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(Stock Exchange Code 2296)

June 8, 2020

To Shareholders with Voting Rights:

Isao Miyashita
Representative Director, Chief Executive Officer
ITOHAM YONEKYU HOLDINGS INC.
1-6-21 Mita, Meguro-ku, Tokyo, Japan

NOTICE OF THE 4TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to express our deepest sympathies to all those infected and affected by the novel coronavirus disease (COVID-19), and we wish for the earliest possible recovery.

We are pleased to announce the 4th Ordinary General Meeting of Shareholders of ITOHAM YONEKYU HOLDINGS INC. (the “Company”), which will be held as indicated below.

In organizing the event, we will make every possible effort to prevent infection with COVID-19. However, for the health and safety of shareholders, and to prevent the spread of infection, you are encouraged to exercise your voting rights prior to the meeting by postal mail or via the internet, etc.

Please note that on the date of the meeting we will hold a live broadcast on the internet, so we ask you to refrain from traveling to the venue and consider watching the live broadcast instead (available only on a Japanese-language website).

1. Date and Time: Tuesday, June 23, 2020 at 10:00 a.m. Japan time
(Reception Desk will open at 9:00 a.m.)

2. Place: The Garden Hall (inside YEBISU GARDEN PLACE)
1-13-2 Mita, Meguro-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 4th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 4th Fiscal Year (April 1, 2019 - March 31, 2020)

Matters to be resolved:

- Proposal 1:** Election of 9 Directors
Proposal 2: Election of 2 Auditors
Proposal 3: Election of 1 Substitute Auditor

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 9 Directors

The terms of office of all 8 Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. In addition, Mr. Ken Yamaguchi resigned from his position as a Director on March 31, 2020. Accordingly, based on the report from the Nomination Committee, the election of 9 Directors, including 2 Outside Directors, is proposed.

The candidates are as follows:

No.	Name	Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	Reelection Hiromichi Ogawa (Age: 61)	Director, Chairman of the Board	100% (13/13)
2	Reelection Isao Miyashita (Age: 52)	Representative Director Chief Executive Officer	100% (13/13)
3	Reelection Ikurou Shibayama (Age: 64)	Representative Director Executive Vice President (Quality Assurance / Group Production / R&D)	100% (13/13)
4	Reelection Akihisa Horiuchi (Age: 60)	Director, Managing Executive Officer	100% (13/13)
5	Reelection Katsuhiko Ito (Age: 60)	Director, Managing Executive Officer (Corporate (Accounting & Finance / General Affairs / Human Resource) / Compliance)	100% (10/10)
6	Reelection Masayuki Yoneda (Age: 60)	Director, Executive Officer	92.3% (12/13)
7	New candidate Takeshi Koyama (Age: 50)	Executive Officer General Manager, CEO Office, General Manager, Corporate Strategy Planning Office	-
8	Reelection Yumiko Ichige (Age: 59) Outside Director Independent Officer	Director	100% (13/13)
9	Reelection Aya Ito (Age: 47) Outside Director Independent Officer	Director	100% (13/13)

