

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

Securities code: 5989

June 12, 2023

To our shareholders

KANEDA Atsushi  
Representative Director,  
President and Chief Executive Officer  
**H-ONE CO., LTD.**  
11-5, Sakuragi-cho 1-chome, Omiya-ku,  
Saitama-shi, Saitama 330-0854, Japan

## Notice of the 17th Ordinary General Meeting of Shareholders

You are hereby notified that the 17th Ordinary General Meeting of Shareholders of H-ONE CO., LTD. (the “Company”) will be held as indicated below.

In convening this 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. (items for which measures for providing information in electronic format will be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website (**information available from June 1, 2023**):

<https://www.h1-co.jp/ir/stock/meeting.html> (in Japanese)

TSE website (Listed Company Search; **information available from June 1, 2023**):

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

(Access the TSE website by using the internet address shown above, enter the Company’s name “H-ONE” in “Issue name (company name)” or the Company’s securities code “5989” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Website for posted informational materials for the general meeting of shareholders (**information available from June 1, 2023**):

<https://d.sokai.jp/5989/teiji/> (in Japanese only)

If you opt not to attend the meeting in person, you may exercise your voting rights via the Internet or in writing (by postal mail). In that case, please exercise your voting rights by 5:00 p.m. on Tuesday, June 27, 2023 (Japan Time), having reviewed the Reference Documents for the General Meeting of Shareholders.

**1. Date and Time:** June 28, 2023 (Wednesday) 10:00 a.m. (reception opens at 9:30 a.m.) (Japan Time)

**2. Venue:** 11-5, Sakuragi-cho 1-chome, Omiya-ku, Saitama-shi, Saitama, Japan  
Saisan Hall, 8th Floor, KS Building

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 17th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 17th fiscal year (from April 1, 2022 to March 31, 2023)

These matters to be reported will not be reported at this General Meeting of Shareholders. They will instead be reported at an Adjourned Meeting. Please refer to “Notice regarding Holding of the Adjourned Meeting of the 17th Ordinary General Meeting of Shareholders” on page 3.

#### **Matters to be resolved:**

- Proposal 1** Appropriation of the Surplus
- Proposal 2** Election of Six (6) Directors
- Proposal 3** Election of One (1) Audit & Supervisory Board Member
- Proposal 4** Election of One (1) Substitute Audit & Supervisory Board Member

These matters to be resolved will be submitted to this General Meeting of Shareholders for approval and resolution.

### **4. Matters Decided in Connection with this Convocation**

- (1) If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the aforementioned websites.
- (2) If you exercise your voting rights in writing (by postal mail) but have not indicated approval or disapproval of a proposal on the voting rights exercise form, it will be deemed a vote of approval.
- (3) If you exercise your voting rights multiple times via the Internet, the final vote will be deemed valid.
- (4) If you exercise your voting rights multiple times via the Internet and in writing (by postal mail), the voting rights exercised via the Internet will be deemed valid.

## **Notice regarding Holding of the Adjourned Meeting of the 17th Ordinary General Meeting of Shareholders**

The Company planned to report the following matters to be reported (“Matters to be reported”), among the purposes of the 17th Ordinary General Meeting of Shareholders (“this Meeting”) to be held on June 28, 2023, to shareholders at this Meeting after completing the necessary procedures including the closing procedures and receipt of the Audit Report from the Accounting Auditor (“Closing-related Procedures”).

### **Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 17th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 17th fiscal year (from April 1, 2022 to March 31, 2023)

However, a consolidated subsidiary in North America experienced delays in its accounting practices just prior to the end of the fiscal year ended March 31, 2023, due to the departure of the manager and staff in charge of closing and accounting operations, and the subsequent handover of these operations to the replacement staff. This resulted in a delay in the Closing-related Procedures, and as a result, the Company is unable to provide the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, the Audit Report by the Accounting Auditor, and the Audit Report by the Audit & Supervisory Board for the 17th fiscal year, which should be attached to the notice of this Meeting.

Accordingly, the Company will propose at this Meeting that an adjourned meeting for this Meeting (“Adjourned Meeting”) be held to report the Matters to be reported, and also that the Board of Directors be entrusted to decide the date, time, and place of the Adjourned Meeting (“Proposal”). Should this Proposal be approved at this Meeting, the Company intends to hold the Adjourned Meeting by sending a separate notice on the holding of the Adjourned Meeting to shareholders. The Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, the Audit Report by the Accounting Auditor and the Audit Report by the Audit & Supervisory Board for the 17th fiscal year will be provided to shareholders as items subject to measures for electronic provision.

As the Adjourned Meeting will be part of this Meeting, the shareholders who can attend the Adjourned Meeting will be the same shareholders who can exercise their voting rights at this Meeting.

The Company sincerely apologizes again to its shareholders, investors, and other stakeholders for the significant inconvenience and concern this may cause.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1 Appropriation of the Surplus

With regard to the appropriation of the surplus, having taken into account the performance for the fiscal year under review and future business expansion, the Company proposes the following:

#### Year-end dividends

- |  |               |
|--|---------------|
| (1) Type of dividends:                                     | Cash          |
| (2) Dividend allocation and their aggregate amount thereof |               |
| Dividend per common share of the Company:                  | ¥7            |
| Total dividends:   | ¥198,738,344  |
| (3) Effective date of dividends of surplus:                | June 29, 2023 |

#### (Reference Note)

##### Dividend Policy

The Company regards the continuous return of profits to its shareholders as a highly important management policy, and maintains a basic policy to stably implement dividends according to the Company's performance to its shareholders over the long term, having taken into consideration future business expansion, investments in facilities, and the like, as well as striving to improve the return on equity attributable to owners of the parent (ROE).

## Proposal 2 Election of Six (6) Directors

All six (6) Directors will retire due to the expiration of their terms of office at the adjournment of this Meeting (at the conclusion of deliberations on June 28). Therefore, the Company proposes to elect six (6) Directors to succeed them.

Candidates for Director are as follows:

Candidates for Director will assume office at the adjournment of this Meeting (at the conclusion of deliberations on June 28).

