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Securities Code: 2531
June 2, 2023

To our shareholders:

Mutsumi Kimura
Director and President
TAKARA HOLDINGS INC.
20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru,
Shimogyo-ku, Kyoto, Japan

Notice of the 112th Annual General Meeting of Shareholders

We write to inform you that the 112th Annual General Meeting of Shareholders of TAKARA HOLDINGS INC. (the “Company”) will be held as indicated below.

When convening this general meeting, the Company takes measures for providing in electronic format information that constitutes the content of Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, etc. (items for which measures for providing information in electronic format are to be taken), and posts this information as “Notice of the 112th Annual General Meeting of Shareholders” and “Other Items Provided Electronically for the Notice of the 112th Annual General Meeting of Shareholders (Items Omitted from Paper-Based Documents Delivered)” on the following Company’s website on the Internet. Please access the website to review the information.

<https://ir.takara.co.jp/ja/Stock/StockholderMtg.html> (in Japanese)

If you are unable to attend the meeting in person, you may exercise your voting rights by either via the Internet or in writing (by mail). Please review the Reference Documents for General Meeting of Shareholders and exercise your voting rights by Wednesday, June 28, 2023, at 5:30 p.m. (JST).

[Voting via the Internet]

Please review the “Instructions on Exercise of Voting Rights via the Internet” (page 3) (in Japanese only) and enter your approval or disapproval of the proposals by the voting deadline indicated above.

[Voting in writing (by mail)]

Please indicate your approval or disapproval of the proposals in the voting form and return it so that your vote is received by the voting deadline indicated above.

*** We will not prepare souvenirs for shareholders who attend the meeting.**

- 1. Date and time:** Thursday, June 29, 2023, at 10:00 a.m. (JST)
- 2. Venue:** RIHGA Royal Hotel Kyoto, 2nd floor, “Shunju”
1-Taimatsu-cho, Shiokoji-sagaru, HigashiHorikawa-dori, Shimogyo-ku, Kyoto

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 112th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 112th fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Seven Directors |
| Proposal No. 3 | Election of One Audit & Supervisory Board Member |

- If you attend the meeting in person, please present the voting form at the venue’s reception. The reception desk is scheduled to open at 9:00 a.m.
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the delivered documents are part of the documents that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their respective audit reports.
 - (i) “Overview of Systems to Ensure Propriety of Operations and Outline of Management of such Systems” and “Basic Guidelines on Company’s Control” in the Business Report
 - (ii) “Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (iii) “Statement of Changes in Equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
- If a voting form is submitted without indicating your vote for or against a proposal, you will be deemed to have approved that proposal.
- In addition to the Company’s website on the Internet listed on page 1, items subject to measures for electronic provision are also posted on the following websites on the Internet.

Website for the information of materials for the General Meeting of Shareholders

<https://d.sokai.jp/2531/teiji/> (in Japanese)

Tokyo Stock Exchange website (Listed Company Search)

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

- Should the items subject to the measures for electronic provision, including the Reference Documents for General Meeting of Shareholders, require revisions, a message to that effect and items before and after revision will be posted on the Company’s website on the Internet, listed on page 1, as well as on the website for the information of materials for the General Meeting of Shareholders and the website of Tokyo Stock Exchange on the Internet stated above.
- The Company participates in “electronic voting platforms” for institutional investors operated by ICJ Inc.
- In addition to the items mentioned above, if any items to be communicated to our shareholders occur, a message to that effect will be posted on the Company’s website on the Internet listed on page 1.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company views proactive profit returns to shareholders as one of its important management issues, and returns are provided after comprehensive consideration of a range of factors that include business performance, financial position and future business development.

In accordance with this policy, for the fiscal year under review, the Company proposes to increase the amount of a year-end dividend by ¥1 from the previous fiscal year, and pay ¥38 per share as follows:

Year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥38 per common share of the Company
Total amount of dividend: ¥7,512,756,978
- (3) Effective date of dividends of surplus
June 30, 2023

Proposal No. 2 Election of Seven Directors

The terms of office of six Directors, Mutsumi Kimura, Hideo Takahashi, Koichi Nakao, Keisuke Mori, Masako Tomotsune and Tomoko Kawakami will expire at the conclusion of this meeting. In addition, Director Toshihiko Yoshida passed away on August 20, 2022 and retired from his post.

Therefore, the Company proposes the election of seven Directors.

This proposal has undergone deliberation by the Nomination and Compensation Committee.

The candidates for Director are as follows:

Please refer to page 9 for details of the expertise and experience of the candidates for Director (skills matrix), and pages 11 and 12 for the criteria for candidates for Director and the independence criteria for outside officers established by the Company.

