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Securities Code: 2531

June 3, 2022

To our shareholders:

Mutsumi Kimura
Director and President
TAKARA HOLDINGS INC.
20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru,
Shimogyo-ku, Kyoto, Japan

Notice of the 111st Annual General Meeting of Shareholders

We write to inform you that the 111st Annual General Meeting of Shareholders of TAKARA HOLDINGS INC. (the “Company”) will be held as indicated below.

From the perspective of preventing the spread of novel coronavirus infection, we request you to exercise your voting rights prior to the meeting in writing (by mail) or via the Internet if at all possible, and refrain from attending the meeting in person on the date of the meeting.

Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights by Tuesday, June 28, 2022, at 5:30 p.m. (JST).

Please note that the distribution of souvenirs at this General Meeting of Shareholders will be suspended. We ask for your understanding in this matter.

[Voting in writing (by mail)]

Please indicate your approval or disapproval of the proposals in the enclosed voting form and return it so that your vote is received by the voting deadline indicated above.

[Voting via the Internet]

Please review the “Instructions on Exercise of Voting Rights via the Internet” (in Japanese only) and enter your approval or disapproval of the proposals by the deadline indicated above.

1. Date and Time: Wednesday, June 29, 2022, at 10:00 a.m. (JST)

2. Venue: RIHGA Royal Hotel Kyoto, 2nd floor, “Shunju”
Shimogyo-ku Higashihorikawa-dori Shiokoji-sagaru Taimatsu-cho 1, Kyoto

* At this year’s meeting, the number of seats available will be around 130, about the same as last year, because we will need to space them out to prevent the spread of novel coronavirus infection. As a result, you may not be able to enter the venue if you choose to attend in person. We appreciate your understanding.

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 111st fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 111st fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Seven Directors |

- If you attend the meeting in person, please present the enclosed voting form at the venue's reception. The reception desk is scheduled to open at 9:00 a.m.
- Of the documents that should be attached to the notice, the following documents are posted on the Company's website (<https://www.takara.co.jp>), pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation, and are not attached to the notice. Consequently, the documents attached to the notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Accounting Auditor in preparing the financial audit report and part of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members in preparing the audit report.
 - (i) "Overview of Systems to Ensure Properness of Operations and Outline of Management of such Systems" and "Basic Guidelines on Company's Control" in the Business Report
 - (ii) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
 - (iii) "Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- If any revision is made to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Reference Documents for General Meeting of Shareholders, the Company will post such revision on the Company's website (<https://www.takara.co.jp>).
- The Company participates in "electronic voting platforms" for institutional investors operated by ICJ Inc.
- If the future situation of the spread of novel coronavirus infection necessitates a major change in the way the General Meeting of Shareholders will be run, the Company will post a notice on the Company's website (<https://www.takara.co.jp>). Please be sure to check such notice.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company views proactive profit returns to shareholders as one of its important management issues, and returns are provided after comprehensive consideration of a range of factors that include business performance, financial position and future business development.

In accordance with this policy, for the fiscal year under review, the Company proposes to increase the amount of a year-end dividend by ¥16 from the previous fiscal year, and pay ¥37 per share as follows:

Year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥37 per common share of the Company
Total amount of dividend: ¥7,315,054,142
- (3) Effective date of dividends of surplus
June 30, 2022

Proposal No. 2 Partial Amendments to the Articles of Incorporation

Reasons for the Amendments

- (1) A system for providing informational materials for the general meeting of shareholders in electronic format will be introduced under the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019), to be enforced on September 1, 2022. Accordingly, the Company proposes to make the necessary amendments to its Articles of Incorporation, and establish supplementary provisions concerning matters such as the date when these amendments will come into force, as set forth below.
- (i) Establish a provision stipulating that the Company shall take measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. in electronic format. <Article 17, Paragraph 1 of the proposed amendments>
 - (ii) Establish a provision to enable the Company to limit the scope of matters to be included in the paper-based documents to be sent to shareholders who have requested it, for items for which the measures for providing information in electronic format will be taken, in accordance with the provisions prescribed by the Ministry of Justice Order. <Article 17, Paragraph 2 of the proposed amendments>
 - (iii) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc. will no longer be required after the introduction of a system for providing informational materials for the general meeting of shareholders in electronic format, they will be deleted. <Article 17 of the current Articles of Incorporation>
- (2) The Company proposes to amend the maximum number of Directors from ten to seven in its Articles of Incorporation in order to make more flexible decisions in response to the changes in the business environment. <Article 20>

Details of the Amendments

A comparison of the Articles of Incorporation before and after the amendments is shown below.