### List of Candidates for Director

Candidate No.	Name	Current Position Within the Company	Responsibilities Within the Company and Significant Concurrent Positions Outside the Company	
1	KANEDA Atsushi	Representative Director		Re-election
2	OTA Kiyofumi	Director	- Chief Operating Officer of the Administration Operations - Compliance Officer - Responsible for Environmental Activities	Re-election
3	WATANABE Hiroyuki	Director	- Chief Operating Officer of the Production Operations and General Manager of the Production Planning Group - Risk Management Officer	Re-election
4	MARUYAMA Keiichiro	Director	- Deputy Managing Partner of Nagawa-Okamura Law Firm - Outside Corporate Auditor of TODA CORPORATION - Chairman of the Board of Tokyo College of Music	Re-election Outside Independent
5	TODOKORO Kunihiro	Director	- Representative Director, Chairperson and President of FUJI WAREHOUSE&TRANSPORTATION CO., LTD.	Re-election Outside Independent
6	YAMAMOTO Sawako	Director		Re-election Outside Independent

Re-election: Candidate for re-election as Director

Outside: Candidate for Outside Director

Independent: Independent Officer as stipulated by the Tokyo Stock Exchange

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
1	KANEDA Atsushi (August 23, 1961) [Re-election]  Attendance at the Board of Directors meetings (12/12)	Mar. 1985      Joined Hongo Seisakusho Dec. 2005      Operating Officer of HONGO CO., LTD. Apr. 2006      Operating Officer and Factory Operating Officer of the Koriyama Factory of the Company Apr. 2007      General Manager of the Corporate Management Planning Operations of the Company Jun. 2007      Senior Operating Officer of the Company Jun. 2008      Managing Director of the Company Apr. 2010      Chief Operating Officer of the Production Operations of the Company Apr. 2011      Chief Operating Officer of the Development & Engineering Operations of the Company Jun. 2011      Representative Director, President and Chief Operating Officer of the Development & Engineering Operations of the Company Apr. 2012      Representative Director and President of the Company Jun. 2016      Representative Director, President and Chief Executive Officer of the Company (current position)	21
<p>[Reasons for Nomination as a Candidate for Director]</p> <p>Mr. KANEDA Atsushi possesses considerable insight related to the global operation of business based on his abundant experience at having engaged in operations such as production, development, overseas business, and corporate planning. Since being appointed as Representative Director of the Company, he has demonstrated potent leadership skills that capitalize on this experience and knowledge. He has led the charge in pursuing business strategy that gives rise to expansion of the Company Group's operations and enhances its corporate value, including establishment of the Bungotakada Plant and new locations overseas.</p> <p>The Company has determined that he can sufficiently fulfill the role of deciding on important matters and supervising the execution of business within the Company Group, and so the Company has renominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
2	<p style="text-align: center;">OTA Kiyofumi (September 23, 1960) [Re-election]</p> <p style="text-align: center;">Attendance at the Board of Directors meetings (12/12)</p>	<p>Apr. 1983      Joined the Industrial Bank of Japan, Ltd. (current Mizuho Bank, Ltd.)</p> <p>Apr. 2008      General Manager of the Dalian Branch of Mizuho Corporate Bank (China), Ltd. (current Mizuho Bank (China), Ltd.)</p> <p>Sep. 2010      Joined the Company Executive Vice President of GH Auto Parts Industries Inc.</p> <p>Apr. 2011      President of QH Auto Parts Industries Inc. and Executive Vice President of GH Auto Parts Industries Inc.</p> <p>Jun. 2011      Operating Officer of the Company</p> <p>Jan. 2013      Assistant to Chief Operating Officer of the Administration Operations of the Company</p> <p>Apr. 2013      Deputy Operating Officer of the Administration Operations of the Company</p> <p>Jun. 2013      Director of the Company</p> <p>Apr. 2014      Chief Operating Officer of the Administration Operations of the Company (current position)</p> <p>Jun. 2014      Managing Director of the Company</p> <p>Apr. 2016      Compliance Officer (current position) and Responsible for Environmental Activities of the Company (current position)</p> <p>Jun. 2016      Director and Senior Managing Officer of the Company (current position)</p>	8
<p>[Reasons for Nomination as a Candidate for Director]</p> <p>Mr. OTA Kiyofumi has pursued duties related to China for many years during his time serving in financial institutions. Having engaged in the management of Chinese subsidiaries after joining the Company, he now supervises accounting and finance, HR and labor, and compliance and the governance of the Company Group as the supervisor of the administration division, and he therefore possesses abundant experience and considerable insight related to the global operation of business.</p> <p>The Company has determined that he can sufficiently fulfill the role of deciding on important matters and supervising the execution of business within the Company Group, and so the Company has renominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
3	WATANABE Hiroyuki (February 25, 1960) [Re-election]  Attendance at the Board of Directors meetings (12/12)	Mar. 1978      Joined Hirata Press Kogyo Co., Ltd. Oct. 2006      General Manager of the Production Division of the Maebashi Factory of the Company Apr. 2011      Factory Operating Officer of the Kameyama Factory of the Company Jun. 2012      Operating Officer of the Company Apr. 2014      General Manager of the Production Planning Group of the Company (current position) Jun. 2014      Director of the Company Aug. 2014      Factory Operating Officer of the Koriyama Factory of the Company Jun. 2016      Senior Operating Officer of the Company Apr. 2019      Managing Officer, Chief Operating Officer of the Production Operations (current position), and Risk Management Officer of the Company (current position)  Mar. 2021      Factory Operating Officer of the Kameyama Factory of the Company Jun. 2021      Director and Managing Officer of the Company (current position)	10
<p>[Reasons for Nomination as a Candidate for Director]</p> <p>Mr. WATANABE Hiroyuki has engaged in management of the Company's overseas subsidiary and business operations in production bases in Japan in the past. He presently supervises various initiatives for strengthening the Company Group's business foundation and risk management system as the supervisor of production divisions. He therefore possesses abundant experience and considerable insight related to the manufacturing and marketing of automobile parts, the primary business of the Company Group.</p> <p>The Company has determined that he can sufficiently fulfill the role of deciding on important matters and supervising the execution of business within the Company Group, and so the Company has renominated him as a candidate for Director.</p>			



Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company		Number of the Company's Shares Owned (Thousands of Shares)
4	MARUYAMA Keiichiro (November 27, 1963) [Re-election] [Candidate for Outside Director] [Independent Officer]  Attendance at the Board of Directors meetings (11/12)	Apr. 1998	Registered as lawyer (TOKYO BAR ASSOCIATION)	—
		Apr. 1998 Jan. 2001 May 2009 Jul. 2010 Jun. 2014 Jun. 2016 Apr. 2021	Joined Nagawa-Okamura Law Firm Deputy Managing Partner of Nagawa-Okamura Law Firm (current position) Director of Tokyo College of Music Director of Johokusaitama Gakuen (Incorporated Educational Institution) (current position) Outside Director of the Company (current position) Outside Corporate Auditor of TODA CORPORATION (current position) Chairman of the Board of Tokyo College of Music (current position)	
	[Reasons for Nomination as a Candidate for Outside Director and Expected Roles]			
	<p>Mr. MARUYAMA Keiichiro possesses abundant experience and considerable insight cultivated as a lawyer. Since his appointment as an Outside Director of the Company, he has been active in making proposals and recommendations regarding the management of the Company Group in Board of Directors meetings of the Company.</p> <p>The Company has determined he will be able to continue making statements on the execution of business of the Company Group from a professional viewpoint as a lawyer, while overseeing the business from his independent and fair standpoint, and so the Company has renominated him as a candidate for Outside Director.</p> <p>He does not have experience of directly contributing to the management of a company; however, he has elevated and broad perspective as a lawyer. Moreover, given that he is knowledgeable of the governance of companies and has sufficient discernment as an Outside Director, the Company has judged that he is able to appropriately execute his duties.</p>			
	[Considerations on His Independence]			
	<p>Nagawa-Okamura Law Firm, at which Mr. MARUYAMA Keiichiro serves as Deputy Managing Partner, has entered into a consulting contract with the Company; however, the remuneration amounts paid by the Company during the fiscal year ended March 31, 2023 are less than one (1) percent of the sales of the Firm and less than one (1) percent of the consolidated revenue of the Company.</p> <p>TODA CORPORATION and the Tokyo College of Music, at which he serves in significant concurrent positions, have no transactions with the Company.</p> <p>For the above reasons, the Company has judged that there are no problems with regards to his independence.</p> <p>Moreover, the Company has submitted notification of his position as Independent Officer to the Tokyo Stock Exchange.</p>			

Notes:

- Mr. MARUYAMA Keiichiro's tenure as Outside Director will be nine (9) years upon the conclusion of this General Meeting of Shareholders.
- The Company has entered into an agreement with Mr. MARUYAMA Keiichiro to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of the same act. In the event that the candidate is re-elected as Director, the Company intends to roll over this limitation of liability contract with him.

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
5	<p>TODOKORO Kunihiro (May 29, 1954) [Re-election] [Candidate for Outside Director] [Independent Officer]</p> <p>Attendance at the Board of Directors meetings (12/12)</p>	<p>Apr. 1977      Joined Saitama Bank, Ltd. (current Saitama Resona Bank, Limited)</p> <p>Jun. 2009      Representative Director and Vice President of Saitama Resona Bank, Limited</p> <p>Jun. 2013      Representative Director and President of J AND S INSURANCE SERVICE Co., Ltd.</p> <p>Jun. 2015      Representative Director and President of FUJI WAREHOUSE&amp;TRANSPORTATION CO., LTD.</p> <p>Jun. 2016      Outside Director of the Company (current position)</p> <p>Jun. 2019      Chair of SAITAMA KEIZAI DOYUKAI (current position)</p> <p>Jun. 2020      Representative Director and Chairperson of FUJI WAREHOUSE&amp;TRANSPORTATION CO., LTD.</p> <p>Apr. 2021      Representative Director, Chairperson and President of FUJI WAREHOUSE&amp;TRANSPORTATION CO., LTD. (current position)</p>	—
		<p>[Reasons for Nomination as a Candidate for Outside Director and Expected Roles]</p> <p>Mr. TODOKORO Kunihiro has engaged in the management of a financial institution and multiple business companies. Since his appointment as an Outside Director of the Company, he has been active in leveraging this abundant experience and considerable insight to make proposals and recommendations regarding the management of the Company Group in Board of Directors meetings of the Company.</p> <p>The Company has determined he will be able to continue making statements on the execution of business of the Company Group from a professional viewpoint as the one experienced in management, while overseeing the business of the Company Group from his independent and fair standpoint, and so the Company has renominated him as a candidate for Outside Director.</p> <p>[Considerations on His Independence]</p> <p>The Company makes transactions related to storage and warehousing of goods with FUJI WAREHOUSE&amp;TRANSPORTATION CO., LTD., at which Mr. TODOKORO Kunihiro serves as Representative Director, Chairperson and President; however, the transaction amounts during the fiscal year ended March 31, 2023 are less than one (1) percent of the sales of the Firm and less than one (1) percent of the consolidated revenue of the Company.</p> <p>The Company is a borrower of Saitama Resona Bank, Limited, of which Mr. TODOKORO Kunihiro was formerly Representative Director and Vice President; however, more than ten (10) years have passed since he retired from that position.</p> <p>For the above reasons, the Company has judged that there are no problems with regards to his independence. Moreover, the Company has submitted notification of his position as Independent Officer to the Tokyo Stock Exchange.</p>	

Notes:

- Mr. TODOKORO Kunihiro's tenure as Outside Director will be seven (7) years upon the conclusion of this General Meeting of Shareholders.
- The Company has entered into an agreement with Mr. TODOKORO Kunihiro to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of the same act. In the event that the candidate is re-elected as Director, the Company intends to roll over this limitation of liability contract with him.

Candidate No.	Name (Date of Birth)	Career Summary, Position, Responsibilities, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
6	YAMAMOTO Sawako (June 5, 1960) [Re-election] [Candidate for Outside Director] [Independent Officer]  Attendance at the Board of Directors meetings (12/12)	Apr. 1983	Joined Secretariat of Fair Trade Commission (current General Secretariat of Fair Trade Commission)
		Jun. 2008	Division Manager, Personnel Division, Secretariat, General Secretariat of Fair Trade Commission
		Sep. 2012	Deputy Director General, Investigation Bureau, General Secretariat of Fair Trade Commission
		Jul. 2014	Senior Deputy Secretary General, Secretariat, General Secretariat of Fair Trade Commission
		Jun. 2016	Director General, Investigation Bureau, General Secretariat of Fair Trade Commission
		Jun. 2021	Outside Director of the Company (current position)
		Jan. 2022	Member of the National Personnel Authority's Exchange Examination Committee (current position)
	[Reasons for Nomination as a Candidate for Outside Director and Expected Roles] Ms. YAMAMOTO Sawako has held important positions at the Fair Trade Commission. Since her appointment as an Outside Director of the Company, she has been active in leveraging the abundant experience and considerable insight cultivated through these positions to make proposals and recommendations regarding the execution of business at the Company Group in Board of Directors meetings of the Company. The Company has determined she will be able to continue making statements on the execution of business of the Company Group from a professional viewpoint as an expert in corporate law, while overseeing the business of the Company Group from an independent and fair standpoint, and so the Company has renominated her as a candidate for Outside Director. She does not have experience of directly contributing to the management of a company; however, she has elevated and broad perspective backed by her experience serving at the Fair Trade Commission. Moreover, given that she is knowledgeable of the governance of companies and has sufficient discernment as an Outside Director, the Company has judged that she is able to appropriately execute her duties.		
	[Considerations on Her Independence] The Fair Trade Commission, at which Ms. YAMAMOTO Sawako served as Director General of the Investigation Bureau until July 2018, has no transactions with the Company. For the above reasons, the Company has judged that there are no problems with regards to her independence. Moreover, the Company has submitted notification of her position as Independent Officer to the Tokyo Stock Exchange.		