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Mutsumi Kimura [Reelection] February 3, 1963</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2002 Director of Takara Bio Inc.</p> <p>June 2004 Managing Director of Takara Bio Inc.</p> <p>June 2007 Senior Managing Director of Takara Bio Inc.</p> <p>May 2009 Director and Vice President of Takara Bio Inc.</p> <p>June 2009 Representative Director and Vice President of Takara Bio Inc.</p> <p>June 2014 Director of the Company Senior Managing Director of Takara Shuzo Co., Ltd.</p> <p>June 2016 Representative Director and Vice President of the Company Senior Managing Director of Takara Shuzo Co., Ltd.</p> <p>June 2017 Representative Director and Vice President of the Company Director of Takara Shuzo Co., Ltd.</p> <p>July 2017 Representative Director and Vice President of the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd.</p> <p>June 2018 Representative Director and President of the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd.</p> <p>Apr. 2020 Representative Director and President of the Company Director of Takara Shuzo Co., Ltd., Director of Takara Shuzo International Co., Ltd.</p> <p>June 2022 Representative Director and President of the Company Director of Takara Shuzo Co., Ltd., Director of Takara Shuzo International Co., Ltd., Director of Takara Bio Inc. (to the present)</p> <p>Significant concurrent positions outside the Company Director of Takara Shuzo Co., Ltd. Director of Takara Shuzo International Co., Ltd. Director of Takara Bio Inc.</p>	95,200 shares

