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Securities code: 9932
May 27, 2022

To Stockholders with Voting Rights:

Masahiro Sugimoto
President and Executive Officer
SUGIMOTO & CO., LTD
5-7-27 Itachibori, Nishi-ku, Osaka,
Japan

**NOTICE OF CONVOCAION OF
THE 97TH ANNUAL STOCKHOLDERS' MEETING**

Dear Stockholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 97th Annual Stockholders' Meeting of SUGIMOTO & CO., LTD (the "Company"). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or by electromagnetic means (the internet, etc.). Please review the Reference Documents for the Stockholders' Meeting below and exercise your voting rights by 5:00 p.m. on Thursday, June 16, 2022.

1. Date and Time: Friday, June 17, 2022 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)

2. Place: Main Hall, 7th floor, Headquarters of the Company
5-7-27 Itachibori, Nishi-ku, Osaka, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 97th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 97th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Five (5) Directors

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■ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

To save resources, please bring this Notice of Convocation with you.

■ Of the documents to be provided with this Notice of Convocation, Principal Lines of Business, Major Offices and Outlets, Status of Employees, Principal Lenders and Amount of Borrowings, Important Matters on the Current State of the Corporate Group, Matters on Share Acquisition Rights of the Company, Matters on Outside Officers, Status of the Accounting Auditor, Systems and Policies of the Company, and Basic Policy for Control of the Company in the Business Report; Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated

Financial Statements; and Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements are posted on the Company's website (<https://www.sugi-net.co.jp>) in accordance with laws and regulations and Article 15 of the Company's Articles of Incorporation, and therefore are not included in the documents accompanying this Notice of Convocation.

The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Auditors and the Accounting Auditor when they prepared the Audit Report and the Accounting Audit Report respectively include the above documents posted on the Company's website, in addition to the documents accompanying this Notice of Convocation.

- Should the Reference Documents for the Stockholders' Meeting, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements require a revision, the revised version will be posted on the Company's website (<https://www.sugi-net.co.jp>).

# Reference Documents for the Stockholders' Meeting

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company positions its dividend policy as one of the highest management priorities. Comprehensively taking into consideration the financial position, profit level, dividend payout ratio, and other factors, the Company proposes to pay the following year-end dividends for the 97th fiscal year, with an eye on constant and stable dividend payout. Internal reserves will be used to make investments for the future and further strengthen the corporate structure.

The annual dividend payout will be ¥60 per share, including the interim dividend of ¥30 already distributed.

1. Matters on year-end dividends
  - (1) Type of dividend property  
Cash
  - (2) Allotment of dividend property and the total amount  
¥30 per share of the Company's common stock                      Total: ¥302,347,950
  - (3) Effective date of dividends of surplus  
June 20, 2022

