

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

Securities Code: 6277

November 29, 2023

(Start date of Electronic Provision Measure: November 22, 2023)

To Our Shareholders

1-9, Shodaitajika, Hirakatashi, Osaka

**HOSOKAWA MICRON
CORPORATION**

Representative Director, President, Chief
Executive Officer
Kohei Hosokawa

Notice of the 79th Annual General Meeting of Shareholders

The Company would hereby like to announce the Company's 79th Annual General Meeting of Shareholders as described below.

As the convocation of this annual general meeting adopts the electronic provision measure, the notice Matters on Electronic Provision Measure is published on the following website in the "Notice of the 79th Annual General Meeting of Shareholders" and "Other Matters on Electronic Provision Measure (Matters on Omission of Issued Documents)."

Our Website

<https://www.hosokawamicron.co.jp/jp/ir/share/meeting.html>



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

Please access the following website, enter and search for the Company's name or securities code (6277), select "Basic Information" and then "Public Documents/PR Information" and confirm.

TSE website (Listed Company Search)

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



Instead of attending the meeting on the day, you may also exercise your voting rights in writing or via the Internet. We kindly ask you to read the Reference Document for the Annual General Meeting of Shareholders included in the Matters on Electronic Provision Measures, exercise your voting rights in accordance with the "Guide on How to Exercise Your Voting Rights" on page 3, and if exercising in written form, return the voting form by no later than the close of business on Wednesday, December 13, 2023, at 5 p.m.

Sincerely yours,

1. **Date:** Thursday, December 14, 2023 at 10 a.m.
2. **Venue:** 1-9, Shodaitajika, Hirakatashi, Osaka
HOSOKAWA MICRON CORPORATION Headquarters
Building, 12th floor
3. **Purposes**
 - Items to be reported**
 1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Corporate Auditors for the 79th business period (October 1, 2022, to September 30, 2023)
 2. The non-consolidated financial statements for the 79th business period (October 1, 2022, to September 30, 2023)
 - Items to be resolved**
 - Item No. 1** Appropriation of Retained Earnings
 - Item No. 2** Election of Ten (10) Directors
 - Item No. 3** Election of Two (2) Corporate Auditors

-
- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. To conserve resources, please bring the Notice of Annual General Meeting of Shareholders.
 - Regarding this Annual General Meeting of Shareholders, the Company will uniformly send out a document containing the Matters Regarding Electronic Provision Measure, regardless of whether or not a request for delivery of the document has been made. Among the Matters Regarding Electronic Provision Measure, the following items are not included in the document to be sent pursuant to the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company.
 - (1) Consolidated financial statements (Consolidated statement of changes in equity and notes to consolidated financial statements)
 - (2) Non-consolidated financial statements (Statement of changes in equity and notes to non-consolidated financial statements)Therefore, the consolidated financial statements and non-consolidated financial statements included in this document are part of the subject documents audited by the accounting auditor in preparing the results of the accounting audit and by the corporate auditor in preparing the audit report.
 - If any amendments are made to the Matters on Electronic Provision Measures, the amended information will be posted on the respective websites.

Guide on How to Exercise Your Voting Rights

Voting rights may be exercised by any of the three methods below.

Please review the Reference Document for the Annual General Meeting of Shareholders included in the Matters on Electronic Provision Measures, and exercise your rights.

When you attend Annual General Meeting of Shareholders



Please submit the enclosed voting form to the receptionist at the venue.

In addition, to conserve resources, we request you bring the Notice of Annual General Meeting of Shareholders.

Date

Thursday, December 14, 2023

10 a.m.

(Reception opens
at 8:30 a.m.)

When you exercise your voting rights using the voting form



Please indicate “for” or “against” on each agenda item on the voting form enclosed herewith, and post it without affixing a stamp.

When there is no indication of “for” or “against,” it will be considered as “for.”

Exercise
period

Wednesday, December 13, 2023

Until 5 p.m.

When you conduct online voting



Access “Voting Right Exercise Website” via a smartphone, computer, etc., and indicate “for” or “against” on each agenda item following the guidance on screen.

For more details, please refer to “How to Do Online Voting” on the following page.

