

Stock Code:7250

May 24, 2024

(Measures for electronic provision have commenced on May 17, 2024)

To Our Shareholders:

Tetsushi Ogawa

President, Member of the Board



PACIFIC INDUSTRIAL CO. LTD.

100 Kyutoku-Cho, Ogaki, Gifu, Japan

NOTICE OF THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 100th ordinary general meeting of shareholders to be held as follows. For the convening of this ordinary general meeting of shareholders, information contained in the reference documents for this ordinary general meeting of shareholders, etc. (matters to be electronically provided) are provided electronically, and is posted on following website as "NOTICE OF THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS".

[The Company's website]

<https://www.pacific-ind.co.jp/eng/investor/meeting/>

Please access the above website and select "Notice of 100th Ordinary General Meeting of Shareholders".

Also, please review the reference documents for the general meeting of shareholders, and exercise your voting rights no later than 17:00 on Friday, June 14, 2024(JST).

In addition to the above, the information is also posted on the following website on the Internet.

[Tokyo Stock Exchange's website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To check the information, please access the Tokyo Stock Exchange website and enter "PACIFIC INDUSTRIAL" in the "Issue name (company name)" box or the company's security code "7250" in the "Code" box and click the "Search" button. Then click the "Basic Information" button and select the "Documents for public inspection/PR information" tab, and click the button under "Filed information available for public inspection," "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting.")

1. Date : 10:00 am, Saturday, June 15, 2024

2. Place : The Kyokko room in the OGAKI FORUM HOTEL.
2-31 Mangoku, Ogaki, Gifu, Japan

3. Objectives of the Meeting:

Reports:

- (1) Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board for the 100th Fiscal Term (from April 1, 2023 to March 31, 2024).
- (2) Financial Statements for the 100th Fiscal Term (from April 1, 2023 to March 31, 2024)

Agenda:

Proposal No.1: Partial Amendments to the Articles of Incorporation

Proposal No.2: Election of 5 Members of the Board (Excluding Members of the Board Who Are Audit and Supervisory Committee Members)

Proposal No.3: Election of 4 Members of the Board Who Are Audit and Supervisory Committee Members

Proposal No.4: Compensation for Members of the Board (Excluding Members of the Board Who Are Audit and Supervisory Committee Members)

Proposal No.5: Compensation for Members of the Board Who Are Audit and Supervisory Committee Members

Proposal No.6: Compensation Plan, Etc. for Allotting Restricted Shares to Members of the Board (Excluding Members of the Board Who Are Audit and Supervisory Committee Members and Outside Members of the Board)

●In the event of any revision to the matters for electronic provision measures, the revised information will be posted on the respective websites where it is posted.

●For shareholders who have not requested the delivery of written documents, the Reference Document for the General Meeting of Shareholders and a part of the Business Report will be sent together.

The following items are not included documents to be delivered to shareholders who have requested delivery of documents pursuant to laws and the provisions of the Articles of Incorporation. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including the following items.

- “Matters Regarding Share Acquisition Rights of the Company,” “Status of the Accounting Auditor,” “Company Structure, Policies, and Operational Status,” and “The Policy for Determination of Dividends of Surplus” of the Business Report
- “Consolidated Statements of Changes in Equity,” “Consolidated Statement of Cash Flows (Reference)” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements
- “Non-consolidated Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements

Proposal No.1: Partial Amendments to the Articles of Incorporation

1.Reason for the proposal

- (1) The Company determined to transition from a company with an audit & supervisory board to a company with an audit and supervisory committee in which the Board of Directors includes audit and supervisory committee members who are responsible for audits and other supervision of the Members of the Board's execution of duties for the purpose of strengthening supervisory function of the Board of Directors and further enhancing the corporate governance framework. Accordingly, we will propose to make necessary revisions in the Articles of Incorporation, including establishing new provisions on the Audit and Supervisory Committee and Members of the board who are Audit and Supervisory Committee Members and deleting provisions on the Audit & Supervisory Board and Audit & Supervisory Board Members.
- (2) We will propose to add business objectives in Article 2 (Purpose) in the current Articles of Incorporation in order to clarify our business description.
- (3) Other necessary changes in line with the above-mentioned amendments, such as adjustment of the article numbers, shall be made.

2.Details of the amendments

The details of the amendments are as follows: the proposed amendments made to the Articles of Incorporation will go into effect upon the closing of this Ordinary General Meeting of Shareholders.

(Underlining indicates amended text.)

