

*This document has been translated from the Japanese original for the convenience of non-Japanese shareholders.
In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*

Securities code: 3106

June 7, 2023

To our shareholders:

Haruya Fujita
President

KURABO INDUSTRIES LTD.

7-1, Honmachi, Kurashiki, Okayama

(Osaka Head Office: 4-31, 2-chome, Kyutaro-machi, Chuo-ku, Osaka)

NOTICE OF THE 215th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby announce the 215th Ordinary General Meeting of Shareholders of KURABO INDUSTRIES LTD. (the “Company”), which will be held as indicated below.

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format (items to be provided electronically) and posted them as the “NOTICE OF THE 215th ORDINARY GENERAL MEETING OF SHAREHOLDERS and informational materials for the general meeting of shareholders” on the Company’s website. Please access the Company’s website below to confirm the information.

The Company website:

<https://www.kurabo.co.jp/ir/shareholdersmeeting/> (in Japanese)

In addition to the Company’s website above, items to be provided electronically are also made available on each of the following websites.

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/3106/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(To confirm the information at the TSE website (Listed Company Search), please access the URL above, enter or search for the issue name (company name) or securities code, and select “Basic Information” and “Documents for Public Inspection/PR Information.”)

Given that you are able to exercise your voting rights beforehand without attending the meeting by doing so in writing or via the Internet, etc. **please take all possible efforts to exercise your voting rights beforehand.** When exercising your votes beforehand, the Company asks you to review the Reference Documents for the Ordinary General Meeting of Shareholders, read the Instructions for exercising voting rights on pages 3 to 4, and **exercise your voting rights by 6:00 p.m., Wednesday, June 28, 2023 (Japan Standard Time).**

Meeting Details

1. Date and Time: Thursday, June 29, 2023 at 10:00 a.m. (Japan Standard Time)

2. Venue: KURASHIKI IVY SQUARE
7-2, Honmachi, Kurashiki, Okayama

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 215th fiscal year (from April 1, 2022 to March 31, 2023) and Reports of Audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 215th fiscal year (from April 1, 2022 to March 31, 2023)

Items to be resolved:

Proposal 1: Appropriation of Surplus for the 215th Fiscal Year

Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: Election of One (1) Director Who Is an Audit and Supervisory Committee Member

4. Other Matters Concerning the Meeting:

- (1) If you do not indicate your approval or disapproval of the proposals in your vote, the Company will assume that you have voted in favor of the proposals.
- (2) If you exercise your voting rights more than once via the Internet, etc. the last exercise will be deemed valid.
- (3) If you exercise your voting rights both by mail and via the Internet, etc. the one exercised via the Internet, etc. will be deemed valid.
- (4) In the event that you exercise your voting rights diversely, you are required to send notice providing the details and reasons. Please note that you must ensure the notice arrives three days prior to the day of the Ordinary General Meeting of Shareholders.

* For those attending, please present the enclosed voting form at the reception desk on arrival at the meeting.

* In the event that any revision is made to an item to be provided electronically, a statement to that effect, and the item before and after the revision will be posted on each of the above website on the Internet.

Instructions for exercising voting rights

To institutional investors
Institutional investors may use the
“Electronic Platform to Exercise Voting
Rights” operated by ICJ, Inc.

Exercising voting rights by mail

**Deadline: To be valid, votes must be received by 6:00 p.m., Wednesday, June 28, 2023
(Japan Standard Time)**

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and return the form to us.

If you do not indicate your approval or disapproval of the proposals, the Company will assume that you have voted in favor of the proposals.

Exercising voting rights via the Internet

**Deadline: To be valid, votes must be received by 6:00 p.m., Wednesday, June 28, 2023
(Japan Standard Time)**

Please read the following page and indicate your vote of approval or disapproval of each proposal through the voting rights website.

If you exercise your voting rights more than once via the Internet using a PC and a smartphone, the last vote will be deemed valid.