**Proposal 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for proposal

- (1) To prepare for future diversification of business activities, the Company proposes to make the following addition to Article 2 (Purpose) of the current Articles of Incorporation.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will take effect on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for stockholders’ meetings, the Company proposes to amend its Articles of Incorporation as follows.
  - (i) The proposed Article 15, paragraph 1 provides that information contained in the Reference Documents for the Stockholders’ Meeting, etc. shall be provided electronically.
  - (ii) The purpose of the proposed Article 15, paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to stockholders who have requested it.
  - (iii) The provisions related to the internet disclosure and deemed provision of the Reference Documents for the Stockholders’ Meeting, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
  - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. will be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Proposed Amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Purpose)<br/>                     Article 2 The purpose of the Company shall be to engage in the following businesses.<br/>                     (6) Undertaking of civil engineering works; construction works; carpentry works; plastering works; scaffolding works, earthworks and concrete works; masonry works; roofing works; electrical works; plumbing works; tile, brick, and block works; steel structure works; reinforcement steel works; paving works; dredging works; sheet metal works; glazing works; painting works; waterproofing works; interior finishing works; machine and equipment installation works; heat insulation works; telecommunication works; landscaping and gardening works; well drilling works; fitting</p> | <p>(Purpose)<br/>                     Article 2 The purpose of the Company shall be to engage in the following businesses.<br/>                     (6) Undertaking of civil engineering works; construction works; carpentry works; plastering works; scaffolding works, earthworks and concrete works; masonry works; roofing works; electrical works; plumbing works; tile, brick, and block works; steel structure works; reinforcement steel works; paving works; dredging works; sheet metal works; glazing works; painting works; waterproofing works; interior finishing works; machine and equipment installation works; heat insulation works; telecommunication works; landscaping and gardening works; well drilling works; fitting</p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Proposed Amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>works; water and sewage facility works; fire protection facility works; <u>and</u> sanitation facility works</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the Stockholders' Meeting, etc.)</u></p> <p><u>Article 15 The Company may, when convening a stockholders' meeting, deem that it has provided information to stockholders pertaining to matters to be described or indicated in the Reference Documents for the Stockholders' Meeting, Business Report, and Non-consolidated Financial Statements, by disclosing such information through the internet in accordance with the provisions of the Ordinance of the Ministry of Justice.</u></p> <p>&lt;Newly established&gt;</p> <p>&lt;Newly established&gt;</p> | <p>works; water and sewage facility works; fire protection facility works; sanitation facility works; <u>and</u> <u>demolition works</u></p> <p>&lt;Deleted&gt;</p> <p><u>(Measures for Electronic Provision, etc.)</u></p> <p><u>Article 15 The Company shall, when convening a stockholders' meeting, provide information contained in the Reference Documents for the Stockholders' Meeting, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to stockholders who have requested it by the record date for voting rights.</u></p> <p><u>(Supplementary Provisions)</u></p> <p><u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the Stockholders' Meeting, etc.) of the current Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, etc.) shall come into effect on September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the current</u></p> |

| Current Articles of Incorporation | Proposed Amendments                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   | <p><u>Articles of Incorporation shall remain in force with respect to a stockholders' meeting to be held by the end of February 2023.</u></p> <p><u>3. These supplementary provisions shall be deleted after March 1, 2023 or the lapse of three months from the date of the stockholders' meeting set forth in the preceding paragraph, whichever is later.</u></p> |

**Proposal 3: Election of Five (5) Directors**

The terms of office of all five (5) Directors will expire at the conclusion of this Stockholders' Meeting. Accordingly, the election of five (5) Directors (of which two (2) are Outside Directors) is proposed.

The candidates for Directors are as follows.

