

This English translation is based on the original Japanese version and prepared only for the convenience of readers unfamiliar with the Japanese language. Please note that if any discrepancy arises between the Japanese original and this English translation, the former shall prevail.

(Securities Code: 1518)

May 31, 2024

(Start date for electronic provision measures: May 21, 2024)

Taishi Yoshioka, Representative Director and President

Mitsui Matsushima Holdings Co., Ltd.

1-1-12 Otemon, Chuo-ku, Fukuoka-shi

Dear Shareholders,

Convocation Notice of the 168th Annual General Meeting of Shareholders

We are pleased to inform you that the 168th Annual General Meeting of Shareholders will be held as described on the following page.

Measures for electronic provision have been taken for the convocation of this General Meeting of Shareholders, and matters to be provided electronically are posted on the Company's Internet website as "Convocation Notice for the 168th Annual General Meeting of Shareholders."

Shareholders may exercise their voting rights in advance via the Internet, etc. or by mailing the enclosed Voting Rights Exercise Form. If you wish to exercise your voting rights in advance, please exercise your voting rights no later than 6:00 p.m. on Thursday, June 20, 2024.

Measures for electronic provision have been taken for the convocation of this General Meeting of Shareholders with regard to information that is the content of the Reference Documents for the General Meeting of Shareholders. Please access the below websites to view.

(The Company's website)

<https://www.mitsui-matsushima.co.jp/ir/stockinfo/>

In addition to the above website, matters to be provided electronically are also posted on the following website.

(TSE Listed Company Search)

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

Please access the above website, enter and search for the Company name or securities code, then select "Basic information," and "Documents for public inspection/PR information" to view.

Yours faithfully,

Taishi Yoshioka

Representative Director and President

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PARTICULARS

1. **Date and time:** Friday, June 21, 2024 at 10:00 a.m.
2. **Place:** Otemon Pine Building
2nd Floor Conference Room
1-1-12 Otemon, Chuo-ku, Fukuoka-shi
3. **Agenda:**
 - Matters to be reported:**
 1. Business report, consolidated financial statements for the 168th fiscal year (April 1, 2023 to March 31, 2024), and results of audit thereof by accounting auditors and the Audit & Supervisory Committee
 2. Non-consolidated financial statements for the 168th fiscal year (April 1, 2023 to March 31, 2024)
 - Matters to be resolved:**
 - First Proposal:** Election of Four (4) Directors (excluding those who are Audit & Supervisory Committee Members)
 - Second Proposal:** Election of Three (3) Audit & Supervisory Committee Members
 - Third Proposal:** Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member
1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. “Trends in Assets and Income,” “Principal Business,” “Principal Offices,” “Employees,” “Principal Lenders,” “Matters Concerning Shares of the Company,” “Matters Concerning Stock Acquisition Rights Issued by the Company,” “Accounting Auditors,” “Systems to Ensure Directors Perform Their Duties in Compliance with Laws, Regulations and the Articles of Incorporation, and Other Systems to Ensure the Appropriateness of Business Activities,” and “Outline of the Status of Operation of the System to Ensure the Appropriateness of Business Activities” in the business report, “Consolidated Statements of Changes in Equity,” “Notes to Consolidated Financial Statements” in the consolidated financial statements, and “Non-consolidated Statements of Changes in Equity,” “Notes to Non-consolidated Financial Statements” in the non-consolidated financial statements are not provided in the documents sent to shareholders who requested delivery of documents, in accordance with provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation. Moreover, said documents comprise part of the business report, consolidated financial statements, and non-consolidated financial statements audited by the accounting auditors and the Audit & Supervisory Committee in preparing the accounting audit report and audit report.
3. Any revisions to the matters to be provided electronically will be posted on each website listed above.

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Matters to be resolved and Reference Information

First Proposal: Election of Four (4) Directors (excluding those who are Audit & Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding those who are Audit & Supervisory Committee Members) will expire at the close of this general meeting of shareholders. Therefore, the shareholders are asked to elect four (4) Directors (excluding those who are Audit & Supervisory Committee Members).

The candidates are presented below:


| No. | Name | Attendance at meetings of the Board of Directors | Titles and responsibilities at the Company and significant concurrent positions |
|-----|--|--|--|
| 1 | Shinichiro Kushima Re-nominated | 100% (15 out of 15) | Representative Director and Chairman |
| 2 | Taishi Yoshioka Re-nominated | 100% (15 out of 15) | Representative Director and President |
| 3 | Shota Wakiyama Re-nominated External Independent | 100% (12 out of 12) | External Director Representative Director and President, Regional Frontier Group Representative Director and President, NORTH PACIFIC, INC |
| 4 | Tetsuya Notabe Newly-nominated External Independent | 100% (15 out of 15) | External Director (Audit & Supervisory Committee Member) Representative Partner of Kawano & Notabe Law Office |

External : Candidate for External Director


Independent : Candidate for Independent Officer stipulated by the TSE and FSE

“Attendance at meetings of the Board of Directors” above for Mr. Shota Wakiyama refers to the meetings he attended after he assumed office on June 19, 2023.


