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Securities Code: 7246

June 7, 2022

Dear Shareholders,

Tetsushi Mino
Representative Director
PRESS KOGYO CO., LTD.
1-1-1 Shiohama, Kawasaki-ku,
Kawasaki-shi, Kanagawa

Notice of the 120th Annual Shareholders' Meeting

We are pleased to announce that the 120th Annual Shareholders' Meeting of Press Kogyo Co., Ltd. (the "Company") will be held on June 29, 2022 as detailed below.

Details

1. Date and time: Wednesday, June 29, 2022, at 10:00 a.m. (JST)
2. Place: Conference Room of the Company's Head Office
1-1-1 Shiohama, Kawasaki-ku, Kawasaki-shi, Kanagawa
3. Purpose of the Meeting
Matters to be reported:
 1. Business Report, Consolidated Financial Statements and Audit Reports of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 120th Fiscal Year (from April 1, 2021 to March 31, 2022)
 2. Non-Consolidated Financial Statements for the 120th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Partial Amendments to the Articles of Incorporation
- Proposal 3: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 4: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members
- Proposal 5: Payment of Bonuses for Officers
- Proposal 6: Revision of Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 7: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, Non-executive Directors and External Directors)

If any changes are made to items in the Reference Documents for the Shareholders' Meeting, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements, such changes will be posted on the Company's website (<https://www.presskogyo.co.jp/>).

Information About Exercising Your Voting Rights

You may exercise your voting rights using one of the following three methods.

Exercise of voting rights by attending the Meeting

Please present the enclosed voting form at the reception. (No seal is necessary.)

Date and time: Wednesday, June 29, 2022, at 10:00 a.m. (JST)
(The reception desk will open at 9:00 a.m.)
Place: Conference Room of the Company's Head Office
1-1-1 Shiohama, Kawasaki-ku,
Kawasaki-shi, Kanagawa

Exercise of voting rights by mail

Please indicate your approval or disapproval for each proposal on the enclosed voting form and return it without affixing a stamp.

Deadline: To be received by Tuesday, June 28, 2022, at 5:00 p.m. (JST)

Exercise of voting rights via the Internet

Access the voting website (<https://evote.tr.mufg.jp/>) through a personal computer or smartphone, and enter the "voting rights exercise code" and "temporary password" which are provided on the enclosed voting form, and indicate your approval or disapproval for each proposal by following the instructions displayed on the screen.

Deadline: No later than Tuesday, June 28, 2022, at 5:00 p.m. (JST)

If you exercise your voting rights multiple times, the vote exercised last will be recorded as the effective vote. If you exercise your voting rights in duplicate via the Internet, the vote exercised last will be recorded as the effective vote. Also, in case you exercise your voting rights in duplicate in writing and via the Internet, the vote exercised via the Internet will be recorded as the effective vote.

Electronic Voting Platform

Trust banks and other nominee shareholders (including standing proxies) who have applied in advance to use the electronic voting platform operated by ICJ, Inc. may use this platform instead of the exercise of voting rights via the Internet above.

Reference Documents for the Shareholders' Meeting

Proposal 1: Appropriation of Surplus

Regarding the year-end dividends for the 120th fiscal year, after taking into comprehensive consideration the performance for the current fiscal year and future capital demands among other factors, in accordance with the capital policy of the Company, we propose to pay as described below.

- (1) Type of dividend property:

We will pay in cash.

- (2) Item concerning allocation of dividend property and its total amount:

We propose the year-end dividend of 10.5 yen per common share of the Company (total amount of dividends: 1,106,746,725 yen).

- (3) Effective date of dividend of surplus:

We propose the effective date of dividend to be June 30, 2022.

(Reference: 1) Capital policy of the Company

The fundamental policy of the Press Kogyo Group is to aim for sustainable growth and to increase corporate value over the medium- to long-term through business activities, while maintaining the necessary level of shareholders' equity and providing sustainable and stable returns to shareholders.

The medium-term target for total shareholder return is 35% or more.

1. Maintenance of necessary shareholders' equity level

Financial soundness shall be ensured by comprehensively considering investment for growth, the ability to respond to operational risks, maintenance of ratings, etc.

2. Dividend policy

The dividend amount for each period is determined by comprehensively considering performance and capital demands, among other factors. The frequency of dividend payments shall be twice a year, in principle.

3. Acquisition of treasury shares, etc.

Changes in the business environment will be responded to flexibly, and financial measures leading to increased corporate value, such as the acquisition or cancellation of treasury shares, will be implemented.

(Reference: 2) Change in dividends per share

(Unit: yen)

	117th fiscal year (Fiscal year ended March 31, 2019)	118th fiscal year (Fiscal year ended March 31, 2020)	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (current) (Fiscal year ended March 31, 2022)
Interim dividends per share	6.50	6.50	0.00	9.50
Year-end dividends per share	7.50	6.50	7.50	10.50 (planned)
Annual dividends per share	14.00	13.00	7.50	20.00 (planned)
Consolidated dividend payout ratio	20.3%	38.0%	54.6%	30.2% (planned)
Total return ratio	20.3%	56.7%	54.6%	46.9% (planned)

Notes: 1. During the 118th fiscal year, the Company resolved to acquire treasury shares at the Board of Directors meeting held on June 27, 2019. Between June 28, 2019 and September 19, 2019, the Company acquired 1,500,000 treasury shares for 703,198,000 yen in total through market purchase on the Tokyo Stock Exchange.

2. During the 120th fiscal year (current fiscal year), the Company resolved to acquire and cancel treasury shares at the Board of Directors meeting held on November 5, 2021. Between November 8, 2021 and January 13, 2022, the Company acquired 2,994,700 treasury shares for 1,199,964,200 yen in total through market purchase on the Tokyo Stock Exchange and canceled 2,994,700 treasury shares on March 31, 2022.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

Since the revised provisions provided for in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the system for providing informational materials for the shareholders’ meeting in electronic format will be introduced. Therefore, the Company proposes to make the following changes to Articles of Incorporation.

- (1) Articles of Incorporation will be required to stipulate that the Company shall take measures for providing information that constitutes the content of the Reference Documents for the Shareholders’ Meeting, etc. in electronic format. Therefore, the Company proposes to newly establish proposed amendment Article 16, Paragraph 1 (Measures, Etc. for Providing Information in Electronic Format).
- (2) Among items for which the measures for providing in electronic format will be taken regarding information that constitutes the content of the Reference Documents for the Shareholders’ Meeting, etc., in order to limit the scope of items in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents to that designated by the Ministry of Justice Order, the Company proposes to newly establish proposed amendment Article 16, Paragraph 2 (Measures, Etc. for Providing Information in Electronic Format).
- (3) After the introduction of the system for providing informational materials for the shareholders’ meeting in electronic format, the provisions for Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders’ Meeting, Etc.) will no longer be required. Therefore, they will be deleted.
- (4) Supplementary provisions regarding the effectiveness of the new establishment and deletion of the provisions as stated above shall be stipulated. These supplementary provisions shall be deleted after the term elapses.

2. Details of proposed amendments

Details of the proposed amendments are as follows:

(Underlined portions indicate the parts that are to be amended.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders’ Meeting, Etc.)</u> <u>Article 16 When the Company convenes a shareholders’ meeting, if it discloses information that is to be stated or presented in the reference documents for the shareholders’ meeting, business report, non-consolidated financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p data-bbox="395 300 592 327">(Newly established)</p> <p data-bbox="357 730 616 790">Supplementary Provisions (Newly established)</p> <p data-bbox="180 795 775 1043">The Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages related to actions before the conclusion of the 114th Annual Shareholders' Meeting as prescribed in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations.</p> <p data-bbox="387 1191 584 1218">(Newly established)</p>	<p data-bbox="805 237 1350 297"><u>(Measures, Etc. for Providing Information in Electronic Format)</u></p> <p data-bbox="805 302 1406 454"><u>Article 16</u> When the Company convenes a shareholders' meeting, it shall take measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. in electronic format.</p> <p data-bbox="874 459 1406 707">2. Among items for which the measures for providing information in electronic format will be taken, the Company is not required to state all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</p> <p data-bbox="805 730 1358 819">Supplementary Provisions <u>(Provisional Measures Related to Exemption of Audit & Supervisory Board Members From Liability)</u></p> <p data-bbox="805 824 1398 1106"><u>Article 1</u> The Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages related to actions before the conclusion of the 114th Annual Shareholders' Meeting as prescribed in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations.</p> <p data-bbox="805 1128 1406 1189"><u>(Transitional Measures for Providing Informational Materials for the Shareholders' Meeting in Electronic Format)</u></p> <p data-bbox="805 1193 1406 1442"><u>Article 2</u> The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.) in the Articles of Incorporation and the establishment of the new Article 16 (Measures, Etc. for Providing Information in Electronic Format) in the Articles of Incorporation shall be effective from September 1, 2022.</p> <p data-bbox="874 1447 1406 1666">2. Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders' Meeting, Etc.) shall remain effective regarding any shareholders' meeting held on a date within six months from September 1, 2022.</p> <p data-bbox="874 1671 1406 1823">3. The provisions of this Article shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the shareholders' meeting in the preceding paragraph, whichever is later.</p>

Proposal 3: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

All seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members, hereinafter referred to as “Director(s)”) will retire from office due to expiration of their terms of office at the conclusion of this Shareholders’ Meeting.

Accordingly, we propose the election of seven (7) Directors.

Decisions to select the Director candidates are made by the Board of Directors upon consulting with the Nomination & Remuneration Committee, in which the majority of the members are External Directors, and considering the Committee’s submission.

Also, after a review by the Audit & Supervisory Committee, they have expressed the opinion that each candidate in this proposal is qualified.

The candidates for Director are as follows:

No.	Name	Reelected/ Newly appointed	Current position and areas of responsibility in the Company	Attendance at meetings of the Board of Directors
1	Tetsushi Mino	Reelected	Representative Director, President & CEO In charge of Internal Audit Dept.	17/17 (100.0%)
2	Satoru Murayama	Reelected	Representative Director, Executive Vice President & CTO Management of Management Planning Dept. and Business Planning Dept. Overseeing of Engineering & Development Division, Manufacturing Division and Overseas Operations	17/17 (100.0%)
3	Noboru Masuda	Reelected	Director, Senior Executive Managing Officer In charge of Manufacturing Division	17/17 (100.0%)
4	Hiroshi Yahara	Reelected	Director, Senior Executive Managing Officer Overseeing of General Affairs Dept., Personnel Dept. and Employee Relations Dept.	17/17 (100.0%)
5	Takekazu Karaki	Reelected	Director, Executive Managing Officer & CFO Overseeing of Management Planning Dept., Business Planning Dept., Accounting Dept. and 100-Year History Compilation Dept.	14/14 (100.0%)
6	Yuki Shimizu	Reelected	Director, Executive Managing Officer In charge of Business Development and Administration Division	14/14 (100.0%)
7	Masahiko Sato	Reelected	Director, Executive Managing Officer In charge of Engineering & Development Division	14/14 (100.0%)

Note: As candidates Mr. Karaki, Mr. Shimizu, and Mr. Sato were elected at the 119th Annual Shareholders’ Meeting held on June 29, 2021, the total number of meetings shown in their attendance at meetings of the Board of Directors reflects the number of meetings held after their election.