Notes:

- Ms. YAMAMOTO Sawako's tenure as Outside Director will be two (2) years upon the conclusion of this General Meeting of Shareholders.
- The Company has entered into an agreement with Ms. YAMAMOTO Sawako to limit her liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of the same act. In the event that the candidate is re-elected as Director, the Company intends to roll over this limitation of liability contract with her.

Notes applicable to all of the six (6) candidates above:

- There are no special interests between any of the candidates for Directors and the Company.
- The number of shares of the Company owned by each of the candidates for Director includes the shares held under the name of the Officer's Shareholder Association.
- The Company has not entered into an indemnity agreement stipulated by Article 430-2, Paragraph 1 of the Companies Act, with each of the candidates for Director.
- The Company has entered into a Directors and Officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act.  
According to the said insurance agreement, if a claim for damages is made against the insured resulting from the insured's action (including nonfeasance) in the capacity of such position during the period of insurance, legal compensation for damages and fees for legal actions, etc. will be compensated.  
However, in order not to impair the appropriateness of duty execution by the insured, the policy includes an exemption such that it does not cover criminal acts of the insured or damages to an officer in person who has intentionally acted in violation of the law.  
If each candidate for Director is appointed as Director, he/she will become one of the insureds under said insurance agreement.

The Company plans to renew the said insurance agreement under the same conditions during the Directors' terms of office.

**Proposal 3 Election of One (1) Audit & Supervisory Board Member**

Audit & Supervisory Board Member KAWAI Hiroyuki will retire due to the expiration of his term of office at the adjournment of this Meeting (at the conclusion of deliberations on June 28). Therefore, the Company proposes to elect one (1) Audit & Supervisory Board Member.

This proposal has obtained the consent of the Audit & Supervisory Board.

Candidate for Audit & Supervisory Board Member is as follows:

Candidate for Audit & Supervisory Board Member will assume office at the adjournment of this Meeting (at the conclusion of deliberations on June 28).

Name (Date of Birth)	Career Summary, Position, and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
<p>KAWAI Hiroyuki (November 19, 1961) [Re-election] [Candidate for Outside Audit &amp; Supervisory Board Member] [Independent Officer]</p> <p>Attendance at the Board of Directors meetings (12/12)</p> <p>Attendance at the Audit &amp; Supervisory Board meetings (13/13)</p>	<p>Oct. 1992    Joined Inoue Saito Eiwa Audit Corporation (current KPMG AZSA LLC)</p> <p>Apr. 1996    Registered as a certified public accountant</p> <p>May 2008    Partner of KPMG AZSA &amp; Co. (current KPMG AZSA LLC)</p> <p>Jul. 2014    Joined ASAHI Tax Corporation</p> <p>Sep. 2014    Registered as a certified public tax accountant</p> <p>Jun. 2015    Outside Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>Jan. 2019    Director of KAWAI CPA OFFICE (current position)</p> <p>Nov. 2020    Outside Director of OOTOYA Holdings Co., Ltd.</p> <p>Jun. 2021    Outside Director, Audit and Supervisory Committee Member of OOTOYA Holdings Co., Ltd. (current position)</p> <p>Jun. 2021    Outside Director of KAPPA · CREATE CO., LTD.</p> <p>Jun. 2022    Outside Director, Audit and Supervisory Committee Member of KAPPA · CREATE CO., LTD. (current position)</p>	<p>6</p>

[Reasons for Nomination as a Candidate for Outside Audit & Supervisory Board Member and Expected Roles]

Mr. KAWAI Hiroyuki possesses abundant experience and considerable insight as an expert in finance and accounting cultivated as a certified public accountant and a certified public tax accountant. Since his appointment as an Outside Audit & Supervisory Board Member of the Company, he has been appropriately supervising the execution of business, including making recommendations regarding the internal control and finance for the Company Group in Board of Directors meetings of the Company.

The Company expects that he will be able to continue to provide recommendations regarding the management of the Company Group and supervise the execution of business from his independent and fair standpoint, and so the Company has renominated him as a candidate for Outside Audit & Supervisory Board Member.

He does not have experience of directly contributing to the management of a company; however, he has elevated and broad perspective and independence as a certified public accountant and a certified public tax accountant. Moreover, given that he has sufficient discernment to be an Outside Audit & Supervisory Board Member, the Company has determined that he is able to appropriately execute his duties.

[Considerations on His Independence]

KAWAI CPA OFFICE, at which Mr. KAWAI Hiroyuki serves as Director, has no transactions with the Company and has no contractual relationships, such as for consulting, with the Company.

OOTOYA Holdings Co., Ltd. and KAPPA · CREATE CO., LTD., at which he serves in significant concurrent positions, have no transactions with the Company.

For the above reasons, the Company has judged that there are no problems with regards to his independence.

Moreover, the Company has submitted notification of his position as Independent Officer to the Tokyo Stock Exchange.

Notes:

1. There are no special interests between Mr. KAWAI Hiroyuki and the Company.
2. The number of shares of the Company owned by Mr. KAWAI Hiroyuki includes the shares held under the name of the Officer's Shareholder Association.

3. Mr. KAWAI Hiroyuki's tenure as Outside Audit & Supervisory Board Member will be eight (8) years upon the conclusion of this General Meeting of Shareholders.
4. The Company has entered into an agreement with Mr. KAWAI Hiroyuki to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of the same act. In the event that the candidate is re-elected as Outside Audit & Supervisory Board Member, the Company intends to roll over this limitation of liability contract with him.
5. The Company has not entered into an indemnity agreement stipulated by Article 430-2, Paragraph 1 of the Companies Act, with Mr. KAWAI Hiroyuki.
6. The Company has entered into a Directors and Officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act.  
According to the said insurance agreement, if a claim for damages is made against the insured resulting from the insured's action (including nonfeasance) in the capacity of such position during the period of insurance, legal compensation for damages and fees for legal actions, etc. will be compensated.  
However, in order not to impair the appropriateness of duty execution by the insured, the policy includes an exemption such that it does not cover criminal acts of the insured or damages to an officer in person who has intentionally acted in violation of the law.  
If Mr. KAWAI Hiroyuki is appointed as Audit & Supervisory Board Member, he will become one of the insureds under said insurance agreement.  
The Company plans to renew the said insurance agreement under the same conditions during the Audit & Supervisory Board Member's terms of office.

