

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

Securities identification code: 8425

June 7, 2023

To our shareholders:

Akira Nakamura  
President and CEO

## **Mizuho Leasing Company, Limited**

2-6 Toranomom 1-chome, Minato-ku, Tokyo

### **NOTICE OF THE 54TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 54th Ordinary General Meeting of Shareholders of Mizuho Leasing Company, Limited (the “Company”), which will be held as described below.

**We respectfully request that you make a prudent decision as to whether or not you will physically attend this meeting, taking into consideration the prevalence of novel coronavirus infections and your own health condition.**

Shareholders who will not attend the General Meeting of Shareholders are requested to review the Reference Documents for the General Meeting of Shareholders before exercising their voting rights.

Incidentally, a video recording of a part of the proceedings at the Ordinary General Meeting of Shareholders is scheduled to be published on the Company’s website (<https://www.mizuho-ls.co.jp/>).

#### **Exercise of Voting Rights**

##### **[Exercising voting rights via the Internet]**

Please indicate your approval or disapproval of the proposals via a smartphone or on the designated website (<https://soukai.mizuho-tb.co.jp/>) no later than 5:20 p.m. on Monday, June 26, 2023 (Japan Standard Time).

##### **[Exercising voting rights in writing (by postal mail)]**

Please indicate your approval or disapproval of the proposals on the voting form, and return it by postal mail to reach us no later than 5:20 p.m. on Monday, June 26, 2023 (Japan Standard Time).

Please see pages 4 and 5 of the Notice of the General Meeting of Shareholders for details.

To our institutional investors:

- Institutional investors can exercise their voting rights through the Electronic Voting Platform that is operated by ICJ, Inc.

1. **Date and time:** 10:00 a.m. on Tuesday, June 27, 2023 (Japan Standard Time)  
(Reception desk will open at 9:00 a.m. (Japan Standard Time))
2. **Venue:** IINO HALL (4F IINO Building)  
2-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo

3. **Purposes:**

**Items to be reported:**

Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit Committee for the 54th Term (from April 1, 2022 to March 31, 2023).

**Items to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Twelve (12) Directors
- Proposal 3:** Election of One (1) Auditor
- Proposal 4:** Partial Amendment of Share-based Remuneration System for Directors

4. **Matters Subject to Measures for Providing Information in Electronic Format**

The Company adopts measures for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision) in electronic format in accordance with laws and regulations and Paragraph 1, Article 15 of the Company's Articles of Incorporation. Matters subject to measures for electronic provision are as follows:

URLs of media which adopts measures for electronic provision:

[The Company's website]

[https://www.mizuho-ls.co.jp/ja/ir/stock\\_rating/meeting.html](https://www.mizuho-ls.co.jp/ja/ir/stock_rating/meeting.html) (in Japanese only)

[Website for informational materials for the general meeting of shareholders]

<https://d.sokai.jp/8425/teiji/> (in Japanese Only)

[Tokyo Stock Exchange website (Listed Company Search)]

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

(Access the abovementioned TSE website, enter "Mizuho Lease" in the "Issue name (company name)" field or "8425", the Company's securities identification code, in the "Code" field to search, select "Basic information" and then "Documents for public inspection/PR information", and check from the "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" field in the "Filed information available for public inspection" section.)

**Notes on Exercising Voting Rights**

- If you exercise your voting rights both via the Internet and on the voting form, voting rights exercised via the Internet shall be treated as valid.
- If you exercise your voting rights via the Internet more than once, we will deem the voting right exercised last to be effective.
- If no indication of approval or disapproval of a proposal is made on the voting form, it will be deemed to be an indication of approval for that proposal.
- Please submit the voting form at the reception on your arrival on the day of the Ordinary General Meeting of Shareholders.

- If you wish, another shareholder holding voting rights of the Company may attend the meeting and exercise voting rights on your behalf. Please note, however, it is necessary to submit the written proof of the right of proxy.
  
- ◎ Among matters subject to measures for electronic provision, the following matters are not described in the documents to be issued to shareholders who have made requests for delivery of documents in accordance with laws and regulations and Paragraph 2, Article 15 of the Company's Articles of Incorporation:
  - 1) "System to ensure the appropriateness of our business" of the Business Report
  - 2) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
  - 3) "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" of the Non-Consolidated Financial Statements

Incidentally, the document listed in abovementioned 1) is included in the Business Report audited by the Auditors in preparing an audit report. The documents listed in abovementioned 2) and 3) are included in the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor in preparing an accounting audit report and audited by the Auditors in preparing an audit report.

- ◎ As informational materials for this Ordinary General Meeting of Shareholders, documents containing matters subject to measures for electronic provision excluding information set forth in the abovementioned 1) to 3) will be uniformly delivered to shareholders irrespective of whether they made requests for delivery of documents.
- ◎ In the case of any revision to matters subject to measures for electronic provision, we will post information regarding the revision and the contents both before and after the revision on each website listed above.
- ◎ Any changes to the operation of this Ordinary General Meeting of Shareholders will be posted on the Company's website.

The Company's website: <https://www.mizuho-ls.co.jp/>

## **Guide to Exercising Voting Rights**

Please review the Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

A video recording of a part of the proceedings at the Ordinary General Meeting of Shareholders is scheduled to be published on the Company's website (<https://www.mizuho-ls.co.jp/>).

### **If you are attending the General Meeting of Shareholders**

Exercising voting rights by attending the General Meeting of Shareholders

Please submit the voting form at the reception on your arrival.

Date and time: 10:00 a.m. on Tuesday, June 27, 2023 (Japan Standard Time)  
(Reception desk will open at 9:00 a.m. (Japan Standard Time))

### **If you are not attending the General Meeting of Shareholders and if you exercise your voting rights in advance**

Exercising voting rights in writing (by postal mail)

Please indicate your approval or disapproval of each of the proposals on the voting form and return it by postal mail.

Deadline: Voting forms that arrive by the deadline of 5:20 p.m. on Monday, June 26, 2023 (Japan Standard Time) will be deemed valid.

Exercising voting rights via the Internet

Follow the instructions on the next page and indicate your approval or disapproval of each of the proposals.

Deadline: The deadline for exercising your voting rights via the Internet is 5:20 p.m. on Monday, June 26, 2023 (Japan Standard Time).

## Instructions for Exercising Voting Rights via the Internet

The deadline for exercising your voting rights via the Internet is 5:20 p.m. on Monday, June 26, 2023 (Japan Standard Time).

### Scanning the QR code “Smart Voting”

You can log in to the website for exercising voting rights without entering the voting rights exercise code and password.

(1) Please scan the QR code printed on the bottom right of the voting form.

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

(2) Please follow the instructions on the screen and enter approval or disapproval.

Note that your voting rights can be exercised only once by using the “Smart Voting” method. If you wish to change your vote after exercising your voting rights, please access the website for PC and log in by entering the “Voting rights exercise code” and “Password” printed on the voting form, to exercise your voting rights again.  
\* You can access the website for PC by scanning the QR code again.

### Entering the voting rights exercise code (ID) and password

Website for exercising voting rights: <https://soukai.mizuho-tb.co.jp/>

(1) Please access the website for exercising voting rights.

(2) Please enter the “Voting rights exercise code” printed on the voting form.

Enter the “Voting rights exercise code”  
Click “Next”

(3) Please enter the “Password” printed on the voting form.

Enter the “Password”  
Set the new password that you will actually use  
Click “Register”

(4) Please follow the instructions on the screen and enter approval or disapproval.

### Matters for which we ask your understanding

- If you exercise your voting rights both via the Internet and on the voting form, voting rights exercised via the Internet shall be treated as valid.
- If you exercise your voting rights via the Internet more than once, we will deem the voting right exercised last to be effective.

For inquiries about how to use your smartphone or PC, etc. in the exercise of your voting rights via the Internet, please call:

Securities Business Division, Mizuho Trust & Banking Co., Ltd.  
0120-768-524 (Toll free/9:00 a.m.-9:00 p.m. (Japan Standard Time), excluding the New Year holidays)

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

The Company's basic policy on the appropriation of surplus is to pay dividends commensurate with business performance, while striving for improvement in profitability. At the same time, the Company takes pains to strike a balance between returning profits to shareholders and ensuring adequate shareholders equity, believing that a healthy shareholders equity is an essential requirement for improving corporate value.

The Company intends to utilize its internal reserve effectively as a resource for future growth. In this way, the Company strives to expand its business base further and thus improve return on equity ratio over medium and long term.

Guided by the above policy, the Company proposes the year-end dividends for the 54th term as follows:

1. Type of dividend property

Cash

2. Allocation of dividend property and total amount thereof

¥82 per share of common stock of the Company

Total amount of dividends: ¥4,018,254,282

Since the Company paid an interim dividend of ¥65 per share, the annual dividend will come to ¥147 per share, an increase of ¥37 compared to the previous fiscal year.

3. Effective date of distribution of dividends of surplus

June 28, 2023


## Proposal 2: Election of Twelve (12) Directors

The terms of office of all twelve (12) Directors (including six (6) outside Directors) will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of twelve (12) Directors (including six (6) outside Directors).