Current Articles of Incorporation	Proposed Amendment
Chapter I General Rules	Chapter I General Rules
Article 1 (Texts omitted) (Purpose)	Article 1 (No change) (Purpose)
Article 2 The purpose of the Company shall be to engage in the following businesses. (1) - (7) (Texts omitted) (8) Processing of information <u>by computer</u> , development/sale and lease of software, <u>and sale and lease of information processing equipment</u> . (9) - (11) (Texts omitted)	Article 2 (No change) (1) - (7) (No change) (8) <u>Services related to</u> information processing, <u>information and communications, and information provision</u> ; development/sale of software; and <u>manufacturing, sale, lease and repair of equipment and systems thereof</u> (9) - (11) (No change)
Article 3 - Article 4 (Texts omitted)	Article 3 - Article 4 (No change)
Chapter II Stock	Chapter II Stock
Article 5 - Article 11 (Texts omitted)	Article 5 - Article 11 (No change)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Article 12 - Article 16 (Texts omitted)</p> <p style="text-align: center;">Chapter IV Members of the Board and the Board of Directors</p> <p>(Board of Directors)</p> <p>Article 17 The Company shall have the Board of Directors.</p> <p>(ii) For the convocation of a meeting of the Board of Directors, a notice shall be sent to each Member of the Board <u>and Audit & Supervisory Board Member</u> at least two days before the date of the meeting. However, the notice period may be shortened in case of emergency.</p> <p>(iii) In addition to the preceding paragraph, the operation of the Board of Directors shall be in accordance with the Board of Directors regulations which are established by the Board of Directors.</p> <p style="text-align: center;">(Newly established)</p> <p>(Number and Election of Members of the Board)</p> <p>Article <u>18</u> The number of Members of the Board shall not exceed <u>ten (10)</u> and the members of the board shall be elected by resolution of a General Meeting of Shareholders.</p> <p>(ii) Resolutions to elect members of the board shall be adopted by a majority vote of shareholders present whose total holdings shall not be less than one-third (1/3) of the voting rights held by all shareholders entitled to exercise the voting rights.</p> <p>(iii) For a resolution to elect members of the board, no cumulative voting shall be used.</p>	<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Article 12 - Article 16 (No change)</p> <p style="text-align: center;">Chapter IV Members of the Board and the Board of Directors</p> <p>(Board of Directors)</p> <p>Article 17 The Company shall have the Board of Directors.</p> <p>(ii) For the convocation of a meeting of the Board of Directors, a notice shall be sent to each Member of the Board at least two days before the date of the meeting. However, the notice period may be shortened in case of emergency.</p> <p>(iii) (No change)</p> <p><u>(Delegation of Decision on Important Business Execution)</u></p> <p><u>Article 18 Pursuant to the provision of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolutions of the Board of Directors, delegate the decision on important business execution, excluding matters listed in each item of Paragraph 5 of the same Article, to Members of the board in whole or part.</u></p> <p>(Number and Election of Members of the Board)</p> <p>Article <u>19</u> The number of the Members of the Board, <u>excluding Members of the Board who are Audit and Supervisory Committee Members,</u> shall not exceed <u>eight (8)</u> and the number of <u>Members of the Board who are Audit and Supervisory Committee Members shall not exceed five (5).</u> Members of the board <u>who are Audit and Supervisory Committee Members and other Members of the Board</u> shall be elected <u>separately</u> by resolution of a General Meeting of Shareholders.</p> <p>(ii) (No change)</p> <p>(iii) (No change)</p>

Current Articles of Incorporation	Proposed Amendment
<p>(Term of Office)</p> <p>Article <u>19</u> The term of office of Members of the Board shall be from the date of their assumption of office until the close of the Ordinary General Meeting of Shareholders to be held for the last business year ending within one (1) year from their election to office.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Term of Office)</p> <p>Article <u>20</u> The term of office of <u>the Company's</u> Members of the Board, <u>excluding Members of the Board who are Audit and Supervisory Committee Members</u>, shall be from the date of their assumption of office until the close of the Ordinary General Meeting of Shareholders to be held for the last business year ending within one (1) year from their election to office.</p> <p><u>(ii) The term of office of Members of the Board who are Audit and Supervisory Committee Members shall be from the date of their assumption of office until the close of the Ordinary General Meeting of Shareholders to be held for the last business year ending within two (2) years from their election to office.</u></p> <p><u>(iii) The term of office of a Members of the Board who are Audit and Supervisory Committee Members and who are appointed to fill a vacancy left by a Members of the Board who is an Audit and Supervisory Committee Member retiring before the end of his/her term shall be the remaining term of office of the retired Members of the Board.</u></p> <p><u>(iv) The effective term of the resolution for election of a Substitute Members of the Board who is an Audit and Supervisory Committee Member under Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders to be held for the last business year ending within two (2) years from his/her election, unless shortened by resolution.</u></p>
<p>(Representative Members of the Board)</p> <p>Article <u>20</u> Members of the Board who represent the Company shall not exceed three (3) and the Representative Members of the Board shall be appointed by resolution of the Board of Directors.</p> <p>(ii) Representative Directors shall represent the Company and shall execute the Company's operations.</p>	<p>(Representative Directors)</p> <p>Article <u>21</u> Members of the Board who represent the Companies shall not exceed three (3) and the Representative Directors shall be appointed <u>from the Company's Members of the Board, excluding Members of the Board who are Audit and Supervisory Committee Members</u>, by resolution of the Board of Directors.</p> <p>(ii) (No change)</p>