(The amended portions have been underlined.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u> <u>Article 17</u> <u>In convening a general meeting of shareholders, if the Company discloses information that is to be stated or presented in the Reference Documents for the General Meeting of Shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><Deleted></p> <p>(Measures, etc. for Providing Information in Electronic Format) <u>Article 17</u> <u>1 In convening a general meeting of shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of the paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Number of Directors) Article 20 The Company shall have not more than <u>ten</u> Directors.</p> <p style="text-align: center;"><Newly established></p>	<p>(Number of Directors) Article 20 The Company shall have not more than <u>seven</u> Directors.</p> <p><u>Supplementary Provisions</u> <u>Article 1</u></p> <p><u>1 The amendment to the Articles of Incorporation pertaining to Article 17 shall be effective from September 1, 2022 (hereinafter referred to as the “Date of Enforcement”), which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p><u>2 Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3 These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of Seven Directors

The terms of office of all nine Directors, Hisashi Omiya, Mutsumi Kimura, Koichi Nakao, Kenji Murata, Hideo Takahashi, Keisuke Mori, Toshihiko Yoshida, Masako Tomotsune and Tomoko Kawakami will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of seven Directors, lowering the number of Directors by two in order to make more flexible decisions in response to the changes in the business environment.

This proposal has undergone deliberation by the Nomination and Compensation Committee.

The candidates for Director are as follows:

Please refer to page 13 and thereafter for details of the expertise and experience of the candidates for Director (skills matrix), the criteria for candidates for Director and the independence criteria for outside officers established by the Company.

