

To Shareholders with Voting Rights:

33-1 Kanzaki-cho, Amagasaki, Hyogo
(Head office: 13-1, Umeda 1-chome, Kita-ku, Osaka)
Kansai Paint Co., Ltd.
MORI Kunishi
Representative Director of the Board, President

NOTICE OF CONVOCAION OF THE 160TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to take this opportunity to thank you for your continued support.

You are cordially invited to attend the 160th Ordinary General Meeting of Shareholders of Kansai Paint Co., Ltd. (“the Company”). The Meeting will be held as described below.

In convening the Meeting, we have taken electronic provision measures regarding information on the reference materials of the general meeting of shareholders (Electronic Provision Measures Matters), which is posted as “NOTICE OF CONVOCAION OF THE 160TH ORDINARY GENERAL MEETING OF SHAREHOLDERS” on each website listed below. You are kindly requested to access and view either one of those websites.

The Company’s website: <https://www.kansai.com/ir/stock/shareholders-meeting/>

Tokyo Stock Exchange’s website: <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

* On the Tokyo Stock Exchange’s website, please enter and search with the company name “Kansai Paint” or the securities code “4613,” and then select “Basic information,” “Documents for public inspection/PR information” to view the “Notice of General Shareholders’ Meeting/Informational Materials for a General Shareholders’ Meeting.”

Website for materials of General Shareholders’ Meeting: <https://d.sokai.jp/4613/teiji/>

Those who are unable to attend the Meeting are invited to exercise their voting rights via the Internet or in writing. We kindly request our shareholders to review the following Reference Documents for the General Meeting of Shareholders included herein and cast your vote by 5 p.m., Wednesday, June 26, 2024 by either method.

1. Date and Time: 10 a.m., Thursday, June 27, 2024 (reception desk opens at 9 a.m.)
 2. Venue: HERBIS Hall, located on the second basement level of the HERBIS OSAKA building at 5-25, Umeda 2-chome, Kita-ku, Osaka (The venue has been changed from the previous general meeting of shareholders. Please see the “Map to the Venue of the Shareholders’ Meeting” provided on the last page of this document to confirm the location.)
 3. Agenda:
 - Matters to Be Reported:
 1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 160th Fiscal Term (from April 1, 2023 to March 31, 2024)
 2. Reports of Audit on the Consolidated Financial Statements for the 160th Fiscal Term by the Independent Auditor and the Board of Corporate Auditors
 - Proposals of Resolution:
 - First Item of Proposal: Appropriation of Surpluses of the 160th Fiscal Term
 - Second Item of Proposal: Partial Amendments to the Articles of Incorporation
 - Third Item of Proposal: Election of Eight (8) Directors of the Board (except for Directors who are Audit & Supervisory Committee Members)
 - Fourth Item of Proposal: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
 - Fifth Item of Proposal: Election of One (1) Alternate Director Who Is an Audit & Supervisory Committee Member
 - Sixth Item of Proposal: Determination of Compensation for Directors of the Board (except for Directors who are Audit & Supervisory Committee Members)
 - Seventh Item of Proposal: Determination of Compensation for Directors Who Are Audit & Supervisory Committee Members
 - Eighth Item of Proposal: Determination of Details of the Stock-based Compensation System for Directors (except for Directors who are Audit & Supervisory Committee Members)
- ◎ Whenever it is necessary to make amendments to the Electronic Provision Measures Matters, the Company will post the reason therefor and matters before and after amendments on the aforementioned Company’s website, the Tokyo Stock Exchange’s website and the Website for materials of General Shareholders’ Meeting.
- ◎ Of the Electronic Provision Measures Matters, the following items are not included in the document distributed to shareholders who requested the delivery of a written document, in accordance with the applicable laws and ordinances and the provisions of Article 16, Paragraph 2 of the Company’s Articles of Incorporation. Accordingly, the document delivered to shareholders who requested the delivery of a written document represents part of the subject documents which were audited by Corporate Auditors and the Independent Auditor to prepare the Audit Report.
- Part of “Matters concerning the Current Situation of the Corporate Group,” “Matters Related to the Company’s Stock Acquisition Rights, etc.,” “Matters Related to Independent Auditors,” and part of “System and Policy of the Company” included in the Business Report, as well as “Consolidated Statement of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” included in the consolidated financial statements, and “Non-consolidated Statement of Changes in Net Assets” and “Notes to the Non-Consolidated Financial Statements” included in the non-consolidated financial statements.
- Please note that there will be no souvenir distributed to participants at the Meeting.