Current Articles of Incorporation	Proposed Amendment
<p>(Responsible Directors) Article <u>21</u> The Board of Directors may appoint, by its resolution, a Chairman Member of the Board, a Vice Chairman Member of the Board, a President Member of the Board, and a limited number of Executive Vice President Members of the Board, Senior Managing Officer Members of the Board, and Managing Officer Members of the Board.</p> <p>(Resolution) Article <u>22</u> – Article <u>23</u> (Texts omitted) (Omission of Board of Directors Meeting Resolution) Article <u>24</u> The Company may, when all of the Directors indicate their consent with the proposal regarding a matter subject to resolution by the Board of Directors in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal, <u>unless the Audit & Supervisory Board Members have stated their objection to that proposal.</u></p> <p>(Compensation, etc.) Article <u>25</u> Compensation, etc. for the Members of the Board shall be determined by resolution of a General Meeting of Shareholders.</p> <p>Article <u>26</u> – Article <u>27</u> (Texts omitted)</p> <p style="text-align: center;">Chapter V <u>Audit & Supervisory Board Members</u> <u>and Audit & Supervisory Board</u></p> <p>(Establishment of <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u>) Article <u>28</u> The Company shall have <u>Audit & Supervisory Board Members and the Audit & Supervisory Board.</u></p> <p>(Number and Election of <u>Audit & Supervisory Board Members</u>) Article <u>29</u> <u>The number of the Company’s Audit & Supervisory Board Members shall not exceed five (5) and the Audit & Supervisory Board Members shall be elected by resolution of a General Meeting of Shareholders.</u></p>	<p>(Responsible Members of the Board) Article <u>22</u> The Board of Directors may appoint, by its resolution, a Chairman Member of the Board, a Vice Chairman Member of the Board, a President Member of the Board, and a limited number of Executive Vice President member of the Board, Senior Managing Officer Members of the Board, and Managing Officer Members of the Board <u>from the Company’s Members of the Board, excluding Members of the Board who are Audit and Supervisory Committee Members.</u></p> <p>(Resolution) Article <u>23</u> – Article <u>24</u> (No change) (Omission of Board of Directors Meeting Resolution) Article <u>25</u> The Company may, when all of the Directors indicate their consent with the proposal regarding a matter subject to resolution by the Board of Directors in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal.</p> <p>(Compensation, etc.) Article <u>26</u> Compensation, etc. for <u>the Company’s</u> Members of the Board shall be determined <u>separately for Members of the Board who are Audit and Supervisory Committee Members and other Members of the Board</u> by resolution of a General Meeting of Shareholders.</p> <p>Article <u>27</u> – Article <u>28</u> (No change)</p> <p style="text-align: center;">Chapter V <u>Audit and Supervisory Committee</u></p> <p>(Establishment of <u>Audit and Supervisory Committee</u>) Article <u>29</u> The Company shall have <u>an Audit and Supervisory Committee.</u></p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendment
<p><u>(ii) Resolutions to elect Audit & Supervisory Board Members shall be adopted by a majority vote of shareholders present whose total holdings shall not be less than one-third (1/3) of the voting rights held by all shareholders entitled to exercise the voting rights.</u></p>	(Deleted)
<p><u>(Term of Office)</u></p>	(Deleted)
<p><u>Article 30 The term of office of Audit & Supervisory Board Members shall be from the date of their assumption of office until the close of the Ordinary General Meeting of Shareholders to be held for the last business year ending within four (4) years from their election to office.</u></p>	(Deleted)
<p><u>(Election of Substitute Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>Article 31 In the event of a vacancy in the office of Audit & Supervisory Board Member, if a quorum is satisfied and if it does not interfere with business, the Company may not appoint a substitute Audit & Supervisory Board Member.</u></p>	(Deleted)
<p><u>(ii) The term of office of an Audit & Supervisory Board Member who is appointed as a substitute Audit & Supervisory Board Member shall be the remaining term of office of the retired Audit & Supervisory Board Member.</u></p>	(Deleted)
<p><u>(Full-time Audit & Supervisory Board Members)</u></p>	<u>(Full-time Audit and Supervisory Committee Members)</u>
<p><u>Article 32 The Audit & Supervisory Board shall elect full-time Audit & Supervisory Board Members from among the Audit & Supervisory Board Members.</u></p>	<p><u>Article 30 Full-time Audit and Supervisory Committee Members may be elected by resolution of the Audit and Supervisory Committee.</u></p>
<p><u>^</u></p>	<u>(Convocation Procedures for Audit and Supervisory</u>
<p><u>(Convocation)</u></p>	<u>Committee Meetings)</u>
<p><u>Article 33 The Audit & Supervisory Board may determine a convener in advance; provided, however, that it shall not preclude other Audit & Supervisory Board Members from convening a meeting.</u></p>	<p><u>Article 31 To call an Audit and Supervisory Committee meeting, a convocation notice shall be given to each Audit and Supervisory Committee Member at least two (2) days prior to the date of such meetings. In urgent circumstances, this period may be shortened.</u></p>
<p><u>(ii) The convocation notice in the preceding paragraph shall be given to each Audit & Supervisory Board Members at least two (2) days prior to the date of such meetings. In urgent circumstances, this period may be shortened.</u></p>	<p><u>(ii) The Audit and Supervisory Committee meeting may be held without the procedures for calling it if the consent of all Audit and Supervisory Committee Members is obtained.</u></p>