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Mutsumi Kimura [Reelection] February 3, 1963</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2002 Director of Takara Bio Inc.</p> <p>June 2004 Managing Director of Takara Bio Inc.</p> <p>June 2007 Senior Managing Director of Takara Bio Inc.</p> <p>May 2009 Director and Vice President of Takara Bio Inc.</p> <p>June 2009 Representative Director and Vice President of Takara Bio Inc.</p> <p>June 2014 Director of the Company Senior Managing Director of Takara Shuzo Co., Ltd.</p> <p>June 2016 Representative Director and Vice President of the Company Senior Managing Director of Takara Shuzo Co., Ltd.</p> <p>June 2017 Representative Director and Vice President of the Company Director of Takara Shuzo Co., Ltd.</p> <p>July 2017 Representative Director and Vice President of the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd.</p> <p>June 2018 Representative Director and President of the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd.</p> <p>Apr. 2020 Representative Director and President of the Company Director of Takara Shuzo Co., Ltd., Director of Takara Shuzo International Co., Ltd. (to the present)</p> <p>Significant concurrent positions outside the Company Director of Takara Shuzo Co., Ltd. Director of Takara Shuzo International Co., Ltd.</p>	83,900 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mutsumi Kimura has displayed leadership as Representative Director of the Company, possesses abundant experience and track records in the areas of management planning, finance, accounting, etc., of the Group and experience engaging in overseas business, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Koichi Nakao [Reelection] June 16, 1962</p> <p>Relationship of special interest in the Company: See below</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2002 Director of Takara Bio Inc.</p> <p>June 2003 Managing Director of Takara Bio Inc.</p> <p>June 2004 Senior Managing Director of Takara Bio Inc.</p> <p>June 2007 Representative Director and Vice President of Takara Bio Inc.</p> <p>May 2009 Representative Director and President of Takara Bio Inc.</p> <p>June 2009 Director of the Company Representative Director and President of Takara Bio Inc. (to the present)</p> <p>Significant concurrent positions outside the Company Representative Director and President of Takara Bio Inc.</p>	22,600 shares
<p>Reasons for nomination as candidate for Director Koichi Nakao possesses abundant experience and a track record at the bio business of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p> <p>Relationship of special interest in the Company The Company has the following transactions with Takara Bio Inc., where he serves as Representative Director.</p> <ul style="list-style-type: none"> - Licensing of the Company's trademarks - Consigned operations and maintenance, consigned development, equipment rental, and sales of equipment, software and supplies related to information systems - Office (part of building owned by Takara Bio Inc.) rental 			
3	<p>Hideo Takahashi [Reelection] December 7, 1961</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p>	<p>Apr. 1985 Joined the Company</p> <p>June 2016 Executive Officer of Takara Shuzo Co., Ltd.</p> <p>June 2017 Executive Officer of the Company</p> <p>June 2018 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd.</p> <p>June 2020 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd., Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p>June 2021 Director of the Company (to the present)</p> <p>Current responsibility in the Company In charge of Personnel, General Affairs, and Environment & Public Relations</p>	20,300 shares
<p>Reasons for nomination as candidate for Director Hideo Takahashi possesses abundant experience and track records in areas of human resources, etc., of the Group, and meets the criteria for a candidate for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p data-bbox="368 383 507 472">Keisuke Mori [Reelection] July 8, 1962</p> <p data-bbox="288 510 587 568">Relationship of special interest in the Company: None</p> <p data-bbox="288 607 587 725">Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p>	<p data-bbox="612 264 1230 421">Apr. 1985 Joined the Company June 2017 Executive Officer of the Company July 2017 Executive Officer of the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p data-bbox="612 432 1230 521">June 2018 Director of the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p data-bbox="612 533 1230 678">June 2020 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd., Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.</p> <p data-bbox="612 689 1230 748">June 2021 Director of the Company (to the present)</p> <p data-bbox="612 759 1230 837">Current responsibility in the Company In charge of Business Management, Financial & Investor Relations, Accounting and Business Support & IT Promotion</p>	20,000 shares
<p data-bbox="276 853 756 882">Reasons for nomination as candidate for Director</p> <p data-bbox="276 887 1430 969">Keisuke Mori possesses abundant experience and track records in areas of management planning, etc., of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Toshihiko Yoshida [Reelection] <Outside> <Independent> March 18, 1955</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p> <p>Tenure as outside Director of the Company: 6 years (at the conclusion of this meeting)</p>	<p>Apr. 1973 Joined Sendai Regional Taxation Bureau, National Tax Agency</p> <p>July 2003 Special Officer for Research on Tax, Tax Bureau, Ministry of Finance</p> <p>July 2004 District Director, Choshi Tax Office, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2006 Special Officer (Liquor Tax and Industry), Second Taxation Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2007 Director (Liquor Tax and Industry), Liquor Tax and Industry Division, Taxation Department, National Tax Agency</p> <p>July 2009 Director, Planning Division, Planning and Administration Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2010 