The candidates for Director are as follows:

No.	Name		Current position and responsibility in the Company
1	Shusaku Tsuhara	[Male] <input type="checkbox"/> Reelection	Director and Chairman Chairman of the Board
2	Akira Nakamura	[Male] <input type="checkbox"/> Reelection	President and CEO CEO Audit Department, Innovation Co-Creation Department, Secretariat Division
3	Hiroshi Nagamine	[Male] <input type="checkbox"/> Reelection	Deputy President CFO and CSO Chief of Strategic Planning Group and Chief of Financial Control & Accounting Group Chief of Global Business Headquarters Chief Sustainability Officer
4	Takanori Nishiyama	[Male] <input type="checkbox"/> Reelection	Senior Managing Director Chief of Business Promotion Headquarters Chief of Circular Society Platform Headquarters
5	Noboru Otaka	[Male] <input type="checkbox"/> New election	Managing Executive Officer CIO Chief of IT Systems & Operations Group
6	Toshiyuki Takezawa	[Male] <input type="checkbox"/> New election	Managing Executive Officer Chief of Human Resources & General Affairs Group
7	Naofumi Negishi	[Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Director
8	Hirofumi Hagihira	[Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Director
9	Mari Sagiya	[Female] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Director
10	Hajime Kawamura	[Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside	Outside Director
11	Takayuki Aonuma	[Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Director
12	Hirozumi Sone	[Male] <input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	

No. <b>1</b>	<b>Shusaku Tsuhara</b>  (January 6, 1960)
<b>Reelection</b>	Number of the Company's shares owned: 2,900 Tenure as Director: 4 years Attendance at Board of Directors meetings: 16/16 (100%)
	<p><b><u>Career summary, and position and responsibility in the Company</u></b></p> <p>April 2010 Mizuho Financial Group, Inc. Executive Officer, General Manager and Executive Secretariat</p> <p>April 2012 Managing Executive Officer of Mizuho Bank, Ltd.</p> <p>April 2015 Mizuho Financial Group, Inc. Senior Managing Executive Officer of Mizuho Financial Group, Inc.</p> <p>June 2015 Member of the Board of Directors, Senior Managing Executive Officer of Mizuho Financial Group, Inc.</p> <p>April 2017 Deputy President, Deputy President &amp; Executive Officer of Mizuho Bank, Ltd.</p> <p>April 2019 Deputy President Executive Officer of the Company</p> <p>June 2019 Deputy President, Deputy President Executive Officer of the Company</p> <p>June 2020 President and CEO of the Company</p> <p>April 2023 Director and Chairman, Chairman of the Board of the Company (current position)</p> <p><b><u>Significant concurrent positions outside the Company</u></b></p> <p>None</p> <p><b><u>Reasons for nomination</u></b></p> <p>In addition to possessing extensive operational experience in the management and business departments of financial institutions and in-depth knowledge of finance overall, he also has abundant experience in corporate management having served as Deputy President, Deputy President &amp; Executive Officer of Mizuho Bank, Ltd. After being appointed as President and CEO of the Company in June 2020, he has supervised and promoted the Sixth Medium-term Management Plan and unified group management. After being appointed as Director and Chairman of the Company in April 2023, he has overseen management in his capacity as Chairman of the Board from a position that is not an executive officer and is recommended as a candidate for Director as a person who can contribute to the strengthening of the governance of the Company and sophistication of the corporate management.</p> <p><b><u>Special interest between the candidate and the Company</u></b></p> <p>There is no special interest.</p>



No.  
2

## Akira Nakamura

(November 11, 1960)

Reelection



Number of the Company's shares owned: 1,000  
Tenure as Director: 2 years  
Attendance at Board of Directors meetings: 16/16 (100%)

### **Career summary, and position and responsibility in the Company**

April 2013 Executive Officer and General Manager of Corporate Banking Coordination Division (Large Corporations) of Mizuho Financial Group, Inc.  
April 2015 Managing Executive Officer of Mizuho Securities Co., Ltd.  
April 2016 Managing Executive Officer of Mizuho Financial Group, Inc.  
April 2018 Senior Managing Executive Officer and Head of Corporate & Institutional Company of Mizuho Financial Group, Inc.  
April 2019 Deputy President, Executive Officer and Head of Corporate & Institutional Division of Mizuho Bank, Ltd.  
April 2020 Deputy President Executive Officer and CRO of the Company  
April 2021 Deputy President Executive Officer and CFO of the Company  
June 2021 Deputy President, Deputy President Executive Officer and CFO of the Company  
April 2022 Deputy President, Deputy President Executive Officer of the Company  
April 2023 President and CEO of the Company (current position)

**[Areas of responsibility]** Audit Department, Innovation Co-Creation Department, Secretariat Division

### **Significant concurrent positions outside the Company**

None

### **Reasons for nomination**

In addition to possessing extensive operational experience in the business and business promotion departments of financial institutions and in-depth knowledge of finance overall, he also has abundant experience in corporate management having served as Deputy President & Executive Officer of Mizuho Bank, Ltd. After being appointed as Deputy President Executive Officer of the Company in April 2020, he has utilized this knowledge and experience in the management of the Company. He was appointed as President and CEO of the Company in April 2023, and the Company believes that he is a person who can further contribute to the sustainable growth of the Company and the improvement of the medium to long-term corporate value. Therefore, the Company has nominated him as a candidate for Director.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
3

## Hiroshi Nagamine

(May 16, 1964)

Reelection



Number of the Company's shares owned: 300  
Tenure as Director: 1 year  
Attendance at Board of Directors meetings: 13/13 (100%)

### **Career summary, and position and responsibility in the Company**

July 2011 General Manager of Aoyama Branch Division II of Mizuho Bank, Ltd.  
April 2014 General Manager of Corporate Banking Division No. 13 of Mizuho Bank, Ltd.  
April 2016 Executive Officer, Joint Head of Europe, Middle East and Africa of Mizuho Bank, Ltd.  
April 2017 Managing Executive Officer, Head of Europe, Middle East and Africa of Mizuho Financial Group, Inc.  
May 2020 Senior Managing Executive Officer, Head of Global Corporate Company and Deputy Head of Global Products Unit of Mizuho Financial Group, Inc.  
April 2021 Senior Managing Executive Officer and CRO of the Company  
April 2022 Senior Managing Executive Officer and CFO of the Company  
June 2022 Senior Managing Director, Senior Managing Executive Officer and CFO of the Company  
April 2023 Deputy President, Deputy President Executive Officer of the Company (current position)

**[Areas of responsibility]** CFO, CSO, Chief of Strategic Planning Group, Chief of Financial Control & Accounting Group, Chief of Global Business Headquarters, Chief Sustainability Officer

### **Significant concurrent positions outside the Company**

None

### **Reasons for nomination**

In addition to possessing extensive operational experience in the domestic, international and products-related businesses of financial institutions and in-depth knowledge of finance overall, he also has abundant experience in corporate management having served as Senior Managing Executive Officer of Mizuho Financial Group, Inc. After being appointed as Senior Managing Executive Officer of the Company in April 2021, he has utilized this knowledge and experience in the management of the Company. He was appointed as Deputy President of the Company in April 2023, and the Company believes that he is a person who can further contribute to the sustainable growth of the Company and the improvement of the medium to long-term corporate value. Therefore, the Company has nominated him as a candidate for Director.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
4

## Takanori Nishiyama

(May 9, 1962)

Reelection



Number of the Company's shares owned: 1,500  
Tenure as Director: 2 years  
Attendance at Board of Directors meetings: 16/16 (100%)

### **Career summary, and position and responsibility in the Company**

April 2012 General Manager of Branch Banking Division V of Mizuho Bank, Ltd.  
April 2014 Executive Officer and General Manager of Omiya Branch of Mizuho Bank, Ltd.  
April 2015 Managing Executive Officer of Mizuho Bank, Ltd.  
April 2017 Managing Director and Managing Executive Officer of Mizuho Bank, Ltd.  
Managing Executive Officer of Mizuho Financial Group, Inc.  
June 2017 Director and Managing Executive Officer of Mizuho Financial Group, Inc.  
April 2019 Managing Executive Officer of the Company  
June 2021 Managing Director and Managing Executive Officer of the Company  
April 2023 Senior Managing Director and Senior Managing Executive Officer of the Company (current position)

**[Areas of Responsibility]** Chief of Business Promotion Headquarters and Chief of Circular Society Platform Headquarters

### **Significant concurrent positions outside the Company**

None

### **Reasons for nomination**

In addition to possessing extensive operational experience in the business promotion and management departments of financial institutions and in-depth knowledge of finance overall, he also has abundant experience in corporate management having served as Managing Director of Mizuho Bank, Ltd. and Director and Managing Executive Officer of Mizuho Financial Group, Inc. After being appointed as Managing Executive Officer of the Company in April 2019, he has utilized this knowledge and experience in the management of the Company. He was appointed as Senior Managing Director of the Company in April 2023, and the Company believes that he is a person who can further contribute to the sustainable growth of the Company and the improvement of the medium to long-term corporate value. Therefore, the Company has nominated him as a candidate for Director.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
5

## Noboru Otaka

(January 10, 1965)

New election



Number of the Company's shares owned: 3,300

Tenure as Director: –

Attendance at Board of Directors meetings: –

### **Career summary, and position and responsibility in the Company**

April 1987      Joined the Company  
June 2014      Joint General Manager of Planning Department of the Company  
April 2015      Joint General Manager of Corporate Planning Department of the Company  
April 2017      Executive Officer and General Manager of Information System Planning Division of the Company  
April 2018      Executive Officer and General Manager of Information System Planning Department of the Company  
April 2020      Managing Executive Officer of the Company (current position)

[Areas of Responsibility] CIO, Chief of IT Systems & Operations Group

### **Significant concurrent positions outside the Company**

None

### **Reasons for nomination**

He possesses extensive operational experience in the corporate planning, information system planning department, etc. of the Company. After being appointed as Managing Executive Officer of the Company in April 2020, he has utilized this knowledge and experience in the management of the Company. The Company believes that he is a person who can contribute to the sustainable growth of the Company and the improvement of the medium to long-term corporate value. Therefore, the Company has nominated him as a candidate for Director.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
6

## Toshiyuki Takezawa

(June 15, 1965)

New election



Number of the Company's shares owned: 500

Tenure as Director: –

Attendance at Board of Directors meetings: –

### **Career summary, and position and responsibility in the Company**

April 2010 Deputy General Manager of Corporate Banking Division No. 6 of Mizuho Corporate Bank

April 2014 General Manager of Executive Secretariat and General Manager of Corporate Secretariat of Mizuho Financial Group, Inc.

