

The following is an English translation prepared for the convenience of shareholders and investors. The official text in the Japanese version of this notice has been prepared in accordance with statutory provisions and mailed to the respective shareholders separately. Should there be any inconsistency in the contents of the translation and the official version, the latter shall prevail. The Company accepts no liability for any misunderstanding caused by the translation.

To All Shareholders:

Securities code: 6841

Date of sending by postal mail: June 5, 2023

Start date of measures for electronic provision: May 31, 2023

Yokogawa Electric Corporation
2-9-32 Nakacho, Musashino-shi, Tokyo

Notice of 2023 Annual General Meeting of Shareholders

Dear Shareholder:

Yokogawa Electric Corporation (hereinafter the Company) hereby announces that the 2023 Annual General Meeting of Shareholders will be held as per the schedule below.

Shareholders are kindly asked to make a decision about whether to attend the meeting in person in light of the COVID-19 situation on the day of the meeting, as well as their own physical condition. Voting rights can be exercised in advance by mail, via the Internet, or other means in lieu of attending the meeting in person. Please review the attached Reference Materials for General Meeting of Shareholders concerning the exercise of your shareholder voting rights and submit your vote using one of the methods outlined below.

Sincerely,

Hitoshi Nara
President and CEO

1. Time & Date: 10:00 a.m. (Japan time), Tuesday, June 27, 2023

2. Place: Conference Hall, Yokogawa Head Office, 2-9-32 Nakacho, Musashino-shi, Tokyo

3. Meeting Agenda:

Items to be reported

- 1: Business report, consolidated financial statements, and a report on the audit of the consolidated accounts by the accounting auditors and the Audit & Supervisory Board for fiscal year 2022 (April 1, 2022 to March 31, 2023)
- 2: Non-consolidated financial statements for fiscal year 2022 (April 1, 2022 to March 31, 2023)

Items to be resolved

- Item 1: Disposition of Surplus**
- Item 2: Election of Eight (8) Directors**
- Item 3: Election of One (1) Audit & Supervisory Board Member**

[Vote by mail]

Indicate “for” or “against” for each agenda item shown on the enclosed voting form and return it promptly to ensure its arrival **no later than 5:00 p.m. on Monday, June 26, 2023, Japan time.**

[Vote via the Internet]

Access the shareholder voting site (<https://soukai.mizuho-tb.co.jp/>) designated by the Company and enter the voting code and password found on the enclosed voting form.

By following the prompts on the screen, indicate “for” or “against” for each agenda item and submit this form **no later than 5:00 p.m. on Monday, June 26, 2023, Japan time.**

For more details, please refer to the Instructions for Internet Voting on page 52.

[Handling of multiple voting]

If you exercise your voting right both by mail and via the Internet, the voting via the Internet shall prevail regardless of the arrival date of the mailed vote. In the case of multiple voting via the Internet, the last voting shall prevail.

Notes:

1. If attending the meeting in person, please present the enclosed voting form to the reception desk upon arrival. If you intend to exercise your voting rights by proxy, you must appoint as your proxy another shareholder who is entitled to exercise voting rights and will attend the General Meeting of Shareholders, pursuant to Article 19 of the Articles of Incorporation of the Company. However, a written document certifying the proxy’s authority must be submitted to the Company.
2. Revisions to or amendments, if necessary, of the Reference Materials for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Company website (<https://www.yokogawa.com/about/ir/reports/meeting/>).

Reference Materials for General Meeting of Shareholders

Item 1: Disposition of Surplus

The distribution of earnings to shareholders is a top management priority for the Company. By achieving growth in earnings, the Company aims to steadily and continuously increase our dividend payments.

Specifically, the Company strives to ensure a consolidated dividend payout ratio of more than 30% while giving overall consideration to ensuring investment capital for maximizing business results and mid- to long-term shareholder value and maintaining financial footing for supporting investment for growth. The Company also aims to maintain a stable dividend based on a DOE (dividend on equity) ratio, even when business results deteriorate due to temporary factors.

Based on the above policy, the Company proposes the following dividend payment. With this, the annual dividend per share for the year, including the interim dividend of 17 yen, will be 34 yen.

Matters related to year-end dividends

(1) Type of dividend assets

Cash

(2) Allocation of dividend assets and total amount of allocation

17 yen per common share of the Company

Total amount of payout is 4,537,794,309 yen.

(3) Effective date of dividend payout


June 28, 2023


Item 2: Election of Eight (8) Directors


At the conclusion of this General Meeting of Shareholders, the terms of office for nine (9) Directors will expire. The Company proposes to elect a total of eight (8) Directors including five (5) Outside Directors, lowering the number of Directors by one (1).


The Company nominated candidates for Directors by the resolution of the Board of Directors following the recommendation and deliberation by the Company's Nomination Advisory Committee, over half of whose members are Outside Directors, based on "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers," stipulated by the Company.


Information on the eight (8) Director candidates is provided below.


Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate																						
1	 <p data-bbox="389 622 531 667">Hitoshi Nara (Jan. 23, 1963)</p> <div data-bbox="363 685 557 734" style="border: 1px solid black; padding: 2px; text-align: center;"> Reelection Candidate </div>	<table border="0"> <tr> <td style="vertical-align: top;">Apr. 1985</td> <td>Joined the Company</td> </tr> <tr> <td style="vertical-align: top;">Oct. 2001</td> <td>Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Oct. 2003</td> <td>Managing Director of Yokogawa (Thailand) Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Jan. 2007</td> <td>Head of Sales Div. I, Industrial Solutions Business Headquarters of the Company</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2010</td> <td>Senior Vice President, Head of Industrial Solutions Business Headquarters</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2011</td> <td>Director and Senior Vice President, Head of Industrial Solutions Business Headquarters</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2012</td> <td>Director and Senior Vice President, Head of Industrial Solutions Service Business Headquarters</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2013</td> <td>Director of the Company, President of Yokogawa Solution Service Corporation</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2017</td> <td>Director and Executive Vice President, Chief Executive for Japan and Korea, and President of Yokogawa Solution Service Corporation</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2018</td> <td>Director and Executive Vice President, Head of Life Innovation Business Headquarters</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2019</td> <td>President and Chief Executive Officer (present)</td> </tr> </table>	Apr. 1985	Joined the Company	Oct. 2001	Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd.	Oct. 2003	Managing Director of Yokogawa (Thailand) Ltd.	Jan. 2007	Head of Sales Div. I, Industrial Solutions Business Headquarters of the Company	Apr. 2010	Senior Vice President, Head of Industrial Solutions Business Headquarters	Jun. 2011	Director and Senior Vice President, Head of Industrial Solutions Business Headquarters	Apr. 2012	Director and Senior Vice President, Head of Industrial Solutions Service Business Headquarters	Apr. 2013	Director of the Company, President of Yokogawa Solution Service Corporation	Apr. 2017	Director and Executive Vice President, Chief Executive for Japan and Korea, and President of Yokogawa Solution Service Corporation	Apr. 2018	Director and Executive Vice President, Head of Life Innovation Business Headquarters	Apr. 2019	President and Chief Executive Officer (present)	28,713 shares
Apr. 1985	Joined the Company																								
Oct. 2001	Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd.																								
Oct. 2003	Managing Director of Yokogawa (Thailand) Ltd.																								
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Apr. 2018	Director and Executive Vice President, Head of Life Innovation Business Headquarters																								
Apr. 2019	President and Chief Executive Officer (present)																								
Number of years since appointment as a Director (at the conclusion of this AGM)		12 years																							
Attendance of Board of Directors Meetings (FY2022)		Present at 14 of the 14 meetings (100%)																							
<p>The reason for election as a Director candidate</p> <p>Mr. Hitoshi Nara properly supervises management as a Director. He has spearheaded the execution of business as President and Chief Executive Officer since FY2019 after being engaged in operations for the sales department of the Company's industrial automation and control business, serving as President of domestic and overseas subsidiaries and working on the launch of new business, and has abundant experience and track records as a corporate manager. Because he is expected to continuously contribute to improvement of corporate value and strengthening of the decision-making function and the management supervision function of the Board of Directors by utilizing his experience in management and track records, his election as a Director is being requested.</p> <p>In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p>																									
Notes: 1. There is no special interest between Mr. Hitoshi Nara and the Company. 2. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Mr. Hitoshi Nara is currently included in the said insurance agreement as an insured, and provided he is re-elected as proposed, he will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.																									


Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate																		
2	 <p data-bbox="384 595 536 645">Junichi Anabuki (Mar. 18, 1963)</p> <div data-bbox="363 663 557 707" style="border: 1px solid black; padding: 2px; text-align: center;"> Reelection Candidate </div>	<table border="0"> <tr> <td style="padding-right: 10px;">Apr. 1986</td> <td>Joined Fukutoku Sogo Bank, Ltd.</td> </tr> <tr> <td>Mar. 1992</td> <td>Joined the Company</td> </tr> <tr> <td>Jan. 2005</td> <td>General Manager, Treasury Department</td> </tr> <tr> <td>Apr. 2011</td> <td>Vice President, Head of Accounting & Treasury Headquarters</td> </tr> <tr> <td>Jun. 2014</td> <td>Director and Vice President, Head of Accounting & Treasury Headquarters</td> </tr> <tr> <td>Apr. 2016</td> <td>Director and Senior Vice President, Head of Accounting & Treasury Headquarters</td> </tr> <tr> <td>Apr. 2018</td> <td>Director and Senior Vice President, Head of Corporate Administration Headquarters</td> </tr> <tr> <td>Apr. 2019</td> <td>Director and Executive Vice President, Head of Corporate Administration Headquarters</td> </tr> <tr> <td>Apr. 2023</td> <td>Director, Senior Executive Vice President, Assistant to the President in charge of special missions (present)</td> </tr> </table>	Apr. 1986	Joined Fukutoku Sogo Bank, Ltd.	Mar. 1992	Joined the Company	Jan. 2005	General Manager, Treasury Department	Apr. 2011	Vice President, Head of Accounting & Treasury Headquarters	Jun. 2014	Director and Vice President, Head of Accounting & Treasury Headquarters	Apr. 2016	Director and Senior Vice President, Head of Accounting & Treasury Headquarters	Apr. 2018	Director and Senior Vice President, Head of Corporate Administration Headquarters	Apr. 2019	Director and Executive Vice President, Head of Corporate Administration Headquarters	Apr. 2023	Director, Senior Executive Vice President, Assistant to the President in charge of special missions (present)	23,148 shares
Apr. 1986	Joined Fukutoku Sogo Bank, Ltd.																				
Mar. 1992	Joined the Company																				
Jan. 2005	General Manager, Treasury Department																				
Apr. 2011	Vice President, Head of Accounting & Treasury Headquarters																				
Jun. 2014	Director and Vice President, Head of Accounting & Treasury Headquarters																				
Apr. 2016	Director and Senior Vice President, Head of Accounting & Treasury Headquarters																				
Apr. 2018	Director and Senior Vice President, Head of Corporate Administration Headquarters																				
Apr. 2019	Director and Executive Vice President, Head of Corporate Administration Headquarters																				
Apr. 2023	Director, Senior Executive Vice President, Assistant to the President in charge of special missions (present)																				
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Number of years since appointment as a Director (at the conclusion of this AGM)</td> <td style="width: 50%;">9 years</td> </tr> <tr> <td>Attendance of Board of Directors Meetings (FY2022)</td> <td>Present at 14 of the 14 meetings (100%)</td> </tr> </table> <p>The reason for election as a Director candidate</p> <p>Mr. Junichi Anabuki properly supervises management as a Director. He possesses many years of operational experience in the Company's corporate administration & treasury department, demonstrates his high ability and expertise in management as Head of Corporate Administration Headquarters until FY2022, and has abundant experience and track records. Because he is expected to continuously contribute to improvement of corporate value and strengthening of the decision-making function and the management supervision function of the Board of Directors by utilizing his experience and wide knowledge, his election as a Director is being requested.</p> <p>In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p>				Number of years since appointment as a Director (at the conclusion of this AGM)	9 years	Attendance of Board of Directors Meetings (FY2022)	Present at 14 of the 14 meetings (100%)														
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Attendance of Board of Directors Meetings (FY2022)	Present at 14 of the 14 meetings (100%)																				
Notes <ol style="list-style-type: none"> 1. There is no special interest between Mr. Junichi Anabuki and the Company. 2. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Mr. Junichi Anabuki is currently included in the said insurance agreement as an insured, and provided he is re-elected as proposed, he will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal. 																					


Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
3	 <p data-bbox="389 595 533 640">Yu Dai (Feb. 25, 1963)</p> <p data-bbox="363 658 558 712">Reelection Candidate</p>	<p data-bbox="587 309 1225 376">Aug. 1990 Joined SINOPEC Yangzi Petrochemical Corporation Jan. 1994 Deputy Project Director at Yangzi-BASF Styrenics Company Ltd.</p> <p data-bbox="587 376 1225 443">Jun. 1998 Project Director of BASF/SINOPEC JV Integrated Petrochemical Site (IPS) Project at SINOPEC</p> <p data-bbox="587 443 1225 510">Apr. 2001 GM of Base Chemicals Division at BASF-YPC Company Ltd.</p> <p data-bbox="587 510 1225 577">Jan. 2003 Low Olefins Plant Manager at CNOOC and Shell Petrochemical Company Ltd.</p> <p data-bbox="587 577 1225 645">Nov. 2006 GM of Base Chemicals for Asia Pacific / Middle East at Shell Chemicals</p> <p data-bbox="587 645 1225 712">Jan. 2009 Project GM at Shell China</p> <p data-bbox="587 712 1225 779">Nov. 2012 CEO of Jurong Aromatics Corporation Pte. Ltd.</p> <p data-bbox="587 779 1225 846">Oct. 2015 Joined Yokogawa Electric International Pte. Ltd. GM of China Sales Strategy Center</p> <p data-bbox="587 846 1225 913">Apr. 2016 President of Yokogawa China Investment Co., Ltd. President of Yokogawa China Co., Ltd.</p> <p data-bbox="587 913 1225 981">Apr. 2017 Vice President of the Company, Chief Executive for ASEAN and Pacific, and President of Yokogawa China Investment Co., Ltd.</p> <p data-bbox="587 981 1225 1048">Apr. 2019 Senior Vice President of the Company, Head of Digital Enterprise Business Headquarters</p> <p data-bbox="587 1048 1225 1115">Jun. 2019 Director and Senior Vice President of the Company, Head of Digital Enterprise Business Headquarters</p> <p data-bbox="587 1115 1225 1182">Apr. 2021 Director and Senior Vice President of the Company, Head of Digital Solutions Headquarters (present)</p>	0 shares
Number of years since appointment as a Director (at the conclusion of this AGM)		4 years	
Attendance of Board of Directors Meetings (FY2022)		Present at 14 of the 14 meetings (100%)	
The reason for election as a Director candidate		<p data-bbox="411 1099 1331 1279">Mr. Yu Dai properly supervises management as a Director. He experienced administrative operations for projects and corporate management at several global companies in petroleum and chemical industries, then became the Chief Executive of subsidiary in the ASEAN and Pacific region, currently leads the solution business, one of core businesses in the industrial automation and control business, and has abundant experience and track records. Because he is expected to contribute to improvement of corporate value and strengthening of the decision-making function and the management supervision function of the Board of Directors by utilizing his wide experience and knowledge, his election as a Director is being requested.</p> <p data-bbox="411 1279 1331 1323">In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</p>	
Notes	<p data-bbox="325 1346 1378 1368">1. There is no special interest between Mr. Yu Dai and the Company.</p> <p data-bbox="325 1379 1378 1536">2. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured’s losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Mr. Yu Dai is currently included in the said insurance agreement as an insured, and provided he is re-elected as proposed, he will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.</p>		