#### Proposal 4 Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for the case of absences causing the number of Audit & Supervisory Board Members required by law not being met, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member, pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act.

This proposal has obtained the consent of the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of Birth)	Career Summary and Significant Concurrent Positions Outside the Company	Number of the Company's Shares Owned (Thousands of Shares)
IJIMA Hiroyuki (October 27, 1974)	Apr. 1997      Joined Plaza Create Co., Ltd. Oct. 2002      Joined Iijima Certified Public Tax Accountant Office (current position) Apr. 2007      Registered as a certified public tax accountant	—
<p>[Reasons for Nomination as a Candidate for Substitute Outside Audit &amp; Supervisory Board Member]</p> <p>Mr. IJIMA Hiroyuki is an active certified public tax accountant and, if he is appointed as Audit &amp; Supervisory Board Member, the Company's supervisory organization will benefit from the specialized knowledge and experience that he has cultivated as a certified public tax accountant; therefore, the Company proposes his appointment as a substitute Outside Audit &amp; Supervisory Board Member.</p> <p>He does not have experience of directly contributing to the management of a company; however, he has elevated and broad perspective as a certified public tax accountant. Moreover, given that he has sufficient discernment to be an Outside Audit &amp; Supervisory Board Member, the Company has determined that he is able to appropriately execute his duties.</p>		
<p>[Considerations on His Independence]</p> <p>Iijima Certified Public Tax Accountant Office, at which Mr. IJIMA Hiroyuki is engaged in his significant concurrent position, has no transactions with the Company and has no contractual relationships, such as for consulting, with the Company.</p> <p>For the above reasons, the Company has judged that there are no problems with regards to his independence.</p> <p>If he is appointed as Audit &amp; Supervisory Board Member, the Company intends to submit notification of his position as Independent Officer to the Tokyo Stock Exchange.</p>		

Notes:

1. There are no special interests between Mr. IJIMA Hiroyuki and the Company.
2. Mr. IJIMA Hiroyuki is a candidate for substitute Outside Audit & Supervisory Board Member.
3. If Mr. IJIMA Hiroyuki is appointed as Audit & Supervisory Board Member, the Company intends to enter into an agreement with him to limit his liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of the same act.
4. If Mr. IJIMA Hiroyuki is appointed as Audit & Supervisory Board Member, he will become one of the insureds under a Directors and Officers liability insurance agreement in accordance with Article 430-3, Paragraph 1 of the Companies Act. According to the said insurance agreement, if a claim for damages is made against the insured resulting from the insured's action (including nonfeasance) in the capacity of such position during the period of insurance, legal compensation for damages and fees for legal actions, etc. will be compensated. However, in order not to impair the appropriateness of duty execution by the insured, the policy includes an exemption such that it does not cover criminal acts of the insured or damages to an officer in person who has intentionally acted in violation of the law.

(Reference)

### **Basic Policy for Corporate Governance**

Based on our Management Philosophy, the Company has formulated a basic sustainability policy to “become a company that contributes to the world” by promoting various activities in each ESG (environment, society, and governance) area.

Based on this basic policy, the Company recognizes the enhancement of corporate governance as one of its important issues in management and will consistently take initiatives for the continuous growth of the Company Group, responding to the expectation and trust from our shareholders, customers, employees, and society.

### **The Corporate Governance System**

The Company is a company with an Audit & Supervisory Board and has established the following organs: General Meeting of Shareholders, Board of Directors, Audit & Supervisory Board, and Accounting Auditor. In addition, the Company has streamlined the decision-making and enhancement of supervising functions on business execution by the Board of Directors by expanding the Operating Officer system such as by delegating business execution to Operating Officers.

#### **1. Board of Directors**

In order to supervise business execution from a wider perspective, the Board of Directors consists of six (6) Directors, including three (3) Outside Directors. The Board of Directors, upon deliberation, passes resolutions for important matters concerning management and matters designated by laws and regulations.

The Company has appointed one (1) lawyer (male), one (1) person (male) who possesses management experience at another company, and one (1) person (female) who has experience serving at an administrative organ as Outside Directors. The Company thinks that a composition which combines Inside Directors who have a thorough understanding of the Company’s business and industry trends with Outside Directors who have varied experience, insight, and values will result in the optimal overall structure for the Board of Directors in terms of the balance of knowledge, experience, and abilities, diversity, and other aspects.

At this General Meeting of Shareholders, the Company is proposing the election of six (6) Directors.

#### **2. Audit & Supervisory Board**

The Audit & Supervisory Board consists of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members. The Audit & Supervisory Board requests, when deemed appropriate, reports on the progress and results of operational audits and internal control audits conducted by Audit Operations, which is an independent internal audit division. It also attends important meetings including the Board of Directors meetings, and audits Directors’ execution of duties and decision-making of the Board of Directors by examining the business and financial status from a neutral and objective standpoint.

At this General Meeting of Shareholders, the Company is proposing the election of one (1) Audit & Supervisory Board Member.

#### **3. Other optional meeting bodies**

(1) The Management Committee, which consists of the Representative Director and chief operating officers or general managers of the six operations and the three overseas regional operations, adopts a system where important matters concerning business execution are either presented to the Board of Directors after prior deliberation, or resolved within its scope of authority and reported to the Board of Directors for an efficient and speedy decision making by the Board of Directors.

(2) To ensure mutual collaboration between Outside Directors and Audit & Supervisory Board Members, the Information Exchange Meeting for Independent Officers, which consists of Independent Officers and Full-time Audit & Supervisory Board Member, is held monthly. At the Information Exchange Meeting for Independent Officers, understanding is shared through reports of business status of the Company Group made by Full-time Audit & Supervisory Board Member, or by related general managers when needed, and opinions which are mutually exchanged among Independent Officers.

