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(Stock Exchange Code: 4634)

March 6, 2024

(Commencement of provision of documents in electronic format: February 29, 2024)

To Shareholders with Voting Rights:

Satoru Takashima
President, Representative Director
artience Co., Ltd.
2-2-1 Kyobashi, Chuo-ku, Tokyo

NOTICE OF THE 186th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be informed that the 186th Annual General Meeting of Shareholders of artience Co., Ltd. (the "Company") will be held as follows.

The notice of the 186th General Meeting of Shareholders is provided in an electronic format. The information, including the Reference Documents for the General Meeting of Shareholders (the matters to be provided in an electronic format), is posted on "4. Website where the matters to be provided in an electronic format are posted" described later. Please access the website for details.

If you are unable to attend the meeting, please exercise your voting rights via writing or the Internet, etc. The content of each proposal is as stated in the Reference Documents for the General Meeting of Shareholders presented on "4. Website where the matters to be provided in an electronic format are posted" described later. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions below by 5:00 p.m. on Monday, March 25, 2024, Japan time.

- 1. Date and Time:** Tuesday, March 26, 2024 at 10:00 a.m. Japan time
- 2. Place:** Conference room on the 29th floor of the Company located at 2-2-1 Kyobashi, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 186th Fiscal Year (January 1, 2023 - December 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 186th Fiscal Year (January 1, 2023 - December 31, 2023)
- Proposals to be resolved:**
- Company proposals
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 8 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3:** Election of 4 Directors Who Are Audit & Supervisory Committee Members
- Shareholder proposal
- Proposal 4:** Purchase of Treasury Shares

4. Website where the matters to be provided in an electronic format are posted

No.	Website and its URL	How to access
1	Company's website https://www.artiencegroup.com/ja/corporate/ir/stock-information/generalmeeting.html (Japanese only)	Please review the NOTICE OF THE 186th ANNUAL GENERAL MEETING OF SHAREHOLDERS
2	Listed Company Search (Tokyo Stock Exchange website) https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show	Please enter the Company's name or stock exchange code and select "Basic information," then "Documents for public inspection/PR information."
3	The Portal of Shareholders' Meeting® (Sumitomo Mitsui Trust Bank, Limited) https://www.soukai-portal.net (Japanese only) QR code is presented on the enclosed Voting Rights Exercise Form.	Please scan the QR code on the enclosed Voting Rights Exercise Form or enter your ID/password to access.

*Each website may be temporarily inaccessible due to scheduled maintenance, etc. If you cannot access the website, please check the matters from a different website or try accessing again later.

5. Predetermined Terms of Convocation

- (1) In accordance with laws and regulations and the provision of the Articles of Incorporation of the Company, of the matters to be provided in an electronic format, the following are not included in the paper copy of the documents sent to shareholders who have requested it. The Audit & Supervisory Committee and the Accounting Auditor audited the documents subject to audit, including the following.
 - i) The following items in the Business Report
"Matters Relating to Share Acquisition Rights, Etc.," "Status of the Accounting Auditor," "Systems and Policies of the Company"
 - ii) The following items in the Consolidated Financial Statements
"Consolidated Statements of Changes in Equity," "Notes to Consolidated Financial Statements"
 - iii) The following items in the Non-consolidated Financial Statements
"Statements of Changes in Equity," "Notes to Non-consolidated Financial Statements"
 - (2) If you exercise your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, etc., only the vote placed via the Internet is deemed valid.
 - (3) If you exercise your voting rights multiple times via the Internet, etc., your last votes will be deemed valid.
 - (4) When using the Voting Rights Exercise Form, if you indicate neither approval nor disapproval of a proposal, it shall be deemed a vote of approval for Company proposals and a vote of disapproval for shareholder proposal.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Should the matters provided in an electronic format require revisions, the notification of revisions, and the matters before and after the revisions will be presented on "4. Website where the matters to be provided in an electronic format are posted."

<Requests to Shareholders>

- We will not prepare souvenirs. We appreciate your understanding.
- If there is a major change in the operation of the meeting, the Company will post a notification on its website.

<Live Video Streaming of the Annual General Meeting of Shareholders>

Live video streaming of the meeting will be available on the Internet.
Please refer to page 4 for details on how to view the video.

<Video Streaming of the Annual General Meeting of Shareholders at a later date>

The video of the meeting will be available on the Company's website at a later date.
(<https://www.artiencegroup.com/ja/corporate/ir/stock-information/generalmeeting.html>) (Japanese only)

<Internet Live Video Streaming of the 186th Annual General Meeting of Shareholders>

Since we recognize the Annual General Meetings of Shareholders are important contact events with our shareholders, the Company will live stream the meeting to allow as many shareholders as possible to view the meeting.

The live streaming will be a hybrid virtual shareholder meeting (participation type) wherein shareholders are able to view only. Therefore, voting rights cannot be exercised by live streaming. Shareholders viewing the live streaming are requested to exercise their voting rights in advance. In addition, shareholders are not able to propose any motions, vote on any motions, or ask questions. We appreciate your understanding.

Instead, shareholders are able to ask questions beforehand via our live streaming website. Each shareholder can submit up to two questions (200 characters maximum each). We will do our best to try to answer as many questions that we receive as possible in the meeting. However, we may not be able to answer every question due to operational circumstances. We appreciate your understanding.

<Live Streaming Website>

<https://sanka55.jp/artience186> (Japanese only)

How to Login: Please enter the Shareholder Reference Number and the password written in the paper version of the Notice of the Annual General Meeting of Shareholders to view the live streaming.

- * **When mailing the Voting Rights Exercise Form, please write down your Shareholder Reference Number for future reference before mailing the form.**

Live Streaming Start Date and Time:

Tuesday, March 26, 2024 at 10 a.m. Japan Time (Viewing is available 30 minutes before the start time.)

Submission Period for Advance Questions:

From Tuesday, March 5, 2024 at 9 a.m. Japan Time to Tuesday, March 19, 2024 at 5 p.m. Japan Time

<Notes for the Hybrid Virtual Shareholder Meeting (Participation Type)>

- * Since the meeting is a hybrid virtual shareholder meeting (participation type), the exercising of voting rights cannot be conducted on the live streaming website during live streaming.
- * We will take all possible measures to ensure a proper connection environment. However, the live streaming may be cut off due to the connection situation, etc. The Company is not responsible for disadvantages incurred to shareholders due to disconnection. We appreciate your understanding.
- * Shareholders are asked to bear the communication cost for viewing the live streaming.
- * The Company will do its best to not record shareholders who attend the meeting in person in consideration of their portrait rights, privacy, etc. However, the shareholders may be recorded unavoidably. We appreciate your understanding.

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company proposals>

Proposals 1 to 3 are made by the Company.

Proposal 1: Appropriation of Surplus

Based on the Basic Shareholder Return Policy below, the year-end dividend for the fiscal year is proposed as follows by considering the business results for the fiscal year, enhancement of financial structure and future business development.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property and the total amount thereof
¥45 per share of common stock of the Company
Total amount: ¥2,386,069,425
- (3) Effective date of distribution of surplus
March 27, 2024

<Basic Shareholder Return Policy for the Fiscal Year>

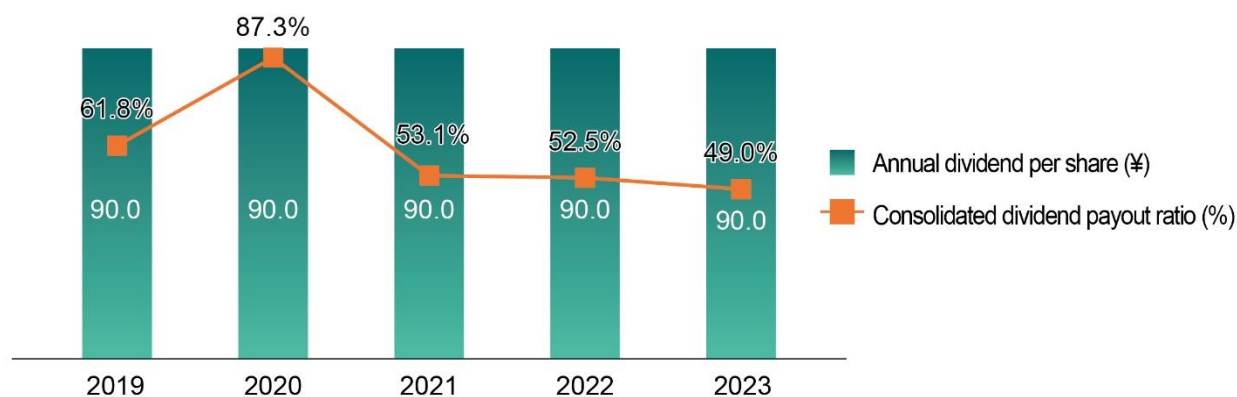
The Group aims to realize sustainable growth by continuously increasing the satisfaction of all stakeholders including shareholders in the long-term perspective through enriching the lives and cultures of people throughout the world.

