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Securities Code: 1726

May 31, 2023

To Our Shareholders:

Kimiyasu Fujita, President
Br. Holdings Corporation
6-31, Hikari-machi 2-chome, Higashi-ku, Hiroshima-Shi

Notice of Convocation of the 21st Annual General Meeting of Shareholders

This is to inform you that we will be holding the 21st Annual General Meeting of Shareholders of Br. Holdings Corporation (the “Company”). Please see below for details.

When convening this Annual General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 21st Annual General Meeting of Shareholders” on each of the following websites. Please access any of the websites via the internet address shown below to review the information.

[The Company’s website]

<https://www.brhd.co.jp/ja/ir/stock/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/1726/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

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

(Access the TSE website by using the internet address shown above, enter “Br.Holdings” in “Issue name (company name)” or the Company’s securities code “1726” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Note that in place of attending on the day of the meeting, you may exercise your voting rights using one of the following methods. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders at your convenience.

[When exercising your voting rights through Internet, etc.]

After reading the “Information on Exercising Voting Rights over the Internet, Etc.,” please exercise your voting rights no later than 5:30 PM on Thursday, June 15, 2023.

[When exercising your voting rights through regular mail (Voting Form)]

Please indicate whether you are for or against the proposals on the Voting Form and send it back so that it arrives no later than 5:30 PM on Thursday, June 15, 2023.

- 1. Date and Time** Friday, June 16, 2023, 10:00 AM
- 2. Location** Hiroshima Convention Hall, 2nd Floor, Main Hall 2A
Hiroshima Telecasting Building, 5-4, Futabanosato 3-chome, Higashi-ku, Hiroshima-shi
* Please note that the meeting will be held at the same building as last year's meeting but the floor and venue are different. Please ensure you come to the correct venue.

3. Purpose of the Meeting

Matters to be reported

1. Business report, consolidated financial statements and results of audits of consolidated financial statements by financial auditor and the Audit and Supervisory Committee for 21st Term (April 1, 2022 to March 31, 2023)
2. Non-consolidated financial statements for 21st Term (April 1, 2022 to March 31, 2023)

Matters to be resolved

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of Three Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4** Election of Two Substitute Directors Who Are Audit and Supervisory Committee Members

4. Matters to be determined at the convocation (Information regarding exercising voting rights)

- (1) Voting rights exercised via regular mail (Voting Form) whereby your approval or disapproval of the proposals are not indicated on the Voting Form will be deemed as an indication of your approval.
- (2) Voting rights exercised via both the Internet, etc. and by regular mail (Voting Form), the vote exercised via the Internet, etc. will be deemed as the valid indication of your vote.
- (3) If voting rights are exercised multiple times via the Internet, etc., the last exercise of your voting rights will be deemed as the valid indication of your vote.
Further, if your voting rights are exercised multiple times via PC or smartphone, the last exercise of your voting rights will be deemed as the valid indication of your vote.

1. Upon attending on the day of the meeting, please submit the enclosed Voting Form at the venue reception.
Paper-based documents stating Electronic Provision Measures Matters are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 16, paragraph (2) of the Company's Articles of Incorporation.

- (1) Notes to consolidated financial statements
- (2) Notes to non-consolidated financial statements

Accordingly, the consolidated financial statements and financial statements included in those documents are a part of the documents that were audited by the financial auditor in preparing the financial audit report, and the Audit and Supervisory Committee in preparing the audit report.

If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the websites shown on page 1.

2. Measures against the novel coronavirus disease (COVID-19)

We ask our shareholders who will be attending the meeting to do so after checking the status of infection on the date of the meeting and verifying their physical condition.

* The meeting location, time, etc. may change as a matter of necessity due to future circumstances. In such cases, we will promptly publish said changes on the Company's website (<https://www.brhd.co.jp/>). We ask shareholders who are planning on attending the meeting to check the information on the Company's website in advance.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

Within its future operating environment, in order to facilitate the strengthening of its corporate constitution, the improvement of its earnings power and the reinforcement of a financial constitution to prepare for its future business development, while also taking internal reserves into consideration, the Company positions the return of profits to its shareholders as a priority management issue, and seeks to distribute dividends on a stable, continuous basis.

The Company has given consideration to the business performance of the fiscal year, its future operating environment and other factors, and it proposes to pay a year-end dividend of ¥6 per share for the fiscal year in the manner indicated below.

As the Company has already paid an interim dividend of ¥6 per share, the annual dividend for the current term will be ¥12 per share.

1. Type of dividend property
To be paid in cash.
2. Allotment of dividend property and their aggregate amount
¥6 per share of common stock and total dividends of ¥272,462,424
3. Effective date of dividends of surplus
The effective date of dividends will be June 19, 2023.

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors who are Audit and Supervisory Committee Members; same applies hereinafter) will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of five Directors.

Note that no opinions were issued by the Audit and Supervisory Committee following their examination of this Proposal.

The candidates for Director are as follows:

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kimiyasu Fujita (September 9, 1950) [Reelection]	<p>Aug. 1976 Entered Otsuka Pharmaceutical Co., Ltd.</p> <p>Sept. 1981 Entered KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION), Director and General Manager of Office of the President</p> <p>Sept. 1983 Managing Director and Senior General Manager of Administration Division</p> <p>Sept. 1985 Representative Director and President</p> <p>Sept. 1993 Representative Director and Chairman</p> <p>Sept. 2002 Director of the Company</p> <p>June 2005 Representative Director and President of the Company (current position)</p> <p>June 2015 Representative Director and President of KYOKUTO KOWA CORPORATION</p> <p>June 2022 Director and Advisor (current position)</p> <p>(Significant concurrent positions outside the Company) Director and Advisor of KYOKUTO KOWA CORPORATION</p>	2,001,800
<p>Reason for election</p> <p>Kimiyasu Fujita has been in charge of the management of the Group as a member of its management, and possesses a long record of driving the overall Group with his strong leadership and a wealth of experience and wide range of knowledge in overall management. For that reason, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p style="text-align: center;">Kazuo Ishii (September 27, 1959)</p> <p style="text-align: center;">[Reelection]</p>	<p>Apr. 1983 Entered Ministry of Construction (currently Ministry of Land, Infrastructure and Transport)</p> <p>Jan. 2001 Director General of Matsue National Highway Office, Chugoku Regional Development Bureau, Ministry of Land, Infrastructure and Transport</p> <p>July 2003 General Manager of Planning and Research Department of Hiroshima Expressway Public Corporation</p> <p>Nov. 2005 Director of Policy Planning, International Construction Technology, Policy Bureau, Ministry of Land, Infrastructure and Transport</p> <p>Apr. 2008 General Manager of Civil Engineering Department under Kochi Prefectural Government</p> <p>Sept. 2012 General Manager of Planning Department, Shikoku Regional Development Bureau, Ministry of Land, Infrastructure and Transport</p> <p>Oct. 2015 Joined the Company</p> <p>June 2016 Director and Senior General Manager of Technology Division of the Company</p> <p>Oct. 2017 Director and Senior General Manager of Construction Division of KYOKUTO KOWA CORPORATION</p> <p>June 2018 Director of Higashi Nihon Concrete (current position)</p> <p>June 2020 Managing Director and Senior General Manager of Technology Division of the Company</p> <p>June 2020 Managing Director and Senior General Manager of Construction Division of KYOKUTO KOWA CORPORATION</p> <p>Apr. 2022 Representative Director and Chairman (current position)</p> <p>June 2022 Director and Senior General Manager of Technology Division of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director and Chairman of KYOKUTO KOWA CORPORATION Director of Higashi Nihon Concrete</p>	108,000
<p>Reason for election</p> <p>Kazuo Ishii possesses a wealth of experience and wide range of knowledge from serving in important positions in the Ministry of Land, Infrastructure and Transport and from his achievements while working abroad. While using such experience to contribute to the expansion of the construction business of the Group, he has been leading the management of KYOKUTO KOWA CORPORATION, one of the core companies of the Group, as its Representative Director and Chairman. For that reason, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Takashi Yamane (May 31, 1959) [Reelection]	Apr. 1980 Entered KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) June 2014 Director and Deputy General Manager of Sales Division June 2015 Director and Senior General Manager of Sales Division June 2015 Director and Senior General Manager of Sales Division of the Company June 2015 Director of Higashi Nihon Concrete (current position) June 2018 Representative Director and President of KYOKUTO TAKAMIYA Co., Ltd. (current position) June 2020 Managing Director and Senior General Manager of Sales Division of the Company June 2020 Managing Director and Senior General Manager of Sales Division of KYOKUTO KOWA CORPORATION Apr. 2022 Representative Director and President (current position) June 2022 Managing Director and Senior General Manager of Sales Division of the Company (current position) (Significant concurrent positions outside the Company) Representative Director and President of KYOKUTO KOWA CORPORATION Director of Higashi Nihon Concrete Representative Director and President of KYOKUTO TAKAMIYA Co., Ltd.	131,600
<p>Reason for election</p> <p>Takashi Yamane possesses a wealth of experience mainly in sales and technological development departments. Currently, in his role as the Senior General Manager of the Sales Division of the Company, he demonstrates leadership in sales strategies, research and development, and overseas businesses for the Group as a whole, while in his role as Representative Director and President of KYOKUTO KOWA CORPORATION, one of the core companies of the Group, he directs management. For that reason, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Takeshi Amatsu (February 4, 1958) [Reelection]	Apr. 1981 Entered KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) June 2007 Audit and Supervisory Committee Member of Higashi Nihon Concrete (current position) June 2016 Director and Deputy General Manager of Administration Division of the Company June 2019 Director and Senior General Manager of Administration Division of the Company (current position) June 2019 Director and Senior General Manager of Administration Division of KYOKUTO KOWA CORPORATION (current position) (Significant concurrent positions outside the Company) Director and Senior General Manager of Administration Division of KYOKUTO KOWA CORPORATION Audit and Supervisory Committee Member of Higashi Nihon Concrete	75,200
Reason for election Takeshi Amatsu possesses a wealth of experience mainly in accounting and finance departments, and currently supervises the accounting and general affairs departments of the entire Group as the Senior General Manager of the Company's Administration Division. Given his advanced knowledge of accounting and general affairs as a result, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.			
5	Kazuharu Suetake (April 8, 1956) [New election]	Mar. 1980 Entered KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) Oct. 2007 General Manager of Sales Department at Fukuoka Branch Apr. 2013 Senior General Manager of Sales Division Apr. 2015 Manager of Tokyo Branch June 2016 Director and Manager of Tokyo Branch Apr. 2023 Director (current position) Apr. 2023 Representative Director and President of Higashi Nihon Concrete (current position) (Significant concurrent positions outside the Company) Representative Director and President of Higashi Nihon Concrete Director of KYOKUTO KOWA CORPORATION	76,000
Reason for election Kazuharu Suetake possesses a wealth of experience mainly in sales departments, and currently directs management at Higashi Nihon Concrete, one of the core companies of the Group, as its Representative Director and President. The Company has therefore judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and nominates him as a new candidate for Director.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The Company has entered into an insurance policy with an insurance company with Directors of the Company (Directors who are Audit and Supervisory Committee Members included) as the insured. The purpose of this policy is to indemnify the insured from the compensation of damages under the law or damages resulting from legal dispute costs incurred by the insured due to being issued claims for the compensation of damages. In cases where each of the candidates is elected as a Director, said policy is scheduled to be renewed with the candidates among the insured under that policy.

Proposal No. 3 Election of Three Directors Who Are Audit and Supervisory Committee Members

The terms of office of Directors Masahiro Tasaka, Kiyokazu Oda and Yoshiharu Sagami, who are Audit and Supervisory Committee Members, will expire at the conclusion of this Annual General Meeting of Shareholders. As such, in order to continue to improve and strengthen the functioning of the internal control system and the functioning of audits of the performance of duties of the Directors, the Company proposes that three (3) Directors who are Audit and Supervisory Committee Members be elected.

The prior consent of the Audit and Supervisory Committee with respect to this proposal has been obtained.

The candidates for Director who are Audit and Supervisory Committee Member are as follows:

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Osamu Yamagata (February 19, 1956) [New election]	Apr. 1978 Entered KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) Apr. 2010 Manager of Hiroshima Branch Oct. 2010 Manager of Tokyo Branch June 2015 Director and Senior General Manager of Administration Division June 2015 Director of the Company (current position) June 2019 Representative Director and President of Higashi Nihon Concrete Apr. 2023 Director and Advisor of Higashi Nihon Concrete (current position)	136,200
Reason for election Osamu Yamagata possesses a wealth of experience mainly in sales and administration departments, and as a Director of the Company. In addition, he was involved in management at Higashi Nihon Concrete, one of the core companies of the Group, as its representative. The Company has therefore judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and nominates him as a new candidate for Director who is an Audit and Supervisory Committee Member.			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Kiyokazu Oda (October 20, 1956) [Reelection] [Independent] [Outside]	Apr. 1983 Admitted to the Hiroshima Bar Association Entered Johoku Law Office (current Hiroshima All-In Law and Accounting Office) (current position) Nov. 2001 Outside Auditor of ENFINI HIROSHIMA (current position) June 2006 Outside Auditor of the Company Feb. 2012 Representative Director of Hiroshima Guardianship System Support Center Apr. 2012 Chairman of the Hiroshima Bar Association June 2015 Outside Director (Audit and Supervisory Committee Member) of the Company (current position) Apr. 2018 Vice President of the Japan Federation of Bar Associations (Significant concurrent positions outside the Company) Outside Auditor of ENFINI HIROSHIMA	10,000
Reason for election and overview of expected roles Although he does not have past experience being directly involved in corporate management, Kiyokazu Oda is an attorney with extensive experience and insight as a legal specialist, which the Company expects him to continue to utilize as he supervises and provides advice to the Directors on the execution of their duties, mainly from a legal perspective. Moreover, in the event that he is elected, the Company plans for him to be involved from an objective and neutral standpoint in the selection of officer candidates and the determination of officer remuneration, etc. as a member of the Nomination and Remuneration Committee.			
3	Yoshiharu Sagami (February 2, 1949) [Reelection] [Independent] [Outside]	Apr. 1981 Entered Asahi & Co. (current KPMG AZSA LLC) Apr. 2003 Comprehensive Outside Auditor of Hiroshima Prefecture July 2010 Chief of Sagami CPA Office (current position) June 2013 Outside Auditor of the Company Apr. 2014 Auditor of Hiroshima City University June 2015 Outside Director (Audit and Supervisory Committee Member) of the Company (current position) June 2020 Outside Audit & Supervisory Board Member of JMS Co., Ltd. (current position) June 2022 Representative Auditor of JA Hiroshimashi (current position) July 2022 Council Member of The Japanese Institute of Certified Public Accountants (serving concurrently as Chairman of the Chugoku Chapter) (current position) (Significant concurrent positions outside the Company) Outside Audit & Supervisory Board Member of JMS Co., Ltd. Representative Auditor of JA Hiroshimashi	3,800
Reason for election and overview of expected roles Although he does not have past experience being directly involved in corporate management, Yoshiharu Sagami is a certified accountant with extensive experience and insight as an accounting specialist, which the Company expects him to continue to utilize as he supervises and provides advice to the Directors on the execution of their duties, mainly from an accounting perspective. Moreover, in the event that he is elected, the Company plans for him to be involved from an objective and neutral standpoint in the selection of officer candidates and the determination of officer remuneration, etc. as a member of the Nomination and Remuneration Committee.			

- (Notes) 1. There is no special interest between any of the candidates and the Company.
2. Kiyokazu Oda and Yoshiharu Sagami are candidates for Outside Directors.
3. Kiyokazu Oda and Yoshiharu Sagami are currently Outside Directors of the Company who are Audit and Supervisory Committee Members, and both will have been in office as Outside Directors of the Company for eight years at the

conclusion of this Annual General Meeting of Shareholders. Both candidates have served as Outside Auditors of the Company in the past.

4. Limited Liability Contracts with Outside Directors who are Audit and Supervisory Committee Members
The Company has entered into a contract with Kiyokazu Oda and Yoshiharu Sagami to limit their liability for damages resulting from negligence of their duties so that Outside Directors who are Audit and Supervisory Committee Members can fully fulfill their expected roles. If they are reelected as Outside Directors who are Audit and Supervisory Committee Members, they will continue to hold such contracts. An overview summary of the details of the agreement is as follows.
 - i) If an Outside Director is liable for damages to the Company due to negligence of their duties, they shall be liable up to the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
 - ii) The above limits on liability shall be recognized only when the Outside Director has performed their duties in good faith and without gross negligence and the liability was incurred in the course of the performance of their duties.
5. The Company has entered into an insurance policy with an insurance company with Directors of the Company (Directors who are Audit and Supervisory Committee Members included) as the insured. The purpose of this policy is to indemnify the insured from the compensation of damages under the law or damages resulting from legal dispute costs incurred by the insured due to being issued claims for the compensation of damages. In cases where each of the candidates is elected as a Director, said policy is scheduled to be renewed with the candidates among the insured under that policy.
6. Kiyokazu Oda and Yoshiharu Sagami satisfy the requirements for Independent Directors as stipulated by the Tokyo Stock Exchange, and if their reelection is approved, the Company will continue to appoint them as Independent Directors.

Proposal No. 4**Election of Two Substitute Directors Who Are Audit and Supervisory Committee Members**

The election of Shinji Inahara and Koji Semikawa, who were elected as substitute Audit & Supervisory Committee Members at the 19th Annual General Meeting of Shareholders held on June 18, 2021, is effective until the commencement of this Annual General Meeting of Shareholders in accordance with the Company's Articles of Incorporation, and as such the Company proposes the election of two substitute Directors who are Audit & Supervisory Committee Members again, in preparation for instances in which the number of Directors who are Audit & Supervisory Committee Members becomes insufficient as required by law.

With respect to the validity of this election, the election may be revoked by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only prior to the election to Director who is an Audit and Supervisory Committee Member.

The prior consent of the Audit and Supervisory Committee with respect to this proposal has been obtained.

The candidates for substitute Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Shinji Inahara (August 29, 1957)	Apr. 1980 Entered KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) Apr. 2011 General Manager of Gotsu PC Plant, Production Construction Department, Business Headquarters Apr. 2014 General Manager of Oita Plant, Construction Headquarters Apr. 2017 Internal Audit Office of the Company Apr. 2020 Quality and Safety Management Office, Construction Headquarters of KYOKUTO KOWA CORPORATION (current position)	11,700
Reason for election Shinji Inahara has served a wide range of roles as the General Manager in charge of the production, quality and safety divisions of the Company's core subsidiaries, and has abundant experience and deep insight in these areas. The Company has determined that he possesses the ability to appropriately perform the duties of a Director who is an Audit and Supervisory Committee Member of the Company, and as such nominated him as a candidate for substitute Director who is an Audit and Supervisory Committee Member.			
2	Koji Semikawa (February 7, 1971)	Oct. 1997 Entered Chuo Audit Corporation (later ChuoAoyama Audit Corporation) Jan. 2002 Resigned from Chuo Audit Corporation (later ChuoAoyama Audit Corporation) June 2002 Chief of Semikawa CPA Office (current position) July 2007 Director of Internal Controls Advisory July 2009 Representative Director of Internal Controls Advisory (current position) Sept. 2016 Auditor of National Research Institute of Brewing	—
Reason for election as candidate for Outside Director and overview of expected roles Despite not having been directly involved in corporate management in the past, Koji Semikawa is well versed in corporate finance as a certified public accountant and has sufficient insight into the establishment and operations of internal control systems. The Company believes that he will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member of the Company, and has nominated him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.			

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Koji Semikawa is a candidate for substitute Outside Director.
 - Limited Liability Contracts with Outside Directors who are Audit and Supervisory Committee Members
The Company enters into contracts with Outside Directors who are Audit and Supervisory Committee Members to limit liability for damages resulting from negligence of duties so that Outside Directors who are Audit and Supervisory Committee Members can fully fulfill their expected roles. The Company intends to enter into such contract if Koji Semikawa assumes the role of Outside Director who is an Audit and Supervisory Committee Member.

An overview summary of the details of the agreement is as follows.

- i) If an Outside Director is liable for damages to the Company due to negligence of their duties, they shall be liable up to the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
 - ii) The above limits on liability shall be recognized only when the Outside Director has performed his duties in good faith and without gross negligence and the liability was incurred in the course of the performance of their duties.
4. The Company has entered into an insurance policy with an insurance company with Directors of the Company (Directors who are Audit and Supervisory Committee Members included) as the insured. The purpose of this policy is to indemnify the insured from the compensation of damages under the law or damages resulting from legal dispute costs incurred by the insured due to being issued claims for the compensation of damages. In cases where each of the candidates assumes the role of Director who is an Audit and Supervisory Committee Member, said policy is scheduled to be renewed with the candidates among the insured under that policy.

<Standards for the Independence of Outside Officers>

The Company has established its own “Standards for the Independence of Outside Officers,” in addition to the independence criteria stipulated by the Companies Act and the Tokyo Stock Exchange, and nominates candidates for outside officer if none of the following is found to apply.

- i) A party whose major business partner is the Company (a party who has received payments equivalent to 2% or more of its annual consolidated net sales in the most recent fiscal year from the Company or its subsidiaries) or a business executive for that party
- ii) A major business partner of the Company (a party who has made payments to the Company equivalent to 2% or more of the Company’s annual consolidated net sales in the most recent fiscal year) or a business executive for that party
- iii) A major lender of the Group (a party who has lent an amount to the Company equivalent to 2% or more of the consolidated total assets of the Company in the most recent fiscal year) or a business executive for that party
- iv) A major shareholder of the Company (a party who holds 10% or more of the total number of voting rights directly or indirectly) or a business executive for that party
- v) A consultant, certified public accountant, attorney at law or other professional who has received an annual average amount of ¥10 million or more in money and other economic benefits over the past three years from the Company or its subsidiaries, excluding officer remuneration received from the Company or its subsidiaries
- vi) A party to which any of the above items i) to v) applies over the past five years
- vii) A party who is the spouse or relative within the second degree of kinship of a person to which any of the above items i) to vi) applies

<Reference> Management Structure if Proposal No. 2 and Proposal No. 3 Are Approved (Planned)

If Proposal No. 2 and Proposal No. 3 are approved and adopted in their original form, the composition of the Board of Directors and the Audit and Supervisory Committee will be determined to be as follows by the Board of Directors Meeting to be held after the conclusion of this Annual General Meeting of Shareholders.

Among the nine Directors, there will be three independent outside Directors (33% of the total number), and among the four Nomination and Remuneration Committee Members, there will be three independent outside Directors (75% of the total number).

Name	Position and responsibility in the Company	Corporate management	Finance Accounting	Legal affairs/Risk management	Personnel and labor/Human resources development	Sustainability/Environment and DX	Technical Research & Development	Safety Quality	Nomination and Remuneration Committee
Kimiyasu Fujita	Representative Director and President	○	○	○		○			○
Kazuo Ishii	Director and Senior General Manager of Technology Division	○				○	○	○	
Takashi Yamane	Director and Senior General Manager of Sales Division	○			○	○	○		
Takeshi Amatsu	Director and Senior General Manager of Administration Division	○	○	○	○				
Kazuharu Suetake	Director	○		○				○	
Osamu Yamagata	Director (Audit and Supervisory Committee Member)	○		○				○	
Kiyokazu Oda	Director (Audit and Supervisory Committee Member) (Independent / Outside)			○					○
Yoshiharu Sagami	Director (Audit and Supervisory Committee Member) [Independent / Outside]		○						○
Fusanori Miura	Director (Audit and Supervisory Committee Member) [Independent / Outside]				○	○	○		○

(Note) The above table does not represent all of the knowledge, experience and capabilities of each Director.