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Reasons for nomination as candidate for Director Mutsumi Kimura has displayed leadership as Representative Director of the Company, possesses abundant experience and track records in the areas of management planning, finance, accounting, etc., of the Group and experience engaging in overseas business, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			
2	<p>Hideo Takahashi [Reelection] December 7, 1961</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1985 Joined the Company June 2016 Executive Officer of Takara Shuzo Co., Ltd. June 2017 Executive Officer of the Company June 2018 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd. June 2020 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd., Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd. June 2021 Director of the Company June 2022 Managing Director of the Company (to the present)</p> <p>Current responsibility in the Company In charge of Personnel, General Affairs and Public Relations & Investor Relations</p>	22,500 shares
<p>Reasons for nomination as candidate for Director Hideo Takahashi possesses abundant experience and track records in areas of human resources, etc., of the Group, and meets the criteria for a candidate for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			
3	<p>Koichi Nakao [Reelection] June 16, 1962</p> <p>Relationship of special interest in the Company: See below</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1985 Joined the Company Apr. 2002 Director of Takara Bio Inc. June 2003 Managing Director of Takara Bio Inc. June 2004 Senior Managing Director of Takara Bio Inc. June 2007 Representative Director and Vice President of Takara Bio Inc. May 2009 Representative Director and President of Takara Bio Inc. June 2009 Director of the Company Representative Director and President of Takara Bio Inc. (to the present)</p> <p>Significant concurrent positions outside the Company Representative Director and President of Takara Bio Inc.</p>	23,800 shares
<p>Reasons for nomination as candidate for Director Koichi Nakao possesses abundant experience and a track record at the bio business of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p> <p>Relationship of special interest in the Company The Company has the following transactions with Takara Bio Inc., where he serves as Representative Director.</p> <ul style="list-style-type: none"> - Licensing of the Company's trademarks - Consigned operations and maintenance, consigned development, equipment rental, and sales of equipment, software and supplies related to information systems - Office (part of building owned by Takara Bio Inc.) rental 			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p>Keisuke Mori [Reelection] July 8, 1962</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1985 Joined the Company</p> <p>June 2017 Executive Officer of the Company</p> <p>July 2017 Executive Officer of the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p>June 2018 Director of the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p>June 2020 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd., Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p>June 2021 Director of the Company (to the present)</p> <p>Current responsibility in the Company In charge of Business Management, Sustainability Promotion, Accounting & Finance and Business Support & IT Promotion</p>	24,400 shares
<p>Reasons for nomination as candidate for Director</p> <p>Keisuke Mori possesses abundant experience and track records in areas of management planning, etc., of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			
5	<p>Masako Tomotsune (Name on family registry: Masako Izaki) [Reelection] <Outside> <Independent> February 17, 1972</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p> <p>Tenure as outside Director of the Company: 5 years (at the conclusion of this meeting)</p>	<p>Oct. 2002 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Tanabe & Partners</p> <p>Apr. 2010 Member of SDF Ethics Review Board (Until March 2020)</p> <p>Apr. 2013 Partner of Tanabe & Partners (current position)</p> <p>June 2018 Outside Director of the Company (current position)</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of The Kodensha, Co., Ltd. (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Partner of Tanabe & Partners Outside Director (Audit and Supervisory Committee Member) of The Kodensha, Co., Ltd.</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Masako Tomotsune is a candidate for outside Director. The Company judges that her abundant experience, track records and deep insight in corporate legal affairs, etc. developed throughout her career and other experiences can be incorporated in the further enrichment of the Company's management structure, and that she meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated her as a candidate to continue serving as an outside Director. In addition, the Company expects her to perform a role in providing supervision, advice, etc. from the above-mentioned professional standpoint. - She has never been involved in the management of a company except as an outside officer. However, the Company judges that she will appropriately fulfill her duties as an outside Director based on the above reasons. 			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p>Tomoko Kawakami [Reelection] <Outside> <Independent> May 3, 1965</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p> <p>Tenure as outside Director of the Company: 4 years (at the conclusion of this meeting)</p>	<p>Apr. 2000 Assistant Professor, Faculty of Commerce, Kansai University</p> <p>Apr. 2002 Associate professor, Faculty of Commerce, Kansai University</p> <p>Apr. 2003 Visiting Scholar, Foster School of Business, University of Washington (until March 2004, and from October 2007 until March 2008)</p> <p>Apr. 2009 Professor, Faculty of Commerce, Kansai University (until March 2015)</p> <p>Aug. 2012 Visiting Scholar, INSEAD Blue Ocean Strategy Institute (France) (current position)</p> <p>Jan. 2013 Fulbright Visiting Scholar, Foster School of Business, University of Washington (until March 2013)</p> <p>Oct. 2013 Research Fellow, The Institute on Asian Consumer Insight, Nanyang Technological University (Singapore) (until July 2018)</p> <p>Apr. 2015 Professor, Waseda Business School, Graduate School of Faculty of Commerce, Waseda University (current position)</p> <p>Apr. 2016 Associate Director, Waseda Blue Ocean Strategy Institute (currently, Waseda Blue Ocean Shift Institute), Comprehensive Research Organization, Waseda University (current position)</p> <p>Apr. 2019 Director, Marketing International Institute (currently Marketing and Sustainability International Institute), Advanced Collaborative Research Organization for Smart Society, Waseda University (current position)</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>Dec. 2019 Examiner, Certified Public Accountant Examination (until November 2021)</p> <p>Sep. 2022 Visiting Professor, Copenhagen Business School (until December 2022) Outside Director of BeNext-Yumeshin Group Co. (currently Open Up Group Inc.) (current position)</p> <p>Mar. 2023 Visiting Scholar, Shidler College of Business, University of Hawaii at Manoa (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Professor, Waseda Business School, Graduate School of Faculty of Commerce, Waseda University Outside Director of Open Up Group Inc.</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Tomoko Kawakami is a candidate for outside Director. The Company judges that her abundant experience, track records and deep insight in business administration and marketing, etc. developed throughout her career and other experiences can be incorporated in the further enrichment of the Company's management structure, and that she meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated her as a candidate to continue serving as an outside Director. In addition, the Company expects her to perform a role in providing supervision, advice, etc. from the above-mentioned professional standpoint. - She has never been involved in the management of a company except as an outside officer. However, the Company judges that she will appropriately fulfill her duties as an outside Director based on the above reasons. 			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p>Takao Motomiya [New election] <Outside> <Independent> December 10, 1956</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: -</p>	<p>Apr. 1975 Joined Kantoshinetsu Regional Taxation Bureau, National Tax Agency</p> <p>July 2009 Director (Liquor Tax and Industry), Liquor Tax and Industry Division, Taxation Department, National Tax Agency</p> <p>July 2012 District Director, Koga District Tax Office, Kantoshinetsu Regional Taxation Bureau, National Tax Agency</p> <p>July 2013 Manager, General Affairs Division, National Research Institute of Brewing</p> <p>July 2014 Director, Office of Management Supervision, Administration and Legal Division, Commissioner's Secretariat, National Tax Agency</p> <p>July 2016 Regional Commissioner, Takamatsu Regional Taxation Bureau, National Tax Agency</p> <p>July 2017 Retired from National Tax Agency</p> <p>Dec. 2017 Tax accountant, Takao Motomiya Certified Tax Accountant Office (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Tax accountant, Takao Motomiya Certified Tax Accountant Office</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Takao Motomiya is a candidate for outside Director. The Company judges that his abundant experience, track records and deep insight in taxation, etc. developed throughout his career and other experiences can be incorporated in the further enrichment of the Company's management structure, and that he meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated him as a candidate to serve as an outside Director. In addition, the Company expects him to perform a role in providing supervision, advice, etc. from the above-mentioned professional standpoint. - He has never been involved in the management of a company. However, the Company judges that he will appropriately fulfill his duties as an outside Director based on the above reasons. 			