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
1 Reelected	Tetsushi Mino (April 24, 1957) Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1980 Joined the Company</p> <p>April 2009 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>April 2013 Executive Managing Officer of the Company</p> <p>June 2013 Director, Executive Managing Officer of the Company</p> <p>June 2017 Director, Senior Executive Managing Officer of the Company</p> <p>June 2018 Representative Director, President of the Company (to the present)</p> <p><i>Responsibilities</i> In charge of Internal Audit Dept.</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Mino has mainly held key positions in the Sales and Purchasing Departments of the Company, and has been responsible for the overall management of the Company and the Group as Representative Director and President since June 2018. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	105,100
2 Reelected	Satoru Murayama (October 9, 1956) Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1980 Joined the Company</p> <p>April 2009 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>April 2013 Executive Managing Officer of the Company</p> <p>June 2013 Director, Executive Managing Officer of the Company</p> <p>June 2017 Director, Senior Executive Managing Officer of the Company</p> <p>June 2018 Representative Director, Senior Executive Managing Officer of the Company</p> <p>April 2019 Representative Director, Executive Vice President of the Company (to the present)</p> <p><i>Responsibilities</i> Management of Management Planning Dept. and Business Planning Dept. Overseeing of Engineering & Development Division, Manufacturing Division and Overseas Operations</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Murayama has mainly held key positions in the Engineering & Development and Manufacturing Departments of the Company, and has been responsible for the management of the Company and the Group as Representative Director and Senior Executive Managing Officer since June 2018 and as Representative Director and Executive Vice President since April 2019. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	105,000

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
3 Reelected	Noboru Masuda (April 13, 1959) Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1982 Joined the Company</p> <p>April 2015 Executive Officer of the Company</p> <p>April 2017 Senior Executive Officer of the Company</p> <p>April 2018 Executive Managing Officer of the Company</p> <p>June 2019 Director, Executive Managing Officer of the Company</p> <p>April 2022 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> In charge of Manufacturing Division</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Masuda has experience mainly in the Tool & Machinery Engineering and Factory Departments of the Company and has deep knowledge and achievements in the Company's tool & machinery and manufacturing operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	46,000
4 Reelected	Hiroshi Yahara (April 7, 1960) Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1984 Joined the Company</p> <p>April 2014 Executive Officer of the Company</p> <p>April 2016 Senior Executive Officer of the Company</p> <p>April 2018 Executive Managing Officer of the Company</p> <p>June 2020 Director, Executive Managing Officer of the Company</p> <p>April 2022 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> Overseeing of General Affairs Dept., Personnel Dept. and Employee Relations Dept.</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Yahara has experience mainly in the Sales, Purchasing, General Affairs, and Personnel Departments of the Company and has deep knowledge and achievements in the Company's sales, purchasing, general affairs and personnel operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	51,700
5 Reelected	Takekazu Karaki (February 21, 1962) Attendance at meetings of the Board of Directors 14/14 (100.0%)	<p>April 1986 Joined the Company</p> <p>April 2016 Executive Officer of the Company</p> <p>April 2018 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2021 Director, Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> Overseeing of Management Planning Dept., Business Planning Dept., Accounting Dept. and 100-year History Compilation Dept.</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Karaki has experience mainly in the Overseas Operations and Accounting Departments of the Company and has deep knowledge and achievements in the Company's overseas business and accounting operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	36,200

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
6 <u>Reelected</u>	Yuki Shimizu (June 25, 1962) Attendance at meetings of the Board of Directors 14/14 (100.0%)	<p>April 1986 Joined the Company</p> <p>April 2016 Executive Officer of the Company</p> <p>April 2018 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2021 Director, Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> In charge of Business Development and Administration Division</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Shimizu has experience mainly in the Sales and Purchasing Departments of the Company, has been in charge of the management of an Indonesia subsidiary, and has deep knowledge and achievements in the sales and purchasing operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	39,400
7 <u>Reelected</u>	Masahiko Sato (September 28, 1962) Attendance at meetings of the Board of Directors 14/14 (100.0%)	<p>April 1985 Joined the Company</p> <p>April 2017 Executive Officer of the Company</p> <p>April 2019 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2021 Director, Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> In charge of Engineering & Development Division</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Sato has experience mainly in the Production Engineering and Engineering Departments of the Company and has deep knowledge and achievements in the Company's engineering & development and manufacturing operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p>	28,400

- Notes: 1. There is no special interest between any of the candidates and the Company.
2. The Company has entered into a directors and officers liability insurance policy with an insurance company that classifies the Company's Directors, Executive Officers, and company officers of domestic and overseas subsidiaries and affiliates (excluding PK U.S.A., INC.) as the insureds, and the insureds are covered for losses that may arise from their assumption of liability incurred in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality. Each candidate will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal 4: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members

All five (5) Directors who are Audit & Supervisory Committee Members will retire from office due to expiration of their terms of office at the conclusion of this Shareholders' Meeting.

Accordingly, we propose the election of five (5) Directors who are Audit & Supervisory Committee Members.

Decisions to select the candidates for Director who is an Audit & Supervisory Committee member are made by the Board of Directors upon consulting with the Nomination & Remuneration Committee, in which the majority of the members are External Directors, and considering the Committee's submission.

The Audit & Supervisory Committee has given its prior consent to the submission of this proposal to this Shareholders' Meeting. The candidates for Director who is an Audit & Supervisory Committee member are as follows:

No.	Name	Reelected/ Newly appointed Attributes	Current position and areas of responsibility in the Company	Significant concurrent positions outside the Company	Attendance at meetings
1	Masanori Sakano	Reelected	Director (Full-time Audit & Supervisory Committee Member)		Board of Directors 17/17 (100.0%) Audit & Supervisory Committee 12/12 (100.0%)
2	Yasuo Yamane	Reelected Independent External	External Director (Audit & Supervisory Committee Member)		Board of Directors 17/17 (100.0%) Audit & Supervisory Committee 12/12 (100.0%)
3	Osamu Nakagawa	Reelected Independent External	External Director (Audit & Supervisory Committee Member)	Managing Partner of NY Accounting Partners Tax Accountant Corporation Partner of TOKO Audit Corporation Audit & Supervisory Board Member of Medical Data Vision Co., Ltd. External Audit & Supervisory Board Member of ACCESS GROUP HOLDINGS CO., LTD. External Audit & Supervisory Board Member of HOKEN NO MADOGUCHI GROUP INC.	Board of Directors 17/17 (100.0%) Audit & Supervisory Committee 12/12 (100.0%)
4	Kenji Furusato	Reelected Independent External	External Director (Audit & Supervisory Committee Member)	Attorney of Tokyo Fuji Law Office Professor of Nihon University Law School	Board of Directors 17/17 (100.0%) Audit & Supervisory Committee 12/12 (100.0%)
5	Tomoko Ando	Reelected Independent External	External Director (Audit & Supervisory Committee Member)	Outside Board Director of Kansai Paint Co., Ltd.	Board of Directors 17/17 (100.0%) Audit & Supervisory Committee 12/12 (100.0%)

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
1 Reelected	Masanori Sakano (September 4, 1960) Attendance at meetings of the Board of Directors 17/17 (100.0%) Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>April 1984 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>November 2009 President of ZAO Sumitomo Mitsui Rus Bank</p> <p>December 2012 General Manager of Global Advisory Department of Sumitomo Mitsui Banking Corporation</p> <p>January 2016 Joined the Company General Manager of Financial Dept. of the Company</p> <p>June 2020 Director of the Company (Full-time Audit & Supervisory Committee Member) (to the present)</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Sakano has abundant and broad-ranging insights regarding finance and accounting as well as corporate management from his many years of experience at financial institutions in Japan and overseas. Based on such experience and knowledge, the Company has judged that he is able to appropriately supervise the management of the Company, and continues to nominate him as candidate for Director who is an Audit & Supervisory Committee member.</p>	16,500
2 Reelected Independent External	Yasuo Yamane (October 24, 1948) Attendance at meetings of the Board of Directors 17/17 (100.0%) Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>April 1975 Joined Toshiba Machine Co., Ltd. (currently SHIBAURA MACHINE CO., LTD.)</p> <p>April 1985 Associate Professor of Faculty of Engineering, Hiroshima University</p> <p>May 1995 Professor of Faculty of Engineering, Hiroshima University</p> <p>April 2001 Professor of Graduate School of Engineering, Hiroshima University</p> <p>July 2005 Dean of Graduate School of Engineering and Faculty of Engineering, Hiroshima University</p> <p>April 2009 Executive and Vice President, Hiroshima University</p> <p>April 2013 Professor (Special Appointment) of Institute of Engineering of Hiroshima University</p> <p>June 2015 External Director of the Company</p> <p>April 2016 Professor (Special Appointment) of Hiroshima University</p> <p>June 2016 External Director of the Company (Audit & Supervisory Committee Member) (to the present)</p> <p>March 2019 Retired as Professor (Special Appointment) of Hiroshima University</p> <p><i>Reasons for nomination as candidate for External Director and overview of expected roles</i> Although Dr. Yamane has not been directly involved in corporate management in the past, he has a career history that includes Executive and Vice President of a national university, and he possesses extensive specialist knowledge regarding technology and human resource training that he has accumulated over many years as a professor in the faculty of engineering of a national university. Based on such experience and knowledge, the Company has judged that he is able to appropriately advise and supervise the management of the Company, and continues to nominate him as candidate for External Director who is an Audit & Supervisory Committee member. Because Dr. Yamane has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Dr. Yamane and general shareholders and has continued to designate him as an Independent Officer.</p>	—

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
3 <u>Reelected</u> <u>Independent</u> <u>External</u>	Osamu Nakagawa (July 27, 1968) Attendance at meetings of the Board of Directors 17/17 (100.0%) Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>October 1993 Joined Junichiro Yamada Accounting Office (currently Yamada & Partners Certified Public Tax Accountants' Co.)</p> <p>September 1998 Established Osamu Nakagawa Accounting Office (to the present)</p> <p>March 2013 Audit & Supervisory Board Member of Medical Data Vision Co., Ltd. (to the present)</p> <p>June 2015 External Audit & Supervisory Board Member of the Company</p> <p>June 2016 External Director of the Company (Audit & Supervisory Committee Member) (to the present)</p> <p>August 2018 External Audit & Supervisory Board Member of ACCESS GROUP HOLDINGS CO., LTD. (to the present)</p> <p><i>Significant concurrent positions outside the Company</i> Managing Partner of NY Accounting Partners Tax Accountant Corporation Partner of TOKO Audit Corporation Audit & Supervisory Board Member of Medical Data Vision Co., Ltd. External Audit & Supervisory Board Member of ACCESS GROUP HOLDINGS CO., LTD. External Audit & Supervisory Board Member of HOKEN NO MADOGUCHI GROUP INC.</p>	-
<p><i>Reasons for nomination as candidate for External Director and overview of expected roles</i> Mr. Nakagawa has served consecutively as partner in an audit corporation and tax accountant corporation and has expert perspective and abundant experience as a certified public accountant and certified tax accountant. Based on such experience and knowledge, the Company has judged that he is able to appropriately advise and supervise the management of the Company, and continues to nominate him as candidate for External Director who is an Audit & Supervisory Committee member. Because Mr. Nakagawa has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Mr. Nakagawa and general shareholders and has continued to designate him as an Independent Officer.</p>			
4 <u>Reelected</u> <u>Independent</u> <u>External</u>	Kenji Furusato (August 3, 1968) Attendance at meetings of the Board of Directors 17/17 (100.0%) Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>April 1996 Joined Toranomon Law Office</p> <p>April 2000 Joined Tokyo Fuji Law Office (to the present)</p> <p>April 2008 Associate Professor of Nihon University Law School</p> <p>April 2013 Professor of Nihon University Law School (to the present)</p> <p>June 2016 External Director of the Company (Audit & Supervisory Committee Member) (to the present)</p> <p><i>Significant concurrent positions outside the Company</i> Attorney of Tokyo Fuji Law Office Professor of Nihon University Law School</p>	-
<p><i>Reasons for nomination as candidate for External Director and overview of expected roles</i> Although Mr. Furusato has not been directly involved in corporate management in the past, he has abundant experience in law office and has served consecutively as professor in law school with specialized expertise as a lawyer. Based on such experience and knowledge, the Company has judged that he is able to appropriately advise and supervise the management of the Company, and continues to nominate him as candidate for External Director who is an Audit & Supervisory Committee member. Because Mr. Furusato has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Mr. Furusato and general shareholders and has continued to designate him as an Independent Officer.</p>			

