

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the 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: 9932

May 25, 2023

(Start date of Measures for Electronic Provision: May 24, 2023)

**To Stockholders with Voting Rights:**

Masahiro Sugimoto  
President and Executive Officer  
SUGIMOTO & CO., LTD  
5-7-27 Itachibori, Nishi-ku, Osaka,  
Japan

**NOTICE OF CONVOCATION OF  
THE 98TH ANNUAL STOCKHOLDERS' MEETING**

Dear Stockholders:

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

You are cordially invited to attend the 98th Annual Stockholders' Meeting of SUGIMOTO & CO., LTD (the "Company"). The meeting will be held for the purposes described below.

In convening this Stockholders' Meeting, the Company has taken measures to provide the information electronically on the below website as the Notice of Convocation of the 98th Annual Stockholder's Meeting and Other Matters for Electronic Provision (Matters Omitted in the Issued Written Document).

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

In addition to the above, information is also provided on the below website.

Tokyo Stock Exchange website

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

Please access the above website, enter the issue name (company name) or the securities code to run a search, and select "Basic information" and then "Documents for public inspection/PR information" to confirm the details.

If you are unable to attend the meeting, you can exercise your voting rights in writing or by electromagnetic means (the internet, etc.). Please review the Reference Documents for the Stockholders' Meeting shown in the matters for electronic provision and exercise your voting rights by 5:00 p.m. on Wednesday, June 14, 2023.

**1 Date and Time:** Thursday, June 15, 2023 10:00 a.m. Japan time  
(Reception opens at 9:00 a.m.)

**2 Place:** Main Hall, 7th floor, Headquarters of the Company  
5-7-27 Itachibori, Nishi-ku, Osaka, Japan

**3 Meeting Agenda:**

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 98th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 98th Fiscal Year (April 1, 2022 - March 31, 2023)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Five (5) Directors

**Proposal 3:** Election of Three (3) Auditors

---

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.  
To save resources, please bring this Notice of Convocation with you.
- Should matters for electronic provision require a revision, the details will be posted on the websites shown above.

# Reference Documents for the Stockholders' Meeting

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company positions its dividend policy as one of the highest management priorities. Comprehensively taking into consideration the financial position, profit level, dividend payout ratio, and other factors, the Company proposes to pay the following year-end dividends for the 98th fiscal year, with an eye on constant and stable dividend payout. Internal reserves will be used to make investments for the future and further strengthen the corporate structure.

The annual dividend payout will be ¥65 per share, including the interim dividend of ¥30 already distributed.

#### 1. Matters on year-end dividends

##### (1) Type of dividend property

Cash

##### (2) Allotment of dividend property and the total amount

¥35 per share of the Company's common stock

Total: ¥352,739,275

##### (3) Effective date of dividends of surplus

June 16, 2023

**Proposal 2: Election of Five (5) Directors**

The terms of office of all five (5) Directors will expire at the conclusion of this Stockholders' Meeting. Accordingly, the election of five (5) Directors (of which two (2) are Outside Directors) is proposed.

The candidates for Directors are as follows.

No.	Name	Current positions, etc. at the Company	Attendance at the Board of Directors meetings
1	Masahiro Sugimoto [Reappointment]	President Executive Officer Sales Division Manager	100.0% (16/16)
2	Masayuki Sugimoto [Reappointment]	Executive Director Managing Executive Officer Management Division Manager Corporate Planning Department Manager	100.0% (16/16)
3	Hiroyuki Imanaka [Reappointment]	Executive Director Executive Officer Direct Sales Control Department Manager Third Direct Sales Department Manager	100.0% (13/13)
4	Kamezo Miyaji [Reappointment] [Outside] [Independent]	Outside Director	100.0% (16/16)
5	Yuki Tsuru [Reappointment] [Outside] [Independent]	Outside Director	100.0% (13/13)

