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Securities Code: 7246

June 7, 2023

Dear Shareholders,

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

## Notice of the 121st Annual Shareholders' Meeting

We are pleased to announce that the 121st Annual Shareholders' Meeting of Press Kogyo Co., Ltd. (the "Company") will be held on June 29, 2023 as detailed below.

When convening this Shareholders' Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts the information on the Company's website as "Notice of the 121st Annual Shareholders' Meeting."

Please access the following website to view the information.

[The Company's website]

<https://www.presskogyo.co.jp/en/ir/stockinfo/meeting.html>

Items for which measures for providing information in electronic format are to be taken are posted on the website for posted informational materials for the shareholders' meeting in addition to the Company's website. Please access the following website to view the items.

[Website for posted informational materials for the shareholders' meeting]

<https://d.sokai.jp/7246/teiji/> (in Japanese)

## Details

1. Date and time: Thursday, June 29, 2023, 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 121st Fiscal Year (from April 1, 2022 to March 31, 2023)
  2. Non-Consolidated Financial Statements for the 121st Fiscal Year (from April 1, 2022 to March 31, 2023)

### Matters to be resolved:

- Proposal 1: Appropriation of Surplus  
Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

4. Information About Exercising Your Voting Rights  
Please refer to "Information About Exercising Your Voting Rights" on page 3.

- If any changes are made to items for which measures for providing information in electronic format are to be taken, a notice of the changes and the details of the items before and after the changes will be posted on the Company's website and the website for posted informational materials for the shareholders' meeting below.

The Company's website

<https://www.presskogyo.co.jp/en/ir/stockinfo/meeting.html>

Website for posted informational materials for the shareholders' meeting

<https://d.sokai.jp/7246/teiji/> (in Japanese)

## **Information About Exercising Your Voting Rights**

Exercise of voting rights at the Shareholders' Meeting is shareholders' important right. Please exercise your voting rights after reviewing the Reference Documents for the Shareholders' Meeting.

There are three methods to exercise your voting rights as indicated below.

### **Exercise of voting rights by attending the Meeting**

When attending the Meeting in person, please hand in the voting form at the reception desk at the meeting venue.

Date and time of the Meeting:      Thursday, June 29, 2023, at 10:00 a.m. (JST)  
(The reception desk will open at 9:00 a.m.)

### **Exercise of voting rights in writing (via postal mail)**

Please indicate your approval or disapproval for each proposal on the voting form and return it.

Deadline:                              To be received by Wednesday, June 28, 2023, at 5:00 p.m. (JST)

### **Exercise of voting rights via the Internet**

Please indicate your approval or disapproval for each proposal following the instructions on the screen.

Deadline:      No later than Wednesday, June 28, 2023, 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.

<Handling of enclosed voting forms indicating neither approval nor disapproval>

When neither approval nor disapproval for each proposal is indicated on the enclosed voting form, it will be treated as an approval vote for the Company's proposal.

<Electronic Voting Platform>

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

## Reference Documents for the Shareholders' Meeting

### Proposal 1: Appropriation of Surplus

Regarding the year-end dividends for the 121st 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: 1,082,723,103 yen).
- (3) Effective date of dividend of surplus:  
We propose the effective date of dividend to be June 30, 2023.

### (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)

	118th fiscal year (Fiscal year ended March 31, 2020)	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (Fiscal year ended March 31, 2022)	121st fiscal year (current) (Fiscal year ended March 31, 2023)
Interim dividends per share	6.50	0.00	9.50	10.50
Year-end dividends per share	6.50	7.50	10.50	10.50 (planned)
Annual dividends per share	13.00	7.50	20.00	21.00 (planned)
Consolidated dividend payout ratio	38.0%	54.6%	30.2%	32.0% (planned)
Total return ratio	56.7%	54.6%	46.9%	46.6% (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, 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.
3. During the 121st fiscal year (current fiscal year), the Company resolved to acquire and cancel treasury shares at the Board of Directors meeting held on May 13, 2022. Between May 16, 2022 and July 27, 2022, the Company acquired 2,420,800 treasury shares for 999,989,800 yen in total through market purchase on the Tokyo Stock Exchange and canceled 2,420,800 treasury shares on September 30, 2022.