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| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|--|--|---|---|--|
| 1 |  Shinichiro Kushima (June 4, 1951 73 years old) <u>Re-nominated</u> | April 1975 | Joined Mitsui Bank, Ltd. (presently Sumitomo Mitsui Banking Corporation) (the “ Bank ”) | Common shares 21,500 (No. of potential shares) 24,213 |
| | | Feb. 1995 | In charge of International Planning Department of the Bank, and Vice President of Bank Sakura Swadharma | |
| | | Oct. 1999 | General Manager of Kagoshima Branch of the Bank | |
| | | April 2004 | Director and General Manager of Administration Division of Verde Kyushu Co., Ltd. | |
| | | June 2005 | Joined the Company as Director and Managing Executive Officer | |
| | | June 2007 | Director and Senior Managing Executive Officer | |
| | | April 2008 | Director, Executive Vice President and Executive Officer | |
| | | Oct. 2008 | Representative Director and President and Executive Officer | |
| | | June 2014 | Representative Director and Chairman (to present) | |
| <p>(Reasons for nominating the candidate for Director)</p> <p>Mr. Shinichiro Kushima was the Representative Director and President of the Company and is now its Representative Director and Chairman. As the manager of an enterprise, he has contributed to stabilizing and diversifying revenues by promoting an improved and strengthened financial base and aggressively promoting the formulation of a business portfolio that does not rely on the coal business, thereby driving the growth of the Group to date. In addition, he plays a leading role in ensuring appropriate decision-making by enriching agenda deliberations as a chairman managing and leading the Board of Directors of the Company.</p> <p>The Company will ask the shareholders to reelect him as Director because, as described above, it believes that he has the experience and capabilities to enable precise and fair supervision of the overall management of the Group, and he can be expected to contribute to the further growth of the Group through his broad perspective and flexible thinking and judgment.</p> | | | | |


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|--|--|---|---|---|
| 2 |  Taishi Yoshioka (June 13, 1969 55 years old) <u>Re-nominated</u> | Nov. 1992 | Joined J. P. Morgan Securities, Tokyo Branch (presently JPMorgan Securities Japan Co., Ltd.) | Common shares 4,700 (No. of potential shares) 22,311 |
| | | June 1995 | Joined Prudential Life Insurance Co., Ltd. | |
| | | Oct. 2001 | Joined Deloitte Tohmatsu FAS Co., Ltd. | |
| | | Jan. 2007 | Joined GCA Co., Ltd. (presently Houlihan Lokey Corporation) | |
| | | July 2013 | Joined the Company, concurrently serving as General Manager of the Overseas Business Department and General Manager of the Business Planning Department | |
| | | July 2014 | General Manager of the Business Planning Department | |
| | | April 2017 | Executive Officer, and General Manager of the Business Planning Department | |
| | | April 2018 | Managing Executive Officer, and General Manager of the Business Planning Department | |
| | | April 2019 | Managing Executive Officer in charge of the Business Planning Department | |
| | | June 2020 | Representative Director and President (to present) | |
| <p>(Reasons for nominating the candidate for Director)</p> <p>Since joining the Company in 2013, Mr. Taishi Yoshioka, who has vast experience in and knowledge of the M&A advisory business, has led M&As mainly for the Business Planning Department and driven the steady implementation of the Company's mid-term business plan as Representative Director and President since 2020, thereby contributing to the stabilization and diversification of revenues from the Company's businesses.</p> <p>The Company will ask shareholders to reelect him as Director because it believes that the broad and deep knowledge and insight that he has cultivated, as well as his powerful capabilities to implement reforms, are indispensable in promoting the growth of the Group. He can be expected to make great contributions toward enhancing the corporate value of the Group by directing it as a whole as Representative Director and President of the Company.</p> | | | | |

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| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|--|---|---|--|---|
| 3 |  Shota Wakiyama (October 17, 1974 49 years old) | April 1997 | Joined Nissho Iwai Corporation (presently Sojitz Corporation) | Common shares None (No. of potential shares) 458 |
| | | Oct. 2000 | Joined Sumitomo Forestry Co., Ltd. | |
| | | April 2012 | Joined NORTH PACIFIC, INC | |
| | | Oct. 2013 | Representative Director and Vice President of NORTH PACIFIC, INC | |
| | | Nov. 2018 | Representative Director and President of NORTH PACIFIC, INC (to present) Representative Director and President of KYUSHU MIRAI CORPORATION (presently Regional Frontier Group) (to present) | |
| | | June 2023 | External Director of the Company (to present) | |
| | | Re-nominated External Independent | (Important positions at other organizations concurrently assumed) Representative Director and President, Regional Frontier Group Representative Director and President, NORTH PACIFIC, INC | |
| <p>(Reasons for nominating the candidate for External Director and expected role)</p> <p>Mr. Shota Wakiyama has experience in corporate management and organizational management in general, having gained international business experience at a leading Japanese company, and having led overall management as the head of a corporate group that develops various businesses based on construction. Since 2023, he has attended meetings of the Board of Directors, etc., as External Director of the Company, and has provided advice on management from a practical and multi-dimensional perspective backed by experience and appropriately supervised business execution. The Company will ask the shareholders to elect him as External Director because it believes that he can be expected to provide appropriate advice and supervision of the Company's business execution from a manager's perspective based on his excellent experience and broad knowledge developed through this experience, and he will thus be able to continue appropriately execute his duties as External Director.</p> | | | | |

