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(Stock Code 7984)

March 6, 2024

To Shareholders with Voting Rights:

Hidekuni Kuroda
Representative Director
KOKUYO Co., Ltd.
6-1-1 Oimazato-minami
Higashinari-ku, Osaka

**NOTICE OF CONVOCATION OF
THE 77TH ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

Thank you for your continued support. KOKUYO Co., Ltd. (the “Company”) would like to express its deepest sympathies to everyone affected by the recent Noto Peninsula Earthquake. The Company is also praying for the earliest possible recovery of the affected areas. You are cordially invited to attend the 77th Annual General Meeting of Shareholders of the Company. The meeting will be held for the purposes as described below.

For the convocation of this General Meeting of Shareholders, the Company has taken measures for electronic provision of information contained in the reference documents for general meetings of shareholders and related documents (matters subject to measures for electronic provision). As the Company has published that information in the “Notice of Convocation of the 77th Annual General Meeting of Shareholders” on the Internet, please access the Company’s website below and check it.

The Company’s website:

<https://www.kokuyo.co.jp/ir/shareholder/resolution.html>



In addition to the Company’s website above, the Company has also published the matters subject to measures for electronic provision on the website of the Tokyo Stock Exchange, Inc. (TSE).

Please access the TSE website (the TSE’s “Search for a listed company” service) below and input the Company’s issue name (company name) or stock code and search. Next, select “Basic information” and “Documents for public inspection/PR information.” You can then check the matters subject to measures for electronic provision.

Tokyo Stock Exchange’s website (Tokyo Stock Exchange listed company search):

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



If you are unable to attend on the day of the meeting, you can exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions on page 4 under “Information on Exercising Voting Rights.” Please exercise your voting rights by 5 p.m. on Wednesday, March 27, 2024 (Japan time).

Meeting Details

1. **Date and time:** 10 a.m. on Thursday, March 28, 2024 (Japan time)
2. **Place:** Knowledge Capital Congrès Convention Center,
Second Basement, North Building, GRAND FRONT OSAKA,
3-1 Ofuka-cho, Kita-ku, Osaka, Japan
(Please refer to the General Meeting of Shareholders Venue Guide Map at the end of this notice.)

3. Meeting Agenda:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the Company's 77th Fiscal Year (from January 1, 2023 to December 31, 2023) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
2. Non-consolidated Financial Statements for the Company's 77th Fiscal Year (from January 1, 2023 to December 31, 2023)

Matters to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Partial amendments to the Articles of Incorporation
Proposal 3: Election of nine (9) Directors

End

Information

- When attending on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to conserve resources, please bring this “Notice” with you.
- Pursuant to Article 17 of the Company’s Articles of Incorporation, you may exercise your voting rights by designating one proxy to attend the meeting, who must be another shareholder possessing voting rights. Please note that the proxy will be required to submit a written verification of the proxy’s rights when attending the meeting.
- If the Company revises the matters subject to measures for electronic provision, it will publish a statement to that effect, the matters before being revised and matters after being revised on its website and the TSE website the links to which are shown on page 1.
- Among the matters subject to measures for electronic provision, the Company has not published the “Consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Consolidated Financial Statements,” which comprise the Consolidated Financial Statements, or “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to the Non-consolidated Financial Statements,” which comprise the Non-consolidated Financial Statements, in paper-based format to be delivered to shareholders who request delivery of materials in such format in accordance with laws and regulations and the Company’s Articles of Incorporation. (The Company will also send the same materials to shareholders who have not requested delivery of materials in such format for this meeting.) The Company has published these matters in the “Notice of Convocation of the 77th Annual General Meeting of Shareholders (Matters Not Published in Paper-based Format to Be Delivered)” (Japanese only).
- During the course of preparation of the Audit Report by the Board of Auditors and the Accounting Audit Report by the Accounting Auditor, the Board of Auditors and the Accounting Auditor respectively audited documents that are the subject items of their audits, including the Consolidated and Non-consolidated Financial Statements.
- If the venue or start time changes due to unavoidable circumstances, the Company will post the details of those changes on its website (<https://www.kokuyo.co.jp/>). Therefore, the Company would like to ask all its shareholders to check its website in advance even if you are planning to attend on the day of the meeting.
- The Company will provide an Internet livestream of the General Meeting of Shareholders. The Company plans to shoot the livestream only from the back of the venue on the day of the meeting and to stream mainly images of its officers and the slides prepared by the Company. However, please understand that there may be times when shareholders in attendance may unavoidably be visible in the livestream. Please refer to the “Guide to Livestreaming the General Meeting of Shareholders and Asking Questions in Advance” on page 5 for details of the livestream.
- The Company will accept questions in advance via the Internet ahead of the General Meeting of Shareholders. Please refer to the “Guide to Livestreaming the General Meeting of Shareholders and Asking Questions in Advance” on page 5 for details about asking questions in advance.

Information on Exercising Voting Rights

- **Exercising your voting rights by attending the Annual General Meeting of Shareholders**

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and Time: 10 a.m. on Thursday, March 28, 2024 (Japan time)

- **Exercising your voting rights if you are not able to attend the Annual General Meeting of Shareholders**

- **Exercising your voting rights via the Internet**

Please access the designated website (<https://www.web54.net>) and cast your vote for or against the proposals.

Deadline for Voting: The Company must receive your instructions by 5 p.m. on Wednesday, March 27, 2024 (Japan time)

- **Exercising your voting rights in writing (with the Voting Rights Exercise Form)**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send it so that it arrives by 5 p.m. on Wednesday, March 27, 2024.

Deadline for Voting: The Company must receive your form by 5 p.m. on Wednesday, March 27, 2024 (Japan time)

IMPORTANT

- If you exercise your voting rights more than once, both via the Internet and by mail, only the vote via the Internet will be deemed to be valid. If you exercise your voting rights multiple times via the Internet, only the last vote will be deemed to be valid. If you do not indicate your approval or disapproval of a proposal on the Voting Rights Exercise Form when exercising your voting rights by mail, we will deem that you have indicated your intention to approve that proposal.

Information on Exercise of Voting Rights via the Internet (omitted)
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Guide to Livestreaming the General Meeting of Shareholders and Asking Questions in Advance

We will livestream our 77th Annual General Meeting of Shareholders over the Internet. In addition, we will accept questions in advance via the Internet from shareholders ahead of the meeting.

Livestreaming

We will livestream the video and audio of the General Meeting of Shareholders over the Internet for shareholders so that you can view the meeting at home via the Internet.

