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Sanwa Holdings Corporation

(Stock Code: 5929)

June 1, 2023

1-1, Nishi-Shinjuku 2-Chome, Shinjuku-ku, Tokyo, Japan

Yasushi Takayama Representative Director, President

Convocation Notice of The 88th Ordinary General Meeting of Shareholders

To Our Shareholders;

We hereby would like to appreciate your constant and deep consideration to Sanwa Holdings Corporation (the "Company").

The 88th Ordinary General Meeting of Shareholders of the Company (the "Meeting") will be held as described on the next page and you are cordially notified of the Meeting.

When convening the Meeting, the Company takes measures for providing in electronic format the information that constitutes the content of Reference Documents for General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

The Company's website:

https://www.sanwa-hldgs.co.jp/ir/stock info/meeting.html (in Japanese)

Website for posted informational materials for the Meeting:

https://d.sokai.jp/5929/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 "Sanwa Holdings Corporation" in "Issue name (company name)" or the Company's securities code "5929" 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].")

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Recitals

1. Date and Time: Friday, June 23, 2023 at 10:00 a.m.

(Reception begins at 9:00 a.m.)

2. Place: NS Sky-Conference Room 1, Shinjuku NS Building, 30th floor

4-1, Nishi-Shinjuku 2-Chome, Shinjuku-ku, Tokyo

3. Agenda of the Meeting:

Matters to be Reported:

- Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Audit and Supervisory Committee on the Consolidated Financial Statements, for the 88th Term (from April 1, 2022 to March 31, 2023).
- 2. Report on the Non-Consolidated Financial Statements for the 88th Term (from April 1, 2022 to March 31, 2023).

Matters to be Resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Seven Directors (Excluding Directors Serving as Audit and

Supervisory Committee Members)

Proposal 3: Election of One Director Serving as Substitute Audit and Supervisory

Committee Member

4. How to Exercise Voting Rights

- (1) Upon exercising your voting rights in writing (by mail), if you do not indicate your approval or disapproval of the Proposals on the Form for Exercise of Voting Rights, it shall be deemed as an intention of approval.
- (2) If you exercise your voting rights more than once via the Internet, etc., the last vote shall be deemed valid.
- (3) If you exercise your voting rights both via the Internet, etc. and in writing (by mail), the vote exercised via the Internet, etc. shall be deemed valid regardless of the arrival date and time.
- (4) If you exercise your voting rights by proxy, you may designate one other shareholder holding voting rights of the Company to attend the Meeting. Please note, however, that it is necessary to submit a document proving the authority of the proxy.
- (5) If you wish to make a diverse exercise of your voting rights, please notify the Company of your intention of making a diverse exercise of your voting rights and the reasons by three days prior to the Meeting.

Website for Exercising Voting Rights

https://evote.tr.mufg.jp/ (in Japanese)

Reference Documents for General Meeting of Shareholders

Proposals and Reference Materials

Proposal 1: Appropriation of Surplus

It is proposed that surplus to be appropriated as follows.

Matters related to term-end dividends

It is the Company's basic policy to provide dividend payments in line with consolidated performance and to keep stable payout ratio in order to further pursue corporate management to increase the corporate value while improving the business structure and strengthening the management base. Concretely, dividend payments of the profit attributable to owners of the parent company for the term are aimed to be 40% as payout ratio.

By giving consideration to business performance and future business development, among others, the term-end dividend for the fiscal year under review is proposed to be \mathbb{\xi}33 per share, as detailed below.