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
	 <p data-bbox="384 589 536 640">Shiro Sugata (Nov. 17, 1949)</p> <p data-bbox="363 647 557 696">Reelection Candidate</p> <p data-bbox="363 703 557 752">Candidate of Outside Director</p> <p data-bbox="363 759 557 808">Candidate of Independent Officer</p>	<p data-bbox="587 306 699 331">Apr. 1972</p> <p data-bbox="730 306 922 331">Joined USHIO INC.</p> <p data-bbox="587 338 699 362">Jan. 1993</p> <p data-bbox="730 338 1235 362">President of BLV Licht- und Vakuumtechnik GmbH</p> <p data-bbox="587 369 699 394">Jun. 2000</p> <p data-bbox="730 369 1177 416">Director and Corporate Senior Vice President of USHIO INC.</p> <p data-bbox="587 423 699 448">Apr. 2003</p> <p data-bbox="730 423 1177 470">Director and Lamp Company President, COO of USHIO INC.</p> <p data-bbox="587 477 699 501">Jun. 2004</p> <p data-bbox="730 477 1235 524">Representative Director and Corporate Executive Vice President of USHIO INC.</p> <p data-bbox="587 530 699 555">Mar. 2005</p> <p data-bbox="730 530 1059 555">President and CEO of USHIO INC.</p> <p data-bbox="587 562 699 586">Oct. 2014</p> <p data-bbox="730 562 1177 586">Director and Corporate Advisor of USHIO INC.</p> <p data-bbox="587 593 699 618">Jun. 2016</p> <p data-bbox="730 593 1059 640">Corporate Advisor of USHIO INC. Director of the Company (present)</p> <p data-bbox="587 647 699 672">Jul. 2017</p> <p data-bbox="730 647 1225 694">Special Corporate Advisor of USHIO INC. (retired in April 2021)</p>	0 shares
4	<p data-bbox="376 831 671 855">Significant concurrent positions</p> <p data-bbox="395 855 1273 880">Outside Director and Chairman of the Board of Directors of YAMATO HOLDINGS CO., LTD.</p> <p data-bbox="376 887 983 934">Number of years since appointment as a Director 7 years (at the conclusion of this AGM)</p> <p data-bbox="376 940 1209 987">Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2022) (100%)</p> <p data-bbox="376 1010 1161 1034">The reason for election as an Outside Director candidate and outline of expected roles</p> <p data-bbox="395 1041 1331 1155">Mr. Shiro Sugata properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervising the management of the Company based on his wide knowledge as a corporate manager, his abundant experience in the development and marketing of industrial instruments, and his extensive expertise in global business.</p> <p data-bbox="395 1162 1331 1207">In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</p> <p data-bbox="376 1214 663 1238">About the independent officers</p> <p data-bbox="395 1245 1331 1359">Mr. Shiro Sugata meets the requirements of an independent officer pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.</p> <p data-bbox="395 1366 1155 1391">In addition, please refer to page 15 for “The Company’s Independence Standards.”</p>		
<p data-bbox="240 1406 304 1431">Notes:</p> <ol data-bbox="325 1406 1385 1818" style="list-style-type: none"> <li data-bbox="368 1406 1034 1431">1. There is no special interest between Mr. Shiro Sugata and the Company. <li data-bbox="368 1438 1353 1485">2. Mr. Shiro Sugata is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. <li data-bbox="368 1491 1385 1648">3. The Company has entered into a liability limitation agreement with Mr. Shiro Sugata, upon approval of his re-election, the Company will continue the agreement with him. The overview of the agreement is as follows: Under Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company shall enter into an agreement with its Outside Directors, which limits their liability provided for in Article 423, Paragraph 1 to the higher of either 15 million yen or the amount stipulated in the Act. <li data-bbox="368 1655 1385 1818">4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured’s losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Mr. Shiro Sugata is currently included in the said insurance agreement as an insured, and provided he is re-elected as proposed, he will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal. 			

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
5	 <p data-bbox="395 600 523 645">Akira Uchida (Oct. 4, 1950)</p> <p data-bbox="363 651 555 696">Reelection Candidate</p> <p data-bbox="363 703 555 748">Candidate of Outside Director</p> <p data-bbox="363 754 555 799">Candidate of Independent Officer</p>	<p data-bbox="587 327 699 349">Apr. 1975</p> <p data-bbox="587 349 699 371">Jun. 1996</p> <p data-bbox="587 394 699 416">Jun. 2000</p> <p data-bbox="587 461 699 483">Jun. 2004</p> <p data-bbox="587 528 699 551">Jun. 2005</p> <p data-bbox="587 618 699 640">Jun. 2009</p> <p data-bbox="587 707 699 730">Jun. 2012</p> <p data-bbox="587 864 699 887">Jun. 2016</p> <p data-bbox="587 909 699 931">Jun. 2019</p> <p data-bbox="730 327 1233 931"> Joined Toray Industries, Inc. Executive Vice President of Toray Industries (America), Inc. Senior Manager of Corporate Planning 1st Department and Corporate Communications Department, Toray Industries, Inc. Associate Director of Corporate Planning Department and Investor Relations Department, Toray Industries, Inc. Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc. President of Toray Holding (U.S.A.), Inc. Senior Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc. President of Toray Holding (U.S.A.), Inc. Senior Vice President (Member of the Board), Chief Investor Relations Officer, Chief Social Responsibility Officer, General Supervisor for General Administration & Legal Division, Corporate Communications Department, Advertising Department, General Manager of Tokyo Head Office, Toray Industries, Inc. Counselor, Toray Industries, Inc. (retired in March 2019) Director of the Company (present) </p>	2,294 shares
<p data-bbox="379 943 890 1010">Significant concurrent positions Outside Director of J. FRONT RETAILING Co., Ltd. Auditor of Suga Weathering Technology Foundation</p> <p data-bbox="379 1021 986 1066">Number of years since appointment as a Director (at the conclusion of this AGM) 4 years</p> <p data-bbox="379 1077 1214 1122">Attendance of Board of Directors Meetings (FY2022) Present at 14 of the 14 meetings (100%)</p> <p data-bbox="379 1133 1337 1323">The reason for election as an Outside Director candidate and outline of expected roles Mr. Akira Uchida properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervision of management of the Company based on his wide knowledge as a corporate manager and wide experience in the corporate administration field centered on the Finance and Controller's Division. In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p> <p data-bbox="379 1335 1337 1503">About the independent officers Mr. Akira Uchida meets the requirements of an independent officer pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer. In addition, please refer to page 15 for "The Company's Independence Standards."</p>			
<p data-bbox="240 1525 1385 1928">Notes:</p> <ol data-bbox="240 1525 1385 1928" style="list-style-type: none"> <li data-bbox="323 1525 1034 1547">1. There is no special interest between Mr. Akira Uchida and the Company. <li data-bbox="323 1559 1385 1603">2. Mr. Akira Uchida is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. <li data-bbox="323 1615 1385 1760">3. The Company has entered into a liability limitation agreement with Mr. Akira Uchida, upon approval of his re-election, the Company will continue the agreement with him. The overview of the agreement is as follows: Under Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company shall enter into an agreement with its Outside Directors, which limits their liability provided for in Article 423, Paragraph 1 to the higher of either 15 million yen or the amount stipulated in the Act. <li data-bbox="323 1771 1385 1928">4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Mr. Akira Uchida is currently included in the said insurance agreement as an insured, and provided he is re-elected as proposed, he will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal. 			

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
6	 <p data-bbox="389 607 533 651">Kuniko Urano (Oct. 19, 1956)</p> <p data-bbox="360 663 558 719">Reelection Candidate</p> <p data-bbox="360 730 558 786">Candidate of Outside Director</p> <p data-bbox="360 797 558 842">Candidate of Independent Officer</p>	<p data-bbox="587 327 699 349">Apr. 1979</p> <p data-bbox="730 327 919 349">Joined Komatsu Ltd</p> <p data-bbox="587 360 699 383">Apr. 2005</p> <p data-bbox="730 360 1214 405">General Manager of Logistics Planning Department, Production Division of Komatsu Ltd</p> <p data-bbox="587 416 699 439">Apr. 2010</p> <p data-bbox="730 416 1177 461">General Manager of Corporate Communications Department of Komatsu Ltd</p> <p data-bbox="587 472 699 495">Apr. 2011</p> <p data-bbox="730 472 1190 517">Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd</p> <p data-bbox="587 528 699 551">Apr. 2014</p> <p data-bbox="730 528 1166 573">Executive Officer, General Manager of Human Resources Department of Komatsu Ltd</p> <p data-bbox="587 584 699 607">Apr. 2016</p> <p data-bbox="730 584 1230 629">Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd</p> <p data-bbox="587 640 699 663">Jun. 2018</p> <p data-bbox="730 640 1230 663">Director and Senior Executive Officer of Komatsu Ltd</p> <p data-bbox="587 674 699 696">Apr. 2021</p> <p data-bbox="730 674 959 696">Director of Komatsu Ltd</p> <p data-bbox="587 707 699 730">Jun. 2021</p> <p data-bbox="730 707 1046 730">Director of the Company (present)</p> <p data-bbox="587 741 699 763">Jul. 2021</p> <p data-bbox="730 741 1110 763">Senior Adviser of Komatsu Ltd (present)</p>	0 shares
	<p data-bbox="376 864 671 887">Significant concurrent positions</p> <p data-bbox="395 891 903 981">Senior Adviser of Komatsu Ltd. Outside Director of MORINAGA & CO., LTD. Outside Director of NIPPON STEEL CORPORATION Director of JAPAN RUGBY LEAGUE ONE</p> <p data-bbox="376 992 975 1037">Number of years since appointment as a Director (at the conclusion of this AGM) 2 years</p> <p data-bbox="376 1048 1190 1093">Attendance of Board of Directors Meetings (FY2022) Present at 14 of the 14 meetings (100%)</p> <p data-bbox="376 1104 1158 1126">The reason for election as an Outside Director candidate and outline of expected roles</p> <p data-bbox="395 1131 1334 1243">Ms. Kuniko Urano properly supervises management as an Outside Director. Her election as an Outside Director is being requested so that she can contribute to greater operational fairness, objectivity, and transparency with respect to supervision of management of the Company based on her wide knowledge as a corporate manager and wide experience in divisions of production, personnel/education, public relations/CSR, etc., in major manufacturing companies.</p> <p data-bbox="395 1247 1334 1292">In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</p> <p data-bbox="376 1303 663 1326">About the independent officers</p> <p data-bbox="395 1330 1334 1442">Ms. Kuniko Urano meets the requirements of an independent officer pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated her as an independent officer, and she is registered as such at the said exchange. Provided she is re-elected as proposed, she will continue her service for the Company as an independent officer.</p> <p data-bbox="395 1447 1158 1469">In addition, please refer to page 15 for “The Company’s Independence Standards.”</p>		
<p data-bbox="240 1487 304 1509">Notes:</p> <ol data-bbox="323 1487 1385 1921" style="list-style-type: none"> <li data-bbox="368 1487 1046 1509">1. There is no special interest between Ms. Kuniko Urano and the Company. <li data-bbox="368 1520 1366 1565">2. Ms. Kuniko Urano is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. <li data-bbox="368 1576 1366 1621">3. The Company has entered into a liability limitation agreement with Ms. Kuniko Urano, upon approval of her re-election, the Company will continue the agreement with her. The overview of the agreement is as follows: Under Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company shall enter into an agreement with its Outside Directors, which limits their liability provided for in Article 423, Paragraph 1 to the higher of either 15 million yen or the amount stipulated in the Act. <li data-bbox="368 1733 1385 1921">4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured’s losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Ms. Kuniko Urano is currently included in the said insurance agreement as an insured, and provided she is re-elected as proposed, she will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal. 			

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
7	 <p>Takuya Hirano (Aug. 11, 1970)</p> <p>Reelection Candidate</p> <p>Candidate of Outside Director</p> <p>Candidate of Independent Officer</p>	<p>Dec. 1995 Joined Kanematsu USA</p> <p>Feb. 1998 Joined Hyperion Solutions Corporation (the present Oracle Corporation)</p> <p>Feb. 2001 President of Hyperion Solutions Japan</p> <p>Aug. 2005 Senior Director, Business & Marketing Division of Microsoft Co., Ltd. (the present Microsoft Japan Co., Ltd.)</p> <p>Feb. 2006 General Manager, Enterprise Service of Microsoft Co., Ltd.</p> <p>Jul. 2007 General Manager, Enterprise Business & Enterprise Service of Microsoft Co., Ltd.</p> <p>Mar. 2008 General Manager, Enterprise Business of Microsoft Co., Ltd.</p> <p>Sep. 2011 General Manager, Multi-country of Microsoft Central and Eastern Europe</p> <p>Jul. 2014 Executive Vice President, Marketing & Operations of Microsoft Japan Co., Ltd.</p> <p>Mar. 2015 Representative Officer, Executive Deputy President of Microsoft Japan Co., Ltd.</p> <p>Jul. 2015 President of Microsoft Japan Co., Ltd. (retired in August 2019)</p> <p>Sep. 2019 Vice President, Global Service Partner Business of Microsoft Corporation (retired in September 2022)</p> <p>Jun. 2022 Director of the Company (present)</p>	0 shares
<p>Significant concurrent positions</p> <p>Co-founder of Three Fields Advisors LLC Founder of Crosspoint LLC Chairman (Part-time Member) of Yayoi Co., Ltd. Outside Director of Renesas Electronics Corporation Director (Part-time Member) of JAPAN PROFESSIONAL FOOTBALL LEAGUE</p> <p>Number of years since appointment as a Director 1 year (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 11 of the 11 meetings (FY2022) (100%)</p> <p style="text-align: right;">*Since he assumed the position on June 22, 2022</p> <p>The reason for election as an Outside Director candidate and outline of expected roles</p> <p>Mr. Takuya Hirano properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervision of management of the Company based on his wide knowledge as a corporate manager and wide-ranging practical experience in the business divisions of a global IT firm.</p> <p>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</p> <p>About the independent officers</p> <p>Mr. Takuya Hirano meets the requirements of an independent officer pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.</p> <p>In addition, please refer to page 15 for “The Company’s Independence Standards.”</p>			
<p>Notes:</p> <ol style="list-style-type: none"> There is no special interest between Mr. Takuya Hirano and the Company. Mr. Takuya Hirano is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has entered into a liability limitation agreement with Mr. Takuya Hirano, upon approval of his re-election, the Company will continue the agreement with him. The overview of the agreement is as follows: Under Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company shall enter into an agreement with its Outside Directors, which limits their liability provided for in Article 423, Paragraph 1 to the higher of either 15 million yen or the amount stipulated in the Act. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured’s losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Mr. Takuya Hirano is currently included in the said insurance agreement as an insured, and provided he is re-elected as proposed, he will continue to be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal. 			

