

Corporate Philosophy of the Earth Group

We act to live in harmony with the Earth.

The use of the word “Earth” in our corporate name is based on the vision of our founders, who sought to provide the world with products that are beneficial to people.

For more than a century since our founding in 1892, we have been devoted to helping people live happy, healthy lives and have continued to provide high-quality products, thus growing steadily together alongside society in the process.

Moving forward, as an essential part of diverse lifestyles for even more people around the world, Earth Group will advance together with our customers, society, and shareholders as we contribute to even greater prosperity and enjoyment in daily living through harmony with the essence of life.

地球を、キモチいい家に。



Featuring a motif of the Earth, the blue part of our logo represents “life” that is both safe and enjoyable, while the red part of the design protruding to the right expresses the passionate, sincere and energetic corporate spirit of the Earth Group: “Act.”

To express the Earth Group’s stance of aiming for the best and continuously taking on new challenges, we adopted the design of having the letter “A” in “EARTH” shaped like an upward pointing arrow.

“Act For Life” expresses Earth Group’s promise to our customers; namely, that we will exist in harmony with the lives and lifestyles of all people (Life) and will contribute (Act) to ensure safe and enjoyable lifestyles.

The Japanese tagline “地球を、キモチいい家に。” is our way of expressing our “Act For Life” commitment to customers in a friendly and memorable way.

“キモチいい (*kimochi-ii*)” signifies safety and enjoyment in Japanese.

To Our Shareholders

I would like to express my deepest appreciation for your continued patronage.

The threat posed by the COVID-19 is still unresolved, as new mutations have been created, and it has had a serious impact on the health and livelihood of everyone, as well as the global economy. Despite this situation, thanks to the support of our shareholders, our group surpassed 200 billion yen in sales for the first time in the history of our group and posted a record net income. I wish to express my heartfelt gratitude to our shareholders.

In the mid-term management plan "Act For SMILE - COMPASS 2023-" that we are currently implementing, we will continue to invest in expanding our business in Asia, developing new businesses such as MA-T, and strengthening our IT infrastructure. At the same time, with a strong awareness of sustainability, we aim to achieve further growth by creating value that is beneficial to society.

The environment surrounding our group continues to be unpredictable due to such factors as the recent sharp rise in raw material prices. However, we will continue to provide products and services useful in people's lives by responding to daily changes no matter what the environment might be.

I sincerely request all shareholders to provide us with your continued support and cooperation.

March 2022

Katsunori Kawabata
Representative Director, President & CEO
Earth Corporation



(NOTE) This document has been translated from Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

Securities Code : 4985
March 8, 2022

To Our Shareholders

Katsunori Kawabata
Representative Director
President & CEO
12-1, Kanda Tsukasamachi 2 chome,
Chiyoda-ku, Tokyo

Convocation Notice of the 98th Annual General Meeting of Shareholders

We would like to express our sincere gratitude for your extraordinary support.

Please be advised that the 98th Annual General Meeting of Shareholders will be held as set below.

In order to prevent the spread of COVID-19 infection, you may exercise your voting rights in writing or via the Internet instead of attending the meeting in person. Please review the accompanying "Reference Documents for the Annual General Meeting of Shareholders" and exercise your voting rights by 5:20 p.m., March 24, 2022(Thursday) (JST).

This Annual General Meeting of Shareholders will be broadcast live via the Internet so that you can view the proceedings from the opening to the closing of the meeting from your home.

Details of the Meeting

1. **Date and time** March 25, 2022, (Friday) at 10:00 a.m. (JST)
Receptions opens at 9:00 a.m.
2. **Place** 2F Hall, Bellesalle Kanda, Sumitomo Fudosan Kanda Building,
7 Kanda-Mitoshirocho, Chiyoda-ku, Tokyo, Japan
*In order to prevent the spread of infection the number of seats available in the 2nd-floor hall will be significantly reduced compared to previous years for the increased space between seats. Therefore, please be aware that we may guide you to the second venue on the 3rd floor.
3. **Agenda**
Matters to be reported:
 - (1) Report on the business report, the consolidated financial statements, and the results of the audit of the consolidated financial statements by the Accounting Auditor and Audit & Supervisory Board for the 98th fiscal year (January 1, 2021 to December 31, 2021)
 - (2) Report on the financial statements for the 98th fiscal year (January 1, 2021 to December 31, 2021)
Matters to be voted on:
 - Proposal (1)** Partial Amendment to the Articles of Incorporation
 - Proposal (2)** Election of nine (9) Board Directors
 - Proposal (3)** Revision of the Period of Restriction on Transfer of Shares under the Stock Remuneration Plan for Directors (excluding Outside Directors)

-END-

Reference Documents for the Annual General Meeting of Shareholders

[Proposals and Reference]

Proposal (1): Partial Amendment to the Articles of Incorporation

1. Reason for the Amendment

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022. Accordingly, in preparation for the introduction of a system for providing materials for general meetings of shareholders electronically, the Articles of Incorporation of the Company shall be amended as follows.