Date and time: From 10 a.m. to the end of the General Meeting of Shareholders on Thursday, March 28, 2024 (Japan time)

How to watch the livestream:

Please access the website to watch the livestream from the QR Code below or by directly inputting the URL on your PC, smartphone or other device. After accessing the website, please input your ID and password.

Acceptance of Questions in Advance

We will accept questions about the proposals for the General Meeting of Shareholders in advance from shareholders by the deadline below via the Internet.

Acceptance deadline: 4 p.m. on Thursday, March 21, 2024 (Japan time)

How to input your questions:

Please access the website to ask your questions in advance from the QR Code below or by directly inputting the URL on your PC, smartphone or other device. After accessing the website, please input your ID and password .

<https://7984.ksoukai.jp>



* “QR Code” is the registered trademark of DENSO WAVE INCORPORATED.

ID: Shareholder number (nine digits) stated on the enclosed Voting Rights Exercise Form

Password: Postal code (seven digits) on the enclosed Voting Rights Exercise Form

* Please input your shareholder number without omitting the 0 (zero) at the start and your postal code without a hyphen.

Voting Rights Exercise Form shareholder number:

●●●●●●●●● [ID (Shareholder number)]

Mr./Mrs. XX XX

1-2-3 TT, CC

●●●-●●●● [Password (Postal code)]

Contact Information

ID (Shareholder Number) and Password (Postal Code)	Sumitomo Mitsui Trust Bank Virtual General Meeting of Shareholders Support Line	0120-782-041	[Reception Hours]	9 a.m. to 5 p.m. (excluding Saturdays, Sundays and public holidays) (Japan time)
Viewing the Livestream	V-cube, Inc.	03-4335-8058	[Reception Hours]	From 9 a.m. to the end of the General Meeting of Shareholders on Thursday, March 28, 2024 (day of the meeting) (Japan time)
Registration of Questions in Advance	KOKUYO Customer Service	0120-201-594	[Reception Hours]	9 a.m. to 4 p.m. (excluding Saturdays, Sundays and public holidays) (Japan time)

Notes

Livestreaming

- We may not be able to provide the livestream due to unavoidable circumstances. In that case, we will inform you of that on our website.
- Watching a livestream is not considered attendance of the General Meeting of Shareholders under the Companies Act. Therefore, you may not exercise voting rights or ask questions and make any other statements. Please exercise your voting rights in advance with the methods described on P.4.
- Only shareholders may watch the livestream.
- We will take care to avoid the appearance of shareholders in attendance being visible in the livestream. However, please understand in advance that may be unavoidable at times.
- We strictly prohibit you from shooting, recording, saving and publishing on a social network site or elsewhere the livestream.
- Please understand in advance that problems (e.g., distortion of the video and audio or interruption of the livestream) may occur depending on the communications environment of the Internet and other factors.
- You may not be able to watch the livestream depending on the equipment you use and your network environment.
- Shareholders will be responsible for the costs generated to access the website to watch the livestream (e.g., connection fees and communication fees).

Questions in Advance

- Questions are limited to those about the proposals for the General Meeting of Shareholders.
- We plan to answer matters of great interest to shareholders from among the questions we receive from shareholders at the General Meeting of Shareholders. Please note that we will not be able to answer all questions.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of surplus

As per its basic profit allocation policy, the Company will strive for sustainable business growth and work to improve profit allocation to all shareholders in an effort to maximize corporate value over the medium and long term. In addition, the Company will provide shareholder returns to achieve a dividend payout ratio of 40% and a stable increase in dividends.

The year-end dividends for the 77th fiscal year, as provided below, were determined by taking into account such factors as consolidated performance for the year and future business development.

Matters Regarding Year-End Dividends

1. Type of dividend property
Cash
2. Matters concerning allocation of dividend property to shareholders and the total amount
34 yen per share of the Company's common stock
Total dividend amount: 3,879,891,028 yen
3. Effective date of distribution of dividends
March 29, 2024

As a result, annual dividends, including interim dividends of 32.50 yen per share, will be 66.50 yen per share. The dividend payout ratio will be 40.2%.

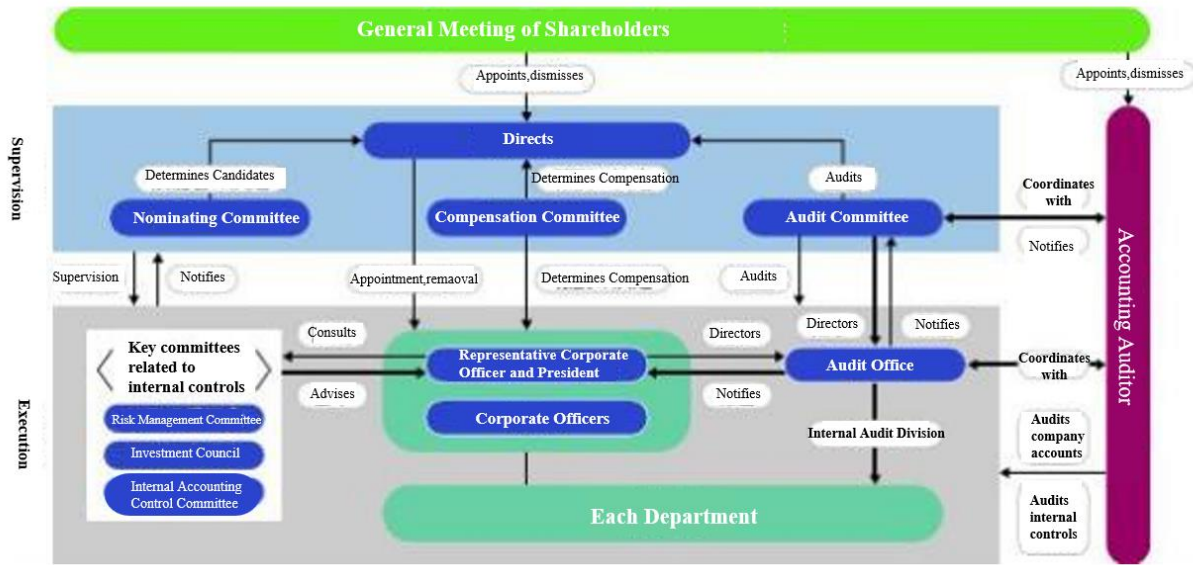
Proposal 2: Partial amendments to the Articles of Incorporation