Please refer to page 11 for "Policy on the nomination of candidates for Directors and Auditors" of the Company.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
1	[Reelection]	April 1981	Joined Mitsubishi Corporation	51,956
	Hiromichi Ogawa (November 18, 1958) (Age: 61)	June 1998	Director; General Manager, Administration Division, Nichiryō Baking Co., LTD.	
		April 2004	Senior Vice President; Division Director, Products & Distribution Division, Lawson, Inc.	
	Term of office as Director: 3 years	September 2004	Executive Managing Officer; Division Director, Products & Distribution Division, Lawson, Inc.	
		November 2005	Manager, LAWSON Project Management Unit, Mitsubishi Corporation	
	Attendance at the Board of Directors meetings 100% (13/13)	April 2013	General Manager, Retail Business Dept., Mitsubishi Corporation	
		April 2014	Senior Vice President; General Manager, Living Essentials Group CEO Office, Mitsubishi Corporation	
		April 2017	Advisor, the Company	
		June 2017	Director, Itoham Foods Inc. (current position) Director, Yonekyu Corporation (current position) Director, Chairman of the Board, the Company (current position)	
[Reason for nomination as candidate for Director] Mr. Hiromichi Ogawa has a proven record in strengthening the Group's governance system, including playing a central role in creating mechanisms to improve the effectiveness of the Board of Directors, and is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his broad knowledge in the overall management.				
2	[Reelection]	April 1990	Joined Mitsubishi Corporation	73,280
	Isao Miyashita (February 15, 1968) (Age: 52)	August 2002	Director, Foodlink Corporation	
		June 2003	Director, Japan Farm Co., Ltd.	
	Term of office as Director: 4 years and 3 months	May 2006	Worked in Meat & Livestock Business Unit, Mitsubishi Corporation	
		May 2007	Operating Officer; General Manager of Corporate Strategy Planning Office, Yonekyu Corporation	
	Attendance at the Board of Directors meetings 100% (13/13)	May 2008	Director, Executive Operating Officer, Yonekyu Corporation	
		May 2013	President & Chief Executive Officer, Yonekyu Corporation	
		April 2016	Representative Director, Chief Executive Officer, the Company (current position) Director, Itoham Foods Inc. (current position) Director, Yonekyu Corporation (current position)	
[Reason for nomination as candidate for Director] Mr. Isao Miyashita has a proven record in leading the entire Group as Chief Executive Officer, including working to establish a post-integration business execution system and promoting efficient and flexible management, and is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his broad knowledge in the overall management.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
3	[Reelection] Ikurou Shibayama (January 20, 1956) (Age: 64) Term of office as Director: 4 years and 3 months Attendance at the Board of Directors meetings 100% (13/13)	April 1978 March 2002 March 2009 April 2010 June 2010 March 2015 April 2015 April 2016 March 2017 April 2018	Joined ITOHAM DAILY Inc. General Manager, Manufacturing Department, Tohoku Plant, ITOHAM DAILY Inc. General Manager, Technology Department, Production Division, Processed Foods Division, Itoham Foods Inc. Executive Officer; Senior General Manager, Production Division, Processed Foods Division, responsible for Purchasing Department / Central Research Institute, Itoham Foods Inc. Director, Executive Officer, Itoham Foods Inc. Senior General Manager, Processed Foods Division, Itoham Foods Inc. Director, Managing Executive Officer, Itoham Foods Inc. Representative Director, Executive Vice President, the Company (current position) President / Representative Director, Itoham Foods Inc. (current position) Director, Yonekyu Corporation (current position) Responsible for Corporate Social Responsibility / Quality Assurance Departments, the Company Responsible for Quality Assurance / Group Production / R&D, the Company (current position)	39,056
[Reason for nomination as candidate for Director] Mr. Ikurou Shibayama has a proven record in strengthening the areas of production and R&D as well as the quality assurance system of the Group, and is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his broad knowledge in the overall management.				
4	[Reelection] Akihisa Horiuchi (June 6, 1960) (Age: 60) Term of office as Director: 2 years Attendance at the Board of Directors meetings 100% (13/13)	April 1979 May 2003 May 2006 May 2009 March 2011 March 2013 May 2015 April 2017 April 2018 June 2018	Joined Yonekyu Corporation Director, Yonekyu Corporation Operating Officer, Yonekyu Corporation Executive Operating Officer, Yonekyu Corporation Senior General Manager, Merchandise Division, Yonekyu Corporation Senior General Manager, Sales Division, Yonekyu Corporation (current position) Director, Executive Operating Officer, Yonekyu Corporation Director, Senior Executive Operating Officer, Yonekyu Corporation Managing Executive Officer, the Company President & Chief Executive Officer, Yonekyu Corporation (current position) Director, Managing Executive Officer, the Company (current position)	21,169
[Reason for nomination as candidate for Director] Mr. Akihisa Horiuchi has a proven record in strengthening the area of processed food business of the Group, and is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his broad knowledge in the overall management.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
5	[Reelection] Katsuhiro Ito (December 25, 1959) (Age: 60) Term of office as Director: 1 year Attendance at the Board of Directors meetings 100% (10/10)	April 1982	Joined Mitsubishi Corporation	9,410
		July 2008	Assistant to Corporate Functional Officers, Mitsubishi Corporation (Human Resources)	
		April 2011	CFO, Mitsubishi International Corporation	