April 2016 Head of Human Resources Dept. of Mizuho Securities Co., Ltd.

April 2019 Joined the Company (seconded to MG Leasing Corporation (now Mizuho Marubeni Leasing Corporation), appointed as Director, Managing Executive Officer, and General Manager of Corporate Planning Department of MG Leasing Corporation)

April 2020 Executive Officer of the Company  
(seconded to Mizuho Marubeni Leasing Corporation, Director & Managing Executive Officer and General Manager of Corporate Planning Department of Mizuho Marubeni Leasing Corporation)

April 2023 Managing Executive Officer of the Company (current position)

**[Areas of responsibility]** Chief of Human Resources & General Affairs Group

### **Significant concurrent positions outside the Company**

None

### **Reasons for nomination**

He possesses extensive operational experience in the domestic business and human resources departments of banks and securities firms and in-depth knowledge of finance overall. He has utilized this knowledge and experience in the management of Mizuho Marubeni Leasing Corporation, an affiliate of the Company and Marubeni Corporation, since April 2019. He was appointed as a Managing Executive Officer of the Company in April 2023, and the Company believes that he is a person who can further contribute to the sustainable growth of the Company and the improvement of the medium to long-term corporate value. Therefore, the Company has newly nominated him as a candidate for Director.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
7

## Naofumi Negishi

(March 19, 1948)

Reelection

Outside

Independent

Number of the Company's shares owned: 0  
Tenure as Director: 4 years  
Attendance at Board of Directors meetings: 16/16 (100%)



### **Career summary, and position and responsibility in the Company**

April 1971      Joined Sekisui Chemical Co., Ltd.  
June 2003      Director (Commissioned General Manager of Corporate Finance & Accounting Department) of Sekisui Chemical Co., Ltd.  
October 2008    Director, Executive Vice President and CFO of Sekisui Chemical Co., Ltd.  
March 2009      President and Representative Director of Sekisui Chemical Co., Ltd.  
March 2015      Chairman & Representative Director of Sekisui Chemical Co., Ltd.  
June 2017      Chairman and Director of Sekisui Chemical Co., Ltd.  
June 2018      Executive Advisor of Sekisui Chemical Co., Ltd. (current position)  
June 2019      Outside Director of the Company (current position)  
June 2022      Chairman of Metropolitan Expressway Co., Ltd. (current position)

### **Significant concurrent positions outside the Company**

Executive Advisor of Sekisui Chemical Co., Ltd.  
(To be appointed as a special adviser to Sekisui Chemical Co., Ltd. as of June 22, 2023)  
Chairman of Metropolitan Expressway Co., Ltd.

### **Reasons for nomination and an overview of expected role**

He possesses extensive experience and a wide range of insight into the manufacturing industry. Since his appointment as an outside Director of the Company in June 2019, he has provided appropriate supervision of management while also being involved in strategic decision-making. The Company believes that going forward he will contribute to management supervision and decision-making directed at sustainable growth and improving the medium to long-term corporate value based on such extensive experience and a wide range of insight. Therefore, the Company has nominated him as a candidate for outside Director. In addition, if she is elected, it is expected that she will be involved in determining the selection of Company officer candidates and officer remuneration, etc. from an independent perspective as a member of the voluntary Nomination & Compensation Committee.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
8

## Hirofumi Hagihira

(August 15, 1953)

Reelection

Outside

Independent

Number of the Company's shares owned: 0  
Tenure as Director: 4 years  
Attendance at Board of Directors meetings: 16/16 (100%)



### **Career summary, and position and responsibility in the Company**

April 1977 Joined the Ministry of International Trade and Industry (MITI) (now: Ministry of Economy, Trade and Industry, "METI")  
June 1989 Director of Industrial Policy Planning Industrial Policy Bureau, MITI  
April 1994 Director of Cooperative Division, Small and Medium Enterprise Agency  
June 1999 Director of Consumer Goods Division, Consumer Goods Industry Bureau, MITI  
December 2000 General Manager of Paris Center Office, Japan External Trade Organization (JETRO)  
October 2003 Associate Vice President of Japan Nuclear Energy Safety Organization  
April 2009 Executive Director of Japan Petroleum Development Association  
June 2019 Outside Director of the Company (current position)

### **Significant concurrent positions outside the Company**

None

### **Reasons for nomination and an overview of expected role**

He possesses extensive experience and a wide range of insight into the fields of economic, industrial, and international trade policy. Since his appointment as an outside Director of the Company in June 2019, he has provided appropriate supervision of management while also being involved in strategic decision-making. The Company believes that going forward he will contribute to management supervision and decision-making directed at sustainable growth and improving the medium to long-term corporate value based on such extensive experience and a wide range of insight. Therefore, the Company has nominated him as a candidate for outside Director. In addition, if he is elected, it is expected that he will be involved in determining the selection of Company officer candidates and officer remuneration, etc. from an independent perspective as a member of the voluntary Nomination & Compensation Committee.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
9

## Mari Sagiya

(November 16, 1962)

Reelection

Outside

Independent

Number of the Company's shares owned: 0  
Tenure as Director: 4 years  
Attendance at Board of Directors meetings: 15/16 (94%)



### **Career summary, and position and responsibility in the Company**

April 1985      Joined IBM Japan, Ltd.  
July 2002      Director of IBM Japan, Ltd.  
July 2005      Vice President, General Business of IBM Japan, Ltd.  
July 2014      Vice President of SAP Japan Co., Ltd.  
January 2016    Vice President of salesforce.com Co., Ltd.  
June 2019      Outside Director of the Company (current position)  
March 2020     Outside Director of MonotaRO Co., Ltd. (current position)  
June 2021      Outside Director of JBCC Holdings Inc. (current position)  
June 2022      Outside Director of Mitsubishi Corporation (current position)

### **Significant concurrent positions outside the Company**

Outside Director of MonotaRO Co., Ltd.  
Outside Director of JBCC Holdings Inc.  
Outside Director of Mitsubishi Corporation


### **Reasons for nomination and an overview of expected role**

She possesses extensive operational and business management experience within multiple IT-related companies. Since her appointment as an outside Director of the Company in June 2019, she has provided appropriate supervision of management based on her high-level expertise and diverse perspectives while also being involved in strategic decision-making. The Company believes that going forward she will contribute to management supervision and decision-making directed at sustainable growth and improving the medium to long-term corporate value based on such extensive experience and a wide range of insight. Therefore, the Company has nominated her as a candidate for outside Director. In addition, if she is elected, it is expected that she will be involved in determining the selection of Company officer candidates and officer remuneration, etc. from an independent perspective as a member of the voluntary Nomination & Compensation Committee.

### **Special interest between the candidate and the Company**

There is no special interest.



No. <b>10</b>	<b>Hajime Kawamura</b> (November 11, 1958)
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div>	Number of the Company's shares owned: 0 Tenure as Director: 3 years Attendance at Board of Directors meetings: 14/16 (88%)
	<p><b><u>Career summary, and position and responsibility in the Company</u></b></p> <p>April 1981      Joined Marubeni Corporation</p> <p>April 2012      Executive Officer, Senior Operating Officer, Plant &amp; Industrial Machinery Division of Marubeni Corporation</p> <p>April 2013      Executive Officer, Chief Operating Officer, Plant &amp; Industrial Machinery Division of Marubeni Corporation</p> <p>April 2014      Executive Officer, Chief Operating Officer, Plant Division of Marubeni Corporation</p> <p>April 2016      Managing Executive Officer, Chief Operating Officer, Plant Division of Marubeni Corporation</p> <p>April 2018      Managing Executive Officer, Regional CEO for the Americas, Regional COO for North &amp; Central America of Marubeni Corporation, President and CEO of Marubeni America Corporation</p> <p>April 2019      Senior Managing Executive Officer, Chief Executive Officer of Transportation &amp; Industrial Machinery, Financial Business Group of Marubeni Corporation</p> <p>June 2020      Outside Director of the Company (current position)</p> <p>April 2023      Senior Consultant of Marubeni Corporation (current position)</p> <p><b><u>Significant concurrent positions outside the Company</u></b></p> <p>Senior Consultant of Marubeni Corporation</p> <p><b><u>Reasons for nomination and an overview of expected role</u></b></p> <p>He has in-depth knowledge of the overall business operations of general trading companies and has also obtained abundant experience in business management as a part of top management, including as CEO of Transportation &amp; Industrial Machinery, Financial Business Group of Marubeni Corporation. Since his appointment as an outside Director in June 2020, he has provided appropriate supervision of management while also being involved in strategic decision-making. The Company believes that going forward he will contribute to management supervision and decision-making directed at sustainable growth and improving the medium to long-term corporate value based on such extensive experience and a wide range of insight. Therefore, the Company has nominated him as a candidate for outside Director. In addition, if he is elected, he is expected to provide useful advice regarding overall management of the Company based on his extensive operational and business management experience at a general trading company.</p> <p><b><u>Special interest between the candidate and the Company</u></b></p> <p>There is no special interest.</p>