(1) Type of dividend assets

Cash

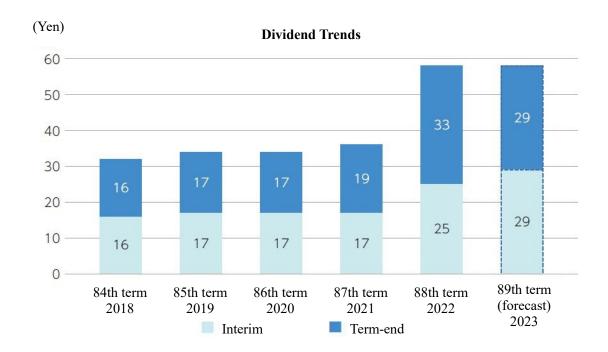
(2) Items relating to the allocation of dividend assets to shareholders and its total amount ¥33 per share of common stock Total ¥7,293,488,103

(¥58 per annum adding paid interim dividend ¥25 per share)

(3) Effective date of payment of dividend from surplus

June 26, 2023

[Reference: Dividend trends]



	84th term	85th term	86th term	87th term	88th term	89th term (forecast)
Interim dividend/share	¥16	¥17	¥17	¥17	¥25	¥29
Term-end dividend/share	¥16	¥17	¥17	¥19	¥33	¥29
Annual dividend/share	¥32	¥34	¥34	¥36	¥58	¥58
Profit attributable to owners of parent/share	¥92.94	¥97.13	¥96.21	¥103.39	¥149.70	¥143.88
Payout ratio	34.4%	35.0%	35.3%	34.8%	38.7%	40.3%

Proposal 2: Election of Seven Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

At the close of the Meeting, all seven Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same shall apply throughout this proposal) will resign due to the expiration of their terms of office.

We therefore propose the election of seven Directors.

For this proposal, the Audit and Supervisory Committee of the Company has determined that every candidate is appropriate to be a Director of the Company.

The candidates for Director are as follows:

Candidate No.	Name		Position in the Company	
1	Male	Yasushi Takayama	Representative Director, President Executive Officer, President	Reelection
2	Male	Toshitaka Takayama	Director, Senior Advisor	Reelection
3	Male	Hiroyuki Yamazaki	Director Senior Executive Officer	Reelection
4	Male	Toshiaki Doba	Director Senior Executive Officer	Reelection
5	Male	Meiji Takayama	Director	Reelection
6	Male	Masanaka Yokota	Director	Reelection Outside Independent
7	Female	Hiroko Ishimura	Director	Reelection Outside Independent

Reelection: candidate for Director to be reelected

Outside: candidate for Outside Director

Independent: independent officer as provided for by the securities exchange

Candidate No.	Name (Date of Birth)	Perso	Number of the Company's shares owned	
1	Yasushi Takayama (February 3, 1971) Reelection	October 2006 April 2008 April 2009 April 2010 April 2010 April 2011 April 2011 April 2012 April 2012 June 2012 April 2016 April 2016 April 2017 April 2017 April 2019 April 2020 Number of years i Attendance at Boameetings	•	157,317 shares

Since joining the Company in 2006, Mr. Yasushi Takayama has served in important positions, including General Manager of Total Cost Reduction (TCR) Dept. and General Manager of Structural Reform Dept., where he promoted a wide range of management reforms throughout the Company Group. After assuming office as President in 2017, he has promoted global group management both in Japan and overseas, laying the foundation for the Company to become a major global player. Based on his extensive experience and track record, the Company has determined that he remains qualified to be a Director.

Candidate No.	Name (Date of Birth)	Perso	Number of the Company's shares owned	
2	Toshitaka Takayama (April 25, 1939) Reelection	August 1963 April 1972 April 1974 April 1974 January 1977 April 1980 May 1981 August 1985 June 2000 October 2007 April 2012 June 2012 April 2019 April 2020 June 2022 Number of years i Attendance at Boameetings	· · · · · · · · · · · · · · · · · · ·	1,846,290 shares

Since assuming office as Director in 1972, Mr. Toshitaka Takayama has promoted the diversification of the door, maintenance and service, and other businesses, and has made a substantial contribution to enhancing the Company's presence in Japan. By driving the overseas expansion of the business ahead of the Company's peers, he has also greatly assisted in the globalization of the Company Group. Based on his extensive experience, acumen, and track record in the construction material business, the Company has determined that he remains qualified to be a Director.