- (Notes)
1. The three individuals, Masako Tomotsune, Tomoko Kawakami and Takao Motomiya, fulfill the requirements of the independence criteria for outside officers established by the Company. The Company has already submitted notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning the each of their appointments of Masako Tomotsune and Tomoko Kawakami as independent officers as provided for by the regulations of the aforementioned exchange. Similarly, notification will be submitted concerning the appointment of Takao Motomiya.
 2. The Company has entered into limited liability agreements with Masako Tomotsune and Tomoko Kawakami to limit their liability for damages to the total amount under each item of Article 425, Paragraph 1 of the Companies Act. If their election is approved in accordance with this proposal, the Company plans to continue this limited liability agreement. If the election of Takao Motomiya is approved in accordance with this proposal, the Company plans to enter into the same limited liability agreement with him.
 3. The Company has entered into a Directors and Officers Liability Insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. An overview of the contents of the insurance contract is as stated in the Business Report 4. (4) "Overview of the contents of the Directors and Officers Liability Insurance." If the re-appointments of the six candidates for Director are approved in accordance with this proposal, the six will continue to be insured persons of the relevant insurance agreement, and if the appointment of Takao Motomiya is approved, he will become a newly insured person of the relevant insurance agreement. The insurance agreement will be renewed with the same contents at the next renewal.

(Reference)

Areas of expertise and experience of candidates for Director (Skill Matrix)

Name	Corporate management/ Management strategies	Finance/ Accounting/ Tax affairs	Legal affairs/ Compliance	Human resources/ Labor affairs	Research and development/ Product technologies	Brand strategies/ Marketing	Overseas business/ Internationality
Mutsumi Kimura	●	●	●	●			●
Hideo Takahashi			●	●			
Koichi Nakao	●		●	●	●	●	●
Keisuke Mori	●	●					
Masako Tomotsune			●	●			
Tomoko Kawakami	●					●	●
Takao Motomiya		●	●				

Proposal No. 3 Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Kumiko Kitai will expire at the conclusion of this meeting. Therefore, the Company proposes to elect one Audit & Supervisory Board Member.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Please refer to pages 11 and 12 for the criteria for candidates for Audit & Supervisory Board Member and independence criteria for Outside Officers established by the Company.

Name, date of birth, etc.	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Akiko Yoshimoto [New election] <Outside> <Independent> February 4, 1963</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: -</p> <p>Attendance at the Audit & Supervisory Board meeting during the fiscal year under review: -</p>	<p>Apr. 1985 Joined Ministry of Labour (currently Ministry of Health, Labour and Welfare)</p> <p>July 2015 Deputy Director-General of Minister's Secretariat (in charge of Workers' Compensation), Ministry of Health, Labour and Welfare</p> <p>Oct. 2015 Deputy Director-General of Minister's Secretariat (in charge of Equal Employment, Children and Families, and Measures for Declining Birthrate), Ministry of Health, Labour and Welfare</p> <p>July 2017 Deputy Director-General of Secretariat (in charge of Adjustment, and Planning and Public Relations), Central Labour Relations Commission, Ministry of Health, Labour and Welfare</p> <p>July 2018 Director-General for Human Resources Development, Ministry of Health, Labour and Welfare</p> <p>July 2019 Director-General of Secretariat, Central Labour Relations Commission, Ministry of Health, Labour and Welfare</p> <p>Oct. 2021 Retired from Ministry of Health, Labour and Welfare</p> <p>Feb. 2022 Senior Advisor, Boston Consulting Group (current position)</p> <p>June 2022 Outside Director of Toenec Corporation (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Senior Advisor, Boston Consulting Group Outside Director of Toenec Corporation</p>	<p>0 shares</p>

Reasons for nomination as candidate for outside Audit & Supervisory Board Member, etc.

- Akiko Yoshimoto is a candidate for outside Audit & Supervisory Board Member. The Company judges that her abundant experience, track records and deep insight in labor law and system, etc. developed throughout her career and other experiences can be incorporated in the further enrichment of the Company's audit structure, and that she meets the criteria for candidates for outside Audit & Supervisory Board Member established by the Company. Therefore, the Company nominated her as a candidate to serve as an outside Audit & Supervisory Board Member.
- She has never been involved in the management of a company except as an outside officer. However, the Company judges that she will appropriately fulfill her duties as an outside Audit & Supervisory Board Member based on the above reasons.