- (1) Article 15, Paragraph 1 of the proposed amendment provides that the Company shall take measures to provide electronically the information that is the content of the reference documents for the general meeting of shareholders and other documents.
- (2) Article 15, Paragraph 2 of the proposed amendment provides the limitation of the scope of matters to be included in the documents to be delivered to shareholders who have requested the delivery of documents.
- (3) The provision of Internet disclosure and the provision on the deemed provision of reference documents for general meetings of shareholders and other documents (Article 15 of the current Articles of Incorporation) will be deleted since it is no longer necessary.
- (4) Supplementary provisions regarding the effective date and others will be established in accordance with the establishment and deletion of the above.

2. Details of the Amendment

The details of the amendment are as follows.

(Underlines indicate amendments.)

Current Articles of Incorporation	Proposed Amendment
<p>Chapter 3 General Meeting of Shareholders (Internet disclosure of reference documents for general meetings of shareholders, etc. and deemed provision)</p> <p>Article15 The Company may, in convening a general meeting of shareholders, deem to have provided shareholders with information pertaining to matters to be stated or indicated in the reference documents for the general meeting of shareholders, business report, financial statements, and consolidated financial statements by disclosing such information via the Internet in accordance with Ministry of Justice Order.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Chapter 3 General Meeting of Shareholders (Deleted)</p> <p>(Electronic Provision of Information, etc.)</p> <p><u>Article15 In convening a general meeting of shareholders, the Company shall take measures to provide electronically the information contained in the reference documents for the general meeting of shareholders and other documents.</u></p> <p><u>2 The Company may decide not to include all or part of the matters for which electronic provision measures are to be taken that are specified in the Ministry of Justice Order in the documents to be delivered to shareholders who have requested the delivery of documents by the record date for voting rights.</u></p> <p>(Supplementary Provisions)</p> <p><u>1. The deletion of Article 15 of the Articles of Incorporation before the amendment (Internet disclosure of reference documents for general meetings of shareholders, etc. and deemed provision) and the establishment of Article 15 of the Articles of Incorporation after the amendment (Electronic Provision of Information, etc.) shall become effective as of September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation before amendment (Internet disclosure of reference documents for general meetings of shareholders, etc. and deemed provision) shall remain in effect for general meetings of shareholders to be held on or before the last day of February 2023.</u></p> <p><u>3. These Supplementary Provisions shall be deleted after March 1, 2023 or the day three (3) months after the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal (2): Election of nine (9) Board Directors

As the term of office of all nine (9) Board Directors will expire upon the close of the Annual General Meeting of Shareholders, the Company proposes the election of nine (9) Board Directors. In order to further strengthen corporate governance, the Company proposes to increase the number of Outside Directors by one (1).

The candidates for Board Directors are as follows:

Candidate No.		Name (Age)		Current title at the Company	Number of years served as a Director (at the close of this Meeting)	Number of Meetings of the Board of Directors Attended(%)
1	Reappointment	Tatsuya Otsuka (63 years old)		Chairman of the Board	32 years	9 out of 11 (82%)
2	Reappointment	Katsunori Kawabata (50 years old)		Representative Director & President	9 years	11 out of 11 (100%)
3	Reappointment	Yoshiyuki Furuya (59 years old)		Board Director & Senior Managing Executive Officer	8 years	11 out of 11 (100%)
4	Reappointment	Yoshinori Kawamura (70 years old)		Board Director & Managing Executive Officer	21 years	11 out of 11 (100%)
5	Reappointment	Hisaaki Karataki (65 years old)		Board Director & Managing Executive Officer	11 years	11 out of 11 (100%)
6	Reappointment	Takeshi Shakata (56 years old)		Board Director & Managing Executive Officer	1 year	8 out of 9 (89%)
7	Reappointment	Hideyuki Tamura (71 years old)	Outside Independent	Outside Board Director	6 years	11 out of 11 (100%)
8	Reappointment	Harold George Meij (58 years old)	Outside Independent	Outside Board Director	3 years	11 out of 11 (100%)
9	New Appointment	Naoko Mikami (61 years old)	Outside Independent	—	—	—

Reappointment: Reappointed Director candidate


New Appointment: Newly appointed Director candidate

Outside: Outside Director candidate


Independent: Independent Director candidate who meets the criteria prescribed by the stock exchange


(NOTE1) The age is as of the conclusion of this Meeting.


