Committee Member, the Company plans to conclude a liability limitation contract with each candidate pursuant to Article 423, Paragraph 1 of the Companies Act. The terms of the contract shall stipulate that each candidate's upper limit of liability toward the Company is ¥10 million or the amount provided by laws and regulations, whichever is greater.
5. Mr. Tomohiko Manabe meets the "MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors" on page 15-16. If he assumes the position as External Director Serving as Audit and Supervisory Committee Member, he will be filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange.

(Reference)

Skill Matrix of Candidates for Directors

MEGMILK SNOW BRAND Group's approach to the balance of the Board of Directors, etc., necessary for the Group's sustainable growth and medium- to long-term enhancement of corporate value is described in the "Nomination Policies for Candidates for Director" (page 15).

If Proposal 1 is approved as proposed, the structure of the Board of Directors will be as follows.

Name and Category	Position to be assumed	Corporate management /Business strategy	Global	Financial accounting	Legal affairs /Risk management	Consumer perspectives/ Sustainability	Sales/ Marketing	Production & Technology /R&D/SCM	Dairy farming & Procurement /Agriculture management base	HR & Labor relations/HR development
Masatoshi Sato	Representative Director and President	●				●	●		●	
Tomomi Ishii	Representative Director and Executive Vice President	●					●		●	
Hideki Motoi	Representative Director and Executive Vice President	●		●	●	●				●
Takehiko Inoue	Director and Managing Executive Officer					●		●		
Satoshi Inaba	Director and Managing Executive Officer	●					●			
Ryoichi Sueyasu	Director and Managing Executive Officer		●				●	●	●	
Teiji Iwahashi	Director and Managing Executive Officer				●		●			
Kumiko Bando External Director Independent Officer	External Director				●	●				●
Hiroshi Fukushi External Director Independent Officer	External Director	●	●			●	●	●		
Shinya Kosaka	Director Serving as Audit and Supervisory Committee Member	●		●	●		●			
Ikuo Nishikawa External Director Independent Officer	External Director Serving as Audit and Supervisory Committee Member			●						
Akito Hattori External Director Independent Officer	External Director Serving as Audit and Supervisory Committee Member				●					

## Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee carefully reviewed the proposal for election of Directors (excluding Directors Serving as Audit and Supervisory Committee Members), including confirmation of discussions at the Nomination Advisory Committee (where four External Directors, including two External Audit and Supervisory Committee Members, account for a majority of the members).

The Audit and Supervisory Committee has judged that the candidates for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) are suitable as candidates for Directors of the Company because they have been nominated through appropriate procedures and they have a high level of expertise and abundant experience and have deep knowledge of the Company's management philosophy and management approach.

### Reference Material

#### Nomination Policies for Candidates for Director

Under the premise that none of the candidates for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) fall under any of the disqualifying reasons stipulated by the Companies Act, the candidates are appointed from among persons who possess high ethics, in addition to superior personality, insight, ability, and abundant experience for conducting overall corporate monitoring and supervision of business execution. They are appointed also in consideration of a well-balanced Board of Directors without an overabundance of specialties in any particular field.

Under the premise that none of the candidates for Directors Serving as Audit and Supervisory Committee Members fall under any of the disqualifying reasons stipulated by the Companies Act, the candidates are appointed from among persons who possess high ethics, in addition to superior personality, insight, ability, and abundant experience for conducting overall corporate monitoring and supervision of business execution. They are appointed also in consideration of whether they can secure their independence from officers with executive authority or whether they can maintain a fair and impartial attitude, etc. The candidates for Directors Serving as Audit and Supervisory Committee Members must include at least one person who has expertise in finance and accounting.

#### MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors

MEGMILK SNOW BRAND CO., Ltd. (hereinafter the "Company") judges External Directors (hereinafter "External Directors") to be sufficiently independent so long as they do not fall under any of the following.

