

Corporate Philosophy of the Earth Group

We act to live in harmony with the Earth.

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

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

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

地球を、キモチいい家に。



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

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

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

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

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

To Our Shareholders

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

In 2022, amidst the continuing threat of COVID-19, it was a difficult year for our group since the business performance was unexpectedly lower than planned due to unexpected changes in the external environment, including the soaring raw material prices and sharp exchange rate fluctuations, as well as the shrinkage of the market for insecticide products caused by unseasonable weather conditions.

However, the basic strategies and efforts set forth in our ongoing medium-term management plan, “Act For SMILE - COMPASS 2023-,” have been steadily producing results. In Japan, we established a new business division aiming to expand operations to make it a major source of revenue in the future. Overseas, we started a new business in the Philippines in 2022, which has been developing steadily. The year 2023 is the final year of our medium-term management plan. We will aim for further growth keeping our business speed.

We have moved to the prime market due to the market restructuring of the Tokyo Stock Exchange. We will strive to create corporate value through management that takes sustainability into consideration more than ever before.

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

March 2023

Katsunori Kawabata

Representative Director, President & CEO

Earth Corporation



(NOTE) This document has been translated from Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code : 4985
March 9, 2023

To Our Shareholders

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

Convocation Notice of the 99th Annual General Meeting of Shareholders

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

Please be advised that the 99th Annual General Meeting of Shareholders will be held as set below.

The Company has adopted an electronic method of providing the Convocation Notice of the 99th Annual General Meeting of Shareholders, which is posted on the following website.

Our Website <https://corp.earth.jp/en/ir/stock/meeting/index.html>



In addition to the above, the information is also posted on the following website on the Internet.

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



Please access the above website, enter the name of the Company or securities code in the search box, and select “Basic Information” and “Documents for Public Inspection/PR Information” to view the information.

In order to prevent the spread of COVID-19 infection, you may exercise your voting rights in writing or via the Internet instead of attending the meeting in person. Please review “Reference Documents for the Annual General Meeting of Shareholders” and exercise your voting rights **by 5:20 p.m., March 23, 2023 (Thursday) (JST)**.

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

Details of the Meeting

- 1. Date and time** **Friday, March 24, 2023, at 10:00 a.m. (JST)**
The venue opens at 9:00 a.m.
- 2. Place** **2F Hall, Bellesalle Kanda, Sumitomo Fudosan Kanda Building,**
7 Kanda-Mitoshirocho, Chiyoda-ku, Tokyo, Japan
*In order to prevent the spread of infection, the number of seats available in the 2nd-floor hall will be significantly reduced compared to previous years for the increased space between seats. Therefore, please be aware that we may guide you to the second venue on the 3rd floor.
- 3. Agenda**
Matters to be reported: (1) Report on the business report, the consolidated financial statements, and the results of the audit of the consolidated financial statements by the Accounting Auditor and Audit & Supervisory Board for the 99th fiscal year (January 1, 2022 to December 31, 2022)

(2) Report on the financial statements for the 99th fiscal year (January 1, 2022 to December 31, 2022)

Matters to be voted on:

- | | |
|---------------------|--|
| Proposal (1) | Election of nine (9) Board Directors |
| Proposal (2) | Election of two (2) Audit & Supervisory Board Members |
| Proposal (3) | Election of one (1) Substitute Audit & Supervisory Board Member |
| Proposal (4) | Revision of Remuneration Amount for Granting Restricted Stock to Directors (Excluding Outside Directors) |

Notes on the General Meeting of Shareholders

- In the event of any revision regarding the matters to be provided electronically, we will post the revised information on each of the websites where it is posted.
- The contents of this Convocation Notice were disclosed on the Company's website prior to the dispatch of this Convocation Notice to provide information earlier.
- The documents sent to you also serve as the documents describing the matters to be provided electronically based on the request for delivery of the document. In accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following matters are excluded. The documents are therefore a part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit report.
 - "Matters Concerning the Establishment of Systems to Ensure the Proper Operation of the Company" in the business report
 - "Tables of Explanatory Notes on Consolidated Financial Statements" in the consolidated financial statements
 - "Tables of Explanatory Notes on Unconsolidated Financial Statements" of the financial statements
- The results of the resolutions will be posted on the Company's website and disclosed in the Extraordinary Report after the General Meeting of Shareholders.
Please note that we will not send you a notice of resolution.

▶ The Company's website <https://corp.earth.jp/en/ir/stock/meeting/index.html>

Notice of Convocation
Earth Corporation

Search

Reference Documents for the Annual General Meeting of Shareholders

Proposal (1): Election of nine (9) Board Directors

As the term of office of all nine (9) Board Directors will expire upon the close of the Annual General Meeting of Shareholders, the Company proposes the election of nine (9) Board Directors.