Current Articles of Incorporation	Proposed Amendment
<u>(Compensation, etc.)</u>	(Deleted)
<u>Article 34 Compensation, etc. for Audit & Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u>	
<u>(Exemption of Responsibility of Outside Audit & Supervisory Board Members)</u>	(Deleted)
<u>Article 35 The Company may enter into contract with the Outside Audit & Supervisory Board Members to restrict their liabilities in case of falling under the legal requirement regarding the liabilities of Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under this agreement shall be the higher of either the previously fixed amount of 2 million YEN or more, or the legal minimum liability.</u>	
(Newly established)	<u>(Authorities of Audit and Supervisory Committee)</u> <u>Article 32 The Audit and Supervisory Committee shall determine matters stipulated by laws and regulations and exercise the authorities necessary to perform their duties.</u>
(Newly established)	<u>(Resolution at Audit and Supervisory Committee Meetings)</u> <u>Article 33 Unless otherwise provided by laws and regulations, the resolution at an Audit and Supervisory Committee meeting is passed by a majority of the Audit and Supervisory Committee Members present at the meeting where the majority of the Audit and Supervisory Committee Members entitled to participate in the vote are present.</u>
(Newly established)	<u>(Audit and Supervisory Committee Regulations)</u> <u>Article 34 Matters related to the Audit and Supervisory Committee shall be stipulated by laws and regulations and the Articles of Incorporation as well as the Audit and Supervisory Committee Regulations provided by the Audit and Supervisory Committee.</u>
Chapter VI Accounting Auditor	Chapter VI Accounting Auditor
Article 36 – Article 38 (Texts omitted) (Compensation, etc. for Accounting Auditors)	Article 35 – Article 37 (No change) (Compensation, etc. for Accounting Auditors)
Article 39 Compensation, etc. for Accounting Auditors shall be determined by the Representative Member of the Board with the consent of the <u>Audit & Supervisory Board.</u>	Article 38 Compensation, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of <u>the Audit and Supervisory Committee.</u>
Chapter VII Accounting	Chapter VII Accounting
Article 40 – Article 43 (Texts omitted)	Article 39 – Article 42 (No change)

Proposal No.2: Election of 5 Members of the board (Excluding Members of the Board Who Are Audit and Supervisory Committee Members)

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, As the terms of office of all six (6) current Members of the board will expire at the conclusion of this General Meeting of Shareholders, we propose the election of five (5) Members of the board (Excluding Members of the board who are Audit and Supervisory Committee Members) .

This proposal may only take effect on the condition that amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” are adopted.


The nominees for Members of the Board are as follows:

Nominee NO.		Name	Gender	Current posts, assignments in the Company and attribute	Board Meeting attendance in fiscal year 2023
1	Reappointment	Shinya Ogawa	Male	Chairman, Member of the Board	13/13 (100%)
2	Reappointment	Tetsushi Ogawa	Male	President, Member of the Board Chief Officer, Corporate Planning Center,	13/13 (100%)
3	Reappointment	Hisashi Kayukawa	Male	Senior Managing Officer, Member of the Board Chief Officer, Valve & TPMS Business Group	13/13 (100%)
4	Reappointment	Terumi Noda	Male	Senior Managing Officer, Member of the Board Chief Officer, Stamping & Plastic Molding Business Group	13/13 (100%)
6	Reappointment	Masako Hayashi	Female	Outside Board Member and Independent Officer	13/13 (100%)


(Reference)Skill Matrix of Members of the board

	Name	Management/ Governance	Manufacturing/ Human Resource Development	R&D/ Technology	Environment/ Energy	Finance/ Accounting	Legal/ Risk Management	International Experience	Sales and Procurement
Board Member	Shinya Ogawa	●	●			●	●	●	●
	Tetsushi Ogawa	●	●	●		●		●	
	Hisashi Kayukawa	●	●	●	●	●			
	Terumi Noda	●	●			●		●	●
Outside Board Member	Masako Hayashi	●	●					●	

1. Shinya Ogawa (September 8, 1947) Reappointment

	■ Brief personal history, posts and assignments in the Company	
	April 1973:	Joined Toyota Motor Co., Ltd. (Current Toyota Motor Corporation)
	January 1981:	Left Toyota Motor Co., Ltd.
	February 1981:	Joined Pacific Industrial Co., Ltd.
	June 1983:	Member of the Board
	June 1985:	Managing Officer, Member of the Board
	March 1989:	Senior Managing Officer, Member of the Board
	February 1990:	Executive Vice President, Member of the Board
	June 1996:	President, Member of the Board
	April 2023	Chairman, Member of the Board (current position)
■ Number of the Company's shares owned: 1,476,266		
■ Reason that the Company appointed Shinya Ogawa as a candidate for Member of the Board: As President and Representative Director for many years, Shinya Ogawa implemented sustainability management with awareness of the improvement of corporate value and all stakeholders, and devoted himself to the growth and development of the company based on the corporate philosophy of technological development, respect for human rights and conservation of the global environment. Since April 2023, he has been responsible for the overall supervision of management as Chairman and Representative Director. The company has continued to nominate him as a candidate for Director because of his insight and wealth of experience as a business manager, which is backed by his track record.		

2. Tetsushi Ogawa (August 16, 1978) Reappointment

	■ Brief personal history, posts and assignments in the Company	
	April 2005:	Joined Toyota Motor Corporation
	December 2010:	Left Toyota Motor Corporation
	January 2011:	Joined Pacific Industrial Co., Ltd.
	June 2011:	Operating Officer
	June 2013:	Managing Officer
	June 2015:	Senior Managing Officer, Member of the Board
	June 2018:	Executive Vice President, Member of the Board
	June 2021:	Vice President and Representative Director,
	April 2023:	President, Member of the Board Chief Officer, Corporate Planning Center (current position)
■ Number of the Company's shares owned: 87,416		
■ Reason that the Company appointed Tetsushi Ogawa as a candidate for Member of the Board: Tetsushi Ogawa aims to improve profitability through both growth strategies and on-site improvements, and demonstrated outstanding management capabilities in corporate restructuring based on M&A, strengthening of the governance structure and the creation of products pleasing to customers. As President and Representative Director since April 2023, he has taken on the challenge of reform as a group and worked on the creation of new value. In addition to his abundant management experience, the company has judged that his broad perspective and profound insight, including his field perspective, are essential to the management of our group and has continued to nominate him as a candidate for member of the board.		