Proposals and Information

First Item of Proposal: Appropriation of Surpluses of the 160th Fiscal Term

The Company has a basic policy of distributing profits according to business results while taking into account the need to provide consistent and stable dividends to shareholders and to strengthen earning power through the enhancement of the business structure. The Company intends to make effective use of our internal reserves to establish a long-term stable business platform, as well as to invest in research and development and the improvement of our production and distribution systems both in Japan and abroad, to achieve further growth.

Based on this policy, the Company proposes appropriating surpluses of the 160th Fiscal Term as follows:

Payment of year-end dividends:

- (1) Amount of dividend:
¥22.00 per share of the Company's common stock Total dividends: ¥4,629,268,138
- (2) Effective date of appropriation of surpluses:
June 28, 2024

Second Item of Proposal: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendment

For the purposes of further improving transparency of management and further accelerating the decision-making process by reinforcing the supervisory function of the Board of Directors and strengthening corporate governance, the Company will shift to a company with an Audit & Supervisory Committee.

Therefore, the Company proposes to make necessary amendments to the Articles of Incorporation by newly adding provisions concerning the Audit & Supervisory Committee and Audit & Supervisory Committee Members and by deleting the provisions concerning the Board of Corporate Auditors and Corporate Auditors. Concurrently, the Company proposes to delete Article 13, Paragraph 2 of the current Articles of Incorporation, which limits the venue for the general meeting of shareholders in Osaka City, in order to flexibly select the venue for the general meeting of shareholders in preparation for unforeseen events such as disasters. Other than the above, the Company proposes to reorganize the numbers of Articles and Paragraphs, accordingly, due to the above-mentioned amendments.

2. Details of the Amendments

The details of amendments are as follows.

It should be noted that this item of proposal will take effect at the close of this general meeting.

(Underlines indicate amended parts.)

Current Articles of Incorporation	Proposed Amendments
Chapter I GENERAL PROVISIONS	Chapter I GENERAL PROVISIONS
Article 1 to Article 3 (text omitted)	Article 1 to Article 3 (unchanged)
(Organizations)	(Organizations)
Article 4 The Company has the following organizational bodies in addition to the general meeting of shareholders and Directors:	Article 4 The Company has the following organizational bodies in addition to the general meeting of shareholders and Directors:
(1) Board of Directors	(1) Board of Directors
(2) <u>Corporate Auditors</u>	(2) <u>Audit & Supervisory Committee</u>
(3) <u>Board of Corporate Auditors</u>	(Deleted)
(4) Independent Accounting Auditors	(3) Independent Accounting Auditor
Article 5 (text omitted)	Article 5 (unchanged)
Chapter II SHARES	Chapter II SHARES
Article 6 to Article 12 (text omitted)	Article 6 to Article 12 (unchanged)