(NOTE2) Attendance at the Board of Directors meetings of candidates who have been in office for one (1) year is included only after their appointment as Directors.


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
1	 Tatsuya Otsuka Date of birth: May 6, 1958 (63 years old) Number of years served as a Director: 32 years Reappointment	April 1986 Joined Otsuka Pharmaceutical Co., Ltd. January 1990 Joined the Company March 1990 Board Director of the Company March 1992 Managing Board Director of the Company March 1994 President & Executive Managing Board Director of the Company March 1998 President & Representative Director of the Company March 2014 Chairman of Board of Directors of the Company (present)	146,400 shares
<p>[Reasons for nomination as a candidate for Board Director] Mr. Tatsuya Otsuka has led the management of the Earth Group for many years as Representative Director of the Company, and has profound knowledge of business management. Since March 2014, as Chairman, in addition to having constructive discussions and exchanging opinions with other Board Directors, he strived to strengthen the supervisory function of the Board of Directors by providing accurate advice on the Company's business. Accordingly, to realize the strategy of the Earth Group, which aims for the continuous enhancement of corporate value, by capitalizing on his abundant experience, we have renominated him as a candidate for Board Director.</p>			


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
2	 Katsunori Kawabata Date of birth: September 15, 1971 (50 years old) Number of Years Served as a Director: 9 years Reappointment	March 1994 Joined the Company March 2011 Board Director Status, General Manager of Sales Headquarters Osaka Office of the Company March 2013 Board Director, Director General of Gardening Strategy Headquarters of the Company March 2014 President & Representative Director, Director General of Gardening Strategy Headquarters of the Company August 2015 President & Representative Director, Director General of Marketing General Strategy Headquarters of the Company March 2019 Chairman of the Board of Directors of Bathclin Corp. (present), President & Representative Director of Earth Pet Co., Ltd. March 2021 Representative Director, President & CEO of the Company (present), Chairman of the Board of Directors of Earth Environmental Services Co., Ltd.(present), Chairman of the Board of Directors of Hakugen Earth Corporation (present), Chairman of the Board of Directors of Earth Pet Co., Ltd. (present)	57,400 shares
<p>[Reasons for nomination as a candidate for Board Director] Since assuming office as Representative Director in March 2014, Mr. Katsunori Kawabata has consistently demonstrated strong leadership for the development of the Group by maximizing Group synergies and proactively promoting overseas development based on the customer's perspective. As President & Representative Director, he has also promoted structural reforms in order to strengthen the Board of Directors' decision-making and supervisory functions. Accordingly, to realize the strategy of the Earth Group, which aims for the continuous enhancement of corporate value, we have renominated him as a candidate for Board Director.</p>			


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
3	 Yoshiyuki Furuya Date of birth: January 19, 1963 (59 years old) Number of years served as a Director: 8 years Reappointment	March 1985 Joined the Company March 2008 Board Director Status, General Manager of Sales Planning Department, Sales Headquarters of the Company February 2012 Board Director of Bathclin Corp. March 2014 Board Director, General Manager of Sales Planning Department, Sales Headquarters of the Company September 2014 Board Director of Hakugen Earth Co., Ltd. January 2015 Board Director of the Company, Director General of Sales Headquarters of the Company March 2016 Managing Board Director, Director General of Sales Headquarters of the Company March 2018 Board Director & Managing Executive Officer, Director General of Sales Headquarters of the Company March 2021 Board Director & Senior Managing Executive Officer, Assistant to the President of the Company (present)	28,700 shares
[Reasons for nomination as a candidate for Board Director] Mr. Yoshiyuki Furuya has consistently engaged in front-line sales activities and activities in the sales planning department since joining the Company. Since January 2015, he had been leading overall activities of the Company's sales department. Since his appointment as Director and Senior Managing Executive Officer in March 2021, he has contributed to the strengthening of the Board of Directors' decision-making and supervisory functions by capitalizing on his wide experience and achievements in domestic sales. Accordingly, to aim for the continuous enhancement of the corporate value of the Earth Group, we have renominated him as a candidate for Board Director.			