The Company's basic policy for dividends is to maintain stable dividend, while also taking into account ensuring a solid business foundation over the long term.

Therefore, in the period covered by the current medium-term management plan (2021 to 2023), the Company sets the current dividend (annual dividend is ¥90) at the lowest price. However, the dividend may be reviewed according to business results. While the basic policy is providing stable dividends, the Company will work on shareholder returns through measures such as the agile purchase of treasury shares in comprehensive consideration of various factors such as cash flow and internal reserves.

The Company's policy for internal reserves is to use them for capital expenditure in our flagship businesses and prospective business fields as well as research and development that can contribute to future profit growth.

(Reference) Transition of Dividends





Proposal 2: Election of 8 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all current 7 Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company will appoint 1 additional Outside Director to strengthen the supervising function on the management and proposes the election of 8 Directors (excluding Directors who are Audit & Supervisory Committee Members). Based on the results of the deliberations of the Advisory Committee on Nomination and Remuneration, the Audit & Supervisory Committee had discussions and expressed the opinion that all of the candidates are suitable.


The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

No.	Name	Sex	Current positions at the Company	Attendance at meetings of the Board of Directors
1	Katsumi Kitagawa Reappointment	Male	Chairman, Representative Director	100% (17/17 meetings)
2	Satoru Takashima Reappointment	Male	President, Representative Director	100% (17/17 meetings)
3	Hiroyuki Hamada Reappointment	Male	Senior Managing Director	100% (17/17 meetings)
4	Shingo Kaneko Reappointment Outside Director	Male	Director	100% (17/17 meetings)
5	Chise Onodera Reappointment Outside Director Independent	Female	Director	100% (17/17 meetings)
6	Tomoko Adachi Reappointment Outside Director Independent	Female	Director	100% (13/13 meetings)
7	Tetsuaki Sato Reappointment	Male	Director	100% (13/13 meetings)
8	Yoshinobu Fujimoto New appointment Outside Director Independent	Male	-	-

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
1	 <p data-bbox="145 577 419 640">Katsumi Kitagawa (September 26, 1953)</p> <p data-bbox="196 674 376 763">Term of office 18 years and 9 months</p> <p data-bbox="145 797 419 958">Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p data-bbox="196 992 368 1021"><u>Reappointment</u></p>	<p data-bbox="440 293 1265 378">April 1977 Joined the Company May 2000 General Manager of Corporate Planning Division of the Company</p> <p data-bbox="440 383 1214 472">March 2002 Factory Manager of Kawagoe Factory, Polymer Business Administration Department, Chemical Business HQ of the Company</p> <p data-bbox="440 477 1046 506">June 2004 Operating Officer of the Company</p> <p data-bbox="440 510 930 539">June 2005 Director of the Company</p> <p data-bbox="440 544 1174 573">June 2008 Executive Operating Officer of the Company</p> <p data-bbox="440 577 1126 607">April 2009 Vice President, Director of the Company</p> <p data-bbox="440 611 1198 663">June 2009 Vice President, Representative Director of the Company</p> <p data-bbox="440 667 1262 696">April 2011 President, Representative Director of the Company</p> <p data-bbox="440 701 978 730">April 2014 Group CEO of the Company</p> <p data-bbox="440 734 1265 786">March 2020 Chairman, Representative Director of the Company (to present)</p>	51,913
<p data-bbox="153 1025 1310 1088">Reasons for nomination as a candidate for Director (excluding Directors who are Audit & Supervisory Committee Members):</p> <p data-bbox="153 1093 1310 1355">Since assuming the office of President, Representative Director of the Company in 2011, Mr. Katsumi Kitagawa has demonstrated strong leadership and has been undertaking the business execution and supervising function on the Company's overall management. In addition, he has been undertaking the business execution and supervising function on the Group's overall management. The Company requests his election as Director with the expectation that he will continue to fulfill his duties as Director who is not an Audit & Supervisory Committee Member of the Company and undertake the supervising function on the Company's overall management, while taking the initiative in enhancing the corporate value of the Group.</p>			