Current Articles of Incorporation	Proposed Amendments
CHAPTER III GENERAL MEETING OF SHAREHOLDERS	CHAPTER III GENERAL MEETING OF SHAREHOLDERS
(Convocation)	(Convocation)
Article 13 (text omitted)	Article 13 (unchanged)
2. <u>A general meeting of shareholders may be convened in Osaka City.</u>	(Deleted)
Article 14 to Article 18 (text omitted)	Article 14 to Article 18 (unchanged)
CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS, <u>AND AUDIT & SUPERVISORY COMMITTEE</u>
(Number of Directors)	(Number of Directors)
Article 19 The number of Directors shall not exceed eleven (11).	Article 19 The number of Directors <u>(except for Directors who are Audit & Supervisory Committee Members)</u> shall not exceed eleven (11).
(New provision)	2. <u>The number of Directors who are Audit & Supervisory Committee Members shall not exceed five (5).</u>
(Election of Directors)	(Election of Directors)
Article 20 Directors shall be elected at a general meeting of shareholders by resolution.	Article 20 <u>Directors who are Audit & Supervisory Committee Members and other Directors shall be elected separately</u> at a general meeting of shareholders by resolution.
2. (Text omitted)	2. (Unchanged)
3. (Text omitted)	3. (Unchanged)
(Term of Office of Directors)	(Term of Office of Directors)
Article 21 The term of office of Directors shall be until the close of the ordinary general meeting of shareholders held with respect to the last business term ending within one (1) year after election.	Article 21 The term of office of Directors <u>(except for Directors who are Audit & Supervisory Committee Members)</u> shall be until the close of the ordinary general meeting of shareholders held with respect to the last business term ending within one (1) year after election.
(New provision)	2. <u>The term of office of Directors who are Audit & Supervisory Committee Members shall be until the close of the ordinary general meeting of shareholders held with respect to the last business term ending within two (2) years after election.</u>
(New provision)	3. <u>The term of office of a Director who is an Audit & Supervisory Committee Member elected as an alternate for a Director who is an Audit & Supervisory Committee Member who retired before expiration of his/her term of office shall be until the expiration of term of office of the retired Director who is an Audit & Supervisory Committee Member.</u>

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Directors with Special Titles) Article 22 By resolution of the Board of Directors, Directors who severally represent the Company shall be elected.	(Representative Directors and Directors with Special Titles) Article 22 By resolution of the Board of Directors, Directors who represent the Company shall be elected <u>from among the Directors (except for Directors who are Audit & Supervisory Committee Members)</u> .
2. The Board of Directors may, by its resolution, select one (1) Chairperson of the Board and one (1) President in addition to several Vice Presidents, Senior Managing Directors and Managing Directors.	2. The Board of Directors may, by its resolution, select one (1) Chairperson of the Board and one (1) President in addition to several Vice Presidents, Senior Managing Directors and Managing Directors <u>from among the Directors (except for Directors who are Audit & Supervisory Committee Members)</u> .
(Convening of the Board of Directors Meeting) Article 23 (Text omitted)	(Notification for Convening Meetings of the Board of Directors) Article 23 (Unchanged)
2. A notification to convene a meeting of the Board of Directors shall be provided to each Director <u>and each Corporate Auditor</u> at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, the period for notification may be shortened.	2. A notification to convene a meeting of the Board of Directors shall be provided to each Director at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, the period for notification may be shortened.
Article 24 (Text omitted) (New provision)	Article 24 (Unchanged) <u>(Notification for Convening Meetings of the Audit & Supervisory Committee)</u> Article 25 <u>A notification to convene a meeting of the Audit & Supervisory Committee shall be provided to each Audit & Supervisory Committee Member at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, the period for notification may be shortened.</u>
(Method of Resolution by the Board of Directors) Article 25 A resolution by the Board of Directors shall be made with the attendance of a majority of the Directors and by approval of a majority of the Directors present.	(Method of Resolution by the Board of Directors) Article 26 A resolution by the Board of Directors shall be made with the attendance of a majority of the Directors <u>entitled to participate in the vote</u> and by approval of a majority of the Directors present.
(Omission of Resolution by the Board of Directors) Article 26 The Company may, when all of the Directors indicate their consent in writing or by electromagnetic record to the matters to be resolved by the Board of Directors, deem such indication to be the resolution of the Board of Directors adopting the proposal, <u>unless the Corporate Auditors have stated their objection to that proposal.</u>	(Omission of Resolution by the Board of Directors) Article 27 The Company may, when all of the Directors indicate their consent in writing or by electromagnetic record to the matters to be resolved by the Board of Directors, deem such indication to be the resolution of the Board of Directors adopting the proposal.