Candidate No.	Name (Date of Birth)	Persona	Number of the Company's shares owned	
		April 1983	Joined Sumitomo Corporation	
		December 1995	Vice President, Phoenixcore, Inc. (USA)	
		January 1999	General Manager of Machinery Department,	
			Chicago Office, Sumitomo Corporation of America	
		June 2009	Director (Outside), CSK Holdings Corporation	
		April 2010	Executive Officer, Sumisho Computer Systems	
			Corporation	
	las.	April 2016	Representative Director, Executive Vice President,	
			SCSK Corporation	
		September 2017	Joined the Company	
		April 2018	Senior Executive Officer (present post)	
3			Subleader of Corporate Planning Unit	20,035 shares
			(Concurrent) General Manager of Corporate	
			Planning Dept.	
		April 2020	Responsible for Corporate Planning Unit	
	Hiroyuki Yamazaki (February 3, 1961)		(present post)	
	(1 cordary 3, 1501)	June 2020	Director (present post)	
	Reelection		(Important concurrent positions)	
			Director, Overhead Door Corporation	
		Director, Novoferm Germany GmbH.		
		Number of years in	office 3 years	
		Attendance at Board meetings	of Directors 100%	

Mr. Hiroyuki Yamazaki held important positions at a trading company, a system development company, and other organizations before joining the Company in 2017. At the Company, he has contributed to the growth of the Company Group both on the attacking and defensive aspects, by utilizing his extensive experience and acumen to promote management strategy and global personnel strategy, as well as strengthen risk management and so forth. Based on his experience and acumen, the Company has determined that he remains qualified to be a Director.

Candidate No.	Name (Date of Birth)	Persona	Personal History, Positions, Role in the Company (Important concurrent positions)		
		April 1985	Joined ITOCHU Corporation		
		April 2000	Joined Johnson & Johnson K.K.		
		April 2007	General Manager of Corporate Planning Dept., Accounting and Finance Div., Medical Company, Johnson & Johnson K.K.		
		July 2008	CFO, Consumer Company, Johnson & Johnson K.K.		
		November 2010	Head of Distribution Strategy Div. (Senior Director), Medical Company, Johnson & Johnson K.K.		
		April 2014	Joined the Company		
		April 2015	General Manager of Strategic Re-Engineering Dept.		
		April 2016	Executive Officer		
			Head of Americas Business, Europe and Americas Business Unit		
		April 2019	Senior Executive Officer (present post)		
		April 2020	Head of Europe and Americas Business		
4		April 2021	Subleader of Global Business Unit	11,341 shares	
		January 2022	(Concurrent) General Manager of Global R&D Dept.	11,541 shares	
		April 2022	Responsible for Global Business Unit (present		
	Toshiaki Doba		post)		
	(July 26, 1961)		(Concurrent) General Manager of R&D Dept.	l	
	Reelection	June 2022	Director (present post)		
		April 2023	(Concurrent) Head of Americas Business		
			(present post)		
			(Important concurrent positions)		
			Director, Sanwa USA Inc.		
			Director, Overhead Door Inc.		
			Director, Overhead Door Corporation Director, Novoferm Germany GmbH.		
			Director, VINA-SANWA COMPANY LIABILITY		
			LTD.		
		Number of years in	office 1 year		
		Attendance at Board	l of Directors		
		meetings	100%		

After holding important positions at a trading company and a foreign-owned enterprise, Mr. Toshiaki Doba joined the Company in 2014. At the Company, he has been mainly involved with the Americas Business, making a substantial contribution to expanding the sales of the US subsidiary and improving its profitability. From 2022, he was responsible for Global Business Unit, where he led the Company's business strategy in Europe and Asia, as well as the Americas, contributing to the growth of the Company's global business. Based on his experience and track record, the Company has determined that he remains qualified to be a Director.