The candidates for Board Directors are as follows:

Candidate No.		Name (Age)		Current title at the Company	Number of years served as a Director (at the conclusion of this Meeting)	Attendance at meetings of the Board of Directors
1	Reappointment	Tatsuya Otsuka (64 years old)		Chairman of the Board	33 years	12 out of 13 (92%)
2	Reappointment	Katsunori Kawabata (51 years old)		Representative Director & President	10 years	13 out of 13 (100%)
3	Reappointment	Yoshiyuki Furuya (60 years old)		Board Director & Senior Managing Executive Officer	9 years	12 out of 13 (92%)
4	Reappointment	Yoshinori Kawamura (71 years old)		Board Director & Managing Executive Officer	22 years	13 out of 13 (100%)
5	Reappointment	Hisaaki Karataki (66 years old)		Board Director & Managing Executive Officer	12 years	13 out of 13 (100%)
6	Reappointment	Takeshi Shakata (57 years old)		Board Director & Managing Executive Officer	2 year	13 out of 13 (100%)
7	Reappointment	Hideyuki Tamura (72 years old)	Outside Independent	Outside Director	7 years	13 out of 13 (100%)
8	Reappointment	Harold George Meij (59 years old)	Outside Independent	Outside Director	4 years	13 out of 13 (100%)
9	Reappointment	Naoko Mikami (62 years old)	Outside Independent	Outside Director	1 year	9 out of 10 (90%)


Reappointment: Reappointed Director candidate


Outside: Outside Director candidate


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


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


(NOTE2) Attendance of the Board of Directors meetings of the candidate who has been in office for one (1) year is based on the period only after her appointment as Director.


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
1	 Tatsuya Otsuka Date of birth: May 6, 1958 (64 years old) Number of years served as a Director: 33 years Reappointment	April 1986 Joined Otsuka Pharmaceutical Co., Ltd. January 1990 Joined the Company March 1990 Board Director of the Company March 1992 Managing Board Director of the Company March 1994 President & Executive Managing Board Director of the Company March 1998 President & Representative Director of the Company March 2014 Chairman of Board of Directors of the Company (present)	148,400 shares
[Reasons for nomination as a candidate for Board Director] Mr. Tatsuya Otsuka has led the management of the Earth Group for many years as Representative Director of the Company, and has profound knowledge of business management. Currently, as Chairman, in addition to having constructive discussions and exchanging opinions with other Board Directors, he is striving to strengthen the supervisory function of the Board of Directors by providing accurate advice on the Company's business. Accordingly, to realize the strategy of the Earth Group, which aims for the continuous enhancement of corporate value, by capitalizing on his abundant experience, we have renominated him as a candidate for Board Director.			


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
2	 Katsunori Kawabata Date of birth: September 15, 1971 (51 years old) Number of Years Served as a Director: 10 years Reappointment	March 1994 Joined the Company March 2011 Board Director Status, General Manager of Sales Headquarters Osaka Office of the Company March 2013 Board Director, Director General of Gardening Strategy Headquarters of the Company March 2014 President & Representative Director, Director General of Gardening Strategy Headquarters of the Company August 2015 President & Representative Director, Director General of Marketing General Strategy Headquarters of the Company March 2019 Chairman of the Board of Directors of Bathclin Corp. (present), President & Representative Director of Earth Pet Co., Ltd. March 2021 Representative Director, President & CEO of the Company (present), Chairman of the Board of Directors of Earth Environmental Services Co., Ltd.(present), Chairman of the Board of Directors of Hakugen Earth Corporation (present), Chairman of the Board of Directors of Earth Pet Co., Ltd. (present)	67,300 shares
[Reasons for nomination as a candidate for Board Director] Since assuming office as Representative Director, Mr. Katsunori Kawabata has consistently demonstrated strong leadership for the development of the Group by maximizing Group synergies and proactively promoting overseas development based on the customer's perspective. As President & Representative Director, he has also promoted structural reforms in order to strengthen the Board of Directors' decision-making and supervisory functions. Accordingly, to realize the strategy of the Earth Group, which aims for the continuous enhancement of corporate value, we have renominated him as a candidate for Board Director.			