Current Articles of Incorporation	Proposed Amendments
(New provision)	<u>(Method of Resolution by the Audit & Supervisory Committee)</u> <u>Article 28 A resolution by the Audit & Supervisory Committee shall be made with the attendance of a majority of the Audit & Supervisory Committee Members entitled to participate in the vote and by approval of a majority of the Audit & Supervisory Committee Members present.</u>
(New provision)	<u>(Delegation to Directors)</u> <u>Article 29 In accordance with the provision of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate to Directors the power to decide important business execution (excluding matters listed in the same Article, Paragraph 5 of the same Act) by a resolution of the Board of Directors.</u>
(Reduction in Liabilities of Directors) Article <u>27</u> (Text omitted)	(Reduction in Liabilities of Directors) Article <u>30</u> (Text of the Article remains unchanged.)
<u>CHAPTER V CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS</u>	(Deleted)
(Number of Corporate Auditors) Article 28 The number of Corporate Auditors shall not exceed five (5).	(Deleted)
(Election of Corporate Auditors) Article 29 Corporate Auditors shall be elected by resolution of a general meeting of shareholders. 2. With respect to a resolution for the election of Corporate Auditors, the attendance of shareholders owning not less than one-third of the total voting rights and the approval of a majority of such voting rights shall be required.	(Deleted)
(Term of Office of Corporate Auditors) Article 30 The term of office of Corporate Auditors shall be until the close of the ordinary general meeting of shareholders held with respect to the last business term ending within four (4) years after election. 2. The term of office of a Corporate Auditor elected as an alternate for a Corporate Auditor shall be until the expiration of term of office of the retired former Corporate Auditor.	(Deleted)
(Full-time Corporate Auditors) Article 31 Full-time Corporate Auditors shall be elected by a resolution of the Board of Corporate Auditors.	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<u>(Convening and Notification of Meetings of the Board of Corporate Auditors)</u>	(Deleted)
<u>Article 32 A meeting of the Board of Corporate Auditors shall be convened by each Corporate Auditor.</u>	
<u>2. A notification to convene a meeting of the Board of Corporate Auditors shall be provided to each Corporate Auditor at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, the period for notification may be shortened.</u>	
<u>(Method of Resolution by the Board of Corporate Auditors)</u>	(Deleted)
<u>Article 33 A resolution of the Board of Corporate Auditors shall be made with a majority of the Corporate Auditors, unless otherwise provided for in laws and ordinances.</u>	
<u>(Reduction in Liability of Corporate Auditors)</u>	(Deleted)
<u>Article 34 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company may execute an agreement with Outside Corporate Auditors, limiting their liability for damage caused by failure to perform their duties. Provided, however, that the upper limit of liability based on the relevant agreement shall be an amount prescribed by laws and ordinances.</u>	
CHAPTER <u>VI</u> ACCOUNTS	CHAPTER <u>V</u> ACCOUNTS
(Business Year)	(Business Year)
Article <u>35</u> to Article <u>38</u> (Text omitted)	Article <u>31</u> to Article <u>34</u> (Text of the Article remains unchanged.)

Third Item of Proposal: Election of Eight (8) Directors of the Board (except for Directors who are Audit & Supervisory Committee Members)

Subject to approval and resolution of the Second Item of Proposal “Partial Amendments to the Articles of Incorporation,” the Company will shift to a company with an Audit & Supervisory Committee. The term of office of all nine (9) Directors of the Board will expire upon the close of this Meeting. The Company, therefore, requests the election of eight (8) Directors of the Board (except for Directors who are Audit & Supervisory Committee Members). As a result of their appointment, the ratio of independent Outside Directors of the Board to the total Board Members will be maintained at more than one-third (1/3).

This item of proposal shall become effective only when the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The nominees for Directors of the Board (except for Directors who are Audit & Supervisory Committee Members) are as follows:

No.	Name	Current position	Number of Board of Directors' meetings attended	
1	MORI Kunishi	Representative Director of the Board, President Reappointment	19/19	100%
2	TAKAHARA Shigeki	Representative Director of the Board, Vice President, Executive Officer Reappointment	19/19	100%
3	NISHIBAYASHI Hitoshi	Representative Director of the Board, Senior Managing Executive Officer Reappointment	19/19	100%
4	KAJIMA Junichi	Director of the Board, Managing Executive Officer Reappointment	15/15	100%
5	TOMIOKA Takashi	Managing Executive Officer New Appointment	—	—
6	OMORI Shinichiro	Outside Director of the Board Reappointment Outside Independent Officer	15/15	100%
7	YOMO Yukari	New Appointment Outside Independent Officer	—	—
8	Asli Meziyet Colpan	New Appointment Outside Independent Officer	—	—

Note: Since Messrs. KAJIMA Junichi and OMORI Shinichiro were appointed as Director of the Board on June 29, 2023, the number of Board of Directors' meetings held and attended is different from that of other Directors of the Board nominees.