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
5 <input type="checkbox"/> Re-elected <input type="checkbox"/> Independent <input type="checkbox"/> External	Tomoko Ando (July 18, 1959)	December 1996 Joined Masterfoods Ltd. (currently Mars Japan Limited) Marketing Manager of Shack Food Marketing of Masterfoods Ltd.	-
		January 2006 People, Pipeline Manager of Personnel & Organization of Masterfoods Ltd. August 2008 Joined NIHON L'ORÉAL K.K. Senior HR Manager of NIHON L'ORÉAL K.K. March 2011 Executive Vice President, General Manager of Personnel Dept. of NIHON L'ORÉAL K.K. May 2016 Retired from Executive Vice President, General Manager of Personnel Dept. of NIHON L'ORÉAL K.K. June 2018 External Director of the Company (Audit & Supervisory Committee Member) (to the present) June 2019 Outside Board Director of Kansai Paint Co., Ltd. (to the present)	
	Attendance at meetings of the Board of Directors 17/17 (100.0%)	<i>Significant concurrent positions outside the Company</i> Outside Board Director of Kansai Paint Co., Ltd.	
	Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<i>Reasons for nomination as candidate for External Director and overview of expected roles</i> Ms. Ando has abundant experience and extensive insights regarding global corporations gained primarily from her experience regarding brand marketing and strategic personnel affairs at a foreign-owned enterprise and while serving as the Executive Vice President. Based on such experience and knowledge, the Company has judged that she is able to appropriately advise and supervise the management of the Company, and continues to nominate her as candidate for External Director who is an Audit & Supervisory Committee member. Ms. Ando serves concurrently as Outside Board Director of Kansai Paint Co., Ltd. Although the Company has a business relationship with Kansai Paint Co., Ltd. regarding purchasing paints, the transaction amount in the current fiscal year was insignificant, accounting for less than 0.1% of the consolidated sales amount of the Company and less than 0.1% of that of Kansai Paint Co., Ltd. In addition, although Kansai Paint Co., Ltd. holds the Company's shares, the percentage of shares owned by Kansai Paint Co., Ltd. is insignificant, accounting for less than 0.1% of the total number of the Company's issued shares. Accordingly, these facts are deemed not to affect the independence of Ms. Ando. Because Ms. Ando has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Ms. Ando and general shareholders and has continued to designate her as an Independent Officer.	

- Notes:
- There is no special interest between any of the candidates and the Company.
 - Dr. Yamane, Mr. Nakagawa, Mr. Furusato and Ms. Ando are candidates for External Director.
 - (1) Dr. Yamane is currently External Director of the Company and his term of office as External Director will be seven years at the conclusion of this Shareholders' Meeting.
(2) Mr. Nakagawa and Mr. Furusato are currently External Directors of the Company and their terms of office as External Directors will be six years at the conclusion of this Shareholders' Meeting. The term of office of Mr. Nakagawa as External Audit & Supervisory Board Member of the Company before the transition to a company with Audit & Supervisory Committee was one year.
(3) Ms. Ando is currently External Director of the Company and her term of office as External Director will be four years at the conclusion of this Shareholders' Meeting.
 - At present, Mr. Sakano, Dr. Yamane, Mr. Nakagawa, Mr. Furusato and Ms. Ando have signed contracts with the Company to limit their liabilities for damages under Paragraph 1 of Article 423 of the Companies Act, pursuant to Paragraph 1 of Article 427 of the said Act. Under the said contract, the limit of liability shall be set at the minimum liability amount prescribed by the relevant laws and regulations. If the five candidates are re-elected, the Company plans to extend the contracts with them to limit the above liabilities for damages.
 - At present, the Company has designated Dr. Yamane, Mr. Nakagawa, Mr. Furusato and Ms. Ando as Independent Officers as specified in the Tokyo Stock Exchange, Inc. and notified the Exchange of their designation. If they are re-elected, the Company will notify the Tokyo Stock Exchange, Inc. of their designation as Independent Officers again.
 - The Company has entered into a directors and officers liability insurance policy with an insurance company that

classifies the Company's Directors, Executive Officers, and company officers of domestic and overseas subsidiaries and affiliates (excluding PK U.S.A., INC.) as the insureds, and the insureds are covered for losses that may arise from their assumption of liability incurred in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability.

However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality.

Each candidate will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

7. Ms. Ando is expected to assume the position of External Director of Isetan Mitsukoshi Holdings Ltd. in June 2022.

(Reference)

Standards for Electing Independent External Directors

Article 1 (Purpose)

The Standards define the standards for electing External Directors independent from the senior management, controlling shareholders, etc., for the purpose of strengthening and enhancing the Company's corporate governance system.

Article 2 (Standards for Independence)

A person who falls under any of the paragraphs below shall not have independency:

1. An executing person (executive director, Executive Officer and equivalents to each of the foregoing, and employee; the same hereinafter) of the Press Kogyo Group
2. An executing person of any company, etc., who falls under any of the subparagraphs:
 - (1) Major business partner of the Press Kogyo Group
If its transaction amount with the Press Kogyo Group for any business year in the latest three (3) fiscal years exceeds 2% of the Company's or the transaction counterparty's consolidated sales amount, provided that, major business partners include all companies which belong to the Association for Business Partner Cooperation of the Company, regardless of the size of the transaction amount.
 - (2) Major lender of the Press Kogyo Group
If the outstanding debt of the Press Kogyo Group at the end of any business year in the latest three (3) fiscal years exceeds 2% of the Group's or lenders' total consolidated assets amount
 - (3) Major shareholder of the Company
If it is ranked in the top 10 with respect to shareholdings for any business year in the latest three (3) fiscal years
3. A person who belongs to any audit firm that acts as the Press Kogyo Group's Accounting Auditor
4. A consultant or accounting or legal specialist who receives a substantial amount of money or any other property (i.e., an average payment of JPY 10 million or more in the latest three (3) fiscal years) in addition to compensation to be paid to Officers from the Press Kogyo Group (if an entity including a corporation and association receives such money or property, a person who belongs to such entity)
5. An executing person of any managing securities company of the Press Kogyo Group
6. An executing person of any cross-shareholding company of the Press Kogyo Group
7. When an executing person of the Press Kogyo Group currently assumes or assumed any time in the latest three (3) years the office of external officer in any other company, the executing person of such company
8. A person who fell under any of Paragraphs 2 through 6 above any time in the latest three (3) years
9. A relative within the second degree of relationship of a person who falls under any of Paragraphs 1 through 7 above
10. Notwithstanding Paragraphs 1 through 9 above, a person who is considered to have a special reason for which his/her conflict-of-interest relationship between the Company and general shareholders may be formed.

Article 3 (Organization in Charge of Improvement or Elimination)

The improvement or elimination of the Standards shall be drafted by the department in charge of IR (General Affairs Dept.) and determined at the meeting of the Board of Directors.

(Reference)**Directors' Skill Matrix**

The Company's Board of Directors shall consist of persons who possess general skills required for the Company's management and important skills for the medium- to long-term management.

If Proposals 3 and 4 are approved and adopted as proposed, the composition of the Company's Directors as well as expertise and experience they have are as follows.

Name	Gender	Tenure	Position in the Company	Expertise/Experience of Directors								
				Corporate Management	Sales/Purchasing	Technology/Development	Manufacturing	Finance/Accounting	Legal/Risk Management	Human Resources	Overseas Business	ESG
Tetsushi Mino	Male	9 years	Representative Director / President	•	•				•	•	•	•
Satoru Murayama	Male	9 years	Representative Director / Executive Vice President	•		•	•				•	•
Noboru Masuda	Male	3 years	Director / Senior Executive Managing Officer	•		•	•					•
Hiroshi Yahara	Male	2 years	Director / Senior Executive Managing Officer	•	•				•	•	•	•
Takekazu Karaki	Male	1 year	Director / Executive Managing Officer	•				•			•	•
Yuki Shimizu	Male	1 year	Director / Executive Managing Officer	•	•						•	•
Masahiko Sato	Male	1 year	Director / Executive Managing Officer	•		•	•				•	•
Masanori Sakano	Male	2 years	Full-time Audit & Supervisory Committee Member / Director					•				•
Yasuo Yamane	Male	7 years	Audit & Supervisory Committee Member / External Director			•						•
Osamu Nakagawa	Male	7 years	Audit & Supervisory Committee Member / External Director					•				•
Kenji Furusato	Male	6 years	Audit & Supervisory Committee Member / External Director						•			•
Tomoko Ando	Female	4 years	Audit & Supervisory Committee Member / External Director	•						•		•

* "Tenure" for each Director indicates the number of years in office at the time of the conclusion of the Annual Shareholders' Meeting on June 29, 2022. The years in office of Dr. Yamane include one year in which he served as an External Director prior to the Company's transition to a company with Audit & Supervisory Committee on June 29, 2016; and the years in office of Mr. Nakagawa include one year in which he served as an External Audit & Supervisory Board Member prior to the said transition.

Proposal 5: Payment of Bonuses for Officers

Taking into consideration the performance of the current fiscal year, among other factors, we propose to pay “bonuses for Officers” at the amount of 140,400 thousand yen to seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members, hereinafter referred to as “Director(s)”) in office as of the end of the current fiscal year. Note that the Company plans to entrust the decision of individual amounts to be paid to each Director to the discretion of the Board of Directors.

Regarding the amount of remuneration to be paid to Directors, a resolution that this amount should not exceed 400 million yen per year (provided that this amount does not include the employee salary portion) was resolved at the 114th Annual Shareholders’ Meeting held on June 29, 2016. We request that shareholders approve this proposal in a separate frame from the aforementioned annual remuneration amount.

This proposal is made by the Board of Directors upon consulting with the Nomination & Remuneration Committee, in which the majority of the members are External Directors, and considering the Committee’s submission. In addition, the Board of Directors considers that this proposal adheres to the contents of the “Policy for determining Directors’ remuneration, etc.” (refer to pages 37 to 39 in the Business Report) and that it is justifiable.

Also, after a review by the Audit & Supervisory Committee, they have expressed the opinion that this proposal is appropriate.

Proposal 6: Revision of Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

A resolution that the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company should not exceed 400 million yen per year (provided that this amount does not include the employee salary portion for Directors serving concurrently as employees) was resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016, and this resolution has been in force since then.