**Proposal 2: 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	Noboru Masuda	Reelected	Representative Director, Senior Executive Managing Director, Senior Executive Managing Officer & 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	Hiroshi Yahara	Reelected	Director, Senior Executive Managing Officer Overseeing of General Affairs Dept., Personnel Dept. and Employee Relations Dept.	17/17 (100.0%)
4	Takekazu Karaki	Reelected	Director, Executive Managing Officer & CFO Overseeing of Management Planning Dept., Business Planning Dept., Accounting Dept. and 100-Year History Compilation Dept.	17/17 (100.0%)
5	Yuki Shimizu	Reelected	Director, Executive Managing Officer In charge of Business Development and Administration Division	17/17 (100.0%)
6	Masahiko Sato	Reelected	Director, Executive Managing Officer In charge of Engineering & Development Division	17/17 (100.0%)
7	Harumasa Nikkawa	Newly appointed	Executive Managing Officer In charge of Manufacturing Division	

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>	131,800
2 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</p> <p>April 2023 Representative Director, Senior Executive Managing Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> Management of Management Planning Dept. and Business Planning Dept. Overseeing of Engineering &amp; Development Division, Manufacturing Division and Overseas Operations</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Masuda has mainly held key positions in the Tool &amp; Machinery Engineering and Factory Departments of the Company, and has been responsible for the management of the Company and the Group as Representative Director and Senior Executive Managing Director since April 2023. 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>	65,700

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	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>	68,600
4 Reelected	Takekazu Karaki (February 21, 1962)  Attendance at meetings of the Board of Directors 17/17 (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>	52,000
5 Reelected	Yuki Shimizu (June 25, 1962)  Attendance at meetings of the Board of Directors 17/17 (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>	53,700













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>	Masahiko Sato (September 28, 1962)  Attendance at meetings of the Board of Directors 17/17 (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 &amp; 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 &amp; 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>	42,700
7 <u>Newly appointed</u>	Harumasa Nikkawa (May 26, 1961)	<p>April 1980 Joined the Company</p> <p>April 2008 General Manager of PPW Promotion Dept. of the Company</p> <p>April 2009 General Manager of Production Planning Dept. of the Company</p> <p>April 2011 Director and President of PK LOGISTICS CO., LTD.</p> <p>March 2013 Retired from Director and President PK LOGISTICS CO., LTD.</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 (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. Nikkawa has experience mainly in the Factory Department of the Company and has deep knowledge and achievements in the Company's 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 nominates him as a candidate for Director.</p>	43,200

- 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.

**(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 Proposal 2 is 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)	Expertise/Experience of Directors									
	 Corporate Management	 Sales/Purchasing	 Technology/Development	 Manufacturing	 IT/Digital	 Finance/Accounting	 Legal/Risk Management	 Human Resources	 Overseas Business	 ESG
Tetsushi Mino (Male)	●	●					●	●	●	●
Noboru Masuda (Male)	●		●	●					●	●
Hiroshi Yahara (Male)	●	●					●	●	●	●
Takekazu Karaki (Male)	●					●			●	●
Yuki Shimizu (Male)	●	●							●	●
Masahiko Sato (Male)	●		●	●	●				●	●
Harumasa Nikkawa (Male)	●			●						●
Masanori Sakano (Male)						●				●
Yasuo Yamane (Male) External			●							●
Osamu Nakagawa (Male) External						●				●
Kenji Furusato (Male) External							●			●
Tomoko Ando (Female) External	●							●		●

■ Reason for skill selection

**Vision (What we strive to be)**

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

For development of automotive and construction/industrial machinery parts, Press Kogyo Group has the full range of capabilities as follows: Development/design, Analysis, Experiments, Manufacturing, Quality assurance, and Design/manufacturing of tools, jigs and equipment. We continue to look toward the future and will grow with confidence and pride. This spirit comes from our history of overcoming challenges and from the refinement of our expertise to better serve society.