- If you exercise your voting rights both by mail and via the Internet, etc. the one exercised via the Internet, etc. will be deemed valid.
- In the event that you exercise your voting rights diversely, you are required to send notice providing the details and reasons. Please note that you must ensure the notice arrives three days prior to the day of the Ordinary General Meeting of Shareholders.

Instruction for Exercise of Voting Rights via the Internet

Scanning QR code

You can simply login to the website for exercising voting rights without entering your login ID and temporary password printed on the Voting Form.

1. Please scan the QR code located on the right side of the Voting Form.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Entering login ID and temporary password

Voting Website:

<https://evote.tr.mufg.jp/> (in Japanese)

1. Please access the Voting Website.

2. Enter your “login ID” and “temporary password” printed on the Voting Instructions Form.

3. Please register a new password.

4. Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your personal computer/smartphone in order to exercise your voting rights via the Internet, please contact:

Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Tel: 0120-173-027

(Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. JST)

Enforcement of the system for providing informational materials for the general meeting of shareholders in electronic format

<Changes in materials for delivery>

- **Informational materials for the general meeting of shareholders (Reference Documents for the General Meeting of Shareholders, Business Reports, Consolidated and Non-Consolidated Financial Statements, and Audit Reports) previously delivered to you as paper-based documents are now provided on the website in accordance with enforcement of the electronic provision system under the revised Companies Act.** To confirm this information, please access either of the websites listed in this notice of the shareholders meeting.
- For those shareholders who have not requested delivery of paper-based documents, we have posted partial excerpts (a summary) of Reference Documents for the General Meeting of Shareholders and the Business Report, etc. so that you can refer to the main points of the materials at hand.
- The informational materials for the general meeting of shareholders will be sent out in paper-based form as per the previous system to those shareholders who requested delivery of paper-based documents.

<About the Electronic Provision System>

The system for providing information materials for the general meeting of shareholders in electronic format is a system whereby the information materials for the general meeting of shareholders can be provided to the shareholders by posting them on the Company's website, etc., and then notifying the shareholders of the website address and related information in writing. For details of the electronic provision system, please refer to the following website of Mitsubishi UFJ Trust and Banking Corporation. (Mitsubishi UFJ Trust and Banking Corporation website: <https://www.tr.mufg.jp/daikou/denshi.html>) (in Japanese)

**Instructions for Accessing Streamed Video
After the 215th Ordinary General Meeting of Shareholders**

The items reported on the day of the Ordinary General Meeting of Shareholders and other such content will be made available in video streaming format for a certain period of time via the Company's website (link below) as soon as possible upon conclusion of the meeting and once preparations are made.

We appreciate your understanding with respect to our need to film the meeting proceedings, and furthermore hope that shareholders who do not attend in person on the meeting day will take advantage of this access.

The Company's website (<https://www.kurabo.co.jp/ir/shareholdersmeeting/>) (in Japanese)

<Period of online availability>

From July 10, 2023, until October 31, 2023 (tentative)

Note: The period of online availability is subject to change due to certain circumstances.

<Considerations>

- Shareholders are to assume all costs and charges incurred for online access to the content.
- Please note that we will take steps to ensure privacy and avoid filming shareholders in attendance when filming the meeting, and accordingly intend to edit the streamed video in cases where shareholders inadvertently appear in the footage.
- Online availability of the meeting footage is subject to change or cancellation due to certain circumstances.
- The streamed video to be posted after the meeting will be offered in Japanese only.

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of Surplus for the 215th Fiscal Year

The Company regards the return of profits to its shareholders as one of its key priorities, and continuous and stable distribution of dividend is basic policy. In order to determine a specific amount of the dividend, the Company takes into account comprehensively profit conditions, corporate strength and dividend payout ratio, etc. from medium to long term perspective. In accordance with the above policy, the year-end dividend for the 215th fiscal year is proposed to be ¥35.00 per share as follows. Accordingly, including the interim dividend of ¥35.00 per share, the annual dividend for the fiscal year under review will be ¥70.00 per share.