1. Reasons for the Amendments

- (1) The Company wishes to transition from being a company with a board of auditors to being a company with a nominating committee and other committees as part of its efforts to further enhance its corporate governance structure. In line with this, the Company proposes to establish new provisions concerning a Nominating Committee, Audit Committee, Compensation Committee and Corporate Officers, and to make changes such as deletions of provisions concerning Auditors and the Board of Auditors.
- (2) Under its new corporate governance structure, the Company wishes to amend the Articles of Incorporation to enable itself to enter into contracts set forth in Article 427, Paragraph 1 of the Companies Act (contracts for limitation of liability) with Directors who are not Business Executing Directors in addition to Outside Directors. Together with this, the Company also wishes to newly establish provisions to enable itself to exempt Corporate Officers from liability to the extent permitted by laws and regulations, by resolution of the Board of Directors. The aim of these amendments is to set up an environment where Directors and Corporate Officers can sufficiently perform their roles and to secure useful human resources. The Company has obtained the consent of the Auditors for the proposed amendment of Article 23 and for the proposed new establishment of Article 29, as shown in “Proposed Amendment” below.
- (3) The Company proposes to newly establish provisions to enable itself to distribute dividends by resolution of the Board of Directors to implement flexible capital and dividend policies. These newly established provisions will not eliminate the authority of the General Meeting of Shareholders to determine distributions of dividends.
- (4) In addition to the above amendments, the Company will revise the article numbers of the provisions in the current Articles of Incorporation and make other amendments where necessary.

These amendments to the Articles of Incorporation will take effect upon conclusion of this General Meeting of Shareholders.

Reference: Post-transition Corporate Governance Structure



2. Details of the Amendments

The current Articles of Incorporation and the proposed amendments are as below.

(The underlining indicates changes)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter 1: General Provisions</p> <p>Article 1 ~ Article 3 [Omitted]</p> <p>(Bodies)</p> <p>Article 4 In addition to general meetings of shareholders and Directors, the Company shall have a Board of Directors, <u>Auditor(s), a Board of Auditors, and Accounting Auditor(s).</u></p> <p>Article 5 [Omitted]</p>	<p style="text-align: center;">Chapter 1: General Provisions</p> <p>Article 1 ~Article 3 [Same as present]</p> <p>(Bodies)</p> <p>Article 4 In addition to general meetings of shareholders and Directors, the Company shall have a Board of Directors, <u>Nominating Committee, Audit Committee, Compensation Committee, Corporate Officer(s) and Accounting Auditor(s).</u></p> <p>Article 5 [Same as present]</p>
<p style="text-align: center;">Chapter 2: Shares</p> <p>Article 6 [Omitted]</p> <p>(Acquisition of Own Shares)</p> <p><u>Article 7 Pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, by resolution of the Board of Directors, the Company may acquire own shares by market transactions.</u></p> <p>Article <u>8</u> ~ Article <u>9</u> [Omitted]</p> <p>(Share Handling Regulations)</p> <p>Article <u>10</u> Procedures for exercising shareholder rights and other handling of shares of the Company shall be governed by laws and regulations or these Articles of Incorporation, as well as by the Share Handling Regulations set forth <u>by the Board of Directors.</u></p> <p>Article <u>11</u> [Omitted]</p>	<p style="text-align: center;">Chapter 2: Shares</p> <p>Article 6 [Same as present]</p> <p style="text-align: center;">[Deleted]</p> <p>Article <u>7</u> ~ Article <u>8</u> [The number of the articles will be moved up, but the text will be the same as present]</p> <p>(Share Handling Regulations)</p> <p>Article <u>9</u> Procedures for exercising shareholder rights and other handling of shares of the Company shall be governed by laws and regulations or these Articles of Incorporation, as well as by the Share Handling Regulations set forth <u>by the Company.</u></p> <p>Article <u>10</u> [The number of the article will be moved up, but the text will be the same as present]</p>

Current Articles of Incorporation	Proposed Amendment
Chapter 3: General Meetings of Shareholders	Chapter 3: General Meetings of Shareholders
Article <u>12</u> ~ Article <u>13</u> [Omitted]	Article <u>11</u> ~ Article <u>12</u> [The number of the articles will be moved up, but the text will be the same as present]
(Convenor and Chairperson)	(Convenor and Chairperson)
Article <u>14</u> General meetings of shareholders shall be convened <u>and chaired</u> by a Director previously determined at a meeting of the Board of Directors.	Article <u>13</u> General meetings of shareholders shall be convened by a Director previously determined at a meeting of the Board of Directors. <u>If the said Director is unable to so act, one of the other directors, in the order previously determined at a meeting of the Board of Directors, shall act in his/her place.</u>
(2) If the Director <u>set forth in the preceding paragraph</u> is unable to so act, one of the other directors, in the order previously determined at a meeting of the Board of Directors, shall act in his/her place.	(2) <u>A Director or Corporate Officer previously determined at a meeting of the Board of Directors shall act as the chairperson of general meetings of shareholders.</u> If the <u>said Director or Corporate Officer</u> is unable to so act, one of the other directors <u>or corporate officers</u> , in the order previously determined at a meeting of the Board of Directors, shall act in his/her place.
(Method of Resolution)	(Method of Resolution)
Article <u>15</u> Unless otherwise provided for by laws and regulations or by these Articles of Incorporation, resolutions of general meetings of shareholders shall be passed by a majority vote by the shareholders present at the meeting.	Article <u>14</u> Unless otherwise provided for by laws and regulations or by these Articles of Incorporation, resolutions of general meetings of shareholders shall be passed by a majority vote by the shareholders <u>entitled to exercise voting rights</u> present at the meeting.
(2) [Omitted]	(2) [Same as present]
Article <u>16</u> ~ Article <u>17</u> [Omitted]	Article <u>15</u> ~ Article <u>16</u> [The number of the articles will be moved up, but the text will be the same as present]
Chapter 4: Directors, Board of Directors, <u>and Executive Officers</u>	Chapter 4: Directors <u>and</u> Board of Directors
Article <u>18</u> ~ Article <u>20</u> [Omitted]	Article <u>17</u> ~ Article <u>19</u> [The number of the articles will be moved up, but the text will be the same as present]
(Representative Directors)	[Deleted]
Article <u>21</u> <u>Representative Directors shall be appointed by resolution of the Board of Directors.</u>	
(Notice of Convocation of Meetings of the Board of Directors)	(Notice of Convocation of Meetings of the Board of Directors)
Article <u>22</u> Notice of convocation of a meeting of the Board of Directors shall be given to each Director <u>and each Auditor</u> at least three days prior to the meeting date. However, this period may be shortened in cases of emergency.	Article <u>20</u> Notice of convocation of a meeting of the Board of Directors shall be given to each Director at least three days prior to the meeting date. However, this period may be shortened in cases of emergency.
Article <u>23</u> ~ Article <u>24</u> [Omitted]	Article <u>21</u> ~ Article <u>22</u> [The number of the articles will be moved up, but the text will be the same as present]

