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Securities Code: 6277

December 1, 2021

To Our Shareholders

1-9, Shodaitajika, Hirakatashi, Osaka

**HOSOKAWA MICRON  
CORPORATION**

Representative Director, President, Chief  
Executive Officer  
Kohei Hosokawa

**Notice of the 77th Annual General Meeting of Shareholders**

The Company would hereby like to announce the Company's 77th Annual General Meeting of Shareholders as described below.

**In lieu of attendance at the meeting on the date, you may also exercise your voting rights in writing or via the Internet. We kindly request you to read the following Reference Document for the Annual General Meeting of Shareholders, exercise your voting rights in accordance with the "Guide on How to Exercise Your Voting Rights" on page 3, and return it no later than the end of business at 5 p.m. on Wednesday, December 15, 2021.**

Sincerely yours,

- 1. Date:** 10 a.m., Thursday, December 16, 2021
- 2. Venue:** 1-9, Shodaitajika, Hirakatashi, Osaka  
HOSOKAWA MICRON CORPORATION Headquarters  
Building, 12th floor
- 3. Purposes**
  - Items to be reported**
    1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Corporate Auditors for the 77th business period (October 1, 2020 to September 30, 2021)
    2. The non-consolidated financial statements for the 77th business period (October 1, 2020 to September 30, 2021)
  - Items to be resolved**
    - Item No. 1** Appropriation of Retained Earnings
    - Item No. 2** Partial Amendment to the Articles of Incorporation
    - Item No. 3** Election of Ten (10) Directors
    - Item No. 4** Election of One (1) Corporate Auditor
    - Item No. 5** Election of One (1) Substitute Corporate Auditor

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- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. To conserve resources, please bring the Notice of the 77th Annual General Meeting of Shareholders.
  - The following documents are listed on the Company's website in accordance with laws, regulations and the Articles of Incorporation, Article 15, and are not included in the Reference Document for the Annual General Meeting of Shareholders.
    - (1) Consolidated financial statements (Consolidated statement of changes in equity and notes to consolidated financial statements)
    - (2) Non-consolidated financial statements (Statement of changes in equity and notes to non-consolidated financial statements)
  - Consolidated and non-consolidated financial statements audited by Accounting Auditors and Corporate Auditors are each documents listed in the Reference Document for the Annual General Meeting of Shareholders, consolidated statement of changes in equity, notes to consolidated financial statements, statement of changes in equity and notes to non-consolidated financial statements.
  - If there are any revisions to the Reference Document for the Annual General Meeting of Shareholders, the business report, and/or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website.

The Company's website. (<https://www.hosokawamicron.co.jp>)

## Guide on How to Exercise Your Voting Rights

Voting rights may be exercised by any of the three methods below.

Please review the Reference Document for the Annual General Meeting of Shareholders which is attached later, and exercise your rights.

### When you attend Annual General Meeting of Shareholders

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When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.

In addition, to conserve resources, please bring the Notice of the 77th Annual General Meeting of Shareholders.

Date

Thursday, December 16, 2021 10 a.m.

(Reception starts at 8:30 a.m.)

### When you exercise your voting rights using the voting form

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Please indicate “for” or “against” on each agenda item on the voting form enclosed herewith, and post it without affixing a stamp.

When there is no indication of “for” or “against,” it will be considered as “for.”

Exercise  
period

By Wednesday, December 15, 2021 5 p.m.

### When you conduct online voting

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Access “Voting Right Exercise Website” via a smartphone, computer, etc., and indicate “for” or “against” on each agenda item following the guidance on screen.

For more details, please refer to “How to Process Online Voting” on the following page.

Exercise  
period

By Wednesday, December 15, 2021 5 p.m.

**Items for resolution and reference material**

**Item No. 1      Appropriation of Retained Earnings**

Our basic policy is to strive to increase the amount of dividends per share while reflecting changes in our business performance and stably distributing profits to our shareholders. As for the year-end dividend for the current fiscal year, based on the policy of returning profits to shareholders, we propose to increase it by 25 yen per share to 80 yen per share, as net income attributable to shareholders of the parent company reached a record high.