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
2	 <p data-bbox="169 562 395 622">Satoru Takashima (April 18, 1960)</p> <p data-bbox="201 656 363 745">Term of office 10 years and 9 months</p> <p data-bbox="145 779 419 931">Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p data-bbox="201 958 363 987"><u>Reappointment</u></p>	<p data-bbox="443 286 1305 376">April 1984 Joined the Company December President & Representative Director of Toyo Ink 2004 (Thailand) Co., Ltd. April 2011 General Manager of Corporate Planning Division of the Company June 2012 Operating Officer of the Company June 2013 Director of the Company April 2014 President & Representative Director of TOYOICHEM CO., LTD. June 2016 Managing Director of the Company March 2019 Senior Managing Director of the Company March 2020 President, Representative Director of the Company (to present) March 2020 Group COO of the Company March 2022 Group CEO of the Company (to present)</p>	33,488
<p data-bbox="153 992 1313 1048">Reasons for nomination as a candidate for Director (excluding Directors who are Audit & Supervisory Committee Members):</p> <p data-bbox="153 1055 1313 1323">After assuming key positions mainly in the corporate planning division and at major domestic and overseas affiliate companies, Mr. Satoru Takashima assumed the office of President, Representative Director of the Company in 2020. Since then, he has demonstrated strong leadership and has been undertaking the business execution and supervising function on the Company's overall management as well as the Group's overall management as Group CEO since 2022. The Company requests his election as Director who is not an Audit & Supervisory Committee Member with the expectation that he will continue to fulfill his duties as Director of the Company and undertake the supervising function on the Company's overall management, while taking the initiative in enhancing the corporate value of the Group.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
3	 <p data-bbox="161 611 387 674">Hiroyuki Hamada (July 19, 1958)</p> <p data-bbox="161 701 387 790">Term of office 7 years and 9 months</p> <p data-bbox="161 817 387 981">Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p data-bbox="161 1003 387 1037"><u>Reappointment</u></p>	<p data-bbox="427 342 667 398">April 1981 September 2005</p> <p data-bbox="683 342 1294 432">Joined the Company General Manager of Corporate Administration Department of the Company</p> <p data-bbox="427 432 667 488">July 2012</p> <p data-bbox="683 432 1294 499">President, Representative Director of TOYO INK EUROPE S. A.S.</p> <p data-bbox="427 499 667 533">June 2013</p> <p data-bbox="683 499 1106 533">Operating Officer of the Company</p> <p data-bbox="427 533 667 566">June 2015</p> <p data-bbox="683 533 1233 566">Executive Operating Officer of the Company</p> <p data-bbox="427 566 667 600">June 2016</p> <p data-bbox="683 566 994 600">Director of the Company</p> <p data-bbox="427 600 667 633">June 2016</p> <p data-bbox="683 600 1294 656">General Manager of Corporate Planning Division of the Company</p> <p data-bbox="427 656 667 689">March 2019</p> <p data-bbox="683 656 1121 689">Managing Director of the Company</p> <p data-bbox="427 689 667 723">March 2023</p> <p data-bbox="683 689 1217 768">Senior Managing Director, Supervisor of Corporate Departments of the Company(to present)</p>	8,623
<p data-bbox="137 1048 1310 1104">Reasons for nomination as a candidate for Director (excluding Directors who are Audit & Supervisory Committee Members):</p> <p data-bbox="137 1104 1310 1305">After assuming key positions mainly in the corporate administration division and overseas affiliate company, Mr. Hiroyuki Hamada assumed the office of Director of the Company in 2016. Since then, he has been executing business with his high capabilities and expertise in the management strategy, while supervising the Company's management. The Company requests his election as Director who is not an Audit & Supervisory Committee Member with the expectation that he will continue to appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
4	 <p data-bbox="137 562 408 618">Shingo Kaneko (November 25, 1950)</p> <p data-bbox="185 651 360 707">Term of office 4 years</p> <p data-bbox="137 741 408 898">Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p data-bbox="185 931 360 987"><u>Reappointment</u> <u>Outside Director</u></p>	<p data-bbox="424 282 1310 338">April 1973 Joined TOPPAN PRINTING CO., LTD. (current TOPPAN Holdings Inc.)</p> <p data-bbox="424 349 1310 383">June 2003 Director of TOPPAN PRINTING CO., LTD.</p> <p data-bbox="424 383 1310 439">June 2006 Managing Director of TOPPAN PRINTING CO., LTD.</p> <p data-bbox="424 439 1310 495">June 2008 Senior Managing Director of TOPPAN PRINTING CO., LTD.</p> <p data-bbox="424 495 1310 551">June 2009 Vice President & Representative Director of TOPPAN PRINTING CO., LTD.</p> <p data-bbox="424 551 1310 607">June 2010 President & Representative Director of TOPPAN PRINTING CO., LTD.</p> <p data-bbox="424 607 1310 663">June 2019 Chairman & Representative Director of TOPPAN PRINTING CO., LTD. (to present)</p> <p data-bbox="424 663 1310 719">March 2020 Outside Director of the Company (to present)</p> <p data-bbox="424 719 1310 775">Significant concurrent positions: Chairman & Representative Director of TOPPAN Holdings Inc.</p>	4,300
<p data-bbox="137 987 1310 1043">Reasons for nomination as a candidate for Outside Director (excluding Directors who are Audit & Supervisory Committee Members) and outline of the expected role:</p> <p data-bbox="137 1043 1310 1388">Mr. Shingo Kaneko has served as Director of TOPPAN Holdings Inc. for many years and assumed the office of President & Representative Director of the company in June 2010, thereby possessing a wealth of experience in and broad insight into such field as corporate management. Although he does not satisfy the criteria of independence for outside officers set forth by the Company, he has provided advice and instruction since assuming the office of Director of the Company in 2020 from an objective perspective for its overall management as a management professional well-versed in the industry, in consideration of the business environment surrounding the Group. The Company requests his election as Outside Director who is not an Audit & Supervisory Committee Member with the expectation that he will continue to provide useful advice and input for management of the Group based on his experience and knowledge.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
5	 <p>Chise Onodera (January 2, 1966)</p> <p>Term of office 3 years</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent</u></p>	<p>April 1997 Assistant Professor, Faculty of Management Policy, J. F. Oberlin University</p> <p>April 2005 Professor, School of Law, Tokai University</p> <p>April 2018 Professor, College of Law, Nihon University (to present)</p> <p>March 2019 Outside Audit & Supervisory Board Member of the Company</p> <p>March 2021 Outside Director of the Company (to present)</p> <p>Significant concurrent positions: Professor, College of Law, Nihon University</p>	2,600
<p>Reasons for nomination as a candidate for Outside Director (excluding Directors who are Audit & Supervisory Committee Members) and outline of the expected role:</p> <p>Although Ms. Chise Onodera has no direct experience in corporate management other than as Outside Audit & Supervisory Board Member or Outside Director, she possesses highly professional knowledge in the Insurance Act and the Companies Act along with distinguished insight as a jurist. Since assuming the office of Outside Audit & Supervisory Board Member of the Company in 2019 and Outside Director of the Company in 2021, she has been monitoring its management from an objective and neutral perspective. The Company requests her election as Outside Director who is not an Audit & Supervisory Committee Member with the expectation that she will continue to fulfill the role of supervising its management from a fair standpoint based on her experience and knowledge.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
6	 <p>Tomoko Adachi (March 10, 1954)</p> <p>Term of office 1 year</p> <p>Attendance at meetings of the Board of Directors 100% (13/13 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent</u></p>	<p>November 1995 Associate Professor, Obstetrics and Gynecology Course, Department of Obstetrics and Gynecology, Tokyo Women's Medical University</p> <p>April 2004 Head of Department of Obstetrics and Gynecology, Aiiku Hospital, Aiiku Maternal and Child Health Center, Imperial Gift Foundation Boshi-Aiiku-Kai</p> <p>June 2006 Visiting Professor, School of Medicine, Tokyo Women's Medical University (to present)</p> <p>April 2013 Vice Director, Aiiku Hospital</p> <p>December 2017 Trustee, Imperial Gift Foundation Boshi-Aiiku-Kai (to present)</p> <p>December 2017 Director, Aiiku Hospital</p> <p>April 2022 Honorary Director, Aiiku Hospital (to present)</p> <p>March 2023 Outside Director of the Company (to present)</p> <p>Significant concurrent positions: Trustee, Imperial Gift Foundation Boshi-Aiiku-Kai Honorary Director, Aiiku Hospital, Aiiku Maternal and Child Health Center, Imperial Gift Foundation Boshi-Aiiku-Kai Visiting Professor, School of Medicine, Tokyo Women's Medical University</p>	1,100
<p>Reasons for nomination as a candidate for Outside Director (excluding Directors who are Audit & Supervisory Committee Members) and outline of the expected role: Although Ms. Tomoko Adachi has no direct experience in corporate management other than as Outside Director, she possesses experience in hospital management as well as highly professional knowledge and expertise in medicines and health-conscious business management and diversity & inclusion, having served as a member of multiple national and administrative councils and committees for women's advancement. The Company requests her election as Outside Director who is not an Audit & Supervisory Committee Member with the expectation that she will continue to utilize this experience and knowledge for supervising the Company's management from a fair standpoint and objective and neutral perspective.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
7	 <p data-bbox="185 595 387 656">Tetsuaki Sato (March 9, 1961)</p> <p data-bbox="197 685 375 745">Term of office 1 year</p> <p data-bbox="172 775 400 931">Attendance at meetings of the Board of Directors 100% (13/13 meetings)</p> <p data-bbox="201 960 371 987"><u>Reappointment</u></p>	<p data-bbox="424 327 555 353">April 1985</p> <p data-bbox="424 353 555 380">April 2012</p> <p data-bbox="424 409 555 436">July 2016</p> <p data-bbox="424 465 555 492">June 2017</p> <p data-bbox="424 492 576 519">March 2022</p> <p data-bbox="424 519 576 546">March 2023</p> <p data-bbox="424 546 555 573">July 2023</p> <p data-bbox="639 327 1278 656"> Joined the Company General Manager of Planning Division, Production-Logistics-Procurement HQ of the Company Factory Manager of Kawagoe Factory of TOYOCEM CO., LTD. Operating Officer of the Company Executive Operating Officer of the Company Director of the Company (to present) Supervisor of Quality Assurance, Production and Environment, Sustainability, Purchasing, and Logistics of the Company (to present) </p>	11,732
<p data-bbox="169 999 1313 1059">Reasons for nomination as a candidate for Director (excluding Directors who are Audit & Supervisory Committee Members):</p> <p data-bbox="169 1059 1313 1294">After gaining experience in the technology division and assuming key positions mainly in the production and production management divisions, Mr. Tetsuaki Sato assumed the office of Director of the Company in 2023. Since then, he has been executing business with his high capabilities and expertise in technology, production, and production management, while supervising the Company's management. The Company requests his election as Director who is not an Audit & Supervisory Committee Member with the expectation that he will continue to appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
8	 <p>Yoshinobu Fujimoto (November 5, 1965)</p> <p><u>New appointment</u> <u>Outside Director</u> <u>Independent</u></p>	<p>April 1991 Registered with Daini Tokyo Bar Association April 1991 Joined Masuda and Ejiri Law Office (current Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) February 1996 Registered with New York State Bar Association January 1999 Partner, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (to present) June 2008 Outside Audit & Supervisory Board member of Mita Securities Co., Ltd. (to present)</p> <p>Significant concurrent positions: Partner, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) Outside Audit & Supervisory Board member of Mita Securities Co., Ltd.</p>	0
<p>Reasons for nomination as a candidate for Outside Director (excluding Directors who are Audit & Supervisory Committee Members) and outline of the expected role: Although Mr. Yoshinobu Fujimoto has no direct experience in corporate management other than as Outside Audit & Supervisory Board Member, with the certification as lawyer, he possesses highly professional knowledge of and broad insight, especially into M&A transactions and overseas transactions. The Company requests his election as Outside Director who is not an Audit & Supervisory Committee Member with the expectation that he will provide advice on management and appropriately supervise the business execution utilizing his experience and professional knowledge from a fair standpoint and objective and neutral perspective.</p>			