		April 2014	Senior Vice President, Senior Assistant to Corporate Functional Officers, Mitsubishi Corporation (General Administration of the Section)	
		April 2016	General Manager, Corporate Strategy & Planning Dept., Mitsubishi Corporation	
		April 2017	President & Managing Director, Mitsubishi Corporation (Hong Kong) Ltd.	
		April 2019	Managing Executive Officer, the Company Responsible for Corporate (Accounting & Finance / General Affairs / Human Resource) / Compliance, the Company (current position)	
		June 2019	Senior Managing Director, Chief Financial Officer, Itoham Foods Inc. (current position) Director, Managing Executive Officer, the Company (current position)	
[Reason for nomination as candidate for Director] Mr. Katsuhiro Ito has a proven record in strengthening the Group's corporate and compliance systems, and is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his broad knowledge in the overall management.				
6	[Reelection] Masayuki Yoneda (August 27, 1959) (Age: 60) Term of office as Director: 3 years Attendance at the Board of Directors meetings 92.3% (12/13)	April 1982	Joined Itoham Foods Inc.	35,601
		March 2013	Manager, Business Use Planning Department, Processed Foods Division, Itoham Foods Inc.	
		March 2014	Manager, CVS Sales Department, Food Service Sales Division, Processed Foods Division, Itoham Foods Inc.	
		March 2016	Acting Senior General Manager, Processed Foods Division, Itoham Foods Inc.	
		April 2016	Director, Executive Officer, Itoham Foods Inc.	
		October 2016	Senior General Manager, Processed Foods Division, Itoham Foods Inc. (current position)	
		April 2017	Executive Officer, the Company Director, Managing Executive Officer, Itoham Foods Inc.	
		June 2017	Director, Executive Officer, the Company (current position)	
		April 2018	Executive Director, Itoham Foods Inc. (current position)	
[Reason for nomination as candidate for Director] Mr. Masayuki Yoneda has a proven record in strengthening the area of processed food business of the Group, and is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience and broad knowledge in the food industry along with his expertise in the area of processed food business.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
7	[New candidate] Takeshi Koyama (September 18, 1969) (Age: 50) Term of office as Director: - Attendance at the Board of Directors meetings -	April 1993 April 1998 April 2011 April 2016 April 2020	Joined Mitsubishi Corporation Mitsubishi Argentina S.A.C. y R. Team Leader, Feed Team, Feed & Meat Products Dept., Mitsubishi Corporation General Manager, Agricultural Produce & Dairy Products Dept., Mitsubishi Corporation Executive Officer; General Manager, CEO Office, General Manager, Corporate Strategy Planning Office, the Company (current position)	-
	[Reason for nomination as candidate for Director] Mr. Takeshi Koyama is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience and knowledge in the food industry and working overseas.			
8	[Reelection] [Outside Director] [Independent Officer] Yumiko Ichige (March 13, 1961) (Age: 59) Term of office as Director: 2 years Attendance at the Board of Directors meetings 100% (13/13)	April 1989 December 2007 April 2009 September 2010 June 2012 May 2014 December 2014 December 2016 June 2018 March 2020	Registered as an attorney at law Partner, Nozomi Sogo Attorneys at Law (current position) Deputy Chairman, Daini Tokyo Bar Association Deputy Secretary General, Japan Federation of Bar Associations Outside Director, NEC Networks & System Integration Corporation Outside Audit & Supervisory Board Member, AEON MALL Co., Ltd. Outside Director, SANYO TRADING CO., LTD. Outside Director, Sushiro Global Holdings Ltd. (current position) Outside Director, the Company (current position) Outside Director, ASKUL Corporation (current position)	-
	[Reason for nomination as candidate for Outside Director] Ms. Yumiko Ichige has been providing objective and professional advice and supervision to the Company based on her knowledge and wealth of experience she has gained through her career as an attorney at law and an outside officer of listed companies, and is nominated as a candidate for Outside Director in the expectation that she will work toward enhancing the Group's corporate value through performing her duties as a Director. She has never been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
9	[Reelection] [Outside Director] [Independent Officer]	October 2000	Joined Recruit Co., Ltd.	-
		June 2013	General Chief Editor of the Zexy magazine, Senior Manager, Media Produce Management Department, Bridal Business Division, Recruit Co., Ltd.	
	Aya Ito (May 24, 1973) (Age: 47)	April 2014	General Manager, Media Produce Management Department, Bridal Business Division, Recruit Co., Ltd.	
		April 2015	General Manager, Diversity Promotion Department, Recruit Holdings Co., Ltd.	
	Term of office as Director: 2 years	April 2016	General Manager, Sustainability Promotion Office, Recruit Holdings Co., Ltd.	
		April 2018	Partner, Sustainability Promotion Department (currently Sustainability Promotion Group), Recruit Holdings Co., Ltd. (current position)	
	Attendance at the Board of Directors meetings 100% (13/13)	June 2018 May 2020	Outside Director, the Company (current position) Outside Director, ewoman, Inc. (current position)	
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Ms. Aya Ito has been providing objective and professional advice and supervision to the Company based on her wealth of experience she has gained through her duties and career as an expert in sustainability promotion, and is nominated as a candidate for Outside Director in the expectation that she will work toward enhancing the Group's corporate value through performing her duties as a Director.</p> <p>She has never been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.</p>				