Now, in order to further promote efforts to increase sustainable corporate value, the Company has reviewed the officer remuneration plan and proposes that monetary remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be composed of fixed compensation as well as bonuses for Officers as performance-based compensation, and the amount of the remuneration will be revised to 500 million yen or less per year. However, monetary remuneration for Non-executive Directors and External Directors shall only be fixed compensation from the viewpoint of securing independence and exclude bonuses for Officers. In addition, we propose that the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) does not include the employee salary portion for Directors serving concurrently as employees, as before.

There are currently seven Directors (excluding Directors who are Audit & Supervisory Committee Members), and if Proposal 3 "Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" is approved and adopted as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be seven.

In addition, this proposal is made by the Board of Directors upon consulting with the Nomination & Remuneration Committee, in which the majority of the members are External Directors, and considering the Committee's submission, given the aforementioned purpose, the Company's business conditions, the Company's "Policy for determining Directors' remuneration, etc." (if this proposal is approved and adopted, the policy will be amended to the contents stated in (Reference) described later (refer to pages 22 to 23 in the Reference Documents for the Shareholders' Meeting) in order to conform to the approved details) and other various factors.

The Board of Directors considers that this proposal adheres to the said policy after amendment and that it is justifiable. After a review by the Audit & Supervisory Committee, they have expressed the opinion that this proposal is appropriate.

Proposal 7: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, Non-executive Directors and External Directors)

If proposal 6 “Revision of Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved and adopted as proposed, the amount of monetary remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company will be 500 million yen or less per year (provided that this amount does not include the employee salary portion for Directors serving concurrently as employees). As part of the review of the officer remuneration plan, the Company proposes to provide new remuneration for granting restricted shares to its Directors (excluding Directors who are Audit & Supervisory Committee Members, Non-executive Directors and External Directors, hereinafter referred to as “Eligible Directors”) in addition to the aforementioned monetary remuneration scheme in order to give incentives for Eligible Directors to increase the Company’s sustainable corporate value as well as to further promote sharing value with shareholders.

Based on this proposal, remuneration for granting restricted shares to Eligible Directors shall be monetary claims and the total amount shall not exceed 60 million yen per year (provided that this amount does not include the employee salary portion for Directors serving concurrently as employees). In addition, the specific timing of granting and allocation to each Eligible Director shall be determined by the Board of Directors.

There are currently seven Directors (excluding Directors who are Audit & Supervisory Committee Members), and if Proposal 3 “Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved and adopted as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be seven.

Eligible Directors shall pay all the monetary claims to be provided under this proposal as property contributed in kind based on a resolution by the Company’s Board of Directors, and receive the issuance or disposal of the Company’s common shares. The total number of the Company’s common shares to be issued or disposed of thereby shall not exceed 300,000 shares per year (provided that, in the event of a share split of the Company’s common shares including gratis allotment of the Company’s common shares, or share consolidation with an effective date after this proposal is approved and adopted, or any other case which would require adjustment of the total number of the Company’s common shares to be issued or disposed of as restricted shares, the said total number of shares shall be adjusted within a reasonable range according to the ratio of a share split or share consolidation).

The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the date of each resolution of the Board of Directors (or if the Company’s shares are not traded on the said date, the closing price on the most recent preceding trading day) within the range of the amount not particularly advantageous to Eligible Directors who receive the said common shares. To issue or dispose of the Company’s common shares and provide monetary claims as property contributed in kind thereby, the Company and Eligible Directors shall conclude a restricted share allotment agreement (hereinafter referred to as the “Allotment Agreement”).

In addition, the maximum amount of remuneration in this proposal, the total number of the Company’s common shares to be issued or disposed of and other conditions to grant restricted shares to Eligible Directors based on this proposal are determined by the Board of Directors upon consulting with the Nomination & Remuneration Committee, in which the majority of the members are External Directors, and considering the Committee’s submission, given the aforementioned purpose, the Company’s business conditions, the Company’s “Policy for determining Directors’ remuneration, etc.” (if this proposal is approved and adopted, the policy will be amended to the contents stated in (Reference) described later (refer to pages 22 to 23 in the Reference Documents for the Shareholders’ Meeting) in order to conform to the approved details) and other various factors.

The Board of Directors considers that this proposal adheres to the said policy after amendment and the total number of shares to be issued or disposed of per year to Eligible Directors accounted for 0.3% or less of the aggregate of the issued shares (as of March 31, 2022); therefore, it has judged that it is justifiable. After a review by the Audit & Supervisory Committee, they have expressed the opinion that this proposal is appropriate.

If Eligible Directors are non-residents in Japan, monetary remuneration equivalent to that provided under the plan shall be paid.

Moreover, if the proposal regarding the introduction of the plan is adopted as proposed at this Shareholders' Meeting, the Company plans to introduce the same restricted share-based remuneration plan for Executive Officers of the Company who do not concurrently serve as Directors.

[Outline of terms and conditions of the Allotment Agreement]

(1) Restriction period

Eligible Directors shall not transfer, create a security interest in, or otherwise dispose of the Company's common shares (hereinafter referred to as the "Transfer Restriction") allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") for the period from the date of allotment under the Allotment Agreement to right after the date when they retire or resign from positions prescribed by the Company's Board of Directors beforehand (hereinafter referred to as the "Said Position") among those of officers and staff of the Company and its subsidiaries (hereinafter referred to as the "Restriction Period").

(2) Treatment on retirement or resignation from the position

If Eligible Directors retire or resign from the Said Position before the expiration of the period prescribed by the Company's Board of Directors beforehand (hereinafter referred to as the "Service Period"), the Company shall validly acquire the Allotted Shares without consideration unless the retirement or resignation occurs due to the expiration of their terms of office, death or other justifiable reasons.

(3) Lifting of transfer restrictions

Notwithstanding the provision (1) stated above, the Company shall lift the Transfer Restriction for all the Allotted Shares at the expiration of the Restriction Period, provided that Eligible Directors continuously serve as the Said Position during the Service Period. However, if the said Eligible Directors retire or resign from the Said Position before the expiration of the Service Period due to a justifiable reason, the Company shall reasonably adjust the number of the Allotted Shares for which the Transfer Restriction would be lifted as necessary. In addition, the Company shall validly acquire the Allotted Shares without consideration for which the Transfer Restriction has not been lifted right after when the Transfer Restriction has been lifted in accordance with the aforementioned provision.

(4) Treatment during reorganization, etc.

Notwithstanding the provision (1) stated above, if matters regarding a merger agreement that would make the Company a disappearing company, a share swap agreement that would make the Company a wholly owned subsidiary, or share transfer plan or other reorganization, etc., are approved by the Company's Shareholders' Meeting (or by the Company's Board of Directors if the said reorganization, etc. does not require approval by the Company's Shareholders' Meeting) during the Restriction Period, the Company shall lift the Transfer Restriction by a resolution of its Board of Directors, for the reasonably prescribed number of the Allotted Shares based on the period between the starting date of the Restriction Period and the approval date of the said reorganization, etc., before the effective date of the said reorganization, etc. In addition, in the case prescribed above, the Company shall validly acquire the Allotted Shares without consideration for which the Transfer Restriction has not been lifted on the business day before the effective date of the said reorganization, etc.

(5) Other matters

The Company's Board of Directors shall make determinations concerning other matters regarding the Allotment Agreement.

(Reference)

**Policy for Determining Directors' Remuneration, etc. After the Approval of
Proposals 6 and 7**

<Matters pertaining to policy regarding the determination of officer remuneration, etc. and its calculation method>

The Company will determine the policy for remuneration, etc. for Executive Directors, Non-executive Directors and Directors who are Audit & Supervisory Committee Members as follows.

Directors' (excluding Directors who are Audit & Supervisory Committee Members) remuneration, etc. is determined upon ensuring objectivity and transparency through deliberation with the Nomination & Remuneration Committee, in which majority of the members are External Directors, and opinions from the Audit & Supervisory Committee each fiscal year.

<Remuneration, etc., for Executive Directors>

- 1 Remuneration, etc., for executive directors, from among the Company's Directors (excluding Directors Who Are Audit & Supervisory Committee Members), shall be determined taking into consideration the ratio of fixed compensation and performance-based compensation (bonuses for Officers as a short-term incentive) and non-monetary remuneration (restricted share-based remuneration as a medium- to long-term incentive). The ratio of fixed compensation, performance-based compensation and non-monetary remuneration shall be properly determined to allow them to function as sound incentives, while being based on policies for determining each type of remuneration.
- 2 The allocation of remuneration, etc., for individual executive directors, fixed compensation and performance-based compensation (bonuses for Officers) are entrusted to Representative Director, President by the Board of Directors and determined within the limits of the aggregate amount resolved at the Shareholders' meetings. For non-monetary remuneration (restricted share-based remuneration), each number of shares to be allotted is determined by the Board of Directors within the limits of the aggregate amount and the number of shares resolved at the Shareholders' Meeting.

<Remuneration, etc., for Non-executive Directors>

- 1 Remuneration, etc., for non-executive Directors who will advise and supervise the management of the Company from an independent standpoint shall only be fixed compensation from the viewpoint of securing independence.
- 2 The allocation of remuneration, etc., for individual non-executive directors is entrusted to Representative Director, President by the Board of Directors and determined within the limits of the aggregate amount resolved at the Shareholders' Meeting.

<Remuneration, etc., for Directors Who Are Audit & Supervisory Committee Members>

- 1 Remuneration, etc., for Directors Who Are Audit & Supervisory Committee Members shall only be fixed compensation from the viewpoint of securing the appropriateness of their duties including conducting audits and supervising the execution of business.
- 2 The allocation of remuneration, etc., for individual Directors who are Audit & Supervisory Committee Members shall be determined by consultation of Audit & Supervisory Committee Members, within the limits of the aggregate amount resolved at the Shareholders' Meeting.

<Policy regarding the determination of the amount of personal compensation, etc. for fixed compensation>

Fixed compensation is based on the basic compensation decided by position, and is paid monthly upon its resolution within the scope of the maximum amount of monetary remuneration (including fixed compensation and bonuses for Officers) of 500 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022), and 60 million yen per year for Directors who are Audit & Supervisory Committee Members (resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016).

<Policy regarding the determination of the calculation method for performance-based compensation, and policy regarding the determination of the amount of their personal compensation, etc. for performance-based compensation>

The payment of bonuses for Officers as performance-based compensation (short-term incentive) for executive directors is considered each fiscal year, and if they are paid, they will be paid at a certain period of time every fiscal year upon a resolution within the scope of the maximum amount of monetary remuneration (including fixed compensation and bonuses for Officers) of 500 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022).

The total amount of bonuses for Officers takes performance and other factors for each fiscal year into consideration. However, the main reference indicators pertaining to bonuses for Officers include profit attributable to owners of parent and annual dividends per share. Furthermore, bonuses will be paid to eligible Directors upon consideration of position and personal level of contribution.

<Policy regarding the determination of the calculation method for non-monetary remuneration, and policy regarding the determination of the amount of personal remuneration, etc. for performance-based compensation>

Restricted share-based remuneration shall be provided as non-monetary remuneration (medium- to long-term incentive) for Executive Directors for each fiscal year.