- (Notes) 1. The Candidate for Director, Mr. Shingo Kaneko concurrently serves as Representative Director of TOPPAN Holdings Inc. Although there are no special interests between TOPPAN Holdings Inc. and the Company, there are sales transactions of merchandise and products between TOPPAN Holdings Inc. group and the Group.
2. There are no special interests between other candidates and the Company and between other candidates and the subsidiaries of the Company.
 3. Mr. Shingo Kaneko, Ms. Chise Onodera, Ms. Tomoko Adachi, and Mr. Yoshinobu Fujimoto are candidates for Outside Directors.
 4. Mr. Shingo Kaneko will have served as Outside Director of the Company for four years at the conclusion of this year's Annual General Meeting of Shareholders. Ms. Chise Onodera will have served as Outside Director of the Company for three years at the conclusion of this year's Annual General Meeting of Shareholders. Ms. Tomoko Adachi will have served as Outside Director of the Company for one year at the conclusion of this year's Annual General Meeting of Shareholders.
 5. According to stipulations of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement (Contracts for Limitation of Liability) with each of Mr. Shingo Kaneko, Ms. Chise Onodera, and Ms. Tomoko Adachi to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages pursuant to the agreement is the minimum amount stipulated by laws and regulations. Subject to the approval of the reappointment of Mr. Shingo Kaneko, Ms. Chise Onodera, and Ms. Tomoko Adachi, the Company intends to continue the above-mentioned agreement.
 6. If the appointment of Mr. Yoshinobu Fujimoto is approved, the Company intends to enter into an agreement (Contract for Limitation of Liability) with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages pursuant to the agreement is the minimum amount stipulated by laws and regulations.
 7. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers damage to an insured person caused by derivative lawsuits, corporate litigation, and third party litigation. If Proposal 2 is approved and passed, each candidate will be an insured person of the said insurance. The Company intends to renew the agreements with similar contents in the middle of their terms of office.
 8. The Company has registered Ms. Chise Onodera and Ms. Tomoko Adachi as independent officers with Tokyo Stock Exchange pursuant to the stipulations of the Exchange. They also satisfy the criteria for independence for outside directors set forth by the Company. Subject to the approval of their appointment, they will continue to serve as independent officers.
 9. Mr. Yoshinobu Fujimoto satisfies the requirements for independence pursuant to the stipulations of the Tokyo Stock Exchange. He also satisfies the criteria for independence for outside directors set forth by the Company. Subject to the approval of his appointment, he will serve as a new independent officer.
 10. Ms. Chise Onodera's name under her family register is Chise Sakai.


Proposal 3: Election of 4 Directors Who Are Audit & Supervisory Committee Members


The terms of office of all current 4 Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of 4 Directors who are Audit & Supervisory Committee Members.


Submission of this proposal has obtained the approval of the Audit & Supervisory Committee.


The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

No.	Name	Sex	Current positions at the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Committee
1	Yutaka Yokoi Reappointment Outside Director Independent	Male	Director Who Is Audit & Supervisory Committee Member	100% (17/17 meetings)	100% (13/13 meetings)
2	Keiko Kimura Reappointment Outside Director Independent	Female	Director Who Is Audit & Supervisory Committee Member	100% (17/17 meetings)	100% (13/13 meetings)
3	Minoru Matsumoto Reappointment Outside Director Independent	Male	Director Who Is Audit & Supervisory Committee Member	94% (16/17 meetings)	100% (13/13 meetings)
4	Masayuki Kano New appointment	Male	Advisor	–	–

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
1	 <p>Yutaka Yokoi (January 10, 1955)</p> <p>Term of office 3 years (Director) 2 years (Audit & Supervisory Committee Member)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p>Attendance at meetings of the Audit & Supervisory Committee 100% (13/13 meetings)</p> <p>Reappointment Outside Director Independent</p>	<p>April 1979 Joined the Ministry of Foreign Affairs of Japan September 2006 Minister, Embassy of Japan in the United States of America</p> <p>July 2008 Consul-General of Japan in Shanghai August 2010 Envoy Extraordinary and Minister Plenipotentiary of Japan to the People's Republic of China</p> <p>August 2013 Ambassador Extraordinary and Plenipotentiary of Japan to Turkey</p> <p>March 2016 Ambassador Extraordinary and Plenipotentiary of Japan to the People's Republic of China</p> <p>December 2020 Resigned from the Ministry of Foreign Affairs of Japan</p> <p>March 2021 Outside Director of the Company October 2021 Councilor, Chiba Institute of Technology (to present)</p> <p>January 2022 Distinguished Professor, Chiba Institute of Technology (to present)</p> <p>March 2022 Outside Director of the Company (Audit & Supervisory Committee Member) (to present)</p> <p>June 2022 Outside Director of HokuHoku Financial Group, Inc. (to present)</p> <p>Significant concurrent positions: Councilor and Distinguished Professor, Chiba Institute of Technology Outside Director of HokuHoku Financial Group, Inc.</p>	2,200
<p>Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of the expected role:</p> <p>Although Mr. Yutaka Yokoi has no direct experience in corporate management other than as Outside Director, he has long served in key positions at the Ministry of Foreign Affairs of Japan, and possesses international sensibility and wide-ranging insight on global affairs cultivated through his career in diplomacy. Since assuming the office of Outside Director of the Company in 2021 and the office of Outside Director of the Company who is an Audit & Supervisory Committee Member in 2022, he has been monitoring its management from an objective and neutral perspective. The Company requests his election as Outside Director who is an Audit & Supervisory Committee Member with the expectation that he will continue to fulfill the role of supervising its management from a fair standpoint based on his experience and knowledge.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
2	 <p>Keiko Kimura (October 13, 1959)</p> <p>Term of office 7 years and 9 months (Director) 2 years (Audit & Supervisory Committee Member)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p>Attendance at meetings of the Audit & Supervisory Committee 100% (13/13 meetings)</p> <p>Reappointment Outside Director Independent</p>	<p>April 1980 Joined ITOCHU Corporation October 1989 Joined Citibank, N. A. October 2002 Registered with Dai-Ichi Tokyo Bar Association October 2002 Joined Anzai & Sotoi Law Office (current Anzai Law Office) (to present) June 2016 Outside Director of the Company June 2017 Outside Director (Audit and Supervisory Committee Member) of Yashima & Co., Ltd. (to present) March 2022 Outside Director of the Company (Audit & Supervisory Committee Member) (to present)</p> <p>Significant concurrent positions: Lawyer, Anzai Law Office Outside Director (Audit and Supervisory Committee Member) of Yashima & Co., Ltd.</p>	1,900
<p>Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of the expected role: Although Ms. Keiko Kimura has no direct experience in corporate management other than as Outside Director, with the certification as lawyer, she possesses highly professional knowledge of and broad insight especially into the Labor Act and human resource and labor related affairs. Since assuming the office of Outside Director of the Company in 2016 and the office of Outside Director of the Company who is an Audit & Supervisory Committee Member in 2022, she has been monitoring its management from an objective and neutral perspective. The Company requests her election as Outside Director who is an Audit & Supervisory Committee Member with the expectation that she will continue to fulfill the role of supervising its management from a fair standpoint based on her experience and knowledge.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
3	 <p>Minoru Matsumoto (February 16, 1957)</p> <p>Term of office 2 years (Director) 2 years (Audit & Supervisory Committee Member)</p> <p>Attendance at meetings of the Board of Directors 94% (16/17 meetings)</p> <p>Attendance at meetings of the Audit & Supervisory Committee 100% (13/13 meetings)</p> <p>Reappointment Outside Director Independent</p>	<p>October 1983 Joined Tohmatsu Awoki & Co. (current Deloitte Touche Tohmatsu LLC)</p> <p>March 1987 Registered as a certified public accountant</p> <p>September 2012 Resigned from Deloitte Touche Tohmatsu LLC</p> <p>October 2013 Established Minoru Matsumoto CPA Office</p> <p>June 2014 External Audit & Supervisory Board Member of Sanshin Electronics Co., Ltd.</p> <p>June 2015 Outside Director of Foster Electric Company, Limited (to present)</p> <p>February 2016 Outside Director (Audit & Supervisory Committee Member) of JASTEC Co., Ltd. (to present)</p> <p>March 2021 Outside Audit & Supervisory Board Member of the Company</p> <p>March 2022 Outside Director of the Company (Audit & Supervisory Committee Member) (to present)</p> <p>October 2022 Representative Partner of Terada-kaikei Tax Accountant Corporation (to present)</p> <p>Significant concurrent positions: Representative Partner of Terada-kaikei Tax Accountant Corporation Outside Director of Foster Electric Company, Limited Outside Director (Audit & Supervisory Committee Member) of JASTEC Co., Ltd.</p>	0
<p>Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of the expected role:</p> <p>Although Mr. Minoru Matsumoto has no direct experience in corporate management other than as Outside Audit & Supervisory Board Member or Outside Director, he possesses a wealth of experience in accounting audit along with considerable knowledge of finance and accounting as a certified public accountant. Since assuming the office of Outside Audit & Supervisory Board Member of the Company in 2021 and Outside Director of the Company who is an Audit & Supervisory Committee Member in 2022, he has been monitoring its management from an objective and neutral perspective. The Company requests his election as Outside Director who is an Audit & Supervisory Committee Member with the expectation that he will continue to fulfill the role of supervising its management from a fair standpoint based on his experience and knowledge.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
4	 Masayuki Kano (March 30, 1962) <u>New appointment</u>	April 1984 Joined the Company July 2009 General Manager of Human Resources Department of the Company April 2011 General Manager of Human Resources Department of the Company June 2013 Operating Officer of the Company April 2019 General Manager of General Affairs Department of the Company January 2024 Advisor of the Company (to present)	11,298
Reasons for nomination as a candidate for Director who is an Audit & Supervisory Committee Member: Mr. Masayuki Kano has served in key positions, mainly in the human resources division and general affairs division. Since he assumed the office of Operating Officer of the Company in 2013, he has been executing business with his high capabilities and expertise in personnel strategy, corporate governance, risk management, etc. He is therefore well versed in the Group's overall administrative tasks. The Company requests his election as a new Director who is an Audit & Supervisory Committee Member with the expectation that he will appropriately audit and supervise the Company's business execution based on his experience and knowledge.			