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
4	 Yoshinori Kawamura Date of birth: March 12, 1952 (70 years old) Number of years served as a Director: 21 years Reappointment	February 1976 Joined Otsuka Pharmaceuticals, Co., Ltd. January 1981 Joined the Company January 1993 President & CEO of ARS CHEMICAL (THAILAND) CO., LTD. October 1999 Board Director Status, General Manager of International Business Department of the Company March 2001 Board Director, General Manager of International Business Department of the Company March 2010 Managing Board Director, Director General of International Headquarters of the Company March 2018 Board Director & Managing Executive Officer, Director General of International Strategy Headquarters of the Company January 2020 Board Director & Managing Executive Officer, General Manager of Overseas Management Department of the Company March 2020 Board Director & Managing Executive Officer, General Manager of Overseas Management Department, in charge of overseas business of the Company (present)	34,300 shares
[Reasons for nomination as a candidate for Board Director] Mr. Yoshinori Kawamura has many years of experience in serving as president of overseas subsidiaries, and in particular, he has led the Group's overseas sales activities and contributed to the expansion of the scale of overseas business. He has contributed to the strengthening of the Board of Directors' decision-making and supervisory functions by capitalizing on his wide experience and achievements overseas. Accordingly, to aim for the continuous enhancement of the corporate value of the Earth Group, we have renominated him as a candidate for Board Director.			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
5	 Hisaaki Karataki Date of birth: May 8, 1956 (65 years old) Number of years served as a Director: 11 years Reappointment	March 1979 Joined the Company March 2006 Board Director Status, President & General Manager of Earth Chemical (Suzhou) Co., Ltd. March 2011 Board Director of the Company & President of China Operations June 2015 Chairman of Earth Chemical (Shanghai) Management Co., Ltd. September 2015 Chairman of Earth Chemical (Suzhou) Co., Ltd. September 2015 Chairman of Earth Chemical (Tianjin) Co., Ltd. March 2016 Board Director, Director General of Administration Headquarters of the Company July 2017 Audit & Supervisory Board Member of Earth Pet Co., Ltd. March 2018 Board Director & Senior Executive Officer, Director General of Administration Headquarters of the Company March 2021 Board Director & Managing Executive Officer, Director General of Administration Headquarters of the Company (present)	19,700 shares
[Reasons for nomination as a candidate for Board Director] Mr. Hisaaki Karataki has engaged in the management of the production divisions of our overseas subsidiaries and our Chinese subsidiaries for many years, and since 2016, he has directed the Administration Division, contributing to the strengthening of our management foundation. He has contributed to the strengthening of the Board of Directors' decision-making and supervisory functions by capitalizing on his wide experience and achievements in Japan and overseas. Accordingly, to aim for the continuous enhancement of the corporate value of the Earth Group, we have renominated him as a candidate for Board Director.			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
6	 Takeshi Shakata Date of birth: April 27, 1965 (56 years old) Number of years served as a Director: 1 year Reappointment	April 1988 Joined Kyushu Sangyo Kotsu Co., Ltd. (currently KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.) August 1996 Joined Hisamitsu Pharmaceutical Co., Inc. March 2006 General Manager of West Japan Operations Dept of Hisamitsu Pharmaceutical Co., Inc. September 2009 Chairman and President of Hisamitsu Vietnam Pharmaceutical Co., Ltd. June 2012 Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu Pharmaceutical Co., Inc. May 2015 Senior Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu Pharmaceutical Co., Inc. May 2019 Managing Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu Pharmaceutical Co., Inc. January 2021 Joined the Company March 2021 Board Director & Managing Executive Officer, Director General of Sales Headquarters of the Company (present)	100 shares
[Reasons for nomination as a candidate for Board Director] Mr. Takeshi Shakata has engaged in domestic and overseas sales and management at Hisamitsu Pharmaceutical Co., Inc. for many years and has been directing the activities of the entire sales division of the Company as Director General of the Sales Division since March 2021. He has contributed to strengthening the decision-making and supervisory functions of the Board of Directors by utilizing his wealth of experience and expertise. In order to continue to enhance the corporate value of the Group, we have nominated him as a candidate for Board Director.			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
7	 <p>Hideyuki Tamura Date of birth: January 4, 1951 (71 years old) Number of years served as a Director: 6 years</p> <p>Reappointment Outside Independent</p>	<p>April 1975 Joined HOKKAICAN CO., LTD. (currently HOKKAN HOLDINGS LIMITED)</p> <p>November 1999 General Manager of technology development department of HOKKAICAN CO., LTD.</p> <p>March 2000 Director of HOKKAICAN CO., LTD.</p> <p>June 2004 President & Representative Director of Nitto Seiki Co., Ltd.</p> <p>October 2005 Director & Executive Operating Officer of HOKKAICAN CO., LTD.</p> <p>June 2007 Director of HOKKAN HOLDINGS LIMITED</p> <p>April 2008 President & CEO of HOKKAICAN CO., LTD.</p> <p>June 2010 Executive Managing Director of HOKKAN HOLDINGS LIMITED</p> <p>March 2016 Outside Board Director of the Company (present)</p> <p>July 2019 Special Advisor of MATSUNAGA KENSETSU Co., Ltd. (present)</p>	1,200 shares
<p>[Reasons for nomination as a candidate for Outside Board Director and Outline of the expected role] Mr. Hideyuki Tamura has appropriately fulfilled his role, including making crucial management decisions and supervising business operations from an independent and fair standpoint as an Outside Board Director. In addition, as he has abundant experience and extensive knowledge in manufacturing as a business manager and attended all Board of Directors meetings to express his opinions, he is expected to contribute to strengthening the supervisory function of business execution and to provide advice and opinions from a wide range of management perspectives. Accordingly, we have renominated him as a candidate for Outside Board Director.</p> <p>[Matters regarding independence] Mr. Hideyuki Tamura fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members. Although he is from a company that has transactions with the Company concerning materials, his independence is secured as the Company's transactional amount with said company is less than 0.2% of the Company's consolidated net sales.</p>			