(Notes)

1. There are no special interests between each candidate and the Company.
2. Age of each candidate is as of this year's Ordinary General Meeting of Shareholders.
3. The Company has entered into an agreement with each of Ms. Yumiko Ichige and Ms. Aya Ito in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act to limit their liability for damages under Article 423, Paragraph 1 of the said Act. The maximum amount of their liability for damages under the said agreement is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act. The Company plans to renew the said agreement if their reelection is approved at this Ordinary General Meeting of Shareholders.
4. Ms. Yumiko Ichige and Ms. Aya Ito are Independent Officers as prescribed in the regulations of the Tokyo Stock Exchange. They satisfy the requirements for independent officers as provided for by Tokyo Stock Exchange, and the standards set by the Company for Independence Criteria for Outside Officers (see page 12). The Company plans to reappoint them as Independent Officers if their reelection is approved at this Ordinary General Meeting of Shareholders.

Proposal 2: Election of 2 Auditors

The terms of office of Mr. Akifumi Imamura and Mr. Yasuo Shito will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, based on the report from the Nomination Committee, the election of 2 Auditors, including 1 Outside Auditor, is proposed.

In addition, the consent of the Board of Auditors has been obtained for this Proposal.

The candidates are as follows:

No.	Name	Current positions in the Company
1	<u>New candidate</u> Yoshiro Matsuzaki (Age: 61)	-
2	<u>New candidate</u> Kei Umebayashi (Age: 53) <u>Outside Auditor</u> <u>Independent Officer</u>	-

Please refer to page 11 for "Policy on the nomination of candidates for Directors and Auditors" of the Company.

No.	Name (Date of birth)	Career summary, position in the Company and significant concurrent positions		Number of shares of the Company held
1	[New candidate] Yoshiro Matsuzaki (July 2, 1958) (Age: 61) Term of office as Auditor: -	April 1982 October 1993 March 2014 April 2015 April 2016 April 2018 April 2020	Joined Itoham Foods Inc. Central Executive Committee Chair, Itoham Worker's Union General Manager, Human Resources, General Affairs Department, Itoham Foods Inc. Executive Officer, Itoham Foods Inc. General Manager, Human Resources, General Affairs Department, Itoham Yonekyu Holdings Inc. Executive Officer, General Manager, Human Resources Department, Itoham Foods Inc. Advisor, Itoham Foods Inc.	22,631
	[Reason for nomination as candidate for Auditor] Mr. Yoshiro Matsuzaki has knowledge and wealth of experience that he has gained through his duties and career as an Executive Officer of the Company and the person in charge of the human resources department of the Group, and is nominated as a candidate for Auditor in the expectation that he will contribute to the further development of the Group through conducting audits from a broad and high level of perspective about the overall management.			
2	[New candidate] [Outside Auditor] [Independent Officer] Kei Umebayashi (December 16, 1966) (Age: 53) Term of office as Auditor: -	April 1991 April 1998 July 1999 August 2002 April 2003 August 2004 January 2005 February 2007 March 2007 January 2010 April 2014 March 2015	Public Prosecutor, Tokyo District Public Prosecutors Office Public Prosecutor, Criminal Affairs Bureau, Ministry of Justice First Secretary, Embassy of Japan in the UK (on assignment from the Ministry of Foreign Affairs) Public Prosecutor, Criminal Affairs Bureau, Ministry of Justice Public Prosecutor, Chiba District Public Prosecutors Office Public Prosecutor, Secretarial Division, Minister's Secretariat, Ministry of Justice Executive Assistant to Deputy Chief Cabinet Secretary Resigned as Public Prosecutor Registered as an attorney at law Partner, Nishimura & Asahi (current position) Adjunct Teacher, Keio University Law School (current position) Outside Director, CHIMNEY Co., Ltd.	-
	[Reason for nomination as candidate for Outside Auditor] Mr. Kei Umebayashi has knowledge and wealth of experience that he has gained as an attorney at law and a crisis management expert, and is nominated as a candidate for Outside Auditor in the expectation that he will contribute to the further development of the Group through conducting audits from a broad and high level of perspective about the overall management. He has never been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Auditor based on the above reasons.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Age of each candidate is as of this year's Ordinary General Meeting of Shareholders.
3. If the election of Mr. Yoshiro Matsuzaki and Mr. Kei Umebayashi is approved at this Ordinary General Meeting of Shareholders, the Company plans to enter into an agreement with each of them in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act to limit their liability for damages under Article 423, Paragraph 1 of the said Act. The maximum amount of their liability for damages under the said agreement is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act.
4. Mr. Kei Umebayashi satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and the standards set by the Company for Independence Criteria for Outside Officers (see page 12). The Company plans to appoint him as Independent Officer if his election is approved at this Ordinary General Meeting of Shareholders.