1. The following individuals who have had business transactions with the Company or its subsidiaries in any of the past three fiscal years
  - (1) Of those who have the Company or its subsidiaries as a client, an individual who the Company and its subsidiaries (collectively, the "Group") has paid an amount totaling more than 2% of the consolidated net sales of that business partner or an officer or employee who executes business of that corporation such as an executive Director, an Executive Officer, or others (hereinafter "executives")
  - (2) Of those who the Company or its subsidiaries have as a client, an individual or their executives who pays to the Group an amount totaling more than 2% of the Group's consolidated net sales
  - (3) An individual or their executives whose loans to the Company or its subsidiaries total more than 2% of the Group's consolidated total assets
  - (4) A consultant, accounting professional, or legal professional who has received from the Company or its subsidiaries monetary or other assets totaling ¥10 million or 2% of total revenue, whichever is greater (excluding Director compensation), or in the event that an organization is acquiring said assets, an individual belonging to that organization
2. The following individuals who have been major shareholders in the past three years
  - (1) An individual who possesses a proportion of 10% or more of the Company's voting rights (including indirect possession) or their executives

- (2) An executive of a company whose voting rights the Company or its subsidiaries possesses a proportion of 10% or more of (including indirect possession)
3. Relatives of the Company, the Company's subsidiaries, the Company's business partners, or other related persons
- (1) An individual who was a spouse or relative within the second degree of kinship of one of the following within the past ten years
    - 1) An executive Director or Executive Officer of the Company or its subsidiaries or a General Manager of Head Office
    - 2) A non-executive Director of the Company
  - (2) An individual who was a spouse or relative within the second degree of kinship of one of the following within the past three years
    - 1) An individual who corresponds to the aforementioned 1. (1), (2), or (3) or the aforementioned 2., and in the case that the individual is an executive, an officer who executes business of that corporation such as an executive Director or an Executive Officer, or an individual equivalent to a General Manager of departments
    - 2) An individual who corresponds to the aforementioned 1. (4) (limited in the case of an accounting professional to a certified public accountant, and in the case of a legal professional to an attorney-at-law (including associates))
4. Other related persons
- (1) An individual who, in any of the past three fiscal years, has received donations from the Company or its subsidiaries in a single fiscal year equivalent to ¥10 million or 2% of total revenue, whichever is greater, or their executives
  - (2) An executive of a company in which, within the past three years, an individual from the Company or its subsidiaries has served as an external officer

**Proposal 3:** Revision of the Compensation Amount for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

At the 11th Annual General Meeting of Shareholders held on June 24, 2020, an approval was made to limit compensation for the Company's Directors (excluding Directors Serving as Audit and Supervisory Committee Members) to no more than ¥800 million per year (including no more than ¥50 million per year for External Directors). This has not changed to this day.

As described in Proposal 4: Revision of the Amount and Details of Performance-based Stock Compensation for Directors, the amount of compensation, etc. under the performance-based stock compensation plan will be increased and the details of the plan revised. In light of this, the Company proposes that the above-mentioned compensation, etc. for Directors (excluding Directors Serving as Audit and Supervisory Committee Members and External Directors) shall be reduced from the previously determined amount and set at no more than ¥700 million per year (including no more than ¥50 million per year for External Directors). This amount shall not include salaries for Directors for their services in the capacity of Company employees. The purpose of recently reviewing the compensation structure under this proposal and Proposal 4 was to increase the proportion of stock-based compensation as a percentage of total compensation in order to encourage Directors to have a medium- to long-term outlook and promote awareness of their contributions to the improvement of operating results and corporate value.

In addition, as described in Proposal 4: Revision of the Amount and Details of Performance-based Stock Compensation for Directors, the performance-based stock compensation for which the Company seeks approval in Proposal 4 will be separate from the compensation, etc. for which the Company seeks approval in this proposal.

This proposal has been decided following deliberation by the Compensation Advisory Committee, which comprises of a majority of independent External Directors. Furthermore, the Audit and Supervisory Committee has stated that there are no issues to be noted for this proposal.

The current number of Directors (excluding Directors Serving as Audit and Supervisory Committee Members) is nine (including two External Directors). When Proposal 1 is approved and passed as proposed, the number of Directors (excluding Directors Serving as Audit and Supervisory Committee Members) will remain at nine (including two External Directors).

This proposal is subject to the approval and passing of Proposal 4 as proposed.