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
8	 <p data-bbox="392 607 528 656">Yujiro Goto (May 4, 1957)</p> <p data-bbox="360 667 555 701">New Candidate</p> <p data-bbox="360 719 555 768">Candidate of Outside Director</p> <p data-bbox="360 779 555 828">Candidate of Independent Officer</p>	<p data-bbox="587 327 1236 376">Apr. 1980 Joined Nippon Shokubai Kagaku Kogyo Co., Ltd. (the present NIPPON SHOKUBAI CO., LTD.)</p> <p data-bbox="587 383 1236 450">Apr. 2011 Deputy Director of Production Div., and General Manager of Production & technology Dept. of NIPPON SHOKUBAI CO., LTD.</p> <p data-bbox="587 456 1236 506">Apr. 2012 Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD.</p> <p data-bbox="587 512 1236 562">Jun. 2012 Executive Officer, Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD.</p> <p data-bbox="587 568 1236 636">Jun. 2015 Member of the Board, Managing Executive Officer in charge of production and technology departments of NIPPON SHOKUBAI CO., LTD.</p> <p data-bbox="587 642 1236 692">Apr. 2017 President and Representative Member of the Board of NIPPON SHOKUBAI CO., LTD.</p> <p data-bbox="587 698 1236 748">Jun. 2022 Member of the Board, Chairman of NIPPON SHOKUBAI CO., LTD. (present)</p>	0 shares
<p data-bbox="376 943 671 969">Significant concurrent positions</p> <p data-bbox="395 976 1257 1043">Member of the Board, Chairman of NIPPON SHOKUBAI CO., LTD. Director, Member of Policy Coordinating Committee of Japan Chemical Industry Association Vice Chairman of Kansai Chemical Industry Association</p> <p data-bbox="376 1055 1161 1081">The reason for election as an Outside Director candidate and outline of expected roles</p> <p data-bbox="395 1088 1334 1216">Mr. Yujiro Goto has a wealth of experience and expertise in leading production strategies in the field of production and production engineering at a major global manufacturing company for a long time, and as CEO, he has worked on corporate transformation, human resource reform, new business development, and M&A. Accordingly, we expect him to contribute to greater operational fairness, objectivity, and transparency with respect to supervising management of the Company based on his such experiences, and newly request his election as an Outside Director.</p> <p data-bbox="395 1223 1334 1267">In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</p> <p data-bbox="376 1279 663 1305">About the independent officers</p> <p data-bbox="395 1312 1334 1395">Mr. Yujiro Goto meets the requirements of an independent officer pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. Provided he is elected as proposed, the Company plans to register him as an independent officer to the said exchange.</p> <p data-bbox="395 1402 1153 1424">In addition, please refer to page 15 for “The Company’s Independence Standards.”</p>			
<p data-bbox="240 1435 1386 1899">Notes: 1. There is no special interest between Mr. Yujiro Goto and the Company. 2. Mr. Yujiro Goto is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. 3. Upon election of Mr. Yujiro Goto as proposed, the Company will enter into a liability limitation agreement with him. The overview of the agreement is as follows: Under Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company shall enter into an agreement with its Outside Directors, which limits their liability provided for in Article 423, Paragraph 1 to the higher of either 15 million yen or the amount stipulated in the Act. 4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured’s losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Provided Mr. Yujiro Goto is elected as proposed, he will be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal. 5. Mr. Yujiro Goto is scheduled to retire as Member of the Board, Chairman of NIPPON SHOKUBAI CO., LTD. on June 21, 2023.</p>			


Item 3: Election of One (1) Audit & Supervisory Board Member

The Company proposes to elect one (1) Audit & Supervisory Board Member, for the purpose of further enhancing the auditing of its operations of the Company.

The Company nominated for candidates for Audit & Supervisory Board Member by the resolution of the Board of Directors following the recommendation and deliberation by the Company's Nomination Advisory Committee, over half of whose members are Outside Directors, upon having gained the consent of the Audit & Supervisory Board, based on "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers," stipulated by the Company.

In addition, the Audit & Supervisory Board concurs with this proposal.

Information on the one (1) Audit & Supervisory Board Member candidate is provided below.

	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
	 <p>Kenji Hasegawa (Apr. 18, 1962)</p> <p>New Candidate</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2004 Head of Planning Department, ETS Development Div., Solution Headquarters</p> <p>Oct. 2005 Head of Marketing Department, ETS Development Div., Solution Headquarters</p> <p>Apr. 2008 Vice President, Head of Information Engineering Div., and Head of Business Planning Department of Yokogawa Solutions Co. (the present Yokogawa Solution Service Corporation)</p> <p>Apr. 2009 Head of Planning Group, Marketing Div., IA Headquarters of the Company,</p> <p>Jul. 2010 Head of Marketing planning Dept., Business Planning Div., IA-MK Headquarters</p> <p>Apr. 2014 Head of Business promotion Center, IA Platform Headquarters</p> <p>Apr. 2017 Head of Product Sales Center, IA Product & Service Headquarters</p> <p>Apr. 2019 Vice President, Head of IA Product & Service Headquarters</p> <p>Apr. 2021 Vice President, Head of Yokogawa Products Headquarters</p> <p>Apr. 2023 Audit & QHSE Headquarters (present)</p>	<p>18,726 shares</p>
<p>The reason for election as an Audit & Supervisory Board Member candidate</p> <p>Mr. Kenji Hasegawa is well-versed in the organization and business of the Group, mainly in the Control Business which is our main business. He has experience in a wide range of operations in the Control System Division, including engineering, sales, and business planning. Since 2019, he has served as the head of the Control Product Division. Accordingly, we expect him to execute effective auditing that reflects such knowledge and experience in the Company's audits, and request his election as a member of the Audit & Supervisory Board.</p> <p>In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p>			
<p>Notes: 1. There is no special interest between Mr. Kenji Hasegawa and the Company.</p> <p>2. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Provided Mr. Kenji Hasegawa is elected as proposed, he will be included as an insured in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.</p>			

Reference

The policy and procedure for the appointment and dismissal of Directors,
Audit & Supervisory Board Members and officers

Policy for nomination of Director and Audit & Supervisory Board Member candidates, and appointment of officers

The Board of Directors shall be composed so as to be well balanced in knowledge, experience, and capabilities to effectively fulfill its roles and responsibilities, and it shall be constituted in such a manner as to achieve both diversity and appropriate size.

Under this premise, human resources that contribute to improvement of corporate governance are nominated as Director and Audit & Supervisory Board Member candidates. Furthermore, human resources that are familiar with the Group's business and contribute to the appropriate execution of business and supervision of highly effective management and that have experience and knowledge required for formulation of management strategies aiming at an increase in the Company's corporate value over the medium to long term and contribute to right management decisions and supervision of highly effective management are nominated as Director candidates, while human resources that are familiar with the Group's business and contribute to appropriate auditing of management of the Company and Group companies and that have knowledge on accounting, finance, legal affairs and corporate management and contribute to appropriate auditing of management are nominated as Audit & Supervisory Board Member candidates. Officers are appointed after confirmations of whether the candidate has sufficient experience, knowledge, etc. and whether he or she has an intention and attitude suitable for the management are made.

Procedure for nomination of Director and Audit & Supervisory Board Member candidates, and appointment of officers

With respect to nomination of Director candidates and Audit & Supervisory Board Member candidates as well as appointment of officers, the Company has established the Nomination Advisory Committee, which is a voluntary advisory body comprised of at least three (3) Directors, of whom a majority are independent Outside Directors based on the resolution of the Board of Directors, in order to enhance the objectivity and transparency of the nomination and appointment.

Matters with respect to nomination of Director candidates and appointment of officers are resolved by the Board of Directors on the basis of recommendation from the Nomination Advisory Committee prepared through deliberations made in accordance with the prescribed standard and procedure for new appointment or reappointment. Matters with respect to nomination of Audit & Supervisory Board Member candidates are resolved by the Board of Directors on the basis of recommendation from the Nomination Advisory Committee prepared through deliberations made in accordance with the prescribed standard and procedure for new appointment and reappointment, upon having gained consent of the Audit & Supervisory Board.

Policy and procedure for dismissal of Directors and Audit & Supervisory Board Members

The Nomination Advisory Committee has prescribed the standard and procedure for dismissal of Directors and Audit & Supervisory Board Members. In reference to the deliberation and recommendation from the Nomination Advisory Committee based on the dismissal standard and procedure, the Board of Directors deliberates proposals of dismissal of the Directors and Audit & Supervisory Board Members.

Policies and procedures for evaluation, new appointment, reappointment, and dismissal of President and Chief Executive Officer

The Nomination Advisory Committee has also prescribed the standard and procedure for new appointment, reappointment, and dismissal of President and Chief Executive Officer. The evaluation of President and Chief Executive Officer is conducted every year and takes into account basic evaluation criteria that have a quantitative aspect including business performance. The Nomination Advisory Committee ensures objectivity, timeliness, and transparency of processes by recommendations on new appointment, reappointment and dismissal presented to the Board of Directors following deliberation based on the prescribed standard and procedure for new appointment, reappointment, and dismissal in reference to evaluation results and succession plan.

Policy and procedure for dismissal of officers

Dismissal of officers is also resolved by the Board of Directors based on the Nomination Advisory Committee's recommendation and in reference to the prescribed standard and procedure.

Reference

The Company's Independence Standards

As a company with an Audit & Supervisory Board, the Company has invited Outside Directors and Outside Audit & Supervisory Board Members who are independent of the current management to enhance the Board of Directors and the Audit & Supervisory Board. In order to increase the transparency of appointments of Outside Directors and Outside Audit & Supervisory Board Members, the independence standards for Outside Directors and Outside Audit & Supervisory Board Members were established as follows at the Board of Directors' meeting held on March 24, 2015.

Any of the following will disqualify an individual from serving as an independent officer of the Company:

- (1) Is an executive of the Company or its consolidated subsidiaries (hereinafter referred to as "the Group") or has served as such within the last 10 years (Note 1)
- (2) Is a current major shareholder of the Company (ratio of voting rights: 10% or higher) or has been such a shareholder within the last five years (Note 2)
- (3) Is an executive of a corporation in which the Company is currently a major shareholder
- (4) Is an executive of a major business partner of the Group, which may be defined as any company that has made or received payments exceeding 2% of the consolidated total sales in the most recent fiscal year or in any of the preceding three fiscal years
- (5) Is an executive of a public interest incorporated foundation, public interest incorporated association, non-profit corporation or other body that has received an annual average of 10 million yen or more in donations or subsidies from the Group during the previous three years, or donations or subsidies that have covered more than 30% of the organization's operating costs during that period, whichever amount is higher
- (6) Is an executive of a corporation that has appointed a Director from the Group
- (7) Is an executive of a major lender for the Group or has served in such a role during the preceding three years (Note 3)
- (8) Is the Group's accounting auditor or is involved in the Group's auditing firm, etc., or has served in such a capacity during the preceding three years (Note 4)
- (9) Is a lawyer, certified accountant, certified tax accountant, or other consultant who does not fall under (8) above and has received an annual average of 10 million yen or more in compensation (other than that for duties as an officer) during the preceding three years
- (10) Is with a law firm, auditing firm, tax accounting firm, or consulting firm that does not fall under (8) above and for which the Group is a major business partner (billings to the Group account for over 2% of average annual revenues over the past three fiscal years) (Note 5)
- (11) Is a relative of a person who falls under any of (1) to (10) above [except (5)] (spouse, relative within the second degree of kinship, or family member who is living in the same household with the person)
- (12) Has served for over eight years as an independent officer

Note 1: An executive Director, officer or some other person who serves in an executive capacity (hereinafter referred to as "Executives" in these standards).

Note 2: The Company's major shareholder at present or in the last five years. In cases where the major shareholder is a corporation, an executive of that major shareholder or its parent company or principal subsidiary.

Note 3: A provider of loans whose total outstanding amount exceeds 2% of the Company's consolidated total assets. Applies to Executives of the lending institution and all fellow institutions in a consolidated financial group.

Note 4: The Group's accounting auditor or an employee or partner of the Group's auditing firm, or a person who was served in such a capacity within the past three years (including those who have already retired).

Note 5: A partner, associate, or employee of that firm.

[Reference]

Expertise and Experience of Officers

The expertise and experience of officers are as below.

The expertise and experience of offices are outlined based on the officer structure after each candidate is elected as originally proposed under Items 2 and 3 in this meeting.

		Corporate management	Internationality / Global experience	Treasury / Finance	Technology / Development	IT / Digital	Sales / Marketing	Human resource, Human resources development	Legal Risk management	Sustainability ESG
Directors	Directors	Hitoshi Nara	●	●				●		
		Junichi Anabuki			●				●	●
		Yu Dai	●	●		●	●			
	Outside Directors	Shiro Sugata	●	●		●		●		
		Akira Uchida		●	●					●
		Kuniko Urano						●		●
		Takuya Hirano		●			●	●		
		Yujiro Goto	●			●				●
Audit & Supervisory Board Members	Audit & Supervisory Board Members	Hajime Watanabe		●	●				●	
		Kenji Hasegawa				●	●	●		
	Outside Members, Audit & Supervisory Board	Yasuko Takayama							●	●
		Makoto Ohsawa		●	●					
		Masaru Ono		●					●	●

Business Report

(From April 1, 2022 to March 31, 2023)

1. Status of the Yokogawa Group

(1) Business Results

a. Analysis of Business Results

The Yokogawa Group's (hereinafter referred to as the "Group") understanding regarding the conditions in its specific markets for the fiscal year under review (April 1, 2022 to March 31, 2023) is as follows.