Director, Liquor Tax and Industry Division, Second Taxation Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2012 Director, Consumption Tax Office, Taxation Department, National Tax Agency</p> <p>July 2014 Regional Commissioner, Takamatsu Regional Taxation Bureau, National Tax Agency</p> <p>July 2015 Retired from National Tax Agency</p> <p>Aug. 2015 Tax accountant, Toshihiko Yoshida Certified Tax Accountant Office (current position)</p> <p>June 2016 Outside Director of the Company (current position) Director (non-Executive Director) of Takara Shuzo Co., Ltd. (until June 2017) (to the present)</p> <p>Significant concurrent positions outside the Company Tax accountant, Toshihiko Yoshida Certified Tax Accountant Office</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Toshihiko Yoshida is a candidate for outside Director. The Company judges that his abundant experience, track records and deep insight in taxation, etc. developed throughout his career and other experiences can be incorporated in the further enrichment of the Company's management structure, and that he meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as an outside Director. In addition, the Company expects him to perform a role in providing supervision, advice, etc. from the above-mentioned professional standpoint. - He has never been involved in the management of a company except as an outside officer or non-executive officer. However, the Company judges that he will appropriately fulfill his duties as an outside Director based on the above reasons. - As stated in his career summary above, he was previously a director (non-Executive Director) of Takara Shuzo Co., Ltd., a subsidiary of the Company, until June 2017. 			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p>Masako Tomotsune (Name on family registry: Masako Izaki) [Reelection] <Outside> <Independent> February 17, 1972</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p> <p>Tenure as outside Director of the Company: 4 years (at the conclusion of this meeting)</p>	<p>Oct. 2002 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Tanabe & Partners</p> <p>Apr. 2010 Member of SDF Ethics Review Board (Until March 2020)</p> <p>Apr. 2013 Partner of Tanabe & Partners (current position)</p> <p>June 2018 Outside Director of the Company (current position)</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of Kodensha, Co., Ltd. (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Partner of Tanabe & Partners Outside Director (Audit and Supervisory Committee Member) of Kodensha, Co., Ltd.</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Masako Tomotsune is a candidate for outside Director. The Company judges that her abundant experience, track records and deep insight in corporate legal affairs, etc. developed throughout her career and other experiences can be incorporated in the further enrichment of the Company's management structure, and that she meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated her as a candidate to continue serving as an outside Director. In addition, the Company expects her to perform a role in providing supervision, advice, etc. from the above-mentioned professional standpoint. - She has never been involved in the management of a company except as an outside officer. However, the Company judges that she will appropriately fulfill her duties as an outside Director based on the above reasons. 			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p>Tomoko Kawakami [Reelection] <Outside> <Independent> May 3, 1965</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 13 of 13</p> <p>Tenure as outside Director of the Company: 3 years (at the conclusion of this meeting)</p>	<p>Apr. 2000 Assistant Professor, Faculty of Commerce, Kansai University</p> <p>Apr. 2002 Associate professor, Faculty of Commerce, Kansai University</p> <p>Apr. 2003 Visiting Scholar, Foster School of Business, University of Washington (until March 2004, and from October 2007 until March 2008)</p> <p>Apr. 2009 Professor, Faculty of Commerce, Kansai University (until March 2015)</p> <p>Aug. 2012 Visiting Scholar, INSEAD Blue Ocean Strategy Institute (France) (current position)</p> <p>Jan. 2013 Fulbright Visiting Scholar, Foster School of Business, University of Washington (until March 2013)</p> <p>Oct. 2013 Research Fellow, The Institute on Asian Consumer Insight, Nanyang Technological University (Singapore) (until July 2018)</p> <p>Apr. 2015 Professor, Waseda Business School, Graduate School of Faculty of Commerce, Waseda University (current position)</p> <p>Apr. 2016 Associate Director, Waseda Blue Ocean Strategy Institute (currently, Waseda Blue Ocean Shift Institute), Comprehensive Research Organization, Waseda University (current position)</p> <p>Apr. 2019 Director, Marketing International Institute, Comprehensive Research Organization, Waseda University (current position)</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>Dec. 2019 Examiner, Certified Public Accountant Examination (until November 2021) (to the present)</p> <p>Significant concurrent positions outside the Company Professor, Waseda Business School, Graduate School of Faculty of Commerce, Waseda University</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Tomoko Kawakami is a candidate for outside Director. The Company judges that her abundant experience, track records and deep insight in business administration and marketing, etc. developed throughout her career and other experiences can be incorporated in the further enrichment of the Company's management structure, and that she meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated her as a candidate to continue serving as an outside Director. In addition, the Company expects her to perform a role in providing supervision, advice, etc. from the above-mentioned professional standpoint. - She has never been involved in the management of a company except as an outside officer. However, the Company judges that she will appropriately fulfill her duties as an outside Director based on the above reasons. 			