No.	Name (Date of birth)	Career summary (Positions, responsibilities, and significant concurrent positions)	Number of shares of the Company held
1	Masahiro Sugimoto (December 10, 1950)  [Reappointment]	March 1974      Joined the Company	531,315
		December 1985      Executive Director	
		June 1990      Managing Executive Director	
		June 1996      Senior Managing Executive Director	
		June 2000      President and Sales Division Manager	
		December 2014      Director, SUGIMOTO CO., LTD. (current position)	
		April 2019      President, Executive Officer, and Sales Division Manager, the Company (current position)	
	[Reason for nomination as candidate for Executive Director] Mr. Masahiro Sugimoto has a wealth of experience in and advanced knowledge on the Company's business activities, which he has gained through his duties as Representative Director. He has long engaged in corporate management since assuming the position of the Company's Executive Director and has executed his duties appropriately during the terms of office. The Company therefore considers that he is suitable as an Executive Director and renominates him as a candidate for an Executive Director.		
2	Masayuki Sugimoto (July 31, 1984)  [Reappointment]	April 2008      Joined the Company	87,750
		April 2013      Hiroshima Office Manager	
		April 2019      Executive Officer and West Sales Department Manager	
		April 2021      Managing Executive Officer, Management Division Manager, and SE Promotion Department	
		June 2021      Executive Director, Managing Executive Officer, Management Division Manager, and SE Promotion Department	
		April 2023      Executive Director, Managing Executive Officer, Management Division Manager and Corporate Planning Department Manager (current position)	
	[Reason for nomination as candidate for Executive Director] Mr. Masayuki Sugimoto has served as a sales office manager and a sales department manager at the Company, is well-versed in a broad range of business fields, and has been exercising strong leadership in an ongoing company-wide business reform. The Company therefore considers that he is suitable as an Executive Director and renominates him as a candidate for an Executive Director.		
3	Hiroyuki Imanaka (April 23, 1974)  [Reappointment]	April 1998      Joined the Company	16,851
		April 2006      Kashima Office Manager	
		April 2009      Sales Promotion Manager and Kashima Office Manager	
		September 2009      Executive Officer and Third Direct Sales Department Manager	
		April 2022      Executive Officer, Direct Sales Control Department Manager, and Third Direct Sales Department Manager	
		June 2022      Executive Director & Executive Officer, Direct Sales Control Department Manager, and Third Direct Sales Department Manager (current position)	
	[Reason for nomination as candidate for Executive Director] Mr. Hiroyuki Imanaka has served as a sales office manager and a sales department manager at the Company and is well-versed in a broad range of business operations. He has made achievements in direct sales departments in the Kanto area, the Company's key market, and is expected to lead the entire sales operation going forward. The Company therefore considers that he is also suitable as an Executive Director and renominates him as a candidate for an Executive Director.		

No.	Name (Date of birth)	Career summary (Positions, responsibilities, and significant concurrent positions)		Number of shares of the Company held
4	Kamezo Miyaji (November 24, 1944)	April 1967	Joined Takiron Corporation (currently C.I. TAKIRON Corporation)	4,500
	[Reappointment] [Outside] [Independent]	June 1998 June 2006 June 2010 June 2011	Director Director and Senior Managing Executive Officer Honorary Adviser (current position) Outside Director, the Company (current position)	
[Reason for nomination as candidate for Outside Director and overview of expected roles] Mr. Kamezo Miyaji has long engaged in the management of Takiron Corporation. Based on a wealth of experience and broad insight, he is expected to supervise the Company's management, give appropriate advice on the overall corporate management, and contribute to the enhancement of corporate governance. The Company therefore renominates him as a candidate for Outside Director.				
5	Yuki Tsuru (May 16, 1969)	April 2000	Registered as an attorney-at-law (Joined the Tokyo Bar Association)	—
	[Reappointment] [Outside] [Independent]	April 2011 April 2015 February 2019 June 2020 June 2021 June 2022 June 2022	Partner, Kyowa-Sogo Partners Law Office Member of Advisory Committee on Decision on Infringement (current position) Specialist, Japan Customs (current position) External Director, Hankyu Hanshin Holdings, Inc. (current position) Part-time Auditor, National Institute of Technology and Evaluation (current position) Outside Director, JAMCO Corporation (current position) Outside Director, the Company (current position)	
[Reason for nomination as candidate for Outside Director and overview of expected roles] Ms. Yuki Tsuru has a high level of knowledge as an attorney-at-law. She is expected to give appropriate advice to the Company's management, especially in terms of compliance, and contribute to the enhancement of corporate governance. The Company therefore renominates her as a candidate for Outside Director.				

- Notes:
- There are no special interests between each candidate and the Company.
  - Ms. Yuki Tsuru's name on the family register is Ms. Yuki Itami.
  - Mr. Kamezo Miyaji and Ms. Yuki Tsuru are candidates for Outside Directors. Mr. Kamezo Miyaji and Ms. Yuki Tsuru will have served as Outside Directors of the Company for twelve (12) years and one (1) year respectively at the conclusion of this Stockholders' Meeting.
  - Independence as candidate for Outside Director
    - Mr. Kamezo Miyaji and Ms. Yuki Tsuru neither intend to receive nor have received in the past two (2) years a large amount of money or other forms of property (excluding remuneration for Directors) from the Company or its specified related business operator.
    - Neither Mr. Kamezo Miyaji nor Ms. Yuki Tsuru is a spouse, a relative within the third degree of kinship, or what is equivalent thereto of an executive or an officer of the Company or its specified related business operator.
    - If Mr. Kamezo Miyaji and Ms. Yuki Tsuru are reelected, they will continue to serve as independent directors/auditors.
  - Agreement with Outside Directors to limit liability  
The Company enters into agreements with Outside Directors to limit their liability. If Mr. Kamezo Miyaji and Ms. Yuki Tsuru are reelected, the Company intends to continue the said agreement with them. An overview of the agreement is as follows.