(3) In order to ensure transparency and objectivity in the process of determining remuneration, the Nomination and Remuneration Committee, chaired by Outside Independent Directors, determine, after final consultation, the amounts of remuneration, etc. for the Company’s Officers. Moreover, if changes are to be made on the policy concerning determination of calculation methods for the amounts of remuneration, etc. for Officers, they are determined by the Board of Directors after prior deliberation at the Nomination and Remuneration Committee.

#### **4. Standards for independence**

For elections of independent outside officers (Directors and Audit & Supervisory Board Members), aside from the requirements for outside officers pursuant to the Companies Act, the Company has set out a standard for designating independent outside officers so that candidates will meet qualifications of Independent Officer as stipulated by the Tokyo Stock Exchange and will be free of possible conflict of interest with general shareholders.

#### **5. Policy for nominating candidates for Directors and Audit & Supervisory Board Members**

With regard to candidates for Directors, election or nomination is made with comprehensive consideration from the perspective of abundance in experience, high-level expertise, considerable insight, and ethical point of view. The election or nomination for candidates for Directors is determined by the Board of Directors after prior deliberation at the Nomination and Remuneration Committee, which is chaired by Outside Independent Directors.

With regard to candidates for Audit & Supervisory Board Members, nominations are made with consideration from the perspective of insight into finance, accounting and legal affairs, and knowledge related to the Company’s businesses.

If Proposals 2 and 3 are approved and passed as proposed for this Ordinary General Meeting of Shareholders, the Board of Directors and the Audit & Supervisory Board will be composed as follows:



Name	Position Within the Company	Gender	Independence	Professionalism and Experience					
				Corporate management	Legal affairs and risk management	Finance and accounting	Manufacture, engineering, and research & development	Government and administrative organ	Global experience (experience of working overseas)
KANEDA Atsushi	Representative Director, President and Chief Executive Officer	Male		○			○		○
OTA Kiyofumi	Director Senior Managing Officer	Male		○	○	○			○
WATANABE Hiroyuki	Director Managing Officer	Male		○	○		○		○
MARUYAMA Keiichiro	Director Outside Independent	Male	○		○				
TODOKORO Kunihiro	Director Outside Independent	Male	○	○					○
YAMAMOTO Sawako	Director Outside Independent	Female	○		○			○	
YAMASHITA Kazuo	Full-time Audit & Supervisory Board Member	Male				○			○
KAWAI Hiroyuki	Audit & Supervisory Board Member Outside Independent	Male	○			○			
MURAKAMI Hiroki	Audit & Supervisory Board Member Outside Independent	Male	○		○				

Outside: Outside Director or Outside Audit & Supervisory Board Member  
Independent: Independent Officer as stipulated by the Tokyo Stock Exchange

**(Reference) Supplementary Information on Matters to Be Resolved at the 17th Ordinary General Meeting of Shareholders**

As explained in “Notice regarding Holding of the Adjourned Meeting of the 17th Ordinary General Meeting of Shareholders” on page 3 of this notice, this notice does not include the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, the Audit Report by the Accounting Auditor, and the Audit Report by the Audit & Supervisory Board for the 17th fiscal year.

Therefore, the Company has supplemented the following matters to assist with the exercise of voting rights in relation to the matters to be resolved of this Ordinary General Meeting of Shareholders.

The content of “1. Directors and Audit & Supervisory Board Members of the Company” below is the same as in the Business Report.

**1. Directors and Audit & Supervisory Board Members of the Company**

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2023)

Position within the Company	Name	Responsibilities within the Company and significant concurrent positions outside the Company
Representative Director	KANEDA Atsushi	
Director	OTA Kiyofumi	- Chief Operating Officer of the Administration Operations - Compliance Officer - Responsible for Environmental Activities
Director	WATANABE Hiroyuki	- Chief Operating Officer of the Production Operations and General Manager of the Production Planning Group - Risk Management Officer
Director <span style="border: 1px solid black; padding: 0 2px;">Outside</span> <span style="border: 1px solid black; padding: 0 2px;">Independent</span>	MARUYAMA Keiichiro	- Deputy Managing Partner of Nagawa-Okamura Law Firm - Outside Corporate Auditor of TODA CORPORATION - Chairman of the Board of Tokyo College of Music
Director <span style="border: 1px solid black; padding: 0 2px;">Outside</span> <span style="border: 1px solid black; padding: 0 2px;">Independent</span>	TODOKORO Kunihiro	- Representative Director, Chairperson and President of FUJI WAREHOUSE&TRANSPORTATION CO., LTD.
Director <span style="border: 1px solid black; padding: 0 2px;">Outside</span> <span style="border: 1px solid black; padding: 0 2px;">Independent</span>	YAMAMOTO Sawako	
Full-time Audit & Supervisory Board Member	YAMASHITA Kazuo	
Audit & Supervisory Board Member <span style="border: 1px solid black; padding: 0 2px;">Outside</span> <span style="border: 1px solid black; padding: 0 2px;">Independent</span>	KAWAI Hiroyuki	- Director of KAWAI CPA OFFICE - Outside Director, Audit and Supervisory Committee Member of OOTOYA Holdings Co., Ltd. - Outside Director, Audit and Supervisory Committee Member of KAPPA · CREATE CO., LTD.
Audit & Supervisory Board Member <span style="border: 1px solid black; padding: 0 2px;">Outside</span> <span style="border: 1px solid black; padding: 0 2px;">Independent</span>	MURAKAMI Hiroki	- Director of MURAKAMI HIROKI LAW OFFICE

- Notes: 1. Directors MARUYAMA Keiichiro, TODOKORO Kunihiro and YAMAMOTO Sawako are Outside Directors.  
2. Audit & Supervisory Board Members KAWAI Hiroyuki and MURAKAMI Hiroki are Outside Audit & Supervisory Board Members.  
3. Audit & Supervisory Board Member YAMASHITA Kazuo has abundant business experience, mainly in the accounting department of the Company, and possesses considerable knowledge of finance and accounting.  
4. Audit & Supervisory Board Member KAWAI Hiroyuki is qualified as a certified public accountant and a certified public tax accountant and possesses considerable knowledge of finance and accounting.  
5. The Company has submitted notification to the Tokyo Stock Exchange that Outside Directors MARUYAMA Keiichiro, TODOKORO Kunihiro and YAMAMOTO Sawako and Outside Audit & Supervisory Board Members KAWAI Hiroyuki and MURAKAMI Hiroki have been designated as independent officers as provided for by the aforementioned exchange.