Current Articles of Incorporation	Proposed Amendment
<p>(Contract for Limitation of Liability with <u>Outside</u> Directors) Article <u>25</u> Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>Outside</u> Directors that limit liability for damages due to failure to discharge duties. However, the maximum liability amount under these contracts shall be an amount prescribed by laws and regulations.</p>	<p>(Contract for Limitation of Liability with Directors) Article <u>23</u> Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with Directors (<u>excluding those who are Business Executing Directors</u>) that limit liability for damages due to failure to discharge duties. However, the maximum liability amount under these contracts shall be an amount prescribed by laws and regulations.</p>
<p>[New]</p>	<p><u>Chapter 5: Nominating Committee, Audit Committee and Compensation Committee</u></p>
<p>[New]</p>	<p>(Appointment of Committee Members) Article 24 The members of the <u>Nominating Committee, Audit Committee and Compensation Committee shall be appointed from among the Directors by resolution of the Board of Directors.</u></p>
<p>[New]</p>	<p>(Committee Rules) Article 25 <u>Matters relating to the Nominating Committee, Audit Committee and Compensation Committee shall be governed by the provisions of laws and regulations or these Articles of Incorporation, as well as by regulations set forth by the Board of Directors or each committee.</u></p>
<p>[New]</p>	<p><u>Chapter 6: Corporate Officers and Executive Officers</u></p>
<p>[New]</p>	<p>(Number of Corporate Officer(s) and Election) Article 26 <u>The Company shall have at least one Corporate Officer.</u> (2) <u>Corporate Officers shall be elected by resolution of the Board of Directors.</u></p>
<p>[New]</p>	<p>(Term of Office of Corporate Officers) Article 27 <u>The term of office of a Corporate Officer shall expire at the conclusion of the meeting of the Board of Directors first convened after the conclusion of the annual general meeting of shareholders held in respect of the final business year ending within one year after his/her election.</u></p>
<p>[New]</p>	<p>(Representative Corporate Officer and Corporate Officers with Specific Titles) Article 28 <u>A Representative Corporate Officer shall be appointed from among the Corporate Officers.</u> (2) <u>The Company may appoint Corporate Officers with Specific Titles by resolution of the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed Amendment
[New]	(Exemption from Liability of Corporate Officers)
	<u>Article 29 The Company may exempt Corporate Officers (including former Corporate Officers) from the liability set forth in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations by resolution of the Board of Directors pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act.</u>
Article <u>26</u> [Omitted]	Article <u>30</u> [The number of the article will be changed. but the text will be the same as present]
Chapter <u>5</u> : <u>Auditors, Board of Auditors, and Accounting Auditors</u>	Chapter <u>7</u> : Accounting Auditors
(Numbers)	[Deleted]
<u>Article 27 The Company shall have no more than five Auditors.</u>	
(Election)	[Deleted]
<u>Article 28 Resolutions to elect Company Auditors shall be passed by a majority vote by the shareholders present at a shareholders meeting where shareholders holding one-third or more of the voting rights of the shareholders entitled to exercise voting rights at such meeting are present.</u>	
(Term of Office)	[Deleted]
<u>Article 29 The term of office of an Auditor shall expire at the conclusion of the annual general meeting of shareholders held in respect of the final business year ending within four years after his/her election.</u>	
(2) <u>The term of an Auditor elected to fill a vacancy shall expire when the term of office of the retired auditor expires.</u>	
(Full-time Auditors and Standing Auditors)	[Deleted]
<u>Article 30 The Board of Auditors shall, by its resolution, appoint full-time Auditors.</u>	
(2) <u>The Board of Auditors may, by its resolution, appoint standing Auditors.</u>	
(Notice of Convocation of Meetings of the Board of Auditors)	[Deleted]
<u>Article 31 Notice of convocation of a meeting of the Board of Auditors shall be given to each Auditor at least three days prior to the meeting date. However, this period may be shortened in cases of emergency.</u>	

Current Articles of Incorporation	Proposed Amendment
<p><u>(Method of Resolutions of the Board of Auditors)</u> <u>Article 32 Unless otherwise provided for by laws and regulations, resolutions of the Board of Auditors shall be passed by a majority vote by the Auditors.</u></p>	<p>[Deleted]</p>
<p>(Contract for Limitation of Liability with <u>Outside Auditors and Accounting Auditors</u>) <u>Article 33 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>Outside Auditors and Accounting Auditors</u> that limit liability for damages due to failure to discharge duties. However, the maximum liability amount under these contracts shall be an amount prescribed by laws and regulations.</u></p>	<p>(Contract for Limitation of Liability with Accounting Auditors) <u>Article 31 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with Accounting Auditors that limit liability for damages due to failure to discharge duties. However, the maximum liability amount under these contracts shall be an amount prescribed by laws and regulations.</u></p>
<p style="text-align: center;">Chapter <u>6</u>: Accounting</p>	<p style="text-align: center;">Chapter <u>8</u>: Accounting</p>
<p>Article <u>34</u> [Omitted]</p>	<p>Article <u>32</u> [The number of the article will be moved up, but the text will be the same as present]</p>
<p>(Record Date for Distribution of Dividends) Article <u>35</u> [Omitted]</p> <p style="text-align: center;">[New]</p>	<p>(Record Date for Distribution of Dividends) Article <u>33</u> [The number of the article will be moved up, but the text will be the same as present] <u>(2) The record date for the Company's interim dividends shall be June 30 each year.</u></p>
<p><u>(Interim Dividends)</u> <u>Article 36 The Company may, by resolution of the Board of Directors, pay interim dividends with the record date being June 30 each year.</u></p> <p style="text-align: center;">[New]</p>	<p>[Deleted]</p>
<p style="text-align: center;">[New]</p> <p style="text-align: center;">[New]</p> <p>Article <u>37</u> [Omitted]</p>	<p><u>(Decision-making Body for Distribution of Dividends and Other Matters)</u> <u>Article 34 The Company may, by resolution of the Board of Directors, decide on distribution of dividends, acquisition of own shares, and other matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, unless otherwise provided for by laws and regulations.</u></p>
<p>Article <u>37</u> [Omitted]</p>	<p>Article <u>35</u> [The number of the article will be moved up, but the text will be the same as present]</p>
<p style="text-align: center;">[New]</p> <p style="text-align: center;">[New]</p>	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures for the Limitation of Liability of Outside Auditors)</u> <u>1. The provisions of Article 33 of these Articles of Incorporation prior to the amendment by resolution of the annual general meeting of shareholders held in respect of the business year ending on December 31, 2023 shall remain in effect for the liability of Outside Auditors (including former Outside Auditors) that accrued prior to the conclusion of that general meeting of shareholders.</u></p>

Proposal 3: Election of nine (9) Directors

If Proposal 2 “Partial amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition from being a company with a board of auditors to being a company with a nominating committee and other committees. In line with this, the terms of office of all six (6) Directors – Takehiro Kamigama, Mika Masuyama, Shinichiro Omori, Riku Sugie, Hidekuni Kuroda and Toshio Naito – and all three (3) Auditors – Yoko Toyoshi, Fukutaka Hashimoto and Katsuaki Tojo – will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, on the condition that Proposal 2 “Partial amendments to the Articles of Incorporation” is approved as originally proposed and the amendments to the Articles of Incorporation take effect, the Company proposes to elect nine (9) Directors including six (6) Outside Directors.