Candidate No.	Name (Date of Birth)	Perso	Number of the Company's shares owned	
		October 2006	Joined the Company	
		April 2009	General Manager of Sales Promotion Dept.,	
		-	Building Business Div., Sanwa Shutter Corporation	
		April 2010	Executive Officer, General Manager of Corporate	
			Sales Dept., Building Materials Div., Sanwa Shutter	
			Corporation	
		April 2011	Director, Sanwa Shutter Corporation	
		April 2011	Senior Executive Officer, Head of Building	
			Materials Div., Sanwa Shutter Corporation	
		April 2012	Senior Executive Managing Officer, Head of	
	Meiji Takayama (August 27, 1973)		Building Materials Div., Sanwa Shutter Corporation	
		April 2013	Senior Managing Executive Officer, Head of Sales	
			Development Div., Sanwa Shutter Corporation	
		April 2014	Senior Managing Executive Officer, Head of	
5			Business Strategy Div., Sanwa Shutter Corporation	96,438 shares
		April 2016	Representative Director, Sanwa Shutter Corporation	
		April 2016	Executive Officer, Vice President (Concurrent)	
			Deputy President, Sanwa Shutter Corporation	
		April 2017	Representative Director, President, Sanwa	
			Shutter Corporation (present post)	
	Reelection	April 2017	Chief Executive Officer, Sanwa Shutter	
			Corporation (present post)	
		June 2017	Director, the Company (present post)	
			(Important concurrent positions)	
			Representative Director, President and Chief	
			Executive Officer, Sanwa Shutter Corporation	
		Number of years in	n office 6 years	
		Attendance at Boa	rd of Directors	
		meetings		

Mr. Meiji Takayama held important positions at Sanwa Shutter Corporation, the core business company of the Company Group, such as General Manager of Sales Promotion Dept. and Head of Building Materials Div., before assuming office as Representative Director, President of that company in 2017. Based on his experience and knowledge of the field of construction and the construction materials industry, he has drove the domestic business and contributed to the development of the Company Group. Based on his experience and strong leadership, the Company has determined that he remains qualified to be a Director.

Candidate No.	Name (Date of Birth)	Perso	Number of the Company's shares owned	
6	Masanaka Yokota (January 5, 1955) Reelection Outside Independent	June 2003 January 2009 June 2013 April 2015 June 2020 Number of years in Attendance at Bomeetings	- J	5,400 shares

(Reasons for selecting the candidate and overview of expected role)

As a consultant for many years at JMA Consultants Inc., Mr. Masanaka Yokota provided advice and guidance for improvements and reforms in areas such as management strategy, production & manufacturing, and personnel development. Since he assumed office as Outside Director in 2020, he has utilized his experience as a consultant and as the president of an overseas subsidiary, etc. to provide advice and suggestions on management as a whole, while also providing impartial opinions as a member of the Nomination and Compensation Committee. The Company expects him to utilize these extensive experience and knowledge to continue to provide supervision and advice in relation to the execution of duties by Directors of the Company.

Candidate No.	Name (Date of Birth)	Person	Number of the Company's shares owned	
7	Hiroko Ishimura	April 1978 April 1991 April 1996 April 1998 January 2000 April 2008 February 2021 June 2022 Number of years in	Joined The Mitsubishi Bank, Ltd. Joined Cincom Systems Japan Ltd. Marketing Manager, Cincom Systems Japan Ltd. Sales Manager, East Japan Sales Department, Cincom Systems Japan Ltd. Managing Director, Cincom Systems Japan Ltd. Representative Director, Cincom Systems Japan Ltd. Executive Advisor, Cincom Systems Japan Ltd. Outside Director, the Company (present post)	_
	(August 2, 1955) Reelection Outside Independent	Attendance at Boar meetings	rd of Directors 100%	

(Reasons for selecting the candidate and overview of expected role)

After first being employed by The Mitsubishi Bank, Ltd., Ms. Hiroko Ishimura joined Cincom Systems Japan Ltd. in 1991, where she held important positions, including those of Marketing Manager, Managing Director, and Representative Director. Since she assumed office as Outside Director of the Company in 2022, she has utilized her deep knowledge of solving business problems using IT and digital technologies, etc. and extensive experience as a corporate manager to provide advice and suggestions on management as a whole. The Company expects her to utilize these deep knowledge and extensive experience to continue to provide supervision and advice in relation to the execution of duties by Directors of the Company.