6. Directors and Audit & Supervisory Board Members who retired during the fiscal year under review

Position within the Company at the time of retirement	Name	Date of retirement	Reason of retirement
Director	MATSUMOTO Hidenori	June 29, 2022	Expiration of term of office
Full-time Audit & Supervisory Board Member	ITOH Nobuyoshi	June 29, 2022	Expiration of term of office

(2) Summary of details of the limited liability agreement

The Company has entered into an agreement with each Outside Director and each Outside Audit & Supervisory Board Member to limit his or her liability for damages as stipulated by Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations of Article 427, Paragraph 1 of the same act.

(3) Summary of details of the indemnity agreement

The Company has nothing to report because it has not entered into an indemnity agreement stipulated by Article 430-2, Paragraph 1 of the Companies Act, with each Director and each Audit & Supervisory Board Member.

(4) Summary of details of the Directors and Officers liability insurance agreement

The Company has entered into a Directors and Officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act.

According to the said insurance agreement, if a claim for damages is made against the insured resulting from the insured's action (including nonfeasance) in the capacity of such position during the period of insurance, legal compensation for damages and fees for legal actions, etc. will be compensated.

However, in order not to impair the appropriateness of duty execution by the insured, the policy includes an exemption such that it does not cover criminal acts of the insured or damages to an officer in person who has intentionally acted in violation of the law.

Directors, Audit & Supervisory Board Members, Executive Officers and employees who hold executive positions of the Company and its subsidiaries are insured under the insurance policy, and the Company bears the total amount of premiums for all insureds.

(5) Remuneration for Directors and Audit & Supervisory Board Members

(Principles, etc., of determining the details of remuneration for individual officers)

The Company's Board of Directors resolves matters related to remuneration for directors and Audit & Supervisory Board Members, including the policy regarding the determination of the details of remuneration for individual directors, after prior deliberation by the Nomination and Remuneration Committee. In the event of any changes to policy regarding the determination of the calculation method for the amount of remuneration, etc., the Board of Directors will pass a resolution after prior deliberation by the Nomination and Remuneration Committee.

The remuneration structure of the Company’s Directors and Audit & Supervisory Board Members, which is based on this policy, is as follows.

Types of remuneration	Basic remuneration (Monetary remuneration)	Performance-based remuneration (Monetary remuneration)	Medium- to long-term incentive remuneration (Share-based remuneration)
Positions eligible for payment	Inside Directors Outside Directors Audit & Supervisory Board Members	Inside Directors – –	Inside Directors – –
Maximum amounts, etc.	Directors: Up to ¥200 million per year Audit & Supervisory Board Members: Up to ¥40 million per year		Every 3 fiscal years Up to ¥300 million (up to 350,400 shares)
Content of remuneration	<ul style="list-style-type: none"> <li>• Within the maximum amount resolved at the General Meeting of Shareholders, the Nomination and Remuneration Committee determines the specific allocation of remuneration based on the Remuneration Regulations for directors and auditors.</li> <li>• In case of temporary treatment that differs from the Remuneration Regulations for directors and auditors, the Nomination and Remuneration Committee will discuss the matter and the Board of Directors will make a decision.</li> </ul>		<ul style="list-style-type: none"> <li>• Points are granted to those eligible in accordance with the Regulations on Delivery of Shares for Officers. The Company provides shares of the Company in proportion to the number of points granted to retired directors who satisfy the requirements for beneficiaries as stipulated in the Regulations on Delivery of Shares for Officers.</li> </ul>

- Notes: 1. The ratio of the above three types of compensation to the annual remuneration of inside directors is determined by position, and designed so that higher positions have the higher ratio of performance-based remuneration.
2. Specific remuneration levels are set with reference to the results of the “Executive Remuneration (Salary) Survey of Private Companies” by the National Personnel Authority and the Executive Compensation Survey of private professional organizations.

(Reasons the Board of Directors has judged that the content of remuneration for the fiscal year under review is consistent with the principles)

The Board of Directors recognizes with respect to remuneration, etc. for Officers for the fiscal year under review that the method of determination and the determined content and amount are in accordance with the abovementioned principles, and that the deliberation of the Nomination and Remuneration Committee has been given due weight, and has therefore judged it to be consistent with the principles.

Moreover, the members of the Remuneration and Nomination Committee is described below in “d. Matters related to delegation of decision making regarding individual Director’s remuneration.”

a. Matters related to performance-based remuneration

(Calculation method of performance-based remuneration and performance indicators, etc., selected as the basis of calculation)

The performance-based remuneration of the Company is calculated by multiplying a position-determined performance-based remuneration standard amount by a performance coefficient.

Performance-based remuneration (Monetary remuneration)	=	Position-determined performance-based remuneration standard amount	×	Performance coefficient
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- The “position-determined performance-based remuneration standard amount” is a uniform amount determined for each position based on the remuneration table set out in the Remuneration Regulations for directors and auditors.

- The “performance coefficient” is determined from the following four components based on the performance, etc., of the previous fiscal year.

Performance coefficient	=	(1) Company performance coefficient	±	(2) Year on year adjustment	±	(3) Capital efficiency adjustment	±	(4) Individual evaluation adjustment
(Basic indicator)		Consolidated profit before tax		Consolidated profit before tax		Consolidated ROE		–
(Evaluation perspective)		Profitability		Growth		Capital efficiency		Degree of performance of duties

- “(1) Company performance coefficient” takes as a target value, the full-year forecast for the consolidated profit before tax (amount) announced at the start of the fiscal year (at coefficient level 1.00) and determines the coefficient based on the degree of achievement.
- At “(2) Year on year adjustment,” the coefficient is adjusted up or down depending on the year-on-year increase or decrease in consolidated profit before tax (amount).
- At “(3) Capital efficiency adjustment,” the coefficient is adjusted up or down depending on the level of consolidated ROE (return on equity attributable to owners of parent).
- At “(4) Individual evaluation adjustment,” the coefficient is adjusted up or down according to the result of an evaluation of the degree of achievement of duties entrusted to each Officer conducted by the Nomination and Remuneration Committee.
- In cases where a full-year forecast for consolidated profit before tax is not announced at the start of the fiscal year, or other cases where the above determination method cannot be applied, the amount of performance-based remuneration shall be determined by the Board of Directors after discussion in the Nomination and Remuneration Committee.

(Reason for selection of performance indicators)

The Company has adopted consolidated profit before tax, which is a profitability indicator, as an evaluation indicator for performance-based remuneration, and also adds adjustments based on year-on-year change in consolidated profit before tax and consolidated ROE to create an incentive for management that incorporates growth performance and capital efficiency perspectives.