The candidates for Directors are as follows:

Number	Name	Current position at the Company	Attendance at Meetings of the Board of Directors
1	Takehiro Kamigama <u>Re-election</u> <u>Outside</u> <u>Independent</u>	Director Chairperson of the Board of Directors	100% (13 out of 13 times)
2	Mika Masuyama <u>Re-election</u> <u>Outside</u> <u>Independent</u>	Director	100% (13 out of 13 times)
3	Shinichiro Omori <u>Re-election</u> <u>Outside</u> <u>Independent</u>	Director	100% (13 out of 13 times)
4	Riku Sugie <u>Re-election</u> <u>Outside</u> <u>Independent</u>	Director	100% (10 out of 10 times)
5	Yoko Toyoshi <u>New</u> <u>Outside</u> <u>Independent</u>	Auditor	100% (13 out of 13 times)
6	Fukutaka Hashimoto <u>New</u> <u>Outside</u> <u>Independent</u>	Auditor	100% (13 out of 13 times)
7	Katsuaki Tojo <u>New</u>	Full-time Auditor	100% (13 out of 13 times)
8	Hidekuni Kuroda <u>Re-election</u>	Representative Director, President	100% (13 out of 13 times)
9	Toshio Naito <u>Re-election</u>	Director, Executive Officer, Managing Officer of the Corporate Planning Division	100% (13 out of 13 times)

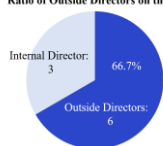
Notes: 1. The attendance at meetings of the Board of Directors for Mr. Riku Sugie is given for attendance at meetings after he took up his post on March 30, 2023.

2. The attendance at meetings of the Board of Directors for Ms. Yoko Toyoshi, Mr. Fukutaka Hashimoto and Mr. Katsuaki Tojo is given for their attendance at meetings in their capacity as incumbent Auditors.

Composition of the Board of Directors and Skills Matrix after Election

If Proposals 2 and 3 are approved as originally proposed, the composition of the Board of Directors and the main fields of knowledge and experience possessed by each Director will be as follows.

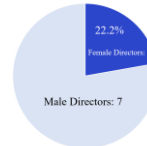
Ratio of Outside Directors on the Board



Ratio of Non-business Executing Directors on the Board



Ratio of Female Directors on the Board



No	Name	Committees in which to Assume Office			Fields of Knowledge and Experience							
		Nominating	Audit	Compensation	Corporate Management	Strategies	Global Business	Digital Transformation and IT	ESG	Risk Management	Financial Affairs and Accounting	Legal Affairs
1	Takehiro Kamigama	●			○		○	○				
2	Mika Masuyama			●		○	○		○			
3	Shinichiro Omori			● (Committee Chair)	○				○	○		
4	Riku Sugie	●		●	○		○	○				
5	Yoko Toyoshi	●	●						○	○	○	
6	Fukutaka Hashimoto	● (Committee Chair)	●						○	○		○
7	Katsuaki Tojo		● (Committee Chair)						○	○		○
8	Hidekuni Kuroda	●			○	○			○			
9	Toshio Naito					○					○	

From March 28, 2024

*The Company has shown above a maximum of three main fields of knowledge and experience possessed by each person.

*The above skills matrix does not represent all the fields of knowledge and experience possessed by each person.

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Takehiro Kamigama (January 12, 1958) Re-election Outside Independent Number of years in office (at the conclusion of this General Meeting of Shareholders): 3 Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1981 Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)</p> <p>June 2002 Corporate Officer, TDK Corporation</p> <p>June 2003 Senior Vice President, TDK Corporation</p> <p>June 2004 Director, Executive Vice President, TDK Corporation</p> <p>June 2006 Representative Director, President and CEO, TDK Corporation</p> <p>June 2016 Chairman and Representative Director, TDK Corporation</p> <p>June 2017 Outside Director, OMRON Corporation (incumbent)</p> <p>March 2018 Outside Director, Yamaha Motor Co., Ltd.</p> <p>June 2018 Outside Director, SoftBank Corp. (incumbent)</p> <p>June 2018 Mission Executive, TDK Corporation</p> <p>March 2021 Outside Director, the Company (incumbent)</p> <p>July 2021 Chief Consultant, Contemporary Amperex Technology Japan KK (incumbent)</p> <p>Significant concurrent positions: Outside Director, OMRON Corporation Outside Director, SoftBank Corp. Chief Consultant, Contemporary Amperex Technology Japan KK</p>	-

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Mika Masuyama (January 6, 1963) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 5</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13times)</p>	<p>April 1985 Joined the Bank of Japan</p> <p>September 1991 International Marketing Director, Cap Gemini Sogeti</p> <p>November 1992 Senior Consultant, Gemini Consulting Japan</p> <p>June 1997 Joined Egon Zehnder</p> <p>January 2004 Partner, Egon Zehnder</p> <p>October 2016 President and Representative Partner, Masuyama & Company LLC. (incumbent)</p> <p>March 2017 Outside Director (Audit and Supervisory Committee Member), Suntory Beverage & Food Limited (incumbent)</p> <p>March 2019 Outside Director, the Company (incumbent)</p> <p>June 2019 Outside Director, Konoike Transport Co., Ltd. (incumbent)</p> <p>Significant concurrent positions: President and Representative Partner, Masuyama & Company LLC. Outside Director (Audit and Supervisory Committee Member), Suntory Beverage & Food Limited Outside Director, Konoike Transport Co., Ltd.</p>	—
3	<p>Shinichiro Omori (February 6, 1956) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 2</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1978 Joined Hitachi, Ltd.</p> <p>April 2016 Senior Vice President and Executive Officer, CIO and CTrO, Hitachi Ltd.</p> <p>June 2017 Director, Hitachi Chemical Company, Ltd. (currently Resonac Corporation)</p> <p>June 2017 Outside Director, Hitachi Capital Corporation (currently Mitsubishi HC Capital Inc.)</p> <p>June 2019 Chairperson of the Board, Hitachi Metals, Ltd. (currently Proterial, Ltd.)</p> <p>April 2020 Board Director, Chairperson, Hitachi Metals, Ltd.</p> <p>July 2020 Chairman of the Board, Hitachi High-Tech Corporation</p> <p>March 2022 Outside Director, the Company (incumbent)</p> <p>June 2022 Outside Director, MACNICA FUJI ELECTRONICS HOLDINGS, INC. (currently MACNICA HOLDINGS, INC.) (incumbent)</p> <p>June 2023 Outside Director, Kansai Paint Co., Ltd. (incumbent)</p> <p>Significant concurrent positions: Outside Director, MACNICA HOLDINGS, INC. Outside Director, Kansai Paint Co., Ltd.</p>	—