Proposal 3: Election of 1 Substitute Auditor

The appointment of the current Substitute Auditor is effective until the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, based on the report from the Nomination Committee, the election of 1 Substitute Auditor as a substitute for Outside Auditor is proposed, in order to prepare for cases where there is a vacancy which results in a shortfall in the number of Auditors stipulated in laws and regulations. The term of office of the Substitute Auditor shall be the remaining term of office of the predecessor, on the condition that the Substitute Auditor assumes office due to a vacancy which results in a shortfall in the number of Auditors stipulated in laws and regulations.

In addition, the consent of the Board of Auditors has been obtained for this Proposal.

A resolution for the appointment of the Substitute Auditor shall cease to be effective by the resolution of the Board of Directors with the consent of the Board of Auditors, only before the assumption of office.

The candidate is as follows:

Name (Date of birth)	Career summary, position in the Company and significant concurrent positions		Number of shares of the Company held
Kentaro Uryu (January 2, 1965) (Age: 55)	April 1995	Registered as an attorney at law Joined Tsunematsu Yanase & Sekine (currently Nagashima Ohno & Tsunematsu)	-
	January 1996	Joined Matsuo & Kosugi	
	February 1999	Joined Salomon Smith Barney (Japan) Ltd. (currently Citigroup Global Markets Japan Inc.)	
	April 2000	Long-term Expert, Japan International Cooperation Agency (dispatched to the Ministry of Justice of Vietnam, etc. from the Japan Federation of Bar Associations)	
	August 2002	Representative Lawyer, Managing Partner, URYU & ITOGA (current position)	
	August 2008	Representative Director, U&I Advisory Service Co., Ltd. (current position)	
	March 2015	Outside Audit & Supervisory Board Member, Kyowa Hakko Kirin Co., Ltd. (currently Kyowa Kirin Co., Ltd.)	
	June 2015	Outside Audit & Supervisory Board Member, ITOCHU Corporation (current position)	
March 2018	Outside Director of the Board, Kyowa Kirin Co., Ltd. (current position)		
[Reason for nomination as candidate for Substitute Outside Auditor] Mr. Kentaro Uryu has knowledge and wealth of experience that he has gained through his career as an attorney at law and an outside officer of listed companies and is nominated as a candidate for Substitute Outside Auditor in the expectation that he will contribute to the further development of the Group through conducting audits from a broad and high level of perspective about the overall management.			

(Notes)

1. There is no special interest between Mr. Kentaro Uryu and the Company.
2. Age of Mr. Kentaro Uryu is as of this year's Ordinary General Meeting of Shareholders.
3. If Mr. Kentaro Uryu assumes the office of Outside Auditor, the Company plans to enter into an agreement with him in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act to limit his liability for damages under Article 423, Paragraph 1 of the said Act. The maximum amount of his liability for damages under the said agreement is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act.
4. Mr. Kentaro Uryu satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and the standards set by the Company for Independence Criteria for Outside Officers (see page 12). The Company plans to appoint him as Independent Officer if he assumes the office of Outside Auditor.

<Reference>

Policy on the nomination of candidates for Directors and Auditors

1. Policy and procedure for the nomination of candidates for Director

(1) Nomination criteria

- (i) Having an excellent character, knowledge and high ethical standards.
- (ii) Having an excellent management perspective and an excellent ability to understand the legal and managerial issues accurately.
- (iii) Having an excellent ability to objectively analyze and judge from a company-wide perspective.
- (iv) Being able to actively express one's own opinions and having strong leadership skills.
- (v) Not falling under the category of grounds for disqualification of directors stipulated in the Companies Act, and there being no obstacle in terms of health or other factors.