- (1) Liability for damages to the Company caused by an Outside Director's negligence of duties will be limited to the minimum amount prescribed by laws and regulations.
- (2) The above limitation to liability applies only when the Outside Director performed the duty that caused the liability in good faith and without gross negligence.

**Proposal 3: Election of Three (3) Auditors**

The terms of office of all three (3) Auditors will expire at the conclusion of this Stockholders' Meeting. Accordingly, the election of three (3) Auditors is proposed.

The Board of Auditors has already consented to this proposal.

The candidates for Auditors are as follows.

No.	Name (Date of birth)	Career summary (Positions and significant concurrent positions)		Number of shares of the Company held
1	Teruyuki Aotani (July 27, 1963)  [New appointment] [External] [Independent]	April 1986	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)	—
	April 2010	General Manager, Ikeda Branch, Mizuho Bank, Ltd.		
		April 2016	Deputy Manager, Loan Department, Mizuho Bank, Ltd.	
		July 2017	General Manager, Executive Officer, Osaka Branch, Mizuho Servicing Co., Ltd. (current position)	
	[Reason for nomination as candidate for External Auditor] Mr. Teruyuki Aotani has served at financial institutions for many years, held important positions as an executive officer of Mizuho Servicing Co., Ltd. and has a wealth of experience and deep insight in a wide range of fields. The Company therefore considers that he is suitable as an External Auditor and nominates him as a candidate for an External Auditor.			
2	Mr. Junnosuke Ban (June 15, 1943)  [Reappointment] [External] [Independent]	April 1978	Registered with Osaka Bar Association	—
	July 1985	Established Ban Law Office		
		June 2003	Auditor, the Company (current position)	
	[Reason for nomination as candidate for External Auditor] Mr. Junnosuke Ban has no direct experience in corporate management, however he is a publicly licensed attorney and has expertise in the field. The Company therefore considers that he is suitable as an External Auditor and nominates him as a candidate for an External Auditor.			
3	Sotoji Umeno (January 24, 1949)  [Reappointment] [External] [Independent]	April 1967	Joined the Osaka Regional Taxation Bureau	—
	July 2007	Head of Higashiyama Tax Office		
		August 2008	Registered as a licensed tax accountant (current position)	
		June 2011	Auditor, the Company (current position)	
	[Reason for nomination as candidate for External Auditor] Mr. Sotoji Umeno has no direct experience in corporate management, however he is a publicly licensed tax accountant and has expertise in the field. The Company therefore considers that he is suitable as an External Auditor and nominates him as a candidate for an External Auditor.			

Notes: 1. There are no special interests between each candidate and the Company.

2. Mr. Teruyuki Aotani, Mr. Junnosuke Ban and Mr. Sotoji Umeno are candidates for External Auditors.

Mr. Junnosuke Ban will have served twenty (20) years and Mr. Sotoji Umeno will have served twelve (12) years as External Auditors of the Company at the conclusion of this Stockholders' Meeting.



### 3. Independence as candidate for External Auditor

#### (1) Independence as candidate for External Auditor

- (i) Mr. Teruyuki Aotani and Mr. Junnosuke Ban neither intend to receive nor have received in the past two (2) years a large amount of money or other forms of property (excluding remuneration for Auditors) from the Company or its specified related business operator.
- (ii) Neither Mr. Teruyuki Aotani nor Mr. Junnosuke Ban is a spouse, a relative within the third degree of kinship, or what is equivalent thereto of an executive or an officer of the Company or its specified related business operator.
- (iii) The Company has designated Mr. Junnosuke Ban and Mr. Sotoji Umeno as independent directors/auditors under the rules of the Tokyo Stock Exchange. If they are reelected, they will continue to serve as independent directors/auditors. If Mr. Teruyuki Aotani is elected, the Company intends to designate him as an independent director/auditor under the rules of the Tokyo Stock Exchange.

#### (2) Reasons why the Company believes the candidate can fulfil their duties as an External Auditor

Mr. Teruyuki Aotani has held important positions as an executive officer of Mizuho Servicing Co., Ltd. and has a wealth of experience and deep insight in a wide range of fields. The Company therefore considers that he is suitable as an External Auditor.

Mr. Junnosuke Ban and Mr. Sotoji Umeno has no direct experience in corporate management, however they are a publicly licensed attorney and publicly licensed tax accountant, respectively and have expertise in their respective fields. The Company therefore considers that they are suitable as External Auditors.