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p>Riku Sugie (July 13, 1971) Re-election Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 1</p> <p>Attendance at meetings of the Board of Directors: 100% (10 out of 10 times)</p>	<p>April 1994 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>October 2000 Joined ACCENTURE JAPAN LTD</p> <p>December 2006 Joined GE Consumer Finance K.K. (currently Shinsei Financial Co., Ltd.)</p> <p>June 2012 President and CEO, Shinsei Financial Co., Ltd.</p> <p>April 2016 Executive Officer, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>June 2016 Director, APLUS Co., Ltd.</p> <p>April 2017 Managing Executive Officer, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>November 2017 President & CEO, Paidy Inc. (incumbent)</p> <p>November 2021 VP of Japan Business, PayPal Pte. Ltd. (incumbent)</p> <p>March 2023 Outside Director, the Company (incumbent)</p> <p>Significant concurrent positions: President & CEO, Paidy Inc. VP of Japan Business, PayPal Pte. Ltd.</p>	—
5	<p>Yoko Toyoshi (May 20, 1958) New Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 4</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1981 Joined the Bank of Fukuoka, Ltd.</p> <p>October 1989 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>December 1990 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)</p> <p>July 2008 Partner, Deloitte Touche Tohmatsu</p> <p>July 2013 Certified Public Accountant Audit Inspector, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency</p> <p>July 2016 Joined Deloitte Touche Tohmatsu LLC</p> <p>June 2018 Outside Director (Audit and Supervisory Committee Member), Alps Electric Co., Ltd. (currently ALPS ALPINE CO., LTD.) (incumbent)</p> <p>March 2020 Outside Auditor, the Company (incumbent)</p> <p>March 2021 Outside Director (Audit and Supervisory Committee Member), Mabuchi Motor Co., Ltd. (incumbent)</p> <p>Significant concurrent positions: Representative, CPA YOKO TOYOSHI OFFICE Outside Director (Audit and Supervisory Committee Member), ALPS ALPINE CO., LTD. Outside Director (Audit and Supervisory Committee Member), Mabuchi Motor Co., Ltd.</p>	—

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p>Fukutaka Hashimoto (July 6, 1954) New Outside Independent</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 3</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1979 Admitted as an attorney in Japan. Joined Shinya Takeru Law Office (currently Tokyo Hatchobori Law Office)</p> <p>April 2000 Vice President, Daini Tokyo Bar Association</p> <p>April 2006 Executive Governor, Japan Federation of Bar Associations</p> <p>January 2008 Representative Partner Attorney and Director, Tokyo Hatchobori Law Office (incumbent)</p> <p>April 2012 President, Daini Tokyo Bar Association and Vice-President, Japan Federation of Bar Associations</p> <p>March 2014 Outside Audit & Supervisory Board Member, Kirin Holdings Company, Limited</p> <p>June 2015 Outside Audit & Supervisory Board Member, Sompo Japan Nipponkoa Insurance Co., Ltd. (currently Sompo Japan Insurance Inc.)</p> <p>June 2020 Outside Director, Isetan Mitsukoshi Holdings Ltd. (incumbent)</p> <p>March 2021 Outside Auditor, the Company (incumbent)</p> <p>Significant concurrent positions: Representative Partner Attorney and Director, Tokyo Hatchobori Law Office Outside Director, Isetan Mitsukoshi Holdings Ltd.</p>	-
7	<p>Katsuaki Tojo (March 8, 1976) New</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 3</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 2000 Joined RICOH LEASING COMPANY, LTD.</p> <p>August 2006 Joined the Company</p> <p>April 2015 General Manager of the Board of Directors Office, the Company</p> <p>January 2019 Executive Officer and General Manager of the Domain Strategy Office, the Company</p> <p>January 2021 Executive Officer and General Manager of the Board of Directors Office, the Company</p> <p>March 2021 Auditor (Full-time), the Company (incumbent)</p>	4,559 shares

No.	Name (Date of birth)	Career summary, position and responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
8	<p>Hidekuni Kuroda (January 10, 1976) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 10</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 2001 Joined the Company</p> <p>July 2005 Director and Executive Officer, KOKUYO Office System Co., Ltd.</p> <p>June 2007 Director and Managing Executive Officer, KOKUYO Office System Co., Ltd.</p> <p>March 2009 Director, the Company</p> <p>March 2009 Representative Director and President, KOKUYO Furniture Co., Ltd.</p> <p>March 2011 Managing Executive Officer, the Company</p> <p>March 2014 Director and Senior Managing Executive Officer, the Company</p> <p>March 2015 Representative Director and President and CEO, the Company</p> <p>January 2019 Representative Director and President, the Company (incumbent)</p>	106,298 shares
9	<p>Toshio Naito (November 28, 1961) Re-election</p> <p>Number of years in office (at the conclusion of this General Meeting of Shareholders): 3</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1985 Joined the Company</p> <p>August 2011 Manager of the Planning Department, Corporate Management Division, KOKUYO Furniture Co., Ltd.</p> <p>January 2014 Deputy General Manager of the Corporate Management Division, KOKUYO Furniture Co., Ltd.</p> <p>October 2016 General Manager of the Business Administration Department, Furniture Business Division, the Company</p> <p>April 2017 General Manager of the Business Administration & Strategy Department, Furniture Business Division, the Company</p> <p>January 2018 General Manager of the Corporate Development Office, the Company</p> <p>January 2019 Executive Officer and General Manager of the Corporate Development Office, the Company</p> <p>January 2021 Executive Officer and Managing Officer of the Corporate Planning Division, the Company</p> <p>March 2021 Director, Executive Officer and Managing Officer of the Corporate Planning Division, the Company (incumbent)</p>	18,400 shares

(Notes)

1. There are no special conflicts of interest between the candidates and the Company.
2. Candidates Ms. Yoko Toyoshi, Mr. Fukutaka Hashimoto and Mr. Katsuaki Tojo, are new candidates for Directors. They are currently the Company's Auditors.
3. Number of years in office for candidates Ms. Yoko Toyoshi, Mr. Fukutaka Hashimoto and Mr. Katsuaki Tojo is the number of years they have served as Auditors of the Company.
4. Candidates Mr. Katsuaki Tojo, Mr. Hidekuni Kuroda, and Mr. Toshio Naito have abundant business experience as listed in the section "Career summary, position and responsibilities and significant concurrent positions outside the Company."