Restricted share-based remuneration shall be based on the standard amount decided by position and provided at a certain period of time every fiscal year upon the resolution of each number of shares to be allotted within the scope of the amount of 60 million yen and 300,000 shares per year (to be resolved at the 120th Annual Shareholders' Meeting scheduled for June 29, 2022).

(Attachment)

Business Report
(From April 1, 2021 to March 31, 2022)

1 Status of the Corporate Group

(1) Business progress and results

In the fiscal year ended March 31, 2022, domestic and overseas demand for trucks and construction machineries trended toward recovery. However, business activities were severely affected by production adjustments due to a resurgence of the novel coronavirus disease (COVID-19) and parts supply restrictions caused by the global shortage of semiconductors and other factors.

Under these circumstances, the Group has been striving to secure earnings by continuing to develop a system that can flexibly respond to changes in production and to carry out rationalization activities.

As a result of the above, in the current fiscal year, the Company recorded net sales of 160,060 million yen (153,725 million yen in the previous fiscal year), operating profit of 12,424 million yen (4,764 million yen in the previous fiscal year), ordinary profit of 12,673 million yen (5,013 million yen in the previous fiscal year), and profit attributable to owners of parent of 7,107 million yen (1,489 million yen in the previous fiscal year).

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the current fiscal year. Accordingly, year on year comparisons (%) of net sales, operating profit, ordinary profit, and profit attributable to owners of parent are not shown.

	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (Fiscal year ended March 31, 2022)
	Amount (Millions of yen)	Amount (Millions of yen)
Net sales	153,725	160,060
Operating profit	4,764	12,424
Ordinary profit	5,013	12,673
Profit attributable to owners of parent	1,489	7,107

Business performance by segment is as follows.

<p>Automotive-Related Business</p> <p>Net sales 125,775 million yen</p>	<p>(Automotive-Related Business)</p> <p>The business environment and business performance in Japan and overseas in this segment was as follows.</p> <p>[Japan] Domestic demand for heavy- and medium-duty trucks decreased by 8,600 vehicles year on year, to 77,300 vehicles, and domestic demand for light-duty trucks decreased by 11,500 vehicles year on year, to 74,500 vehicles, while exports of both heavy- and medium-duty trucks and light-duty trucks increased year on year. As a result of such factors, domestic net sales increased year on year although the domestic production activities were affected by shortages in supply of semiconductors and other.</p> <p>[Thailand] While demand within the country for 1-ton pick-up trucks was on the same level as the previous fiscal year, exports of these vehicles increased. As a result, production increased year on year at the TSPK- Group.</p> <p>[U.S.A.] Demand within the country is trending toward recovery despite the impact of production adjustments at finished car manufacturers due to semiconductor supply shortages and other factors. As a result, production increased year on year at PK U.S.A., INC.</p> <p>[Indonesia] Owing to increased domestic demand and exports of commercial vehicles, production increased year on year at PT. PK Manufacturing Indonesia.</p> <p>[Sweden] While demand within Europe for commercial vehicles was on the same level as the previous fiscal year, ordered products performed well. As a result, production increased year on year at PRESS KOGYO SWEDEN AB.</p> <p>As a result of the above, net sales in this segment amounted to 125,775 million yen (126,488 million yen in the previous fiscal year) and segment profit amounted to 13,852 million yen (6,977 million yen in the previous fiscal year).</p>
<p>Construction Machinery-Related Business</p> <p>Net sales 34,136 million yen</p>	<p>(Construction Machinery-Related Business)</p> <p>The business environment and business performance in Japan and overseas in this segment was as follows.</p> <p>[Japan] Owing to increased exports of hydraulic excavators for the North American, European, and Asian markets, production increased year on year at Onomichi Plant of the Company and KYOWA MFG. CO., LTD.</p> <p>[China] The production at PM CABIN MANUFACTURING CO., LTD. and PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. decreased year on year due to sluggish domestic demand over the second half of the current fiscal year and expansion of local manufacturers' market share.</p> <p>As a result of the above, net sales in this segment amounted to 34,136 million yen (27,226 million yen in the previous fiscal year) and segment profit amounted to 1,697 million yen (950 million yen in the previous fiscal year).</p>

(2) Status of financing

In order to make it possible to efficiently raise working capital, the Company entered into loan commitment contracts for a total amount of 11.5 billion yen with Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Resona Bank, Limited, and The Bank of Yokohama, Ltd.

With regard to affiliates, U.S. subsidiary PK U.S.A., INC. entered into loan commitment contracts for 32 million U.S. dollars with its main trading financial institutions.

(3) Status of capital investments, etc.

In the current fiscal year, the Group made capital investments totaling 6,401 million yen. The main components of capital investments were as follows.

(i) Major facilities completed during the current fiscal year

Fujisawa Plant of the Company	Auxiliary plant facility
Fujisawa Plant of the Company	Auxiliary frame assembly facility
PK U.S.A., INC.	Axle production facility

(ii) Sale or removal of major non-current assets during the current fiscal year

PM CABIN MANUFACTURING CO., LTD.	Disposal of assets due to liquidation
PK U.S.A., INC.	Panel processing facility

(4) Status of assets and profit (loss) in the most recent three fiscal years

(i) Trends in the status of assets and profit (loss) of the corporate group

		117th fiscal year (Fiscal year ended March 31, 2019)	118th fiscal year (Fiscal year ended March 31, 2020)	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (current) (Fiscal year ended March 31, 2022)
Net sales	(Millions of yen)	220,661	205,292	153,725	160,060
Operating profit	(Millions of yen)	13,800	7,459	4,764	12,424
Ordinary profit	(Millions of yen)	13,661	7,339	5,013	12,673
Profit attributable to owners of parent	(Millions of yen)	7,567	3,728	1,489	7,107
Basic earnings per share	(Yen)	69.10	34.22	13.74	66.17
Total assets	(Millions of yen)	159,073	154,170	152,609	172,617
Net assets	(Millions of yen)	94,214	94,624	95,604	103,219

Notes: 1. Basic earnings per share is calculated based on the average total number of shares outstanding during period.
2. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard, etc.

(ii) Trends in the status of assets and profit (loss) of the Company

		117th fiscal year (Fiscal year ended March 31, 2019)	118th fiscal year (Fiscal year ended March 31, 2020)	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (current) (Fiscal year ended March 31, 2022)
Net sales	(Millions of yen)	112,500	106,419	84,936	65,450
Operating profit	(Millions of yen)	6,326	2,550	1,187	5,400
Ordinary profit	(Millions of yen)	7,819	4,454	2,675	6,728
Profit	(Millions of yen)	5,505	3,204	1,688	3,834
Basic earnings per share	(Yen)	50.28	29.42	15.58	35.70
Total assets	(Millions of yen)	107,867	104,298	105,596	110,603
Net assets	(Millions of yen)	75,377	74,233	76,564	77,982

Notes: 1. Basic earnings per share is calculated based on the average total number of shares outstanding during period.
2. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2022, are the figures after applying the accounting standard, etc.

(5) Issues to be addressed

Although global demand remains steady, shortages in supply of semiconductors and other components are not yet under control. In addition, higher production costs are expected to be unavoidable as a result of soaring international resource prices due to the deteriorating situation in Europe. The Group will strive to respond flexibly to production fluctuations and improve operational efficiency. We will continue to maintain smooth corporate and production activities against COVID-19 by continuing to take thorough measures on infection control and clusters.

In addition, the world is moving at an accelerated pace toward the realization of a sustainable society, and in particular, addressing climate change issues is a top priority. In the automobile and construction machinery industries, the development and market launch of EVs and FCVs is steadily progressing.

In order to survive and grow in this era of such significant change in the business environment, the Group has formulated a medium-term business plan for the years FY2019 through FY2023, and we are working to achieve it, having set forth our aim to “Focus on the Quality Management.”

In the medium-term business plan, we have set the pillars of (i) Building strong management structure, (ii) Leading products and high competitiveness of core products, and (iii) Securing and expanding existing core business / new business, and we are making steady progress in addressing the climate change issue. To implement sustainability management, we will continue to identify material issues from a long-term perspective (“Materiality”) and work toward sustainable growth while balancing corporate economic value and social value.

(i) Building strong management structure

The “activity for monozukuri mindset” aimed at safety, 5S, equipment maintenance, and skill transfer, which are the fundamentals of manufacturing, are becoming firmly established as part of our corporate culture, and we will continue these activities in our daily management.

We are also promoting productivity improvement activities, the creation of a flexible system to cope with fluctuations in production volume, company-wide cross-sectional business improvement activities including staff divisions, diversity and activation of human resources and work styles, and the review of systems in response to changes in employment policies.

In addition, as of October 1, 2021, the CN Promotion Committee and the TCFD project were formed. While strengthening and promoting specific CO₂ reduction initiatives to become carbon neutral, we will analyze the risks and opportunities posed by climate change within the framework of the TCFD and incorporate them into our management strategies.

(ii) Leading products and high competitiveness of core products

In automotive parts, amid rapid progress in development targeting next-generation models and the shift to EVs and FCVs, we are focusing on development proposals that will contribute to enhancing the capabilities of the Group’s core products, including weight saving qualities, high strength, multi-functionalized properties, and better coating performance.

In construction machinery cabins, we are promoting the development of the Company’s original cabins, incorporating improved and new functions, such as higher visibility.

At the Onomichi Plant, which specializes in construction machinery cabins, we are working to strengthen competitiveness by reorganizing the overall production lines and optimizing logistics within the plant.

In addition, we will further advance manufacturing and increase our competitiveness as a specialized manufacturer through research and development of new technologies and methods for practical application, consideration of the use of new materials, and production line automation and efficiency, and the introduction of IT such as IoT/RPA.

(iii) Securing and expanding existing core business / new business

While global demand is firm, supported by construction demand such as infrastructure development and increased logistics, domestic demand is said to be facing future demand contraction factors such as driver shortages, modal shifts, and a declining population. Furthermore, the automotive industry as a whole has entered a period of major change, including the reorganization of automobile manufacturers and the accelerating shift toward EVs and FCVs.

In the automotive-related business, we are leveraging our ability to make proposals based on customer needs to enhance the value of core products, as we work to secure and expand our existing business.

In construction machinery cabins, we are making development proposals for various sizes of hydraulic excavators, from small to large sizes, and thus steadily increasing our market share toward achieving the sales expansion target of the medium-term business plan. Furthermore, we are also promoting activities aimed at expanding sales, including cabins for construction machinery other than hydraulic excavators and cabins for agricultural and industrial machinery.

In addition, we will also actively take on the challenge of developing applications for proprietary technologies, as well as new business development.

Management targets for the fiscal year ending March 31, 2024 in the medium-term business plan are as follows: operating profit margin: 7%, ROE: 7%, and total return ratio: 35% or more.

We ask all shareholders for their continued understanding of the management of the Group, as well as their further support and encouragement going forward.

(6) Status of principal parent company and subsidiaries (As of March 31, 2022)**(i) Relationship with parent company**

Not applicable.