Candidate No.	Name Date of birth	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
9	 <p>Harold George Meij Date of birth: December 4, 1963 (58 years old) Number of years served as a Director: 3 years Reappointment Outside Independent</p>	<p>January 1987 Joined Heineken Japan K.K. (currently Heineken Kirin K.K.) Assistant General Manager of Heineken Japan K.K. April 1990 Joined Nippon Lever K.K. (currently Unilever Japan K.K.) Assistant Brand Manager of Nippon Lever K.K. April 2000 Joined Sunstar Inc. Executive Officer of Oral Care Division of Sunstar Inc. September 2006 Joined COCA-COLA (JAPAN) COMPANY, LIMITED Executive Vice President & General Manager of Marketing Headquarters of COCA-COLA (JAPAN) COMPANY, LIMITED November 2008 Executive Vice President & Chief Customer Officer of COCA-COLA (JAPAN) COMPANY, LIMITED March 2014 Joined TOMY COMPANY, LTD. Management Advisor of TOMY COMPANY, LTD. June 2015 Representative Director, President & CEO of TOMY COMPANY, LTD. June 2018 Representative Director, President & CEO of New Japan Pro-Wrestling Co., Ltd. March 2019 Outside Board Director of the Company (present) November 2020 Advisor of Sanrio Company, Ltd. (present) March 2021 Advisor of Panasonic Corporation (present) April 2021 Advisor of Alinamin Pharmaceutical Co., Ltd. (present) December 2021 Advisor of COLOPL, Inc. (present)</p>	0 shares
<p>[Reasons for nomination as a candidate for Outside Board Director and Outline of the expected role] Mr. Harold George Meij appropriately fulfills his role as an Outside Director in making decisions on important management matters and supervising business execution from an independent and fair standpoint. He is expected to provide various advice and opinions regarding management for the Company to achieve medium- to long-term growth based on his wide experience and profound knowledge in domestic and overseas business management. Accordingly, we have renominated him as a candidate for Outside Board Director.</p> <p>[Matters regarding independence] Mr. Harold George Meij fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members.</p>			

Candidate No.	Name Date of birth	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
9	 Naoko Mikami Date of birth: March 12, 1961 (61 years old) New Appointment Outside Independent	April 1983 Joined Ajinomoto Co., Inc. April 2007 Visiting Professor, Musashino University January 2010 Joined C'BON COSMETICS Co.,Ltd. Senior Manager of Tochigi Plant April 2010 Plant Manager of Tochigi Plant of C'BON COSMETICS Co.,Ltd. June 2011 Executive Officer in charge of Production Dept of C'BON COSMETICS Co.,Ltd. June 2012 Board Director in charge of Production Dept of C'BON COSMETICS Co.,Ltd. April 2017 Board Director & Executive Officer in charge of Administration Division of C'BON COSMETICS Co.,Ltd. June 2017 Managing Board Director & Executive Officer of C'BON COSMETICS Co.,Ltd. June 2019 Representative Director & Vice President, Executive Officer of C'BON COSMETICS Co.,Ltd. January 2020 Representative Director & Vice President, Executive Officer in charge of Product Development Division of C'BON COSMETICS Co.,Ltd. June 2021 Senior Advisor of YA-MAN LTD. (present) June 2021 Outside Director of Showa Sangyo Co., Ltd. (present)	0 shares
<p>[Reasons for nomination as a candidate for Outside Board Director and Outline of the expected role] For many years, Ms. Naoko Mikami has engaged in a wide range of fields, including domestic management and production and quality assurance. Since she is expected to provide advice and opinions on appropriate decision-making by the Board of Directors and strengthen the management supervision function by leveraging her extensive experience and broad knowledge, we have nominated her as a candidate for Outside Board Director.</p> <p>[Matters regarding independence] Ms. Naoko Mikami fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members.</p>			