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
3	 Yoshiyuki Furuya Date of birth: January 19, 1963 (60 years old) Number of years served as a Director: 9 years Reappointment	March 1985 Joined the Company March 2008 Board Director Status, General Manager of Sales Planning Department, Sales Headquarters of the Company February 2012 Board Director of Bathclin Corp. March 2014 Board Director, General Manager of Sales Planning Department, Sales Headquarters of the Company September 2014 Board Director of Hakugen Earth Co., Ltd. January 2015 Board Director of the Company, Director General of Sales Headquarters of the Company March 2016 Managing Board Director, Director General of Sales Headquarters of the Company March 2018 Board Director & Managing Executive Officer, Director General of Sales Headquarters of the Company March 2021 Board Director & Senior Managing Executive Officer, Assistant to the President of the Company (present)	32,100 shares
[Reasons for nomination as a candidate for Board Director] Mr. Yoshiyuki Furuya has consistently engaged in front-line sales activities and activities in the sales planning department since joining the Company. Since January 2015, he has been leading overall activities of the Company's sales department. After assuming the position of Director and Senior Managing Executive Officer in March 2021, he has been working to resolve cross-functional issues. He has contributed to the strengthening of the Board of Directors' decision-making and supervisory functions by capitalizing on his wide experience and achievements in domestic sales. Accordingly, to aim for the continuous enhancement of the corporate value of the Earth Group, we have renominated him as a candidate for Board Director.			


Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
4	 Yoshinori Kawamura Date of birth: March 12, 1952 (71 years old) Number of years served as a Director: 22 years Reappointment	February 1976 Joined Otsuka Pharmaceuticals, Co., Ltd. January 1981 Joined the Company January 1993 President & CEO of ARS CHEMICAL (THAILAND) CO., LTD. (currently Earth (Thailand) Co.Ltd.) October 1999 Board Director Status, General Manager of International Business Department of the Company March 2001 Board Director, General Manager of International Business Department of the Company March 2010 Managing Board Director, Director General of International Headquarters of the Company March 2018 Board Director & Managing Executive Officer, Director General of International Strategy Headquarters of the Company January 2020 Board Director & Managing Executive Officer, General Manager of Overseas Management Department of the Company March 2020 Board Director & Managing Executive Officer, General Manager of Overseas Management Department, in charge of overseas business of the Company October 2022 Board Director & Managing Executive Officer, in charge of overseas business of the Company (present)	35,000 shares
[Reasons for nomination as a candidate for Board Director] Mr. Yoshinori Kawamura has many years of experience in serving as president of overseas subsidiaries, and in particular, he has led the Group's overseas sales activities and contributed to the expansion of the scale of overseas business. He has contributed to the strengthening of the Board of Directors' decision-making and supervisory functions by capitalizing on his wide experience and achievements overseas. Accordingly, to aim for the continuous enhancement of the corporate value of the Earth Group, we have renominated him as a candidate for Board Director.			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
5	 Hisaaki Karataki Date of birth: May 8, 1956 (66 years old) Number of years served as a Director: 12 years Reappointment	March 1979 Joined the Company March 2006 Board Director Status, President & General Manager of Earth Chemical (Suzhou) Co., Ltd. March 2011 Board Director of the Company & President of China Operations June 2015 Chairman of Earth Chemical (Shanghai) Management Co., Ltd. September 2015 Chairman of Earth Chemical (Suzhou) Co., Ltd. September 2015 Chairman of Earth Chemical (Tianjin) Co., Ltd. March 2016 Board Director, Director General of Administration Headquarters of the Company July 2017 Audit & Supervisory Board Member of Earth Pet Co., Ltd. March 2018 Board Director & Senior Executive Officer, Director General of Administration Headquarters of the Company March 2021 Board Director & Managing Executive Officer, Director General of Administration Headquarters of the Company (present)	22,800 shares
		[Reasons for nomination as a candidate for Board Director] Mr. Hisaaki Karataki has engaged in the management of the production divisions of our overseas subsidiaries and our Chinese subsidiaries for many years, and since 2016, he has contributed to the strengthening of our management foundation as the Director General of Administration Headquarters. He has contributed to the strengthening of the Board of Directors' decision-making and supervisory functions by capitalizing on his wide experience and achievements in Japan and overseas. Accordingly, to aim for the continuous enhancement of the corporate value of the Earth Group, we have renominated him as a candidate for Board Director.	

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
6	 Takeshi Shakata Date of birth: April 27, 1965 (57 years old) Number of years served as a Director: 2 years Reappointment	April 1988 Joined Kyushu Sangyo Kotsu Co., Ltd. (currently KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.) August 1996 Joined Hisamitsu Pharmaceutical Co., Inc. March 2006 General Manager of West Japan Operations Dept of Hisamitsu Pharmaceutical Co., Inc. September 2009 Chairman and President of Hisamitsu Vietnam Pharmaceutical Co., Ltd. June 2012 Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu Pharmaceutical Co., Inc. May 2015 Senior Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu Pharmaceutical Co., Inc. May 2019 Managing Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu Pharmaceutical Co., Inc. January 2021 Joined the Company March 2021 Board Director & Managing Executive Officer, Director General of Sales Headquarters of the Company (present)	2,500 shares
		[Reasons for nomination as a candidate for Board Director] Mr. Takeshi Shakata has been directing the activities of the entire sales division of the Company as Director General of the Sales Division since March 2021. He has contributed to strengthening the decision-making and supervisory functions of the Board of Directors by utilizing his wealth of experience and expertise. In order to continue to enhance the corporate value of the Group, we have nominated him as a candidate for Board Director.	