The future world affairs and the global economy are becoming increasingly uncertain amidst advance of inflation around the world, and prolonged situation in Russia and Ukraine causing stressed energy supply-and-demand, surging prices for resources and raw materials, and heightened geopolitical tensions.

In this business environment, in accordance with the mid-term business plan, "Accelerate Growth 2023," the Group has been working to establish a business structure centered on solving common social issues towards growth, focusing on four key strategies: "Implement IA2IA and smart manufacturing and transform value provision," "Strengthen industry responsiveness and expand cross-industry business," "Ensure profitability and sound growth," and "Optimize internal operations and transform mindsets."

In terms of the Group's business performance during the fiscal year under review, net sales increased by 66.578 billion yen year on year mainly due to foreign exchange fluctuations. In line with this, operating profit rose 13.741 billion yen year on year. Ordinary profit increased by 12.869 billion yen year on year and profit attributable to owners of parent increased by 17.653 billion yen year on year.

<Consolidated financial results (year-on-year)>

Net sales	¥456.479 billion	(17.1%,	up	¥66.578 billion)
Operating income	¥44.409 billion	(44.8%,	up	¥13.741 billion)
Ordinary income	¥48.608 billion	(36.0%,	up	¥12.869 billion)
Profit Attributable to Owners of Parent	¥38.920 billion	(83.0%,	up	¥17.653 billion)

Results by individual segment are outlined below.

From the fiscal year under review, the name of the reportable segment previously known as the aviation and other businesses has been changed to the new businesses and others following the transfer of the aviation equipment business.

Industrial Automation and Control Business

Net sales for the industrial automation and control business segment increased by 65.160 billion yen year on year to 427.569 billion yen, mainly due to foreign exchange fluctuations. In line with this, operating profit rose 11.327 billion yen year on year to 41.081 billion yen.

Measuring Instruments Business

In the measuring instruments business, net sales increased by 3.846 billion yen year on year to 25.065 billion yen and operating profit rose by 1.213 billion yen year on year to 4.632 billion yen.

New Businesses and Others (From the fiscal year under review, the name of the reportable segment previously known as the aviation and other businesses has been changed to the new businesses and others.)

With the transfer of the aviation equipment business, net sales for new businesses and others decreased by 2.429 billion yen year on year to 3.844 billion yen, and operating loss shrunk by 1.199 billion yen year on year to an operating loss of 1.304 billion yen.

b. Capital Investment

Total capital investment during the fiscal year under review stood at 22.176 billion yen, up 0.477 billion yen from the previous fiscal year.

c. Fundraising

Equipment funds and working capital, etc. during the fiscal year under review were self-financed or were allocated from loans taken out from financial institutions.

(2) Challenges for the Company

Solid Execution of the mid-term business plan “Accelerate Growth 2023”

In fiscal year 2022, although the business environment continued to be severe due to lockdowns in Shanghai from the beginning of the fiscal year and other lingering effects of the resurgence in COVID-19 infections, the prolonged situation in Russia and Ukraine, difficulty in procuring parts and materials, surging energy prices, inflation and other factors, we achieved increases in both sales and operating income by seizing business opportunities while addressing these difficulties in line with the key strategies of the mid-term business plan “Accelerate Growth 2023.”

However, the future world affairs and the global economy are becoming increasingly uncertain amidst advance of inflation around the world, and prolonged situation in Russia and Ukraine causing stressed energy supply-and-demand, surging prices for resources and raw materials, and heightened geopolitical tensions.

In these circumstances, fiscal year 2023—the final year of the mid-term business plan “Accelerate Growth 2023”—will be a period of pivotal importance to accomplishing each activity plan and reaping the benefits with a view to achieving the Group’s targets. The Group will continue to make concerted efforts to accelerate its initiatives.

The Group believes it can bring the whole world together and fulfill its responsibilities for the future of the planet in businesses that have a direct connection to the SDGs by focusing mainly on the following three customer industry-oriented subsegments of the industrial automation and control business segment: energy & sustainability, materials, and life. We will leverage the Group’s strengths to accelerate our IA2IA and smart manufacturing initiatives and transform ourselves into a company that leads the resolution of common social issues in a world where society as a whole becomes a system of systems (SoS*) by generating value through total optimization driven by integration, autonomy, and digitalization.

We will accelerate transforms for the Group’s sustainable growth over the medium to long term aimed at achieving the goals of “Accelerate Growth 2023” and move forward to realize Yokogawa’s Purpose of “Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet.”

* The world where everything is inter-connected in complicated ways, and the components function as independently operated and managed systems that work together to achieve a purpose that cannot be achieved by any single system.

Target Management Indicators under the mid-term business plan “Accelerate Growth 2023”

Under “Accelerate Growth 2023,” the Company has set targets that aim for Return on sales (ROS), growth in earnings per share (EPS), increased operating cash flow, and improved return on equity (ROE) and will maximize corporate and shareholder value over the mid- to long-term, which is the basic policy.

Performance indicators	Target value
Growth in orders received	8-10%/year
Growth in net sales	4-6%/year
Return on sales (ROS)	10% (fiscal year 2023)
Growth in earnings per share (EPS)	16-18%/year
Return on equity (ROE)	10% or more (fiscal year 2023)
Operating cash flow	140 billion yen or more (cumulative over three years)

For more information about the Group's long-term business framework and the mid-term business plan "Accelerate Growth 2023," please refer to "— Reference — Overview of the Basic Management Policy and Mid- to Long-term Management Strategy" of the next page.

—Reference—

Overview of the Basic Management Policy and Mid- to Long-term Management Strategy

Overview of basic management policy of the Group and the mid- to long-term management strategy are as follows:

1. Basic Management Policy

In revising the long-term business framework and establishing the mid-term business plan “Accelerate Growth 2023” in the fiscal year 2021, the elements that shape our identity have been organized as follows. The Yokogawa Philosophy and the underlying founding principles indicate what role Yokogawa should play in society. The Vision statement indicates where Yokogawa wishes to be ten years from now, and our shared values provide guidance for action. Based on these elements, Yokogawa’s Purpose is a statement on the meaning of our existence and the intentions that lie behind the commitments we make.

Yokogawa Group Identity



[Founding Principles]

Upon founding the company, Tamisuke Yokogawa encouraged Ichiro Yokogawa, the future president, and Shin Aoki, the future chief engineering officer, saying, “You don’t need to worry about profits. Just learn and improve our technology. You must make products that earn us the respect of our customers.” These words have been passed down to us in our founding principles.

[The Yokogawa Philosophy]

Based on our founding principles, the Yokogawa Philosophy was formulated in 1988 as a statement on Yokogawa’s mission to society that provides guidance on values and the actions that Yokogawa’s people should take. When formulating Yokogawa’s Purpose, we chose the phrase “sustainable society” to emphasize that we are in business to make a contribution that will be to the good of our planet.

[Yokogawa’s Purpose]

Yokogawa’s Purpose is our commitment to meet the requirements and expectations of customers, markets, and society, and expresses the meaning of our existence in society. It aims to unify and give our organization and people the strength and ambition to drive transformation.

[Core Values]

In keeping with our corporate culture, our shared values provide clear guidance on the actions we all should take. Actions rooted in these shared values will create new value, drive forward our contributions to society, and put us on a strong competitive footing.

[Vision statement]

The vision statement addresses where we wish to be as a company ten years from now, and the ideals that we should uphold, based on our long-term business framework. It was created to take the place of the vision statement announced in 2015 for the Transformation 2017 mid-term business plan.

For more information about Yokogawa Group Identity, please refer to our web site <https://www.yokogawa.com/about/company-overview/our-brand-and-identity/#Our-Brand-and-Identity>

2. Mid-to Long-term Management Strategy

In drawing up the Accelerate Growth 2023 mid-term business plan for 2021, the long-term business framework has been thoroughly revised to aim for sustainable growth by providing shared value to society, taking into consideration the potential major changes in the business environment during the next 10 years. The overall picture of the long-term business framework and the mid-term business plan is as follows:



(a) Long-term Business Framework

<Value provision to customers>

In the world today, everything is increasingly interconnected in complex ways, and it is becoming more important to engage in co-creation to capitalize on that inter-connectiveness. To provide value, we will focus on the system of systems (SoS) concept. To provide value based on this concept, we will pursue our IA2IA*1 and smart manufacturing*2 initiatives.

- (*1) An initiative to promote the evolution from industrial automation to industrial autonomy (IA2IA) by incorporating DX enablers such as robotics and blockchain technology
- (*2) Employing DX and IA2IA to progressively achieve autonomy in manufacturing sites, enterprises, and supply chains to dramatically improve productivity

For more information about Yokogawa's Approach to Value Providing through System of Systems (SoS), please refer to page 21 of "2022 Yokogawa Report."
https://cdn-nc.yokogawa.com/1/20561/tabs/ir_2022yreports_singlepage-en.pdf?_ga=2.188858796.622785343.1682910240-1668261794.1602115996

<Business segments>

In line with the changes in the business environment, and to enable growth in business areas where Yokogawa can leverage the technologies, expertise, and advantages that it has cultivated, the company has reorganized from a traditional product- and function-oriented structure to one that is centered on key industrial sectors, and will accelerate its business expansion and transition to a solution business model.

- Energy & sustainability

Support safe and optimal operations in a diverse range of energy sectors, spanning the entire value chain of production, supply, use, disposal, and recycling.

- Materials

Contribute to the achievement of a recycling-oriented society that is in harmony with the environment.

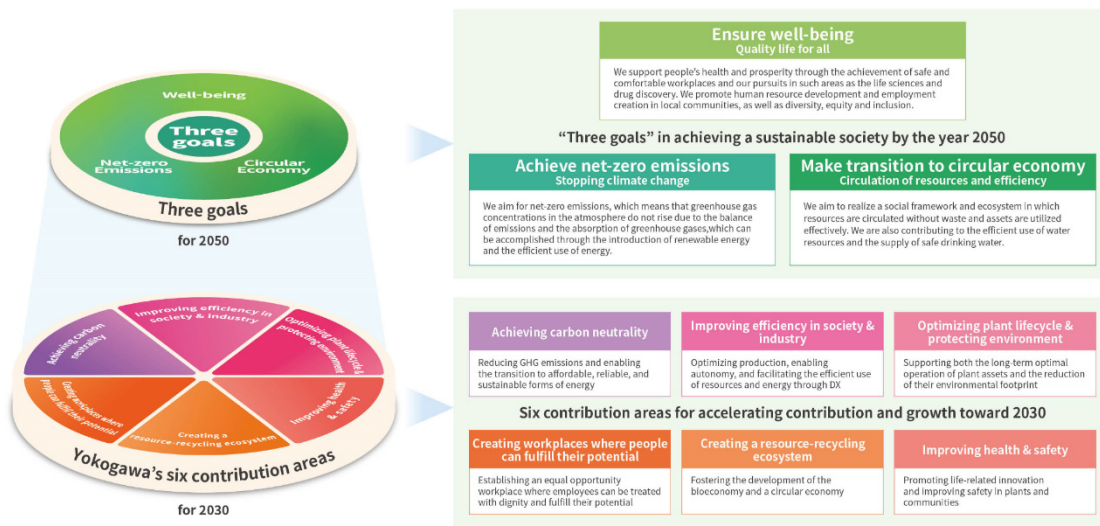
- Life

Contribute to the supply of pharmaceuticals that protect people’s lives and health, and the supply of safe water and food everyone can drink and eat with peace of mind.

The measuring instrument business segment and also the new businesses and other business segment, which includes Yokogawa Bio Frontier Inc. and Amnimo Inc., are categorized separately as they need to maintain independent business operations due to the characteristics of their products and sales channels. However, in terms of the value that will be offered 10 years from now, they share the same direction as the other segments.

<Non-financial goals>

To ensure that Yokogawa can continue to provide value to society, managing from environmental, social, and governance perspectives is a prerequisite, and this has been emphasized in the revised long-term business framework. Regarding the environmental and social factors, the company is working toward its “Three goals” for sustainability, and has set mid-term sustainability targets, which are aligned with the Accelerate Growth 2023 initiatives.

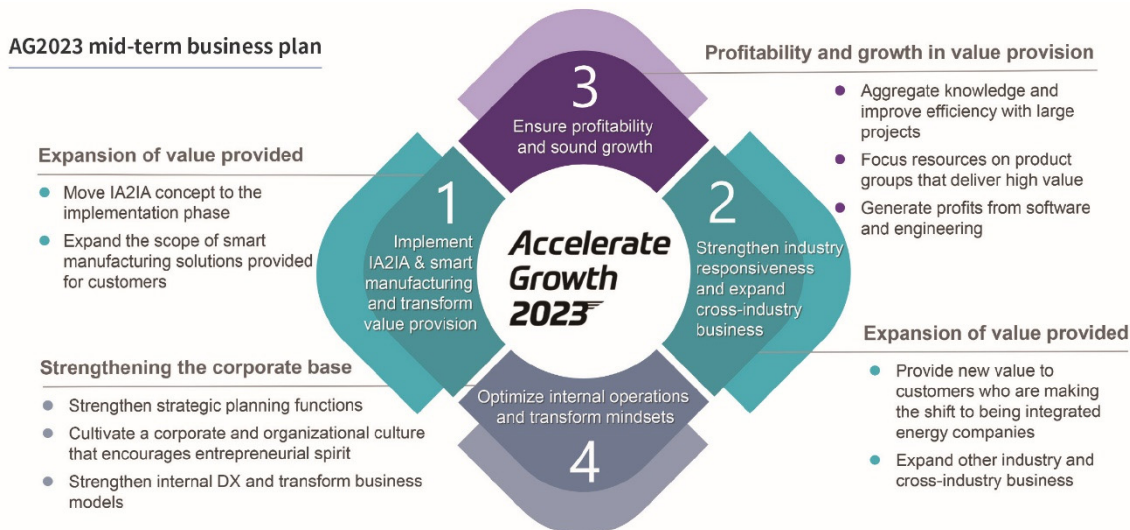


For more information about the Group’s sustainability initiatives, please refer to our web site <https://www.yokogawa.com/about/sustainability/>

(b) The mid-term business plan, “Accelerate Growth 2023”

For the company to achieve the ideal state 10 years from now that is defined in the long-term business framework, Yokogawa has formulated four key strategies and priority measures for each to be focused on during the three-year period until 2023.

<Four key strategies in Accelerate Growth 2023>



<Capital policy and financial strategy>

To achieve sustainable improvement in corporate value and total shareholder return under Accelerate Growth 2023, Yokogawa will maintain the solid financial base needed to support growth and optimally allocate funds earned through its business to investment for growth and return to shareholders. Yokogawa will also strengthen its capability to generate future, cumulative cash flow.