(ii) Status of principal subsidiaries

Company name	Share capital or investments in capital	Percentage of voting rights held by the Company (%)	Principal business
KYOWA MFG. CO., LTD.	100 million yen	100.00	Manufacture of automotive parts and construction machinery parts
ONOMICHI PRESS KOGYO CO., LTD.	15 million yen	83.33	Manufacture of automotive parts and construction machinery parts
BANKIN KOGYO CO., LTD.	25 million yen	100.00	Manufacture of automotive parts
TECMO CO., LTD.	20 million yen	100.00	Engineering of automotive parts
PK LOGISTICS CO., LTD.	32 million yen	100.00	Transportation of automotive parts
PKC CO., LTD.	50 million yen	100.00	Sale of materials
PK SERVICE CO., LTD.	100 million yen	100.00	Welfare services
PK U.S.A., INC.	49 thousand U.S. dollars	100.00	Manufacture of automotive parts
OCEAN STREAM ENTERPRISE, INC.	400 thousand U.S. dollars	100.00	Welfare services
PRESS KOGYO SWEDEN AB	45,000 thousand Swedish krona	100.00	Manufacture of automotive parts and agricultural machinery parts
THAI SUMMIT PKK CO., LTD.	300,000 thousand Thai baht	50.00	Manufacture of automotive parts
THAI SUMMIT PKK ENGINEERING CO., LTD.	50,000 thousand Thai baht	50.00	Manufacture of dies
THAI SUMMIT PKK BANGPAKONG CO., LTD.	100,000 thousand Thai baht	50.00	Manufacture of automotive parts
THAI SUMMIT PK CORPORATION LTD.	700,000 thousand Thai baht	50.00	Manufacture of automotive parts
PM CABIN MANUFACTURING CO., LTD.	6,000 thousand U.S. dollars	100.00	Manufacture of construction machinery parts
PK MANUFACTURING (SUZHOU) CO., LTD.	13,100 thousand U.S. dollars	100.00	Manufacture of construction machinery parts
PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.	17,000 thousand U.S. dollars	100.00	Manufacture of construction machinery parts
PKC (SUZHOU) CO., LTD.	2,100 thousand U.S. dollars	100.00	Sale of materials
PT. PK Manufacturing Indonesia	30,000 thousand U.S. dollars	65.00	Manufacture of automotive parts and construction machinery parts

Notes: 1. The percentage of voting rights held by the Company includes indirect holdings through subsidiaries.

2. The dissolution of PM CABIN MANUFACTURING CO.,LTD. was resolved at the Board of Directors meeting held on September 28, 2021, and is currently in the process of liquidation.

(7) Principal business (As of March 31, 2022)

Business	Principal products
Automotive-Related Business	Frames, axle housings, axle units, panels, stamping dies, automatic welding equipment, other automotive parts, etc.
Construction Machinery-Related Business	Construction machinery cabins and other construction machinery parts
Other	Construction-related parts, multi-layer decks parking systems, etc.

(8) Major offices and plants (As of March 31, 2022)

Company name	Major offices and plants
Press Kogyo Co., Ltd. (the Company)	Head Office & Kawasaki Plant (Kawasaki-ku, Kawasaki-shi, Kanagawa) Yokohama Office (Nishi-ku, Yokohama-shi, Kanagawa) Utsunomiya Plant (Shimotsuke-shi, Tochigi) Saitama Plant (Kawagoe-shi, Saitama) Fujisawa Plant (Fujisawa-shi, Kanagawa) Onomichi Plant (Onomichi-shi, Hiroshima)
KYOWA MFG. CO., LTD.	Head Office & Moka Plant (Moka-shi, Tochigi) Oyama Plant (Tochigi-shi, Tochigi)
ONOMICHI PRESS KOGYO CO., LTD.	Head Office & Plant (Onomichi-shi, Hiroshima)
BANKIN KOGYO CO., LTD.	Head Office & Plant (Fujisawa-shi, Kanagawa)
TECMO CO., LTD.	Head Office (Fujisawa-shi, Kanagawa)
PK LOGISTICS CO., LTD.	Head Office & Kawasaki Office (Kawasaki-ku, Kawasaki-shi, Kanagawa) Fujisawa Office (Fujisawa-shi, Kanagawa) Saitama Office (Kawagoe-shi, Saitama) Utsunomiya Office (Shimotsuke-shi, Tochigi) Tochigi Office (Moka-shi, Tochigi)
PKC CO., LTD.	Head Office & Sales Office (Fujisawa-shi, Kanagawa) Onomichi Office (Onomichi-shi, Hiroshima)
PK SERVICE CO., LTD.	Head Office & Fujisawa Office (Fujisawa-shi, Kanagawa) Kawasaki Office (Kawasaki-ku, Kawasaki-shi, Kanagawa)
PK U.S.A., INC.	Head Office & Indiana Plant (Shelbyville, Indiana, U.S.A.) Tennessee Plant (Gallatin, Tennessee, U.S.A.) Mississippi Plant (Senatobia, Mississippi, U.S.A.)
OCEAN STREAM ENTERPRISE, INC.	Head Office & Sales Office (Shelbyville, Indiana, U.S.A.)
PRESS KOGYO SWEDEN AB	Head Office & Plant (Oskarshamn, Sweden)
THAI SUMMIT PKK CO., LTD.	Head Office & Plant (Chonburi, Thailand)
THAI SUMMIT PKK ENGINEERING CO., LTD.	Head Office & Plant (Chonburi, Thailand)
THAI SUMMIT PKK BANGPAKONG CO., LTD.	Head Office & Plant (Chonburi, Thailand)
THAI SUMMIT PK CORPORATION LTD.	Head Office & Plant (Rayong, Thailand)
PM CABIN MANUFACTURING CO., LTD.	Head Office & Plant (Suzhou, Jiangsu, China)
PK MANUFACTURING (SUZHOU) CO., LTD.	Head Office & Plant (Suzhou, Jiangsu, China)
PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.	Head Office & Plant (Suzhou, Jiangsu, China)
PKC (SUZHOU) CO., LTD.	Head Office (Suzhou, Jiangsu, China)
PT. PK Manufacturing Indonesia	Head Office & Plant (Karawang, Jawa Barat, Indonesia)

(9) Status of employees (As of March 31, 2022)

(i) Status of employees of the corporate group

Number of employees	Change from the end of the previous fiscal year
5,765	(261)

Note: The number of employees does not include temporary employees and dispatch employees.

(ii) Status of employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
1,802	(30)	41.1 years	19.8 years

Note: The number of employees does not include temporary employees and dispatch employees.

(10) Status of principal lenders (As of March 31, 2022)

Lender	Amount of borrowings (Millions of yen)
Sumitomo Mitsui Banking Corporation	5,424
Mizuho Bank, Ltd.	3,108

(11) Other important matters regarding the current status of the corporate group

Not applicable.

2 Matters Regarding Shares of the Company (As of March 31, 2022)

(1) Total number of shares to be issued 240,000,000 shares

(2) Total number of issued shares 111,015,070 shares

(3) Number of shareholders 13,842

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares owned (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,245	13.51
Isuzu Motors Limited	10,151	9.63
Custody Bank of Japan, Ltd. (Trust Account)	5,525	5.24
NIPPON STEEL TRADING CORPORATION	5,020	4.76
Marubeni-Itochu Steel Inc.	3,300	3.13
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	2,879	2.73
STATE STREET BANK AND TRUST COMPANY 505227	2,503	2.37
Press Kogyo Employees' Shareholdings	2,472	2.35
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	2,440	2.32
Press Kogyo Suppliers' Shareholdings	2,372	2.25

Notes: 1. In addition to the above, the Company owns 5,610,620 treasury shares.

2. The shareholding ratio has been calculated after deducting the total number of treasury shares owned.

(5) Other important matters regarding shares of the Company

As part of the Company's efforts to return profits to shareholders, the Company acquired and cancelled treasury stock as follows.

(i) Acquisition of treasury stock (Resolution of the Board of Directors on November 5, 2021)

Type of shares acquired	Common stock
Total number of shares acquired	2,994,700 shares
Acquisition price of shares	1,199,964,200 yen
Period of acquisition of shares	From November 8, 2021 to January 13, 2022
Method of acquisition	Market purchase on the Tokyo Stock Exchange

(ii) Cancellation of treasury stock (Resolution of the Board of Directors on November 5, 2021)

Type of shares cancelled	Common stock
Total number of shares cancelled	Total number of shares of treasury stock acquired as above (i) (2,994,700 shares)
Total number of issued shares after cancellation	111,015,070 shares
Date of cancellation	March 31, 2022

Additionally, the Company resolved to acquire and cancel treasury stock as part of shareholder returns and to implement a flexible capital policy, as described below.

(i) Acquisition of treasury stock (Resolution of the Board of Directors on May 13, 2022)

Type of shares to be acquired	Common stock
Total number of shares to be acquired	2,500,000 shares
Total acquisition price of shares	1,000,000,000 yen
Period of acquisition of shares (planned)	From May 16, 2022 to September 15, 2022
Method of acquisition	Market purchase on the Tokyo Stock Exchange

(ii) Cancellation of treasury stock (Resolution of the Board of Directors on May 13, 2022)

Type of shares to be cancelled	Common stock
Total number of shares to be cancelled	Total number of shares of treasury stock acquired as above (i)
Date of cancellation	September 30, 2022

3 Matters Regarding Share Acquisition Rights, Etc., of the Company

Not applicable.

4 Matters Regarding Company Officers

(1) Status of Directors (As of March 31, 2022)

Position	Name	Areas of responsibility and significant concurrent positions outside the Company
Representative Director & President	Tetsushi Mino	President & CEO In charge of Internal Audit Dept.
Representative Director & Executive Vice President	Satoru Murayama	Executive Vice President & CTO Management of Management Planning Dept. and Business Planning Dept. Overseeing of Engineering & Development Division, Manufacturing Division and Overseas Operations
Director	Noboru Masuda	Executive Managing Officer In charge of Manufacturing Division
Director	Hiroshi Yahara	Executive Managing Officer Overseeing of General Affairs Dept., Personnel Dept. and Employee Relations Dept.
Director	Takekazu Karaki	Executive Managing Officer & CFO Overseeing of Management Planning Dept. and Business Planning Dept. In charge of Accounting Dept.
Director	Yuki Shimizu	Executive Managing Officer In charge of Business Development and Administration Division
Director	Masahiko Sato	Executive Managing Officer In charge of Engineering & Development Division
Director (Full-time Audit & Supervisory Committee Member)	Masanori Sakano	
Director (Audit & Supervisory Committee Member)	Yasuo Yamane	
Director (Audit & Supervisory Committee Member)	Osamu Nakagawa	(Significant concurrent positions outside the Company) Managing Partner of NY Accounting Partners Tax Accountant Corporation Partner of TOKO Audit Corporation Audit & Supervisory Board Member of Medical Data Vision Co., Ltd. External Audit & Supervisory Board Member of ACCESS GROUP HOLDINGS CO., LTD. External Audit & Supervisory Board Member of HOKEN NO MADOGUCHI GROUP INC.
Director (Audit & Supervisory Committee Member)	Kenji Furusato	(Significant concurrent positions outside the Company) Attorney of Tokyo Fuji Law Office Professor of Nihon University Law School
Director (Audit & Supervisory Committee Member)	Tomoko Ando	(Significant concurrent positions outside the Company) Outside Board Director of Kansai Paint Co., Ltd.

Notes: 1. Changes in Directors during the current fiscal year were as follows.