**Matters related to year-end dividend**

**1)    Type of dividend assets**

It shall be cash.

**2)    Matters related to the allocation of dividend property and total amount**

We propose to pay 80 yen per share of common stock as the year-end dividend.

The total amount of dividend in this case is 648,281,920 yen.

**3)    Effective date of distribution of surplus**

December 17, 2021

**Item No. 2      Partial Amendment to the Articles of Incorporation**

1. Reason for the proposal

To allow the Board of Directors to operate more flexibly, the Company proposes to partially amend the provision of Article 23 (Convener and Chairperson) of the Articles of Incorporation.

2. Details of the amendment

The details of the amendment are as follows.

(The underlined parts indicate proposed amendments)

Current Articles of Incorporation	Proposed amendments
<p>Chapter 4 Directors, Board of Directors, and Executive Officers (Convener and Chairperson)</p> <p>Article 23</p> <p>1. Unless otherwise provided for in laws and regulations, meetings of the Board of Directors of the Company shall be convened and chaired by the <u>Representative</u> Director.</p> <p>2. In the event that the <u>Representative</u> Director is unable to act, another Director shall take the place of the Representative Director in the order previously determined by the Board of Directors.</p>	<p>Chapter 4 Directors, Board of Directors, and Executive Officers (Convener and Chairperson)</p> <p>Article 23</p> <p>1. Unless otherwise provided for in laws and regulations, meetings of the Board of Directors of the Company shall be convened and chaired by a Director <u>previously determined by the Board of Directors</u>.</p> <p>2. In the event that the <u>said</u> Director is unable to act, another Director shall take the place of the said Director in the order previously determined by the Board of Directors.</p>

### Item No. 3 Election of Ten (10) Directors

The term of all seven (7) Directors will expire at the conclusion of the Annual General Meeting of Shareholders. Moving forward, to reinforce its management system and improve the transparency of management, the Company requests the shareholders to add three (3) more Directors and elect a total of ten (10) Directors.

The candidates for Directors are as follows:

Candidate number	Name	Gender	Current position and responsibilities in the Company	Status of attendance at the Board of Directors
1	Yoshio Hosokawa Re-elected	Male	Chairman	14/14 (100%)
2	Kohei Hosokawa Re-elected	Male	Representative Director, President, Chief Executive Officer, Divisional Manager of International Administration Div.	14/14 (100%)
3	Tetsuya Inoue Re-elected	Male	Director, Vice President, Vice Executive Officer, Administrative Op.	14/14 (100%)
4	Masahiro Inoki Re-elected	Male	Director & Managing Executive Officer, Business Op. & Divisional Manager of Powder Technology Research Institute	14/14 (100%)
5	Hiroyuki Tsujimoto Newly appointed	Male	Operating Officer, Divisional Manager of Material Business Div, General Manager of Sales Group, Manager of Pharmaceutical / Beauty Science Center	-
6	Satoshi Akiyama Re-elected Outside Director	Male	Director	14/14 (100%)
7	Katsuhiko Takagi Re-elected Outside Director Independent Director	Male	Director	14/14 (100%)
8	Tatsuo Fujioka Re-elected Outside Director Independent Director	Male	Director	14/14 (100%)
9	Yukari Sato Newly appointed Outside Director Independent Director	Female	-	-
10	Atsuko Shimosaka Newly appointed Outside Director Independent Director	Female	-	-