Exercise
period

Wednesday, December 13, 2023

Until 5 p.m.

-
- When voting rights are exercised both by mail and via the Internet, etc., the vote cast via the Internet, etc. will be treated as the valid exercise of voting rights. In addition, if the voting rights are exercised more than once via the Internet, etc., the last exercise of voting rights shall be treated as the valid exercise of voting rights.
 - Expenses related to the Internet (connection fees, communication charges, etc.) shall be borne by the shareholder.
 - It may not be available depending on the Internet environment, the service subscribed to, or the PC model in use.

Items for resolution and reference material

Item No. 1 Appropriation of Retained Earnings

Our basic policy is to strive to increase the amount of dividends per share while reflecting changes in our business performance and stably distributing profits to our shareholders. As for the year-end dividend for the current fiscal year, based on the basic policy of returning profits to shareholders, we propose a dividend of 50 yen per share, an increase of 12.5 yen per share over the initial forecast.

Matters related to year-end dividend

1) Type of dividend assets

It shall be cash.

2) Matters related to the allocation of dividend property and total amount

We propose to pay 50 yen per share of common stock as the year-end dividend.

The total amount of dividend in this case is 753,635,600 yen.

3) Effective date of the dividends of surplus

December 15, 2023

Item No. 2 Election of Ten (10) Directors

The term of all nine (9) Directors will expire at the conclusion of the Annual General Meeting of Shareholders. Accordingly, in order to strengthen the management system and improve management transparency, the Company has decided to increase the number of Directors by one and proposes the election of ten Directors.

The candidates for Directors are as follows:

Candidate number	Name	Gender	Current position and responsibilities in the Company	Status of attendance at the Board of Directors	
1	Yoshio Hosokawa	Re-elected	Male	Chairman	19/19 (100%)
2	Kohei Hosokawa	Re-elected	Male	Representative Director, President, Chief Executive Officer, Divisional Manager of International Administration Div.	19/19 (100%)
3	Tetsuya Inoue	Re-elected	Male	Director, Vice President, Vice Executive Officer, Administrative Op.	19/19 (100%)
4	Masahiro Inoki	Re-elected	Male	Director & Managing Executive Officer, Business Op. & Division, Manager of Powder Technology Research Institute and Test Center	19/19 (100%)
5	Hiroyuki Tsujimoto	Re-elected	Male	Director, Executive Officer, Head of Materials Business Division, General Manager of Sales Department	19/19 (100%)
6	Katsuhiko Takagi	Re-elected Outside Director Independent Director	Male	Director	19/19 (100%)
7	Tatsuo Fujioka	Re-elected Outside Director Independent Director	Male	Director	19/19 (100%)
8	Yukari Sato	Re-elected Outside Director Independent Director	Female	Director	19/19 (100%)
9	Atsuko Shimosaka	Re-elected Outside Director Independent Director	Female	Director	19/19 (100%)
10	Tetsuo Hoshiya	New appointment Outside Director Independent Director	Male	-	-