No.  
11

## Takayuki Aonuma

(February 25, 1955)

Reelection

Outside

Independent

Number of the Company's shares owned: 0  
Tenure as Director: 2 years  
Attendance at Board of Directors meetings: 15/16 (94%)



### **Career summary, and position and responsibility in the Company**

April 1982 Prosecutor of Tokyo District Public Prosecutors Office  
January 2010 Prosecutor of Supreme Public Prosecutors Office  
December 2010 Director-General of the Rehabilitation Bureau, Ministry of Justice  
July 2014 Chief Prosecutor of Tokyo District Public Prosecutors Office  
December 2015 Deputy Prosecutor-General of Supreme Public Prosecutors Office, Member of the Legislative Council of the Ministry of Justice  
September 2016 Superintending Prosecutor of Nagoya High Public Prosecutors Office  
February 2018 Registered as an attorney-at law  
Of-Counsel of City-Yuwa Partners (current position)  
May 2021 Outside Director of SENIOR LIFE CREATE Co., Ltd. (current position)  
June 2021 Outside Director of the Company (current position)

### **Significant concurrent positions outside the Company**

Of-Counsel of City-Yuwa Partners  
Outside Director of SENIOR LIFE CREATE Co., Ltd.  
Outside Director of FamilyMart Co., Ltd. (scheduled to assume office on May 25, 2023)

### **Reasons for nomination and an overview of expected role**

He possesses a wide range of insight based on his high-level expertise and extensive experience as a legal expert. Since his appointment as an outside Director of the Company in June 2021, by utilizing such capabilities, experience, and insight he has provided appropriate supervision of management while also being involved in strategic decision-making. The Company believes that he will continue contributing to management supervision and decision-making directed at sustainable growth and improving the medium to long-term corporate value. Therefore, the Company has nominated him as a candidate for outside Director. In addition, if he is elected, it is expected that he will be involved in determining the selection of Company officer candidates and officer remuneration, etc. from an independent perspective as a member of the voluntary Nomination & Compensation Committee.

### **Special interest between the candidate and the Company**

There is no special interest.

No.  
12

## Hirozumi Sone

(January 16, 1955)

New election

Outside

Independent

Number of the Company's shares owned: 0

Tenure as Director: -

Attendance at Board of Directors meetings: -



### **Career summary, and position and responsibility in the Company**

April 1979	Joined Yamatake-Honeywell Co., Ltd. (presently Azbil Corporation)
April 2003	Vice Executive Officer of the Company, General Manager of Engineering Department, Advanced Automation Company of Yamatake Corporation (presently Azbil Corporation)
April 2005	Executive Officer, General Manager of the Corporate Planning Department of Yamatake Corporation (presently Azbil Corporation)
April 2008	Managing Executive Officer, General Manager of the Corporate Planning Department of Yamatake Corporation (presently Azbil Corporation)
June 2010	Director and Managing Executive Officer of Yamatake Corporation (presently Azbil Corporation)
April 2012	Representative Director, President and Chief Executive Officer of Yamatake Corporation (presently Azbil Corporation)
April 2020	Representative Director, Executive Chairperson, President and Group Chief Executive Officer of Yamatake Corporation (presently Azbil Corporation)
June 2020	Representative Director Chairperson, Executive Chairperson of Azbil Corporation
June 2021	Outside Director of Yasuda Logistics Corporation (current position)
June 2022	Director and Chairperson of Azbil Corporation (current position)

### **Significant concurrent positions outside the Company**

Director and Chairperson of Azbil Corporation  
Outside Director of Yasuda Logistics Corporation

### **Reasons for nomination and an overview of expected role**

He possesses extensive experience and a wide range of insight into the global manufacturing industry. The Company believes that he will contribute to management supervision and decision-making directed at sustainable growth and improving the medium to long-term corporate value based on such extensive experience and a wide range of insight. Therefore, the Company has nominated him as a candidate for outside Director. In addition, if he is elected, it is expected that he will be involved in determining the selection of Company officer candidates and officer remuneration, etc. from an independent perspective as a member of the voluntary Nomination & Compensation Committee.

### **Special interest between the candidate and the Company**

There is no special interest.

Notes:

1. There is no special interest between the candidates for Director and the Company.
2. The name listed for candidate for Director Mari Sagiya on her family register is Mari Itaya.
3. The Company has entered into a liability insurance policy with an insurance company that insures the Directors and Auditors and plans to renew the policy in July 2023. If the election of the candidates for Director in this proposal is approved, each person shall be included as an insured in the policy.
  - (i) Summary of insurance incidents covered  
The insurance company shall cover the legal compensation for damages and court costs incurred by the insured persons as a result of performing their duties.
  - (ii) Measures to prevent the loss of adequacy of the insured persons' performance of duties due to said insurance policy  
The insurance policy does not apply in certain cases such as damages arising from criminal acts or acts carried out while recognizing that they violate laws and ordinances.
  - (iii) Insurance premiums  
The Company shall bear the entire amount of the insurance premiums.
4. The candidates for Director Naofumi Negishi, Hirofumi Hagihira, Mari Sagiya, Hajime Kawamura, Takayuki Aonuma, and Hirozumi Sone are candidates for outside Director. Notes concerning outside Director candidates are as indicated below.
  - (1) Naofumi Negishi, Hirofumi Hagihira, Mari Sagiya, Hajime Kawamura, and Takayuki Aonuma are currently outside Directors of the Company, and the number of years in office as an outside Director for each person as of the conclusion of this meeting is as follows. Incidentally, Hirozumi Sone is a candidate for new outside Director.

Naofumi Negishi	4 years
Hirofumi Hagihira	4 years
Mari Sagiya	4 years
Hajime Kawamura	3 years
Takayuki Aonuma	2 years
  - (2) Hirofumi Hagihira and Takayuki Aonuma have not been involved in business management other than as an outside officer, but for the reasons stated above, they are judged as being capable of appropriately fulfilling their duties as outside Directors of the Company.
  - (3) The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Naofumi Negishi, Hirofumi Hagihira, Mari Sagiya, and Takayuki Aonuma have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of each person is approved, the Company plans for their designation as independent officers to continue. In addition, Hirozumi Sone satisfies the requirements for an independent officer as provided for by the aforementioned exchange and is scheduled to be designated as an independent officer if his election is approved. Independence standards for outside officers of the Company are as provided below.
  - (4) Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into limited liability agreements with Naofumi Negishi, Hirofumi Hagihira, Mari Sagiya, Hajime Kawamura, and Takayuki Aonuma to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by laws and regulations. If the reelection of Naofumi Negishi, Hirofumi Hagihira, Mari Sagiya, Hajime Kawamura, and Takayuki Aonuma is approved, the Company plans to renew the aforementioned agreements with them. In addition, if the election of Hirozumi Sone is approved, the Company plans to enter into the same limited liability agreement with him.


### Proposal 3: Election of One (1) Auditor

The term of office of Nobukatsu Funaki, one of four (4) Auditors, will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of one (1) Auditor.

In addition, the consent of the Audit Committee has been obtained for this proposal.

The candidate for Auditor is as follows:

	<b>Koji Arita</b> (April 18, 1961)
	Number of the Company's shares owned: 0
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New election</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	<b><u>Career summary and position in the Company</u></b>
	April 2010 General Manager of Operations Services & Support Division of Mizuho Bank, Ltd.
	April 2012 General Manager of Operations Planning Division of Mizuho Financial Group, Inc. General Manager of Operations Planning Division of Mizuho Bank, Ltd.
	April 2013 Executive Officer, General Manager of Operations Planning Division of Mizuho Financial Group, Inc. Executive Officer, General Manager of Operations Planning Division of Mizuho Bank, Ltd.
	April 2015 Managing Executive Officer, Joint Head of Operations Group of Mizuho Financial Group, Inc. Managing Executive Officer, Joint Head of Operations Group of Mizuho Bank, Ltd.
	April 2019 Managing Executive Officer, Joint Head of Group Chief Operations Officer of Mizuho Financial Group, Inc. Managing Executive Officer, Joint Head of Chief Operations Officer of Mizuho Bank, Ltd.
	October 2020 Director of Custody Bank of Japan, Ltd.
	January 2021 Deputy President & Representative Director of Custody Bank of Japan, Ltd. (current position)
	<b><u>Significant concurrent positions outside the Company</u></b>
Deputy President & Representative Director of Custody Bank of Japan, Ltd. (scheduled to retire from office on June 26, 2023)	
<b><u>Reasons for nomination</u></b>	
He possesses extensive experience as the head of administrative planning division at Mizuho Financial Group, Inc. and Mizuho Bank, Ltd. for many years. He also has experience and high-level knowledge related to corporate management in general as Deputy President & Representative Director of Custody Bank of Japan, Ltd. The Company believes that he will apply this knowledge and experience in the audit engagements of the Company which require diversity and sophistication while also helping to maintain and improve the corporate governance standards of the Company. Therefore, the Company has nominated him as a candidate for outside Auditor.	
<b><u>Special interest between the candidate and the Company</u></b>	
There is no special interest.	