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
1	Yoshio Hosokawa (Born April 10, 1951) Gender: Male  Re-elected	<p>April 1974      Joined the Company</p> <p>July 1983      Director, Deputy Manager of Tokyo Branch, Assistant Division Director of Tokyo Business Division, Manager of Sales Department</p> <p>December 1995      Representative Director and President</p> <p>December 2003      Standing Auditor (resigned in December 2004)</p> <p>February 2010      Advisor</p> <p>April 2010      Representative Director and President, Juno International Inc. (resigned in May 2011)</p> <p>December 2010      Director of the Company</p> <p>October 2014      Representative Director and President</p> <p>October 2015      Representative Director, President, Chief Executive Officer</p> <p>December 2017      Representative Director, Chairman &amp; President, Chief Executive Officer</p> <p>May 2021      Chairman (present)</p> <p><b>Reasons for nominating as candidate for Director</b></p> <p>With his abundant experience and broad knowledge as a manager, he has been contributing to the growth of the Company by understanding the business operation of the entire group. His insight as a manager and broad view, which he gained through steadily executing the growth strategies stated in the mid-term management plan to date, is essential for the Company to reinforce its global management and grow. The Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	211,208 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
2	Kohei Hosokawa (Born February 8, 1984) Gender: Male  Re-elected	<p>             April 2009      Joined the Company              July 2009      Test Center, Technology Development                                       Department, Sales Division, Osaka Headquarters              October 2011    The Powder Technology Research Institute              March 2014      Completed Doctor's Program of Material Science                                       Course, Division of Materials and Manufacturing                                       Science, Graduate School of Engineering, Osaka                                       University              October 2014    Stationed at Hosokawa Alpine Aktiengesellschaft                                       (Germany)              October 2017    Stationed at Hosokawa Micron International Inc.,                                       Vice President (U.S.A.)              October 2018    Operating Officer, Assistant Division Director of                                       Powder Processing System Division, Senior                                       General Manager of Technology              October 2019    Vice President &amp; Operating Officer, Business                                       Management, in charge of Hosokawa Kaizen                                       Team              December 2019   Representative Director, Vice President, Vice                                       Executive Officer, Business Management, in                                       charge of Hosokawa Kaizen Team              October 2020    Representative Director, Vice President, Vice                                       Executive Officer, Director Business Segment              May 2021        Representative Director, President, Chief                                       Executive Officer, Director Business Segment              October 2021    Representative Director, President, Chief                                       Executive Officer, Divisional Manager of                                       International Administration Div. (present)           </p> <p> <b>Reasons for nominating as candidate for Director</b>              Through his experience in Research and Development and Technology              Departments and group companies in Europe and the U.S., he has              accumulated knowledge and skills on general management issues. In              addition, he has a wide range of insight in powder technology and a              broad perspective and a strong ability to take action as a member of the              founder's family. Since his inauguration as Representative Director and              President in May 2021, he has been supervising overall management of              the Company, and demonstrating leadership in the domains of              technology research and development as well as technology              development and business improvement in our Group. From the              viewpoint of the sustainable growth of the Company and the              improvement of mid- and long-term corporate value, the Company              requests the shareholders to re-elect him as Director to effectively              strengthen the decision-making and supervision functions of the Board              of Directors.           </p>	9,005 shares



Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company		Number of shares owned in the Company
3	<p>Tetsuya Inoue (Born December 3, 1963) Gender: Male</p> <p>Re-elected</p>	<p>April 1986 April 2004 October 2010 December 2011 October 2014 October 2017 April 2020 October 2020 October 2021</p>	<p>Joined the Company Operating Officer, Assistant Division Director of Finance &amp; Accounting Div. Managing Executive Officer, Division Director of Finance &amp; Accounting Div. Director &amp; Managing Executive Officer, Division Director of Finance &amp; Accounting Div. Director &amp; Managing Executive Officer, General Affairs &amp; Finance Operations, Division Director of Finance &amp; Accounting Div. Director &amp; Managing Executive Officer, General Affairs &amp; Finance Operations Director, Vice President, Vice Executive Officer, General Affairs &amp; Finance Operations Director, Vice President, Vice Executive Officer, Director Administration Segment Director, Vice President, Vice Executive Officer, Administrative Op. (present)</p> <p><b>Reasons for nominating as candidate for Director</b> He has been playing an active role mainly in the area of accounting and finance-related matters in administration departments of the Company and overseas group companies. He has acquired abundant experience. He has a wealth of experience and broad knowledge which enable him to decide the policies for the Company and subsidiaries and execute proper management. From the viewpoint of continuous growth of the Company and the improvement of mid- and long-term corporate value, the Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	5,650 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
4	Masahiro Inoki (Born February 25, 1958) Gender: Male Re-elected	<p>April 1983      Joined The Powder Technology Research Institute</p> <p>September 1986      Joined the Company</p> <p>October 2002      Supervisor, Hosokawa Powder Technology Research Institute</p> <p>October 2008      Senior General Manager, Technology Development Department, Sales Division, Osaka Headquarters</p> <p>October 2011      Operating Officer, Division Director of Powder Technology Research Institute</p> <p>December 2017      Director &amp; Managing Executive Officer, Division Director of Powder Technology Research Institute</p> <p>October 2019      Director &amp; Managing Executive Officer, Division Director of Powder Technology Research Institute, General Manager of Hosokawa Kaizen Team</p> <p>April 2020      Director &amp; Managing Executive Officer, Division Director of Powder Technology Research Institute, Division Director of Technical Development Department, General Manager of Hosokawa Kaizen Team</p> <p>October 2020      Director &amp; Managing Executive Officer, Director R&amp;D Segment</p> <p>October 2021      Director &amp; Managing Executive Officer, Business Op. &amp; Divisional Manager of Powder Technology Research Institute (present)</p> <p><b>Reasons for nominating as candidate for Director</b> As the Director of The Powder Technology Research Institute, he has abundant experience and knowledge in the area of research and development of new products and technologies. In addition, as Chairperson of the International R&amp;D Conference, he has been promoting technological development of the entire group. From the viewpoint of continuous growth in the domain of technological development of the Company and the improvement of mid- and long-term corporate value, the Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	700 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
5	<p data-bbox="341 658 502 801">Hiroyuki Tsujiimoto (Born December 21, 1963) Gender: Male</p> <p data-bbox="341 837 502 864">Newly appointed</p>	<p data-bbox="544 284 1230 904"> November 1988    Joined the Company  November 1990    The Powder Technology Research Institute,  Research &amp; Development Division  July 2004        Manager of Micron Beauty Science Research  Institute, Hosokawa Powder Technology  Research Institute  October 2010    Manager of Pharmaceutical / Beauty Science  Center, Material Business Division  October 2011    Operating Officer, Division Director of Material  Business Division, Manager of Pharmaceutical /  Beauty Science Center, Material Business  Division  October 2018    Operating Officer, Division Director of Material  Business Division, Senior General Manager of  Material Business Division, General Manager of  Sales Group, Manager of Pharmaceutical /  Beauty Science Center  October 2020    Operating Officer, Divisional Manager of  Material Business Div, General Manager of Sales  Group, Manager of Pharmaceutical / Beauty  Science Center (present) </p> <p data-bbox="544 927 1230 1229"> <b>Reasons for nominating as candidate for Director</b>  After being engaged in research and development of powder equipment at the Company, as the Division Director of the Material Business Division, he has abundant experience and knowledge in the development of new materials using fine grinding technology and manufacture of hair growth agents and cosmetics. From the viewpoint of continuous growth of the Company and the improvement of mid- and long-term corporate value through the realization of those material businesses, the Company requests the shareholders to newly elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors. </p>	2,850 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
6	<p>Satoshi Akiyama (Born August 18, 1963) Gender: Male</p> <p>Re-elected Outside Director</p>	<p>April 1988      Joined Nisshin Seifun Co., Ltd. (current headquarters of Nisshin Seifun Group Inc.)</p> <p>June 2015      Director, General Manager of No. 2 Plant, Nisshin Engineering Inc.</p> <p>June 2017      Director, General Manager of Corporate Planning Department and General Manager of Purchasing Department, Nisshin Engineering Inc.</p> <p>June 2018      Director, General Manager of Corporate Planning Department, Nisshin Engineering Inc.</p> <p>December 2019      Director of the Company (present)</p> <p>June 2020      Managing Director, General Manager of Corporate Planning Department, Nisshin Engineering Inc.</p> <p>June 2021      Senior Managing Director, General Manager of Engineering Business Division, Nisshin Engineering Inc. (present)</p> <p><b>Important positions held at another company</b> Senior Managing Director, General Manager of Engineering Business Division, Nisshin Engineering Inc.</p> <p><b>Reasons for nominating as candidate for Outside Director and expected role</b> He has a wealth of experience and broad knowledge. The Company requests the shareholders to elect him as Outside Director for him to play an active role in determining critical management matters of the Company and supervising the execution of duties.</p>	0 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