- (Notes) 1. There are no special interests between each candidate and the Company and between each candidate and the subsidiaries of the Company.
2. Mr. Yutaka Yokoi, Ms. Keiko Kimura and Mr. Minoru Matsumoto are candidates for Outside Directors who are Audit & Supervisory Committee Members.
 3. Mr. Yutaka Yokoi will have served as Outside Director of the Company for three years at the conclusion of this year's Annual General Meeting of Shareholders. Ms. Keiko Kimura will have served as Outside Director of the Company for seven years and nine months at the conclusion of this year's Annual General Meeting of Shareholders. Mr. Minoru Matsumoto will have served as Outside Director for two years at the conclusion of this year's Annual General Meeting of Shareholders.
 4. Mr. Yutaka Yokoi, Ms. Keiko Kimura and Mr. Minoru Matsumoto will have served as Outside Directors who are Audit & Supervisory Committee Members of the Company for two years at the conclusion of this year's Annual General Meeting of Shareholders.
 5. According to stipulations of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement (Contracts for Limitation of Liability) with each of Mr. Yutaka Yokoi, Ms. Keiko Kimura and Mr. Minoru Matsumoto to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages pursuant to the agreement is the amount stipulated by laws and regulations. Subject to the approval of the reappointment of Mr. Yutaka Yokoi, Ms. Keiko Kimura and Mr. Minoru Matsumoto for Directors who are Audit & Supervisory Committee Members, the Company intends to continue the above-mentioned agreement with them.
 6. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers damage arising from derivative lawsuits, corporate litigation, and third party litigation. If Proposal 3 is approved and passed, each candidate will be an insured person of the said insurance. The Company intends to renew the agreements with similar contents in the middle of their terms of office.
 7. The Company has registered Mr. Yutaka Yokoi, Ms. Keiko Kimura and Mr. Minoru Matsumoto as independent officers with Tokyo Stock Exchange pursuant to the stipulations of the Exchange. They also satisfy the criteria for independence for outside directors set forth by the Company. Subject to the approval of their appointment, they will continue to serve as independent officers.
 8. At Yashima & Co., Ltd., where Ms. Keiko Kimura serves as a Director (Audit and Supervisory Committee Member), improper accounting practices were revealed in the sales division and its consolidated subsidiary in February 2023, and June 2023, respectively, during her service. Ms. Keiko Kimura has always been conducting audits from the perspective of legal compliance. After the occurrence of the incidents, she supervised the development of recurrence prevention measures and the progress in the company. In addition, she requested the Board of Directors to thoroughly enforce discipline in overall businesses and enhance corporate ethics. In this way, she has performed her responsibilities toward the prevention of the recurrence.

(Reference 1)

The Board of Directors is composed of a diverse range of directors with a wealth of experience and specialized knowledge. We use a skills matrix to set areas of particular expectation, to enable useful supervision and advice on management issues.

Details of each skill and reason for selection

Section		Reason for selection
Matters relating to the base and growth of the company	Corporate Management	Formulating and implementing a sustainable growth strategy in the medium to long term requires comprehensive judgment in corporate management, and experience in business management and/or organizational management were selected as necessary knowledge and skills, with no bias toward individual expertise.
	R&D / Production	Sound knowledge and experience in the fields of technology, research and development, quality, and production were selected as necessary knowledge and skills to further advance and develop the technologies the Group has developed and bring about various innovations.
	Sales / Marketing	Extensive knowledge and experience in sales and marketing were selected as necessary knowledge and skills to steadily increase sales and profits in the market and continue to achieve growth in the medium to long term.
	Global	A wide range of insights and experience relating to overseas management experience, overseas lifestyles and culture, business environments, geopolitics, and regional strategies were selected as necessary knowledge and skills in view of the Group's global business presence.
Matters that ensure the company's growth	Finance / Accounting	Solid knowledge and experience enabling accurate financial reporting, building a solid financial base, making growth investments to sustainably increase corporate value, and strengthening shareholder returns were selected as key knowledge and skills to maximize corporate value through the efficient management of the Company's capital.
	Human Resources / DE&I	Human resources are the most important management resource for the Company, and experience, insight, and expertise in the field of human resources (including HR development and DE&I) were selected as necessary knowledge and skills for securing diverse human resources to support the Group's value creation.
	ESG / Compliance / Risk Management	A wide range of experience, insights, and expertise in ESG, compliance, and risk management were selected as key knowledge and skills to implement sustainable management, achieve the "asv2050/2030" sustainability vision, and solve social issues indicated by the Group's material issues.