**Proposal 4:** Revision of the Amount and Details of Performance-based Stock Compensation for Directors

1. Reason for the proposal and justification for the compensation

Compensation for the Company's Directors (excluding Directors Serving as Audit and Supervisory Committee Members) consists of basic compensation, performance-based compensation, and performance-based stock compensation. Of these, performance-based compensation was introduced after shareholders approved a performance-based stock compensation plan using a trust (hereinafter the "Plan") at the 11th Annual General Meeting of Shareholders held on June 24, 2020. The Company recently reviewed the compensation structure and requests that the Plan be continued following revision of the maximum amount of money contributed by the Company as a source of funds to acquire the Company's shares to be delivered to the Directors and the maximum number of points (As described below, this number of points is the basis for calculating the number of the Company's shares to be delivered to the Directors.) to be granted to the Directors under the Plan. As stated in Proposal 3, the purpose of recently reviewing the compensation structure was to increase the proportion of stock-based compensation as a percentage of total compensation in order to encourage Directors to have a medium- to long-term outlook and promote awareness of their contributions to the improvement of operating results and corporate value.

The Company requests that the details thereof be left to the Board of Directors' discretion within the limits described in 2 below.

The objective of the Plan is to improve medium- to long-term business performance and raise awareness of contributing to corporate value enhancement, while clarifying the link between compensation of Directors and the performance and share value of the Company, and Directors sharing benefits and risks stemming from stock price fluctuations with shareholders.

Compensation under the Plan will be separate from the maximum amount of compensation, etc. for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) (no more than ¥700 million per year (including ¥50 million per year for External Directors), not including salaries for Directors for their services in the capacity of Company employees) for which the Company seeks approval in Proposal 3, and will not cover Directors Serving as Audit and Supervisory Committee Members and External Directors.

An overview of the policy on determination of details such as individual compensation for Directors in the Company is included in (2) Compensation for Directors, under 3. Matters Regarding Directors and Other Officers in the Business Report (available only in Japanese). The Company's Board of Directors, at its meeting held on May 15, 2023, resolved to revise the policy details as stated in this Proposal and in Proposal 3, subject to approval and passing of this Proposal and Proposal 3. Accordingly, the Board of Directors has determined that this proposal is appropriate in order to achieve the purpose of recently reviewing the compensation structure (see above) and because it is necessary and reasonable for the payment of compensation and the like in accordance with the revised policy.

This proposal has been decided following deliberation by the Compensation Advisory Committee, which comprises of a majority of independent External Directors. Furthermore, the Audit and Supervisory Committee has stated that there are no issues to be noted for this proposal.

When Proposal 1: Election of Nine Directors (Excluding Directors Serving as Audit and Supervisory Committee Members) is approved and passed as proposed, the number of Directors covered by the Plan will be seven.

\* If this proposal is approved and passed as proposed, the same stock compensation plan will be revised and continued for Executive Officers who signed delegation agreements with the Company.

## 2. Amount and details of compensation under the Plan

In continuing the Plan, the Company will revise the amount of compensation and the details of the Plan.

The amount and details of compensation and details, etc. under the revised Plan are as follows.

### (1) Overview of the Plan

The Plan is a stock-based compensation plan where a trust established by the Company through money contribution (hereinafter the “Trust,” which was established when the Plan was introduced in 2020) acquires the Company’s shares, and the Company’s shares corresponding to the number of points granted to each Director by the Company are delivered to them through the Trust.

In principle, Directors shall receive the delivery of the Company’s shares when they retire from their positions.

a. Eligible persons under the Plan	Directors of the Company (excluding Directors Serving as Audit and Supervisory Committee Members and External Directors)
b. Eligible period	From the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026
c. Maximum amount of money contributed by the Company as a source of funds to acquire the Company’s shares to be delivered to eligible persons described in a. during the Eligible Period of the three fiscal years described in b.	¥261 million in total
d. Method of acquiring the Company’s shares	Disposal of treasury shares or acquisition from the stock exchange market (including after-hours trading)
e. Maximum number of points to be granted to eligible persons described in a.	48,500 points per fiscal year
f. Criteria for granting points	Points are granted according to positions, achievement of performance targets, and other factors
g. Delivery date of the Company’s shares to eligible persons described in a.	In principle, at retirement from Director positions

### (2) Maximum amount of money contributed by the Company

The Company shall extend the trust period of the established Trust, and additionally contribute money to the Trust up to ¥261 million in total as compensation for Directors who will be in office during the Eligible Period, which will be a source of funds to acquire the Company’s shares to be delivered to Directors under the Plan during the eligible period stated in b. in the table under (1) above. The Trust shall use the money that the Company entrusts as a source of funds (including money that the Company additionally contributes to the Trust as described above and money remaining in the Trust prior to additional contribution to the Trust) to acquire the Company’s shares through either the disposal of treasury shares or acquisition from the stock exchange market (including after-hours trading).