| No. | Name                                                           | Current positions, etc. at the Company                                                                | Attendance at the Board of Directors meetings |
|-----|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 1   | Masahiro Sugimoto [Reappointment]                              | President<br>Executive Officer<br>Sales Division Manager                                              | 100.0%<br>(16/16)                             |
| 2   | Masayuki Sugimoto [Reappointment]                              | Executive Director<br>Managing Executive Officer<br>Management Division Manager                       | 100.0%<br>(13/13)                             |
| 3   | Hiroyuki Imanaka [New appointment]                             | Executive Officer<br>Direct Sales Control Department Manager<br>Third Direct Sales Department Manager | —                                             |
| 4   | Kamezo Miyaji<br>[Reappointment]<br>[Outside]<br>[Independent] | Outside Director                                                                                      | 87.5%<br>(14/16)                              |
| 5   | Yuki Tsuru<br>[New appointment]<br>[Outside]<br>[Independent]  | —                                                                                                     | —                                             |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Name<br>(Date of birth)                                                                                                     | Career summary<br>(Positions, responsibilities, and significant concurrent positions) |                                                                                                                          | Number of<br>shares of the<br>Company held |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Masahiro Sugimoto<br>(December 10, 1950)<br><br>[Reappointment]                                                             | March 1974                                                                            | Joined the Company                                                                                                       | 531,315                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                             | December 1985                                                                         | Executive Director                                                                                                       |                                            |
| June 1990                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Managing Executive Director                                                                                                 |                                                                                       |                                                                                                                          |                                            |
| June 1996                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Senior Managing Executive Director                                                                                          |                                                                                       |                                                                                                                          |                                            |
| June 2000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | President and Sales Division Manager                                                                                        |                                                                                       |                                                                                                                          |                                            |
| December 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Director, SUGIMOTO CO., LTD. (current position)                                                                             |                                                                                       |                                                                                                                          |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                             | April 2019                                                                            | President, Executive Officer, and Sales Division Manager, the Company (current position)                                 |                                            |
| [Reason for nomination as candidate for Executive Director]<br>Mr. Masahiro Sugimoto has a wealth of experience in and advanced knowledge on the Company's business activities, which he has gained through his duties as Representative Director. He has long engaged in corporate management since assuming the position of the Company's Executive Director and has executed his duties appropriately during the terms of office. The Company therefore considers that he is suitable as an Executive Director and renominates him as a candidate for an Executive Director. |                                                                                                                             |                                                                                       |                                                                                                                          |                                            |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Masayuki Sugimoto<br>(July 31, 1984)<br><br>[Reappointment]                                                                 | April 2008                                                                            | Joined the Company                                                                                                       | 87,750                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                             | April 2013                                                                            | Hiroshima Office Manager                                                                                                 |                                            |
| April 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Executive Officer and West Sales Department Manager                                                                         |                                                                                       |                                                                                                                          |                                            |
| April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Managing Executive Officer, Management Division Manager, and SE Promotion Department                                        |                                                                                       |                                                                                                                          |                                            |
| June 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Executive Director, Managing Executive Officer, Management Division Manager (current position), and SE Promotion Department |                                                                                       |                                                                                                                          |                                            |
| [Reason for nomination as candidate for Executive Director]<br>Mr. Masayuki Sugimoto has served as a sales office manager and a sales department manager at the Company, is well-versed in a broad range of business fields, and has been exercising strong leadership in an ongoing company-wide business reform. The Company therefore considers that he is suitable as an Executive Director and renominates him as a candidate for an Executive Director.                                                                                                                   |                                                                                                                             |                                                                                       |                                                                                                                          |                                            |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Hiroyuki Imanaka<br>(April 23, 1974)<br><br>[New appointment]                                                               | April 1998                                                                            | Joined the Company                                                                                                       | 16,200                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                             | April 2006                                                                            | Kashima Office Manager                                                                                                   |                                            |
| April 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Sales Promotion Manager and Kashima Office Manager                                                                          |                                                                                       |                                                                                                                          |                                            |
| September 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Executive Officer and Third Direct Sales Department Manager                                                                 |                                                                                       |                                                                                                                          |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                             | April 2022                                                                            | Executive Officer, Direct Sales Control Department Manager, and Third Direct Sales Department Manager (current position) |                                            |
| [Reason for nomination as candidate for Executive Director]<br>Mr. Hiroyuki Imanaka has served as a sales office manager and a sales department manager at the Company and is well-versed in a broad range of business operations. He has made achievements in direct sales departments in the Kanto area, the Company's key market, and is expected to lead the entire direct sales operation going forward. The Company therefore considers that he is also suitable as an Executive Director and nominates him as a candidate for an Executive Director.                     |                                                                                                                             |                                                                                       |                                                                                                                          |                                            |



| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Name<br>(Date of birth)                                                             | Career summary<br>(Positions, responsibilities, and significant concurrent positions) |                                                                                       | Number of<br>shares of the<br>Company held |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------|
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Kamezo Miyaji<br>(November 24, 1944)                                                | April 1967                                                                            | Joined Takiron Corporation (currently C.I. TAKIRON Corporation)                       | 4,500                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | [Reappointment]                                                                     | June 1998                                                                             | Director                                                                              |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | [Outside]                                                                           | June 2006                                                                             | Director and Senior Managing Executive Officer                                        |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | [Independent]                                                                       | June 2010                                                                             | Honorary Adviser (current position)                                                   |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                     | June 2011                                                                             | Outside Director, the Company (current position)                                      |                                            |
| [Reason for nomination as candidate for Outside Director and overview of expected roles]<br>Mr. Kamezo Miyaji has long engaged in the management of Takiron Corporation. Based on a wealth of experience and broad insight, he is expected to supervise the Company's management, give appropriate advice on the overall corporate management, and contribute to the enhancement of corporate governance. The Company therefore renominates him as a candidate for Outside Director. |                                                                                     |                                                                                       |                                                                                       |                                            |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yuki Tsuru<br>(May 16, 1969)<br><br>[New appointment]<br>[Outside]<br>[Independent] | April 2000                                                                            | Registered as an attorney-at-law (Joined the Tokyo Bar Association)                   | —                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                     | April 2011                                                                            | Partner, Kyowa-Sogo Partners Law Office                                               |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                     | April 2015                                                                            | Member of Advisory Committee on Decision on Infringement (current position)           |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                     | February 2019                                                                         | Specialist, Japan Customs (current position)                                          |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                     | June 2020                                                                             | External Director, Hankyu Hanshin Holdings, Inc. (current position)                   |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                     | June 2021                                                                             | Part-time Auditor, National Institute of Technology and Evaluation (current position) |                                            |
| [Reason for nomination as candidate for Outside Director and overview of expected roles]<br>Ms. Yuki Tsuru has a high level of knowledge as an attorney-at-law. She is expected to give appropriate advice to the Company's management, especially in terms of compliance, and contribute to the enhancement of corporate governance. The Company therefore nominates her as a candidate for Outside Director.                                                                       |                                                                                     |                                                                                       |                                                                                       |                                            |

- Notes:
- There are no special interests between each candidate and the Company.
  - Ms. Yuki Tsuru's name on the family register is Ms. Yuki Itami.
  - Mr. Kamezo Miyaji and Ms. Yuki Tsuru are candidates for Outside Directors. Mr. Kamezo Miyaji will have served as an Outside Director of the Company for 11 years at the conclusion of this Stockholders' Meeting.
  - Independence as candidate for Outside Director
    - Mr. Kamezo Miyaji and Ms. Yuki Tsuru neither intend to receive nor have received in the past two (2) years a large amount of money or other forms of property (excluding remuneration for Directors) from the Company or its specified related business operator.
    - Neither Mr. Kamezo Miyaji nor Ms. Yuki Tsuru is a spouse, a relative within the third degree of kinship, or what is equivalent thereto of an executive or an officer of the Company or its specified related business operator.
    - If Mr. Kamezo Miyaji is reelected, he will continue to serve as an independent director/auditor. If Ms. Yuki Tsuru is elected, the Company intends to designate her as an independent director/auditor under the rules of the Tokyo Stock Exchange.
  - Agreement with Outside Directors to limit liability  
The Company enters into agreements with Outside Directors to limit their liability. If Mr. Kamezo Miyaji is reelected, the Company intends to continue the said agreement with him. If Ms. Yuki Tsuru is elected, the Company intends to enter into the said agreement with her. An overview of the agreement is as follows.

- (1) Liability for damages to the Company caused by an Outside Director's negligence of duties will be limited to the minimum amount prescribed by laws and regulations.
- (2) The above limitation to liability applies only when the Outside Director performed the duty that caused the liability in good faith and without gross negligence.

## [Reference] Guidelines for Election and Independence of Outside Officers

### Article 1 (Purpose)

The purpose of these guidelines is to set criteria for election and independence of Outside Directors and External Auditors of the Company.

### Article 2 (Outside Directors)

Outside Directors are elected from persons who satisfy the conditions set forth in the following items, regardless of gender or nationality.

- (i) A person who has a sincere personality; a high level of insight and skills; and broad knowledge and experience, as well as accomplishments in the area of expertise, that bring in diverse perspectives into the Company's Board of Directors
- (ii) A person who does not fall under any of the grounds for disqualification of directors set forth in the items of Article 331, paragraph 1 of the Companies Act
- (iii) A person who satisfies the requirements for Outside Directors set forth in Article 2, item (xv) of the Companies Act

### Article 3 (External Auditor)

External Auditors are elected from persons who satisfy the requirements set forth in the following items, regardless of gender or nationality.