[Special Notable Matters Concerning Candidates for Director]

(Notes)

1. There are no special interests between the candidates for Board Directors and the Company.
2. Outline of liability limitation agreement
 - The Company has entered into a liability limitation agreement with Mr. Hideyuki Tamura and Mr. Harold George Meij pursuant to Article 427-1 of the Companies Act. The maximum amount of liability for damages based on the agreement is the minimum amount of liability stipulated by the law. In the event that their reappointments are approved, the Company will continue the liability limitation agreement with both of them.
 - The Company will enter into a liability limitation agreement with Ms. Naoko Mikami in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act after her appointment is approved. The maximum amount of liability for damages based on the agreement is the minimum amount of liability stipulated by the law.
3. Outline of the contents of Directors and Officers Liability Insurance
 The Company has entered into a directors' and audit & supervisory board members' liability insurance contract with an insurance company. The contract will cover damages that the insured person may incur as a result of being held liable for the performance of his/her duties or receiving a claim related to the pursuit of such liability. The candidate shall be covered by such insurance contract. The Company plans to renew the contract with the same details at the next renewal.

**Proposal (3): Revision of the Period of Restriction on Transfer under the Stock Remuneration Plan for Directors
(excluding Outside Directors)**

The Company proposes the approval to revise the period of restriction on transfer in the determination of remuneration for the grant of shares with restriction on transfer, which was approved at the 94th Annual General Meeting of Shareholders held on March 23, 2018.

At the 94th Annual General Meeting of Shareholders, the Company obtained approval for providing remuneration for granting shares with restrictions on transfer to the Company's directors (excluding outside directors. Hereinafter referred to as "Subject Director(s)") to provide incentives for the sustainable enhancement of the Company's corporate value and promote further value sharing with shareholders. Based on the assumption that the Company and Subject Director will conclude an allotment agreement (hereinafter referred to as the "Allotment Agreement") for shares with restrictions on transfer, the restriction period was approved as "a period to be determined in advance by the Board of Directors of the Company between three (3) years and five (5) years from the date of allotment under the Allotment Agreement."

The Company now proposes to revise the period of restriction on transfer to "from the date of allotment under the Allotment Agreement to the date of loss of the position of director of the Company or its subsidiary or other position determined by the Board of Directors of the Company" in order to further increase the willingness of Subject Directors to contribute to the sustainable enhancement of the corporate value of the Company by holding the shares with restrictions on transfer until the time of their retirement, and to realize the sharing of value with the shareholders for as long as possible. The Company also proposes amendments to the contents of the Allotment Agreement in accordance with the revision of the restriction period.

The proposals approved at the 94th Annual General Meeting of Shareholders and the maximum amount of remuneration, the total number of shares of the Company's common share to be issued or disposed of, and other terms and conditions of the grant of shares of the Company's common share with restrictions on transfer to Subject Directors under the proposals have been determined considering the purposes above, the Company's business conditions, the Company's policy for determining the content of individual Board Directors' remuneration (In the event that this proposal is approved, the Company will change the policy to the one described in the "Reference" column below so that it will be consistent with the content above.), and various other circumstances. Accordingly, the Company regards those proposals are appropriate.

The revision above will apply to shares with restrictions on transfer to be granted in the future and will not apply to shares that have already been granted. In addition, there are currently nine (9) Board Directors (including two (2) Outside Directors). In the event that Proposal 2, "Election of Nine (9) Board Directors," is approved as proposed, the number of Board Directors will be nine (9) (including three (3) Outside Directors).