Candidates for Director of the Board (New Appointment)

Candidates for Director of the Board (Reappointment)

Candidates for Director of the Board (Outside)

Candidates for Independent Officer (Independent Officer)

Policy of nomination

The candidates for Directors of the Board of Kansai Paint are nominated to ensure that the Board of Directors has a balanced composition that includes diversity, such as gender and international aspects, in addition to the knowledge and abilities necessary for the Board of Directors to effectively fulfill its responsibilities.

In addition, the candidates for Outside Directors of the Board are nominated from among those with management experience, lawyers, accountants, etc. with a high level of expertise and abundant experience, in accordance with Kansai Paint's independence standards.

Procedures of nomination

Kansai Paint's Directors of the Board have decided on the nomination of candidates for Directors after deliberation by the Nominating Committee, which consists of four (4) Outside Directors and two (2) Outside Audit & Supervisory Committee Members.

Number of Company Shares Held: 12,700

Number of Board of Directors meetings attended: 19/19 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1981	Joined Kansai Paint
June 2010	Director of the Board, and Deputy General Manager of the Coatings Business Div.
June 2015	Representative Director of the Board; Managing Executive Officer in charge of Sales and International, concurrently serving as Representative Director of the Board, President of Kansai Paint Sales Co., Ltd.
April 2018	Representative Director of the Board, Senior Managing Executive Officer and COO in charge of Sales; and General Manager of the Coatings Business Div., concurrently serving as Representative Director of the Board, President of Kansai Paint Sales Co., Ltd.
April 2019	Representative Director of the Board, President of Kansai Paint (current)

Reason for nomination

Mr. MORI Kunishi has extensive knowledge and track record in the Company's business, and since his appointment as Representative Director of the Board, President in 2019, he has demonstrated distinguished leadership, driving the Company's group management reform based on the refinement of business portfolio, reinforcement of profitability, reform of financial structure and strengthening of business platform. To promote the 17th Medium-term Management Plan, which was launched in 2022, he has driven the expansion of corporate value by contributing to sustainable society through sustainability management by way of shifting to growth path from a medium- to long-term perspective. In view of his experience and track record, Mr. MORI has been nominated as Director of the Board for the position of Chief Operating Officer to realize the maximization of the Company's corporate value as a true global company.

Note: There are no special conflicts of interest between Mr. MORI Kunishi as a nominee and the Company.

Number of Company Shares Held: 4,600

Number of Board of Directors meetings attended: 19/19 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1981	Joined NEC Corporation
June 2007	CFO and Corporate Officer of MISUMI Group Inc.
February 2011	Member of the Board and Operating Officer, CFO, Accounting & Finance Lead of Pfizer Japan Inc.
April 2020	Joined Kansai Paint; Managing Executive Officer, and General Manager of Corporate Planning & Finance
April 2021	Senior Managing Executive Officer, and Chief of Corporate Planning, Finance, HR & Administration
June 2021	Director of the Board, Senior Managing Executive Officer, and Chief of Corporate Planning, Finance, HR & Administration
April 2022	Representative Director of the Board, Vice President Executive Officer, Chief of Corporate Planning, Finance, HR & Administration
April 2024	Representative Director of the Board, Vice President Executive Officer, CFO (current)

Reason for nomination

Mr. TAKAHARA Shigeki engaged in accounting and finance operations of leading global companies and has professional knowledge and abilities of corporate management gained through his abundant experience as a CFO. He has been a Director of the Board of the Company since June 2021, and as the Chief of Corporate Planning, Finance, HR & Administration, he is responsible for directing the implementation of the Medium-term Management Plan's cornerstone, "financial strategy, strengthening of governance and promotion of sustainability." Furthermore, as CFO, he has implemented and directed financial structure reforms such as promoting the improvement of capital efficiency through optimization of fund procurement and cash allocation. Mr. TAKAHARA has been nominated as a Director of the Board since he is deemed most appropriate for enabling the Company to transform to a company which is much highly evaluated by the markets.