3. Hisashi Kayukawa (October 24, 1957) Reappointment

	■ Brief personal history, posts and assignments in the Company	
	March 1980: June 2009: June 2013: June 2015: June 2023:	Joined Pacific Industrial Co., Ltd. Operating Officer Managing Officer Managing Officer, Member of the Board Senior Managing Officer, Member of the Board Chief Officer, Valve & TPMS Business Group (current position)
■ Important post concurrently held at another corporation: President, Schrader-Bridgeport International, Inc. President, Schrader SAS		
■ Number of the Company's shares owned: 48,306		
■ Reason that the Company appointed Hisashi Kayukawa as a candidate for Member of the Board: Hisashi Kayukawa has been involved in all production related phases, from development, design, production engineering, and through to production for many years, and has worked on advanced technology development with his abundant experience and knowledge, taking the lead to enhance the Company's technology. We appointed him as a candidate, because of his abundant experience and professional knowledge in this area.		

4. Terumi Noda (November 17, 1957) Reappointment

	■ Brief personal history, posts and assignments in the Company	
	May 1980: June 2004: June 2009: June 2015: June 2019: June 2023:	Joined Pacific Industrial Co., Ltd. President, PI System Co., Ltd. Operating Officer, President, Pacific Manufacturing Ohio, Inc. Managing Officer Managing Officer, Member of the Board Senior Managing Officer, Member of the Board Chief Officer, Stamping & Plastic Molding Business Group (current position)
■ Important post concurrently held at another corporation: President, Pacific Industries USA Inc.		
■ Number of the Company's shares owned: 58,160		
■ Reason that the Company appointed Terumi Noda as a candidate for Member of the Board: Terumi Noda has been involved in both domestic and international sales development for many years and has excellent insight for business. Also, as the President of a subsidiary in the U.S. and an IT subsidiary, he is familiar with global business environments and advanced communication business environments, etc. We selected him as a candidate for these reasons and because he has broad insight and abundant experience in the areas of corporate planning, human resources, accounting and finance, and procurement etc.		

5. Masako Hayashi (July 21, 1955) Reappointment, [Outside Board Member and Independent Officer](#)

	■ Brief personal history, posts and Important posts concurrently held at other organizations	
	October 1996:	Professor, Faculty of Regional Studies, Gifu University
	November 2003:	Visiting Professor, Institute of East Asian Studies, University of Leipzig, Federal Republic of Germany
	April 2010:	Vice president, Gifu University
	October 2015:	Member of Tokai Regional Council on State Property, Tokai Local Finance Bureau, Ministry of Finance
	April 2016:	Member of the Council of the Gifu Prefecture Support Center for the Promotion of Female Participation
	October 2017:	Member of the Gifu Region Labour Council, Gifu Labour Bureau, Ministry of Health, Labour and Welfare
	December 2017:	Chairwoman, Public Safety Commission of Gifu Prefecture (current position)
	January 2018:	Member of the Gifu Prefecture Excellent Enterprise Certification Committee for Promoting Work-Life Balance
	April 2021:	Emeritus Professor, Gifu University (current position)
	April 2022:	Member of the Comprehensive Strategy Promotion Council for the Creation of “Gifu, the Land of Clear Waters” (current position)
	June 2022:	Member of the Board, Pacific Industrial Co., Ltd.(current position)
■ Important post concurrently held at another organization: Emeritus Professor, Gifu University Chairwoman, Public Safety Commission of Gifu Prefecture Member of the Comprehensive Strategy Promotion Council for the Creation of “Gifu, the Land of Clear Waters”		
■ The relationship between the organization that she concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organizations in which Masako Hayashi concurrently holds an important post have no capital or other business relationship.		
■ Number of the Company's shares owned: 0		
■ Reason that the Company appointed Masako Hayashi as a candidate for Outside Board Member and expected roles, etc.: Masako Hayashi has served as a Vice President and Professor of universities for many years, and has also served as a member of a Public Safety Commission, drawing on her abundant international experience and advanced social knowledge. In addition, while serving as a council member for the Ministry of Finance, the Ministry of Health, Labour and Welfare, Gifu Prefecture, etc., she has been deeply involved in female participation and the promotion of work-life balance, etc. The Company proposes that we elect Masako Hayashi as an Outside Board Member having judged that it would be optimal for the company to have her supervise the management of the company, which promotes the participation of human resources with diverse values, from a female perspective. After the election, we expect the candidates to contribute her valuable comments to the Board of Directors, etc., on the formulation, etc., of management reforms, mainly from a managerial perspective, utilizing her expertise, as well as to supervise the progress, etc., of management plans.		