- (Notes)
1. Akiko Yoshimoto fulfills the requirements of the independence criteria for outside officers established by the Company, and the Company plans to submit notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning her appointment as an independent officer as provided for by the regulations of the aforementioned exchange.
 2. If her election is approved in accordance with this proposal, the Company plans to enter into a limited liability agreement with her to limit her liability for damages to the total amount under each item of Article 425, Paragraph 1 of the Companies Act.
 3. The Company has entered into a Directors and Officers Liability Insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. An overview of the contents of the insurance contract is as stated in the Business Report 4. (4) "Overview of the contents of the Directors and Officers Liability Insurance." If the election of Akiko Yoshimoto is approved in accordance with this proposal, she will become a newly insured person under the relevant insurance agreement. The insurance agreement will be renewed with the same contents at the next renewal.

(Reference)

Policy and Procedure for Nomination of Candidates for Director and Audit & Supervisory Board Member

The Representative Director and President submits proposals to the Board of Directors for the final decision about the nomination of candidates for Director after deliberation by the Nomination and Compensation Committee, based on the following criteria.

- These individuals must have outstanding character and knowledge, as well as the ability to recognize and solve management issues from a perspective of management as a whole.
- Executive Directors must have sufficient knowledge, experience and track records in their respective fields of expertise, as well as outstanding skill concerning the operation of an organization.
- Outside Directors must have considerable experience in their respective fields, as well as the capability to provide advice and suggestions from an independent standpoint for ensuring that decisions of the Board of Directors meeting are valid and appropriate.

The Representative Director and President submits proposals to the Board of Directors for the final decision about the nomination of candidates for Audit & Supervisory Board Member after obtaining consent from the Audit & Supervisory Board, based on the following criteria.

- These individuals must have outstanding character and knowledge, as well as the ability to recognize management issues from a perspective of management as a whole, and observe and provide advice and suggestions from an independent standpoint for ensuring that the decisions of the Board of Directors meeting are valid and appropriate.
- Audit & Supervisory Board Members from within the Company must have sufficient knowledge, experience and track records in their respective fields of expertise.
- Outside Audit & Supervisory Board Members must have considerable experience in their respective fields.

Independence Criteria for Outside Officers

The Company determines that outside Directors and outside Audit & Supervisory Board Members (hereinafter “outside officers”) are independent of the Company if they fulfill all of the following requirements.

1. Fulfillment of the following requirement presently and at any time in the past:
The individual was never a business executive (an Executive Director, an Executive Officer, or a manager or other employee, same hereinafter) of the Company or a subsidiary or related company of the Company (hereinafter the “Group”).
2. Fulfillment of all of the following requirements presently and at any time during the previous five years:
 - (1) Not a major shareholder (a party who owns at least 10% of the total of voting rights directly or indirectly) or a business executive thereof
 - (2) Not a company or other organization in which the Group owns at least 10% of the total of voting rights or a business executive thereof
 - (3) Not a major business partner (an entity where transactions with the Group account for at least 2% of consolidated sales in the Company’s fiscal year) with the Group or a business executive thereof
 - (4) Not an entity where the Group is a major business partner (an entity where transactions with the Group account for at least 2% of consolidated sales of that entity’s fiscal year) or a business executive thereof
 - (5) Not a major provider of loans to the Group (a lender where loans to the Group account for at least 2% of the Company’s consolidated total assets; however, even when this is not applicable, a lender is treated as a major provider of loans to the Group if it is included in the list of major lenders in the Company’s Business Report or other report) or a business executive thereof.
 - (6) Not an attorney at law, certified public accountant, tax accountant, consultant or other provider of professional services (for services provided by companies and other organizations, not an individual who provides the service as a member of the company or organization) who has received from the Group annual compensation, etc., of at least ¥10 million separately from compensation received from the Group as an officer.
 - (7) Not an Accounting Auditor (for a company, not an individual performing the service as a member of the company) of the Group
 - (8) Not an individual (for a company or other organization, not an individual performing business activities as a member of the company or organization) who has received an annual donation of at least ¥10 million from the Group
 - (9) Not a business executive of a company, between which and the Company outside officers are mutually appointed (a business executive of the Group is an outside officer of a company outside the Group and a business executive of that company outside the Group is an outside officer of the Company)
 - (10) Not a close relative (spouse or persons within the second degree of kinship) is a business executive (if an employee, must be a department’s general manager or higher) of the Group or violates any of the preceding criteria (1) through (9) (but for a company business executive, if an employee, must be a department’s general manager or higher; if the individual is a member of an organization other than a company, must be a person who performs significant business tasks)
3. In addition, not an individual for whom there is justification for a rational judgment that the individual is unable to perform the duties of an independent outside officer.