Notes:

- 1. None of the candidates for Director has any special interest with the Company.
- 2. Candidates for Director are selected based on the standard of having capabilities, knowledge, and experience required for monitoring and supervising corporate management from a global perspective and making important decisions related to business. The selection process sees the Nomination and Compensation Committee deliberate on ensuring diversity in the Board of Directors, including not only gender and other kinds of diversity, but also foreign Directors as a global company. The Audit and Supervisory Committee then examines the candidates before the Board of Directors makes a final decision on the candidates after deliberations.
- 3. Mr. Masanaka Yokota is a candidate for Outside Director. The Company has submitted to Tokyo Stock Exchange, Inc. (hereinafter referred to as the "Tokyo Stock Exchange") an Independent Officer List which states his name as an independent officer. He fulfills the Independence Criteria for the Company's Outside Officers, in addition to the requirements for an independent officer as provided for by the Tokyo Stock Exchange. If he is reelected, the Company plans to continue to submit the List of his appointment as an independent officer. The Company Group has also no business relationship with the company where he concurrently serves. Moreover, concerning transactions between the Company Group and the corporate group where he concurrently serves, the average transaction amount for the past three fiscal years was less than 1% of the annual consolidated net sales of each of the groups, and the Company has determined that he has no special conflict of interest with ordinary shareholders.
- 4. Ms. Hiroko Ishimura is a candidate for Outside Director. The Company has submitted to the Tokyo Stock Exchange an Independent Officer List which states her name as an independent officer. She

fulfills the Independence Criteria for the Company's Outside Officers, in addition to the requirements for an independent officer as provided for by the Tokyo Stock Exchange. If she is reelected, the Company plans to continue to submit the List of her appointment as an independent officer.

- 5. In order to invite skillful persons as Director for enhancement of corporate governance of the Company, in Article 29 of the Articles of Incorporation of the Company, the Company establishes that it may enter into a limited liability agreement with Directors, excluding persons who are Executive Directors, etc. The Company has entered into a limited liability agreement with Mr. Masanaka Yokota and Ms. Hiroko Ishimura such that the liability amount related to Article 423, paragraph (1) of the Companies Act shall be limited within the amount stipulated by laws and regulations, in accordance with Article 427, paragraph (1) of the same Act and Article 29 of the Articles of Incorporation of the Company. If they are reelected, the Company plans to continue the same limited liability agreement with them.
- 6. In accordance with Article 430-3, paragraph (1) of the Companies Act, the Company has concluded a directors and officers liability insurance policy with an insurance company. The insureds under this policy are Directors, Directors serving as Audit and Supervisory Committee Members, and Executive Officers, and we plan to renew this policy in October 2023. If each candidate for Director is elected, they will become an insured under the insurance policy.

1) Outline of insurance items covered

The policy covers amount of indemnification, litigation expenses, etc. that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of the said liability. However, to avoid impairing the appropriateness of the insured's performance of duties, the policy does not provide indemnity in the case where the insured has caused damage to the Company intentionally or negligently, or though actions that violate the insured's duty or actions that violate laws, regulations, the Articles of Incorporation, or internal rules.

2) Insurance premiums

The full amount of the insurance premiums is borne by the Company.

Proposal 3: Election of One Director Serving as Substitute Audit and Supervisory Committee Member At the 87th Ordinary General Meeting of Shareholders, Mr. Masanaka Yokota, selected as Director serving as Substitute Audit and Supervisory Committee Member, offered to decline his position at the beginning of the Meeting. Accordingly, to prepare for a situation whereby the number of Directors serving as Audit and Supervisory Committee Members falls below the limit stipulated in laws and regulations, we propose the election of one Director serving as Substitute Audit and Supervisory Committee Member.

This election may be revoked by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only before assuming office as Director serving as Audit and Supervisory Committee Member.

Furthermore, the Audit and Supervisory Committee considered this proposal and have consented to it.