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| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|---|--|---|--|---|
| 4 |  Tetsuya Notabe (August 10, 1958 65 years old) Newly-nominated External Independent | April 1991 | Registered as Attorney-at-Law Joined Yoshiaki Kawano Law Office | Common shares 11,300 (No. of potential shares) 1,632 |
| | | April 1997 | Opened Kawano & Notabe Law Office | |
| | | June 2013 | Audit & Supervisory Board Member of the Company (External) | |
| | | April 2015 | Representative Partner of Kawano & Notabe Law Office (to present) | |
| | | June 2016 | External Director (Audit & Supervisory Committee Member) of the company (to present) | |
| | | (Important positions at other organizations concurrently assumed) Representative Partner of Kawano & Notabe Law Office | | |
| (Reasons for nominating the candidate for External Director and expected role) Mr. Tetsuya Notabe has not been directly involved in corporate management other than through his position as an external officer; however, as an Audit & Supervisory Board Member and a Director who is an Audit & Supervisory Committee Member of the Company since 2013 and 2016, respectively, he has made significant efforts to supervise business execution from an independent and fair position. The Company will ask the shareholders to elect him as External Director because it believes that he can be expected to provide accurate and fair advice and supervision of the business execution based on his expert knowledge of corporate legal affairs and compliance, and he will thus be able to appropriately execute his duties as External Director. | | | | |

(Notes)

- The number of potential shares is the number of shares equivalent to the stock benefit points granted under the Company's compensation plan "Stock Benefit Trust (BBT=Board Benefit Trust)" (including those scheduled to be delivered on the date of this General Meeting of Shareholders), and is presented for reference purposes.
- There are no special interests between the Company and any of the Director candidates.
- At the close of this general meeting of shareholders, Mr. Shota Wakiyama will have been in office as External Director for one (1) year. At the close of this general meeting of shareholders, Mr. Tetsuya Notabe will have been in office as External Director who is an Auditor & Supervisory Committee Member for eight (8) years. He was an External Audit & Supervisory Board Member of the Company in the past.
- The election and compensation of candidates for Directors (excluding Audit & Supervisory Committee Members) were determined to be appropriate as a result of deliberations of the Audit & Supervisory Committee.
- The Company has set forth a provision in its Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an Agreement for Limitation of Liability with the Directors (excluding those who are Executive Directors), which limits the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act to the minimum stipulated by relevant laws and regulations. The Company has entered into an Agreement for Limitation of Liability with Mr. Shota Wakiyama and Mr. Tetsuya Notabe. The Company intends to continue such contracts if they are both elected and assume office as External Directors.
- The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers any damages that may result from the insureds including Directors of the Company being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. If each candidate is elected and assumes his or her position as Director, they will be the insureds under the said insurance contract. Also, the said insurance contract will be renewed in October 2024.
- The Company will register Mr. Shota Wakiyama and Mr. Tetsuya Notabe as an Independent Officer as provided for by the TSE and FSE, and registered them with both exchanges upon their election as External Directors.

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Second Proposal: Election of Three (3) Audit & Supervisory Committee Members

The terms of office of all three (3) Audit & Supervisory Committee Members will expire at the close of this general meeting of shareholders. Therefore, the shareholders are asked to elect three (3) Audit & Supervisory Committee Members.

The consent of the Audit & Supervisory Committee has been obtained with regard to this proposal.

The candidates for Audit & Supervisory Committee Members are presented below:

| No. | Name | Attendance at meetings of the Board of Directors | Titles and responsibilities at the Company and significant concurrent positions |
|-----|---|---|---|
| | | Attendance at meetings of the Audit & Supervisory Committee | |
| 1 | Toshihiro Nomoto <u>Re-nominated</u> | 100% (15 out of 15) | Director (Full-time Audit & Supervisory Committee Member) |
| | | 100% (14 out of 14) | |
| 2 | Takashige Araki <u>Re-nominated</u> <u>External</u> <u>Independent</u> | 100% (15 out of 15) | External Director (Full-time Audit & Supervisory Committee Member) |
| | | 100% (14 out of 14) | |
| 3 | Yuka Mitsue <u>Newly-nominated</u> <u>External</u> <u>Independent</u> | — | Representative of Yuka Mitsue Certified Public Accountant Office |
| | | — | |


External: Candidate for External Director

Independent: Candidate for Independent Officer stipulated by the TSE and FSE


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| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|--|--|---|---|--|
| 1 |  Toshihiro Nomoto (March 11, 1958 66 years old) <u>Re-nominated</u> | April 1982 | Joined Mitsui Bank, Ltd. (presently Sumitomo Mitsui Banking Corporation) (the "Bank") | Common shares 5,900 (No. of potential shares) 5,175 |
| | | April 2004 | General Manager, Kawaguchi Corporate Business Office of the Bank | |
| | | April 2006 | General Manager, Jiyugaoka Corporate Business Office of the Bank | |
| | | April 2009 | General Manager, Omori Corporate Business Office of the Bank | |
| | | May 2011 | Temporarily transferred to the Company, General Manager of Corporate Planning Department | |
| | | May 2012 | Joined the Company, Administration Officer, and General Manager of Corporate Planning Department | |
| | | April 2013 | Executive Officer, General Manager of Corporate Planning Department, and in charge of Accounting Department and Information Systems Department | |
| | | June 2014 | Director and Managing Executive Officer, General Manager of Corporate Planning Department, and in charge of Accounting Department and Information Systems Department | |
| | | June 2015 | Director and Managing Executive Officer, General Manager of Corporate Planning Department and Accounting Department, and in charge of Systems Planning Development Office | |
| | | April 2017 | Director and Managing Executive Officer, General Manager of Accounting Department, and in charge of Corporate Planning Department | |
| | | April 2018 | Director and Senior Managing Executive Officer, and General Manager of Consumer Goods & Services Business Division | |
| | | June 2020 | Director (Full-time Audit & Supervisory Committee Member) (to present) | |
| <p>(Reasons for nominating the candidate for Director)</p> <p>Mr. Toshihiro Nomoto, utilizing his long-term work experience at financial institutions, has contributed to improving and strengthening the financial standing of the Company, as well as stabilizing and diversifying revenues of the Group as the person mainly responsible for the accounting and corporate planning departments since joining the Company in 2012.</p> <p>The Company will ask the shareholders to reelect him as Director who is an Audit & Supervisory Committee Member because it believes that he has the experience and capabilities to enable precise and fair supervision of the overall management of the Group, and he has sufficient capabilities to fulfill a decision-making role on important matters and oversee operations and their execution for the Group.</p> | | | | |