- (Notes)
1. Toshihiko Yoshida, Masako Tomotsune and Tomoko Kawakami fulfill the requirements of the independence criteria for outside officers established by the Company, and the Company has submitted notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning each of their appointments as independent officers as provided for by the regulations of the aforementioned exchange.
 2. The Company has entered into limited liability agreements with Toshihiko Yoshida, Masako Tomotsune and Tomoko Kawakami to limit their liability for damages to the total amount under each item of Article 425, paragraph 1 of the Companies Act. If their election is approved in accordance with this proposal, the Company plans to continue this limited liability agreement.
 3. The Company has entered into a Directors and Officers Liability Insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. An overview of the contents of the insurance contract is as stated in the preceding Business Report 4. (4) "Overview of the contents of the Directors and Officers Liability Insurance." If the election of the seven candidates is approved in accordance with this proposal, the seven candidates will continue to

be insured under the relevant insurance agreement. The insurance agreement will be renewed with the same contents at the next renewal.

(Reference)

Areas of expertise and experience of candidates for Director (Skill Matrix)

Name	Corporate management/ Management strategies	Finance/ Accounting/ Tax affairs	Legal affairs/ Compliance	Human resources/ Labor affairs	Research and development/ Product technologies	Brand strategies/ Marketing	Overseas business/ Internationality
Mutsumi Kimura	●	●	●	●			●
Koichi Nakao	●		●	●	●	●	●
Hideo Takahashi			●	●			
Keisuke Mori	●	●					
Toshihiko Yoshida		●	●				
Masako Tomotsune			●	●			
Tomoko Kawakami	●					●	●

Policy and Procedure for Nomination of Candidates for Director

The Representative Director and President submits proposals to the Board of Directors for the final decision about the nomination of candidates for Director, after discussions with the other Representative Directors and deliberation by the Nomination and Compensation Committee, based on the following criteria.

- These individuals must have outstanding character and knowledge, as well as the ability to recognize and solve management issues from a perspective of management as a whole.
- Executive Directors must have sufficient knowledge, experience and track records in their respective fields of expertise, as well as outstanding skill concerning the operation of an organization.
- Outside Directors must have considerable experience in their respective fields, as well as the capability to provide advice and suggestions from an independent standpoint for ensuring that decisions of the Board of Directors meeting are valid and appropriate.

Independence Criteria for Outside Officers

The Company determines that outside Directors and outside Audit & Supervisory Board Members (hereinafter “outside officers”) are independent of the Company if they fulfill all of the following requirements.

1. Fulfillment of the following requirement presently and at any time in the past:
The individual was never a business executive (an Executive Director, an Executive Officer, or a manager or other employee, same hereinafter) of the Company or a subsidiary or related company of the Company (hereinafter the “Group”).
2. Fulfillment of all of the following requirements presently and at any time during the previous five years:
 - (1) Not a major shareholder (a party who owns at least 10% of the total of voting rights directly or indirectly) or a business executive thereof
 - (2) Not a company or other organization in which the Group owns at least 10% of the total of voting rights or a business executive thereof
 - (3) Not a major business partner (an entity where transactions with the Group account for at least 2% of consolidated sales in the Company’s fiscal year) with the Group or a business executive thereof
 - (4) Not an entity where the Group is a major business partner (an entity where transactions with the Group account for at least 2% of consolidated sales of that entity’s fiscal year) or a business executive thereof
 - (5) Not a major provider of loans to the Group (a lender where loans to the Group account for at least 2% of the Company’s consolidated total assets; however, even when this is not applicable, a lender is treated as a major provider of loans to the Group if it is included in the list of major lenders in the Company’s Business Report or other report) or a business executive thereof.
 - (6) Not an attorney at law, certified public accountant, tax accountant, consultant or other provider of professional services (for services provided by companies and other organizations, not an individual who provides the service as a member of the company or organization) who has received from the Group annual compensation, etc., of at least ¥10 million separately from compensation received from the Group as an officer.
 - (7) Not an Accounting Auditor (for a company, not an individual performing the service as a member of the company) of the Group
 - (8) Not an individual (for a company or other organization, not an individual performing business activities as a member of the company or organization) who has received an annual donation of at least ¥10 million from the Group
 - (9) Not a business executive of a company, between which and the Company outside officers are mutually appointed (a business executive of the Group is an outside officer of a company outside the Group and a business executive of that company outside the Group is an outside officer of the Company)
 - (10) Not a close relative (spouse or persons within the second degree of kinship) is a business executive (if an employee, must be a department’s general manager or higher) of the Group or violates any of the preceding criteria (1) through (9) (but for a company business executive, if an employee, must be a department’s general manager or higher; if the individual is a member of an organization other than a company, must be a person who performs significant business tasks)
3. In addition, not an individual for whom there is justification for a rational judgment that the individual is unable to perform the duties of an independent outside officer.