7	Katsuhiko Takagi (Born January 14, 1943) Gender: Male  Re-elected Outside Director Independent Director	<p>April 1965      Joined Daikin Industries, Ltd.</p> <p>October 1988    General Manager of Sales Planning Department, International Sales Division, Daikin Industries, Ltd.</p> <p>May 1993        Deputy Division Manager of International Sales Division, General Manager of Sales Planning Department, General Manager of Sales Department, Daikin Industries, Ltd.</p> <p>June 1996        Director &amp; General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 1999        Managing Director &amp; General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 2001        Senior Managing Director &amp; General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 2002        Senior Managing Director, in charge of Global Air-Conditioning Strategy, Chairman of DT Affiliation Committee</p> <p>June 2004        Director, Vice President, Executive Officer in charge of Global Air-Conditioning and Low Temperature Business, Daikin Industries, Ltd.</p> <p>June 2007        Director, Daikin Industries, Ltd., Member of the Board Chairman &amp; CEO, O.Y.L. Group</p> <p>June 2008        Senior Executive Officer, Daikin Industries, Ltd., Chairman &amp; CEO, O.Y.L. Group</p> <p>June 2011        Executive Advisor, Daikin Industries, Ltd., Chairman &amp; CEO, O.Y.L. Manufacturing, Chairman &amp; President, McQuay International Group, Executive advisor, McQuay US (current: Daikin Applied Americas)</p> <p>July 2015        Advisor, Daikin Industries, Ltd., Executive Advisor, Daikin Applied Americas</p> <p>December 2015    Director of the Company (present)</p> <p>July 2018        Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd., Executive Advisor, Daikin Applied Americas</p> <p>July 2019        Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd. (present)</p> <p><b>Important positions held at another company</b> Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd.</p> <p><b>Reasons for nominating as candidate for Outside Director and expected role</b> He has a wealth of experience, etc. related to the promotion of businesses overseas. The Company requests the shareholders to re-elect him as Outside Director not only so he can reinforce the monitoring and supervision functions, but also for him to utilize his insight and knowledge, etc. for the general management of the Company.</p>	5,400 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
8	<p>Tatsuo Fujioka (Born January 25, 1952) Gender: Male</p> <p>Re-elected Outside Director Independent Director</p>	<p>April 1975      Joined The Hyakujushi Bank, Ltd. February 2000      Manager, Kuko-guchi Branch, The Hyakujushi Bank, Ltd. January 2002      Manager, Kujo Branch, The Hyakujushi Bank, Ltd. July 2005      Manager, Kobe Branch, The Hyakujushi Bank, Ltd. January 2008      Manager, Imabari Branch, The Hyakujushi Bank, Ltd. July 2008      Assistant Manager, Sales Management Department, The Hyakujushi Bank, Ltd. (resigned from the bank in March 2010) December 2009      Standing Auditor, Chuo Tatemono Co., Ltd. (dispatched from The Hyakujushi Bank, Ltd.) June 2015      Deputy Manager, Administration Department, Chuo Tatemono Co., Ltd. (resigned from Chuo Tatemono Co., Ltd. in January 2016) December 2015      Director of the Company (present)</p> <p><b>Reasons for nominating as candidate for Outside Director and expected role</b></p> <p>He has abundant experience and broad knowledge in financial matters. For him to utilize them and give advice and proposals for the management of the Company, the Company requests the shareholders to re-elect him as Outside Director.</p>	700 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
9	<p data-bbox="336 517 507 629">Yukari Sato (Born August 19, 1961) Gender: Female</p> <p data-bbox="336 703 507 815">Newly appointed Outside Director Independent Director</p>	<p data-bbox="544 284 1230 344">May 1986      Received BA in Political Science from Columbia University, U.S.A.</p> <p data-bbox="544 351 1230 412">May 1988      New York Bureau, TV Asahi (Foreign News Desk)</p> <p data-bbox="544 418 1230 479">August 1997    Established R&amp;F Marketing Studio, Inc. (in New York State) and served as President and Representative Director</p> <p data-bbox="544 486 1230 546">May 1998      Received Ph.D. in economics from New York University (Financial Economics)</p> <p data-bbox="544 553 1230 613">September 2005    Elected to the House of Representatives for the first time (the 44th general election)</p> <p data-bbox="544 620 1230 680">December 2012    Parliamentary Secretary for Economy, Trade and Industry</p> <p data-bbox="544 687 1230 748">October 2018    Senior Vice-Minister for Internal Affairs and Communications, Senior Vice-Minister of Cabinet Office</p> <p data-bbox="544 754 1230 792">September 2019    Senior Vice-Minister for Environment</p> <p data-bbox="544 799 1230 860"><b>Reasons for nominating as candidate for Outside Director and expected role</b></p> <p data-bbox="544 866 1230 1032">Ms. Yukari Sato served as Senior Vice-Minister for Internal Affairs and Communications, Senior Vice-Minister for Cabinet Office, Senior Vice-Minister for Environment, and worked in various other posts. For her to utilize her abundant experience and broad knowledge and give advice and proposals for the management of the Company, the Company requests the shareholders to newly elect her as Outside Director.</p>	0 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
10	Atsuko Shimosaka (Born May 15, 1953) Gender: Female  Newly appointed Outside Director Independent Director	<p>April 1976      Practical Assistant, Faculty of Engineering, Doshisha University</p> <p>April 1993      Laboratory Lecturer, Faculty of Engineering, Doshisha University (resigned from Doshisha University in March 2019)</p> <p>April 2019      Part-time Lecturer, Faculty of Science and Engineering, Doshisha University (present)</p> <p>[Important concurrent position] Part-time Lecturer, Faculty of Science and Engineering, Doshisha University</p> <p><b>Reasons for nominating as candidate for Outside Director and expected role</b></p> <p>For her to utilize her academic knowledge in the fields of powder engineering and chemical engineering as a university lecturer and give advice and proposals for the management of the Company, the Company requests the shareholders to newly elect her as Outside Director. Ms. Atsuko Shimosaka has been never directly engaged in company management. However, due to the reasons above, the Company has assessed that she is fully capable of performing the duties of Outside Director.</p>	0 shares