Note: There are no special conflicts of interest between Mr. TAKAHARA Shigeki as a nominee and the Company.

Number of Company Shares Held: 1,100

Number of Board of Directors meetings attended: 19/19 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1987	Joined Kansai Paint
April 2015	Deputy Head of Automotive Refinish, Decorative and Protective Coatings Business Div.
April 2019	Executive Officer, and Deputy General Manager of Corporate Business Development Div.
June 2020	Director of the Board, Managing Executive Officer, and Head of International Business Unit
July 2020	Director of the Board, and Managing Executive Officer in charge of Corporate Planning & Finance
April 2021	Director of the Board, Managing Executive Officer, and Chief of International Business Unit
April 2024	Representative Director, Senior Managing Executive Officer, and Chief of International Business Unit (current)

(Significant Positions Concurrently Held)

Director of the Board of Kansai Nerolac Paints Ltd.
 Director of the Board of Kansai Plascon East Africa (Pty) Ltd.
 President komisaris (Commissioner) of PT. Kansai Prakarsa Coatings
 Director and Chairman of the Board of Kansai Plascon Africa Ltd.

Reason for nomination

Mr. NISHIBAYASHI Hitoshi has engaged mainly in overseas business planning since he joined the Company and has outstanding knowledge of the business management of the Company's global business regardless of the market domain and region. He has served as Director of the Board and Managing Executive Officer of the Company since June 2020 and as Chief of the International Business Unit since 2021, where he has led the expansion of the Company's global business by promoting global-level portfolio management to improve profitability, successfully achieving several M&A projects in Europe. In view of his knowledge and track record, Mr. NISHIBAYASHI Hitoshi has been nominated as a Director of the Board since he is deemed most appropriate for converting the Company into a truly global company by promoting its overseas business strategies and certainly realizing strengthened governance of the Group companies.

Note: There are no special conflicts of interest between Mr. NISHIBAYASHI Hitoshi as a nominee and the Company.

Number of Company Shares Held: 3,800

Number of Board of Directors meetings attended: 15/15 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1987	Joined Kansai Paint
April 2016	Deputy General Manager of Automotive Refinish, Decorative and Protective Coatings Business Div.
April 2019	Executive Officer and Deputy General Manager of Automotive Refinish, Decorative and Protective Coatings Business Div.
December 2019	Executive Officer in charge of technical supervision of Coatings Business Div. (automotive and industrial coatings)
April 2021	Executive Officer, concurrently serving as Director of the Board and President of Kansai Helios Coatings GmbH
April 2023	Managing Executive Officer, and Chief of Corporate Production, Supply Chain Management (SCM), and Procurement
June 2023	Director of the Board, Managing Executive Officer, and Chief of Corporate Production, Supply Chain Management (SCM), and Procurement
April 2024	Director of the Board, Managing Executive Officer, and Chief of Development and Procurement (current)

Reason for nomination

Mr. KAJIMA Junichi has engaged in technical operations in the automotive coatings business for a long period of time since joining the Company and has a wealth of experience and profound expertise in domestic and overseas businesses in the field of technical liaison and development, including his experience of working overseas. Since he took office as a Director of the Board and Managing Executive Officer, he has led the strengthening of profitability in cooperation with the Business Unit through enhancement of global procurement, renewal of supply chains and other measures. In view of his knowledge and track record, Mr. KAJIMA Junichi has been nominated as Director of the Board since he is deemed most appropriate for further promoting the Company's sustainable growth.

Note: There are no special conflicts of interest between Mr. KAJIMA Junichi as a nominee and the Company.

Number of Company Shares Held: 3,500

Number of Board of Directors meetings attended: -/- (-%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1996	Joined Kansai Paint
April 2019	General Manager of Business Planning Office
April 2020	General Manager of Business Planning Div., Corporate Planning & Finance Unit
July 2020	Deputy General Manager of Corporate Planning & Finance Unit, and General Manager of Business Planning Div., Corporate Planning & Finance Unit
April 2021	Executive Officer, General Manager of Business Planning Unit, Corporate Planning & Finance Div.
April 2024	Managing Executive Officer, Chief of Corporate Planning, Finance, HR & Administration (current)

(Significant Positions Concurrently Held)

Director of Kansai Paint Sales Co., Ltd.