Matters concerning year-end dividend

- i) Type of dividend property:
CASH
- ii) Allocation of dividend assets to be paid to shareholders and total dividend amount:
¥35.00 per share of common stock of the Company
Total amount: ¥ 662,094,580
- iii) Effective date of dividends from surplus:
June 30, 2023

Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

As the term of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) is to expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes to elect seven (7) Directors.

The candidates for Director are as follows.

As for this proposal, the Company's Audit and Supervisory Committee discussed and investigated the qualifications and ability for Directors and contribution to business results and increasing corporate value, etc. based on reports from the Nomination and Remuneration Advisory Committee, which the Company voluntarily established with the President and all Audit and Supervisory Committee Members. As a result, the Company's Audit and Supervisory Committee has expressed the opinion that all of the candidates for Director are qualified.

No.	Name	Current positions and areas of responsibility in the Company	Board of Directors Meeting Attendance
1	Haruya Fujita Reelection	Representative Director, President	15/15 (100%)
2	Atsushi Kitabatake Reelection	Representative Director, Director, Senior Managing Executive Officer Responsibility General Manager, Textile Business Division	14/15 (93%)
3	Toshio Baba Reelection	Representative Director, Director, Senior Managing Executive Officer Responsibility General Manager, Chemical Products Division	15/15 (100%)
4	Kenshi Kawano Reelection	Director, Managing Executive Officer Responsibility General Manager, Advanced Technology Division	15/15 (100%)
5	Shinji Nishigaki New election	Managing Executive Officer Responsibility Manager, Industrial Materials Sales Department, Chemical Products Division	-
6	Susumu Inaoka Reelection	Director, Executive Officer Responsibility Officer in charge of Managerial Planning Department, Personnel Department, Intellectual Property Department and Technical Research Laboratory	15/15 (100%)
7	Hiroshi Fujii Reelection	Director, Executive Officer Responsibility Officer in charge of Finance & Accounting Department and System & EDP Department, and Manager, Finance & Accounting Department	15/15 (100%)

1 Haruya Fujita		Date of birth: July 26, 1958	Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
16,700 shares	None	None	15/15

<u>Career summary</u> <u>(positions and areas of responsibility in the Company)</u>		Reasons for appointing as a candidate for Director
Apr. 1983	Joined the Company	Mr. Haruya Fujita assumed the position of Director of the Company in June 2012, and as Representative Director and President since June 2014 he has demonstrated outstanding management capability, facilitating the enhancement of corporate value. The Company has appointed Mr. Fujita as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value.
Jun. 2012	Director, Executive Officer of the Company	
Jun. 2013	Director, Managing Executive Officer of the Company	
Jun. 2014	Representative Director, President of the Company (to present)	

2 Atsushi Kitabatake		Date of birth: January 11, 1960	Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
6,300 shares	None	None	14/15

<u>Career summary</u> <u>(positions and areas of responsibility in the Company)</u>		Reasons for appointing as a candidate for Director
Apr. 1982	Joined the Company	Mr. Atsushi Kitabatake assumed the position of Director of the Company in June 2014 and Representative Director in June 2017, he has drawn on his wealth of experience and knowledge in all aspects of textile business as the Director in charge of the textile business, facilitating the enhancement of corporate value. The Company has appointed Mr. Kitabatake as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value.
Apr. 2006	Manager, Textile Materials Sales Department	
Jun. 2013	Executive Officer of the Company	
Jun. 2014	Director, Executive Officer of the Company	
Jun. 2017	Representative Director, Director, Managing Executive Officer of the Company	
Jun. 2022	Representative Director, Director, Senior Managing Executive Officer of the Company (to present)	
(General Manager, Textile Business Division)		