The candidate for Director serving as Substitute Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Person	Number of the Company's shares owned	
	May 1987	Joined Merrill Lynch Securities	
	April 1990	Joined Lehman Brothers Japan Incorporated	
	June 1993	Joined Barings Securities Japan Ltd.	
	August 1995	Joined Merrill Lynch Securities	
Va = V	June 2000	Joined UBS Warburg Securities Ltd.	
	July 2002	Representative Director, Pacific IR (present post)	
	December 2009	Outside Auditor, Asrapport Dining Co., Ltd.	
	June 2016	Outside Director, YONEX CO., LTD. (present	
		post)	=
	January 2022	Corporate Auditor, Yaesu Musen Co., Ltd.	
		(present post)	
Michael Morizumi		(Important concurrent positions)	
(November 9, 1959)		Outside Director, YONEX CO., LTD.	
(**************************************		Representative Director, Pacific IR	
Outside	Number of years in		
Independent	Attendance at Boar		
	meetings		

(Reasons for selecting the candidate and overview of expected role)

Mr. Michael Morizumi has knowledge of corporate analysis, investment decisions, and finance and accounting from his many years of experience as a securities analyst, as well as extensive knowledge of corporate management from his many years of experience as a representative of Pacific IR. When he assumes office as Director serving as Audit and Supervisory Committee Member, the Company expects him to utilize his experience and knowledge to provide appropriate supervision of execution of business by the Company.

Notes:

- Mr. Michael Morizumi is a candidate for Outside Director serving as Substitute Audit and Supervisory Committee Member.
- 2. Mr. Michael Morizumi has no special interest with the Company.
- 3. Mr. Michael Morizumi fulfills the Independence Criteria for the Company's Outside Officers, in addition to the requirements for an independent officer as provided for by the Tokyo Stock Exchange.

If he subsequently assumes office as Director serving as Audit and Supervisory Committee Member, the Company plans to submit the List of his appointment as an independent officer.

- 4. In order to invite skillful persons as Director for enhancement of corporate governance of the Company, in Article 29 of the Articles of Incorporation of the Company, the Company establishes that it may enter into a limited liability agreement with Directors, excluding persons who are Executive Directors, etc. If Mr. Michael Morizumi subsequently assumes office as Director serving as Audit and Supervisory Committee Member, the Company plans to enter into the same limited liability agreement with him.
- 5. In accordance with Article 430-3, paragraph (1) of the Companies Act, the Company has concluded a directors and officers liability insurance policy with an insurance company. The insureds under this policy are Directors, Directors serving as Audit and Supervisory Committee Members, and Executive Officers, and we plan to renew this policy in October 2023. If Mr. Michael Morizumi subsequently assumes office as Director serving as Audit and Supervisory Committee Member, he will become an insured under the insurance policy. For an overview of the content of this insurance policy, please refer to Note 6 on page 13.

Skill Matrix of the Board of Directors

The Board of Directors of the Company has as its standard the possession of the following skills, knowledge, experience, etc., the make-up of Directors consists of abundantly diverse personnel, including corporate managers, persons with overseas business experience, those with knowledge of finance and accounting, specialists in legal affairs.

If the candidates indicated on this Notice are elected as originally proposed, the composition of the Board of Directors will be as follows:

Cand No		e Name		Corporate management Governance	Industry knowledge Industry experience	Global experience	Sales Marketing	Manufacturing and engineering Development and quality assurance	IT Digital	Finance and accounting Monetary	Personnel and labor Personnel development	Legal affairs Risk management Compliance
Directors (1	Yasushi Takayama		0	0				0	0	0	0
Excluding Di	2	Toshitaka Takayama		0	0	0	0	\circ			\circ	
Directors (Excluding Directors serving as Audit and Supervisory Committee Members)	3	Hiroyuki Yamazaki		0		0	0		0	0	0	0
ng as Audit ar	4	Toshiaki Doba		0	0	0	0			0		
ıd Supervisor	5	Meiji Takayama		0	0		0	0		0	0	
y Committee	6	Masanaka Yokota	Outside Independent	0		0		0			0	
Members)	7	Hiroko Ishimura	Outside Independent	0		0	0		0			
Director Superviso	-	Teiko Zaima		0	\circ					\circ	\circ	\circ
Directors serving as Audit and Supervisory Committee Members	-	Tsunekatsu Yonezawa	Outside Independent	0	0	0	\circ					
	-	Akira Gokita	Outside Independent	0						0		0

Note: The above matrix does not indicate all skills, knowledge, experience, etc. possessed by the Directors.