**Mission (Promise to society and reason for being)**

**Through empathy and harmony with society, our “Monozukuri” (manufacturing) will continue to be a force that better serves people, automobiles and machines.**

**Values**

Codes of conduct for realizing our vision and mission

<b>Safety, Security and Compliance</b>	Safety, security and compliance form the basis of our actions. We uphold these values honorably and responsibly for all of our stakeholders.
<b>Integrity and Effort</b>	People are the foundation of our business. Our greatest fundamental and most important belief is trust which is gained through integrity and persistent effort.
<b>Power to carry through</b>	We act upon and accomplish our goals with a commitment to make it happen.
<b>Creativity</b>	We question the status quo with curiosity and a will to find and try new solutions. We enjoy the journey of creating the future.
<b>Diversity</b>	We honor and embrace the uniqueness of everyone's ideas and thoughts, and collaborate together.

**Medium-term business plan (FY2019 to FY 2023)**

**Focus on the Quality Management**

**Medium-term Business Plan Issues**

- 1. Building strong management structure**
- 2. Leading products and high competitiveness**
- 3. Securing and expanding existing core business**

**Management targets (FY2023)**  
**Operating income ratio: 7%**  
**ROE: 7%**  
**Total return ratio: 35% or more**

**Reason for skill selection**

- Based on our “Vision, Mission, and Values” and “Medium-term Business Plan (FY 2019 - FY 2023),” the Company’s skill matrix consists of “general skills required for management” and “important skills for the medium- to long-term management.”
- The main relevance of each skill to the issues of the Medium-term Business Plan is as follows:



## Business Report Summary

	120th fiscal year (Fiscal year ended March 31, 2022)	121st fiscal year (Fiscal year ended March 31, 2023)	Difference	
Key business result (Millions of yen)				
Net sales	160,060	184,844	+24,783	+15.5%
Operating profit	12,424	13,110	+685	+5.5%
Operating profit margin	7.8%	7.1%	-0.7%	–
Ordinary profit	12,673	13,714	+1,040	+8.2%
Profit attributable to owners of parent	7,107	6,793	-314	-4.4%
ROE	7.7%	7.0%	-0.7%	–
Annual dividends	20.0 yen/share	21.0 yen/share	+1.0 yen	–
Consolidated dividend payout ratio	30.2%	32.0%	+1.8%	–
Total return ratio	46.9%	46.6%	-0.3	–
Financial Indicator (Millions of yen)				
Total assets	172,617	178,402	+5,784	+3.4%
Net assets	103,219	111,087	+7,867	+7.6%
Equity ratio	54.9%	56.2%	+1.3%	–

About the business report, financial statements, etc.

The Company has taken measures for electronic provision of materials for this Annual Shareholders' Meeting. A full copy of the meeting materials is available on the following websites on the Internet:

Company's website

<https://www.presskogyo.co.jp/en/ir/stockinfo/meeting.html>

Website for posted informational materials for the shareholders' meeting

<https://d.sokai.jp/7246/teiji/> (in Japanese)

(Attachment)

**Business Report**  
(From April 1, 2022 to March 31, 2023)

**1 Status of the Corporate Group**

**(1) Business progress and results**

In the fiscal year ended March 31, 2023, the outlook for the truck and construction machinery business environment in Japan and overseas was uncertain as a result of ongoing restrictions on parts supply due notably to Chinese lockdowns, the shortage of semiconductors and logistical disruptions, in addition to factors such as energy costs and resource prices soaring and remaining at a high level due to the situation in Europe, and sudden foreign exchange fluctuations.