Furthermore, as individual Officer performance evaluation is also used as an evaluation point for performance-based remuneration, the degree of each Officer’s achievement of their duties can be reflected in the amount of remuneration.

b. Content of non-monetary remuneration

As “medium- to long-term incentive remuneration,” the Company has adopted share-based remuneration using a Board Benefit Trust (BBT). This is a share-based remuneration plan under which the Company’s shares, etc., are paid through a trust in accordance with the Regulations on Delivery of Shares for Officers stipulated by the Board of Directors. Eligible persons receive payment of the Company’s shares upon their retirement, in principle.

c. Matters related to resolution at the General Meeting of Shareholders on remuneration of Directors and Audit & Supervisory Board Members

The resolution date, resolution content, and number of Officers at the time of resolution of the General Meeting of Shareholders regarding the remuneration, etc. of the Company's Directors and Audit & Supervisory Board Members is as follows.

Classification of officers	Types of remuneration	Date of General Meeting of Shareholders resolution	Content of the resolution	Number of Officers at the time of resolution
Directors	Monetary remuneration	June 26, 1991	Up to ¥200 million per year (excluding the employee salary portion)	Directors: 9
	Share-based remuneration	June 23, 2021	Up to ¥300 million (of which the amount for Directors is up to ¥100 million) is contributed to the trust for the three fiscal years from the fiscal year ended March 2017 to the fiscal year ended March 2019 (hereinafter this three-fiscal-year period and each subsequent three-fiscal-year period starting thereafter referred to respectively as the "Eligible Period") and each Eligible Period thereafter. Using these funds, up to 350,400 shares of the Company's shares is to be acquired by the trust for each Eligible Period. Moreover, based on the Company's Regulations on Delivery of Shares for Officers, the maximum total number of points that can be granted to Directors, etc., in one fiscal year is 116,800 points (of which, the maximum number of points for Directors is 38,900 points).	Directors: 7 (of which, 3 are Outside Directors)
Audit & Supervisory Board Members	Monetary remuneration	June 26, 1991	Up to ¥40 million per year	Audit & Supervisory Board Member: 1

d. Matters related to delegation of decision making regarding individual Director's remuneration

The Board of Directors delegates the determination of each Director's remuneration to the Nomination and Remuneration Committee.

The reason for delegating the decision is to ensure transparency and objectivity of the remuneration determination process by involving multiple people and Outside Directors, who are independent from the Board of Directors.

To ensure that this authority of the Nomination and Remuneration Committee is exercised appropriately, the remuneration calculation standards are stipulated in the Remuneration Regulations for directors and auditors and Nomination and Remuneration Committee regulations. In addition, in the case where different treatment to the Remuneration Regulations for directors and auditors is used on an ad hoc basis, the Board of Directors makes the decision after discussion in the Nomination and Remuneration Committee.

The members of the Nomination and Remuneration Committee are Representative Director, President and Chief Executive Officer KANEDA Atsushi, Director and Senior Managing Officer OTA Kiyofumi, and Outside Directors MARUYAMA Keiichiro, TODOKORO Kunihiro, and YAMAMOTO Sawako.

## (6) Matters related to Outside Officers

Category	Name	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings	Summary of status of statements and duties performed for expected role
Outside Director	MARUYAMA Keiichiro	11/12 meetings	–	From his expert standing as a lawyer, he actively made statements in the Board of Directors, offering proposals and advice on the Group's compliance initiatives, including internal reporting and lawsuits in particular. Through such contributions, he performed his role in ensuring valid and appropriate decision-making by the Board of Directors.
Outside Director	TODOKORO Kunihiro	12/12 meetings	–	From his expert standing as an experienced manager, he actively made statements in the Board of Directors, offering proposals and advice on the Group's business plan progress and growth strategy execution in particular. Through such contributions, he performed his role in ensuring valid and appropriate decision-making by the Board of Directors.
Outside Director	YAMAMOTO Sawako	12/12 meetings	–	From her expert standing as a specialist in corporate law, she actively made statements in the Board of Directors, offering proposals and advice on transactions and alliances related to execution of the Group's business plans in particular. Through such contributions, she performed her role in ensuring valid and appropriate decision-making by the Board of Directors.
Outside Audit & Supervisory Board Member	KAWAI Hiroyuki	12/12 meetings	13/13 meetings	From his expert standing as a certified public accountant and a certified public tax accountant, he made appropriate and necessary statements in the Board of Directors and Audit & Supervisory Board, offering advice on the Group's internal controls and accounting and finance in particular. Through such contributions he provided appropriate supervision of business execution.
Outside Audit & Supervisory Board Member	MURAKAMI Hiroki	12/12 meetings	13/13 meetings	From his expert standing as a lawyer, he made appropriate and necessary statements in the Board of Directors and Audit & Supervisory Board, offering advice on the Group's compliance systems and initiatives in particular. Through such contributions he provided appropriate supervision of business execution.

i. Status of significant concurrent positions at other companies, etc., and relationships between the Company and such other companies

Category	Name	Significant concurrent positions outside the Company		Relationship with the Company
		Other companies where significant concurrent positions are held	Position outside the Company	
Outside Director	MARUYAMA Keiichiro	Nagawa-Okamura Law Firm	Deputy Managing Partner	Consulting contract and other transactions with the Company
		TODA CORPORATION	Outside Corporate Auditor	No special relationship
		Tokyo College of Music	Chairman of the Board	No special relationship
Outside Director	TODOKORO Kunihiro	FUJI WAREHOUSE&TRANSPORTATION CO., LTD.	Representative Director, Chairperson and President	Transactions with the Company related to storage and entrustment, etc. of goods
Outside Director	YAMAMOTO Sawako	—	—	—
Outside Audit & Supervisory Board Member	KAWAI Hiroyuki	KAWAI CPA OFFICE	Director	No special relationship
		OTOYA Holdings Co., Ltd.	Outside Director, Audit and Supervisory Committee Member	No special relationship
		KAPPA・CREATE CO., LTD.	Outside Director, Audit and Supervisory Committee Member	No special relationship
Outside Audit & Supervisory Board Member	MURAKAMI Hiroki	MURAKAMI HIROKI LAW OFFICE	Director	No special relationship

ii. Relationship with specially related business entities such as main customers  
Not applicable.

**2. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

Please refer to the Summary of Consolidated Financial Results posted on the Company's website.

[https://www.h1-co.jp/ir/library/brief\\_note.html](https://www.h1-co.jp/ir/library/brief_note.html) (in Japanese)

<https://www.h1-co.jp/eng/ir/> (in English. See the "IR News" column)