Director of Kansai Nerolac Paints Ltd.

Director of Kansai Plascon Africa Ltd.

Reason for nomination

Mr. TOMIOKA Takashi has engaged mainly in sales business, such as the Company's Automotive Refinish, Decorative and Protective Coatings business, since joining the Company, and he has a wealth of experience and an excellent track record in the Company's coatings business in addition to his experience of working overseas. Since 2019, he has also directed the reform of corporate culture, M&A, formulation of medium-term plans and the subcommittee for the improvement of business performance in the business planning field while providing excellent performance by leading strategies for IR, IT and DX, reorganizing the sustainability promotion structure, and aggressively promoting the enhancement of business fundamentals. In view of his abundant experience and track record, Mr. TOMIOKA Takashi has been nominated as Director of the Board since he is deemed most appropriate for realizing and aggressively promoting sustainable corporate value at the Company in its transition period.

Note: There are no special conflicts of interest between Mr. TOMIOKA Takashi as a nominee and the Company.

Number of Company Shares Held: -

Number of Board of Directors meetings attended: 15/15 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1978	Joined Hitachi, Ltd.
April 2016	Senior Vice President and Executive Officer of Hitachi, Ltd.
June 2017	Outside Director of Hitachi Capital Corp. (currently, Mitsubishi HC Capital Inc.)
June 2017	Director of the Board of Hitachi Chemical Co., Ltd. (currently, Resonac Corporation)
June 2019	Chairman of the Board of Hitachi Metals, Ltd. (currently, Proterial, Ltd.)
July 2020	Chairman of the Board of Hitachi High-Tech Corporation
March 2022	Outside Director of KOKUYO Co., Ltd. (current)
June 2022	Outside Director of MACNICA FUJI ELECTRONICS HOLDINGS, INC. (currently, MACNICA HOLDINGS, INC.) (current)
June 2023	Outside Director of Kansai Paint (current)

(Significant Positions Concurrently Held)

Outside Director of KOKUYO Co., Ltd.
Outside Director of MACNICA HOLDINGS, INC.

Reasons for nomination as Outside Director of the Board, outline of his expected role, and his term of office

Mr. OMORI Shinichiro has long experience in corporate management and deep insight as well as a track record of management reforms and enhancement of governance. Mr. OMORI has been nominated as Outside Director of the Board since it is deemed beneficial to the Company in its transition period, in which the medium- to long-term strategies are implemented, if he provides us with advice and monitoring of the Company's management and the Board of Directors from an objective and neutral point of view.

It should be noted that Mr. OMORI will have served as Outside Director of the Board for One (1) year as of the close of this Meeting.

Independence as Outside Director of the Board nominee

Mr. OMORI Shinichiro previously served as Senior Vice President and Executive Officer for Hitachi, Ltd., a client of the Company's group company. However, since the amount of business with said client during the last fiscal year was less than 0.02% of the Company's consolidated net sales and less than 0.01% of said client's consolidated net sales, there is no risk of conflict of interest with general shareholders. Furthermore, Mr. OMORI previously served as Director of the Board for Hitachi Chemical Co., Ltd. (currently, Resonac Corporation). However, since the amount of business with said client during the last fiscal year was less than 0.1% of the Company's consolidated net sales and less than 0.02% of said client's consolidated net sales, there is no risk of conflict of interest with general shareholders. Also, Mr. OMORI previously served as Chairman of the Board of Hitachi Metals, Ltd. (currently, Proterial, Ltd.). However, since the amount of business with said client during the last fiscal year was less than 0.01% of the Company's consolidated net sales and less than 0.01% of said client's consolidated net sales, there is no risk of conflict of interest with general shareholders. Since there is no business relationship between the Company and KOKUYO Co., Ltd. and MACNICA HOLDINGS, INC., where he currently serves as Outside Director, his independence will not be affected. Furthermore, Mr. OMORI Shinichiro fulfills the "Standards Concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors" established by the Company, which are included as Reference on page 30.