- Growth investment budget
 - M&A, alliances: 70 billion yen
 - Prioritize investment in the creation of new businesses/new fields (life, renewable energy, etc.).
 - Purposes include acquisition of technologies, sales channels, products and services, customers, human resources, and know-how.
- Return to shareholders
 - Stable and sustainable dividend payment
 - Dividend payout ratio: seek to keep at over 30%
 - Even when temporary factors lead to a downturn in financial results, maintain a stable dividend rate based on the equity dividend rate.

For more information about the mid-term business plan “Accelerate Growth 2023,” please refer to our web site <https://www.yokogawa.com/about/company-overview/corporate-strategy/#Corporate-Strategy>

(3) Financial Assets and Profits/Losses

a. The Group's Financial Assets and Profits/Losses

(Millions of yen)

Category	FY2019	FY2020	FY2021	FY2022
Orders	418,662	355,828	420,496	518,389
Net sales	404,432	374,206	389,901	456,479
Operating income	35,588	31,599	30,668	44,409
Ordinary income	36,301	34,107	35,739	48,608
Profit Attributable to Owners of Parent	14,686	19,219	21,267	38,920
Basic Earnings per Share	¥55.02	¥72.00	¥79.67	¥145.81
Total assets	489,678	519,081	555,968	618,637
Net assets	291,472	314,770	340,340	386,825

Note: In FY2022 (147th term), provisional accounting treatment for a business combination has been finalized and related figures for FY2021 (146th term) reflect the result of that finalization.

b. The Company's Financial Assets and Profits/Losses

(Millions of yen)

Category	FY2019	FY2020	FY2021	FY2022
Orders	108,202	99,645	113,681	135,954
Net sales	110,283	104,797	104,926	124,495
Operating income (loss)	(1,836)	(5,507)	(3,570)	(268)
Ordinary income	17,699	14,866	15,054	23,023
Profit (Loss)	4,347	(2,657)	12,822	25,471
Basic Earnings per Share	¥16.29	(¥9.96)	¥48.04	¥95.42
Total assets	281,508	272,663	275,623	303,905
Net assets	190,482	183,062	187,045	211,065

Note: In the non-consolidated financial statements for FY2020 (145th term), the Company recorded an extraordinary loss (impairment losses) of 14,931 million yen on shared use assets held by the Company. Because the recoverability of the shared use assets is recognized in the consolidated financial statements, there is no impact on consolidated financial results.

(4) Status of Parent Company and Principal Subsidiaries

a. Parent Company

No applicable matter

b. Principal Subsidiaries

Name	Capital	Percentage of the Company's voting rights	Principal businesses
Yokogawa Solution Service Corporation	JPY3,000 million	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Manufacturing Corporation	JPY100 million	100.0%	Manufacturing of control and measuring equipment
Yokogawa Test & Measurement Corporation	JPY90 million	100.0%	Sales and maintenance services of measuring equipment
Yokogawa Engineering Asia Pte. Ltd.	USD23,076,000	100.0% (100.0%)	Sales, engineering and maintenance services of control equipment
Yokogawa Electric Asia Pte. Ltd.	SGD31,020,000	100.0%	Manufacturing of control and marine and aerospace electronics equipment
Yokogawa China Co., Ltd.	RMB119 million	100.0%	Sales, manufacturing, engineering and maintenance services of control equipment
Yokogawa Sichuan Instrument Co., Ltd.	RMB132 million	60.0% (26.7%)	Sales and manufacturing of control equipment
Yokogawa Electric Korea Co., Ltd.	WON4,032 million	100.0%	Sales, engineering, and maintenance services of control and measuring equipment
Yokogawa Middle East & Africa B.S.C. (c)	BHD2,481,000	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa India Limited	INR85,054,000	100.0%	Sales, manufacturing, engineering and maintenance services of control equipment
Yokogawa Corporation of America (Note 1)	USD1,000	100.0% (100.0%)	Sales, engineering, and maintenance services of control and measuring equipment
Yokogawa America do Sul Ltda.	BRL72,044,000	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Europe B.V.	EUR17,725,000	100.0%	Sales, engineering, and maintenance services of control and measuring equipment
KBC Advanced Technologies Limited	GBP2,145,000	100.0%	Software sales and consulting services

- Notes: 1. In addition to capital of 1,000 U.S. dollars, the Company has invested 114,152,000 U.S. dollars in the legal capital surplus of Yokogawa Corporation of America.
2. There is no specified wholly owned subsidiary at the end of the fiscal year under review.
3. Figures in parentheses under percentage of the Company's voting rights indicate indirect ownership (included in total equity holdings)

(5) Principal Businesses (as of March 31, 2023)

Business segment	Main solutions and products, etc.
Industrial automation and control business	Solutions for every phase of the plant lifecycle, maximizing value for our customers by linking plant operations and corporate management, Software packages that enhance productivity, Production control systems, flowmeters, differential pressure/pressure transmitters, process analyzers, programmable controllers, industrial recorders, confocal scanners, etc.
Measuring instruments business	Waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measurement devices, etc.
New businesses and others	Providing services leveraging IoT and AI, Biomass material production & sales, etc.

(6) Main Offices and Factories (as of March 31, 2023)**a. The Company**

Head office:	Musashino-shi, Tokyo	
Office:	Komine Office	(Akiruno-shi, Tokyo)
	Kofu Office	(Kofu-shi, Yamanashi)
	Kanazawa Office	(Kanazawa-shi, Ishikawa)

b. Subsidiaries

Factories:	Yokogawa Manufacturing Corporation	
	Kofu Factory	(Kofu-shi, Yamanashi)
	Komine Factory	(Akiruno-shi, Tokyo)
	Yokogawa Electric Asia Pte. Ltd.	(Singapore)
Sales companies:	Yokogawa Solution Service Corporation	
	Sales Division at head office	(Musashino-shi, Tokyo)
	Kansai Branch	(Osaka-shi, Osaka)
	Chubu Branch	(Nagoya-shi, Aichi)
	Yokogawa Test & Measurement Corporation	(Hachioji-shi, Tokyo)
	Yokogawa Engineering Asia Pte. Ltd.	(Singapore)
	Yokogawa China Co., Ltd.	(China)
	Yokogawa Sichuan Instrument Co., Ltd.	(China)
	Yokogawa Electric Korea Co., Ltd.	(Korea)
	Yokogawa Middle East & Africa B.S.C. (c)	(Bahrain)
	Yokogawa India Limited	(India)
	Yokogawa Corporation of America	(United States)
	Yokogawa America do Sul Ltda.	(Brazil)
Yokogawa Europe B.V.	(Netherlands)	
KBC Advanced Technologies Limited	(United Kingdom)	

(7) Employees (as of March 31, 2023)

Business segment	Number of employees	Change from the previous year
Industrial automation and control business	16,296	(68)
Measuring instruments business	656	(12)
New businesses and others	132	(94)
Total	17,084	(174)

Note: Only regular employees are included, i.e. contract, dispatch, and other temporary personnel are excluded.

(8) Principal Lenders (as of March 31, 2023)

Lenders	Loan amount
Syndicated loan	¥20.0 billion

Notes: 1. Mizuho Bank, Ltd. is a manager for the syndicated loan.
2. The Company has a 45.0 billion yen commitment line contract.
The loan balance is zero as of the end of the fiscal year under review.

(9) Other Important Matters Related to the Group

No applicable matters

2. Overview of the Company

(1) Shares (as of March 31, 2023)

a. Number of Authorized Shares: **600,000 thousand**

b. Number of Issued Shares: **268,624 thousand**

c. Number of Shareholders: **15,340**

d. Major Shareholders (Top 10):

Name of shareholder	Number of shares (thousand shares)	Shareholding ratio (%)
Master Trust Bank of Japan Limited (trust account)	59,448	22.3
Custody Bank of Japan, Ltd. (trust account)	19,648	7.4
The Dai-ichi Life Insurance Company, Limited	15,697	5.9
Nippon Life Insurance Company	13,484	5.1
State Street Bank and Trust Company 505223	8,445	3.2
Retirement Benefit Trust in Mizuho Trust & Banking Co., Ltd. (Mizuho Bank, Ltd. account); Custody Bank of Japan, Ltd. as a Trustee of Retrust	6,141	2.3
Yokogawa Electric Employee Shareholding Program	5,001	1.9
BNYM as AGT/CLTS 10 Percent	4,481	1.7
State Street Bank West Client Treaty 505234	4,286	1.6
BBH (LUX) for Fidelity Funds-Global Technology Pool	4,273	1.6

Notes: 1. The Company holds 1,695 thousand shares of treasury stock.
2. The shareholding ratio is calculated after deducting treasury stock.

(2) Company Executives

a. Directors and Audit & Supervisory Board Members (as of March 31, 2023)

Position	Name	Area of responsibility and significant concurrent positions
Chairman	Takashi Nishijima	Chairman of the Board of Directors Outside Director of Hitachi Transport System, Ltd. (the present LOGISTEED, Ltd.) Outside Director of Murata Manufacturing Co., Ltd.
President and Chief Executive Officer	Hitoshi Nara	
Director	Junichi Anabuki	Executive Vice President, Head of Corporate Administration Headquarters
Director	Yu Dai	Senior Vice President, Head of Digital Solutions Headquarters
Director	Nobuo Seki	Chief Outside Director
Director	Shiro Sugata	Outside Director and Chairman of the Board of Directors of YAMATO HOLDINGS CO., LTD.
Director	Akira Uchida	Outside Director of J. FRONT RETAILING Co., Ltd. Auditor of Suga Weathering Technology Foundation
Director	Kuniko Urano	Senior Adviser of Komatsu Ltd. Outside Director of MORINAGA & CO., LTD. Outside Director of NIPPON STEEL CORPORATION Director of JAPAN RUGBY LEAGUE ONE
Director	Takuya Hirano	Co-founder of Three Field Advisors LLC Founder of Crosspoint LLC Outside Director of Yayoi Co., Ltd. Outside Director of Renesas Electronics Corporation Director (Part-time Member) of JAPAN PROFESSIONAL FOOTBALL LEAGUE
Audit & Supervisory Board, Standing Member	Hajime Watanabe	
Audit & Supervisory Board Member	Yasuko Takayama	Outside Director of The Chiba Bank, Ltd. Outside Director (Audit and Supervisory Committee Member) of Cosmo Energy Holdings Co., Ltd.
Audit & Supervisory Board Member	Makoto Ohsawa	Chief Executive Officer of FEMO Co., Ltd. Representative Director and President of Long Stay Network Co., Ltd. Outside Director of Bank of Toyama Director of Mega Solar Association Director of Japan Business School Education Development Organization
Audit & Supervisory Board Member	Masaru Ono	Attorney-at-Law of Nishimura & Asahi Outside Director of Daido Life Insurance Company President of Securitization Forum of Japan Visiting Professor of University of Tokyo

Notes: 1. Nobuo Seki, Shiro Sugata, Akira Uchida, Kuniko Urano and Takuya Hirano are Outside Directors.
2. Yasuko Takayama, Makoto Ohsawa and Masaru Ono are outside members of the Audit & Supervisory Board.

3. Audit & Supervisory Board Member Makoto Ohsawa has a track record of making reviews of financial instruments and providing guidance on revival and management improvement of operating companies and for succeeding managers for many years at the Bank of Japan, PwC and FEMO Co., Ltd. as well as considerable expertise regarding finance and accounting.
4. Directors Nobuo Seki, Shiro Sugata, Akira Uchida, Kuniko Urano and Takuya Hirano, and Audit & Supervisory Board Members Yasuko Takayama, Makoto Ohsawa and Masaru Ono are highly independent. Because there is no risk of a conflict of interest between them and general shareholders, the Company appointed them as independent officers pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and they are registered as such at the said Exchange.
5. There are no special relationships between the Company and the companies or organizations at which the Outside Directors and outside Audit & Supervisory Board Members have significant concurrent positions.
6. The positions, areas of responsibility and significant concurrent positions of the following Directors have changed after the closing of fiscal year 2022.

Position	Name	Area of responsibility and significant concurrent positions	Date of change
Director	Junichi Anabuki	Senior Executive Vice President Assistant to the President in charge of special missions	April 1, 2023
Director	Takuya Hirano	Co-founder of Three Field Advisors LLC Founder of Crosspoint LLC Chairman (Part-time Member) of Yayoi Co., Ltd. Outside Director of Renesas Electronics Corporation Director (Part-time Member) of JAPAN PROFESSIONAL FOOTBALL LEAGUE	April 1, 2023

7. Director Nobuo Seki retired from Outside Director of KAMEDA SEIKA CO., LTD. on June 14, 2022.
8. Director Shiro Sugata retired from Outside Director of JSR Corporation on June 17, 2022.
9. Director Takuya Hirano retired from Microsoft Corporation, Vice President, Global Service Partner Business on September 30, 2022.
10. Audit & Supervisory Board Member Yasuko Takayama resigned from Outside Audit & Supervisory Board Member of Mitsubishi Corporation on June 24, 2022.

b. Directors and Audit & Supervisory Board Members Who Retired during the Fiscal Year under Review

Name	Retirement date	Reason for retirement	Position and area of responsibility / significant concurrent positions at time of retirement
Noritaka Uji	June 22, 2022	Expiration of term of office	Chief Outside Director Outside Director of DAIICHI SANKYO COMPANY, LIMITED Honorary chairman of Japan Telework Association Honorary chairman of Japan Institute of Information Technology
Kouji Maemura	December 31, 2022	Resignation	Audit & Supervisory Board, Part-time Member

c. Summary of limited liability contract

Based on the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company enters into an agreement with Directors, Nobuo Seki, Shiro Sugata, Akira Uchida, Kuniko Urano and Takuya Hirano and Audit & Supervisory Board Members Yasuko Takayama,

Makoto Ohsawa and Masaru Ono which limits their liability provided for in Article 423, Paragraph 1 to the higher of either 15 million yen or the amount stipulated by the Act.

d. Outline, etc. of the contents of directors and officers liability insurance agreement

The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This insurance agreement applies to Directors, Audit & Supervisory Board Members and executive officers (including those who have already retired) of the Company and its subsidiaries, and those insured individuals do not bear insurance premiums. This insurance agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). However, in order to ensure that appropriateness of the insureds' execution of duties would not be impaired, this agreement does not apply to damages and other losses arising from criminal acts such as bribery and illegal acts intentionally committed by officers.

e. Compensation for Directors and Audit & Supervisory Board Members

i. Policy in relation to decisions concerning the details of compensation, etc. for officers

At the Board of Directors meeting held on March 2, 2021, the Company resolved the policy in relation to decisions concerning the details of compensation for individual Directors. Prior to the resolution at the Board of Directors meeting, the matters to be resolved were consulted with the Compensation Advisory Committee and reported to the Board of Directors.