Notes:

1. Mr. Satoshi Akiyama, Mr. Katsuhiko Takagi, Mr. Tatsuo Fujioka, Ms. Yukari Sato, and Ms. Atsuko Shimosaka are candidates for Outside Directors.
2. The Company has concluded an agreement with Mr. Satoshi Akiyama, Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka to limit their liability pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the said law. The amount of liability under the agreement shall be limited to the minimum amount provided for by laws and regulations. The Company will continue the above liability limitation agreement in the event that Mr. Satoshi Akiyama, Mr. Takagi and Mr. Fujioka are re-elected. If the elections of Ms. Yukari Sato and Ms. Atsuko Shimosaka are approved, the Company will conclude a similar liability limitation agreement with them.
3. Mr. Satoshi Akiyama is a person who executes business at Nisshin Engineering Inc., which has a special relationship with the Company.
4. The Company is scheduled to appoint Mr. Katsuhiko Takagi, Mr. Tatsuo Fujioka, Ms. Yukari Sato and Ms. Atsuko Shimosaka as independent directors as set forth by the Tokyo Stock Exchange, Inc. and provide a notice to that effect.
5. Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka will have been in office as Outside Director of the Company for six (6) years at the conclusion of the Annual General Meeting of Shareholders. Mr. Satoshi Akiyama will have been in office as Outside Director of the Company for two (2) years at the conclusion of the Annual General Meeting of Shareholders.
6. The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, Paragraph 1 of the Companies Act, with Directors as the insured persons. The insurance policy covers damages and litigation expenses incurred in shareholder representative lawsuits, corporate lawsuits, and third-party lawsuits to be borne by the insured persons, and the Company bears the full amount of the insurance premiums of the insured persons. Each candidate for Director will be included as an insured person under the insurance policy. The Company plans to renew the insurance policy with the same level of contents at the next renewal.
7. Mr. Kohei Hosokawa is the eldest son of Yoshio Hosokawa, the Chairman of the Company.
8. The number of shares of the Company held by each candidate is as of September 30, 2021, before the stock split implemented on October 1, 2021.
9. There are no special relationships between each candidate and the Company.