The Company has nominated these candidates for Directors, as it has determined through a comprehensive review of their knowledge, expertise and ability to make objective managerial decisions that they would be able to properly carry out the duties of Directors.

5. Candidates Mr. Takehiro Kamigama, Ms. Mika Masuyama, Mr. Shinichiro Omori, Mr. Riku Sugie, Ms. Yoko Toyoshi, and Mr. Fukutaka Hashimoto are the candidates for Outside Directors.
6. Special notes on the candidates for Outside Directors are as follows:

- (1) Reasons for nominating the candidates for Outside Directors and overview of expected roles

Mr. Takehiro Kamigama is expected to continue to contribute further to the Company's management in regard to its efforts to strengthen its governance structure and to ensure management transparency from an objective and neutral perspective which he would adopt in the Company's management and its Board of Directors based on the wealth of knowledge and experience cultivated through his career as Representative Director and Executive Officer of business companies and a wide range of insights in the technology field.

Ms. Mika Masuyama is expected to continue to contribute further to the Company's management with her abundant consulting experience and knowledge and with her extensive management and economics expertise, which she cultivated during her career in areas such as corporate governance, human resources and organizations, and M&A.

Mr. Shinichiro Omori is expected to continue to contribute further to the Company's management in regard to its efforts to strengthen its governance structure and to ensure management transparency from an objective and neutral perspective which he would adopt in the Company's management and its Board of Directors with his wealth of knowledge cultivated through his career as Executive Officer of business companies and his experience and a wide range of insights as a Board Director, Chairperson.

Mr. Riku Sugie is expected to continue to contribute to the Company's management in regard to its efforts to strengthen its governance structure and to ensure management transparency from an objective and neutral perspective which he would adopt in the Company's management and its Board of Directors with his wealth of knowledge and experience cultivated through his career as Representative Director and Executive Officer of business companies and a wide range of insights in business operations in areas such as digital transformation and M&A.

Ms. Yoko Toyoshi has specialized knowledge as a certified public accountant. In addition, she has insight based on a wealth of experience cultivated through her accounting auditing experience at accounting firm and experience as an outside officer at business corporations. Since March 2020, she has contributed greatly to the establishment and operation of a high-quality corporate governance structure which will enable the Company to achieve healthy and sustainable growth as an Outside Auditor of the Company. Accordingly, the Company expects her to continue contributing to the Company's management in the future.

Mr. Fukutaka Hashimoto has specialized knowledge as an attorney. In addition, he has insight based on a wealth of experience cultivated through his career as an audit & supervisory board member of manufacturing companies and a member of the Legislative Council. Since March 2021, he has contributed greatly to the establishment and operation of a high-quality corporate governance structure which will enable the Company to achieve healthy and sustainable growth as an Outside Auditor of the Company. Accordingly, the Company expects him to continue contributing to the Company's management in the future.

- (2) Facts concerning inappropriate business execution by candidates for Outside Directors in the past five years during their tenure as Director, Executive Officer or Auditor at other stock companies Hitachi Metals, Ltd. (currently Proterial, Ltd.), where Mr. Shinichiro Omori served as Board Director, Chairperson until June 2020, announced its finding that inspection reports submitted to customers contained inappropriate descriptions of numerical values for some of its products and the products of its subsidiaries in April 2020. Mr. Shinichiro Omori was not aware of the occurrence of the said facts until they came to light. However, he had made appropriate recommendations concerning the importance of legal compliance and

its thorough implementation on a regular basis. In addition, he made recommendations concerning the investigation of the facts, the investigation of the causes of the incident, and the measures to prevent its recurrence after these facts came to light.

Sompo Japan Insurance Inc., where Mr. Fukutaka Hashimoto served as Outside Audit & Supervisory Board Member until June 2023, received an administrative penalty (business improvement order) in relation to the adjustment of insurance premiums for insurance contracts from the Financial Services Agency on December 26, 2023. Mr. Fukutaka Hashimoto was not aware of the occurrence of the said facts until they came to light. However, he had made recommendations about the importance of legal compliance and the complete implementation of it on a regular basis. In addition, Sompo Japan Insurance Inc. received an administrative penalty (business improvement order) in relation to the fraudulent automobile insurance claims by BIGMOTOR (referring to the three companies of BIGMOTOR Co., Ltd., BM Holdings Co., Ltd. and BM Hanaten Co., Ltd.) from the Financial Services Agency on January 25, 2024. Mr. Fukutaka Hashimoto was not aware of the occurrence of the said facts until they came to light. However, he had made recommendations about the importance, including for dealers, of legal compliance and the complete implementation of it on a regular basis. After becoming aware of the said facts, he made recommendations concerning the investigation of the facts, the investigation of the causes of the incident and the measures to prevent its recurrence.

(3) Time served as Outside Directors

At the conclusion of this General Meeting of Shareholders, Mr. Takehiro Kamigama will have served 3 years as an Outside Director of the Company.

At the conclusion of this General Meeting of Shareholders, Ms. Mika Masuyama will have served 5 years as an Outside Director of the Company.

At the conclusion of this General Meeting of Shareholders, Mr. Shinichiro Omori will have served 2 years as an Outside Director of the Company.

At the conclusion of this General Meeting of Shareholders, Mr. Riku Sugie will have served 1 year as an Outside Director of the Company.

(4) Time served as Outside Auditors

At the conclusion of this General Meeting of Shareholders, Ms. Yoko Toyoshi will have served 4 years as an Outside Auditor of the Company.

At the conclusion of this General Meeting of Shareholders, Mr. Fukutaka Hashimoto will have served 3 years as an Outside Auditor of the Company.