In addition, the Board of Directors has confirmed regarding the compensation for individual Directors for the fiscal year under review that the method of determining the details of compensation and the content of determined compensation are consistent with the policy resolved by the Board of Directors and that the reports of the Compensation Advisory Committee are respected, has also judged that such procedures are in accordance with the policy.

The contents of the policy in relation to decisions concerning the details of compensation for individual Directors are as follows.

1. Basic policy

The basic policy on compensation for individual Directors shall be as follows:

- (1) Plan that promotes sustainable, medium- to long-term improvement in corporate value
- (2) Plan that reflects the medium- to long-term management strategy and strongly motivates the achievement of medium- to long-term management objectives
- (3) Plan that prevents bias toward short-term thinking
- (4) Plan and monetary amounts that secure and maintain excellent human resources
- (5) Plan that includes transparency, fairness, and rationality for stakeholders, decided through an appropriate process to ensure these factors

2. Policy for determining compensation, etc. for officers

(1) Compensation for Directors

The amount of compensation for Directors shall be determined individually within the limits approved at the General Meeting of Shareholders (*1). Compensation for Audit & Supervisory Board Members shall also be determined through consultation among Audit & Supervisory Board Members within the limits approved at the General Meeting of Shareholders (*2).

(*1) At the 142nd Ordinary General Meeting of Shareholders held on June 26, 2018, the maximum amount of compensation for Directors was resolved to be 1.6 billion yen per business year (excluding salaries for employees).

(*2) At the 128th ordinary general meeting of shareholders held on June 25, 2004, the maximum amount of compensation for Corporate Auditors was resolved to be no more than 150 million yen per fiscal year.

(2) Composition, roles and responsibilities of the Compensation Advisory Committee

The Compensation Advisory Committee, composed of at least three directors, the majority of whom are Outside Directors, shall be established as an advisory body to the Board of Directors with the aim of enhancing objectivity and transparency in the process of determining compensation for Directors and Executive Officers.

a) Members of the Compensation Advisory Committee

The Committee is composed of three or more directors, the majority of whom are outside directors.

b) Roles and Responsibilities of the Compensation Advisory Committee

The Compensation Advisory Committee, in consultation with the Board of Directors, deliberates on the compensation system and decision-making policies for Directors and Executive Officers, and reports to the Board of Directors. In addition, the Compensation Advisory Committee, in accordance with the compensation system, determines the details of compensation for individual Directors and Executive Officers.

c) Measures to ensure that such powers are properly exercised

In the Compensation Advisory Committee, which consists of a majority of independent Outside Directors, the Chairman is elected mutually by the committee members, and the amount of individual compensation is determined based on the compensation system approved by the Board of Directors, thereby securing the decision that conforms to the aforementioned purpose.

Note: As described above, in order to increase the objectivity and transparency of the decision-making process for executive compensation, the Board of Directors entrusts the Compensation Advisory Committee to determine the details of compensation for individual Directors and Executive Officers. The composition of the Compensation Advisory Committee for the fiscal year under review is as follows.

Nobuo Seki	Outside Director
Shiro Sugata	Outside Director (Chairman)
Akira Uchida	Outside Director
Kuniko Urano	Outside Director
Takuya Hirano	Outside Director
Takashi Nishijima	Chairman
Hitoshi Nara	President and Chief Executive Officer

3. Composition of officers' compensation

Compensation for internal Directors and executive officers consists of (1) basic compensation, which is fixed component, and (2) performance-linked component ((2)-1 annual incentives and (2)-2 medium- to long-term incentives).

Performance-linked compensation covers directors and executive officers, excluding Outside Directors, Audit & Supervisory Board Members and non-executive Directors. This is because variable compensation such as performance-linked compensation is not appropriate for Outside Directors and Audit & Supervisory Board Members, who maintain position independent from the performance of duties, and as such only fixed compensation is paid, identically for non-executive Directors.

The levels of compensation for executive are set through a comparison with companies from the same industry and of the same scale, both domestically and internationally, based on the results of surveys conducted by external organizations, and the Company's financial conditions.

Compensation levels for each position are based on the level of 50%iles by peer companies. From the viewpoint of flexible management in response to changes in the environment and the

acquisition and retention of talented management personnel, compensation levels shall generally be within the range of 25%iles to 75%iles.

Compensation for personnel hired overseas may be determined individually based on a compensation benchmark analysis that takes into account the responsibilities of each position based on executive compensation survey data in that overseas region.

The specific composition of compensation for executives and officers shall be as follows in accordance with the executive categories.

Executive categories	(1) Basic compensation	(2) Performance-linked compensation (2)-2 including non-monetary compensation		Remarks
		(2)-1 Annual Incentive	(2)-2 Mid- to Long-Term Incentive	
Directors (excluding Outside Directors and Non-executive Directors)	○	○	○	Executive compensation and employee salaries
Outside Directors and Non-executive Directors	○	-	-	Executive compensation
Audit & Supervisory Board Members	○	-	-	Executive compensation
Outside Audit & Supervisory Board Members	○	-	-	Executive compensation
Non-Director officers	○	○	○	Employee salaries

(1) Basic compensation

Basic compensation shall be fixed monthly compensation and shall be determined based on the criteria established by the Compensation Advisory Committee in accordance with the roles and positions of Directors and Executive Officers.

(2) Performance-linked compensation

Performance-linked compensation shall be determined by the Compensation Advisory Committee in order to raise awareness of the improvement of business performance in each fiscal year and the enhancement of corporate value in the medium term, and shall be paid in an amount or number calculated according to the degree of achievement of the target value (KPI).

The concept of performance-linked compensation is as follows.

- a) Increase the ratio of performance-linked compensation to total compensation.
- b) The higher the position, the higher the ratio of performance-linked compensation to total compensation, and the ratio for representative director is set at 60%.
- c) Share-based compensation as a percentage of total compensation shall be at least equal to companies from the same industry or of the same scale.

(2)-1 Annual incentives

Annual incentives in performance-linked compensation shall be calculated by the Compensation Advisory Committee on the basis of the companywide performance evaluation and individual performance evaluation for a single fiscal year, and shall be paid once a year. The amount to be paid shall be designed to vary from 0% to 200% to a value of 100% when the performance target is achieved.

Note: The ratio of the basic compensation and the annual incentives when the performance target is achieved is designed so that the higher the position is, the higher the ratio of the annual incentive is set. From 1 to 0.75 for the representative director, the lower the position is, the lower the ratio of annual incentives is set. The overall average including Executive Officers is generally 1 to 0.5 (Image 1). This ratio may vary from 1 to 0 to 1 to 1, depending on the degree to which performance targets are achieved.

(Image 1)

Basic compensation 1	Annual incentives 0.5(0-1)
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(2)-2 Medium- to long-term incentives

Regarding medium- to long-term incentives, at the 142nd Annual General Meeting of Shareholders convened on June 26, 2018, the Company introduced the performance share unit plan (the “PSU Plan”), a performance-based stock compensation plan, under which payment of the Company’s shares and cash is made in accordance with the extent to which the Company’s consolidated return on equity (ROE) target and other targets have been achieved in the final fiscal year of the period covered by the medium-term business plan.

Subject to performance targets and other requirements established in advance by the Board of Directors during the period covered by the Medium-Term Business Plan, the Company determines the amount of compensation based on medium- to long-term incentives for each eligible director and executive officer by multiplying the base amount of stock compensation established by the Compensation Advisory Committee for each director and executive officer to which the compensation will be paid by a coefficient established in advance by the Board of Directors in accordance with the conditions for achieving performance targets (the “payment rate”). An amount equal to 60% of the amount of compensation shall be paid in the form of shares of the Company in an amount equal to 40% in monetary terms. The payout rate is designed to vary from 0% to 100% depending on the degree of achievement of the performance target.

Performance targets in medium- to long-term incentives are based on links with the medium-term business plan, and are considered to be important indicators in terms of both corporate value and shareholder value. Accordingly, the Company shall use return on equity (ROE), which is an indicator of management efficiency.

The PSU Plan establishes a clawback provision under which, in the event of material fraud accounting or a large loss, all or a portion of the compensation paid as compensation related to the PSU Plan can be requested for reimbursement free of charge.

Note: The ratio of annual incentives and medium- to long-term incentives to basic compensation when the performance targets for each of the annual incentive and the medium- to long-term incentive are achieved in the fiscal year in which the medium- to long-term incentive is paid shall be set as the higher the position, the higher the ratio to the basic compensation shall be set, and as the position falls from 1 to 0.75 for the representative director, the overall average including the executive officer shall be approximately 1 to 0.5 to 0.5. (Image 2)

This ratio may vary from 1:0:0 to 1:1:0.5, depending on the degree of achievement of the performance objectives for each of the annual incentives and the medium- to long-term incentives.

(Image 2)

Basic compensation 1	Annual incentives 0.5 (0-1)	Medium- to long-term incentives 0.5 (0-0.5)
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Notes: 1. Based on the idea that performance objectives that lead to an evaluation of the entire company’s results for the individual year in the annual incentive are significant

indicators for the Group to measure sustained growth, the performance objectives have been set for “consolidated sales” and “consolidated return on sales (ROS).” Performance objectives and results in the fiscal year ended March 31, 2022, one of determinant factors for performance-linked compensation, are as follows:

Performance objectives set for the fiscal year ended March 31, 2022		Results in the fiscal year ended March 31, 2022
Consolidated sales	¥370.0 billion	¥389.9 billion
Consolidated return on sales	6.8%	7.9%

2. The Company considers that performance objectives in medium- to long-term incentive are based on the linkage with the mid-term business plan. Among several business objectives set in the mid-term business plan, the Company has currently chosen “return on equity (ROE),” an indicator showing efficiency of management, for the performance objective based on the idea that it is a significant indicator in an increase in both corporate value and shareholder value.

Actual ROE	Payment Rate
Less than 8 %	0%
From 8 % to less than 11 %	$(25 + (\text{Actual ROE} \times 100 - 8) / 3 \times 25\%)$
From 11 % to less than 14 %	$(50 + (\text{Actual ROE} \times 100 - 11) / 3 \times 50\%)$
14 % or higher	100%

ii. Total amount of compensation for the fiscal year under review

Classification	Total amount of compensation (Millions of yen)	Total amount of compensation by type (Millions of yen)		Number of persons paid
		Basic compensation	Performance-linked compensation	
Directors (Outside Directors)	270 (67)	188 (67)	82 (-)	10 (6)
Audit & Supervisory Board Members (Outside Members)	87 (35)	87 (35)	- (-)	5 (3)
Total (Outside Directors and Outside Members of Audit & Supervisory Board)	357 (103)	275 (103)	82 (-)	15 (9)

- Notes:
1. The total paid to Directors does not include employee salaries for Directors who are concurrently employees.
 2. The annual limit for Director compensation was set at 1,600 million yen by resolution of the 2018 Annual General Meeting of Shareholders convened on June 26, 2018. This does not include employee salaries. At the conclusion of this General Meeting of Shareholders, the number of Directors is nine, including four Outside Directors.
 3. The annual compensation limit for Audit & Supervisory Board Members was set at 150 million yen by resolution of the 2004 Annual General Meeting of Shareholders convened on June 25, 2004. At the conclusion of this General Meeting of Shareholders, the number of Audit & Supervisory Board Members is five.
 4. Performance-linked compensation is comprised of annual incentives and medium- to long-term incentives. Furthermore, in the current fiscal year, only annual incentives were paid because the current fiscal year was not the fiscal year in which medium- to long-term incentives are paid.
 5. The retirement bonuses for Directors were eliminated on the day of the 2004 Annual General Meeting of Shareholders held on June 25, 2004.

f. Matters regarding Outside Directors and Outside Members of Audit & Supervisory Board

- i. Significant concurrent positions of other organizations and the Company’s relation thereto
As described in “(2) Company Executives, a. Directors and Audit & Supervisory Board Members (as of March 31, 2023).”
- ii. Major activities in the business year under review

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
Nobuo Seki Outside Director	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>He attended all 14 Board of Directors meetings held during the fiscal year under review. He possesses wide knowledge as a corporate manager, as well as abundant experience in the engineering business centered on the energy industry, and his extensive expertise in global business. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member (as a Chairman since June 2022) of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, he attended all 14 Nomination Advisory Committee meetings and 4 Compensation Advisory Committee meetings held during the fiscal year under review.</p>
Shiro Sugata Outside Director	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>He attended all 14 Board of Directors meetings held during the fiscal year under review. He possesses wide knowledge as a corporate manager, his abundant experience in the development and marketing of industrial instruments, and his extensive expertise in global business. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member (as a Chairman since June 2022) of the Compensation Advisory Committee, he attended all 14 Nomination Advisory Committee meetings and 4 Compensation Advisory Committee meetings held during the fiscal year under review.</p>
Akira Uchida Outside Director	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>He attended all 14 Board of Directors meetings held during the fiscal year under review. He possesses wide knowledge as a corporate manager and wide experience in the corporate administration field centered on the Finance and Controller’s Division. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, he attended all 14 Nomination Advisory Committee meetings and 4 Compensation Advisory Committee meetings held during the fiscal year under review.</p>
Kuniko Urano Outside Director	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>She attended all 14 Board of Directors meetings held during the fiscal year under review. She possesses wide knowledge as a corporate manager and extensive experience in divisions of production, personnel/education, public relations/CSR, etc. in a major manufacturing industry. She actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, she attended all 14 Nomination Advisory Committee meetings and 4 Compensation Advisory Committee meetings.</p>

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
Takuya Hirano * Outside Director	<p>Board of Directors meetings Present at 11 of the 11 meetings</p> <p>He attended all 11 Board of Directors meetings held during the fiscal year under review convened since he assumed the position. He possesses wide range of practical experience in the business divisions at a major global IT company and a wealth of experience as a corporate manager such as the president of the Japanese subsidiary of the company. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, he attended all 9 Nomination Advisory Committee meetings and 4 Compensation Advisory Committee meetings held during the fiscal year under review.</p>
Yasuko Takayama Outside member, Audit & Supervisory Board	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>Audit & Supervisory Board meetings Present at 16 of the 16 meetings</p> <p>She attended all 14 Board of Directors meetings and all 16 Audit & Supervisory Board meetings. She possesses extensive practical experience, including corporate social responsibility, gained when working for a major company in the consumer market, as well as a wealth of experience as a full-time Audit & Supervisory Board member and as an outside executive at various companies. She actively expressed opinions at the Board of Directors meetings, etc. from the said standpoints.</p>
Makoto Ohsawa Outside member, Audit & Supervisory Board	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>Audit & Supervisory Board meetings Present at 16 of the 16 meetings</p> <p>He attended all 14 Board of Directors meetings and all 16 Audit & Supervisory Board meetings. He possesses wide knowledge based on his perspective as an experienced corporate manager and his extensive range of business activities in the economic circles. He actively expressed opinions at the Board of Directors meetings, etc. from the said standpoints.</p>
Masaru Ono Outside member, Audit & Supervisory Board	<p>Board of Directors meetings Present at 14 of the 14 meetings</p> <p>Audit & Supervisory Board meetings Present at 16 of the 16 meetings</p> <p>He attended all 14 Board of Directors meetings and all 16 Audit & Supervisory Board meetings. He, as a lawyer, possesses extensive expertise of the corporate legal affairs and finance fields based on wide knowledge of his extensive range of business activities in economic and educational circles. He actively expressed opinions at the Board of Directors meetings, etc. from the said standpoints.</p>

* For Outside Director Takuya Hirano, we have described his attendance of the Board of Directors meetings convened since he assumed the position on June 22, 2022.