As its manufacturing activities were also greatly affected at all bases, the Group strongly promoted a re-evaluation of the production system as well as rationalization activities, and strove to secure revenues.

As a result of the above, in the current fiscal year, the Company recorded net sales of 184,844 million yen (up 15.5% year on year), operating profit of 13,110 million yen (up 5.5% year on year), and ordinary profit of 13,714 million yen (up 8.2% year on year). Profit attributable to owners of parent was 6,793 million yen (down 4.4% year on year) due to the recording of impairment losses on buildings and equipment, etc. of consolidated subsidiaries in China.

	120th fiscal year (Fiscal year ended March 31, 2022)	121st fiscal year (Fiscal year ended March 31, 2023)	Year-on-year change	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Percentage
Net sales	160,060	184,844	+24,783	+15.5%
Operating profit	12,424	13,110	+685	+5.5%
Ordinary profit	12,673	13,714	+1,040	+8.2%
Profit attributable to owners of parent	7,107	6,793	-314	-4.4%

Business performance by segment is as follows.

Automotive-Related Business

Net sales  
150,403 million yen  
(Up 19.6% year on year)

(Automotive-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Domestic demand for heavy- and medium-duty trucks decreased by 22,300 vehicles year on year, to 55,000 vehicles, and domestic demand for light-duty trucks decreased by 1,900 vehicles year on year, to 72,600 vehicles. Although total exports of heavy- and medium-duty trucks and light-duty trucks increased year on year, domestic production of the Group was on the same level as the same period of the previous fiscal year.

[Thailand]

Due to increased domestic demand and exports of 1-ton pick-up trucks, production increased year on year at the TSPK Group.

[U.S.A.]

Production at PK U.S.A., INC. increased year on year due to new start-ups and so forth, despite a decrease in domestic demand.

[Indonesia]

Owing to increased domestic demand and exports of commercial vehicles, production increased year on year at PT. PK Manufacturing Indonesia.

[Sweden]

In Europe, demand for commercial vehicles increased, and ordered products performed well. As a result, production increased year on year at PRESS KOGYO SWEDEN AB.

As a result of the above, net sales in this segment amounted to 150,403 million yen (up 19.6% year on year), and segment profit amounted to 15,661 million yen (up 13.1% year on year).

Construction Machinery-Related  
Business

Net sales  
34,461 million yen  
(Up 1.0% year on year)

(Construction Machinery-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Production at the Company's Onomichi Plant and at KYOWA MFG. CO., LTD. increased year on year due to firm domestic demand and exports of hydraulic excavators.

[China]

Production at PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. decreased year on year due to sluggish domestic demand. PM CABIN MANUFACTURING CO., LTD. was dissolved on September 28, 2021, and is currently in liquidation.

As a result of the above, net sales in this segment amounted to 34,461 million yen (up 1.0% year on year), and segment profit amounted to 813 million yen (down 52.1% year on year).

**(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 12,512 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 frame production 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
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#### (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

		118th fiscal year (Fiscal year ended March 31, 2020)	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (Fiscal year ended March 31, 2022)	121st fiscal year (current) (Fiscal year ended March 31, 2023)
Net sales	(Millions of yen)	205,292	153,725	160,060	184,844
Operating profit	(Millions of yen)	7,459	4,764	12,424	13,110
Ordinary profit	(Millions of yen)	7,339	5,013	12,673	13,714
Profit attributable to owners of parent	(Millions of yen)	3,728	1,489	7,107	6,793
Basic earnings per share	(Yen)	34.22	13.74	66.17	65.54
Total assets	(Millions of yen)	154,170	152,609	172,617	178,402
Net assets	(Millions of yen)	94,624	95,604	103,219	111,087

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 each figure for the fiscal year ended March 31, 2022, and subsequent fiscal years is the figure after applying the accounting standard, etc.