- (i) A person who has a sincere personality; a high level of insight and skills; and an advanced level of expertise and a wealth of experience, especially in such fields as law, accounting, and corporate management
- (ii) A person who does not fall under any of the grounds for disqualification of company auditors, set forth in the items of Article 331, paragraph 1 of the Companies Act and applied mutatis mutandis pursuant to Article 335 of the same Act
- (iii) A person who satisfies the requirements for Outside Company Auditors set forth in Article 2, item (xvi) of the Companies Act

### Article 4 (Independence of Outside Officers)

(1) An Outside Director or an External Auditor (hereinafter collectively referred to as an "Outside Officer") of the Company who does not fall under any of the following items are considered as independent.

- (i) A major stockholder (holding 10% or more of the total voting rights as of the last day of the fiscal year ended most recently) of the Company or an executive thereof
- (ii) An entity for which the Company is a major business partner or an executive thereof
- (iii) A major business partner of the Company or an executive thereof
- (iv) The accounting auditor of the Company or its consolidated subsidiary, or an employee, etc. thereof who is in charge of audit of the Company or its consolidated subsidiary

- (v) An attorney-at-law, a judicial scrivener, a patent attorney, a certified public accountant, a consultant, etc. who receives money or other forms of property worth more than ¥10 million per year from the Company, excluding officer remuneration (In the case where an organization, such as a corporation or a partnership, receives the said property, a person who belongs to an organization where the property received from the Company accounts for more than 2% of the organization's annual income)
  - (vi) A principal lender to the Company (a lender whose name is listed as a principal lender in the Business Report for the fiscal year ended most recently) or an executive thereof
  - (vii) A person who receives donation worth more than ¥10 million per year from the Company (In the case where an organization, such as a corporation or a partnership, receives the said donation, an executive of an organization where the donation received from the Company accounts for more than 2% of the organization's annual income)
  - (viii) A person who fell under any of (i) to (vii) above in the past three (3) years
  - (ix) A relative within the second degree of kinship of an entity listed in any of (i) to (viii) above (limited to an important entity)
  - (x) A relative within the second degree of kinship of a director, an executive officer, a manager, an employee, or an accounting advisor (including an employee who performs its duties if the accounting advisor is a corporation) of the Company or its subsidiary
  - (xi) A relative within the second degree of kinship of a person who was a director, an executive officer, a manager, an employee, or an accounting advisor (including an employee who performs its duties if the accounting advisor is a corporation) of the Company or its subsidiary in the past three (3) years
  - (xii) Beyond what is provided for in the preceding items, a person who has a special reason, such as a potential conflict of interest with the Company, that prevents him/her from fulfilling an independent Outside Officer's duties
- (2) An Outside Officer considered as independent based on this Article shall notify the Company immediately when he/she ceases to be independent.
- (3) In this Article, being a major business partner means that business transactions exceed 2% of consolidated net sales (consolidated gross profit in the case of the Company) for the fiscal year ended most recently.

[Reference] Expected Composition of the Board of Directors After the Approval of Proposal 3

Knowledge, experience, and skills of Directors

| Name              | Corporate management/<br>Corporate strategy | Personnel/Labor/<br>HR development | Legal affairs/<br>Compliance | Sales/Marketing | IT/Digital |
|-------------------|---------------------------------------------|------------------------------------|------------------------------|-----------------|------------|
| Masahiro Sugimoto | ○                                           | ○                                  | ○                            | ○               |            |
| Masayuki Sugimoto |                                             | ○                                  | ○                            | ○               | ○          |
| Hiroyuki Imanaka  |                                             | ○                                  |                              | ○               |            |
| Kamezo Miyaji     | ○                                           | ○                                  | ○                            |                 |            |
| Yuki Tsuru        |                                             |                                    | ○                            |                 |            |