(3) Accounting Auditor

a. **Designation:** Deloitte Touche Tohmatsu LLC

b. Compensation Paid to Accounting Auditor

	Payment amounts
Compensation to the accounting auditor for the year under review	¥139 million
Total amount paid in cash and other financial asset profits to the accounting auditor by the Company and subsidiaries	¥170 million

Notes: 1. In the audit contracts between the Company and its accounting auditor, the fees for audits conducted under the Companies Act and under the Financial Instruments and Exchange Law are not clearly differentiated. As they cannot be effectively separated, the amounts of compensation paid to the accounting auditor for the year under review show the total amounts.

2. Pursuant to Article 399, Paragraphs 1 and 2 of the Companies Act, the Audit & Supervisory Board has provided its consent regarding compensation paid to the accounting auditor upon having performed verification necessary with respect to determining appropriateness regarding matters such as content of the accounting auditor's audit plan, its performance of accounting audit duties, and the basis for estimating compensation paid for the audit.

3. All companies outside Japan that are principal subsidiaries of the Company are audited by accounting auditors other than the Company's accounting auditor.

c. Policy on Decision to Dismiss or Not Reappoint Accounting Auditor

In the event that any of the items set forth in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditor, pursuant to the provisions of Article 340, Paragraph 2 of the Companies Act, the Company's Audit & Supervisory Board shall dismiss the accounting auditor upon gaining unanimous consent of all Audit & Supervisory Board Members.

Moreover, in the event that it has been deemed difficult for the accounting auditor to perform duties appropriately, pursuant to the provisions of Article 344 of the Companies Act, the Company's Audit & Supervisory Board shall determine the content of a proposal for the dismissal or non-reappointment of the accounting auditor, and then the Company's Board of Directors shall accordingly submit such proposal to the General Meeting of Shareholders on the basis of the Audit & Supervisory Board's decision.

3. System for Assuring the Appropriateness of Company Operations, and Operational Status of the System

(1) System for Assuring the Appropriateness of Company Operations

The Yokogawa Group Internal Control System acts as a system for ensuring that Directors comply with laws, ordinances, and the Articles of Incorporation of the Company. It also acts as a stipulated system required for ensuring the appropriateness of operations of other corporations as well as the operations of the corporate group comprising the Company and its subsidiaries. Accordingly, the Company has established the Yokogawa Group Internal Control System pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, as follows.

a. System for Assuring Compliance of Directors of the Company and its Subsidiaries with Laws, Ordinances, and the Company's Articles of Incorporation

- Compliance principles have been set forth in the Yokogawa Group Code of Conduct, and the Board of Directors, and the Board of Directors of all Group companies and equivalent bodies (hereinafter, the "Directors and others"), take the lead in ensuring that business ethics are upheld and embraced throughout the Group.
- A department has been established that is in charge of matters pertaining to business ethics. This includes the identification and resolution of problems with the Groupwide compliance system.
- The Board of Directors is to base its decisions on the Rules Governing the Board of Directors and on the Decision Making Management Code. Directors including outside Directors who make up the Board appropriately supervise the execution of business by other directors. All members of the Audit & Supervisory Board audit the actions of the Directors based on the Auditing Standards for Audit & Supervisory Board Members and the Rules Governing the Audit & Supervisory Board.
- Decision making at the Boards of Directors of all Group companies and equivalent decision-making bodies is carried out based on rules formulated at all Group companies in accordance with the Company's rules. The Company's Audit & Supervisory Board periodically visits Group companies to conduct auditing activities.

b. System for Storing and Controlling Information concerning Execution of Duties by the Company's Directors

- The Rules Governing the Board of Directors, the Rules on the Control of Communications and Documentation, and the Rules on the Control of Documentation are specified, and rules and control systems concerning meeting minutes and other information that should be preserved are established.
- The Group Information Security Management Code and the Code of Conduct for the Prevention of Insider Trading, and rules and control systems concerning information confidentiality categories are established. In addition, people performing work for the Group are requested to sign confidentiality agreements.

c. Rules and Other Systems for Crisis Management of the Company and its Subsidiaries

- Risk Management Code has been set forth for the purpose of establishing a basis for the effective and efficient conduct of enterprise risk management by the Yokogawa Group. Based on this code, Risk Management Committee shall decide the significant risks which shall be managed preferentially as the Yokogawa Group and decide the monitoring method for its risks and report them to the Board of Directors. The president shall bear the responsibility for supervising all matters in relation to the risk management as the chairperson of Risk Management Committee.
- Respective organizational units of the Yokogawa Group shall perform the identification and assessment of risks followed by the preparation and implementation of the countermeasures against risks. The department in charge of internal audit shall evaluate the effectiveness of

the Yokogawa Group risk management process and reports important findings to the Board of Directors and the Audit & Supervisory Board members.

- Crisis situations are to be responded to as set forth in the Group Crisis Management Code. As the head of the Crisis Management Office, the President controls the communication of information and issuance of instructions during times of crisis at all Group companies, and works to ensure safety and minimize economic losses.

d. System for Assuring Efficient Execution of Duties of Directors of the Company and its Subsidiaries

- The Rules Governing the Board of Directors and the Decision Making Management Code provide the basis for ensuring that the Board of Directors thoroughly deliberates matters and delegates authority to the Management Board and other decision-making bodies.
- Companywide management objectives have been established, and the measures taken to achieve those objectives are reviewed. To ensure that the annual management objectives are achieved, they are reviewed by each organization on a quarterly basis. The Board of Directors receives reports on the attainment of these objectives, determines what activities are to be eliminated, decides how efficiency can be improved by overcoming obstacles, creates mechanisms that make it possible for the Company as a whole to pursue efficiency and achieve its goals, and maintains a management information system for the purpose of identifying, reporting, and acting on information regarding the achievement of management objectives, in real time.
- Enhancing the effectiveness of the Board of Directors, a Board of Directors office has been set up, and assistants including those who will work there on a full time basis are to be assigned.

e. System for Assuring Compliance of Employees of the Company and its Subsidiaries with Laws, Ordinances, and the Company's Articles of Incorporation

- Employees of the Group are to conduct themselves as set forth in the Yokogawa Group Compliance Guidelines, which define upstanding behavior without any involvement with antisocial forces
- The President continuously reminds all employees of the importance of legal compliance, and the department in charge of business ethics takes the lead in providing ongoing compliance education.
- The system for receiving internal reports and consultations on compliance-related issues shall be provided in the Yokogawa Group Compliance Management Code and the Rules on Internal Reporting and Consultation and shall be operated appropriately. In addition, the contact point shall be made known to the entire Group.
- The department in charge of business ethics monitors the status of compliance efforts and reports important findings to the Board of Directors and the Audit & Supervisory Board members.

f. System for Ensuring Appropriateness of Business Activities Carried out by the Group (the Company and Its Subsidiaries)

- The Company shall establish Group Management Standards (GMS), which is the supreme rule of Yokogawa Group, and by clarifying roles and responsibilities in each business process, we aim to realize an internal control system based on autonomous control activities. Guidance and management shall be provided to Group companies concerning the establishment of an optimal internal control system suited to the functions and systems of each Group company in accordance with the basic policies of the internal control system resolved by the Board of Directors. Each Group company shall report to us on matters relating to the execution of duties by its Directors, etc. in a timely and appropriate manner.

- Each person responsible for the internal control system based on the GMS shall have an audit function of the system and shall act to ensure (maintain and improve) the effectiveness and efficiency of the system of each Group company. Important matters shall be reported to the Board of Directors and Audit & Supervisory Board members. Among internal control systems, systems that are of particular importance from the standpoint of business appropriateness are summarized as deployment systems consisting of business ethics, decision-making, operating management, crisis management and corporate auditing infrastructure, and Yokogawa Group's internal control system has been established as a supervisory responsibility system.
 - To ensure the reliability of financial reports, the Accounting Management System which is based on the Group Accounting Code has been formulated that establishes controls for the correct performance of accounting work by each Group company. In addition, a system for evaluating these financial reporting controls and disclosing the evaluation results is established in accordance with the internal control reporting system requirements of the Financial Instruments and Exchange Act.
 - In accordance with the Group Internal Audit Code, the department that is in charge of internal audits shall audit the effectiveness of the Yokogawa Group's Internal Control Systems and report on important matters to the Board of Directors and the Audit & Supervisory Board members.
 - The system shall enable Audit & Supervisory Board members to obtain information directly or by contacting Group company auditors for the purpose of verifying decisions on important Group company matters.
- g. Matters concerning Requests by Audit & Supervisory Board Members of the Company to Assign Assistants to Support Roles**
- An Audit & Supervisory Board Member Office has been set up, and assistants, including those who will work there on a full time basis, are to be assigned.
- h. Matters concerning Independence of Assistants from Directors of the Company and Ensuring the Effectiveness of Instructions from Audit & Supervisory Board Members of the Company to Assistants**
- Personnel transfers related to the Audit & Supervisory Board Member Office require prior approval from the Audit & Supervisory Board members.
 - Assessment of the assistants working in the Audit & Supervisory Board Member Office is conducted by Audit & Supervisory Board members who have been designated by the Audit & Supervisory Board.
- i. System for Directors and Employees to Report to Audit & Supervisory Board Members of the Company, and System for Ensuring Reporting Persons Are Not Treated Disadvantageously for Making Reports**
- Directors and employees of the Company, as well as Directors, etc., Audit & Supervisory Board members and employees, etc., of all Group companies, shall report the following matters to the Audit & Supervisory Board members:
 - (a) Violations of laws, ordinances, and the Articles of Incorporation
 - (b) Important matters concerning the internal audit situation and risk management
 - (c) Matters that could cause significant losses to the Company
 - (d) Important matters concerning decision making
 - (e) Important matters concerning the management situation
 - (f) Matters concerning information reported via the internal reporting system
 - (g) Other important matters related to compliance
 - The Company and all Group companies ensure that reporting persons are not treated disadvantageously for making reports.

- j. Matters concerning Procedures for Advance Payment or Redemption of Expenses Occurring from Execution of Duties by Audit & Supervisory Board Members of the Company, and Policies Relating to Handling of Other Expenses or Obligations Occurring from said Execution of Duties**
- For audit expenses and other expenses occurring from the execution of duties by Audit & Supervisory Board members of the Company, appropriate amounts are budgeted to ensure the effectiveness of auditing. However, appropriate expenses spent in emergencies or on a temporary basis will be reimbursed regardless of whether they are budgeted.
- k. Other Systems for Ensuring Effective Auditing by Audit & Supervisory Board Members of the Company**
- The Company shall provide opportunities for regular exchanges of opinions with top management, such as the Chairman and Chairman of the Board of Directors, Representative Directors and officers in charge of Corporate Administration as well as with the responsible departments of the head office's administrative departments, including the departments in charge of internal audits and compliance, and with the accounting auditors. In addition, the Company will provide opportunities and an environment in which interviews can be conducted with other directors and key employees as appropriate.
 - Provide opportunities for consultation or exchange of opinions with the accounting auditor and the department in charge of internal audits, etc. in order to conduct efficient audits. In addition, to ensure the effectiveness of audits, the Company will provide opportunities for information exchange and cooperation with outside directors, etc.
 - As necessary, outside specialists can be appointed.

(2) Operational Status of the System for Assuring the Appropriateness of Company Operations

In accordance with Yokogawa Corporate Governance Guidelines, in fiscal year 2022, after the conclusion of the Ordinary General Meeting of Shareholders, non-executive internal directors (Chairman) served as the Chairman of the Board of Directors. In order to ensure swift execution of business under appropriate controls, the Board of Directors established a basic policy for the establishment of an internal control system and a risk management system, monitored and supervised whether the system was being operated effectively, and worked to disclose information appropriately. In fiscal year 2022, the Sustainability Committee was established as an advisory body to the Management Board for the purpose of identifying the mid- to long-term issues to be resolved by the Yokogawa Group in the areas of environment, society, and governance, discussing them intensively and continuously at the management level, and formulating strategies to resolve the issues. The committee reported its activities to the Board of Directors.

Along with the above, an overview is provided as follows on the operation status of the Yokogawa Group Internal Control System for the fiscal year under review (147th term), which was implemented based on the Basic Policy for FY22 Internal Control System resolved at the Board of Directors Meeting held on April 5, 2022.

- a. System for Assuring Compliance with Laws, Ordinances, and the Company's Articles of Incorporation**
- Yokogawa Group Code of Conduct and Compliance Guidelines have been established and announced to take into account global perspectives, including the realization of a sustainable society, human rights issues, and the elimination of discrimination.
 - In addition to ensuring compliance with laws, ordinances, and the Company's Articles of Incorporation, the Company has been developing workplace-based systems for promoting compliance worldwide with the aims of creating maintaining and improving a corporate culture where misconduct does not occur and systems that prevent unethical conduct. Campaigns geared to instilling awareness of compliance and causing such awareness to take hold have been carried out in Japan by compliance facilitators who also act as workplace advisors, and overseas by compliance coordinators. In addition, quarterly Compliance

Committee Meetings and other meetings are held for the compliance secretariat and representatives of compliance facilitators in each organization to share information and manage the progress of activities.