3 Toshio Baba		Date of birth: June 9, 1959		Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance	
5,800 shares	None	None	15/15	
<u>Career summary</u> <u>(positions and areas of responsibility in the Company)</u>		Reasons for appointing as a candidate for Director		
Apr. 1982	Joined the Company	Mr. Toshio Baba assumed the position of Director of the Company in June 2014 and Representative Director in June 2017, he has drawn on his wealth of experience and knowledge in all aspects of chemical products business as the Director in charge of the chemical products business, facilitating the enhancement of corporate value. The Company has appointed Mr. Baba as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value.		
Oct. 2004	Manager, Industrial Materials Sales Department			
Jun. 2012	Executive Officer of the Company			
Jun. 2014	Director, Executive Officer of the Company			
Jun. 2017	Representative Director, Director, Managing Executive Officer of the Company			
Jun. 2022	Representative Director, Director, Senior Managing Executive Officer of the Company (to present)			
(General Manager, Chemical Products Division)				

4 Kenshi Kawano		Date of birth: March 19, 1962		Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance	
5,500 shares	None	None	15/15	
<u>Career summary</u> <u>(positions and areas of responsibility in the Company)</u>		Reasons for appointing as a candidate for Director		
Apr. 1985	Joined the Company	Mr. Kenshi Kawano assumed the position of Director of the Company in June 2017, and since then he has drawn on his wealth of experience and knowledge in all aspects of advanced technology business as the Director in charge of advanced technology business, facilitating the enhancement of corporate value. The Company has appointed Mr. Kawano as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value.		
Apr. 2011	Manager, Hong Kong Branch and President of Kurabo Denim (HK) Limited			
Sep. 2013	Manager, Hong Kong Branch			
Apr. 2014	Assistant to Manager, Managerial Planning Department			
Jun. 2014	Executive Officer of the Company			
Jun. 2017	Director, Executive Officer of the Company			
Jun. 2020	Director, Managing Executive Officer of the Company (to present)			
(General Manager, Advanced Technology Division)				

5 Shinji Nishigaki		Date of birth: July 11, 1962	New election
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
2,700 shares	None	None	-

<u>Career summary</u> <u>(positions and areas of responsibility in the Company)</u>		Reasons for appointing as a candidate for Director
Apr. 1986	Joined the Company	Mr. Shinji Nishigaki has experience and a proven track record in business promotion as Manager of the Industrial Materials Sales Department within the Chemical Products Division. In particular, he has for many years been in charge of development and sales of high-performance resin products for semiconductor manufacturing equipment, a growth and priority business for the Company, and has built a business model that has become one of the major drivers of earnings for the Group. We have nominated him as a candidate for Director because we believe that he is capable of appropriately managing the entire Group as a Director and of helping to enhance corporate value by making the most of his experience and accomplishments.
Jun. 2014	Manager, Industrial Materials Sales Department (to present)	
Apr. 2018	Manager, Industrial Materials Sales Department and Manager, KUMAMOTO Office and R&D Center	
Jun. 2018	Executive Officer of the Company	
Jun. 2022	Managing Executive Officer of the Company (to present)	
(Manager, Industrial Materials Sales Department, Chemical Products Division)		

6 Susumu Inaoka		Date of birth: June 3, 1960	Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
6,600 shares	None	None	15/15

<u>Career summary</u> <u>(positions and areas of responsibility in the Company)</u>		Reasons for appointing as a candidate for Director
Apr. 1983	Joined the Company	Mr. Susumu Inaoka assumed the position of Director of the Company in June 2014, and since then he has drawn on his wealth of experience and knowledge in managerial planning, personnel policy, intellectual property strategy and R&D as the Director in charge of managerial planning, personnel, intellectual property and the Technical Research Laboratory, facilitating the enhancement of corporate value. The Company has appointed Mr. Inaoka as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value.
May 2007	Manager, Chemical Products Administration Department	
Jun. 2010	Standing Auditor of the Company	
Jun. 2014	Director, Executive Officer of the Company (to present)	
(Officer in charge of Managerial Planning Department, Personnel Department, Intellectual Property Department and Technical Research Laboratory)		

7 Hiroshi Fujii		Date of birth: September 22, 1960	Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
6,900 shares	None	None	15/15