#### Item No. 4 Election of One (1) Corporate Auditor

The term of Mr. Kozo Arao as Corporate Auditor will expire at the conclusion of the Annual General Meeting of Shareholders, and the Company requests the shareholders to elect one (1) Corporate Auditor.

The Company requests a candidate for Corporate Auditor, Mr. Yoshimitsu Katsui, to be elected as a substitute for Mr. Kozo Arao, and his term will expire at the conclusion of the 79th Annual General Meeting of Shareholders to be held in December 2023, when the term of Mr. Kozo Arao expires, pursuant to the Company's Articles of Incorporation.

This proposal has the prior consent of the Board of Corporate Auditors.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Background, current position in the Company	Number of shares owned in the Company
Yoshimitsu Katsui (Born November 14, 1969) Gender: Male  Newly appointed Outside Auditor Independent Director	<p>April 1995 Registered with Osaka Bar Association as a lawyer April 1995 Joined Nakanoshima Chuo Law Office January 2002 Partner Lawyer, Nakanoshima Chuo Law Office (present)</p> <p><b>Important positions held at another company</b> Partner Lawyer, Nakanoshima Chuo Law Office</p> <p><b>Reasons for nominating as candidate for Outside Auditor</b> The Company expects he will be able to utilize his expertise and experience acquired as a lawyer for auditing the Company. Mr. Yoshimitsu Katsui has been never directly engaged in company management. However, due to the reasons above, the Company has assessed that he is fully capable of performing the duties of Outside Auditor.</p>	0 shares

Notes:

1. Mr. Yoshimitsu Katsui is the candidate for Outside Auditor.
2. The Company is scheduled to conclude an agreement with Mr. Yoshimitsu Katsui to limit his liability pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the said law if the election of Mr. Katsui is approved. The amount of liability under the agreement shall be limited to the minimum amount provided for by laws and regulations.
3. The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, Paragraph 1 of the Companies Act, with the Corporate Auditor as an insured person. The insurance policy covers damages and litigation expenses incurred in shareholder representative lawsuits, corporate lawsuits, and third-party lawsuits to be borne by the insured persons, and the Company bears the full amount of the insurance premiums of the insured persons. The candidate will be included as an insured person under the insurance policy. The Company plans to renew the insurance policy with the same level of contents at the next renewal.
4. Mr. Yoshimitsu Katsui satisfies the requirements for being an independent director as set forth by Tokyo Stock Exchange, Inc.
5. There are no special relationships between the candidate and the Company.

## Item No. 5 Election of One (1) Substitute Corporate Auditor

In accordance with laws and regulations, to prepare for the case of an insufficient number of Auditors, the Company requests the shareholders to elect one (1) Substitute Corporate Auditor in advance.

The candidate, Mr. Kenji Sasabe, will be elected as a substitute for Mr. Hiroshi Kokubu and Mr. Yoshimitsu Katsui, who are Outside Auditors, if Item No. 4 passes without amendment.

By a resolution of the Board of Directors, the election may be cancelled before inauguration with the consent of the Board of Auditors.

This proposal has the prior consent of the Board of Corporate Auditors.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Background, current position in the Company	Number of shares owned in the Company
Kenji Sasabe (Born May 27, 1972) Gender: Male  Outside Auditor Independent Director	April 1996      Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) (resigned in December 2019)  April 1995      Registered as a certified public accountant January 2002    Established Sasabe CPA Office, Representative (present) <b>Important positions held at another company</b> Representative of Sasabe CPA Office <b>Reasons for nominating as candidate for Outside Auditor</b> He has abundant experience and specialized knowledge about corporate accounting as a certified public accountant. The Company expects he will be able to reflect his insight in the audit of the Company. Mr. Kenji Sasabe has been never directly engaged in company management. However, due to the reasons above, the Company has assessed that he is fully capable of performing the duties of Outside Auditor.	0 shares