Notes:

1. There is no special interest between Koji Arita, candidate for Auditor, and the Company.
2. The Company has entered into a liability insurance policy with an insurance company that insures the Directors and Auditors and plans to renew the policy in July 2023. If the election of the candidate for Auditor in this proposal is approved, he shall be included as an insured in the policy.
  - (i) Summary of insurance incidents covered  
The insurance company shall cover the legal compensation for damages and court costs incurred by the insured person as a result of performing their duties.
  - (ii) Measures to prevent the loss of adequacy of the insured person's performance of duties due to said insurance policy  
The insurance policy does not apply in certain cases such as damages arising from criminal acts or acts carried out while recognizing that they violate laws and ordinances.
  - (iii) Insurance premium  
The Company shall bear the entire amount of the insurance premiums.
3. Koji Arita is a candidate for outside Auditor. Koji Arita satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and is scheduled to be designated as an independent officer if his election is approved. Independence standards for outside officers of the Company are as provided below.
4. Custody Bank of Japan, Ltd. announced on June 9, 2023 that there was "misconduct involving a former Director" during the term of office of Koji Arita, who served as Director of the said company and is now candidate for Auditor of the Company. With regard to this matter, the Company received an explanation from the said company that Koji Arita did not contribute to this misconduct. He managed the formulation and implementation of the internal audit plan to prevent misconduct, etc. prior to the discovery of the misconduct, and proactively made statements, including from the perspective of internal audits, at meetings of the Board of Directors, Executive Management Committee, etc. After the discovery of the misconduct, he also fully cooperated with the Investigation Committee, working with risk management sections to prevent recurrence, and made efforts on proposals to strengthen internal control. Due to the reasons above, the Company has judged that Koji Arita is not ineligible as candidate for Auditor.

#### **Proposal 4: Partial Amendment of Share-based Remuneration System for Directors**

In this proposal, the Company asks for approval to grant shares based on the current share-based remuneration system as the Sixth Mid-Term Business Plan was completed one year ahead of schedule, to revise the form of the share-based remuneration system, which has transfer restrictions on shares granted to Directors and Executive Officers who do not concurrently serve as Directors (hereinafter the “Directors, etc.”) that last until retirement, and to set a maximum number of points for share-based remuneration to be granted to Directors, etc.

##### 1. Reasons for Proposal and Reasons why they are appropriate

The introduction of performance-linked share-based remuneration system (Board Benefit Trust (BBT)) (hereinafter “current BBT System”) was approved at the 49th Ordinary General Meeting of Shareholders convened on June 26, 2018 and the partial amendment to the current BBT System was approved at the 50th Ordinary General Meeting of Shareholders convened on June 25, 2019 and it has been in place up until now (the resolutions for the current BBT System at the abovementioned shareholders meetings shall be hereinafter jointly referred to as the “Original Resolution”).

The Company has determined to revise part of the current BBT System in order to ensure that Directors, etc. work to improve the corporate value more than ever before, introducing the “Board Benefit Trust-Restricted Stock (BBT-RS) Plan” (hereinafter the “Plan”), which imposes limitation on transfers of shares provided to Directors, etc., until their retirement from office.

Meanwhile, as we indicated in the “Announcement of Formulation of ‘Medium-Term Management Plan 2025’” released on May 12, 2023, in addition to completing the previous mid-term business plan (the Sixth Mid-Term Business Plan) one year ahead of schedule, we also drafted “Medium-Term Management Plan 2025,” which spans three (3) fiscal years beginning from FY2023. With the completion of the previous mid-term business plan one year ahead of the schedule, we propose to revise the timing of provision of the Company’s shares and monies equivalent to the market value of the Company’s shares (hereinafter the “Company’s Shares, etc.”) under the current BBT System to be a certain timing after the completion of the previous mid-term business plan.

As such, we request you to approve the revision of the current BBT System to the Plan and the revision of the timing of provision of the Company’s Shares, etc. under the current BBT System in connection with the completion of the previous mid-term business plan one year ahead of the schedule.

Although the previous mid-term business plan spanned five (5) fiscal years beginning from FY2019, share-based remuneration to be paid to Directors, etc. will only be for the four applicable years that have elapsed as the mid-term business plan was completed one year ahead of schedule. As a result, there will be a portion of shares and money remaining in the trust. The treatment of this balance will be as stated in “2. (4) Trust Amount” below.

This proposal is meant to request you to approve the concrete method to calculate the amount of remuneration and the contents of the remuneration in order to provide the remuneration etc. under the Plan to the Company’s Directors, separately from the amount of Company Director compensation (of no more than 500 million yen (of which no more than 150 million yen for outside Directors), which was approved at the 40th Ordinary General Meeting of Shareholders convened on June 24, 2009 and the 51st Ordinary General Meeting of Shareholders convened on June 24, 2020. Details of the Plan shall be left to the Board of Directors within the range outlined in 2. below.

The purpose of this proposal, like the Original Resolution, is to further clarify the link between remuneration for Directors, etc. and the Company’s business performance and share value, and ensure that Directors, etc. will increase their awareness of our medium to long-term business performance and our corporate value by not only benefiting from rising stock price but also sharing the risk of falling stock price with shareholders. The details of our policy, etc. on decisions on the remuneration for each Director are specified on the following pages; however, we plan to change them to those specified on page 30 to 31 on the condition that this proposal is approved. These amendments has already been deliberated by the Nomination & Compensation Committee, the majority of which is comprised of independent outside Directors. This proposal coincides with the abovementioned policy after the modification; therefore, we believe the details of this proposal to be appropriate.

If proposal 2 is approved as originally proposed, the number of Directors eligible for the Plan will be twelve (12) (including six (6) outside Directors).

2. Details of this amendments (specific method to calculate the remuneration under the Plan and concrete contents)

We will partially amend the current BBT System as indicated below, making it to the Plan.

(1) Outline of the Plan

The Plan is a share-based remuneration system by acquiring the Company's shares through the trust (hereinafter the "Trust" to be established based on the Plan) using the funds that the Company contributes and providing Directors etc., with the Company's Shares, etc. through the Trust, in accordance with the share delivery regulations for officers. Furthermore, the timing that Directors, etc. receive the Company's Shares will be a certain time every year, in principle, and the timing that a Director, etc. receives monies equivalent to the market value of the Company's shares will be the time that he/she retires from office, in principle. In the case that a Director, etc. receives the Company's shares during his/her tenure, he/she shall conclude a transfer restriction agreement with the Company as described in the undermentioned 3. before the receipt of the Company's shares. This will restrict transfer or any other forms of disposal of the Company's shares received by the Directors, etc. during his/her tenure, until he/she retires from office. Furthermore, in association with the amendments of the plan, the Company's Shares, etc. calculated by referring to the points that are already granted to Directors (excluding Director and Chairman and outside Directors) and Executive Officers who do not concurrently serve as Directors under the current BBT System will be granted to them at a certain time after the completion of the previous mid-term business plan (the Sixth Mid-Term Business Plan) on the condition that the resolution on this proposal is passed.

(2) Beneficiaries of the Plan

The Company's Directors and Executive Officers who do not concurrently serve as Directors

We have added Non-Executive Directors including Director and Chairman and outside Directors as the beneficiaries in order to ensure that they will contribute to our medium to long-term business performance and our corporate value and share the awareness of increasing stock value with shareholders.

(3) Trust Period

The period of trust is from March 15, 2019 through the termination of the Trust. (The termination of the Trust shall not be specified. The Trust is deemed to continue as long as the Plan is not terminated. The Plan shall be terminated when Company's shares are delisted or when the share delivery regulations for officers are abolished, etc.)

(4) Trust Amount

The Company has established the Trust by contributing funds necessary to obtain the number of the Company's shares for a certain period expected to be necessary to grant the shares under the current BBT System, in advance. Within the scope approved at the 49th Ordinary General Meeting of Shareholders, the Company contributed to the Trust ¥400 million as capital funds for acquiring the Company's shares through the Trust at start of the trust period indicated in (3) above, in order to grant the Company's Shares, etc. to Directors (excluding Director and Chairman and outside Directors) and Executive Officers who do not concurrently serve as Directors (hereinafter collectively referred to as "Directors, etc. (before amendment)") to reward their performance during specific two fiscal years, namely the fiscal years ended March 31, 2019 and ended March 31, 2020 (hereinafter jointly referred to as the "Initial Period (before amendment)").

In addition, the proposal was approved at the 50th Ordinary General Meeting of Shareholders that the Initial Period (before amendment) be amended to one (1) fiscal year ended March 31, 2019 and the target period subsequent to the Initial Period (before amendment) be set as the five (5) fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024. In response to this, the Company contributed ¥1,485 million to the Trust in August 2019 in order to grant Directors, etc. (before amendment) the Company's Shares, etc. to reward their performance during the five (5) fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024. The Trust shall continue to exist as the trust under the Plan, to which the current BBT System is amended through the resolution at the General Meeting of Shareholders.