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

		118th fiscal year (Fiscal year ended March 31, 2020)	119th fiscal year (Fiscal year ended March 31, 2021)	120th fiscal year (Fiscal year ended March 31, 2022)	121st fiscal year (current) (Fiscal year ended March 31, 2023)
Net sales	(Millions of yen)	106,419	84,936	65,450	69,189
Operating profit	(Millions of yen)	2,550	1,187	5,400	5,451
Ordinary profit	(Millions of yen)	4,454	2,675	6,728	7,398
Profit	(Millions of yen)	3,204	1,688	3,834	5,336
Basic earnings per share	(Yen)	29.42	15.58	35.70	51.49
Total assets	(Millions of yen)	104,298	105,596	110,603	113,030
Net assets	(Millions of yen)	74,233	76,564	77,982	80,202

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 each figure for the fiscal year ended March 31, 2022, and subsequent fiscal years is the figure after applying the accounting standard, etc.



## **(5) Issues to be addressed**

Although global demand for vehicles and construction machinery remains steady, restricted parts supply has not recovered completely, and FY2023 was expected to still face sudden production fluctuations and their influence. In addition, the business environment remains uncertain and unpredictable, with resource prices and logistics costs soaring and remaining high with increased geopolitical risks. The Group will improve the ability to respond to changes to minimize the impact on business performance and streamline operational activities.

The medium-term business plan (for FY2019 to FY2023) proposes “Focus on the Quality Management” to survive and grow in this rapidly changing era. The plan sets 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. Since the plan started, the business environment has changed significantly. Accordingly, we added and modified focused actions to implement the plan and have company-wide commitments to achieve the targets in the final year of the medium-term business plan.

### **(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.

Additionally, we extended compliance education and strengthened information security measures including defending against cyber-attacks.

For the realization of carbon neutrality, we will make efforts to achieve the goal in FY2050. The Group will address climate change problems as a critical management challenge under the leadership of the CN Promotion Committee. We will perform scenario analysis based on the TCFD framework and will incorporate the results into our management strategy to pave the way to the goal.

### **(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 striving to ensure weight reduction and higher robustness as well as developing functional improvements, such as improved visibility and window/door systems. We are also aiming to strengthen the competitiveness of the Onomichi Plant, which specializes in construction machinery cabins, 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. Particularly, the “2024 Issue” is a pressing challenge that confronts the logistics industry, and its response has attracted wide attention. Furthermore, the automotive industry as a whole is at a stage of major change, including the reorganization and alliances across the industry 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, 2023)****(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, 2023)**

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, 2023)**

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, 2023)****(i) Status of employees of the corporate group**

Business category	Number of employees	Change from the end of the previous fiscal year
Automotive-Related Business	4,639	(151)
Construction Machinery-Related Business	768	–
Other	32	(4)
Corporate (shared)	189	18
Total	5,628	(137)

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
1,811	9	41.4 years	20.0 years

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

**(10) Status of principal lenders (As of March 31, 2023)**

Lender	Amount of borrowings (Millions of yen)
Mizuho Bank, Ltd.	2,977
Sumitomo Mitsui Banking Corporation	2,774

**(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, 2023)

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

(2) Total number of issued shares 108,594,270 shares

(3) Number of shareholders 17,280

### (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)	12,158	11.79
Isuzu Motors Limited	10,151	9.84
Custody Bank of Japan, Ltd. (Trust Account)	6,904	6.70
NIPPON STEEL TRADING CORPORATION	5,020	4.87
Marubeni-Itochu Steel Inc.	3,300	3.20
Press Kogyo Employees' Shareholdings	2,615	2.54
Press Kogyo Suppliers' Shareholdings	2,476	2.40
STATE STREET BANK AND TRUST COMPANY 505227	2,438	2.36
SUMITOMO LIFE INSURANCE COMPANY	2,200	2.13
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	2,165	2.10

Notes: 1. In addition to the above, the Company owns 5,477,784 treasury shares.