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company		Number of shares owned in the Company
1	Yoshio Hosokawa (Born April 10, 1951) Gender: Male Re-elected	<p>April 1974 July 1983 December 1995 December 2003 February 2010 April 2010 December 2010 October 2014 October 2015 December 2017 May 2021</p>	<p>Joined the Company Director, Deputy Manager of Tokyo Branch, Assistant Division Director of Tokyo Business Division, Manager of Sales Department Representative Director and President Standing Corporate Auditor (resigned in December 2004) Advisor Representative Director and President, Juno International Inc. (resigned in May 2011) Director of the Company Representative Director and President Representative Director, President, Chief Executive Officer Representative Director, Chairman & President, Chief Executive Officer Chairman (present)</p> <p>Reasons for nominating as candidate for Director With his abundant experience and broad knowledge as a manager, he has been contributing to the growth of the Company by understanding the business operations of the entire group. His insight as a manager and broad view, which he gained through steadily executing the growth strategies stated in the mid-term management plan to date, is essential for the Company to reinforce its global management and grow. The Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	196,316 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
2	Kohei Hosokawa (Born February 8, 1984) Gender: Male Re-elected	<p>April 2009 Joined the Company</p> <p>July 2009 Test Center, Technology Development Department, Sales Division, Osaka Headquarters</p> <p>October 2011 The Powder Technology Research Institute</p> <p>March 2014 Completed Doctor's Program of Material Science Course, Division of Materials and Manufacturing Science, Graduate School of Engineering, Osaka University</p> <p>October 2014 Stationed at Hosokawa Alpine Aktiengesellschaft (Germany)</p> <p>October 2017 Stationed at Hosokawa Micron International Inc., Vice President (U.S.A.)</p> <p>October 2018 Operating Officer, Assistant Division Director of Powder Processing System Division, Senior General Manager of Technology</p> <p>October 2019 Vice President & Operating Officer, Business Management, in charge of Hosokawa Kaizen Team</p> <p>December 2019 Representative Director, Vice President, Vice Executive Officer, Business Management, in charge of Hosokawa Kaizen Team</p> <p>October 2020 Representative Director, Vice President, Vice Executive Officer, Director Business Segment</p> <p>May 2021 Representative Director, President, Chief Executive Officer, Director Business Segment</p> <p>October 2021 Representative Director, President, Chief Executive Officer, Divisional Manager of International Administration Div. (present)</p> <p>Reasons for nominating as candidate for Director</p> <p>Through his experience in the Research and Development and Technology departments and group companies in Europe and the U.S., he has accumulated knowledge and skills related to general management issues. In addition, he has a wide range of insight in powder technology and a broad perspective and a strong ability to take action as a member of the founder's family. Since his inauguration as Representative Director and President in May 2021, he has been supervising overall management of the Company, and demonstrating leadership in the domains of technology research and development as well as technology development and business improvement in our Group. From the viewpoint of the sustainable growth of the Company and the improvement of mid- and long-term corporate value, the Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	254,310 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
3	<p>Tetsuya Inoue (Born December 3, 1963) Gender: Male</p> <p>Re-elected</p>	<p>April 1986 Joined the Company</p> <p>April 2004 Operating Officer, Assistant Division Director of Finance & Accounting Div.</p> <p>October 2010 Managing Executive Officer, Division Director of Finance & Accounting Div.</p> <p>December 2011 Director & Managing Executive Officer, Division Director of Finance & Accounting Div.</p> <p>October 2014 Director & Managing Executive Officer, General Affairs & Finance Operations, Division Director of Finance & Accounting Div.</p> <p>October 2017 Director & Managing Executive Officer, General Affairs & Finance Operations</p> <p>April 2020 Director, Vice President, Vice Executive Officer, General Affairs & Finance Operations</p> <p>October 2020 Director, Vice President, Vice Executive Officer, Director Administration Segment</p> <p>October 2021 Director, Vice President, Vice Executive Officer, Administrative Op. (present)</p> <p>Reasons for nominating as candidate for Director</p> <p>He has been playing an active role mainly in the area of accounting and finance-related matters in administration departments of the Company and overseas group companies. He has a wealth of experience and broad knowledge that enable him to decide the policies for the Company and subsidiaries and execute proper management. From the viewpoint of continuous growth of the Company and the improvement of mid- and long-term corporate value, the Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	15,100 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
4	<p>Masahiro Inoki (Born February 25, 1958) Gender: Male</p> <p>Re-elected</p>	<p>April 1983 Joined The Powder Technology Research Institute</p> <p>September 1986 Joined the Company</p> <p>October 2002 Supervisor, Hosokawa Powder Technology Research Institute</p> <p>October 2008 Senior General Manager, Technology Development Department, Sales Division, Osaka Headquarters</p> <p>October 2011 Operating Officer, Division Director of Powder Technology Research Institute</p> <p>December 2017 Director & Managing Executive Officer, Director of Powder Technology Research Institute</p> <p>October 2019 Director & Managing Executive Officer, Division Director of Powder Technology Research Institute, General Manager of Hosokawa Kaizen Team</p> <p>April 2020 Director & Managing Executive Officer, Division Director of Powder Technology Research Institute, Division Director of Technical Development Department, General Manager of Hosokawa Kaizen Team</p> <p>October 2020 Director & Managing Executive Officer, Director R&D Segment</p> <p>October 2021 Director & Managing Executive Officer, Business Op. & Division, Manager of Powder Technology Research Institute</p> <p>October 2023 Director & Managing Executive Officer, Business Op. & Division, Manager of Powder Technology Research Institute and Test Center (current position)</p> <p>Reasons for nominating as candidate for Director As the Director of The Powder Technology Research Institute, he has abundant experience and knowledge in the area of research and development of new products and technologies. In addition, as Chairperson of the International R&D Conference, he has been promoting technological development of the entire group. From the viewpoint of continuous growth in the domain of technological development of the Company and the improvement of mid- and long-term corporate value, the Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors.</p>	2,600 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