On the condition that this proposal is approved, the Company will revise the current BBT System to the Plan for the purpose of the three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (the period of these three (3) fiscal years shall be hereinafter referred to as the "Initial Period (post-amendment)") and the Initial Period (post-amendment) and periods of three (3) fiscal years after the lapse of the Initial Period (post-amendment) shall be each hereinafter referred to as a



“Applicable Period”) and each of the subsequent Applicable Period, contributing the following cash to the Trust in order to utilize it as capital funds for acquiring the Company’s share through the Trust to grant Directors, etc. the Company’s Shares, etc. under the Plan.

The Company will additionally contribute to the Trust the monies equivalent to the amount expected to be necessary for the Initial Period (post-amendment). The maximum number of points to be granted to Directors, etc. under the Plan is 200,000 points per one (1) fiscal year as indicated in the undermentioned (6); therefore, the Company will contribute to the Trust the funds reasonably deemed necessary to obtain 600,000 shares at the maximum considering the closing price of the Company’s common shares in regular trading at the Tokyo Stock Exchange immediately before, when making the additional contribution. For reference, in the case of applying the closing price ¥4,335 on May 22, 2023, the necessary funds under the abovementioned provision will be ¥2,601 million. However, in the case of such additional contribution, if there are the Company’s Shares remaining in the Trust on the day immediately before the Initial Period (post-amendment) (excluding the Company’s shares corresponding to the number of points granted to Directors, etc., which have yet to granted to Directors, etc.) (hereinafter referred to as the “Remaining Shares (Initial)”) and money remaining in the Trust on the day immediately before the Initial Period (post-amendment) (hereinafter, together with Remaining Shares (Initial), referred to as the “Remaining Shares, etc. (Initial)”) on the day immediately before the Initial Period (post-amendment), the Remaining Shares, etc. (Initial) shall be allocated to the capital funds for the grant under the Plan for the Initial Period (post-amendment) and the Company will calculate the additional contribution amount considering the Remaining Shares, etc. (Initial). When the Company decides to make an additional contribution, it will adequately disclose the information regarding the additional contribution on a timely basis.

In addition, even after the lapse of the Initial Period (post-amendment), until the Plan expires or is terminated, the Company will reasonably forecast the number of shares required to make grants to Directors, etc. under the Plan for each Target period, in principle, and additionally contribute to the Trust the funds deemed necessary for the Trust to acquire such number of shares in advance. However, in the case of such additional contribution, if there are the Company’s Shares remaining in the Trust (excluding the Company’s shares corresponding to the number of points granted to Directors, etc. regarding each of the past Target Periods, which have yet to granted to Directors, etc.) and cash remaining in the Trust (hereinafter collectively referred to as the “Remaining Shares, etc.”) the Remaining Shares, etc. shall be allocated to the capital funds for the grant under the Plan for the subsequent Initial Periods and the Company will calculate the additional contribution amount considering the Remaining Shares, etc. When the Company decides to make an additional contribution, it will adequately disclose the information regarding the additional contribution on a timely basis.

Note: The amount of cash to be actually contributed to the Trust by the Company will be the sum of the amount of the abovementioned funds for acquiring the shares and the estimated amount of necessary expenses such as trust fees.

#### (5) Acquisition method of the Company’s shares and number of shares to be acquired

The acquisition of the Company’s shares by the Trust is intended to be made with the fund contributed as described in (4) above in the exchange market or by means of assuming treasury shares to be disposed of. Incidentally, for one (1) fiscal year ended March 31, 2019 and five (5) fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024, the Company has acquired 689,800 shares in the exchange market.

The acquisition of the Company’s shares by the Trust during the Initial Period (post-amendment) (three (3) fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026) will be performed through the exchange market or by underwriting the disposal of the Company’s treasury shares without delay after the additional contribution, with the maximum number of shares set as 600,000 including the Remaining Shares (Initial). The details of the acquisition of the Company’s shares by the Trust shall be disclosed adequately on a timely basis.

#### (6) Maximum Number of the Company’s Shares, etc. to be Granted to Directors, etc.

Directors, etc. (excluding Directors who do not execute the operations of the Company (“Non-Executive Directors”)) are granted a certain number of points as determined in consideration of their position and rank, and the level of achievements in terms of performance for each fiscal year according to the share delivery regulations for officers. Non-Executive Directors are granted a certain number of points as determined in consideration of their position and rank for each fiscal year according to the share delivery

regulations for officers. The maximum number of points granted in total to Directors, etc. per fiscal year shall be 200,000 points (of which 60,000 points will be for Directors (of which 10,000 points will be for outside Directors). This has been decided by comprehensively taking into account the current level of officers' remuneration provided, the trend in the number of Directors etc., the outlook going forward, and other factors, and the Company believes it to be adequate.

The points granted to Directors, etc. are converted to the Company's shares in granting the Company's Shares, etc., as prescribed in the provision (7) below: one point shall be converted to one common share. (However, in case a stock split, allotment of share without contribution, or reverse stock split takes place after this proposal is approved, limit of points, points granted, or the conversion rate shall be adjusted rationally in proportion to such an event).

The ratio of shares of 200,000, which corresponds to the maximum number of points to be granted to Directors, etc. per fiscal year, to the total number of issued shares of 49,003,101 shares (as of March 31, 2023; After the deduction of the number of treasury shares) is approximately 0.4%.

The number of points for a Director, etc. used as the basis for the grant of the Company's Shares, etc. under undermentioned (7) is the number of points granted to him/her until the beneficial interest under undermentioned (7) is fixed, in principle. (The number of points so calculated shall be hereinafter referred to as the "Final Points.")

(7) Grant of the Company's Shares, etc. and method to calculate the amount of remuneration, etc.

A Director, etc. who has satisfied the beneficiary requirements shall receive from the Trust at a certain time each year the number of the Company's shares calculated according to the "Final Points" under abovementioned (6), in principle. The Director, etc. however, must follow the prescribed procedures to fix the beneficiary. However, if the Director, etc. satisfies the requirements prescribed in the share delivery regulations for officers, a certain percentage of his/her points will be converted into monies equivalent to the market value of the corresponding Company's shares, which will be paid to him/her in lieu of the grant of the corresponding Company's shares upon retirement from office. In this case, the Trust may sell the Company's shares in order to make cash payment.

In the case that a Director, etc. receives the Company's shares during his/her tenure, he/she shall conclude a transfer restriction agreement with the Company as described in the undermentioned 3. before the receipt of the Company's shares. This will restrict transfer or any other forms of disposal of the Company's shares received by the Directors, etc. during his/her tenure, until he/she retires from office.

Even a Director, etc. to whom points are granted cannot obtain the right to receive the Company's shares if a resolution to dismiss him/her is passed at a general meeting of shareholders or Board of Directors meeting or it is found that he/she has breached the duty of care and duty of loyalty. In addition, all or part of what he/she received must be returned to the Company in the event of a significant amendment to any financial statements, huge losses, significant damages to the corporate reputation or any other serious incident.

The amount of the remuneration, etc. to be received by a Director shall basically be the total number of points granted to him/her multiplied by the book value per share of the Company's shares owned by the Trust (however, in the case that a share split, allotment of share without contribution, or reverse share split is carried out for the Company's shares, the calculation will be reasonably adjusted according to the ratio, etc. thereof). In the case that exceptional payment of monies equivalent is made in accordance with provisions of the share delivery regulations for officers, this amount will be added to the remuneration paid to him/her if deemed reasonable.

(8) Execution of voting rights

The voting rights of the Company's shares within the account of the Trust shall not be exercised in accordance with the instructions of the trust administrator without exception. This rule is intended to maintain neutrality in the Company's business management in terms of exercise of voting rights of Company's shares within the account of the Trust.

(9) Handling of dividends

The dividends of Company's shares within the account of the Trust are distributed to the Trust and used for the acquisition of the Company's shares or share compensation to trustees pertaining to the Trust. In case the Trust is to be terminated, dividends remaining in the Trust shall be distributed to incumbent Directors, etc. in proportion to the respective number of points they hold.

(10) Termination of the Trust

The Trust shall be terminated when the Company's shares are delisted, when the share delivery regulations for officers are abolished, or for other reasons.

The Company's shares in the remaining assets of the Trust as of the termination of the Trust will be wholly transferred to the Company without compensation, and canceled by a resolution of the Board of Directors. As for the cash portion of the remaining assets of the Trust at the time of termination, the amount remaining after deducting the money to be paid to Directors, etc. according to (9) above shall be transferred to the Company.

3. Outline of transfer restriction agreement on the Company's Shares granted to Directors, etc.

If a Director, etc. receives the Company's shares during his/her tenure, he/she shall conclude a transfer restriction agreement (hereinafter referred to as a "Transfer Restriction Agreement"), which must include the following key points, with the Company before receiving the shares. (The Director, etc. shall receive the Company's shares on the condition that he/she concludes a Transfer Restriction Agreement.) However, in the case that the Director, etc. has already retired from office at the grant of the shares, the Company may grant him/her the Company's shares without concluding a Transfer Restriction Agreement with him/her.