Career summary (positions and areas of responsibility in the Company)		Reasons for appointing as a candidate for Director
Apr. 1983	Joined the Company	Mr. Hiroshi Fujii assumed the position of Director of the Company in June 2016, and since then he has drawn on his wealth of experience and knowledge in finance and accounting and systems services as the Director in charge of finance and accounting, and system & EDP, facilitating the enhancement of corporate value. The Company has appointed Mr. Fujii as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value.
Apr. 2011	Manager, Finance & Accounting Department (to present)	
Jun. 2013	Executive Officer of the Company	
Jun. 2016	Director, Executive Officer of the Company (to present)	
(Officer in charge of Finance & Accounting Department and System & EDP Department and Manager, Finance & Accounting Department)		

Note: The Company has entered into a directors and officers liability insurance (D&O insurance) policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The individuals in this proposal, comprising Mr. Haruya Fujita, Mr. Atsushi Kitabatake, Mr. Toshio Baba, Mr. Kenshi Kawano, Mr. Susumu Inaoka and Mr. Hiroshi Fujii, each of whom is currently a Director of the Company, are included in the policy as insureds. Under this insurance policy, compensation for damages and litigation expenses, etc. for which those insured become responsible as a result of claims for damages arising from their actions performed as Directors (including nonfeasance) will be covered, and the Company pays all insurance premiums for those insured. In the event that the re-election of them is approved under this proposal, they will remain insured under said insurance policy. If the appointment of Mr. Shinji Nishigaki is approved, he will be insured under said insurance policy. The aforementioned insurance policy is scheduled to be renewed with the same terms and conditions in July 2023.

Proposal 3: Election of One (1) Director Who Is an Audit and Supervisory Committee Member

As the term of office of Director Ms. Misako Tanizawa is to expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes to elect one (1) Director who is an Audit and Supervisory Committee Member.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows. As for this proposal, the Company's Audit and Supervisory Committee discussed and investigated the qualifications and ability for Director who is an Audit and Supervisory Committee Member and contribution to increasing corporate value, etc. based on reports from the Nomination and Remuneration Advisory Committee, which the Company voluntarily established with the President and all Audit and Supervisory Committee Members. As a result, the Company's Audit and Supervisory Committee has expressed the opinion that the candidate for Director who is an Audit and Supervisory Committee Member is qualified, and prior consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal to this Ordinary General Meeting of Shareholders.

Misako Tanizawa	Date of birth: November 29, 1961	Reelection	Outside	Independent
Number of the Company's shares held	Special interest with the Company	Board of Directors Meeting Attendance	Board of Directors Meeting Attendance	
0 shares	None	15/15	13/13	

Important concurrent positions
Auditor of Hyogo University of Teacher Education Representative of Tanizawa Certified Public Accountant Office

Career summary (positions and areas of responsibility in the Company)	Reasons for appointing as a candidate for Outside Director (Audit and Supervisory Committee Member)
Oct. 1992 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)	Although in the past Ms. Misako Tanizawa has not been involved in the management of a company in a manner other than serving as an outside director or outside auditor, she has a wealth of experience and high level of accounting knowledge as a certified public accountant. The Company has appointed Ms. Tanizawa as a candidate for Outside Director (Audit and Supervisory Committee Member), believing that she remains capable of properly auditing and supervising the execution of duties by Directors and Executive Officers from an objective and independent perspective as an Outside Director (Audit and Supervisory Committee Member), and also with the expectation that she will utilize her female viewpoints and perspectives to contribute to the promotion of diversity and inclusion, which is an important management strategy of the Company.
Apr. 1996 Registered as a certified public accountant	
Oct. 2004 Senior Manager of Deloitte Touche Tohmatsu LLC	
Apr. 2016 Auditor of Hyogo University of Teacher Education (to present)	
Feb. 2017 Retired from Deloitte Touche Tohmatsu LLC	
Mar. 2017 Established Tanizawa Certified Public Accountant Office	
Aug. 2018 Registered as a certified tax accountant	
Jun. 2019 Director (Audit and Supervisory Committee Member) of the Company (to present)	