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
7	 <p>Hideyuki Tamura Date of birth: January 4, 1951 (72 years old) Number of years served as a Director: 7 years</p> <p>Reappointment Outside Independent</p>	<p>April 1975 Joined HOKKAICAN CO., LTD. (currently HOKKAN HOLDINGS LIMITED)</p> <p>November 1999 General Manager of technology development department of HOKKAICAN CO., LTD.</p> <p>March 2000 Director of HOKKAICAN CO., LTD.</p> <p>June 2004 President & Representative Director of Nitto Seiki Co., Ltd.</p> <p>October 2005 Director & Executive Operating Officer of HOKKAICAN CO., LTD.</p> <p>June 2007 Director of HOKKAN HOLDINGS LIMITED</p> <p>April 2008 President & CEO of HOKKAICAN CO., LTD.</p> <p>June 2010 Executive Managing Director of HOKKAN HOLDINGS LIMITED</p> <p>March 2016 Outside Director of the Company (present)</p> <p>July 2019 Special Advisor of MATSUNAGA KENSETSU Co., Ltd. (present)</p>	1,400 shares
<p>[Reasons for nomination as a candidate for Outside Director and Summary of the expected role] Mr. Hideyuki Tamura has appropriately fulfilled his role, including making crucial management decisions and supervising business operations from an independent and fair standpoint as an Outside Director. In addition, as he has abundant experience and extensive knowledge in manufacturing as a business manager and attended all Board of Directors meetings to express his opinions, he is expected to contribute to strengthening the supervisory function of business execution and to provide advice and opinions from a wide range of management perspectives on management for midium- to long-term corporate growth. Accordingly, we have renominated him as a candidate for Outside Director.</p> <p>[Matters regarding independence] Mr. Hideyuki Tamura fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members. Although he is from a company that has transactions with the Company concerning materials, his independence is secured as the Company's transactional amount with said company is less than 0.2% of the Company's consolidated net sales.</p>			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
8	 <p>Harold George Meij Date of birth: December 4, 1963 (59 years old) Number of years served as a Director: 4 years</p> <p>Reappointment Outside Independent</p>	<p>January 1987 Joined Heineken Japan K.K. (currently Heineken Kirin K.K.) Assistant General Manager of Heineken Japan K.K.</p> <p>April 1990 Joined Nippon Lever K.K. (currently Unilever Japan K.K.) Assistant Brand Manager of Nippon Lever K.K.</p> <p>April 2000 Joined Sunstar Inc. Executive Officer of Oral Care Division of Sunstar Inc.</p> <p>September 2006 Joined COCA-COLA (JAPAN) COMPANY, LIMITED Executive Vice President & General Manager of Marketing Headquarters of COCA-COLA (JAPAN) COMPANY, LIMITED</p> <p>November 2008 Executive Vice President & Chief Customer Officer of COCA-COLA (JAPAN) COMPANY, LIMITED</p> <p>March 2014 Joined TOMY COMPANY, LTD. Management Advisor of TOMY COMPANY, LTD.</p> <p>June 2015 Representative Director, President & CEO of TOMY COMPANY, LTD.</p> <p>June 2018 Representative Director, President & CEO of New Japan Pro-Wrestling Co., Ltd.</p> <p>March 2019 Outside Director of the Company (present)</p> <p>November 2020 Advisor of Sanrio Company, Ltd. (present)</p> <p>April 2021 Outside Director of Alinamin Pharmaceutical Co., Ltd. (present)</p> <p>December 2021 Outside Director of COLOPL, Inc. (present)</p> <p>April 2022 Outside Director of Panasonic Corporation (present)</p> <p>December 2022 Advisor of Kewpie Corporation (present)</p>	0 shares
<p>[Reasons for nomination as a candidate for Outside Director and Summary of the expected role] Mr. Harold George Meij appropriately fulfills his role as an Outside Director in making decisions on important management matters and supervising business execution from an independent and fair standpoint. He is expected to contribute to strengthening the supervisory function of business execution and to provide advice and opinions from a broad perspective on management for medium- to long-term corporate growth, as he has attended all board meetings and expressed his views based on his wide experience and profound knowledge in domestic and overseas business management. Accordingly, we have renominated him as a candidate for Outside Director.</p> <p>[Matters regarding independence] Mr. Harold George Meij fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members.</p>			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
9	 <p>Naoko Mikami Date of birth: March 12, 1961 (62 years old) Number of years served as a Director: 1 year</p> <p>Reappointment Outside Independent</p>	<p>April 1983 Joined Ajinomoto Co., Inc. April 2007 Visiting Professor, Musashino University January 2010 Joined C'BON COSMETICS Co.,Ltd. Senior Manager of Tochigi Plant April 2010 Plant Manager of Tochigi Plant of C'BON COSMETICS Co.,Ltd. June 2011 Executive Officer in charge of Production Dept of C'BON COSMETICS Co.,Ltd. June 2012 Board Director in charge of Production Dept of C'BON COSMETICS Co.,Ltd. April 2017 Board Director & Executive Officer in charge of Administration Division of C'BON COSMETICS Co.,Ltd. June 2017 Managing Board Director & Executive Officer of C'BON COSMETICS Co.,Ltd. June 2019 Representative Director & Vice President, Executive Officer of C'BON COSMETICS Co.,Ltd. January 2020 Representative Director & Vice President, Executive Officer in charge of Product Development Division of C'BON COSMETICS Co.,Ltd. June 2021 Senior Advisor of YA-MAN LTD. (present) June 2021 Outside Director of Showa Sangyo Co., Ltd. (present) March 2022 Outside Director of the Company (present)</p>	100 shares
<p>[Reasons for nomination as a candidate for Outside Director and Summary of the expected role] As an outside director of the Company since March 2022, Ms. Naoko Mikami appropriately fulfills roles such as making decisions on important management matters and supervising business execution from an independent and fair standpoint. For many years, she has engaged in a wide range of fields, including domestic management and production and quality assurance. Since she is expected to contribute to strengthening the supervisory function of business execution and to provide advice and opinions from a wide range of perspectives on management for medium- to long-term corporate growth by leveraging her extensive experience and broad knowledge to provide opinions at the Board of Directors' meetings, we have nominated her as a candidate for Outside Director.</p> <p>[Matters regarding independence] Ms. Naoko Mikami fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members.</p>			