[Summary of the contents of the Allotment Agreement]

(1) Transfer Restriction Period

During the period from the date of allotment under the Allotment Agreement to the date of loss of the position of director of the Company or its subsidiary or other position determined by the Board of Directors of the Company (such position is hereinafter referred to as “Director, etc.” and such period is hereinafter referred to as “Transfer Restriction Period”), Subject Director may not transfer, establish a security interest in, or otherwise dispose of the common shares of the Company allocated under the Allotment Agreement (such shares are hereinafter referred to as “Allotted Shares” and such restriction is hereinafter referred to as “Transfer Restriction”).

(2) Release Condition

Transfer Restriction of all the Allotted Shares shall be released upon the expiration of Transfer Restriction Period, on the condition that Subject Director continues to be Director, etc., for a period separately determined by the Board of Directors of the Company (hereinafter referred to as “Service Period”). However, in the event that the relevant Subject Director resigns from the position of Director, etc. before the expiration of Service Period due to expiration of his/her term of office, death, or any other justifiable reason, the number of the Allotted Shares to be released from the restriction and the time of the release of the restriction shall be reasonably adjusted as necessary.

(3) Reorganizations, etc.

Notwithstanding the provisions of (1) above, in the event that the Company’s general meeting of shareholders (or Board of Directors meeting unless approval at the general meeting of shareholders is required) approves a merger agreement in which the Company becomes a dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other matter relating to organizational restructuring during Transfer Restriction Period, Transfer Restriction of the number of the Allotted Shares reasonably determined based on the period from the commencement date of Transfer Restriction Period to the date of approval of such reorganization shall be released, by resolution of the Board of Directors of the Company, prior to the effective date of the reorganization.

(4) Retrieval of the Allotted Shares at Nil Cost

At the time immediately after Transfer Restriction is released in accordance with the provisions of (2) or (3) above, the Company shall automatically retrieve from Subject Director all the Allotted Shares for which Transfer Restrictions has not yet been released at nil cost.

(5) Others

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference) Policy for Determining the Content of Individual Board Directors' Remuneration

1. Basic Policy on Remuneration for Board Directors

The Company's remuneration for Board Directors shall be structured to maintain an appropriate standard of remuneration for sustainably enhancing corporate value and securing excellent human resources. The remuneration shall incorporate short-term incentives linked to business performance (performance-linked bonus) that motivate the achievement of business results, and medium- to long-term incentives linked to shareholders' interests (stock-based remuneration with transfer restrictions). The remuneration of individual Board Directors shall be determined based on each position's responsibilities and be at an appropriate standard.

2. Policy on Basic Remuneration

The annual amount of basic remuneration for Board Directors shall be comprehensively determined in accordance with their positions and responsibilities, considering the Company's business performance and the standard of employee salaries. The remuneration shall be paid each month. Remuneration for Outside Board Directors shall be limited to basic remuneration.

3. Policy on Performance-linked Remuneration

As performance-linked remuneration (performance-linked bonus), the amount (not exceeding 300 million yen in total) calculated in accordance with the degree of the achievement of the consolidated operating profit target for each fiscal year shall be paid to all Board Directors, excluding Outside Board Directors. The payment shall be made at a particular time of the year in cash after the consolidated operating profit is fixed. No performance-linked bonus shall be paid in the event the consolidated operating profit and net profit attributable to shareholders of the parent company for the relevant fiscal year fall below 50% of the targeted profit.

The amount of the performance-linked bonus for each Board Director shall be in the range of 0% to 30% of the basic remuneration, considering both the Company's performance and individual Board Directors' achievement.

4. Policy on Non-Monetary Remuneration

As non-monetary remuneration, the Company shall grant up to 20,000 restricted stock per fiscal year (equivalent to 150 million yen per year) to Directors, excluding Outside Directors (hereinafter referred to as "Subject Director(s)"). In order to share value with shareholders in a sustainable manner, Subject Directors are, in principle, recommended to continue to hold the Company's shares equivalent to the standard amount corresponding to their position on a market value basis during their term of office. As a guideline for such standard amount, the amount shall be twice the basic remuneration for Representative Directors and the same amount as the basic remuneration for other Subject Directors.

The upper limit of the amount of stock-based remuneration shall be approximately 35% (shall be determined by considering factors such as position) of the basic remuneration. The amount of monetary remuneration claim (number of shares to be allotted for restricted stock) for each Board Director shall be resolved at a meeting of the Board of Directors, which is based on the results of discussions between the Representative Director and Outside Board Directors.

The Company and the Board Director who will receive the allotment of restricted stock shall enter into the allotment agreement that includes the following details.