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

### (5) Status of shares granted to Directors during the fiscal year as consideration for performance of duties

	Number of shares	Number of persons granted shares
Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors)	72,500 shares	7

Note: The details on the share-based remuneration of the Company are described in 4 (4) "Remuneration, etc. of Directors."

### (6) 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 May 13, 2022)

Type of shares acquired	Common stock
Total number of shares acquired	2,420,800 shares
Acquisition price of shares	999,989,800 yen
Period of acquisition of shares	From May 16, 2022 to July 27, 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 cancelled	Common stock
Total number of shares cancelled	Total number of shares of treasury stock acquired as above (i) (2,420,800 shares)
Total number of issued shares after cancellation	108,594,270 shares
Date of cancellation	September 30, 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 11, 2023)

Type of shares to be acquired	Common stock
Total number of shares to be acquired	2,000,000 shares
Total acquisition price of shares	1,000,000,000 yen
Period of acquisition of shares (planned)	From May 12, 2023 to September 15, 2023
Method of acquisition	Market purchase on the Tokyo Stock Exchange

(ii) Cancellation of treasury stock (Resolution of the Board of Directors on May 11, 2023)

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 29, 2023

**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, 2023)

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	Senior Executive Managing Officer In charge of Manufacturing Division
Director	Hiroshi Yahara	Senior 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., Business Planning Dept., Accounting Dept. and 100-Year History Compilation 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. External Director of Isetan Mitsukoshi Holdings Ltd. Representative Director of Open the Door Ltd.

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

- (i) Director Noboru Masuda was elected as Representative Director and Senior Executive Managing Director and assumed the position on April 1, 2023.
  - (ii) The management position of Satoru Murayama was changed from Representative Director and Executive Vice President to Director on April 1, 2023.
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)	Non-monetary remuneration etc.	
Directors (Excluding Directors who are Audit & Supervisory Committee Members)	377	243	111	22	7
Directors who are Audit & Supervisory Committee Members (Of which External Directors)	52 (30)	52 (30)	– (–)	– (–)	5 (4)
Total (Of which External Directors)	430 (30)	296 (30)	111 (–)	22 (–)	12 (4)

- Notes: 1. The above amounts paid to Directors do not include the employee salary portion for Directors serving concurrently as employees.
2. 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.
3. The amounts in "Non-monetary remuneration etc." represent remuneration for granting restricted shares of the Company. The allocation conditions and other details are described in "(iii) Policy for determining Directors' remuneration, etc." The status of granted shares is described in "2 (5) Status of shares granted to Directors during the fiscal year as consideration for performance of duties." The figures represent the amounts charged for remuneration for granting restricted shares to seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members).

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

A resolution 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, with a maximum amount of 500 million yen 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. The amounts of remuneration for Directors [excluding Directors who are Audit & Supervisory Committee Members] do not include the employee salary portion for Directors serving concurrently as employees.) was resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of the 120th Annual Shareholders' Meeting was seven (7).

Additionally, a resolution that remuneration for granting restricted shares is provided to Directors (excluding Directors who are Audit & Supervisory Committee Members, Nonexecutive Directors and External Directors) in addition to the aforementioned monetary remuneration scheme, with a maximum amount of 60 million yen per year and a maximum number of shares of 300,000 per year, was resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of the 120th Annual Shareholders' Meeting was 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).

(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, 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 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).

- 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.

Director who is an Audit & Supervisory Committee Member Tomoko Ando serves as Representative Director of Open the Door Ltd. There are no special interests between the Company and the corporation.

- (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. and External Director of Isetan Mitsukoshi Holdings 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 0.2% 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. There are no special interests between the Company and Isetan Mitsukoshi Holdings Ltd.

- (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.

## **(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.



## 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	66
Total amount of money or other economic benefits to be paid to the Accounting Auditor by the Company and its subsidiaries	66

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

Not applicable.

### (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 four (4) 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 of misconduct risks and understanding of human rights protection 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 2022, and for the Company's General Managers in March 2023.
- (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.