[Special Notable Matters Concerning Candidates for Director]

(Notes)

1. There are no special interests between the candidates for Board Directors and the Company.

2. Summary of liability limitation agreement

The Company has entered into a liability limitation agreement with Mr. Hideyuki Tamura Mr. Harold George Meij, and Ms. Naoko Mikami pursuant to Article 427-1 of the Companies Act. The maximum amount of liability for damages based on the agreement is the minimum amount of liability stipulated by the law. In the event that their reappointments are approved, the Company will continue the liability limitation agreement with all of them.

3. Summary of the contents of Directors and Officers Liability Insurance


The Company has entered into a directors' and audit & supervisory board members' liability insurance contract with an insurance company. The contract will cover damages that the insured person may incur as a result of being held liable for the performance of his/her duties or receiving a claim related to the pursuit of such liability. The candidate shall be covered by such insurance contract. The Company plans to renew the contract with the same details at the next renewal.


Proposal (2): Election of two (2) Audit & Supervisory Board Members

The term of Audit & Supervisory Board Member Yasuhiko Murayama and Yukako Ikukawa will expire upon the close of the Annual General Meeting of Shareholders, the Company proposes the election of two (2) Audit & Supervisory Board Members.

Audit & Supervisory Board has given its consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
1	 <p>Yasuhiko Murayama Date of birth: May 23, 1956 (66 years old) Number of years served as an Audit & Supervisory Board Member: 4 years Reappointment</p>	<p>March 1979 Joined the Company April 2005 General Manager of Audit Office March 2012 General Manager of the Management Headquarters Human Resources Department June 2013 Board Director Status, General Manager of the Management Headquarters Human Resources Department March 2018 Executive Officer, General Manager of the Management Headquarters Human Resources Department March 2019 Full-time Audit & Supervisory Board Member of the Company (present)</p>	6,200 shares
<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member] Mr. Yasuhiko Murayama has been engaged in the human resources department for many years and has contributed to the Company's human resource development. He also has experience in the internal audit department. He attends and actively participates in the Board of Directors meetings and other important meetings and appropriately fulfills his role in auditing the execution of duties by Board Directors. We believe that this experience can be utilized to strengthen the auditing system of our Group, and we have nominated him as a candidate for Audit & Supervisory Board Member.</p>			

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
2	 <p>Yukako Ikukawa Date of birth: April 20, 1974 (48 years old) Number of years served as an Audit & Supervisory Board Member: 4 years Reappointment Outside Independent</p>	<p>April 1997 Joined ORIX Corporation June 1998 Joined Saito Accounting Office September 2001 Joined Tadashi Furumoto Certified Public Accounting & Tax Office (currently Deloitte Tohmatsu Tax Co.) March 2003 Registered as Certified Public Tax Accountant July 2012 Director of Tohmatsu Tax Co. (currently Deloitte Tohmatsu Tax Co.) October 2015 Head of Yukako Ikukawa Certified Public Tax Accountant Office (present) December 2015 Outside Auditor & Supervisory Board Member of Toa Valve Engineering Inc. (currently TVE Co.,Ltd.) December 2016 Outside Director (Auditor & Supervisory Committee Member) of Toa Valve Engineering Inc. (currently TVE Co.,Ltd.) (present) June 2018 Representative Partner of KaimanaHila Limited Liability Company (present) March 2019 Outside Audit & Supervisory Board Member of the Company (present)</p>	400 shares
<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member] Ms. Yukako Ikukawa has expertise as a certified tax accountant and is familiar with corporate taxation. She monitors the directors and provides suggestions and advice from a fair and neutral standpoint. We believe that she will utilize her knowledge and experience to strengthen the auditing system of our Group, and have therefore nominated her as a candidate for Outside Audit & Supervisory Board Member.</p> <p>[Matters regarding independence] Ms. Yukako Ikukawa fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members.</p>			