### 4. Agreement with External Auditor to limit liability

The Company enters into agreements with External Auditors to limit their liability. If Mr. Junnosuke Ban and Mr. Sotoji Umeno are elected, the Company intends to continue the said agreement with them. If Mr. Teruyuki Aotani is elected, the Company intends to enter into the said agreement with him. An overview of the agreement is as follows.

- (1) Liability for damages to the Company caused by an External Auditor's negligence of duties will be limited to the minimum amount prescribed by laws and regulations.
- (2) The above limitation to liability applies only when the External Auditor performed the duty that caused the liability in good faith and without gross negligence.

## [Reference] Guidelines for Election and Independence of External Officers

### Article 1 (Purpose)

The purpose of these guidelines is to set criteria for election and independence of Outside Directors and External Auditors of the Company.

### Article 2 (Outside Directors)

Outside Directors are elected from persons who satisfy the conditions set forth in the following items, regardless of gender or nationality.

- (i) A person who has a sincere personality; a high level of insight and skills; and broad knowledge and experience, as well as accomplishments in the area of expertise, that bring in diverse perspectives into the Company's Board of Directors
- (ii) A person who does not fall under any of the grounds for disqualification of directors set forth in the items of Article 331, paragraph 1 of the Companies Act
- (iii) A person who satisfies the requirements for Outside Directors set forth in Article 2, item (xv) of the Companies Act

### Article 3 (External Auditor)

External Auditors are elected from persons who satisfy the requirements set forth in the following items, regardless of gender or nationality.

- (i) A person who has a sincere personality; a high level of insight and skills; and an advanced level of expertise and a wealth of experience, especially in such fields as law, accounting, and corporate management
- (ii) A person who does not fall under any of the grounds for disqualification of company auditors, set forth in the items of Article 331, paragraph 1 of the Companies Act and applied mutatis mutandis pursuant to Article 335 of the same Act
- (iii) A person who satisfies the requirements for Outside Company Auditors set forth in Article 2, item (xvi) of the Companies Act

### Article 4 (Independence of Outside Officers)

(1) An Outside Director or an External Auditor (hereinafter collectively referred to as an "Outside Officer") of the Company who does not fall under any of the following items are considered as independent.

- (i) A major stockholder (holding 10% or more of the total voting rights as of the last day of the fiscal year ended most recently) of the Company or an executive thereof
- (ii) An entity for which the Company is a major business partner or an executive thereof
- (iii) A major business partner of the Company or an executive thereof
- (iv) The accounting auditor of the Company or its consolidated subsidiary, or an employee, etc. thereof who is in charge of audit of the Company or its consolidated subsidiary

- (v) An attorney-at-law, a judicial scrivener, a patent attorney, a certified public accountant, a consultant, etc. who receives money or other forms of property worth more than ¥10 million per year from the Company, excluding officer remuneration (In the case where an organization, such as a corporation or a partnership, receives the said property, a person who belongs to an organization where the property received from the Company accounts for more than 2% of the organization's annual income)
  - (vi) A principal lender to the Company (a lender whose name is listed as a principal lender in the Business Report for the fiscal year ended most recently) or an executive thereof
  - (vii) A person who receives donation worth more than ¥10 million per year from the Company (In the case where an organization, such as a corporation or a partnership, receives the said donation, an executive of an organization where the donation received from the Company accounts for more than 2% of the organization's annual income)
  - (viii) A person who fell under any of (i) to (vii) above in the past three (3) years
  - (ix) A relative within the second degree of kinship of an entity listed in any of (i) to (viii) above (limited to an important entity)
  - (x) A relative within the second degree of kinship of a director, an executive officer, a manager, an employee, or an accounting advisor (including an employee who performs its duties if the accounting advisor is a corporation) of the Company or its subsidiary
  - (xi) A relative within the second degree of kinship of a person who was a director, an executive officer, a manager, an employee, or an accounting advisor (including an employee who performs its duties if the accounting advisor is a corporation) of the Company or its subsidiary in the past three (3) years
  - (xii) Beyond what is provided for in the preceding items, a person who has a special reason, such as a potential conflict of interest with the Company, that prevents him/her from fulfilling an independent Outside Officer's duties
- (2) An Outside Officer considered as independent based on this Article shall notify the Company immediately when he/she ceases to be independent.
- (3) In this Article, being a major business partner means that business transactions exceed 2% of consolidated net sales (consolidated gross profit in the case of the Company) for the fiscal year ended most recently.

[Reference] Expected Composition of the Board of Directors After the Approval of Proposal No. 2

Knowledge, experience, and skills of Directors

Name	Corporate management/ Corporate strategy	Personnel/Labor/ HR development	Legal affairs/ Compliance	Sales/Marketing	IT/Digital
Masahiro Sugimoto	○	○	○	○	
Masayuki Sugimoto		○	○	○	○
Hiroyuki Imanaka		○		○	
Kamezo Miyaji	○	○	○		
Yuki Tsuru			○		○