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| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|---|--|---|--|--|
| 2 |  Takashige Araki (October 13, 1951 72 years old) <u>Re-nominated</u> <u>External</u> <u>Independent</u> | April 1975 | Joined The Shinwa Bank, Ltd. (presently The Juhachi-Shinwa Bank, Ltd.) | Common shares 1,700 (No. of potential shares) 4,260 |
| | | June 2005 | President and Representative Director of The Shinwa Bank, Ltd. Director of Kyushu-Shinwa Holdings Inc | |
| | | June 2006 | President and Representative Director of Kyushu-Shinwa Holdings Inc. | |
| | | June 2008 | Audit & Supervisory Board Member of the Company (External) | |
| | | August 2008 | President and Representative Director of FFG Business Consulting Co., Ltd. | |
| | | June 2012 | Full-time Audit & Supervisory Board Member of the Company (External) | |
| | | June 2016 | External Director (Full-time Audit & Supervisory Committee Member) (to present) | |
| <p>(Reasons for nominating the candidate for External Director and expected role)</p> <p>Mr. Takashige Araki has long-term, top-management experience cultivated at financial institutions as Representative Director and President of The Shinwa Bank, Ltd. (presently The Juhachi-Shinwa Bank, Ltd.) and as the manager of an enterprise. In addition, he has been an External Audit & Supervisory Board Member of the Company and an External Director of the Company (a Full-time Audit & Supervisory Committee Member) since 2008 and 2016, respectively, and has made significant efforts to supervise business execution from an independent and fair position. Furthermore, he has contributed to reinforcing the corporate governance of the Group by giving appropriate advice and recommendations on the management of the Company, while concurrently assuming the position of Audit & Supervisory Board Member of a company, which recently joined the Group.</p> <p>The Company will ask the shareholders to reelect him as Director who is an Audit & Supervisory Committee Member because it believes that he has the experience and knowledge to enable precise and fair supervision of the overall management of the Group, and he has sufficient capabilities to fulfill a decision-making role on important matters, oversee operations and their execution, and strengthen corporate governance for the Group.</p> | | | | |

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| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|---|--|---|---|---|
| 3 |  Yuka Mitsue September 20, 1975 48 years old Newly-nominated External Independent | April 1998 | Joined Kyuden Information Service Co., Ltd. (presently Qsol Corporation) | Common shares — (No. of potential shares —) |
| | | December 2008 | Joined the Fukuoka Office of Ernst & Young ShinNihon LLC (presently EY ShinNihon LLC) | |
| | | September 2012 | Registered as Certified Public Accountant | |
| | | September 2023 | Established Yuka Mitsue Certified Public Accountant Office, Representative of Yuka Mitsue Certified Public Accountant Office (to present) | |
| | | (Important positions at other organizations concurrently assumed) Representative of Yuka Mitsue Certified Public Accountant Office | | |
| (Reasons for nominating the candidate for External Director and expected role) Ms. Yuka Mitsue has not been directly involved in corporate management, but as a certified public accountant, she has expertise in finance and accounting, and has extensive auditing experience at an auditing firm. She also has experience as a system engineer at a system development company and has knowledge in the IT field. The Company will ask the shareholders to elect her as Director who is an Audit & Supervisory Committee Member as it expects that her expertise and experience will enable her to make decisions on important matters, audit and supervise the execution of management, and strengthen corporate governance of the Company and its group in an appropriate and fair manner. | | | | |

(Notes)

- The number of potential shares is the number of shares equivalent to the stock benefit points granted under the Company's compensation plan "Stock Benefit Trust (BBT=Board Benefit Trust)" (including those scheduled to be delivered on the date of this General Meeting of Shareholders), and is presented for reference purposes.
- There are no special interests between the Company and any of the Director candidates.
- At the close of this general meeting of shareholders, Mr. Takashige Araki will have been in office as External Director who is an Audit & Supervisory Board Member for eight (8) years. He was an External Audit & Supervisory Board Member of the Company in the past. In the past, Mr. Takashige Araki served as an Audit & Supervisory Board Member for the Company's subsidiaries, Nippon Straw Co., Ltd., Hanabishi Co., Ltd., Clean Surface Technology Co., Ltd. (presently CST Co., Ltd.), and Meiko Shokai Co., Ltd.
- Mr. Takashige Araki is an Audit & Supervisory Board Member of Nippon Katan Co., Ltd. and Japan Chain Holdings, Inc. which are business entities that have special relationships with the Company as its consolidated subsidiaries.
- The Company has set forth a provision in its Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an Agreement for Limitation of Liability with the Directors (excluding those who are Executive Directors), which limits the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act to the minimum stipulated by relevant laws and regulations. The Company has entered into an Agreement for Limitation of Liability with Mr. Toshihiro Nomoto and Mr. Takashige Araki. If their re-nomination is approved, the Company is scheduled to continue the Agreement for Limitation of Liability with them.
If Ms. Yuka Mitsue is elected and assumes office as a Director who is an Audit & Supervisory Committee Member as originally proposed, the Company plans to enter into a similar agreement with her.
- The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers any damages that may result from the insureds including Directors of the Company being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. If each candidate is elected and assumes his or her position as Director, they will be the insureds under the said insurance contract. Also, the said insurance contract will be renewed in October 2024.
- Mr. Takashige Araki was the President and Representative Director of The Shinwa Bank, Ltd. (presently The Juhachi-Shinwa Bank, Ltd.) until 2007. However, since he has not held any position or received any remuneration from the bank

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since then, there is no conflict of interest, and the Company believes that there is no risk of a conflict of interest with general shareholders. The Company will register Mr. Takashige Araki as an Independent Officer as provided for by the TSE and FSE, and registered him with both exchanges upon his re-election as a Director who is an Audit & Supervisory Board Member.

8. The Company will register Ms. Yuka Mitsue as an Independent Officer as provided for by the TSE and FSE, and registered her with both exchanges upon her election as a Director who is an Audit & Supervisory Board Member.


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Third Proposal: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

The effect of the election of Mr. Takashi Shinohara to the position of Substitute Director who is an Audit & Supervisory Committee Member, which was approved at the 166th Annual General Meeting of Shareholders held on June 17, 2022, will expire at the opening of this general meeting of shareholders. Therefore, the Company requests the election of one (1) Substitute Director who is an Audit & Supervisory Committee Member as a substitute for all Directors who are Audit & Supervisory Committee Members in advance to prepare for any cases where the number of Directors who are Audit & Supervisory Committee Members falls below the number stipulated by laws and regulations.

The consent of the Audit & Supervisory Committee has been obtained with regard to this proposal.

The sole candidate is presented below:

| No. | Name (Date of birth) | Summary of career, titles and responsibilities, and important positions at other organizations concurrently assumed | | Candidate's shareholding in the Company |
|--|--|--|---|--|
| 1 |  Takashi Shinohara (December 7, 1954 69 years old) | March 1980 | Registered as Certified Public Accountant | Common shares — (No. of potential shares —) |
| | | January 1982 | Representative, CPA Shinohara Takashi Office (to present) | |
| | | May 1984 | Registered as Certified Public Tax Accountant | |
| | | January 2010 | Representative Partner of Shinohara & Ueda Tax Corporation (to present) | |
| | | June 2010 | External Director of the Company | |
| | | (Important positions at other organizations concurrently assumed) | | |
| (Reasons for nominating the candidate as Substitute External Director and expected role) From a technical viewpoint, Mr. Takashi Shinohara has contributed to the management of the Company at meetings of the Board of Directors with his professional knowledge and extensive practical experience as a certified public accountant and tax accountant as well as with his expertise and broad practical experience developed through his involvement in the overall management of the Company as an External Director of the Company between 2010 and 2016. Considering these accomplishments, the Company will ask the shareholders to reelect him as a candidate for Substitute Director who is an Audit & Supervisory Committee Member because it believes that he can supervise the management of the Company from an independent and objective perspective based on the experience, knowledge and insights that he has developed. | | | | |

(Notes)

- There are no special interests between the Company and any of the Director candidates.
- Mr. Shinohara was an External Director of the Company in the past.
- The Company has set forth a provision in its Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an Agreement for Limitation of Liability with the Directors (excluding those who are Executive Directors), which limits the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act to the minimum stipulated by relevant laws and regulations. If the nomination of Mr. Takashi Shinohara is approved and he assumes his role as a Director and Audit & Supervisory Committee Member, the Company is scheduled to enter into an Agreement for Limitation of Liability with him.
- The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers any damages that may result from the insureds including Directors of the Company being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. If Mr. Takashi Shinohara is appointed to an External Director who is an Audit & Supervisory Committee Member, he will be included in the insureds under the said insurance contract.
- As Mr. Takashi Shinohara meets the requirements of an Independent Officer as stipulated in the regulations of the TSE and FSE, the Company will register him as an Independent Officer with the TSE and FSE upon his election.

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Reference Material

Composition of Directors (Scheduled for after June 21, 2024)

[Skill Matrix]

The expertise of each Director is as follows:

| Directors | Expertise of Directors | | | | | | | |
|---|------------------------|---------------------|-----------------|---------------------|-----------------|----|---------------------------|-------------------|
| | Management experience | Business Management | Investment/ M&A | Finance/ Accounting | Risk Management | IT | Legal affairs/ Compliance | HR/ Labor affairs |
| Representative Director and Chairman Shinichiro Kushima | • | • | • | • | • | | | |
| Representative Director and President Taishi Yoshioka | • | • | • | • | • | | | |
| External Director Shota Wakiyama <u>External</u> <u>Independent</u> | • | • | • | • | • | | | |
| External Director Tetsuya Notabe <u>External</u> <u>Independent</u> | | | | | • | | • | • |
| Directors (Full-time Audit & Supervisory Committee Member) Toshihiro Nomoto | | • | • | • | | | | |
| External Director (Full-time Audit & Supervisory Committee Member) Takashige Araki <u>External</u> <u>Independent</u> | • | • | • | • | • | | | |
| External Director (Audit & Supervisory Committee Member) Yuka Mitsue <u>External</u> <u>Independent</u> | | | | • | • | • | | |

External: External Director

Independent: Independent Officer stipulated by the TSE and FSE

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3. Policy Concerning the Determination of Dividends, Etc. Distributed from Retained Earnings

The Company considers the return of profits to its shareholders as an important management priority, and has a basic policy of continuing to return profits to them in proportion to the operating results, thereby retaining the necessary internal reserves for the stable growth of the Company and the financial flexibility necessary for responding to the changing business environment. About dividends from surplus, the Board of Directors makes the ultimate decision based on a comprehensive perspective.

8. Company Management Systems and Policies

(1) Systems to ensure directors perform their duties in compliance with laws, regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of business activities:

Pursuant to the provisions of the Companies Act and the Companies Act Enforcement Regulations, the Board of Directors of the Company has approved the following basic policy concerning the establishment of internal control systems.

Based on the basic policy, the Company ensures the appropriateness of business activities, and constantly reviews and improves the current systems for the purpose of establishing better internal control systems.

1. System to ensure directors of the group of companies consisting of the Company and its subsidiaries (the “Corporate Group”) perform their duties in compliance with laws, regulations and the Articles of Incorporation (Article 399-13, Paragraph (1), Item (i), (c) of the Companies Act, Article 110-4, Paragraph (2), Item (v) of the Regulations for Enforcement of the Companies Act):

The Corporate Group has established and enforces the “Corporate Philosophy,” “Management Vision: Our Goals for the Next Century” and “Compliance Manual” as the code of conduct for all members of the Company including directors and employees. The Regulations for the Board of Directors have been established to ensure its proper activities. The Board of Directors’ Meetings are in principle held once a month and at any time necessary. Directors exchange opinions, mutually supervise business execution, seek the opinion of legal counsel and other professionals as required, and take actions aimed at preventing any violation of laws, regulations or the Articles of Incorporation.

The Company has an Audit & Supervisory Committee which audits the performance of directors in accordance with auditing methods and divisions of responsibilities prescribed by the committee. If any director discovers any violation of laws, regulations or the Articles of Incorporation by another director, he or she shall immediately report it to the Audit & Supervisory Committee and the Board of Directors so that corrective measures can be taken.

2. Systems to ensure the appropriateness of business activities (Article 399-13, Paragraph (1), Item (i), (b) and (c) of the Companies Act, Article 110-4 of the Regulations for Enforcement of the Companies Act)

- (1) System for the storage and management of information concerning directors’ performance of their duties (Article 110-4, Paragraph (2), Item (i) of the Regulations for Enforcement of the Companies Act):

Information and documents concerning the directors’ performance of their duties (hereinafter “Duties Information”) shall be properly stored and managed (including the disposal thereof) in accordance with the Company’s internal rules, with the actual conditions of storage and management to be examined and the rules to be reviewed and amended, as necessary.

- (2) The Corporate Group’s regulations and other systems concerning risk management of loss (Article 110-4, Paragraph (2), Items (ii) and (v) of the Regulations for Enforcement of the Companies Act):

- i. Based on the Risk Management Regulations that set forth the basic framework for risk management for the Corporate Group, mainly the Risk Management Committee shall collect and assess risk information in an integrated and comprehensive manner, identify critical risks and address such risks according to their materiality.
- ii. Risks inherent in significant decision-making for business execution shall be considered by each company and department in advance before further assessment by the Management Meeting and the Board of Directors to prevent losses from occurring.
- iii. Risks in business activities in each company and department, such as risks in purchase and sale transactions, foreign exchange and interest rate fluctuations, and credit risks, shall be assessed, settled or approved based on the Regulations for Delegating Job Responsibilities to avoid or prevent the risk of loss.

- iv. The Internal Audit Department shall perform audits of the risk management system. Each audited company and department shall promptly take corrective or improvement measures as needed.
- (3) Systems to ensure the efficient execution of directors' duties (Article 110-4, Paragraph (2), Item (iii) of the Regulations for Enforcement of the Companies Act):
 - i. The Executive Officer system shall be introduced with the aim of prompt and efficient decision-making through the separation of management functions and business execution.
 - ii. As a decision-making body other than the Board of Directors, the Company has established the Management Meeting, which is attended by Directors (excluding External Directors and Directors who are Audit & Supervisory Committee Members) and Executive Officers, and delegates partial authority to it, leaving only the most important matters for resolution by the Board of Directors, to ensure the efficient execution of directors' duties. The Company shall establish a system to ensure that all board members receive sufficient advance materials on the agenda items presented to the Board of Directors in accordance with the principle of management decisions.
 - iii. In order to conduct daily business activities, authority shall be delegated to relevant departments based on the Regulations for Delegating Job Responsibilities and Regulations for the Assignment of Business Activities. In addition, the persons at each level of responsibility shall perform their jobs in accordance with the decision-making rules.
- (4) Systems to ensure the Corporate Group's employees perform their duties in compliance with laws, regulations and the Articles of Incorporation (Article 110-4, Paragraph (2), Items (iv) and (v) of the Regulations for Enforcement of the Companies Act):
 - i. In order to ensure that all employees of the Corporate Group thoroughly comply with laws, regulations and the Articles of Incorporation, the Company has established the Compliance Committee chaired by the Representative Director and President, and a system for all employees to internally report any violation of laws, regulations or the Articles of Incorporation under the Compliance Rules and Compliance Manual.
 - ii. The Company has established a reporting system whereby the details of any compliance-related situation or event, and proposals for appropriate countermeasures, are reported to the Board of Directors and the Audit & Supervisory Committee via the Compliance Committee, if any such situation or event occurs.
 - iii. The Compliance Committee shall appoint a person-in-charge and a promoter in each department in accordance with the provisions of the Compliance Rules, and control and supervise adherence to the Compliance Manual.
 - iv. The Internal Audit Department shall perform audits of the status of compliance with laws, regulations, the Articles of Incorporation and other internal regulations. Each audited department shall promptly take corrective or improvement measures as needed.
- (5) Other systems to ensure the appropriateness of business operations of the Corporate Group (Article 110-4, Paragraph (2), Item (v) of the Regulations for Enforcement of the Companies Act):
 - i. The Company has established the Group Company Management Rules, which specify the policy for the appropriate management of its subsidiaries, and the Company's responsible department administers the matters to be reported by subsidiaries to the Company and those to be approved by the Company on a case-by-case basis.
 - ii. Decision-making processes related to business execution of the subsidiaries shall be implemented according to the Regulations for Delegating Job Responsibilities of the Company and the subsidiaries. The Company shall ensure the appropriateness of business operations of the subsidiaries by maintaining certain involvement by the Company in the decision-making of the subsidiaries.
 - iii. The Internal Audit Department of the Company shall enter into an internal auditing agreement with its subsidiaries and shall conduct internal audits for the Group as a whole. The audit results shall be reported to relevant departments and the Board of Directors of the Company, and corrective and improvement measures shall be taken as needed.
 - iv. As members of society, the Corporate Group shall not have any relationship with antisocial forces or organizations that threaten the order and safety of civil society, and shall take a

- firm stance against such forces or organizations.
- (6) Matters concerning the appointment of employees to assist the Audit & Supervisory Committee in performing its duties (Article 110-4, Paragraph (1), Item (i) of the Regulations for Enforcement of the Companies Act):
The Company may assign employees to assist the Audit & Supervisory Committee in performing its duties for required periods of time, if requested by the committee.
- (7) Matters concerning the independence of employees assisting the Audit & Supervisory Committee in performing its duties from directors, and matters for ensuring the effectiveness of instructions given to those employees (Article 110-4, Paragraph (1), Items (ii) and (iii) of the Regulations for Enforcement of the Companies Act):
- i. Consent of the Audit & Supervisory Committee is required to appoint or remove any employees who assist the committee in performing its duties.
 - ii. All employees who assist the Audit & Supervisory Committee in performing its duties shall be subject to its direction and orders during the period of their service in assisting the committee.
- (8) System for directors and employees of the Corporate Group to report to the Audit & Supervisory Committee, other systems for reporting to the committee, and system to ensure that those reporters are not treated adversely for making such reports (Article 110-4, Paragraph (1), Items (iv) and (v) of the Regulations for Enforcement of the Companies Act):
- i. Directors and employees shall report or provide information as necessary upon any Audit & Supervisory Committee Member's request, in accordance with the decision of the Audit & Supervisory Committee.
 - ii. Matters to be reported or informed under the preceding paragraph shall mainly include the following:
 - Situation of activities of departments involved in establishing the Corporate Group's internal control systems
 - Situation of activities of the Audit & Supervisory Board Members and the Internal Audit Department or any equivalent departments of any of the Company's subsidiaries, etc.
 - The Corporate Group's significant accounting policy, accounting standards and changes thereof
 - Details of the announcement of operating results of the Corporate Group or forecasts thereof and other important disclosure documents of the group
 - Operation of the internal reporting system of the Corporate Group and details of the reported information
 - Obligatory circulation of decision approval forms and minutes of meetings of the Corporate Group requested by Audit & Supervisory Committee Members
 - iii. The Company shall not adversely treat any person belonging to the Corporate Group who reports or provides information to the Audit & Supervisory Committee as described in this paragraph on the grounds that he or she made such report or provided such information.
- (9) Matters concerning the procedures for advance payment or reimbursement of expenses incurred for the execution of duties by Audit & Supervisory Committee Members, and any other policies for settlement of costs or debts incurred for the execution of their duties (Article 110-4, Paragraph (1), Item (vi) of the Regulations for Enforcement of the Companies Act):
- i. The Company shall include in its budget for each fiscal year a certain amount to reimburse expenses to be incurred for the execution of duties by Audit & Supervisory Committee Members.
 - ii. If any Audit & Supervisory Committee Members request advance payment of expenses to be incurred to execute their duties or make any other similar requests to the Company, then the Company shall settle such expenses or debts in a timely manner upon consideration by the relevant department unless it determines that those expenses or debts are not necessary for the execution of their duties.
- (10) Other systems to ensure the effectiveness of audits by the Audit & Supervisory Committee (Article 110-4, Paragraph (1), Item (vii) of the Regulations for Enforcement of the Companies Act):
The Audit & Supervisory Committee shall meet at least twice a year to hear from the Executive

- Directors in charge of each business operation and important employees individually (or at any time deemed necessary by the committee). In addition, periodic meetings shall be held for the Representative Directors and accounting auditors to exchange opinions.
3. System to ensure the reliability of financial reports:
In order to ensure the reliability of financial reports, and to effectively and appropriately submit the internal control reports specified in Article 24-4-4 of the Financial Instruments and Exchange Act as promulgated by the Financial Services Agency in June 2006, the Company, under the direction of the Representative Director and President, has established an internal control system to ensure compliance with the Financial Instruments and Exchange Act and other related laws and regulations, along with continuously evaluating and making the necessary adjustments to ensure the appropriate functioning of the system's mechanisms.

(2) Outline of the status of operation of the system to ensure appropriateness of business activities

The following is an outline of the status of operation of the system to ensure the appropriateness of the business activities of the Corporate Group:

1. Directors' performance of their duties:
The Board of Directors of the Company consists of seven (7) Directors (including three (3) Directors who are Audit & Supervisory Committee Members), and held Board of Directors' Meetings fifteen (15) times during the period under review. The Board of Directors deliberates on important business execution and other important matters stipulated in the Regulations for the Board of Directors, and oversees the status of business execution.
The Company held the Management Meeting attended by Directors (excluding External Directors and Directors who are Audit & Supervisory Committee Members), and Executive Officers, and External Directors and Audit & Supervisory Committee Members as observers twelve (12) times during the period under review. Matters to be discussed at Board of Directors' Meetings and other important matters related to business execution delegated by the Board of Directors are deliberated at the Management Meeting.
2. Risk management:
The Company held the Risk Management Committee Meeting chaired by the President, consisting of Directors (excluding External Directors and Directors who are Audit & Supervisory Committee Members) and Executive Officers as committee members, and External Directors, Directors who are Audit & Supervisory Committee Members and the Manager of the Internal Audit Department as observers three (3) times during the period under review. The Risk Management Committee evaluates all risks reported by all departments of the Company, identifies critical risks, and then decides policies for enacting measures against such risks, and confirms the progress of those measures. In addition, the Risk Management Committee confirms the progress of measures against all critical risks reported by all subsidiaries. The Internal Audit Department also performs audits of the risk management system.
3. Compliance:
The Corporate Group has distributed the Compliance Manual to all employees.
Further, the Company held the Compliance Committee Meeting chaired by the President, consisting of Directors (excluding External Directors and Directors who are Audit & Supervisory Committee Members) and Executive Officers as committee members, and External Directors and Directors who are Audit & Supervisory Committee Members and the Manager of the Internal Audit Department as observers four (4) times during the period under review. The Compliance Committee deliberates matters related to compliance or reports on internally reported matters, and confirms the progress of those measures.
The Internal Audit Department performs audits of the status of compliance with laws and regulations, the Articles of Incorporation, and internal rules and regulations, and provides guidance on correction and improvement as needed.
4. Subsidiary management system:
Matters to be reported by subsidiaries to the Company and those to be approved by the Company are managed by a specialized department of the Company on a case-by-case basis in accordance

with the Group Company Management Rules and the Regulations for Delegating Job Responsibilities.

In order to ensure the appropriateness of the business operations of the subsidiaries, matters related to the management of the subsidiaries that are particularly important are deliberated and decided upon at the Board of Directors' Meetings or the Management Meeting of the Company. In addition, minutes of the Board of Directors' Meetings of subsidiaries are reported at the Board of Directors' Meetings of the Company every month and Directors of subsidiaries are asked to explain details of the proposals as necessary to ensure a system so that the Board of Directors of the Company can supervise the Board of Directors of subsidiaries. Furthermore, the Internal Audit Department has entered into an internal auditing agreement with and conducted internal audits for the subsidiaries.

5. Audit system of the Audit & Supervisory Committee:

The Audit & Supervisory Committee consists of three (3) Directors who are Audit & Supervisory Committee Members (including two (2) External Directors) and appoints two (2) Full-time Audit & Supervisory Committee Members through mutual voting by the committee members. In addition, the Company assigned one (1) employee to assist the Audit & Supervisory Committee in performing its duties based on a request from the committee itself.

The Company held the Audit & Supervisory Committee Meeting fourteen (14) times during the period under review, and held discussions and made decisions based on audit results reported by each Audit & Supervisory Committee Member.

In accordance with the audit policies and division of duties established and specified by the Audit & Supervisory Committee, each Audit & Supervisory Committee Member investigates the status of operations, assets and properties of the Company and subsidiaries, and audits the execution of duties of Directors. Specifically, Audit & Supervisory Committee Members attend important internal meetings including the Board of Directors' Meetings and exchange opinions with Representative Directors to ensure the effectiveness of audits. In addition, Audit & Supervisory Committee Members endeavor to work with accounting auditors, the Internal Audit Department, and Audit & Supervisory Board Members of subsidiaries, as well as to conduct interviews to hear from Executive Directors in charge of each business operation, important employees, and all subsidiaries individually.