(Note)

1. There is no special interest between each candidate and the Company.
2. Masako Hayashi is candidate for Outside board member. Masako Hayashi is registered as Independent Officer as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange with the respective Exchange. When she is elected as originally proposed, she will serve as Independent Officer.
3. Masako Hayashi is Outside Member of the Board now, and she will have served for 2 years in the position of Outside Member of the Board upon the expiration of her current term (at the close of this Ordinary General Meeting of Shareholders).
4. Liability limitation agreement with outside board members
 The Company stipulates in the Articles of Incorporation that it may sign an agreement with Outside Members of the Board to limit the liability for damages to the Company to a certain extent. When Masako Hayashi is elected, the Company plans to sign an agreement for limitation of liability when she assumes the post, which limits the compensation for damage to the higher of the pre-determined amount (2 million yen or higher) or the minimum liability amount stipulated by law.
5. Outline of the Directors and Officers Liability Insurance
 The Company has entered into a liability insurance contract for officers, etc. with an insurance company, which will cover damages that may arise due to the insured assuming responsibilities for the execution of their duties or receiving claims related to the pursuit of such responsibilities. Each candidate will be covered as an insured person under the said insurance policy.

Proposal No.3: Election of 4 Members of the Board Who Are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, we propose the election of four (4) Members of the board who are Audit and Supervisory Committee Members candidates. In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal may only take effect on the condition that amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective.

The nominees for members of the board who are Audit and Supervisory Committee Members are as follows:

Nominee NO.		Name	Gender	Current posts, assignments in the Company and attribute	Board Meeting attendance in fiscal year 2023	Board Meeting attendance in fiscal year 2023
1	New appointment	Akihiko Murakami	Male	Senior General Manager Deputy Chief Officer, Valve & TPMS Business Group	—	—
2	New appointment	Osamu Motojima	Male	Outside Board Member and Independent Officer	13/13 (100%)	—
3	New appointment	Tomoyuki Shinkai	Male	Outside Audit & Supervisory Board Member and Independent Officer	13/13 (100%)	13/13 (100%)
4	New appointment	Kan Kakiuchi	Male	Substitute Audit & Supervisory Board Member	—	—


(Reference)Skill Matrix of Members of the Board who are Audit and Supervisory Committee Members

	Name	Management/ Governance	Manufacturing/ Human Resource Development	R&D/ Technology	Environment/ Energy	Finance/ Accounting	Legal/ Risk Management	International Experience	Sales and Procurement
Board Member (Audit and Supervisory Committee Member)	Akihiko Murakami	●	●			●		●	●
Outside Board Members (Audit and Supervisory Committee Members)	Osamu Motojima	●	●	●	●		●	●	
	Tomoyuki Shinkai	●				●			
	Kan Kakiuchi	●					●		


1. **Akihiko Murakami** (February 16, 1964) New appointment

	■ Brief personal history, posts and assignments in the Company	
	April 1986:	Joined Pacific Industrial Co., Ltd.
	April 2000:	General Manager, PACIFIC MANUFACTURING OHIO, INC.
	February 2006:	President, Tianjin Pacific Auto Parts Co., Ltd.
	April 2009:	General Manager, Corporate Planning Dept. Administration & Planning Division
	January 2016:	General Manager, General Administration Dept. Valve & TPMS Business Group
June 2020:	Senior General Manager Deputy Chief Officer, Valve & TPMS Business Group (current position)	
■ Number of the Company's shares owned: 12,246		
■ Reason that the Company appointed Akihiko Murakami a candidate for Member of the Board who are Audit and Supervisory Committee:		
<p>Akihiko Murakami has been involved in the sales and management division and the corporate planning division. As Deputy Chief Officer of Business Group, he has extensive business experience and actual achievements in all functions related to business management. Also, he has extensive overseas experience, including serving as the top management of overseas subsidiaries for many years. We selected him as a candidate as a Member of the Board who is an Audit and Supervisory Committee Member because we have judged that his strong ability to understand issues and situations on site as well as his high communication skills are essential to ensure the soundness of the execution of duties, including overseas.</p>		


2. **Osamu Motojima** (December 5, 1948) New appointment, [Outside Board Member and Independent Officer](#)

	■ Brief personal history, posts, and important posts concurrently held at other organizations	
	July 1987:	Professor, Kyoto University, Plasma Physics Laboratory
	April 1988:	Professor, Institute of Plasma Physics, Nagoya University
	April 1998:	Scientific Advisor, Ministry of Education, Science and Culture
	April 2002:	Director-General, National Institute for Fusion Science
	April 2004:	Vice President, National Institutes of Natural Sciences
	March 2009:	Foreign Member, The Royal Swedish Academy of Engineering Sciences (current position)
	April 2009:	Professor Emeritus, National Institutes for Fusion Science (current position)
	May 2009:	President, Future Energy Research Association (current position)
	July 2010:	Director General, ITER International Fusion Energy Organization
	June 2013:	Professor Emeritus, The Graduate University for Advanced Studies (current position)
	March 2015:	Director General Emeritus, ITER International Fusion Energy Organization (current position)
	June 2015:	Member of the Board, Pacific Industrial Co., Ltd. (current position)
	December 2015:	Advisor to the Chairman, Chubu University (current position)
	June 2019	Director, Chubu University (current position)
April 2021	President, Ishikari Superconducting DC Power Transmission System (i-SPOT) (current position)	
■ Important posts concurrently held at other organizations: Director General Emeritus, ITER International Fusion Energy Organization President, Future Energy Research Association Advisor to the Chairman・Director , Chubu University		
■ The relationship between the organizations that he concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organizations in which Osamu Motojima concurrently holds an important post have no capital or other business relationship.		
■ Number of the Company's shares owned: 0		
■ Reason that the Company appointed Osamu Motojima as a candidate for Member of the Board who are Audit and Supervisory Committee: and expected roles, etc.: Osamu Motojima has experience in acting as a professor at universities and specialized agencies for many years as well as President of the Future Energy Research Association and Director General of ITER International Fusion Energy Organization. He has abundant international experiences and advanced special knowledge of the environment and technologies. Based on these expert insights, he, as an Outside Member of the Board, has provided useful opinions and candid comments on the company management from a global perspective. Going forward, he will participate in the company management from the standpoint of an Outside Member of the Board serving as an Audit and Supervisory Committee Member and we hope that he will contribute to ensuring the soundness and appropriateness of our management decision-making and enhances transparency.		