5	<p data-bbox="341 763 502 909">Hiroyuki Tsumimoto (Born December 21, 1963) Gender: Male</p> <p data-bbox="368 947 475 969">Re-elected</p>	<p data-bbox="539 284 1235 1133"> November 1988 Joined the Company November 1990 The Powder Technology Research Institute, Research & Development Division July 2004 Manager of Micron Beauty Science Research Institute, Hosokawa Powder Technology Research Institute October 2010 Manager of Pharmaceutical / Beauty Science Center, Material Business Division October 2011 Operating Officer, Division Director of Material Business Division, Manager of Pharmaceutical / Beauty Science Center, Material Business Division October 2018 Operating Officer, Division Director of Material Business Division, Senior General Manager of Material Business Division, General Manager of Sales Group, Manager of Pharmaceutical / Beauty Science Center October 2020 Operating Officer, Divisional Manager of Material Business Div, General Manager of Sales Group, Manager of Pharmaceutical / Beauty Science Center December 2021 Director, Operating Officer, Divisional Manager of Material Business Div, General Manager of Sales Group, Manager of Pharmaceutical / Beauty Science Center October 2023 Director, Executive Officer, Divisional Manager of Material Business Div, General Manager of Sales Department (present) </p> <p data-bbox="539 1144 1235 1440"> Reasons for nominating as candidate for Director After being engaged in research and development of powder equipment at the Company, as the Division Director of the Material Business Division, he has abundant experience and knowledge in the development of new materials using fine grinding technology and manufacture of hair growth agents and cosmetics. From the viewpoint of continuous growth of the Company and the improvement of mid- and long-term corporate value through the realization of those material businesses, the Company requests the shareholders to re-elect him as Director to effectively strengthen the decision-making and supervision functions of the Board of Directors. </p>	9,100 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
6	<p>Katsuhiko Takagi (Born January 14, 1943) Gender: Male</p> <p>Re-elected Outside Director Independent Director</p>	<p>April 1965 Joined Daikin Industries, Ltd.</p> <p>October 1988 General Manager of Sales Planning Department, International Sales Division, Daikin Industries, Ltd.</p> <p>May 1993 Deputy Division Manager of International Sales Division, General Manager of Sales Planning Department, General Manager of Sales Department, Daikin Industries, Ltd.</p> <p>June 1996 Director & General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 1999 Managing Director & General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 2001 Senior Managing Director & General Manager of Global Operations Division, Daikin Industries, Ltd.</p> <p>June 2002 Senior Managing Director, in charge of Global Air-Conditioning Strategy, Chairman of DT Affiliation Committee</p> <p>June 2004 Director, Vice President, Executive Officer in charge of Global Air-Conditioning and Low Temperature Business, Daikin Industries, Ltd.</p> <p>June 2007 Director, Daikin Industries, Ltd., Member of the Board Chairman & CEO, O.Y.L. Group</p> <p>June 2008 Senior Executive Officer, Daikin Industries, Ltd., Chairman & CEO, O.Y.L. Group</p> <p>June 2011 Executive Advisor, Daikin Industries, Ltd., Chairman & CEO, O.Y.L. Manufacturing, Chairman & President, McQuay International Group, Executive advisor, McQuay US (current: Daikin Applied Americas)</p> <p>July 2015 Advisor, Daikin Industries, Ltd., Executive Advisor, Daikin Applied Americas</p> <p>December 2015 Director of the Company (present)</p> <p>July 2018 Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd., Executive Advisor, Daikin Applied Americas</p> <p>July 2019 Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd. (present)</p> <p>Important positions held at another company Executive Advisor, Applied Solution Business Division, Daikin Industries, Ltd.</p> <p>Reasons for nominating as candidate for Outside Director and expected role He has a wealth of experience, etc. related to the promotion of businesses overseas. The Company requests the shareholders to re-elect him as Outside Director not only so he can reinforce the monitoring and supervision functions, but also for him to utilize his insight and knowledge, etc. for the general management of the Company.</p>	10,800 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
7	<p>Tatsuo Fujioka (Born January 25, 1952) Gender: Male</p> <p>Re-elected Outside Director Independent Director</p>	<p>April 1975 Joined The Hyakujushi Bank, Ltd. February 2000 Manager, Kuko-guchi Branch, The Hyakujushi Bank, Ltd. January 2002 Manager, Kujo Branch, The Hyakujushi Bank, Ltd. July 2005 Manager, Kobe Branch, The Hyakujushi Bank, Ltd. January 2008 Manager, Imabari Branch, The Hyakujushi Bank, Ltd. July 2008 Assistant Manager, Sales Management Department, The Hyakujushi Bank, Ltd. (resigned from the bank in March 2010) December 2009 Standing Corporate Auditor, Chuo Tatemono Co., Ltd. (dispatched from The Hyakujushi Bank, Ltd.) June 2015 Deputy Manager, Administration Department, Chuo Tatemono Co., Ltd. (resigned from Chuo Tatemono Co., Ltd. in January 2016) December 2015 Director of the Company (present)</p> <p>Reasons for nominating as candidate for Outside Director and expected role</p> <p>He has abundant experience and broad knowledge in financial matters. For him to utilize them and give advice and proposals for the management of the Company, the Company requests the shareholders to re-elect him as Outside Director.</p>	2,000 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
8	<p>Yukari Sato (Born August 19, 1961) Gender: Female</p> <p>Re-elected Outside Director Independent Director</p>	<p>May 1986 Received B.A. in Political Science from Columbia University, U.S.A.</p> <p>May 1988 New York Bureau, TV Asahi (Foreign News Desk)</p> <p>August 1997 Established R&F Marketing Studio, Inc. (in New York State) and served as President and Representative Director</p> <p>May 1998 Received Ph.D. in Economics from New York University (Financial Economics)</p> <p>September 2005 Elected to the House of Representatives for the first time (the 44th general election)</p> <p>December 2012 Parliamentary Secretary for Economy, Trade and Industry</p> <p>October 2018 Senior Vice-Minister for Internal Affairs and Communications, Senior Vice-Minister of Cabinet Office</p> <p>September 2019 Senior Vice-Minister for Environment</p> <p>December 2021 Director of the Company (present)</p> <p>July 2023 Representative Director of Future Analytics Co., Ltd. (current position)</p> <p>Major concurrent positions held Representative Director of Future Analytics Co., Ltd.</p> <p>Reasons for nominating as candidate for Outside Director and expected role Ms. Yukari Sato served as Senior Vice-Minister for Internal Affairs and Communications, Senior Vice-Minister for Cabinet Office, and Senior Vice-Minister for Environment, and worked in various other posts. For her to utilize her abundant experience and broad knowledge and give advice and proposals for the management of the Company, the Company proposes to re-elect her as Outside Director.</p>	0 shares