(5) Reasons why the Company has determined that the Outside Director candidates will be able to appropriately execute their duties as Outside Directors even if they have never been involved in company management in the past:

Ms. Yoko Toyoshi has no experience of being directly involved in company management other than as an outside officer in the past. However, the Company has determined that she will be able to appropriately execute her duties as an Outside Director for the reasons stated in (1) above.

Mr. Fukutaka Hashimoto has no experience of being directly involved in company management other than as an outside officer in the past. However, the Company has determined that he will be able to appropriately execute his duties as an Outside Director for the reasons stated in (1) above.

7. The Company registered Mr. Takehiro Kamigama, Ms. Mika Masuyama, Mr. Shinichiro Omori, Mr. Riku Sugie, Ms. Yoko Toyoshi, and Mr. Fukutaka Hashimoto as its independent officers with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.

If each candidate is elected Outside Director of the Company, the Company plans to register him/her as its independent officer with the notification required by the regulations of the Tokyo Stock Exchange, Inc., on which the Company's stock is listed.

8. Pursuant to the Articles of Incorporation, the Company has concluded contracts with Mr. Takehiro Kamigama, Ms. Mika Masuyama, Mr. Shinichiro Omori, Mr. Riku Sugie, Ms. Yoko Toyoshi and Mr. Fukutaka Hashimoto to limit their liability for damages as provided in Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act. The monetary limits on liability for damages under said contracts are the amounts stipulated by laws and regulations.

If the re-election of Mr. Takehiro Kamigama, Ms. Mika Masuyama, Mr. Shinichiro Omori, and Mr. Riku Sugie is approved, the Company plans to continue the contract with each of them. If Ms. Yoko Toyoshi, Mr. Fukutaka Hashimoto and Mr. Katsuaki Tojo are elected as Directors of the Company, the Company plans to enter into a contract of a similar nature with each of them.

9. The Company has entered into an officers' and directors' liability insurance agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers the damages and litigation costs to be borne by the insured parties. The Company plans to make the candidates for Directors insured parties under that insurance agreement if they are elected Directors of the Company.

10. If this proposal is approved, the Company plans to have the Nominating Committee, Audit Committee and Compensation Committee be comprised of the following members.

Nominating Committee	Mr. Fukutaka Hashimoto (Committee Chair), Mr. Takehiro Kamigama, Mr. Riku Sugie, Ms. Yoko Toyoshi, Mr. Hidekuni Kuroda
Audit Committee	Mr. Katsuaki Tojo (Committee Chair), Ms. Yoko Toyoshi, Mr. Fukutaka Hashimoto
Compensation Committee	Mr. Shinichiro Omori (Committee Chair), Ms. Mika Masuyama, Mr. Riku Sugie

(Reference 1)

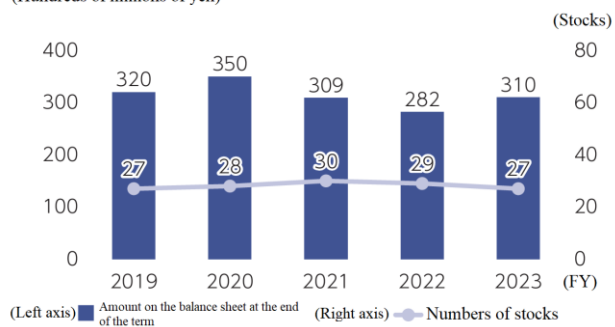
Cross-shareholding Situation

In order to sustainably improve its corporate value, the Company strategically holds shares in companies it determines will contribute to the Company's business development by maintaining and strengthening stable business relationships. Nevertheless, in principle, the Company's basic policy is to not have cross-shareholdings and to premeditatedly reduce them except when it is deemed rational to have them.

For individual cross-shareholdings, the Board of Directors verifies the appropriateness of the purpose of the holding, the status of business, and the economic rationality evaluated by taking note of the capital cost in terms of the actual return. The Company proceeds with selling cross-shareholdings, the holding of which it has not deemed rational as a result of the verification, upon obtaining a full understanding of the company in which it holds shares.

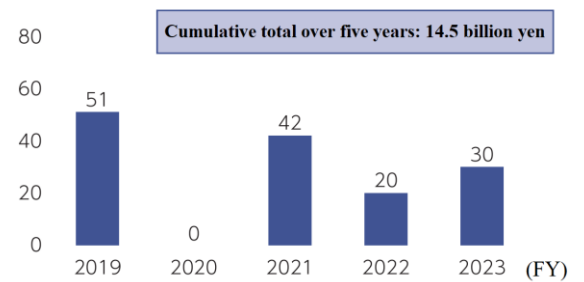
Changes in Cross-holdings of Listed Shares

(Hundreds of millions of yen)



Amounts of Sales

(Hundreds of millions of yen)



(Reference 2)

The independence requirements for the Outside Officers of the Company are as follows.

Independence Requirements for Outside Officers

1. The independence requirements for Outside Directors or Outside Auditors (hereinafter collectively referred to as “Outside Officers”) shall be defined as follows.
 - (1) He/she shall not have been a business executor (refers to a business executing director, executive officer or employee; hereinafter the same) or full-time auditor of the KOKUYO Group within the past 10 years
 - (2) His/her family (spouse, children, and blood relatives and relatives by marriage within the second degree) shall not have been a business executor or full-time auditor of the KOKUYO Group within the past 3 years
 - (3) He/she shall not be a major shareholder of the KOKUYO Group (a person who holds shares with 10% or more of the total voting rights) or a business executor or full-time auditor of such a shareholder
 - (4) He/she shall not be a business executor or full-time auditor of a major business partner of the KOKUYO Group (a company for which the amount paid or received in dealings with the KOKUYO Group accounts for 2% or more of the consolidated sales of the KOKUYO Group or the business partner’s group)
 - (5) He/she shall not have been a representative partner or non-representative partner of an accounting auditor of the KOKUYO Group within the past 3 years
 - (6) He/she shall not have been a partner of a law firm, legal professional corporation, accounting firm, audit firm or other company providing consulting services that receives compensation over 25 million yen per year for professional advice and services and he/she shall not have received compensation over 25 million yen per year for professional advice and services performed by himself/herself personally in addition to his/her executive compensation from the KOKUYO Group over the past 3 years
 - (7) There shall be no mutual dispatch of directors, corporate officers or executive officers between the place where he/she holds a concurrent post and the KOKUYO Group
 - (8) He/she shall not receive a donation/contribution, financing or loan guarantee of 10 million yen or more per year from the KOKUYO Group
 - (9) He/she shall have no other significant interests with the KOKUYO Group
2. Outside Officers must strive to continue to ensure the independence requirements defined in Paragraph 1 until retirement.

End