3. Tomoyuki Shinkai (October 22, 1968) New appointment, [Outside Board Member and Independent Officer](#)

	<p>■ Brief personal history, posts and Important posts concurrently held at other organizations</p>
	<p>June 2007: Senior Partner, Cosmos & Co.</p>
	<p>April 2019: Chairman, Business Development Committee, Tokai Division of Japanese Institute of Certified Public Accountants</p>
	<p>July 2019: Chief Senior Partner, Cosmos & Co. (Present)</p>
	<p>June 2020: Outside Audit & Supervisory Board Member, Pacific Industrial Co., Ltd. (current position)</p>
<p>June 2022: Outside Member of the Board, Audit & Supervisory Committee Member, SUNCORPORATION (current position)</p>	
<p>■ Important post concurrently held at another organization: Chief Senior Partner, Cosmos & Co. Outside Member of the Board, Audit & Supervisory Committee Member, SUNCORPORATION (current position)</p>	
<p>■ The relationship between the organization that he concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organizations in which Tomoyuki Shinkai concurrently holds an important post have no capital or other important business relationship.</p>	
<p>■ Number of the Company's shares owned: 0</p>	
<p>■ Reason that the Company appointed Tomoyuki Shinkai as a candidate for Member of the Board who are Audit and Supervisory Committee: and expected roles, etc.: Tomoyuki Shinkai, as a certified public accountant, has expertise in corporate accounting and abundant audit experience, and he has provided useful opinions and candid comments on company management as an Outside Audit & Supervisory Board Member. Going forward, he will participate in the company management from the standpoint of an Outside Member of the Board serving as an Audit and Supervisory Committee Member and we hope that he will contribute to ensuring the soundness and appropriateness of our management decision-making and enhances transparency.</p>	

4. Kan Kakiuchi (November 4, 1962) New appointment, [Outside Board Member and Independent Officer](#)

	<p>■ Brief personal history, posts and Important posts concurrently held at other organizations</p>
	<p>April 1999: Certified as an attorney Jointed Tsurumi Law Office</p> <p>October 2003: Established Kakiuchi Law Firm and posted to the head of this Firm (current position)</p> <p>June 2022: Substitute Outside Audit & Supervisory Board Member, Pacific Industrial Co., Ltd. (current position)</p>
<p>■ Important post concurrently held at another organization: Head of Kakiuchi Law Firm</p>	
<p>■ The relationship between the organization that he concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organizations in which Kan Kakiuchi concurrently holds an important post have no capital or other important business relationship.</p>	
<p>■ Number of the Company's shares owned: 0</p>	
<p>■ Reason that the Company appointed Kan Kakiuchi as a candidate for Member of the Board who are Audit and Supervisory Committee: and expected roles, etc.: Kan Kakiuchi has expert knowledge and abundant experience in corporate legal affairs as a lawyer, and has utilized his advanced social knowledge to serve as a third-party committee member, etc., at various corporate organizations. Based on such experience, we have judged that he will be able to audit the execution of duties by Members of the Board appropriately and appointed him as a candidate for an Outside Member of the Board serving as an Audit and Supervisory Committee Member. After the election, he will participate in the company management by utilizing his expertise and we expect that he will contribute to ensuring the soundness and appropriateness of our management decision-making and enhances transparency.</p>	

(Note)

- There is no special interest between each candidate and the Company.
- Osamu Motojima, Tomoyuki Shinkai and Kan Kakiuchi are candidates for Outside Members of the board. Osamu Motojima and Tomoyuki Shinkai are registered as Independent Officers as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange with the respective Exchanges. When he is elected as originally proposed, he will continue to serve an Independent Officer. And when Kan Kakiuchi is elected as originally proposed, he will become a new Independent Officer.
- Osamu Motojima is an Outside Member of the Board now, and he will have served for 9 years in the position of Outside Member of the Board upon the expiration of his current term (at the close of this Ordinary General Meeting of Shareholders).
Tomoyuki Shinkai is an Outside Audit & Supervisory now, and he will have served for 4 years in the position of Outside Audit & Supervisory upon the expiration of his current term (at the close of this Ordinary General Meeting of Shareholders).
- Liability limitation agreement with outside board member
The Company stipulates in the Articles of Incorporation that it may sign an agreement with Outside Members of the Board to limit the liability for damages to the Company to a certain extent. When Osamu Motojima, Tomoyuki Shikai and Kan Kakiuchi are elected, the Company plans to sign an agreement for limitation of liability when they assume the post, which limits the compensation for damage to the higher of the pre-determined amount (2 million yen or higher) or the minimum liability amount stipulated by law.
- Outline of the Directors and Officers Liability Insurance
The Company has entered into a liability insurance contract for officers, etc. with an insurance company, which will cover damages that may arise due to the insured assuming responsibilities for the execution of their duties or receiving claims related to the pursuit of such responsibilities. Each candidate will be covered as an insured person under the said insurance policy.