Candi- date number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
9	<p>Atsuko Shimosaka (Born May 15, 1953) Gender: Female</p> <p>Re-elected Outside Director Independent Director</p>	<p>April 1976 Practical Assistant, Faculty of Engineering, Doshisha University</p> <p>April 1993 Laboratory Lecturer, Faculty of Engineering, Doshisha University (resigned from Doshisha University in March 2019)</p> <p>March 2005 Received Ph.D. in Engineering from Doshisha University</p> <p>April 2019 Part-time Lecturer, Faculty of Science and Engineering, Doshisha University (present) (Scheduled to resign in March 2024)</p> <p>December 2021 Director of the Company (present)</p> <p>Important concurrent position Received Ph.D. in Engineering. Part-time Lecturer, Faculty of Science and Engineering, Doshisha University</p> <p>Reasons for nominating as candidate for Outside Director and expected role For her to utilize her academic knowledge in the fields of powder engineering and chemical engineering as a Doctor of Engineering and a university lecturer and give advice and proposals for the management of the Company, the Company requests the shareholders to re-elect her as Outside Director. Ms. Atsuko Shimosaka has never been directly engaged in company management. However, due to the reasons above, the Company has assessed that she is fully capable of performing the duties of Outside Director.</p>	0 shares

Candidate number	Name (Date of birth)	Background, current position and responsibilities in the Company	Number of shares owned in the Company
10	Tetsuo Hoshiya (Born on August 16, 1959) Gender: Male Newly appointed Outside Director Independent Director	<p>April 1983 Joined the Industrial Bank of Japan (currently Mizuho Bank, Ltd.)</p> <p>September 2006 Joined Citibank N.A. as Director of Tokyo Branch</p> <p>March 2008 Director, Osaka Branch Manager of Citibank Japan Ltd.</p> <p>March 2009 Concurrently General Manager, Public Corporation Department of Citibank Japan Ltd.</p> <p>June 2011 Joined ING Bank N.V. as Director of Tokyo Branch and Head of Sales Division</p> <p>October 2013 Managing Director, Representative in Japan and Head of Sales Division of ING Bank N.V.</p> <p>April 2019 Deputy Chief Ceremony Officer of the Tokyo Organising Committee of the Olympic and Paralympic Games</p> <p>April 2021 Advisor (Ceremony) to the Organising Committee</p> <p>June 2021 Outside Auditor of Nippon Yakin Kogyo Co., Ltd. (present)</p> <p>June 2021 Outside Director of Gee Taste Co., Ltd. (current Yakiniku Sakai Holdings Inc) (present)</p> <p>Important positions held at another company Outside Auditor of Nippon Yakin Kogyo Co., Ltd. Outside Director of Yakiniku Sakai Holdings, Inc.</p> <p>Reasons for nominating as candidate for Outside Director and expected role The nominee has held important positions in the financial industry, and we request that he be newly elected as an Outside Director to provide advice and recommendations to the Company's management based on his extensive experience and broad insight.</p>	0 shares