(i) Details of transfer restriction

Each Director, etc. cannot transfer, provide as collateral, or otherwise dispose of the Company's shares granted to them, from the day that the Company's shares are granted to the day that they retire from all the positions of officers at the Company.

(ii) Acquisition by the Company for free of charge

If any specified illegal acts, etc. are committed by the Director, etc. or the requirement for lifting the transfer restriction set forth in (iii) below are not fulfilled, the Company shall acquire the relevant shares free of charge.

(iii) Lifting of the transfer restriction

If the Director, etc. retires from all the positions of officers at the Company for reasonable grounds or upon his/her death, the transfer restriction shall be lifted at the retirement.

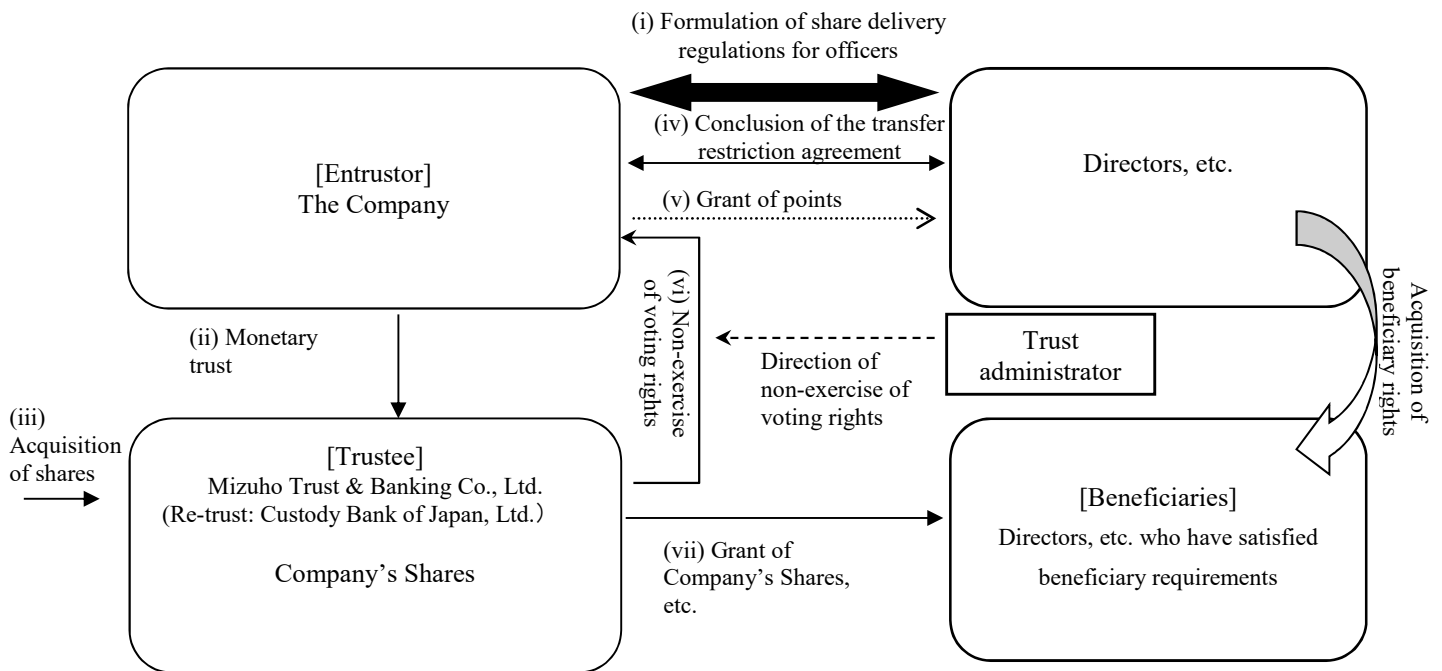
(iv) Treatment at reorganization

If a resolution on a merger agreement in which the Company is the disappearing company or a matter concerning other forms of reorganization is passed at the Company's general meeting of shareholders or at a meeting with similar authority during the period of the transfer restriction, the transfer restriction will be lifted at the time immediately before the day immediately prior to the effective date of the relevant reorganization, etc.

Incidentally, the Company's shares subject to the transfer restriction under the Transfer Restriction Agreement will be managed in the dedicated account established by the eligible Director, etc. at a security company designated by the Company during the transfer restriction period to ensure that those shares cannot be transferred, provided as collateral, or otherwise disposed of during said period.

In addition to the abovementioned, methods to express intentions and issue notices for the purpose of the Transfer Restriction Agreement, methods to revise the Transfer Restriction Agreement and other conditions determined by the Board of Directors shall be included in the Transfer Restriction Agreement.

<Reference: Structure of the Plan>



- (i) The Company will establish the share delivery regulations for officers within the scope of the framework approved through this proposal.
- (ii) The Company will entrust money within the scope approved through this proposal specified in (i).
- (iii) The Trust shall use the additional funds contributed in accordance with (ii) as funds for the acquisition of the Company's shares via exchange markets or by means of assuming treasury shares to be disposed of.
- (iv) The Director, etc. shall conclude a Transfer Restriction Agreement with the Company, which includes conditions to restrict disposal, through the transfer, etc., of the Company's shares granted to him/her until retirement from office and certain conditions allowing the Company to acquire such shares free of charge.
- (v) The Company grants points to the Directors, etc. based on the share delivery regulations for officers.
- (vi) In conformity to the instructions of the independent trust administrator, the voting rights of the Company's shares within the account of the Trust shall not be exercised by the Trust.
- (vii) The Directors, etc. who has satisfied beneficiary requirements by the due date specified for each year in accordance with the share delivery regulations for officers (hereinafter called the "Beneficiaries") is granted the Company's shares equivalent to his/her points by the Trust. However, if the Director, etc. satisfies the requirements prescribed in the share delivery regulations for officers, a certain percentage of his/her points will be converted into cash according to the market value of the corresponding Company's shares, which will be paid to him/her upon retirement from office.

<Reference: Details of Policy, etc. on Decisions on the Remuneration for each Director (Draft)>

a. Basic Policy

The basic policy for remuneration for Directors is to further clarify the link with the Company's business performance and stock value to ensure that Directors will contribute to increasing our medium to long-term business performance and our corporate value and share the awareness of raising our stock value with shareholders. In order to achieve this, the remuneration for Directors who concurrently serve as Executive Officers consists of basic remuneration (fixed remuneration) and remuneration linked to business performance. The basic remuneration consists of the basic salary, where fixed amount determined according to his/her position and rank, etc. will be paid in cash, and share-based remuneration I, where the fixed number of shares will be granted to the Director according to his/her position and rank. The remuneration linked to business performance consists of bonus, where the amount of cash determined according to the Company's business performance and the Director's own performance will be paid, and share-based remuneration II, where the number of shares determined in the same manner will be granted. The remuneration for Non-Executive Directors consists of the basic remuneration only.

The maximum amount of the remuneration for Directors including non-executive Directors shall be deliberated at the voluntary Nomination and Remuneration Committee with a majority of outside Directors, be subject to the resolution at the Board of Directors meeting, and if passed, submitted to the shareholders' meeting as a proposal.

The composition of, and method to calculate, the remuneration for Directors shall be deliberated by the voluntary Nomination and Remuneration Committee and then determined by the Board of Directors.

b. Policy on decisions on the amount of remuneration for each Director

The basic salary shall be monetary remuneration where fixed amount shall be paid to the Director on a monthly basis according to his/her position and rank, etc. The amount of the basic salary shall be determined by comprehensively considering the Company's performance trends, employee salary levels, other companies' standards, and other factors.

c. Policy on decisions on the method to calculate the bonus

Among the remuneration linked to business performance, bonus paid in cash shall be the remuneration based on business performance for each fiscal year. The sum of the remuneration linked to the Company's performance, which is calculated by referring to the comparison of consolidated business performance in each fiscal year with the performance plan and with the performance in the prior year and comprehensive evaluation of sustainability approach of the entire Group, and the remuneration linked to the Director's individual performance, which is calculated according to the degree of achievement of duties commissioned to him/her or the degree of his/her contribution, will be paid to him/her at a certain time each year.

d. Policy on decisions on details, amount or number, or method to calculate the non-cash remuneration (Share-Based Remuneration)

Non-cash remuneration consists of share-based remuneration I, where the fixed number of the Company's shares will be granted to the Director according to his/her position and rank, etc., and share-based remuneration II, where the number of the shares granted will be determined based on the business performance. Share-based remuneration I applies to Directors including Non-Executive Directors while share-based remuneration II is granted to Directors who concurrently serve as Executive Officers. The timing that the share-based remuneration is granted will be a certain time every year, in principle, and the timing that a Director receives monies equivalent to the market value of the Company's shares will be the time that he/she retires from office, in principle. The grant of the Company's shares shall utilize the account established in accordance with the Transfer Restriction Agreement concluded between the Company and the Director. The Company's shares so granted be subject to the restriction on the transfer and other forms of disposal until he/she retires from office and may be reduced or confiscated in the case of any specified illegal acts, etc.

e. Policy on decisions on the amount of basic remuneration (Fixed Remuneration), and ratio of cash and non-cash remuneration among remuneration linked to business performance to remuneration of each Director

(Composition of remuneration)

Non-Executive Directors, who are responsible for supervising the corporate management, only receive fixed remuneration, i.e., basic salary and share-based remuneration I. The composition of said fixed remuneration is basic salary: share-based remuneration I = 0.9 : 0.1

The composition of remuneration for Directors who concurrently serve as Executive Officers shall be as follows, in principle:

Fixed remuneration (sum of basic salary (cash remuneration) and share-based remuneration I): cash remuneration (bonus) among remuneration linked to business performance: non-cash remuneration (share-based remuneration II) among remuneration linked to business performance = 1: 0.25 : 0.35

However, the composition set forth above shall be the average one for Directors who concurrently serve as Executive Officers and be the model in the case that the ratio of achievement of the goal related to business performance is 100%.