- (i) At the 119th Annual Shareholders' Meeting held on June 29, 2021, Takekazu Karaki, Yuki Shimizu, and Masahiko Sato were newly elected as Director (excluding Directors who are Audit & Supervisory Committee Members), and each assumed their respective position.
 - (ii) At the conclusion of the 119th Annual Shareholders' Meeting held on June 29, 2021, Director (excluding Directors who are Audit & Supervisory Committee Members) Takashi Nakayama, Noriaki Endo and Kazuhiko Onami retired from office due to the expiration of their terms of office.
2. Directors who are Audit & Supervisory Committee Members Yasuo Yamane, Osamu Nakagawa, Kenji Furusato, and Tomoko Ando are External Directors.
 3. Director who is an Audit & Supervisory Committee Member Osamu Nakagawa is a Certified Public Accountant and Certified Tax Accountant, and has considerable knowledge regarding finance and accounting.
 4. Director who is an Audit & Supervisory Committee Member Kenji Furusato is qualified as an attorney, and has considerable knowledge regarding laws.
 5. To enhance the practicality of information gathering and other aspects of audits, and strengthen audit and supervisory functions, Masanori Sakano has been appointed as Full-time Audit & Supervisory Committee Member. Masanori Sakano has many years of experience at financial institutions in Japan and overseas, and also has experience of participating as General Manager of Financial Dept. of the Company, particularly in financial and accounting departments. As such, he has considerable knowledge regarding finance and accounting.
 6. The Company has designated all External Directors as Independent Officers as specified in the regulations of the Tokyo Stock Exchange and notified the Exchange of their designation.

(2) Outline of the contents of liability limitation contracts

Each Director who is an Audit & Supervisory Committee Member has entered into a contract with the Company to limit their liabilities for damages under Paragraph 1 of Article 423 of the Companies Act, pursuant to Paragraph 1 of Article 427 of the said Act. Under the said contract, the maximum amount of liability for damages shall be set at the minimum liability amount provided for by the relevant laws and regulations.

(3) Outline of the contents of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company. Under this insurance policy, the insureds are covered for losses that may arise from their assumption of liability incurred in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality.

Furthermore, this insurance policy includes the deductible clause, whereby losses within the deductible are not covered by the insurance policy.

The scope of the insureds under this insurance policy are the Company's Directors, the Company's Executive Officers, and company officers of domestic and overseas affiliates (excluding PK U.S.A., INC.), and all insurance premiums are paid by the Company.

(4) Remuneration, etc. of Directors

(i) Total amount, etc., of remuneration, etc., for the current fiscal year

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)		Number of eligible officers (Persons)
		Basic compensation	Performance-based compensation (Bonuses for Officers)	
Directors (Excluding Directors who are Audit & Supervisory Committee Members)	376	235	140	10
Directors who are Audit & Supervisory Committee Members (Of which External Directors)	52 (30)	52 (30)	– (–)	5 (4)
Total (Of which External Directors)	428 (30)	288 (30)	140 (–)	15 (4)

Notes: 1. The above amounts paid to Directors do not include the employee salary portion for Directors serving concurrently as employees.

2. The Company intends to submit a proposal of bonuses for Officers of total amount of 140,400 thousand yen, regarding the above performance-based compensation (bonuses for Officers) at the 120th Annual Shareholders' Meeting to be held on June 29, 2022.

3. The performance indicators selected as the basis for calculating the amounts of performance-based compensation, etc., include profit attributable to owners of parent and annual dividends per share, and the reason for selecting these performance indicators is to provide an incentive to conduct business in a way that is conscious of the Company's share price and to improve corporate value. With regard to the method of calculating the amount of performance-based compensation, etc., decisions concerning the allocation of payment are entrusted to Representative Director and President to decide after consideration of position and personal level of contribution, based on consultation with and reports from the Nomination & Remuneration Committee. Furthermore, information concerning trends in profit attributable to owners of parent, including the current fiscal year, is provided in "1 (4) Status of assets and profit (loss) in the most recent three fiscal years" of the Business Report, and information concerning trends in annual dividends per share, including the current fiscal year, is provided in "Proposal 1: Appropriation of Surplus" of the Reference Documents for the Shareholders' Meeting.

(ii) Matters regarding Shareholders' Meeting resolutions pertaining to remuneration, etc. of Directors

A resolution that the maximum amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) should not exceed 400 million yen per year (provided that this amount does not include the employee salary portion) was resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of the 114th Annual Shareholders' Meeting was eight (8). In addition, separately from this annual remuneration amount, the Company intends to submit a proposal regarding the total amount of 140,400 thousand yen of bonuses for Officers at the 120th Annual Shareholders' Meeting to be held on June 29, 2022. The number of Directors eligible for these bonuses for Officers (excluding Directors who are Audit & Supervisory Committee Members) is expected to be seven (7).

A resolution that the maximum amount of remuneration for Directors who are Audit & Supervisory Committee Members should not exceed 60 million yen per year was resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016. The number of Directors who are Audit & Supervisory Committee Members at the conclusion of the 114th Annual Shareholders' Meeting was five (5) (including three (3) External Directors).

(iii) Policy for determining Directors' remuneration, etc.

a. Method of determining the policy for determining remuneration, etc. of Directors

At a meeting of the Board of Directors held on February 23, 2021, the Board of Directors passed a resolution concerning the policy for determining remuneration, etc. of Directors ("determination policy"), based on consultation with and reports from the Nomination & Remuneration Committee, in which a majority of the members are External Directors.

b. Outline of the contents of the determination policy

<Matters pertaining to policy regarding the determination of Officer remuneration, etc. and its calculation method>

The Company will determine the policy for remuneration, etc. for Executive Directors, Non-executive Directors and Directors who are Audit & Supervisory Committee Members as follows.

Directors' (excluding Directors who are Audit & Supervisory Committee Members) remuneration, etc. is determined upon ensuring objectivity and transparency through deliberation with the Nomination & Remuneration Committee, in which majority of the members are External Directors, and opinions from the Audit & Supervisory Committee each fiscal year.

<Remuneration, etc., for Executive Directors>

- 1 Remuneration, etc., for executive directors, from among the Company's Directors (excluding Directors Who Are Audit & Supervisory Committee Members), shall be determined taking into consideration the ratio of fixed compensation and performance-based compensation (bonuses for Officers, etc.), as well as the appropriate ratio of cash compensation and share-based compensation.
- 2 The allocation of remuneration, etc., for individual executive directors is entrusted to Representative Director, President by the Board of Directors and determined within the limits of the aggregate amount resolved at the Shareholders' meetings.

<Remuneration, etc., for Non-executive Directors>

- 1 Remuneration, etc., for non-executive directors who will advise and supervise the management of the Company from an independent standpoint shall only be fixed compensation from the viewpoint of securing independence.
- 2 The allocation of remuneration, etc., for individual non-executive directors is entrusted to Representative Director, President by the Board of Directors and determined within the limits of the aggregate amount resolved at the Shareholders' meetings.

<Remuneration, etc., for Directors Who Are Audit & Supervisory Committee Members>

- 1 Remuneration, etc., for Directors Who Are Audit & Supervisory Committee Members shall only be fixed compensation from the viewpoint of securing the appropriateness of their duties including conducting audits and supervising the execution of business.
- 2 The allocation of remuneration, etc., for individual Directors Who Are Audit & Supervisory Committee Members shall be determined by consultation of Audit & Supervisory Committee Members, within the limits of the aggregate amount resolved at the Shareholders' meetings.

<Policy regarding the determination of the amount of personal compensation, etc. for fixed compensation>

Fixed compensation is based on the basic compensation decided by position, and is paid monthly upon its resolution within the scope of the remuneration limit of 400 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016), and 60 million yen per year for Directors who are Audit & Supervisory Committee Members (resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016).

<Policy regarding the determination of the calculation method for performance-based compensation, etc., and policy regarding the determination of the amount of their personal compensation, etc. for performance-based compensation>

The payment of bonuses for Officers as performance-based compensation for executive directors is considered each fiscal year, and if it is paid, the Company will decide the details of the proposal (eligible Directors, total amount of bonuses for Officers, etc.) for the Annual Shareholders' Meeting at a meeting of the Board of Directors.

Bonuses for Officers are decided at each Annual Shareholders' Meeting in a separate frame from the remuneration limit of 400 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016).

The total amount of bonuses for Officers takes performance and other factors for each fiscal year into consideration. However, the main reference indicators pertaining to bonuses for Officers include profit attributable to owners of parent and annual dividends per share. Furthermore, bonuses will be paid to eligible Directors upon consideration of position and personal level of contribution.

The Company has not introduced mid- to long-term performance-based compensation or share-based compensation, but all Executive Directors purchase shares in the Company through Press Kogyo Officers' Shareholdings. This gives them a common interest with all shareholders, providing an incentive to conduct business in a way that is conscious of the Company's share price and to improve corporate value.

- c. Reasons the Board of Directors has judged that the content of personal remuneration, etc., for each Director in the current fiscal year is consistent with the determination policy

When determining the content of personal remuneration, etc., for each Director, the Board of Directors consulted the Nomination & Remuneration Committee about the determination policy for remuneration, etc., for Directors. The Board of Directors has therefore judged that the content thereof is consistent with the determination policy, based on the fact that the content of personal remuneration, etc., for Directors has been determined after following these procedures.

- (iv) Matters regarding the delegation of the determination of personal remuneration, etc., for each Director

Pursuant to a resolution concerning delegation passed by the Board of Directors, Representative Director and President Tetsushi Mino determines the specific amount of personal remuneration for each Director (excluding Directors who are Audit & Supervisory Committee Members). The scope of this authority covers the amount of fixed compensation for each Director and the allocation of bonuses for Officers to each Director. The reason for delegating this authority is because Representative Director and President is the most suitable person to assess each Director's level of contribution while also maintaining an overall view of the business performance of the Company as a whole. To ensure that this authority is appropriately exercised by Representative Director and President, the Board of Directors consults the Nomination & Remuneration Committee concerning the policy for determining remuneration, etc., for Directors, and the content of personal remuneration, etc., for each Director is determined after following these procedures.

(5) Matters regarding external officers

- (i) Status of significant concurrent positions as executives of other corporations, etc., and relationships between the Company and these other corporations, etc.

Director who is an Audit & Supervisory Committee Member Osamu Nakagawa is a Certified Public Accountant and Certified Tax Accountant, and serves as Managing Partner of NY Accounting Partners Tax Accountant Corporation, and Partner of TOKO Audit Corporation. There are no special interests between the Company and these corporations.

Director who is an Audit & Supervisory Committee Member Kenji Furusato serves as an attorney of Tokyo Fuji Law Office and Professor of Nihon University Law School. There are no special interests between the Company and these corporations.

- (ii) Status of significant concurrent positions as external officers, etc., of other corporations, etc., and relationships between the Company and these other corporations, etc.

Director who is an Audit & Supervisory Committee Member Osamu Nakagawa serves concurrently as Audit & Supervisory Board Member of Medical Data Vision Co., Ltd., External Audit & Supervisory Board Member of ACCESS GROUP HOLDINGS CO., LTD., and External Audit & Supervisory Board Member of HOKEN NO MADOGUCHI GROUP INC. There are no special interests between the Company and these corporations.

Director who is an Audit & Supervisory Board Member Tomoko Ando serves concurrently as Outside Board Director of Kansai Paint Co., Ltd. Although the Company has a business relationship with Kansai Paint Co., Ltd. regarding purchasing paints, the transaction amount in the current fiscal year was very small at less than 0.1% of the Company's consolidated sales amount and less than 0.1% of the consolidated sales amount of Kansai Paint Co., Ltd. Furthermore, although Kansai Paint Co., Ltd. owns the Company's shares, this constitutes an insignificant amount of less than 0.1% of the total number of shares issued by the Company.