Notes:

1. Mr. Katsuhiko Takagi, Mr. Tatsuo Fujioka, Ms. Yukari Sato, Ms. Atsuko Shimosaka and Mr. Tetsuo Hoshiya are candidates for Outside Directors.
2. The Company has concluded an agreement with Mr. Katsuhiko Takagi, Mr. Tatsuo Fujioka, Ms. Yukari Sato and Ms. Atsuko Shimosaka to limit their liability pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the said law. The amount of liability under the agreement shall be limited to the minimum amount provided for by laws and regulations. The Company will continue the above liability limitation agreement in the event that Mr. Satoshi Akiyama, Mr. Takagi and Mr. Fujioka are re-elected. In addition, if the election of Mr. Tetsuo Hoshiya is approved, the Company plans to enter into a similar liability limitation agreement.
3. The Company is scheduled to appoint Mr. Katsuhiko Takagi, Mr. Tatsuo Fujioka, Ms. Yukari Sato, Ms. Atsuko Shimosaka and Mr. Tetsuo Hoshiya as Independent Directors as set forth by Tokyo Stock Exchange, Inc. and provide a notice to that effect.
4. Mr. Katsuhiko Takagi and Mr. Tatsuo Fujioka will have been in office as Outside Director of the Company for eight (8) years at the conclusion of the Annual General Meeting of Shareholders. In addition, Ms. Yukari Sato and Ms. Atsuko Shimosaka will have been in office as Outside Director of the Company for two (2) years at the conclusion of the Annual General Meeting of Shareholders.
5. The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, Paragraph 1 of the Companies Act, with Directors as the insured persons. The insurance policy compensates for damages and litigation expenses incurred in shareholder representative lawsuits, corporate lawsuits, and third-party lawsuits to be borne by the insured persons, and the Company bears the full amount of the insurance premiums of the insured persons. Each candidate for Director shall, upon election, be included as an insured person under the insurance policy. The Company plans to renew the insurance policy with the same level of contents at the next renewal.
6. Mr. Kohei Hosokawa is the eldest son of Yoshio Hosokawa, the Chairman of the Company.
7. There are no special relationships between each candidate and the Company.