Note: Money that the Company actually entrusts to the Trust will be the sum of the estimated amount of necessary expenses such as trust fees and trust administrator fees, as well as the above-mentioned funds to acquire the Company’s shares. If the same stock compensation plan is continued for Executive Officers who signed delegation agreements with the Company, as stated above, funds to acquire the Company’s shares to be delivered to Executive Officers under the same plan will be entrusted together.

The Company’s Board of Directors may decide to continue the Plan by extending the Eligible Period through setting up a period of four fiscal years or less each time, and with it, the trust period of the Trust (this includes when the trust period is effectively extended by transferring the trust assets of the Trust to another trust whose purpose is the same as that of the Trust set up by the Company; the same applies hereafter). In such a case, during the extended Eligible Period, the Company shall additionally contribute money to the Trust up to the amount obtained by multiplying the number of fiscal years of the extended Eligible Period by ¥87 million, which will be a source of funds to additionally acquire the Company’s shares to be delivered to Directors under the Plan, and continue to grant points described in (3) below and deliver the Company’s shares (the same is true below).

In addition, even if the Company does not extend the Eligible Period and continue the Plan as described above, when there are Directors who have already been granted points but have not retired from their positions at the time of expiration of the trust period, the trust period of the Trust may be extended until those Directors retire from their positions and the delivery of the Company’s shares is completed.

(3) Calculation method and maximum number of the Company's shares to be delivered to Directors

a. Method of granting points to Directors

In accordance with the share delivery rules specified by the Company's Board of Directors, the Company shall grant each Director points according to his/her position, achievement of performance targets, and other factors, on the point-granting date specified in the share delivery rules during the trust period.

However, the total number of points granted by the Company to Directors shall be up to 48,500 points per fiscal year.

b. Delivery of the Company's shares according to the number of points granted

Directors shall receive the delivery of the Company's shares according to the number of points granted in a. above based on the procedure c. below. However, if a Director retires due to personal reasons or otherwise, all or part of the points granted up to that time shall lapse, and such Directors shall not receive delivery of the shares corresponding to the lapsed points.

One point corresponds to one share of the Company. However, if there is an event involving the Company's shares where it is considered reasonable to adjust the number of the Company's shares to be delivered, such as a stock split and a reverse stock split, the Company shall make a reasonable adjustment to the number of the Company's shares per point depending on the split ratio or reverse split ratio.

c. Delivery of the Company's shares to Directors

The delivery of the Company's shares to each Director described in b. above shall be made from the Trust by each Director following the specified beneficiary confirmation procedure at the time of retirement from his/her position.

However, a certain percentage of those shares may be sold for cash within the Trust in order for the Company to collect funds to pay taxes at source, such as withholding income taxes, and delivered in the form of cash instead of shares. In addition, if the Company's shares held in the Trust are converted to cash, such that they are settled through participation in a tender offer, cash may be delivered instead of the Company's shares.

(4) Exercise of voting rights

The voting rights of the Company's shares held in the Trust shall not be exercised uniformly under the instructions of the trust administrator, who is independent of the Company and its officers. By using this method, the Company intends to secure neutrality towards management of the Company in terms of the exercise of the voting rights of the Company's shares held in the Trust.

(5) Handling of dividends

Dividends on the Company's shares held in the Trust shall be received by the Trust and used to fund the acquisition of the Company's shares and to pay fees for the trustee of the Trust.

#### Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee carefully reviewed the proposal regarding remuneration, etc. for Directors (excluding Directors Serving as Audit and Supervisory Committee Members), including confirmation of discussions at the Compensation Advisory Committee (where four External Directors, including two External Audit and Supervisory Committee Members, account for a majority of the members).

The Audit and Supervisory Committee has judged that the content of the remuneration, etc. was appropriate based on the fact that the procedures for making decisions on remuneration, etc. for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) were appropriate, that the level was appropriate in comparison with the directors' remuneration of other companies, and that it served as appropriate motivation for increasing corporate value.