(2) Nomination procedure

The Nomination Committee shall fully deliberate on the appropriateness of candidates based on the nomination criteria and the optimal composition guidelines of the Board of Directors, and then the Board of Directors shall adopt a resolution with regard to the nomination.

2. Criteria and procedure for the election of Auditors

(1) Election criteria

- (i) Having an excellent character, knowledge and high ethical standards.
- (ii) Having an excellent management perspective and an excellent ability to understand the legal and managerial issues accurately. (It is desirable to include a person with a considerable amount of knowledge of finance and accounting.)
- (iii) Having an excellent ability to objectively analyze and judge from a company-wide perspective.
- (iv) Being able to express one's own opinions while maintaining a fair and unbiased attitude.
- (v) Not falling under the category of grounds for disqualification of auditors stipulated in the Companies Act, and there being no obstacle in terms of health or other factors.

(2) Election procedure

- (i) The election of Auditors shall be adopted by a resolution of the General Meeting of Shareholders, and the candidates shall be elected and resolved by the Board of Directors after obtaining the consent of the Board of Auditors.
- (ii) With regard to the election of candidates for Auditor, the Nomination Committee shall fully deliberate on the appropriateness of the candidates based on the election criteria, and then the Board of Directors shall adopt a resolution with regard to the election after obtaining the consent of the Board of Auditors.

<Reference>

In order to objectively judge the independence of Outside Directors and Outside Auditors (hereinafter referred to as “Outside Officers”), the Company has established the following criteria for the independence of Outside Officers.

<Independence Criteria for Outside Officers>

An Outside Officer shall be deemed to be independent if, as a result of a reasonable scope of investigation by the Company, it is judged that they do not fall under any of the following categories.

- (i) An executive¹ of the Company and its associated companies (hereinafter referred to as the “Group”)
- (ii) An entity whose major business partner is the Group² or an executive thereof
- (iii) A major business partner of the Group³ or an executive thereof
- (iv) A major shareholder (a party who owns at least 10% of the total of voting rights directly or indirectly) of the Company or an executive thereof
- (v) An entity in which the Group owns at least 10% of the total of voting rights directly or indirectly or an executive thereof
- (vi) An individual belonging to an audit corporation that is the Accounting Auditor of the Group
- (vii) A consultant, an accountant professional such as a certified public accountant or a certified public tax accountant, or a legal professional such as an attorney at law, who receives a large amount of monetary consideration or other property⁴ from the Group in addition to compensation as an officer (in case it is an organization such as a corporation or an association that receives such property, an individual who belongs to such organization)
- (viii) An individual, or a director or other executive of an organization such as a corporation or an association, who receives a large amount of donations or subsidies⁵ from the Group
- (ix) A spouse, a relative within the second degree of kinship, a relative living together or an individual living within the same household of an important individual among executives⁶ of the Group
- (x) An individual from a company with which the Group has a mutual appointment relationship of officers⁷ (an individual who is or used to be a member of the company in the most recent 10 years commencing from the date of their assumption of office)

Notes

1. “Executive” means an executive director, an operating officer, an executive officer, a manager or any other employee of a stock company, a member who executes the business of a membership company, or an individual or employee (staff, etc.) who executes the business of a corporation or an organization other than a company.
2. “Entity whose major business partner is the Group” means an entity which receives payment from the Group in an amount exceeding 2% of its consolidated sales of the most recent fiscal year.
3. “Major business partner of the Group” means an entity which pays to the Group an amount exceeding 2% of the Group’s consolidated sales of the most recent fiscal year.
4. “Large amount” as used in the context of “a large amount of monetary consideration or other property” means an amount equivalent to at least ¥10 million per year in the case of an individual, or an amount exceeding 2% of the consolidated sales or total revenue in the case of an organization, on average for the past 3 years.
5. “Large amount” as used in the context of “a large amount of donations or subsidies” means an amount exceeding the higher of ¥10 million per year or 30% of the organization’s total annual cost, on average for the past 3 years.
6. “Important individual among executives” means a director (excluding outside director), an operating officer, an executive officer and an employee in the office of senior management not lower than general manager.
7. “Mutual appointment relationship of officers” means a relationship where an individual from the Group (an individual who is or used to be a member of the Group in the most recent 10 years commencing from the date of their assumption of office) currently serves as an officer or executive officer of a company, and the Company brings in the individual as an officer or executive officer of the Company from the company.