Role expected to be performed by Outside Director	Matters regarding independence
<ul style="list-style-type: none"> • Utilizing her abundant experience and superior accounting knowledge as a certified public accountant in relation to decision-making by the Board of Directors that leads to active management of the business aimed at enhancing corporate value, and auditing and supervising the execution of duties by Directors and Executive Officers from an objective perspective that is independent from senior executives. • Contributing to the promotion of diversity and inclusion, which is an important management strategy of the Company, by taking advantage of her perspective and viewpoints as a woman. • Contributing in her role as a member of the Nomination and Remuneration Advisory Committee to ensuring the objectivity and transparency with which the nomination and remuneration of officers is determined, and strengthening accountability. 	<p>Ms. Misako Tanizawa meets the requirements of our internal regulation of “Criteria for Independence of Outside Directors” and of an Independent Director/Auditor pursuant to Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange. Therefore, the Company has judged that she is an Outside Director who is unlikely to have a conflict of interest with general shareholders.</p>

- Notes:
1. Matters regarding Outside Directors
 - (i) Ms. Misako Tanizawa is candidate for Outside Director.
If the re-election of Ms. Misako Tanizawa is approved, the Company will continue to register her as Independent Director/Auditor to the Tokyo Stock Exchange. Our regulation of “Criteria for Independence of Outside Directors” is provided on Reference Documents for the Ordinary General Meeting of Shareholders.
 - (ii) Ms. Misako Tanizawa is currently Outside Director (Audit and Supervisory Committee Member) of the Company. Her term of office at the conclusion of this Ordinary General Meeting of Shareholders will be four years.
 2. Liability limitation agreement with Directors who do not execute business (Outside Directors)
Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has currently entered into an agreement with Outside Director Ms. Misako Tanizawa to limit her liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for by the applicable laws and regulations. If the re-election of Ms. Tanizawa is approved, the Company will continue the said agreement with her.
 3. Directors and officers liability insurance policy for Outside Directors
The Company has entered into a directors and officers liability insurance (D&O insurance) policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. Ms. Misako Tanizawa, who is currently Outside Director (Audit and Supervisory Committee Member) of the Company, is included in the policy as insureds. Under this insurance policy, compensation for damages and litigation expenses, etc. for which those insured become responsible as a result of claims for damages arising from their actions performed as Directors (including nonfeasance) will be covered, and the Company pays all insurance premiums for those insured. In the event that the re-election of Ms. Tanizawa is approved under this proposal, she will remain insured under said insurance policy. The aforementioned insurance policy is scheduled to be renewed with the same terms and conditions in July 2023.

Criteria for Independence of Outside Directors (Reference)

The Company has established the Criteria for Independence of Outside Directors^[i] as follows to secure the objectivity and transparency needed to strengthen corporate governance. In the event that an Outside Director falls under any of the following, he/she will be deemed as not sufficiently independent.

1. An executive^[iii] of the Company or one of its subsidiaries (hereinafter, collectively referred to as the “Group”)
2. A current major shareholder^[iii] of the Company (in the event that the major shareholder is an organization that is a corporation, partnership, etc., an executive of said organization)
3. An executive of a corporation of which the Group is a major equity holder (a party that directly or indirectly holds 10% or more of the total voting rights)
4. A major client^[iv] of the Group, or an executive of a major client
5. A party whose major client is the Group^[v], or an executive of said party
6. A party belonging to the auditing firm that is the accounting auditor of the Group
7. An executive of the Company’s lead-manager securities company
8. A consultant, accountant, or legal professional who has been paid substantial amounts of money or other financial benefits^[vi] other than officers’ remuneration paid by the Group (in the event that the party being paid said financial benefits is an organization such as a law office, auditing firm, or consultant firm that is a corporation, partnership, etc., a party belonging to said organization)
9. A party who receives substantial donations^[vii] from the Group (in the event that the party who receives said substantial donations is an organization that is a corporation, partnership, etc., a party belonging to said organization)
10. A party whose close relative^[viii] falls under any of the above items from 1 to 9 (however, aside from the above item 1, this is limited to important person^[ix])
11. A party that has fallen under any of the above items from 2 to 9 in the last three years
For the above item 1, a party that has fallen under the item in the last ten years
12. Any other party for whom a conflict of interest is likely to arise with general shareholders, and whose circumstances are reasonably judged to prevent the party from performing duties as an independent Outside Director