- a. The period of transfer restriction shall be from the allotment date until the date on which the individual loses any position as a director of the Company or its subsidiaries or any other position determined by the Board of Directors of the Company (hereinafter referred to as "Director, etc."). In principle, the restriction on transfer shall be released at the expiration of the transfer restriction period.
- b. In the event that Subject Director loses the position as Director, etc. before the end of the Annual General Meeting of Shareholders for the fiscal year to which the allotment date belongs, the Company shall automatically retrieve the allotted restricted stock at nil cost unless there is a reason that the Board of Directors deems justifiable.

5. Delegation of Authority Regarding the Determination of Individual Remuneration for Board Directors

The determination of the specific details for individual Board Director, such as the remuneration amount, shall be delegated

to the Representative Director based on a resolution of the Board of Directors. The details of such delegation shall be the amount of basic remuneration for each Board Director and the evaluation and allocation of bonus based on the business performance for which each Board Director is in charge. The Representative Director shall report to the Board of Directors the results of discussions with Outside Board Directors to demonstrate that such authority has been properly exercised.

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(Reference) Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members

As part of efforts to strengthen corporate governance, the Company has stipulated the following criteria for assessing the independence of Outside Board Directors and Outside Audit & Supervisory Board Members.

1. A person who has never been a Board Director (excluding Outside Board Director, the same applies hereinafter), an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Members, the same applies hereinafter), an Executive Officer, or a Key Employee (hereinafter collectively “Board Director, etc.”) of the Company and its subsidiaries (hereinafter the “Earth Group”).
2. A person who is not a relative within the second degree of kinship of the Earth Group’s Board Director, etc.
3. A person who is not among existing Major Shareholders of the Company or a Board Director, etc. thereof, or a Board Director, etc. of a company where the Earth Group is a Major Shareholder, in the past year.
4. A person who is not a Board Director, etc. of any Major Transactional Partner of the Earth Group in the past three years.
5. A person who is not currently a Board Director, etc. of a company that has accepted a Board Director or Audit & Supervisory Board Member from the Earth Group, or a Board Director, etc. of its parent company or subsidiary.
6. A person who is not a certified public accountant as the Earth Group’s Accounting Auditor or a partner or employee of an auditing firm as the Earth Group’s Accounting Auditor.
7. A person who is not a provider of specialized services, including certified public accountants, certified public tax accountants, lawyers, and various consultants, who has accepted monetary and other property benefits, excluding officer remuneration, of more than 10 million yen per year from the Earth Group (If the recipient of the benefits is an organization (e.g., a legal entity), a person who does not belong to an organization whereby the total property benefits received from the Earth Group exceeds 2% of the organization’s total annual income).
8. In addition to the previous items, a person who is deemed to have no special circumstances that may cause a conflict of interest with the Company, or a person who does not belong to an organization (e.g., a legal entity) deemed as having such a risk.

[Explanatory notes]

1. “Key Employee” refers to an employee who holds the position of General Manager or a higher position.
2. “Major Shareholder” refers to one who directly or indirectly holds a number of voting rights that account for at least 10% of the total voting rights.
3. “Major Transactional Partner of the Earth Group” refers to a company whereby the amount paid to or received from the Earth Group in the past fiscal year account for at least 2% of either the Earth Group’s or the transactional partner’s consolidated net sales.

(Reference) Skill Matrix for Directors and Audit & Supervisory Board Members

The following is a skill matrix that identifies the skills required for the Board of Directors of the Company based on the assumption that the Company will achieve sustainable growth and increase corporate value over the medium to long term, and lists the skills and knowledge possessed by each director and audit & supervisory board member.

	Name	Management experience	Product Development	Sales & Marketing	Production & Procurement	Global	ESG & Sustainability	Human Resources & Human Resource Development	Legal & Risk Management	Finance & Accounting
Chairman of the Board	Tatsuya Otsuka	○	○	○						
Representative Director & President	Katsunori Kawabata	○	○	○			○			
Board Director	Yoshiyuki Furuya			○						
Board Director	Yoshinori Kawamura			○		○				
Board Director	Hisaaki Karataki				○	○		○	○	
Board Director	Takeshi Shakata			○		○				
Outside Director	Hideyuki Tamura	○			○		○			
Outside Director	Harold George Meij	○	○	○		○	○			
Outside Director	Naoko Mikami	○	○		○					
Full-time Audit & Supervisory Board Member	Yasuhiko Murayama							○	○	
Outside Audit & Supervisory Board Member	Shoji Kono									○
Outside Audit & Supervisory Board Member	Yukako Ikukawa									○

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