Configuration of the Board of Directors after This Year's Annual General Meeting of Shareholders

Expertise and experience particularly expected for each Director when candidates listed herein are elected as proposed

Name	Main expertise and experience that the Company regards as strengths of the candidates						
	Corporate management	Technical/ Research & development Production	Sales Marketing	Global	Finance/ Accounting	Human resource and DE&I	ESG Compliance Risk management
Katsumi Kitagawa	•	•	•				
Satoru Takashima	•		•	•			
Hiroyuki Hamada			•	•	•		•
Shingo Kaneko	•		•				
Chise Onodera							•
Tomoko Adachi	•	•				•	
Yoshinobu Fujimoto				•			•
Tetsuaki Sato		•					•
Masayuki Kano						•	•
Yutaka Yokoi				•			•
Keiko Kimura						•	•
Minoru Matsumoto					•		•

*DE&I: Diversity, Equity & Inclusion

*The above table does not indicate all expertise and experiences of the candidates.

Members of the Group Management Committee
After This Annual General Meeting of Shareholders

Below are main expertise and experience that the Company regards as strengths of the members of the Group Management Committee, a voluntary body responsible for making important decisions related to business execution.

Name	Main expertise and experience that the Company regards as strengths of the candidates						
	Corporate management	Technical/ Research & development Production	Sales Marketing	Global	Finance/ Accounting	Human resource and DE&I	ESG Compliance Risk management
Katsumi Kitagawa Chairman, Representative Director	•	•	•				
Satoru Takashima President, Representative Director, Group CEO	•		•	•			
Hiroyuki Hamada Senior Managing Director, Supervisor of Corporate Departments			•	•	•		•
Tetsuaki Sato Director, Supervisor of Quality Assurance, Production and Environment, Sustainability, Purchasing, and Logistics		•					•
Masayuki Kano Director, Full-time Audit & Supervisory Committee Member						•	•
Toshinori Machida Executive Operating Officer, Supervisor of Technology, Research and Development, Intellectual Property	•	•					
Takeshi Arimura Operating Officer, General Manager of Finance & Accounting Department					•		
Junji Sekino Operating Officer, General Manager of Human Resources Department						•	•
Hideki Okaichi Executive Operating Officer, President & Representative Director, TOYOCOLOR CO., LTD.	•		•	•			
Yasushi Ariyoshi Executive Operating Officer, President & Representative Director, Toyochem Co., Ltd.	•	•					

Name	Main expertise and experience that the Company regards as strengths of the candidates						
	Corporate management	Technical/ Research & development Production	Sales Marketing	Global	Finance/ Accounting	Human resource and DE&I	ESG Compliance Risk management
Hideki Yasuda Executive Operating Officer, President & Representative Director, Toyo Ink Co., Ltd.	•	•					

* The Company has an operating officer system, and some of the Operating Officers attend Group Management Committee meetings. Operating Officers will assume office after being appointed at a meeting of the Board of Directors to be held after the conclusion of this year's Annual General Meeting of Shareholders.

* The titles and responsibilities of Directors and Executive Operating Officers will be determined at a meeting of the Board of Directors to be held after the conclusion of this Annual General Meeting of Shareholders.

* The table above does not indicate all expertise and experiences of the candidates.

(Reference 2)

Criteria of Independence for Outside Directors

The Board of Directors of the Company does not certify Outside Directors as independent officers if they fall under any of the following categories.

- (1) A business executive¹ of the Company or its affiliated company (hereinafter collectively “the Group”)
- (2) A major business partner of the Group² or a business executive of such business partner
- (3) A major client of the Group³ or a business executive of such client
- (4) A major shareholder of the Company⁴ or a business executive of a major subsidiary⁵ of such shareholder
- (5) An entity or a business executive of such entity that receives a large amount of donations⁶ from the Group
- (6) A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation⁷ (in case of corporation, association or other organization, an individual who belongs to such organization)
- (7) A certified public accountant, an employee, partner or staff of an audit firm that provides accounting audit of the Group
- (8) In case of a law firm, audit firm, tax accounting firm or consulting firm, or other professional advisory firm that do not fall under above (6) or (7), an employee, partner, associate or staff of a firm whose major client is the Group⁸
- (9) A business executive of a company whereat a business executive of the Group is an outside officer
- (10) A business executive of a company whose major shareholder is the Company
- (11) An individual who has fallen under criteria (1) above in the past ten years prior to his/her assumption of office (in case of an individual who was a non-executive Director or an Audit & Supervisory Board Member of the Company in the past ten years prior to his/her assumption of office, another ten years prior to such assumption)
- (12) An individual who has fallen under criteria (2) or (3) in the past three business years
- (13) An individual who has fallen under criteria (4) through (8) in the past three years (with regard to (7), this shall apply only to an individual who was actually in charge of handling the audit (excluding ancillary duty) of the Group (including an individual who is retired or resigned at present))
- (14) A close relative⁹ to an individual that would fall under the following
 - a. An important business executive¹⁰ of the Group
 - b. An individual who has fallen under above a. in the past five years
 - c. An individual defined as above (2) through (10) (with regard to “a business executive” in (2) through (5), and (9) and (10), an important business executive, with regard to “an individual who belongs to such organization” in (6), an important business executive and, in case of an audit firm or a law firm, etc., an individual who possesses professional qualification, and with regard to “an employee, partner or staff of an audit firm” in (7), an important business executive and certified public accountant and other professional experts)
 - d. An individual who has fallen under above c. in the past three years

Notes: 1. “A business executive” is defined as executive director, executive officer or employee.

2. “A major business partner of the Group” is defined as any of the following:

- 1) A business partner group that provides products or services to the Group (a party that belongs to a consolidated group to which the direct business partner belongs; the same applies hereafter.), a business partner group whose transactions with the Group exceeds 2% of the consolidated net sales or total income of the business partner group for the most recent fiscal year
- 2) The counterparty group to which the Group is indebted and the aggregate amount of indebtedness of the Group exceeds 2% of consolidated total assets of the counterparty at the end of the most recent fiscal year

3. “A major client of the Group” is defined as any of the following:

- 1) The business partner group to which the Group provides products or services and the transactions with the business partner group exceed 2% of the consolidated net sales of the Group for the most recent fiscal year
 - 2) The counterparty group that is indebted to the Group and the aggregate amount of indebtedness of the counterparty group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year
 - 3) The financial institution group from which the Group is borrowing (defined as an individual who belongs to a consolidated group to which the financial institution from which the Group is directly borrowing belongs) and the aggregate borrowing amount of the Group from the financial institution group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year
4. "Major shareholder" is defined as a shareholder who owns 10% or more of the total voting rights either directly or indirectly.
 5. "Major subsidiary" is defined as a subsidiary that is presented as a major subsidiary in the "Status of the parent company or major subsidiaries" (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act) in the Business Report of the Company pertaining to the most recent fiscal year, or in other disclosure documents made public by the Company.
 6. "Entity that receives a large amount of donations" is defined as an entity who received from the Group a donation amounting to 10 million yen or more, a year taken in average of the three most recent fiscal years, or an amount equivalent to 30% or more of the average total annual cost of such entity, whichever is higher.
 7. "A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation" is defined as an individual who receives from the Group, a financial benefit of 10 million yen or more a year taken in average of the three most recent fiscal years aside from executive compensation.
 8. "A firm whose major client is the Group" is defined as a firm that received a payment from the Group in an amount equivalent to 2% or more of the consolidated net sales of the firm taken in average of the three most recent fiscal years.
 9. "A close relative" is defined as a spouse or relative within the second degree, or a relative living together.
 10. Of business executives, "an important business executive" is defined as an individual who executes significant business operations, including executive director, executive officer or general manager.

<Shareholder proposal>

Proposal 4 is made by a shareholder (hereinafter referred to as the “shareholder who made the proposal”). “Details of the proposal” and “Reasons for the proposal” below are English translations of the relevant sections of the original text provided in the shareholder proposal form submitted by the shareholder who made the proposal, exclusive of adjustments in the format.

Proposal 4: Purchase of Treasury Shares

1. Details of proposal

Within one year of the conclusion of this Annual General Meeting of Shareholders pursuant to Article 156, Paragraph 1 of the Companies Act, the Company should purchase shares of its common stock by the delivery of cash, up to a total of 5,845,700 shares and a total acquisition price of 15,386,400,000 yen (however, when the total acquisition price permitted by the Companies Act (the “distributable amount” as defined in Article 461 of the Companies Act) is less than the said amount, the upper limit of the acquisition price permitted by the Companies Act).