Item No. 3 Election of Two (2) Corporate Auditors

The term of office of Corporate Auditors Hiroshi Kokubu and Yoshimitsu Katsui will expire at the conclusion of the Annual General Meeting of Shareholders. Therefore, the Company proposes the election of two (2) Corporate Auditor.

This proposal has the prior consent of the Board of Corporate Auditors.

The candidate for Corporate Auditor is as follows:

Candidate number	Name (Date of birth)	Background, current position in the Company	Number of shares owned in the Company
1	Hiroshi Kokubu (Born September 7, 1966) Gender: Male Re-elected Outside Auditor Independent Director	<p>October 1989 Joined Asahi Kansa Hojin (current KPMG AZSA LLC) (resigned in July 1997)</p> <p>February 1993 Registered as a certified public accountant</p> <p>July 1997 Joined Sakae Audit Corporation</p> <p>July 2003 Representative Partner, Sakae Audit Corporation</p> <p>December 2010 Director of the Company (present)</p> <p>February 2011 Auditor, Osaka International House Foundation (currently a non-profit incorporated foundation) (present)</p> <p>March 2011 Auditor, Housen Cultural Foundation (currently a non-profit incorporated foundation) (present)</p> <p>April 2011 Auditor, Hosokawa Power Technology Foundation (currently a non-profit incorporated foundation) (present)</p> <p>April 2011 Advisor, Osaka Dental Federation (present)</p> <p>October 2019 Trustee, Tatsumi Gakuen (incorporated educational institution) (present)</p> <p>July 2020 Established Uehommachi Audit Corporation, representative partner (present)</p> <p>February 2022 Auditor of General Incorporated Association Seikosha (present)</p> <p>Important positions held at another company Auditor, Hosokawa Power Technology Foundation Representative partner of Uehommachi Audit Corporation</p> <p>Reasons for nomination as candidate for Outside Auditor He has abundant experience and specialized knowledge about corporate accounting as a certified public accountant. The Company expects he will be able to reflect his insight in the audit of the Company. Mr. Hiroshi Kokubu has been never directly engaged in company management. However, due to the reasons above, the Company has assessed that he is fully capable of performing the duties of Outside Auditor.</p>	1,100 shares

Candidate number	Name (Date of birth)	Background, current position in the Company	Number of shares owned in the Company
2	Yoshimitsu Katsui (Born November 14, 1969) Gender: Male Re-elected Outside Auditor Independent Director	<p>April 1995 Registered with Osaka Bar Association as a lawyer</p> <p>April 1995 Joined Nakanoshima Chuo Law Office</p> <p>January 2002 Partner Lawyer, Nakanoshima Chuo Law Office (present)</p> <p>December 2021 Corporate Auditor of the Company (present)</p> <p>April 2023 Vice President of Osaka Bar Association (present)</p> <p>Important positions held at another company Partner of Nakanoshima Chuo Law Office</p> <p>Reasons for nominating as candidate for Outside Auditor The Company expects he will be able to utilize his expertise and experience acquired as a lawyer for auditing the Company. Mr. Yoshimitsu Katsui has been never directly engaged in company management. However, due to the reasons above, the Company has assessed that he is fully capable of performing the duties of Outside Auditor.</p>	0 shares

Notes:

1. Mr. Hiroshi Kokubu and Mr. Yoshimitsu Katsui have been nominated as candidates for Outside Auditors.
2. Mr. Hiroshi Kokubu will have been in office as Outside Auditor of the Company for 13 years at the conclusion of the Annual General Meeting of Shareholders. In addition, Mr. Yoshimitsu Katsui will have been in office as Outside Auditor of the Company for two (2) years at the conclusion of the Annual General Meeting of Shareholders.
3. The Company has entered into an agreement with Mr. Hiroshi Kokubu and Mr. Yoshimitsu Katsui to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act, and the maximum amount of damages under the agreement is the minimum amount of liability stipulated by laws and regulations. If they are reappointed as Outside Auditors, the Company plans to continue the above liability limitation agreement with them.
4. The Company is scheduled to appoint Mr. Hiroshi Kokubu and Mr. Yoshimitsu Katsui as Independent Directors as set forth by Tokyo Stock Exchange, Inc. and provide a notice to that effect.
5. The Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, Paragraph 1 of the Companies Act, with the Corporate Auditor as an insured person. The insurance policy compensates for damages and litigation expenses incurred in shareholder representative lawsuits, corporate lawsuits, and third-party lawsuits to be borne by the insured persons, and the Company bears the full amount of the insurance premiums of the insured persons. Each candidate for Corporate Auditor shall, upon election, be included as an insured person under the insurance policy. The Company plans to renew the insurance policy with the same level of contents at the next renewal.
6. There are no special relationships between each candidate and the Company.

Reference: Composition and expertise and experience of the Board of Directors and the Board of Corporate Auditors if Proposals 2 and 3 are approved

The following table outlines the specialties and experience of the candidate Directors and Auditors, which the Company expects them to demonstrate.

Name		Independence (Outside only)	Specialties and Experience (Expected Fields)						
			Manufacturing • Technology • Research & Development	Sales • Marketing	International Business	Finance • Accounting • Human Resources	Legal • Risk Management	ICT • DX	Sustainability • ESG
Director	Yoshio Hosokawa			●	●	●	●		
	Kohei Hosokawa		●	●	●			●	
	Tetsuya Inoue				●	●	●		●
	Masahiro Inoki		●	●				●	●
	Hiroyuki Tsujimoto		●	●				●	●
	Katsuhiko Takagi	Outside	●	●	●				●
	Tatsuo Fujioka	Outside	●			●	●		●
	Yukari Sato	Outside	●		●	●			●
	Atsuko Shimosaka	Outside	●	●				●	
	Tetsuo Hoshiya	Outside	●		●	●	●		
Corporate Auditor	Michiko Hirai				●	●	●		
	Hiroshi Kokubu	Outside	●			●	●		
	Yoshimitsu Katsui	Outside	●			●	●		

(Reference)

Criteria for Independence of Independent Outside Directors and Corporate Auditors

The Company deems an Outside Director and Outside Auditor (hereinafter “Outside Officer”) or a candidate for the Outside Officer to have sufficient independence from the Company in the event that the person does not fall under any of the following categories, as determined in the Company’s research to the practically possible and reasonable extent.

1. A person who executes business for the Company or an affiliate company of the Company (hereinafter collectively “the Group Company”)
However, a person who did not execute business at the Company for 10 years prior to the inauguration is excluded.
For the purpose of the criteria, “a person who executes business” means an executive director, executive officer, operating officer, manager and other employees.
2. A party that has transactions principally with the Group Company or a person who executes business for the party
“A party that has transactions principally with the Group Company” means a party that received payment which is 2% or more than the consolidated annual net sales of the party, from the Group Company in the most recent fiscal year or any of the three precedent fiscal years.
3. A Group Company’s major customer or a person who executes business for the party
“A Group Company’s major customer” means a party that provides payment which is 2% or more than the consolidated annual net sales of the Company, to the Group Company in the most recent fiscal year or any of the three precedent fiscal years.
4. A major shareholder of the Company or a person who executes business for a major shareholder
“A major shareholder of the Company” means a person who directly or indirectly holds 10% or more of the total voting rights of the Company.
5. A party in which 10% or more of the total voting rights is directly or indirectly held by the Group Company
6. A consultant, accountant or lawyer who receives a large amount of cash or other financial assets besides officer remuneration from the Group Company (when a party is an organization such as a company and a union, a person who belongs to the party)
“A large amount of cash or other financial assets” means cash or other financial profit which has been on average 10 million yen or more a year in the past three years.
7. A person who executes business for a major creditor of the Group Company
“A major creditor” means a party that financed an amount which is 2% or more of the Group Company’s consolidated total assets in the most recent fiscal year.
8. A person who executes business for the Company that accepts Director or Corporate Auditor from the Group Company
9. A spouse or any relative within the second degree of kinship or living with the person falling under 1 to 8 of the above

End of document