[Special notes regarding the candidate for Audit & Supervisory Board Member]

1. There is no special interest between the candidate and the Company.

2. Policies and Procedures for Nominating Candidates for Audit & Supervisory Board Members

Candidates for Audit & Supervisory Board Members are selected on the basis that they will contribute to ensuring the sound and sustainable growth of the Company and the establishment of a corporate governance system that responds to the trust of society, taking into consideration whether they can ensure independence from business executors and maintain a fair and unbiased attitude at all times. The selection is decided by the Board of Directors after obtaining the consent of the Audit & Supervisory Board.

3. Summary of liability limitation agreement

Mr. Yasuhiko Murayama and Ms. Yukako Ikukawa have entered into a liability limitation agreement with the Company.

The maximum amount of liability for damages based on the agreement is the minimum amount of liability stipulated by laws. In the event that their reappointments are approved, the Company will continue the liability limitation agreement with them.

4. Summary of the contents of the directors' and Audit & Supervisory Board Members' liability insurance agreement

The Company has entered into a directors' and Audit & Supervisory Board Members' liability insurance agreement with an insurance company. The agreement will cover damages that the insured person may incur as a result of being held liable for the performance of their duties or receiving a claim related to the pursuit of such liability. The candidates shall be covered by the insurance agreement.

[Reference]

The members of the Audit & Supervisory Board after the appointment (tentative)

Name (age)		Current position in the Company		Number of years in office as Audit & Supervisory Board Member (As of the conclusion of this Annual General Meeting of Shareholders)
Reappointment	Yasuhiko Murayama (66 years old)		Full-time Audit & Supervisory Board Member	4 years
Incumbent	Shoji Kono (66 years old)	Outside Independent	Outside Audit & Supervisory Board Member	6 years
Reappointment	Yukako Ikukawa (48 years old)	Outside Independent	Outside Audit & Supervisory Board Member	4 years


Proposal (3): Election of one (1) Substitute Audit & Supervisory Board Member

The election of Mr. Tsuyoshi Takada as a Substitute Audit & Supervisory Board Member elected at the 95th Annual General Meeting of Shareholders will be effective until the commencement of this General Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Substitute Audit & Supervisory Board Member again in preparation for the event of a shortage in the number of Audit & Supervisory Board Member stipulated by law.

The appointment of a Substitute Audit & Supervisory Board Member shall be effective only prior to his assumption of office as an Audit & Supervisory Board Member, and such appointment may be revoked by a resolution of the Board of Directors with the consent of the Audit & Supervisory Board.

Audit & Supervisory Board has given its consent to this proposal.

The candidate for Substitute Audit & Supervisory Board Members is as follows:

Candidate No.	Name (Date of birth)	Brief profile, title and significant positions concurrently held at other companies and organizations	Number of the Company's shares held
1	 <p>Tsuyoshi Takada Date of birth: July 28, 1972 (50 years old)</p> <p>Outside Independent</p>	<p>April 2000 Registered as an attorney May 2007 Outside Audit & Supervisory Board member of The Maruetsu, Inc.(present) June 2015 Outside Director of Topre Corporation (present) January 2016 Representative Partner, Wadakura Gate Law Office (present) March 2020 Outside Director of IP Dream Inc. (present) March 2021 Outside Director (Audit & Supervisory Committee Member) and Chairman of the Nomination and Compensation Committee of Noritsu Koki Co., Ltd. (present) June 2022 Outside Director of OpenDoor Inc. (present)</p>	0 shares
<p>[Reasons for nomination as a candidate for Substitute Audit & Supervisory Board Member] Mr. Tsuyoshi Takada has extensive knowledge of corporate legal affairs as an attorney-at-law, and we believe that he will contribute his knowledge and other skills to the Company's auditing system. Accordingly, we have nominated him as a candidate for Substitute Audit & Supervisory Board Member.</p> <p>[Matters regarding independence] Mr. Tsuyoshi Takada fulfills the criteria for Independent Directors laid down in the regulations of the Tokyo Stock Exchange as well as the Company's Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members.</p>			

[Special notes regarding the candidate for Substitute Audit & Supervisory Board Member]

1. There is no special interest between the candidate and the Company.

2. Summary of liability limitation agreement

After his election, Mr. Tsuyoshi Takada will enter into a liability limitation agreement with the Company pursuant to Article 427, Paragraph 1 of the Companies Act at the time of his appointment as an Audit & Supervisory Board Member.