- (iii) Status of main activities in the current fiscal year

- Attendance at meetings of the Board of Directors and the Audit & Supervisory Committee

	Board of Directors		Audit & Supervisory Committee	
	Attendance at meetings	Attendance rate	Attendance at meetings	Attendance rate
Director who is an Audit & Supervisory Committee Member Yasuo Yamane	17/17	100%	12/12	100%
Director who is an Audit & Supervisory Committee Member Osamu Nakagawa	17/17	100%	12/12	100%
Director who is an Audit & Supervisory Committee Member Kenji Furusato	17/17	100%	12/12	100%
Director who is an Audit & Supervisory Committee Member Tomoko Ando	17/17	100%	12/12	100%

- Status of remarks at meetings of the Board of Directors and the Audit & Supervisory Committee and outline of duties performed in relation to the role expected of External Directors

Director who is an Audit & Supervisory Committee Member Yasuo Yamane fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing his views based on his experience and abundant insights as a university professor. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, he attended all (four) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

Director who is an Audit & Supervisory Committee Member Osamu Nakagawa fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing his views on finance, accounting, and other matters, from an expert perspective as a Certified Public Accountant and Certified Tax Accountant. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, he attended all (four) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

Director who is an Audit & Supervisory Committee Member Kenji Furusato fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing his views mainly on laws and regulations and the Articles of Incorporation from his perspective as an attorney. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, he attended all (four) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

Director who is an Audit & Supervisory Board Member Tomoko Ando has accumulated experience, etc. related to brand marketing and strategic personnel affairs at a foreign-owned enterprise, and she fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing her views based on her abundant knowledge and extensive insights regarding global corporations. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, she attended all (four) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

5 Status of Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Outline of the contents of liability limitation contracts

Not applicable.

(3) Amount of remuneration, etc.

	Amount paid (Millions of yen)
Amount of remuneration, etc., for the Accounting Auditor for the current fiscal year	64
Total amount of money or other economic benefits to be paid to the Accounting Auditor by the Company and its subsidiaries	64

- Notes:
1. KPMG AZSA LLC is a member firm of the KPMG global organization of independent member firms, and other member firms conduct accounting audits of some principal consolidated subsidiaries of the Company overseas.
 2. Under the audit agreement between the Company and the Accounting Auditor, the amounts of remuneration, etc., for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not clearly separated, and it is not practically possible to separate. Consequently, the total amount of remuneration, etc., for these audits has been provided as the amount of remuneration, etc., for the Accounting Auditor for the current fiscal year.
 3. The Audit & Supervisory Committee of the Company has agreed upon the amount of remuneration, etc., for the Accounting Auditor, after verifying the appropriateness of the content of the Accounting Auditor's audit plans, the status of the execution of duties related to accounting audits, the calculation basis for the remuneration estimate, etc.

(4) Content of non-audit services

The Company makes payments to KPMG AZSA LLC as consideration for support services for the application of key audit matters (KAMs), internal training services, etc.

(5) Policies related to decisions concerning the dismissal or non-reappointment of the Accounting Auditor

If it is judged necessary by the Audit & Supervisory Committee, such as cases when there are obstacles to the execution of duties by the Accounting Auditor, the Audit & Supervisory Committee will make a decision concerning a proposal related to the dismissal or non-reappointment of the Accounting Auditor. Based on this decision, the Board of Directors will make this a purpose to be resolved at the Shareholders' Meeting.

In addition, if the Accounting Auditor is recognized as falling under any the categories set forth in each item of Paragraph 1 of Article 340 of the Companies Act, or is subject to any disciplinary action as a result of violations of the Companies Act, the Certified Public Accountants Act, or other laws and regulations, or other actions from supervisory government agencies, the Audit & Supervisory Committee will dismiss the Accounting Auditor, pursuant to the unanimous approval of all Audit & Supervisory Committee Members. In this case, a selected Audit & Supervisory Committee Member will provide a report concerning the fact that the Accounting Auditor has been dismissed and the reasons for dismissal, at the first Shareholders' Meeting convened after the dismissal.

6 System to Ensure the Appropriateness of Operations and Outline of Its Operational Status

In order to maintain the soundness of management and enhance corporate value as a corporate group, the Company has formulated the Press Kogyo Group Vision.

Press Kogyo Group Vision
With pride and self-belief, we will continue to grow
together with our stakeholders as a positive presence in
our society

The Company has established basic policies and is implementing the necessary measures as follows, based on the understanding that the development of a system to ensure the appropriateness of operations (“internal controls”) is an important issue for achieving the Press Kogyo Group Vision.

- (1) System to ensure that the execution of duties by Directors and employees complies with laws, regulations, and with the Company’s Articles of Incorporation**
 - (i) The Company ensures that Directors and employees are kept informed of the Press Kogyo Group’s Vision and Code of Ethics.
 - (ii) The Internal Audit Department audits the execution of operations for conformance with laws and regulations and with the Company’s Articles of Incorporation. In addition, this department monitors the progress of setting up the internal control system and delivers reports to the Internal Control Committee, made up of all Directors.
 - (iii) The Internal Control Committee receives reports on the operation of the internal control system and monitors the execution of operations for conformance with laws and regulations and with the Company’s Articles of Incorporation.
 - (iv) The Company works to prevent scandals by using the Hotline (whistleblower) System, deterring illegal or unethical acts in the Company. The Hotline System enables Group employees to communicate with, and receive advice directly from, those designated to deal with these situations.

- (2) System to ensure that Directors’ duties are executed efficiently**
 - (i) The Company will continue to promote more efficient management and accelerated execution of operations by improving the Executive Officer system that is now in use.
 - (ii) The execution of important operations is deliberated on at the Management Meeting, made up of full-time Executive Officers and Full-time Audit & Supervisory Committee Members. Matters to be resolved by meetings of the Board of Directors are deliberated on and actions decided at meetings of the Board of Directors.
 - (iii) The Company works to efficiently use management resources by drawing up a medium-term business plan to clearly define the goals to be achieved.

- (3) Regulations covering management of risk of loss and other systems**
 - (i) The Internal Control Committee works to gain an understanding of the risks faced by every department and makes decisions on risk assessment and effective responses.
 - (ii) Every department draws up regulations, standards, rules, etc. to manage their risks, and the Internal Audit Department regularly audits the status of that risk management and delivers reports to the Internal Control Committee.
 - (iii) Product quality, health and safety, environmental and disaster prevention risks, etc. are managed by various committees that are sub-organizations of the Management Meeting.

(4) System for the storage and management of information related to the execution of Directors' duties

In accordance with laws, regulations, and the Company's own regulations, the Company stores and manages documents related to important reports and decisions made in relation to the execution of Directors' duties.

(5) System to ensure the appropriateness of operations in the corporate group (the Company and subsidiaries)

- (i) Every department in the Company and all subsidiaries establish an internal control system based on the formulation plan prescribed by the Internal Control Committee. The Internal Audit Department regularly audits the internal control systems of every department of the Company and all subsidiaries, and then delivers reports of the status to the Internal Control Committee.
- (ii) The department in charge of managing subsidiaries works in concert with various other departments and is guided by Regulations on Management of Affiliates to manage the Company's subsidiaries.
- (iii) The Company receives reports on the significant concerns of subsidiaries, and may discuss these concerns, as appropriate, while respecting the individual initiative and independence of the subsidiaries.
- (iv) Every subsidiary manages their own risks, and the Company's Internal Audit Department regularly audits the status of risk management and delivers reports to the Internal Control Committee.
- (v) In addition to the supervisory departments managing and guiding the operations of subsidiaries, the Directors or the Audit & Supervisory Board Members of the subsidiaries, as a rule, are dispatched from the Company to ensure that all operations are being handled appropriately.

(6) Matters related to Directors and employees who support the duties of the Audit & Supervisory Committee; matters related to the independence of these employees from Directors (excluding Directors who are Audit & Supervisory Committee Members); and matters related to ensuring the effectiveness of instructions to these employees

- (i) Employees are assigned to support the duties of the Audit & Supervisory Committee, and related HR issues are determined by consulting with Representative Directors and the Audit & Supervisory Committee. Note that Directors are not assigned to support the duties of the Audit & Supervisory Committee.
- (ii) Employees who support the duties of the Audit & Supervisory Committee must obey instructions and orders from the Audit & Supervisory Committee in relation to the support operations.

(7) System whereby Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees report to the Audit & Supervisory Committee; other system related to the report to the Audit & Supervisory Committee; and the system to ensure that Directors and employees are not unfavorably treated for making reports

- (i) Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees of the Company and subsidiaries report to the Audit & Supervisory Committee if there is an incident, or the risk of an incident, that could seriously harm the Group. Specific matters to be reported are subject to discussion between Representative Directors and the Audit & Supervisory Committee.
- (ii) Unfavorable treatment of anyone who has made a report to the Audit & Supervisory Committee is prohibited.
- (iii) The Internal Audit Department regularly reports on the results of audits to the Full-time Audit & Supervisory Committee Member.

(8) Matters related to the policy for processing expenses or debts resulting from the execution of duties by Audit & Supervisory Committee Members (limited to matters related to the execution of the duties of the Audit & Supervisory Committee)

When, in relation to the execution of duties by Audit & Supervisory Committee Members, any committee member requests the Company to pay expenses in advance, etc. or requests advice from an external expert, etc., any expenses or debts resulting from the requests are promptly processed and borne by the Company, except in cases where they are not recognized as necessary for the duties of Audit & Supervisory Committee Members.

(9) Other systems to ensure that audits by the Audit & Supervisory Committee are executed effectively

- (i) Full-time Audit & Supervisory Committee Members may attend important meetings, including Management Meetings, and can express their opinions.
- (ii) Audit & Supervisory Committee Members perform effective audit operations in cooperation with the Internal Audit Department and the Accounting Auditors.

(10) Outline of operational status of system to ensure the appropriateness of operations

Regarding the system to ensure the appropriateness of operations at the Company, the Internal Audit Department confirms the status of the development of internal controls, the status of compliance with laws and regulations and the Articles of Incorporation of the execution of business operations, and the status of risk management in each department and subsidiary, and makes reports to the Internal Control Committee. In addition, measures for rectification and improvement are conducted in relation to any issues discovered as a result of this process, as part of the Company's endeavor to create and operate more appropriate internal control systems.

An outline of the operational status of this system in the current fiscal year is as follows.

- (i) The Internal Control Committee met five (5) times and engaged in deliberations related to fiscal year plans for internal controls and risk management, as well as the status of progress thereof, etc.
- (ii) Regarding the Hotline (whistleblower) system, the Company established contact points both within and outside the Company. In the current fiscal year, the Company also worked to spread awareness of this system among employees by featuring it in the Group internal magazine regularly. In addition, the Company also responded to content about which there were consultations and reports, based on the "Hotline Regulations."
- (iii) In order to deepen awareness and understanding of the risk of misconduct across the Group as a whole, the Company held training seminars with lecturers invited from outside the Company, for the Company's officers and Presidents of affiliated companies, in December 2021, and for General Managers in March 2022.
- (iv) The Full-time Audit & Supervisory Committee Member attended the Management Meeting, and also shared information related to the details of the Management Meeting with other Audit & Supervisory Committee Members at meetings of the Audit & Supervisory Committee.