(Method to calculate the remuneration linked to the Company's performance)

Remuneration linked to the Company's performance = standard amount of payment of remuneration linked to the Company's performance by position and rank x performance evaluation coefficient

Note: The performance evaluation coefficient shall be calculated based on the following indicators.

(Indicators utilized for performance evaluation coefficient)

Types of indicators	Reason for selecting the indicators
Consolidated gross profit before funding costs	Selected as an indicator to measure the underlying profitability of the Group
Ordinary profit	Selected as an indicator to measure the profitability of the Group, including the equity-method profit
Profit attributable to owners of parent	Profit attributable to owners of parent is a major management target that serves as a source of funds for dividends and returns to shareholders, thereby being selected as an indicator to measure the degree of achievement.
Comprehensive evaluation of sustainability	Selected as an indicator to comprehensively evaluate the company-wide sustainability initiatives including climate change response

f. Matters concerning entrustment of decisions on remuneration for each Director

The Board of Directors may, through its resolution, entrust to President and CEO the determination of the remuneration for each Director including each Non-Executive Director. The contents of authority entrusted to President and CEO shall be: (i) determination of the remuneration table with which basic remuneration for Directors including Non-Executive Directors can be determined according to their positions and ranks, etc., (ii) determination of the amount of the remuneration linked to the Director's individual performance among c. above, according to the degree of achievement of duties commissioned to him/her or the degree of his/her contribution, (iii) determination of standard amount of payment of remuneration linked to the Company's performance by position and rank among d. above, and (iv) determination of the amount of remuneration for each Director including each Non-Executive Director, through the method determined by the Board of Directors.

In order to ensure that the authority entrusted to President and CEO will be exercised appropriately, the determination will be made through consultations between the three people, namely President and CEO and two Directors appointed by him/her.

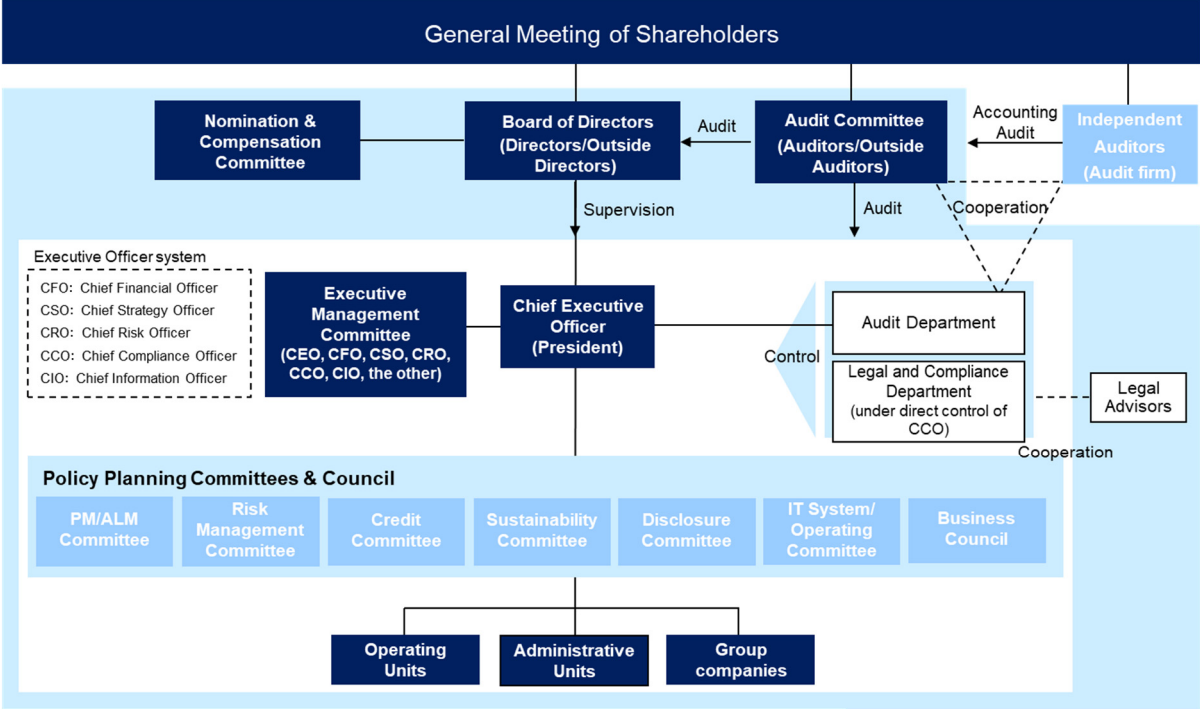
g. Other

The Board of Directors will force the relevant Director to return all or part of share-based Remuneration I and II to the Company in the event that it determines that a significant amendment to any financial statements, huge losses, significant damages to the corporate reputation or any other serious incident have occurred before a certain period of time has passed.

**<Reference> Outline of Corporate Governance Structure**

The Board of Directors has a sufficient number of outside directors. This arrangement helps the directors supervise business execution from diverse perspectives. The Audit Committee cooperates closely with independent auditors and the internal audit department. Meanwhile, the standing auditors audit the directors' and other officers' execution of duties on a daily basis. The Company believes that these ways would enable it to realize a highly effective corporate governance structure.

**Corporate Governance Structure**





**<Reference> Areas of expertise and experience of Directors and Auditors after the conclusion of this meeting (Skill Matrix)**

If Proposal 2 and Proposal 3 are approved and adopted as proposed, the composition of the Board of Directors and of the Auditor Committee will be as follows.

	Name	Areas of expertise and experience				
		Corporate Management	Legal/ Compliance/ Risk Management	Finance/ Accounting/ Financial Economy	Global	Sustainability
Directors	Shusaku Tshuhara [Male] <input type="checkbox"/> Reelection	●	●	●		●
	Akira Nakamura [Male] <input type="checkbox"/> Reelection	●	●	●		●
	Hiroshi Nagamine [Male] <input type="checkbox"/> Reelection	●	●	●	●	
	Takanori Nishiyama [Male] <input type="checkbox"/> Reelection	●	●	●	●	
	Noboru Otaka [Male] <input type="checkbox"/> New election		●	●		●
	Toshiyuki Takezawa [Male] <input type="checkbox"/> New election	●	●	●		●
	Naofumi Negishi [Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	●	●	●		●
	Hirofumi Hagihira [Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent			●	●	●
	Mari Sagiya [Female] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	●			●	●
	Hajime Kawamura [Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside	●	●		●	●
	Takayuki Aonuma [Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent		●		●	●
	Hirozumi Sone [Male] <input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	●	●			●
Auditors	Tatsuya Yamada [Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	●		●		
	Hidehiko Kamata [Male] <input type="checkbox"/> Reelection		●			●
	Hideki Amano [Male] <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent		●	●	●	
	Koji Arita [Male] <input type="checkbox"/> New election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	●		●		

Note: The above list does not represent all knowledge and experience possessed by each Director and Auditor.

### **<Reference> Independence Standards for Outside Officers**

The independence standards for outside officers are stipulated as follows. When an outside officer (including candidates) falls under any of the following items, he/she is deemed not to have sufficiently satisfied the requirements for independence of the Company.

- (i) A person to whom the Company is a major business partner, or if the person is a corporation, etc. (including organizations other than corporations; the same shall apply hereinafter), a person executing business of the corporation, etc.
- (ii) A person who is a major business partner of the Company, or if the person is a corporation, etc., a person executing business of the corporation, etc.
- (iii) A consultant, accounting expert or legal expert who has gained a large amount of money or other properties from the Company (if they are corporations, etc., a person who belongs to them)
- (iv) A close family member of a person who falls under any of the items (i) to (iii)
- (v) A close family member of a person executing business of a subsidiary of the Company
- (vi) A person who recently fell under any of the items (i) to (v), and his/her close family member
- (vii) A close family member of a person who recently was a person executing business of the Company
- (viii) Notwithstanding the provisions of each preceding paragraph, any other person for whom there is deemed to any special reason that a conflict-of-interest relationship between the person and the Company could occur.

### **<Reference> Policy and procedures for appointment and dismissal of Directors, Auditors, and the executive management**

As for nomination of candidates for Directors and Auditors, and appointment of the executive management, personnel who possesses abundant knowledge and experience, deep insight, excellent personality, and good and objective judgment is nominated and appointed in consideration of the Company's management policies and management strategies.

The nomination and appointment are determined by the Board of Directors through the deliberation process of the voluntary Nomination & Compensation Committee.

Dismissal of the executive management is judged comprehensively and determined by the Board of Directors through the deliberation process of the voluntary Nomination & Compensation Committee when it is deemed that the executive management does not fulfill their function sufficiently, taking into account company performance and assessment of the implementation status of the medium-term management plan.

—End—