- The Compliance Awareness Survey, etc. are administered on a yearly basis so that the Company can gain an understanding of circumstances surrounding efforts to instill awareness of compliance issues, and also to facilitate efforts to promote such initiatives. Results of the survey are made available and shared within Yokogawa Group, and are also analyzed on the basis of individual workplaces and employment positions, and then put to use in formulating compliance measures in the subsequent fiscal year.
- As part of our awareness-raising activities, each year the Company conducts various compliance training programs for all employees through e-learning and other means to deepen their understanding of compliance. In addition, the Company has established Compliance Week within Yokogawa Group to raise and entrench compliance awareness.
- The Company has established points of contact for internal reporting and consultation and has also established points of contact for external reporting and consultation both in Japan and overseas. These points of contact enable the Company to take swift action with respect to discovering compliance-related problems in the early stages, and preventing misconduct before it occurs.

b. Rules on risk management of loss and other system

- The Company promotes risk management initiatives that function smoothly and effectively, and has accordingly established Rules on Risk Management stipulating basic matters regarding management of risks facing the Yokogawa Group, such as basic policy and systems involving risk management.
- The risk management initiatives undertaken autonomously by respective organizational units of the Yokogawa Group in part involve pinpointing risks, evaluating the severity of such risks with respect to the extent of their potential adverse impact along with the likelihood of any such risk materializing, and then drawing up and implementing measures to address such risks.
- Respective organizational units of the Yokogawa Group compiled information on risks deemed significant, grouped such risks from a perspective encompassing categories such as business opportunities and compliance and crisis situations. Moreover, the Risk Management Committee identified high-priority risks, determined methods for monitoring such risks, and reported such matters to the Board of Directors.
- In fiscal year 2022, just as last year, business risks, cyberattacks, information security risks, and natural disasters and infectious disease risks were selected as priority management risks based on their severity. The progress of countermeasures was confirmed in accordance with each monitoring method, and the status of activities was confirmed quarterly by the Risk Management Committee, and the content of these activities was reported to the Board of Directors and other bodies.
- The Board of Directors receives monthly reports on the status of the Company's response to ongoing risks, such as the rising cost of raw materials and transportation, and shortages of specialized semiconductor components. The Crisis Management Committee, chaired by the President, continuously shared information, and examined policies and measures, to address geopolitical risks associated with the situation in Ukraine and the outbreak of the novel coronavirus disease infection (COVID-19).

c. System for Assuring Appropriate Operations in the Corporate Group

- The Company is enhancing the Group Management Standards for the Yokogawa Group, which is the top set of rules for the Yokohama Group, and is working to clarify roles and

responsibilities in each operational process and further improve the internal control system based on autonomous control activities and appropriate risk management.

- In the course of performing quarterly audits, the department in charge of internal audits verifies that respective responsible sections of internal control systems clarify individual priority benchmarks, and then that stages of the plan-do-check-act (PDCA) cycle are being performed in step with circumstances prevailing with respect to achieving those benchmarks.

d. System for Assuring Effective Auditing by Audit & Supervisory Board Members

- The Audit & Supervisory Board stipulated the key audit items for the fiscal year under review as “Progress in the AG2023 mid-term business plan: (i) Assessment of strategic investments, (ii) Address visualization of the quality and quantity of human resources and (iii) Response to increasing sense of uncertainty in the business environment” as well as “the Status of Establishment and Operation of Internal Control System of Yokogawa Group,” and conducted audits based on the annual activity plan.
- The Audit & Supervisory Board Members exchange opinions regularly and as necessary with the Chairman and Chairman of the Board of Directors, the President, officers in charge of Corporate Administration, and also with the department in charge of internal audits, the department in charge of business ethics, the department in charge of legal affairs, and the accounting auditor. They also conduct interviews of Directors and important employees, as necessary.
- Full-time Audit & Supervisory Board Members hold three-way audit meetings with the accounting auditor and the department in charge of internal audits. In addition, they conduct audits the internal control system jointly with the department in charge of internal audits.
- The Audit & Supervisory Board Members deepen cooperation by holding meetings with Outside Directors, with the participation of the accounting auditor and members of related departments within the Company, depending on the theme.
- The Audit & Supervisory Board concludes advisory agreements with an outside law firm that is independent from the business execution side, consults with them as appropriate, and seeks advice.

4. Basic Policy regarding Control over the Company

The Company believes that parties making decisions regarding its financial and business policies above all else must be capable of protecting and enhancing the corporate value of the Company and the common interests of the shareholders.

The Yokogawa Group sets forth the following corporate philosophy: “As a company, our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information. Individually, we aim to combine good citizenship with the courage to innovate.” Accordingly, we believe that acting on the basis of this philosophy, and thereby helping to protect the environment and achieve a sustainable society, will protect and enhance the corporate value of the Company and the common interests of its shareholders while we engage in sound and profitable management practices that allow us to steadfastly pursue our business activities and provide solutions and services that add value.

While acknowledging the fact that we are a public company whose shares are freely traded, the Company believes that a decision on whether to allow a party to carry out a large-scale acquisition of its shares should ultimately be left to its shareholders. As such, in the event of a large-scale acquisition of the Company’s shares, we will not categorically rule out the acquisition if it improves the corporate value of the Company or if it is in the common interests of the shareholders.

However, there are a number of situations when a large-scale takeover attempt would contribute to neither the corporate value of the Company nor the common interests of the shareholders, such as when: (i) sufficient time and information have not been provided for the Company or its shareholders to consider the proposal or an alternative proposal regarding the acquisition, (ii) the purpose of the share acquisition and the administrative policy to be followed after the acquisition are likely to harm the corporate value and the common interests of the Company’s shareholders, (iii) shareholders are effectively forced to sell their shares, and (iv) the acquisition terms are considered insufficient or inappropriate in light of the corporate value of the Company and the common interests of the Company’s shareholders.

The Company believes that any party attempting a large-scale acquisition in the above manner would be unsuitable with respect to making decisions on the Company’s financial and business policies. The Company remains committed to taking appropriate measures in accordance with relevant laws and regulations, such that include requiring any party proposing a large-scale acquisition of the Company’s shares to disclose sufficient information necessary for enabling shareholders to make an informed judgment on the advantages and disadvantages of the prospective acquisition, while also disclosing the Board of Directors’ views on any such proposal taking steps to ensure that shareholders are afforded sufficient time to consider the acquisition.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

As of March 31, 2023

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	121,438
Notes receivable-trade	10,318
Accounts receivable - trade	133,654
Contract assets	65,297
Merchandise and finished goods	18,467
Work in process	4,932
Raw materials and supplies	25,006
Other	24,251
Allowance for doubtful accounts	(6,106)
Total current assets	397,261
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	46,183
Machinery, equipment and vehicles, net	9,354
Tools, furniture and fixtures, net	6,550
Land	15,570
Leased assets, net	22
Right-of-use assets	8,097
Construction in progress	1,780
Total property, plant and equipment	87,559
Intangible assets	
Software	14,137
Goodwill	14,614
Other	19,782
Total Intangible assets	48,534
Investments and other assets	
Investment securities	70,786
Deferred tax assets	8,921
Other	6,433
Allowance for doubtful accounts	(859)
Total investments and other assets	85,281
Total non-current assets	221,375
Total assets	618,637

CONSOLIDATED BALANCE SHEETS

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Notes and accounts payable-trade	31,226
Electronically recorded obligations	10,098
Short-term loans payable	20,475
Commercial papers	25,000
Accounts payable-other	18,741
Income taxes payable	6,472
Contract liabilities	45,837
Lease obligations	2,219
Provision for bonuses	20,776
Provision for loss on construction contracts	7,380
Other	24,869
Total current liabilities	<u>213,097</u>
Non-current liabilities	
Long-term loans payable	4,087
Deferred tax liabilities	2,519
Net defined benefit liability	5,081
Lease obligations	5,292
Other	1,732
Total non-current liabilities	<u>18,713</u>
Total liabilities	<u>231,811</u>
NET ASSETS	
Shareholders' equity	
Capital stock	43,401
Capital surplus	54,392
Retained earnings	251,277
Treasury shares	(1,410)
Total shareholders' equity	<u>347,660</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	19,106
Deferred gains or losses on hedges	(98)
Foreign currency translation adjustment	13,812
Remeasurements of defined benefit plans	(854)
Total accumulated other comprehensive income	<u>31,965</u>
Non-controlling interests	<u>7,200</u>
Total net assets	<u>386,825</u>
Total liabilities and net assets	<u>618,637</u>

CONSOLIDATED STATEMENTS OF INCOME

For the year ended March 31, 2023

		Millions of yen
Net sales		456,479
Cost of sales		252,019
Gross profit		204,459
Selling, general and administrative expenses		160,050
Operating income		44,409
Non-operating income		
Interest income	1,058	
Dividend income	1,970	
Share of profit of entities accounted for using equity method	3,374	
Miscellaneous income	1,617	8,021
Non-operating expenses		
Interest expenses	1,091	
Provision of allowance for doubtful accounts	1,009	
Commission expenses	21	
Donations	332	
Miscellaneous loss	1,365	3,821
Ordinary income		48,608
Extraordinary income		
Gain on sale of non-current assets	526	
Gain on sale of investment securities	834	
Gain on step acquisitions	1,066	2,428
Extraordinary losses		
Loss on sale of non-current assets	5	
Loss on retirement of non-current assets	432	
Impairment loss	558	
Business restructuring expenses	240	1,237
Profit before income taxes		49,799
Income taxes-current	11,662	
Income taxes-deferred	(3,799)	7,863
Profit		41,936
Profit attributable to non-controlling interests		3,015
Profit attributable to owners of parent		38,920

NON-CONSOLIDATED FINANCIAL STATEMENTS
NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2023

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	18,857
Notes receivable-trade	49
Accounts receivable-trade	45,478
Contract liabilities	212
Merchandise and finished goods	1,431
Work in process	42
Raw materials and supplies	692
Prepaid expenses	1,877
Short-term loans receivable	41,726
Accounts receivable-other	19,206
Other	440
Allowance for doubtful accounts	(3,075)
Total current assets	126,940
Noncurrent assets	
Property, plant and equipment	
Buildings, net	21,082
Structures, net	709
Machinery and equipment, net	386
Tools, furniture and fixtures, net	2,790
Land	8,208
Construction in progress	239
Other	17
Total property, plant and equipment	33,432
Intangible assets	
Software	11,340
Software in progress	11,331
Leasehold right	488
Other	536
Total intangible assets	23,697
Investments and other assets	
Investment securities	50,443
Stocks of subsidiaries and affiliates	52,507
Investment in capital of subsidiaries and affiliates	14,319
Lease and guarantee deposits	123
Long-term financial assets	1,974
Other	557
Allowance for doubtful accounts	(90)
Total investments and other assets	119,835
Total noncurrent assets	176,965
Total assets	303,905

NON-CONSOLIDATED BALANCE SHEETS

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Electronically recorded obligations	2,100
Accounts payable-trade	8,724
Short-term loans payable	5,074
Commercial papers	25,000
Current portion of long-term loans payable	20,000
Accounts payable-other	13,917
Accrued expenses	1,678
Income taxes payable	551
Contract liabilities	766
Deposit received	303
Provision for bonuses	4,126
Other	2,086
Total current liabilities	84,329
Noncurrent liabilities	
Long-term loans payable	4,000
Long-term deferred tax liabilities	3,879
Other	631
Total noncurrent liabilities	8,511
Total liabilities	92,840
NET ASSETS	
Shareholders' equity	
Capital stock	43,401
Capital surplus	54,514
Legal capital surplus	36,350
Other capital surplus	18,164
Retained earnings	95,360
Other retained earnings	95,360
Reserve for advanced depreciation of noncurrent assets	1,035
Retained earnings brought forward	94,324
Treasury stock	(1,410)
Total shareholders' equity	191,865
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	19,199
Total valuation and translation adjustments	19,199
Total net assets	211,065
Total liabilities, net assets	303,905

NON-CONSOLIDATED STATEMENTS OF INCOME

For the year ended March 31, 2023

		Millions of yen
Net sales		124,495
Cost of sales		63,242
Gross profit		61,252
Selling, general and administrative expenses		61,520
Operating loss		(268)
Non-operating income		
Dividend income	25,194	
Rent receivable	2,633	
Miscellaneous income	829	28,657
Non-operating expenses		
Interest expenses	654	
Rent payable	2,465	
Foreign exchange losses	147	
Provision of allowance for doubtful accounts	833	
Bad debts expenses	797	
Miscellaneous loss	467	5,366
Ordinary income		23,023
Extraordinary income		
Gain on sale of noncurrent assets	482	
Gain on sale of investment securities	834	1,317
Extraordinary losses		
Loss on retirement of noncurrent assets	370	
Loss on valuation of shares of subsidiaries and associates	26	396
Profit before income taxes		23,943
Income taxes-current	222	
Income taxes-deferred	(1,750)	(1,527)
Profit		25,471

Instructions for Internet Voting

I. Conditions regarding Internet Voting

1. Conditions regarding Internet Voting

- (1) You may vote via the Internet through the shareholder voting site (see the URL below) designated by the Company instead of voting by mail. If you choose to vote via the Internet, login with the voting code and the password shown on the right side of the enclosed voting form, and cast your vote by following the prompts on the screen. Please note that you need to change the password the first time you login to ensure security.

<https://soukai.mizuho-tb.co.jp/>

- (2) The deadline for voting is 5:00 p.m. on Monday, June 26, 2023, Japan time. You need to complete your vote by that time. Please vote ahead of time.
- (3) If you vote both by mail and via the Internet, the vote via the Internet shall prevail. In the case of multiple voting via the Internet, the last one shall prevail.
- (4) Your password (including the one you changed) will be valid for this General Meeting only. A new password will be issued for the next General Meeting.
- (5) The Company is not responsible for any expenses related to Shareholders' Internet access.

(Notes)

- The password is a means of authenticating the identity of a voter as a shareholder. You will never receive a call from the Company inquiring about your password.
- The password will be locked and suspended if you enter the wrong password a certain number of times. If it becomes locked, please follow the prompts on the screen.
- We conducted an operation check of the shareholder voting site with general Internet access devices, but the site may not be usable on some devices.

2. Inquiries

If you have any concerns about Internet voting, please contact the Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd., our shareholder register manager (see below).

- (1) All inquiries regarding how to vote via the shareholder voting site may be addressed to the following:
Toll free (calls from within Japan) 0120-768-524
(Between 9:00 a.m. and 9:00 p.m., Japan time)
- (2) Other inquiries regarding stock-related administrative work may be addressed to the following:
Toll free (calls from within Japan) 0120-288-324
(Between 9:00 a.m. and 5:00 p.m., Japan time, on weekdays)

II. Electronic Voting Platform

Regarding the exercise of voting rights at the Company's General Meeting of Shareholders, nominee shareholders such as trust and custody banks (including standing proxies) may, as an alternative to the Internet voting described above, use the electronic voting rights execution platform established by the Tokyo Stock Exchange and organized by the Investor Communications Japan (ICJ) Inc., provided that application for the use of this electronic voting platform is made in advance.