- [i] “Outside Director” refers to an outside director as defined in Article 2, item 15 of the Companies Act.
- [ii] “Executive” refers to an executive director, executive, executive officer, other equivalent person, or other employee.
- [iii] “Major shareholder” refers to a shareholder that holds, in their name or another person’s name, 10% or more of voting rights at the end of the Company’s most recent fiscal year.
- [iv] “Major client” refers to one of the following:
 - (1) A client to which the Group is providing products, etc., and whose transaction amount has been more than 2% of the Company’s consolidated net sales in one of the Company’s last four fiscal years.
 - (2) A financial institution from which the Group is borrowing funds, and whose balance of loans is more than 2% of the Company’s consolidated total assets at the end of the Company’s most recent fiscal year.
- [v] “A party whose major client is the Group” refers to a party that provides products, etc., to the Group and for which the Company’s transaction amount has been more than 2% of the party’s consolidated net sales in one of its last four fiscal years.
- [vi] An amount is a “Substantial amounts of money or other financial benefits” in one of the following situations:
 - (1) In that event that said specialist is an individual and the total amount of said financial benefits, excluding officers’ remuneration, received from the Group is more than ¥10 million per year on average over the course of the Company’s last three fiscal years.
 - (2) In that event that said specialist is an organization that is a corporation, partnership, etc., and the total amount of said financial benefits received from the Group is more than 2% of said organization’s total annual revenues on average over the course of the Company’s last three fiscal years.
- [vii] “Substantial donations” refers to a donation from the Group that is more than ¥10 million per year on average over the course of the Company’s last three fiscal years.
- [viii] “Close relative” refers to a spouse or a relative who is within the second degree of kinship.
- [ix] “Important person” refers to an employee that holds a senior management position such as executive director, executive, executive officer, general manager or above.

Skills Matrix of Directors of the Company (Reference)

If Proposal 2 and Proposal 3 are approved and adopted as proposed, the composition of the Board of Directors of the Company after the Ordinary General Meeting of Shareholders and the expertise and experience possessed by them will be as follows.

Name	Attribute	Expertise and Experience Possessed by the Directors								
		Corporate management	Personnel	Sales & Marketing	Finance & Accounting	Legal Affairs & Risk Management	ESG	Manufacturing, Research & Technical Development	Global Experience	
Directors	Haruya Fujita	Internal	○		○		○	○	○	○
	Atsushi Kitabatake	Internal	○		○			○		
	Toshio Baba	Internal	○		○			○		
	Kenshi Kawano	Internal	○		○			○	○	○
	Shinji Nishigaki	Internal	○		○			○	○	
	Susumu Inaoka	Internal	○	○			○	○	○	
	Hiroshi Fujii	Internal	○			○	○	○		○
Directors Who Are Audit and Supervisory Committee Members	Osamu Okada	Internal		○			○	○		○
	Tepei Mogi	Outside Independent					○	○		○
	Daisuke Shinkawa	Outside Independent				○	○	○		
	Motohide Nishimura	Outside Independent	○		○			○		○
	Misako Tanizawa	Outside Independent				○	○	○		

*1 The above table presents only the main expertise and experience possessed by each Director, and it does not represent the entirety of their expertise and experience.

2 Independence refers to independent outside Directors who meet the requirements of our internal regulation of “Criteria for Independence of Outside Directors” and of an Independent Director/Auditor pursuant to Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange.