

Securities Code: 3101

June 2, 2026

To our shareholders:

Ikuko Takeuchi
President and Representative Director,
CEO and Co-COO
Toyobo Co., Ltd.
1-13-1 Umeda, Kita-ku, Osaka

Notice of the 168th Annual General Meeting of Shareholders

The 168th Annual General Meeting of Shareholders of Toyobo Co., Ltd. (the “Company”) will be held as follows. In convening this meeting, the Company takes measures for providing informational materials in electronic format, including Reference Documents for this meeting, Business Report and Financial Statements (items subject to measures for providing information in electronic format). These materials are posted on the Company’s website, etc. Please refer to either of the following URLs.

The Company’s website:

<https://ir.toyobo.co.jp/ja/ir/stock/shareholder.html> (in Japanese)

(Reference) <https://ir.toyobo.co.jp/en/ir/stock/shareholder.html> (in English)

Website for the general meeting of shareholders:

<https://d.sokai.jp/3101/teiji/>

Note that your voting right can be exercised over the internet or in writing instead of attending on the day of the event. In that case, please consider the Reference Documents for General Meeting of Shareholders, and exercise your voting right by the end of business hours at 5:30 p.m. on Tuesday, June 23, 2026 (JST).

1. Date and Time: Wednesday, June 24, 2026, at 10:00 a.m. (JST) (Reception will begin at 9:00 a.m.)

2. Venue: Umeda South Hall, 11th Floor, Osaka Umeda Twin Towers South
1-13-1 Umeda, Kita-ku, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 168th term (April 1, 2025 to March 31, 2026), and audit results of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the 168th term (April 1, 2025 to March 31, 2026)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |

4. Matters Decided on Regarding the Convocation

- (1) Pursuant to laws and regulations and Article 17 of the Articles of Incorporation, the following items are not described in the paper-based documents to be delivered to shareholders who have requested the delivery of paper-based documents; “Internal control system and the outline of the operation of the system” and “Basic policy regarding company control” of the Business Report, “Consolidated Statements of Changes in Equity” and “Accompanying notes” in the Consolidated Financial Statements, and “Statements of Changes in Equity” and “Accompanying notes” in the Non-consolidated Financial Statements. Accordingly, the paper-based documents to be delivered to shareholders who have requested the delivery of paper-based documents are

part of the documents audited by the Audit and Supervisory Committee and the Financial Auditor in the course of the preparation of their audit reports.

- (2) If multiple votes are exercised over the internet and in writing, the vote exercised over the internet will be counted as the valid vote. In addition, if multiple votes are exercised through the same method, the last vote exercised will be counted as the valid vote.
- (3) If you exercise your voting rights in writing and your voting form does not indicate for or against each proposal, your vote will be deemed to be in favor of the proposal.

- Please bring the enclosed voting form for submission at reception desk when you attend on the day of the meeting.
- If revisions to the items subject to measures for providing information in electronic format arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website, etc. on the internet stated above.
- The results of the resolutions will be posted on the Company's website at the URL stated above in lieu of the mailing of a written resolution notification.

[Reference] Summary of Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The year-end dividend for the current fiscal year is ¥40 per share.
The effective date of dividends of surplus is June 25, 2026.

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

The name, position at the Company, and attendance at meetings of the Board of Directors of each candidate are as follows:



Candidate No.

1

Reelection

Seiji Narahara (Male)

Chair of the Board, Director

Attendance at meetings of the Board
of Directors: 100% (17/17)



Candidate No.

2

Reelection

Ikuo Takeuchi (Male)

Representative Director, President
and Chief Operating Officer

Attendance at meetings of the Board
of Directors: 100% (17/17)



Candidate No.

3

Reelection

Taichi Sakai (Male)

Representative Director
and Senior Managing Executive
Officer

Attendance at meetings of the Board
of Directors: 100% (17/17)



Candidate No.

4

New election

Kazuhito Ikeda (Male)

Managing Executive Officer

Attendance at meetings of the Board
of Directors: —



Candidate No.

5

Reelection

Outside

Independent

Masaaki Harima (Male)

Director

Attendance at meetings of the Board
of Directors: 94% (16/17)



Candidate No.

6

Reelection

Outside

Independent

Hiroshi Fukushi (Male)

Director

Attendance at meetings of the Board
of Directors: 94% (16/17)



Candidate No.

7

Reelection

Outside

Independent

Shoko Takase (Female)

Director



Candidate No.

8

Reelection

Outside

Independent

Yuki Kanzaki (Female)

Director

Attendance at meetings of the Board
of Directors: 100% (17/17)

Attendance at meetings of the Board
of Directors: 100% (13/13)

Proposal No. 3 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

The candidate is Yoshinori Satoi.

[Reference] Structure of the Board of Directors and the Audit and Supervisory Committee (Scheduled)

The Board of Directors shall possess the expertise and skills required for appropriate choices of a strategic course and important decisions on the execution of business, with the independence required for the strengthening of management supervision. It shall also maintain a balanced system as a whole by securing diversity in terms of career history, gender, and age, etc. The ratio of outside Directors is one half or greater, and the number of members is prescribed in the Articles of Incorporation as 15 or less.

The Audit and Supervisory Committee, from the perspective of ensuring the effective auditing and supervision of the execution of Directors' duties, includes personnel with expertise and skills in finance and accounting, as well as with knowledge of the Group's business.

The Company has identified the seven fields as important areas of expertise and skills that are expected of Directors. The details are as follows.

Corporate Management

Supervising and promoting strategies for sustainable growth, such as adjusting our business portfolio based on an overview of the entire Group, in line with business opportunities and risks in Japan and abroad.

Production/Technology/Development

Supervising and promoting strategies for preparing for the future, such as enhancing hands-on manufacturing skills, discovering new businesses and technologies, and commercializing themes.

Marketing/Sales

Supervising and promoting sales strategies for creating business opportunities in growth fields and further cultivating our existing businesses.

Finance/Accounting

Supervising and promoting capital policies and financial strategies to achieve management plans based on a high level of expertise in the fields of finance and accounting.

Environment/Society

Supervising and promoting strategies for achieving a sustainable society via our business and contributing to solving social issues, as outlined in our Sustainable Vision 2030.

Governance/Risk Management/Compliance

Supervising and promoting safety, disaster preparedness, quality, and commitment to compliance, which form the foundation of our business, and strengthening of our risk management practices, as we must continue to work on these areas.

IT/DX

Supervising and promoting digital strategies for establishing competitive edge and transforming our business model via information technology (IT) and digital transformation (DX).

Each Director shall leverage the complementary strengths in these important areas, aiming to enhance the corporate value through the achievement of our Sustainable Vision 2030 and 2030 Medium-Term Management Plan.

If Proposal No. 2 is approved and adopted as proposed, the Board of Directors and the Audit and Supervisory Committee will be composed as follows:

	Name (Age)	Non-Executive Officer	Corporate Management	Production/ Technology/ Develop- ment	Marketing/ Sales	Finance/ Accounting	Environment / Society	Governance/ Risk Management /Compliance	IT/DX
Director	Seiji Narahara (69)	○ (Chair of the Board)	○			○	○	○	
	Ikuo Takeuchi (63)		○		○	○	○	○	
	Taichi Sakai (63)		○	○			○	○	○
	Kazuhito Ikeda (58)			○	○		○	○	
	Masaaki Harima (75)	○ Independent Officer					○	○	
	Hiroshi Fukushi (68)	○ Independent Officer	○	○		○		○	○
	Shoko Takase (61)	○ Independent Officer		○	○			○	○
	Yuki Kanzaki (63)	○ Independent Officer		○			○	○	
Director (Audit and Supervisory Committee Member)	Takayuki Tabo (65)	○			○	○		○	
	Akihiko Irie (69)	○ Independent Officer			○			○	○
	Wakyu Shinmen (69)	○ Independent Officer				○		○	

Notes: 1. The age is as of the end of this meeting.
2. The skills displayed above are expertise and skills that are expected of each Director by the Company, and do not depict all of the knowledge and experience held by each Director.

[Reference] Independence Standards for Outside Directors

The Company has deemed that if none of the attributes in the following items apply, the outside Director (or the candidate for outside Director) has a high degree of independence from the Company, and there are no concerns of conflicts of interest with general shareholders.

- (1) A major shareholder in the Company (refers to a shareholder with a voting rights ownership ratio of 10% or more; the same applies below) or an individual who executes business for the shareholder
- (2) An individual who executes business for a company of which the Company is a major shareholder
- (3) A business partner of the Company for which the Company is a major partner (refers to a party that provides products or services to the Company for which the average annual transaction amount for the past three fiscal years is over 2% of that business partner's annual gross sales) or an individual who executes business for that company
- (4) A major business partner of the Company (refers to a party that the Company provides products or services to for which the average annual transaction amount for the past three fiscal years is over 2% of the Company's annual gross sales) or an individual who executes business for that company
- (5) An individual who executes business as an employee of a financial institution that is a major lender to the Company (refers to a lender for which the loan balance amount is equivalent to over 2% of the Company's total assets)
- (6) An individual who obtains over ¥10 million per year in cash or other assets in profit from the Company as a specialist, such as a consultant, accountant, or attorney at law, other than officers' compensation (or an individual who belongs to a corporation, etc., that obtains over ¥100 million per year in this matter)
- (7) An individual who is an executive of a company with a reciprocal election relationship for outside officers
- (8) An individual for which any item in (1) to (7) above has applied within the past three years
- (9) A spouse or relation within the second degree of an individual for which any item in (1) to (8) above applies

Note: Even if none of the attributes above apply, in some cases it may be deemed that there is no independence in consideration of matters such as transaction volumes at a Group company of the Company or a Group company of a business partner.

Reference Documents for General Meeting of Shareholders

Proposals and reference items

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company views the provision of appropriate profit returns to shareholders as one of the most important management issues, and dividends are determined through an overall judgment that takes into consideration matters such as sustainable profit levels, retained earnings for future investments, and improvements to our financial position, while setting the continuation of stable dividend as our basic policy, with a target total return ratio of 30%. The Company proposes to pay year-end dividend for the current fiscal year of ¥40 per share as follows.

- 1 Type of dividend property
 Cash
- 2 Allotment of dividend property to shareholders and their aggregate amount
 ¥40 per common share for a total of ¥3,529,790,720
- 3 Effective date of dividends of surplus
 June 25, 2026

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

The terms of all eight Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this meeting. Therefore, we would like to elect eight Directors (excluding Directors who are Audit and Supervisory Committee Members), four of whom are outside Directors.

The nomination of the candidates is decided on in consideration of the report of the Nomination and Compensation Advisory Committee, which is chaired by an outside Director and of which outside Directors form a majority.

The Audit and Supervisory Committee has reviewed this proposal, including the deliberations of the Nomination and Compensation Advisory Committee, and has advised that there are no particular concerns to raise.

Each candidate is as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	 Seiji Narahara (October 17, 1956) Reelection Attendance at meetings of the Board of Directors 100% (17/17)	Jan. 1988 Joined the Company Apr. 2010 Executive Officer June 2011 Director and Executive Officer Apr. 2014 Representative Director, President and Chief Operating Officer Apr. 2021 Chair of the Board, Director (current position) June 2023 Director (Outside) Member of the Board, SCREEN Holdings Co., Ltd. (current position) May 2025 Representative Director and Chairman, Sen-i Kaikan Co., Ltd. (current position) [Significant concurrent positions outside the Company] Director (Outside) Member of the Board, SCREEN Holdings Co., Ltd. Representative Director and Chairman, Sen-i Kaikan Co., Ltd.	70,901 shares
Reasons for nomination as candidate for Director Seiji Narahara has supported the long-term reforms to the Company's business portfolio utilizing his deep insight in Finance, Accounting and other areas, and as Representative Director since April 2014, has been leading the management of the Group and contributing to the enhancement of its corporate value, including reestablishing the corporate philosophy framework and expanding the film business. Furthermore, he has served as Chair of the Board & Director since his appointment in April 2021, and has appropriately fulfilled the role in important decision making and in supervising the execution of business. Based on these results, we expect he will continue to fulfill the role as Director and nominate him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	 Ikuo Takeuchi (October 15, 1962) Reelection Attendance at meetings of the Board of Directors 100% (17/17)	Apr. 1985 Joined the Company Apr. 2018 Executive Officer Apr. 2020 Managing Executive Officer June 2020 Director and Managing Executive Officer Apr. 2021 President, Representative Director (CEO and Co-COO) (current position) (Currently Controlling Supervisor of Internal Audit Department)	56,079 shares
Reasons for nomination as candidate for Director Ikuo Takeuchi has held several important positions in Corporate Planning and at overseas offices, and subsequently served as Head of Membranes & Environment Division where he brought the path to growth in that division into focus. As Representative Director since April 2021, he has worked on the development of the Medium-Term Management Plan, and has been leading sustainable growth of the Group with strong leadership. Based on these results, we expect he will continue to fulfill the role as Director and nominate him as a candidate for Director.			
3	 Taichi Sakai (November 26, 1962) Reelection Attendance at meetings of the Board of Directors 100% (17/17)	Apr. 1986 Joined the Company Apr. 2016 Deputy Director, Senior General Manager of Production Technology Division and Global Business Planning Division Officer Dec. 2020 Executive Officer Apr. 2023 Managing Executive Officer June 2023 Director and Managing Executive Officer Apr. 2024 Representative Director, Senior Managing Executive Officer (current position) (Currently Head, Environment, Safety and Disaster Management Division, and Controlling Supervisor of Production Technology Division and Procurement and Logistics Department)	24,295 shares
Reasons for nomination as candidate for Director Taichi Sakai has held several important positions in Production Technology Division and at major production sites of the Company. As Director since June 2023, leveraging his extensive experience and expertise in the field of production technology, he has contributed to promoting technological innovation and safety and disaster management. Based on these results, we expect he will continue to fulfill the role as Director and nominate him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	 Kazuhito Ikeda (August 31, 1967) New election Attendance at meetings of the Board of Directors —	Apr. 1990 Joined the Company July 2011 General Manager of Iwakuni Membrane Plant Oct. 2019 Deputy Director, General Manager of AC Equipment Department, AC & SB Operating Department Apr. 2021 Deputy Director, General Manager of Environmental Solutions Operating Department, General Manager of Environmental Solutions Equipment Department, and General Manager of Environmental Solutions Business Development Department Apr. 2023 Executive Officer Apr. 2026 Managing Executive Officer (current position) (Currently Head of Life Science Division)	10,794 shares
Reasons for nomination as candidate for Director After holding key positions across the Company's Life Science Division, Kazuhito Ikeda went on to lead the Environmental Solutions business, and at a major subsidiary drove structural reforms as General Manager of Production. Drawing on his extensive experience across business operations, production technology, and development, he has made significant contributions to the performance of the Group as a whole. Based on these results, we expect he will be able to fulfill the role as Director and nominate him as a candidate for Director.			
5	 Masaaki Harima (December 9, 1950) Reelection Outside Independent Attendance at meetings of the Board of Directors 94% (16/17)	Apr. 1977 Assistant Judge at Osaka District Court Apr. 1980 Fukushima District / Family Court Assistant Judge, Fukushima Summary Court Judge May 1981 Registered as an attorney at law (Osaka Bar Association) Sep. 1987 Founded Harima Law Office (current Fushimimachi Lawyer's Office) Apr. 2010 Chairman of Osaka City Fair Work Committee June 2011 Outside Corporate Auditor of Ishihara Sangyo Kaisha, Ltd. Mar. 2014 Chairman of Osaka Prefecture Labor Relations Board June 2014 Independence Committee of the Company Nov. 2018 Member of Osaka Prefecture Pollution Examination Committee Oct. 2019 Sakai City Audit Committee Member June 2020 Outside Director of the Company (current position) Apr. 2021 Chairperson of Osaka Prefecture Pollution Examination Committee [Significant concurrent positions outside the Company] Attorney at Fushimimachi Lawyer's Office	0 shares
Reasons for nomination as candidate for outside Director and overview of expected role Masaaki Harima has leveraged his expertise and wide-ranging knowledge as an attorney at law to actively make statements from an independent perspective at the meetings of the Board of Directors. He has appropriately fulfilled the role expected of him by the Company, including providing advice to management and management supervision through important decision making, such as by providing advice to risk management and enhancement of governance. Based on these results, we expect he will continue to fulfill the above roles and nominate him as a candidate for outside Director. Note that while he has never in the past been involved in the management of a company except as an outside Director or outside Corporate Auditor, the Company judges that he will fulfill his duties as an outside Director based on the above reasons.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	 Hiroshi Fukushi (April 25, 1958) Reelection Outside Independent Attendance at meetings of the Board of Directors 94% (16/17)	Apr. 1984 Joined Ajinomoto Co., Inc. June 2011 Corporate Executive Officer June 2013 Member of the Board & Corporate Vice President June 2013 General Manager, Bioscience Products & Fine Chemicals Division June 2015 Member of the Board & Corporate Senior Vice President June 2017 Representative Director June 2019 Director, Corporate Executive Deputy President June 2019 Chief Digital Officer May 2021 Chairman of Japan Food Additives Association May 2021 Vice Chairman of Japan Food Hygiene Association June 2021 Representative Executive Officer & Executive Vice President of Ajinomoto Co., Inc. Apr. 2022 Member of the Board, Executive Officer June 2022 Senior Corporate Advisor June 2022 Outside Director of the Company (current position) June 2022 Outside Director of MEGMILK SNOW BRAND Co., Ltd. (current position) June 2025 Outside Director of the Board (Audit and Supervisory Committee Member) of Members Co., Ltd. (current position) [Significant concurrent positions outside the Company] Outside Director of MEGMILK SNOW BRAND Co., Ltd. Outside Director of the Board (Audit and Supervisory Committee Member) of Members Co., Ltd.	2,732 shares
Reasons for nomination as candidate for outside Director and overview of expected role Hiroshi Fukushi has leveraged his extensive experience and wide-ranging knowledge as a manager to actively make statements from an independent perspective at the meetings of the Board of Directors and served as the Chair of the Nomination and Compensation Advisory Committee. He has appropriately fulfilled the role expected of him by the Company, including providing advice to management and management supervision through important decision making, such as by providing advice to management in fields such as biotechnology and digital technologies. Based on these results, we expect he will continue to fulfill the above roles and nominate him as a candidate for outside Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	 Shoko Takase (January 4, 1965) Reelection Outside Independent Attendance at meetings of the Board of Directors 100% (17/17)	Apr. 1987 Joined IBM Japan Ltd. Jan. 2005 Seconded to IBM Corporation (IBM Corporation USA Headquarter) Jan. 2010 Brand Executive of Tivoli, Software Group, IBM Japan Ltd. July 2015 Mobile County Leader, Growth Initiatives July 2016 Brand Executive of Resiliency Services, Global Technology Services July 2018 Director, Head of IBM Cloud Solutioning Center Apr. 2019 Managing Director for Enterprise Sector, Cisco Systems G.K. July 2021 Advisor of TechnoPro Holdings, Inc. Sep. 2021 Outside Director June 2023 Outside Director of the Company (current position) June 2023 Outside Director of GLOBERIDE, Inc. (current position) [Significant concurrent positions outside the Company] Outside Director of GLOBERIDE, Inc.	1,521 shares
Reasons for nomination as candidate for outside Director and overview of expected role Shoko Takase has leveraged her extensive experience and wide-ranging knowledge as a manager to actively make statements from an independent perspective at the meetings of the Board of Directors and served as a committee member of the Nomination and Compensation Advisory Committee. She has appropriately fulfilled the role expected of her by the Company, including providing advice to management and management supervision through important decision making, such as by providing advice to management in fields such as IT and digital technologies. Based on these results, we expect she will continue to fulfill the above roles and nominate her as a candidate for outside Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	 Yuki Kanzaki (April 24, 1963) Reelection Outside Independent Attendance at meetings of the Board of Directors 100% (13/13)	Mar. 1992 Joined Kirin Brewery Co., Ltd. (current Kirin Holdings Company, Limited) Mar. 2016 Executive Officer, General Manager of Kobe Plant of Production Division at Kirin Brewery Co., Ltd. Mar. 2017 Executive Officer, General Manager of Yokohama Plant of Production Division Mar. 2019 Senior Executive Officer, General Manager of Yokohama Plant of Production Division Mar. 2020 Senior Executive Officer and General Manager of Corporate Strategy Department at Kyowa Hakko Bio Co., Ltd. Jan. 2022 President and CEO of Kyowa Hakko Bio Co., Ltd. Mar. 2022 Managing Executive Officer of Kirin Holdings Company, Limited and President and CEO of Kyowa Hakko Bio Co., Ltd. Mar. 2025 Outside Director of Daifuku Co., Ltd. (current position) June 2025 Outside Director of the Company (current position) [Significant concurrent positions outside the Company] Outside Director of Daifuku Co., Ltd.	0 shares
Reasons for nomination as candidate for outside Director and overview of expected role Yuki Kanzaki has leveraged her extensive experience and wide-ranging knowledge as a manager to actively make statements from an independent perspective at the meetings of the Board of Directors, and she has appropriately fulfilled the role expected of her by the Company, including providing advice to management and management supervision through important decision making, such as by providing advice to management in fields such as production technology and research and development. Based on these results, we expect she will continue to fulfill the above roles and nominate her as a candidate for outside Director.			

- Notes:
- There is no special interest between any of the candidates for Director and the Company.
 - Outline of the directors and officers liability insurance policy with the candidates for Director as the insured.
The Company has entered into a directors and officers liability insurance policy with an insurance company to cover the damages incurred by the insured as a result of claims against the insured during the insurance period as well as damages due to litigation expenses. All candidates for Director are included in the insureds of the said insurance policy, and the Company plans to renew the policy with the same contents at the next renewal. The outline of the insurance policy is shown in “3. Outline of the contents of the directors and officers liability insurance policy” in “III. Matters concerning corporate officers” of the Business Report (in Japanese only).
 - Masaaki Harima, Hiroshi Fukushi, Shoko Takase, and Yuki Kanzaki are candidates for outside Director.
 - Remarks related to the candidates for outside Director are as follows.
 - Tenure as outside Director of the Company
 - At the conclusion of this meeting, Masaaki Harima's tenure as outside Director of the Company will have been six years.
 - At the conclusion of this meeting, Hiroshi Fukushi's tenure as outside Director of the Company will have been four years.
 - At the conclusion of this meeting, Shoko Takase's tenure as outside Director of the Company will have been three years.
 - At the conclusion of this meeting, Yuki Kanzaki's tenure as outside Director of the Company will have been one year.
 - Limited liability agreement
The Company has entered into limited liability agreements with Masaaki Harima, Hiroshi Fukushi, Shoko Takase, and Yuki Kanzaki limiting liability to the amount stipulated by laws and regulations. If their election is approved, the Company plans to renew the aforementioned agreements with them.
 - Matters concerning independence
 - Masaaki Harima, Hiroshi Fukushi, Shoko Takase, and Yuki Kanzaki satisfy the requirements of the Independence Standards for outside Directors stipulated by the Company.

- The Company does not have a trading relationship with Fushimimachi Lawyer's Office, at which Masaaki Harima is engaged in his significant concurrent position.
- The Company does not have a trading relationship with MEGMILK SNOW BRAND Co., Ltd., or Members Co., Ltd., at which Hiroshi Fukushi is engaged in his significant concurrent positions. Although the Company does have a trading relationship with Ajinomoto Co., Inc., at which Hiroshi Fukushi served as an individual who executed business in the past, the volume of such transactions represents less than 0.1% of both companies' consolidated sales in the most recent fiscal year.
- The Company does not have a trading relationship with Cisco Systems G.K., at which Shoko Takase served as an individual who executed business in the past, and GLOBERIDE, Inc., at which Shoko Takase is engaged in her significant concurrent position. Although the Company does have a trading relationship with IBM Japan Ltd., at which she served as an individual who executed business in the past, the volume of such transactions represents less than 0.1% of both companies' consolidated sales in the most recent fiscal year.
- The Company does not have a trading relationship with Kirin Holdings Company, Limited, Kirin Brewery Co., Ltd., or Kyowa Hakko Bio Co., Ltd., at which Yuki Kanzaki was previously an executive. Although the Company does have a trading relationship with Daifuku Co., Ltd., at which she is engaged in her significant concurrent position, the volume of such transactions represents less than 0.1% of both companies' consolidated sales in the most recent fiscal year.
- The Company has notified the Tokyo Stock Exchange of Masaaki Harima, Hiroshi Fukushi, Shoko Takase, and Yuki Kanzaki's appointments as independent Officers as provided for by the aforementioned exchange.

Proposal No. 3 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

We would like to elect one substitute Director who is an Audit and Supervisory Committee Member in case the number of Directors who are Audit and Supervisory Committee Members become insufficient to satisfy that required by law.

The nomination of the candidates is decided on in consideration of the report of the Nomination and Compensation Advisory Committee, which is chaired by an outside Director and of which outside Directors form a majority.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
Yoshinori Sato (December 10, 1962) Outside Independent	Apr. 1996 Registered as an attorney at law Apr. 1996 Joined Takagi Motaichi Law Office Feb. 2006 Outside Corporate Auditor of Zojirushi Corporation June 2015 Outside Corporate Auditor of NCS&A CO., LTD. June 2015 Outside Corporate Auditor of the Company Dec. 2016 Joined Yasaka Law Office [Significant concurrent positions outside the Company] Attorney at law of Yasaka Law Office	0 shares
Reasons for nomination as candidate for substitute outside Director who is an Audit and Supervisory Committee Member and overview of expected role Yoshinori Sato has extensive experience as an attorney at law and the Company expects that he can utilize his expertise and wide range of knowledge to appropriately fulfill the role expected by the Company, including management auditing and management supervision through important decision making, and therefore nominates him as a candidate for substitute outside Director who is an Audit and Supervisory Committee Member. Furthermore, while he has never in the past been involved in the management of a company except as an outside Director or outside Corporate Auditor, he has a track record of serving as an outside Corporate Auditor of the Company, and due to having sufficient knowledge of the Group's business content and audit system, etc., the Company has determined that he would perform duties appropriately if the number of Directors who are Audit and Supervisory Committee Members falls below the number prescribed by laws and regulations.		

- Notes:
- Although the Group has paid compensation to Yoshinori Sato as an outside advisor or for other roles on compliance for the Company, the amount of such compensation in the most recent fiscal year was a trivial amount of less than ¥1 million, which is not significant enough to give rise to a special interest relationship.
 - Outline of the directors and officers liability insurance policy with the candidate for substitute Directors who are Audit and Supervisory Committee Members as the insured.
The Company has entered into a directors and officers liability insurance policy with an insurance company to cover the damages incurred by the insured as a result of claims against the insured during the insurance period as well as damages due to litigation expenses. If the candidate for substitute Director who is an Audit and Supervisory Committee Member is appointed as a Director who is an Audit and Supervisory Committee Member, he will be included in the insured persons of the said insurance policy, and the Company plans to renew the policy with the same contents at the next renewal. The outline of the insurance policy is shown in "3. Outline of the contents of the directors and officers liability insurance policy" in "III. Matters concerning corporate officers" of the Business Report (in Japanese only).
 - Yoshinori Sato is a candidate for substitute outside Director who is an Audit and Supervisory Committee Member.
 - Remarks related to the candidates for substitute outside Directors who are Audit and Supervisory Committee Members are as follows.
 - Limited liability agreement
If this proposal is approved and adopted and Yoshinori Sato assumes the office of outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into limited liability agreement with him limiting liability to the amount stipulated by laws and regulations.
 - Matters concerning independence
 - The Company has not concluded an advisory contract with Yasaka Law Office, at which Yoshinori Sato is engaged in his significant concurrent position, and he satisfies the requirements of the Independence Standards for outside Directors stipulated by the Company.
 - If he assumes the office of outside Director who is an Audit and Supervisory Committee Member, the Company plans to notify the Tokyo Stock Exchange of his appointment as an Independent Officer as provided for by the aforementioned exchange.