2. Reason for proposal

- The proposed amount of share buybacks of approximately 15.4 billion yen in the agenda is equivalent to approximately 10% of the Company's retained earnings as of the end of September 2023. The agenda item is a proposal intended to optimize the situation in which, while our ROE remains at a low level of around 4%, the Company is allocating approximately 24% of its net assets to cross-shareholdings, etc. (approximately 61.5 billion yen as of the end of September 2023).
- Approximately two-thirds of the Company's cross-shareholdings appear to be shares of TOPPAN Holdings, Inc., the Company's largest shareholder, and the rationale for holding its shares is considered to be uncertain.
- To improve the Company's capital efficiency, it would be desirable to drastically reduce the cross-shareholdings mentioned above and use the proceeds from the sale to acquire treasury shares. This would allow the Company to make solid progress toward optimizing capital efficiency.

1. Opinions of the Board of Directors regarding the shareholder proposal

(1) Opinion of the Company's Board of Directors

The Board of Directors opposes the Shareholder Proposal.

(2) Reason for the opposition

The Company changed its trade name to artience Co., Ltd. in January 2024 in order to become a company that will deliver the “value that resonates with the senses” and moves people's hearts and minds in response to the changes in values demanded by society, and formulated “artience 2027,” a new medium-term management plan (hereinafter the “Medium-term Management Plan”) and announced the outline of the plan on February 14, 2024 (Details of the plan were announced on February 19, 2024). In the Medium-term Management Plan, we are emphasizing business activities with business portfolio transformation, maximizing capital efficiency and cash flow, and the establishment of corporate foundations and sustainability management practices as key management issues, with the aim of maximizing corporate value while contributing to a future where all people can live enriched lives and a sustainable society over the medium to long term based on the trust we have built up over the years.

For our business portfolio transformation, we plan to create key sources of revenue by focusing our management resources on the Mobility & Battery Related Businesses and Display & Advanced Electronics Related Businesses, which are strategic priority business groups, while striving to increase the profitability of existing businesses by expanding

business in overseas growth areas and promoting structural reforms, including bold resource allocation.

During the period of the Medium-term Management Plan, we plan to invest a total of 60 billion yen, significantly exceeding the 46.8 billion yen, which is the investment amount in the previous medium-term management plan, including 30 billion yen to be invested in the business of CNT dispersion for lithium-ion batteries (LiB), a business related to mobility and batteries, in addition to capital investments of 30 billion yen mainly targeting existing businesses. We aim to record net sales of 400 billion yen and operating profit of 25 billion in the fiscal year ending December 31, 2026 by making existing businesses more profitable through these active investments and steadily capturing increasing demand in the rapidly growing global EV-related market.

Meanwhile, given that improving capital efficiency and securing cash flows are important management issues in order to support these growth initiatives, we plan to reduce the working capital of the entire Group through cash conversion cycle (CCC) improvement activities, promote business efficiency through the introduction of business-specific ROIC, and sell assets. Particularly with regard to cross-shareholdings, we sold cross-held shares of 13.1 billion yen during the period of the previous medium-term management plan, and the ratio obtained by dividing the sum of "investment securities held for purposes other than pure investment purposes" and "deemed shares held" in the securities report by net assets was 7.9% as of the end of December 2023. In addition, during the period the Medium-term Management Plan, we are firmly maintaining our policy of reducing cross-shareholdings, including our plan to sell shares worth 10 billion yen or more.

We also recognize shareholder returns as an important management issue. The Company's basic policy with regard to dividends is to continuously pay stable dividends while ensuring a stable business foundation over many years. We are also making efforts for shareholder returns through the flexible share buybacks while comprehensively taking into account cash flows, internal reserves, and the share price level, etc. During the period of the previous medium-term management plan, we purchased treasury shares of 10.7 billion yen, in addition to paying a stable annual dividend of 90 yen per share, resulting in shareholder returns that far exceeded the total return ratio of 50%. In the Medium-term Management Plan, we have set a total return ratio of 50% or more as the target shareholder returns and plan to make further growth investments and share buybacks in a flexible manner when sufficient profits are secured while maintaining stable dividends as a basic policy. With regard to share buybacks, given that Article 7 of the Company's Articles of Incorporation stipulates that we may buy back treasury shares by resolution of the Board of Directors, we have a system that allows us to flexibly buy back treasury shares based on resolutions of the Board of Directors without requiring a resolution at a general meeting of shareholders. We have been carrying out share buybacks based on timely and appropriate judgments, as shown in the track record of our share buybacks during the period of the previous medium-term management plan mentioned above.

We believe that the steady implementation of these policies will lead to the Company's medium- to long-term growth and will ultimately contribute to enhancing corporate value and benefiting the shareholders. Therefore, in the Medium-term Management Plan, we have set an ROE of 7.0% or more, which exceeds the cost of capital and an ROE of 10% as targets for the fiscal year ending December 31, 2029 when investment recovery is expected to progress.

In contrast, the Shareholder Proposal calls for the buyback of approximately 15.4 billion yen of own shares within one year from the conclusion of the 186th Annual General Meeting of Shareholders, using the proceeds from the sale of cross-shareholdings as capital. Regarding cross-shareholdings, although we verify the economic rationality of each individual stock from a medium- to long-term perspective at the Board of Directors to promote the reduction of the number of stocks whose holdings have become less meaningful, we believe that timely and appropriate judgments should be made regarding the target of the sale and the scale and timing of the sale.

In addition, while we intend to achieve a total return ratio of 50% or more regarding shareholder returns, we believe that a share buyback of approximately 15.4 billion yen as stated by Proposing Shareholder is too excessive, given that, including the dividend amount based on the forecast dividend of 90 yen per share, shareholder returns would be 20 billion

yen or more, which is more than 200% of our planned profit of 10 billion yen for the fiscal year ending December 31, 2024, and equivalent to approximately 16% of the 9.5 billion yen cash inflow (operating cash flows, financing by setting the right to demand earnings distribution, sale of cross-shareholdings, etc.) during the period of the Medium-term Management Plan. We also believe that carrying out share buybacks on this scale in one year will not help enhance the corporate value over the medium to long term, nor will it lead to the common interests of shareholders. Therefore, we believe that the scale and timing of share buybacks should be determined and implemented by comprehensively taking into account factors such as cash flows, share price levels, and the balance with growth investments.

For all these reasons, the Board of Directors of the Company opposes the Shareholder Proposal.

(Reference 3)

Medium-Term Management Plan

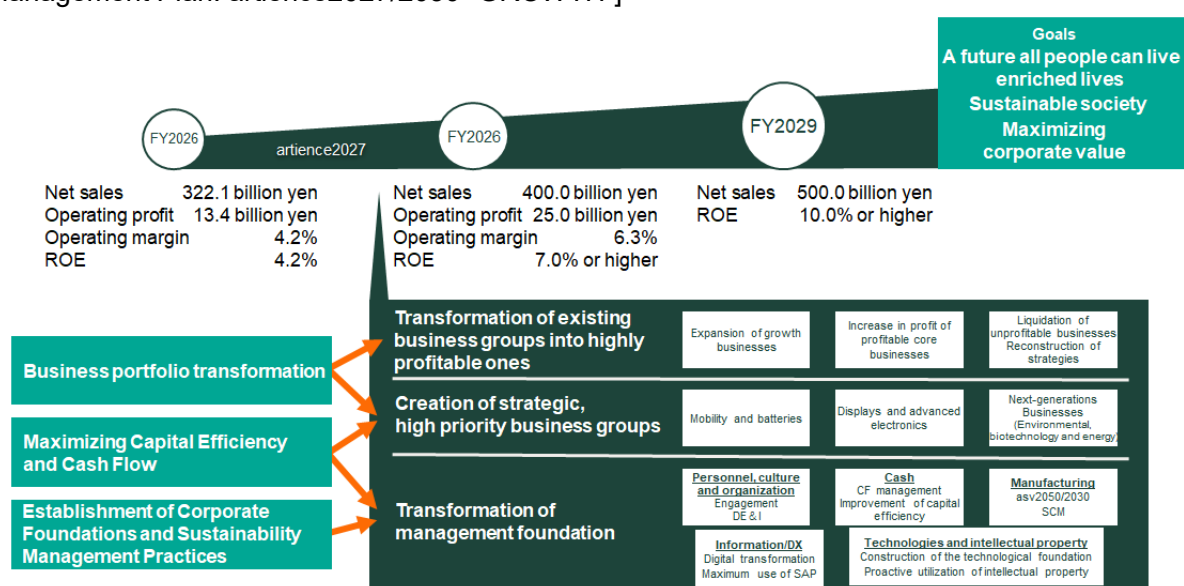
The Company has developed the medium-term management plan *artience 2027*. Starting in January 2024, the plan will be executed over a period of three years.