Independence Criteria for Outside Officers

Sanwa Holdings Corporation (hereinafter referred to as the "Company") stipulates the independence criteria for Outside Officers (Outside Directors) as follows, and in the event that an Outside Officer does not fall under any of the following items, the Outside Officer possesses independence from the Company, and it is determined that no conflict of interest with general shareholders will arise.

- 1) A party who is or was executive director, executive officer, or other staff member or employee (referred to collectively below as "Business Executive") in the Company Group (*1).
- 2) A party who holds the Company Group to be a major trading partner (*2), or a Business Executive thereof.
- 3) A party who is a major transaction partner (*3) of the Company Group, or a Business Executive thereof.
- 4) A consultant, certified public accountant, or legal specialist who is receiving large amounts of money or other assets (*4), excluding officer compensation, from the Company Group (In the case that the party receiving said assets is an organization such as a corporation or association, then persons who belong to the organization in question).
- 5) Persons belonging to an auditing firm that conducts legal audits of the Company Group.
- 6) Parties who receive donations or grants (*5) that exceed a certain amount from the Company Group (in the event that the party receiving the donations or grants in question is an organization such as a corporation or association, a Business Executive in the organization in question).
- 7) A major financial institution (*6) that is a lender of the Company Group, or a Business Executive in its parent company or subsidiary.
- 8) A major shareholder (*7) of the Company Group, or in the event that said major shareholder is a corporation, a Business Executive at the corporation in question.
- 9) Persons who have fallen under items 2) through 8) above within the past three years.
- 10) Close relations, etc., (*9) of persons falling under 1) through 9) above (restricted to parties in an important position (*8)).
- 11) Even in the event that a person falls under 1) through 10) above, in light of the person's character, acumen, etc., with regard to persons who have been determined to have independence, it is possible that they will become an independent officer of the Company if, at the time of Outside Officer election, the reasons for which are explained and revealed.
 - *1 The Company Group refers to the Company and associated companies (subsidiaries and affiliate companies).
 - *2 Major transaction partners of the Company refer to a transaction partner group that provides products or services to the Company Group (refers to direct transaction partners, their parent companies and subsidiaries, and corporate groups that consist of the subsidiaries of the parent companies in question. The same applies below), and the average transaction amount for the past three fiscal years exceeds 2% of the group in question's annual consolidated net sales.
 - *3 A major transaction partner of the Company Group refers to a transaction partner group that is provided products or services by the Company Group, and where the average transaction value of the past three fiscal years exceeds 2% of the Company Group's annual consolidated net sales.
 - *4 A large amount of money or other assets refers to an amount of money or benefit from other assets that exceeds \mathbb{4}10 million per annum in the past business year, excluding officer compensation.
 - *5 Donations or grants that exceed a certain amount refer to donations or grants that exceed \(\frac{\pmathbf{4}}{10}\) million per annum on average for the past three business years, or 2% of the other party's gross income for the most recent business year, whichever is greater.
 - *6 A major financial institution refers to a financial institution in which the total amount lent at the end of the most recent business year exceeds 2% of the Company's consolidated assets.
 - *7 A major shareholder refers to a shareholder that possesses a ratio of 10% or more of voting rights (includes both direct possession and indirect possession).

- *8 A party in an important position refers to a director (excluding outside directors), executive officer (Shikkoyaku), executive officer (Shikkoyakuin), or employees that are high-level executives of general manager level or above, as well as persons belonging to auditing firms or accounting firms, including certified public accountants, persons belonging to legal firms, including lawyers, persons who belong to corporations such as foundations, incorporated associations, educational corporations, including administrators such as councilors, administration officers, and auditor-secretaries, and persons that could objectively and reasonably be judged to hold equivalent important positions.
- *9 Close relation refers to a spouse and relatives within two degrees of kinship.