The maximum amount of liability for damages based on the agreement is the minimum amount of liability stipulated by the law.

3. Summary of the contents of the directors' and Audit & Supervisory Board Members' liability insurance agreement

The Company has entered into a directors' and Audit & Supervisory Board Members' liability insurance agreement with an insurance company. The agreement will cover damages that the insured person may incur as a result of being held liable for the performance of their duties or receiving a claim related to the pursuit of such liability. The candidates shall be covered by the insurance agreement.

Proposal (4): Revision of Remuneration Amount for Granting Restricted Stock to Directors (Excluding Outside Directors)

At the 97th Annual General Meeting of Shareholders held on March 26, 2021, the Company resolved that the amount of remuneration for directors of the Company shall be limited to an annual amount of one (1) billion yen (excluding, however, employee salaries for directors who are also employees of the Company. Hereinafter referred to as “Monetary Remuneration Limit”). At the 94th Annual General Meeting of Shareholders held on March 23, 2018, it was resolved to grant monetary claims of up to 150 million yen per year (hereinafter referred to as the “Stock Remuneration Limit”) to directors (excluding Outside Directors) as remuneration for the grant of restricted stock (up to 20,000 shares of common stock per fiscal year), separately from the Monetary Remuneration Limit.

In addition, at the 98th Annual General Meeting of Shareholders held on March 25, 2022, it was resolved to revise the transfer restriction period of the aforementioned restricted stock from “a period of three (3) to five (5) years from the date of allotment under this Allotment Agreement, as determined in advance by the Board of Directors of the Company” to “from the date of allotment under this Allotment Agreement to the date on which the director of the Company loses his/her position as director of the Company or its subsidiary or other position determined by the Board of Directors of the Company.”

The Company needs to respond to the social and environmental changes required in recent years, including the SDGs (Sustainable Development Goals). As an incentive to actively develop new businesses while minimizing losses caused by such changes and thereby further improving the long-term corporate value of the Company, the Company proposes to increase the Stock Remuneration Limit to directors (excluding Outside Directors) by up to 400 million yen per year (up to 40,000 shares of common stock per fiscal year). The details of the restricted stock remain unchanged as described in [Summary of the Details of the Restricted Stock] below.

The increase in the amount of the Stock Remuneration Limit under this proposal has been determined in consideration of the aforementioned objectives, the Company’s business conditions, the Company’s Policy Regarding the Determination of the Content of Individual Remuneration, etc. for each director of the Company (if this proposal is approved, such policy will be changed to the content described in the [Reference] column below to be consistent with the content approved by the shareholders), and other various circumstances. The Company believes that the decision has been made in consideration of various other circumstances and is appropriate. The Company has six (6) directors (excluding Outside Directors).

[Summary of the Details of the Restricted Stock]

(1) Period of Restricted Transfer

During the period between the date of allotment and the date of loss of the position of director of the Company or its subsidiary or other position determined by the Board of Directors (such position is hereinafter referred to as “Director, etc.”, and such period is hereinafter referred to as the “Transfer Restriction Period”), the subjected director shall not transfer, create a security interest in, or otherwise, dispose of (hereinafter referred to as the “Restriction on Transfer”) the shares of common stock of the Company allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”).

(2) Release of Transfer Restriction

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

(3) Handling in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, in the event that a merger agreement in which the Company becomes a disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters related to organizational restructuring, etc., are approved at a general meeting of shareholders (or the Board of Directors meeting in cases where it does not require approval at a general meeting of the Company’s shareholders) during the Transfer Restriction Period, the Company may, by resolution of the Board of Directors, the Board of Directors may, by its resolution, release the Restriction on Transfer for a reasonably determined number of the Allotted Shares prior to the effective date of such restriction, etc..

(4) Retrieval without consideration

The Company shall automatically retrieve without consideration the Allotted Shares for which the Restriction on Transfer has not yet been released as of the time immediately after the release of the Restriction on Transfer pursuant to the provisions of (2) or (3) above.

(5) Others

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

[Reference]

The following is a summary of the Company's new executive compensation plan if Proposal 4 of this Annual General Meeting of Shareholders is approved as proposed.

1. Basic Policy on Remuneration for Directors

In order to continuously increase corporate value, the Company shall maintain a standard of remuneration appropriate for securing excellent human resources and shall establish a remuneration system that incorporates short-term incentives linked to business performance (performance-based bonuses) and long-term incentives linked to shareholders' interests (transfer restricted stock remuneration). When determining the remuneration of individual directors, the Company will set the appropriate standard based on the responsibilities of each position.