### Notes:

1. Mr. Kenji Sasabe is the candidate for Substitute Outside Auditor.
2. The Company is scheduled to conclude an agreement with Mr. Kenji Sasabe to limit his liability pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the said law if Mr. Sasabe is appointed as Outside Auditor. The amount of liability under the agreement shall be limited to the minimum amount provided for by laws and regulations.
3. The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, Paragraph 1 of the Companies Act, with the Corporate Auditor as an insured person. The insurance policy covers damages and litigation expenses incurred in shareholder representative lawsuits, corporate lawsuits, and third-party lawsuits to be borne by the insured persons, and the Company bears the full amount of the insurance premiums of the insured persons. If Mr. Kenji Sasabe assumes the position of Outside Auditor, he will be included as an insured person under the insurance policy. The Company plans to renew the insurance policy with the same level of contents at the next renewal.
4. Mr. Kenji Sasabe satisfies the requirements for being an independent director as set forth by Tokyo Stock Exchange, Inc.
5. There are no special relationships between the candidate and the Company.

(Reference) Composition of the Board of Directors, and Their Specialties and Experience Provided  
Item Nos. 3 and 4 Pass

The following table outlines the specialties and experience of the candidate Directors and Auditors, which the Company expects them to demonstrate.

Name		Independence (Outside only)	Specialties and Experience (Expected Fields)							
			Manufacturing • Technology • Research & Development	Sales • Marketing	International Business	Finance • Accounting	Legal • Risk Management	Personnel and Labor	ICT • DX	
Director	Yoshio Hosokawa			•	•			•	•	
	Kohei Hosokawa		•	•	•					•
	Tetsuya Inoue				•	•	•	•		
	Masahiro Inoki		•	•						•
	Hiroyuki Tsujimoto		•	•						•
	Satoshi Akiyama	Outside		•	•					
	Katsuhiko Takagi	Outside	•		•	•				
	Tatsuo Fujioka	Outside	•				•	•		
	Yukari Sato	Outside	•			•	•	•		
	Atsuko Shimosaka	Outside	•	•						
Auditor	Yuji Fukui		•					•	•	
	Hiroshi Kokubu	Outside	•				•	•		
	Yoshimitsu Katsui	Outside	•					•	•	

(Reference)

**Criteria for Independence of Independent Outside Directors and Independent Outside Auditor**

The Company deems an Outside Director and Outside Auditor (hereinafter “Outside Officer”) or a candidate for the Outside Officer to have sufficient independence from the Company in the event that the person does not fall under any of the following categories, as determined in the Company’s research to the practically possible and reasonable extent.

1. A person who executes business for the Company or an affiliate company of the Company (hereinafter collectively “the Group Company”)  
However, a person who did not execute business at the Company for ten years prior to the inauguration is excluded.  
For the purpose of the criteria, “a person who executes business” means an executive director, executive officer, operating officer, manager and other employees.
2. A party which has transactions principally with the Group Company or a person who executes business for the party  
“A party which has transactions principally with the Group Company” means a party which received payment which is 2% or more than the consolidated Annual sales of the party, from the Group Company in the most recent fiscal year or any of the three precedent fiscal years.
3. A Group Company’s major customer or a person who executes business for the party  
“A Group Company’s major customer” means a party which provides payment which is 2% or more than the consolidated Annual sales of the Company, to the Group Company in the most recent fiscal year or any of the three precedent fiscal years.
4. A major shareholder of the Company or a person who executes business for a major shareholder  
“A major shareholder of the Company” means a person who directly or indirectly holds 10% or more of the total voting rights of the Company.
5. A party in which 10% or more of the total voting rights is directly or indirectly held by the Group Company
6. A consultant, accountant or lawyer who receives a large amount of cash or other financial assets besides officer remuneration from the Group Company (when a party is an organization such as a company and a union, a person who belongs to the party)  
“A large amount of cash or other financial assets” means cash or other financial profit which has been on average 10 million yen or more a year in the past three years.
7. A person who executes business for a major creditor of the Group Company  
“A major creditor” means a party that financed an amount which is 2% or more of the Group Company’s consolidated total asset in the most recent fiscal year.
8. A person who executes business for the Company that accepts a director or an auditor from the Group Company.
9. A spouse or any family member within the second degree of a person who falls under 1 to 8 of the above or any family member living in the same domicile as such person