1. Medium-Term Management Plan *artience2027*

The Plan sets a target of reaching a Group return on equity (ROE) of at least 10% by the fiscal year ending December 31, 2029. It also sets an interim ROE target of 7.0% or more in the fiscal year ending December 31, 2026. Numerical targets include a net sales target of 400 billion yen and operating profit target of 25 billion yen for the fiscal year ending December 31, 2026.

The Plan specifies three key management issues: business portfolio transformation, maximizing capital efficiency and cash flow, and establishment of corporate foundations and sustainability management practices.

[Management Plan: *artience2027/2030* “GROWTH”]



2. *artience 2027* Basic Policies

The Plan has three basic policies mentioned below. The Company aims to accomplish its business portfolio transformation by following both policies 1 and 2.

[Basic Policy 1] Transforming of existing businesses groups highly profitable ones (Net sales of 305 billion yen and operating profit of 14 billion yen for FY2026)

The Company will classify its existing businesses into the following categories and execute strategies tailored to each category to boost the profitability of individual businesses.

- Growth Business: Accelerate revenue expansion by capturing market growth and overseas markets (Overseas) Inkjet inks, pressure sensitive and other adhesives, gravure inks, and others
- Profitable Core Business: Solidify the earning base to maintain stable earnings. (Domestic) gravure inks, plastic colorants, etc.
- Business of Restructuring and Rebuilding Strategy: Restructure unprofitable business and thoroughly streamline operations. (Domestic) offset inks, etc.

[Basic Policy 2] Creation of strategic priority businesses (Net sales of 95 billion yen and operating profit of 11 billion yen for FY2026)

The Company will allocate the Group’s resources to two areas strategically to create new bases of earnings.

- Mobility & Battery Related Businesses: CNT dispersions for LiB, pressure sensitive adhesives for LiB, adhesives for structures and others
- Display & Advanced Electronics Related Businesses: resist inks for LCDs and sensors, optical

pressure sensitive adhesives and others

[Basic Policy 3] Reform of business foundation

The Company will review its conventional ways of working and carrying out its duties from scratch and will boldly introduce new ways to create an attractive organization and culture with vigor and discipline as well as sternness. We will put particular emphasis on human resources and culture and on cash since they are starting points of the transformation.

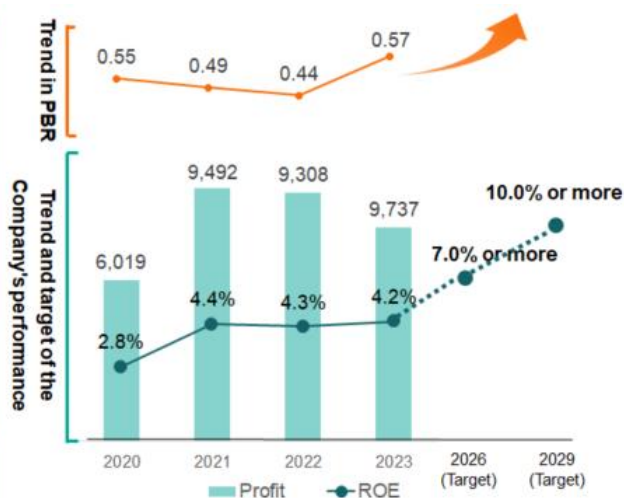
- E: Advance towards Sustainability Vision asv2050/2030, take actions to address climate change (include disclosures compliant with the TCFD recommendations), and others
- S: Enhance human capital (by introducing a new human resources system and improving engagement), bolster diversity and others
- G: Strengthen SR · IR activities, reduce shareholdings and others

3. Capital policies

(1) Actions to realize management with an awareness of capital costs and share price

With the perception that the Company’s cost of equity is around 7%, the Company will undertake a business portfolio transformation and approach management with an awareness of increasing capital efficiency, aiming to achieve profit that exceeds the cost of equity. In addition, the Company will target an ROE of 7.0% or more in the fiscal year ending December 31, 2026 and an ROE of 10.0% or more in the fiscal year ending December 31, 2029 in a bid to increase the price book-value ratio (PBR).

Business portfolio transformation
<ul style="list-style-type: none"> • Increase the earnings capacity of existing businesses, including structural reforms of low-profitability businesses. • Steadily enlarge strategic priority businesses and clarify the growth story.
Maximizing capital efficiency
<ul style="list-style-type: none"> • Introduce ROIC as an indicator to the whole company to improve efficiency. • Improve the CCC to reduce operating funds.
Capital policies
<ul style="list-style-type: none"> • Increase shareholder returns on the basis of the total payout ratio. • Reduction of shareholdings
Efforts to minimize capital costs
<ul style="list-style-type: none"> • Disclose information in a timely and appropriate manner, step up IR activities including the positive distribution of information and increase dialogues with stakeholders.



(2) Investment plan and cash allocations

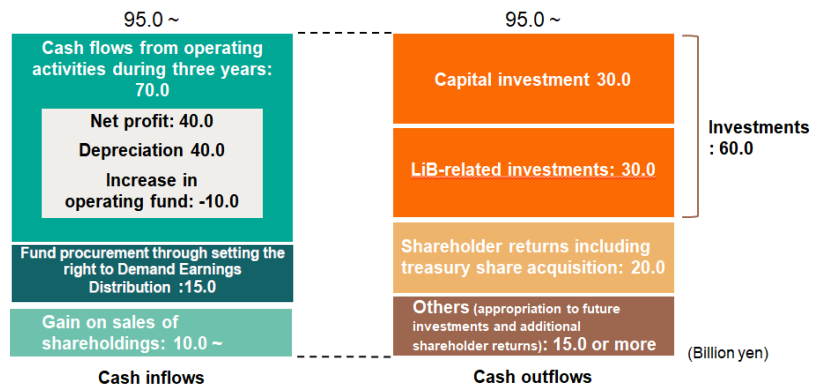
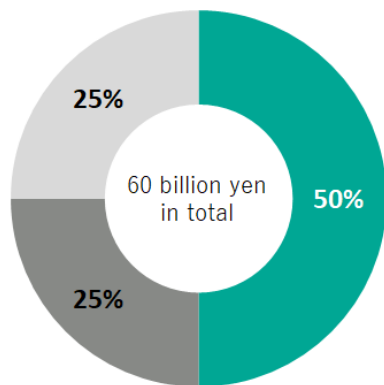
With a view towards medium- and long-term growth based on the basic policies, the Company is planning to positively invest around 60 billion yen in total, exceeding the amount of investment of 46.8 billion yen under the previous medium-term management plan. The total amount consists of around 30 billion yen to be invested mainly in existing businesses and another 30 billion yen or so in the business of CNT dispersions for LiB.

While prioritizing these investments for the future, the Company will also positively consider paying shareholder returns.

[Allocation of capital investment plan]

[Cash allocation]

■ Strategic priority businesses
 ■ Existing businesses with high profitability
 ■ Strengthening of foundations for bases in Japan and abroad



(3) Shareholder return policy

The Company recognizes shareholder returns as a significant management issue. While pursuing a basic policy of paying stable dividends, the Company will allocate the surplus cash in the event of securing a profit to strategic investments, the acquisition of treasury shares and other forms of shareholder return. The total payout ratio target is set at 50% or more.

- In the event of securing a profit, allocate the surplus cash to strategic investments and increased shareholder returns including treasury share acquisition while retaining the basic policy of paying stable dividends.
- Set the total payout ratio target at 50% or more.