Proposal No.4: Compensation for Members of the Board (Excluding Members of the Board Who Are Audit and Supervisory Committee Members)

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

At the 91st Ordinary General Meeting of Shareholders held on June 13, 2015, the amount of remuneration for Members of the Board of the Company was resolved to be no more than 400 million yen per year (no more than 30 million yen for Outside Members of the Board). However, due to the transition to a company with an Audit and Supervisory Committee, the Company will propose to abolish the current remuneration limit for Members of the Board, and to set a new remuneration for Members of the Board, excluding Members of the Board who are Audit and Supervisory Committee members, at no more than 500 million yen per year (no more than 40 million yen for Outside Members of the Board) in consideration of various circumstances such as the economic situation.

This Proposal was decided by the Board of Directors based on a report from the Nomination and Remuneration Committee, while comprehensively considering the scale of the Company's business, the current remuneration system for officers and the level of payment thereof, as well as requests to strengthen governance in the future, and we consider it reasonable.

In addition, as in the past, the amount of remuneration does not include the portion of employee’s salary for Members of the Board who concurrently serve as employees.

Currently, the Company has six Members of the Board (including two Outside Members of the Board). If Proposals No. 1 and 2 are approved, there will be five Members of the Board, excluding Members of the Board who are Audit and Supervisory Committee Members but including one Outside Members of the Board, related to this Proposal.

This Proposal shall become effective subject to the effect of the amendment to the Articles of Incorporation pertaining to Proposal No. 1.

Proposal No.5: Compensation for Members of the Board Who Are Audit and Supervisory Committee Members

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, the Company will propose to set the amount of remuneration for Members of the Board who are Audit and Supervisory Committee members at no more than 90 million yen per year.

This Proposal was decided by the Board of Directors based on a report from the Nomination and Remuneration Committee, while comprehensively considering the responsibilities that Audit and Supervisory Committee Members should fulfill in the governance of the Company and the request for strengthening the governance in the future, and we consider it reasonable.

The number of Members of the Board who are Audit and Supervisory Committee Members pertaining to this Proposal will be four upon approval of Proposals No. 1 and 3.

This Proposal shall become effective subject to the effect of the amendment to the Articles of Incorporation pertaining to Proposal No. 1.

Proposal No.6: Compensation Plan, Etc. for Allotting Restricted Shares to Members of the Boards (Excluding Members of the Board Who Are Audit and Supervisory Committee Members and Outside Members of the Board)

At the 95th Ordinary General Meeting of Shareholders held on June 15, 2019, it was approved that the amount of remuneration for transfer-restricted shares to Members of the Board should be no more than 50 million yen per year and no more than 50,000 shares per annum. In line with the transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 1 "Partial Amendments to the Articles of Incorporation," the Company will again propose to set the upper limit of the amount of remuneration for transfer-restricted shares to Members of the Board (excluding Members of the Board who are Audit and Supervisory Committee members and Outside Members of the Board; hereinafter, referred to as "Eligible Members of the Board") after the transition to a company with an Audit and Supervisory committee at "no more than 50 million yen and no more than 50,000 shares per annum."

This remuneration limit is set separately from the remuneration limit proposed to be approved in Proposal No. 4 " Compensation for Members of the Board (Excluding Members of the Board Who are Audit and Supervisory Committee Members)," as the same as the remuneration limit in the current Plan. At present, the number of Eligible Members of the Board subject to the Plan is four, and if Proposal No. 1 "Partial Amendments to the Articles of Incorporation" and Proposal No. 2 "Election of 5 Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members)" are approved as proposed, the number of Eligible Members of the Board will remain at four.

This Proposal is associated with the transition to a company with an Audit and Supervisory Committee and we consider it reasonable because the contents of the remuneration are substantially the same as those approved at the 95th Ordinary General Meeting of Shareholders held on June 15, 2019, and it was decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee in comprehensive consideration of the recent stock price level of the Company, with the aim of motivating Eligible Members of the Board to increase the Company's sustainable corporate value and to further share value with shareholders.

The outline of the restricted stock compensation plan is as follows:

① Payment method	In accordance with resolution of the Board of Directors of the Company, all monetary compensation receivables to be paid will be paid in kind.
② Payment amount per share	Closing price for the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors
③ Transfer restriction period	Period established in advance by the Company's Board of Directors, which shall be between three and 50 years from the day when Eligible Directors are allotted such shares according to the Allotment Contract
④ Class of shares to be issued or disposed of	Common shares
⑤ Persons subject to allotment	Eligible Members of the Board
⑥ Treatment at times of retirement or resignation	In the event that an Eligible Members of the Board resigns from the position of the Company's Members of the Board prior to the expiry of the Transfer Restriction Period, the Company shall acquire the Allotted Shares naturally without consideration unless the reason for the Eligible Members of the Board's resignation from office is the expiration of his/her term of office, death, or any other justifiable reason.
⑦ Lifting of transfer restriction	Subject to the condition that Eligible Members of the Board have continuously served as the Company's Member of the Board during the Transfer Restriction Period, the Transfer Restriction shall be lifted: <ul style="list-style-type: none"> • when the Restriction Period expires; or • immediately after resigning from the position of Members of the Board (limited to cases such as the expiration of their term of office, death, or any other justifiable reason).

(End)