2. Policy Regarding the Determination of the Content of Individual Remuneration (including Policy on the Determining the Timing and Conditions for Granting Remuneration)

The basic remuneration for the Company's directors shall be determined on an annual basis in consideration of the Company's business performance and the standard of employee salaries in accordance with their positions and responsibilities and shall be paid each month. Outside Directors shall receive only basic remuneration.

3. Policy on Determining the Amount of Performance-based Remuneration by Individual (including Policy on the Determining the Timing and Conditions of Granting Remuneration and Policy on determining the Percentage of the Amount of Remuneration by Individual)

In order to raise awareness of improving business performance each fiscal year, the Company shall pay a performance-based bonus to directors, excluding Outside Directors, in an amount calculated based on the degree of achievement of the consolidated operating income target for each fiscal year (total amount not exceeding 300 million yen) in cash at a certain time each year after the performance index for the relevant fiscal year is determined; provided, however, that performance-based bonus shall not be paid if consolidated operating income and net income attributable to shareholders of the parent company for the relevant fiscal year are fifty percent (50%) or less of the target.

The amount of the performance-linked bonus to be paid to each director shall be set so that it ranges from zero (0) to thirty percent (30%) of basic remuneration, taking into consideration the percentage of achievement of both the Company's performance and each director's individual performance against targets.

Target values for each performance indicator shall be set at the time of formulating the management plan for each fiscal year, and shall be reviewed in consultation with the Outside Directors in response to significant changes in the environment, such as business transfers or acquisition of subsidiaries through stock acquisitions.

4. Policy on Determining the Amount of Remuneration by Individual with Respect to Non-Monetary Remuneration (including Policy on the Determining the Timing and Conditions of Granting Remuneration and Policy on determining the Percentage of the Amount of Remuneration by Individual)

In order to raise awareness of enhancing corporate value over the long term, the Company shall grant restricted stock to directors, excluding Outside Directors, as stock-based remuneration up to a maximum of 400 million yen per year (up to 40,000 shares of common stock per fiscal year).

With respect to the ratio of stock-based remuneration to the amount of remuneration, the Board of Directors shall resolve the number of restricted stock allotment for each director in the range of zero (0) to fifty percent (50%) of basic remuneration, based on consultation by the Nomination and Compensation Committee, which consists of Outside Directors, President and Representative Director, and Directors in charge of human resources.

The Allotment Agreement pertaining to the restricted stock to be entered into between the Company and the Directors subscribing to the common stock shall include the following details:

- (i) The Transfer Restricted Period shall be from the date of allotment to the date on which a person loses his/her position as a director of the Company or its subsidiary or any other position determined by the Board of Directors (hereinafter referred to as "Director, etc."). The Restriction on Transfer of the allotted shares shall be, in principle, released upon the expiration of the Transfer Restriction Period.
- (ii) In the event that the subjected director retires from the office of Director, etc. of the Company or its subsidiary

due to expiration of his/her term of office, death or other justifiable reason prior to the end of the Annual General Meeting of Shareholders for the fiscal year to which the date of allocation belongs, the number of shares to be released from the Restriction on Transfer and the time when the Restriction on Transfer are released shall be reasonably adjusted as necessary.

- (iii) The Company shall automatically retrieve the allotted shares for which the Restriction on Transfer has not yet been released without compensation at the time immediately after the release of the Restriction on Transfer in accordance with (i) or (ii) above.

5. Matters Relating to Delegation of Authority to Determine Individual Director's Remuneration

The amount of remuneration for each individual director and other details shall be delegated to the President and Representative Director for his/her decision. The amount of each director's basic remuneration and the evaluation and allocation of each director's performance-based bonus shall be the content of the delegation authority. To ensure that such authority is properly exercised, the President and Representative Director shall report to the Board of Directors the results of consultations with the Nomination and Compensation Committee, which consists of the Outside Director, the President and Representative Director, and the director in charge of human resources.

-END-

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

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

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

[Explanatory notes]

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

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

In order for the Company to achieve sustainable growth and increase its corporate value over the medium to long term, the skills that the Company's Directors and Audit & Supervisory Board Member should possess and the reasons for their selection are set forth below.

- (i) Skills that are the basis for making decisions on important issues such as management strategy
 “Management experience”, “Human resources & Human resource development”, “Legal & Risk Management”, and “Finance and Accounting”
- (ii) Deep understandings of and expertise in the Group's business operations for supervising the execution of duties
 “Product Development”, “Sales & Marketing”, and “Production & Procurement”
- (iii) Skills and knowledge to respond to market demands and changes in the business and management environment
 “Global” and “ESG & Sustainability”

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

-END-