Assuming that this item of proposal is approved, the Company has designated him as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notified the institution of his appointment.

Limited liability agreement with the Outside Director of the Board nominee

The Company has executed an agreement with Mr. OMORI Shinichiro, limiting his liability for damages.
In the event that he is selected and appointed, the Company will extend the agreement with him.

Note: Mr. OMORI Shinichiro is a nominee for Outside Director. There are no special conflicts of interest between him and the Company.

Number of Company Shares Held: -

Number of Board of Directors meetings attended: -/- (-%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

September 1987 Joined General Electric Japan Company (currently, Japan GE Co., Ltd.)
 July 1997 General Manager of Human Resources and General Affairs Dept. of General Electric Capital Car System Co., Ltd.
 February 2001 Director and General Manager of Human Resources Division of GE Yokogawa Medical Systems Ltd. (currently, GE Healthcare Japan Corporation)
 January 2003 Executive Officer in charge of Human Resources of AIU Insurance Company (currently, AIG General Insurance Company, Ltd.)
 February 2006 Senior Management and General Manager of Human Resources Division of Microsoft Co., Ltd. (currently, Microsoft Japan Co., Ltd.)
 October 2011 Director in charge of Human Resources of GlaxoSmithKline K.K.
 April 2012 Director of Japan Association of Corporate Executives (DOYUKAI)
 October 2016 Leadership & Organization Development-related advisor (current)
 June 2021 Independent Director of JALUX Inc.
 June 2023 Outside Director of JEOL Ltd. (current)

(Significant Positions Concurrently Held)

Outside Director of JEOL Ltd.

Reasons for nomination as Outside Director of the Board, and outline of her expected role

Ms. YOMO Yukari has served in senior management, engaging in the human development field for many years at several companies, including foreign-owned companies, and has a wealth of experience and professional insights. In view of her abundant track record in corporate management as Outside Director and Director of DOYUKAI, Ms. YOMO Yukari has been nominated as Outside Director of the Board since it has been decided that she is most appropriate for monitoring management with appropriate advice and from objective viewpoints for the benefit of the Company, which positions the human resources strategy as the top priority issue.

Independence as Outside Director of the Board nominee

There are no business relationships between the Company and General Electric Japan Company (currently, Japan GE Co., Ltd.), General Electric Capital Car System Co., Ltd., GE Yokogawa Medical Systems Ltd. (currently, GE Healthcare Japan Corporation), AIU Insurance Company (currently, AIG General Insurance Company, Ltd.), Microsoft Co., Ltd. (currently, Microsoft Japan Co., Ltd.) and GlaxoSmithKline K.K., where Ms. YOMO Yukari held positions in the past. There is no business relationship between the Company and JEOL Ltd., where she currently serves as Outside Director, and the Company has no business relationship with her, either. Therefore, her independence will not be affected. Ms. YOMO fulfills the “Standards concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors” established by the Company, which are included as Reference on page 30.

Assuming that this item of proposal is approved, the Company has designated her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notified the institution of her appointment.

Limited liability agreement with the Outside Director of the Board nominee

In the event that Ms. YOMO Yukari is appointed and takes office as an Outside Director of the Board, the Company will conclude a limited liability agreement with Ms. YOMO that sets out her liability for failure to perform her duties in the amount prescribed by laws and ordinances, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

Notes: 1. Ms. YOMO Yukari's name on her family register is MORI Yukari.

2. Ms. YOMO Yukari is a nominee for Outside Director. There are no special conflicts of interest between her and the Company.

Number of Company Shares Held: -

Number of Board of Directors meetings attended: -/- (-%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 2008	Program-specific Associate Professor at International Research Center for Japanese Studies, Columbia University
October 2012	Visiting Scholar at Edwin O. Reischauer Institute of Japanese Studies (RIJS), Harvard University
October 2012	Associate Professor at the School of Politics, and Sloan School of Management at Massachusetts Institute of Technology
July 2015	Outside Director of GOURMET KINEYA CO., LTD.
April 2016	Associate Professor at the Graduate School of Economics, Kyoto University
May 2016	Associate Professor at the Graduate School of Management, Kyoto University
September 2016	Visiting Scholar at Harvard Business School
March 2018	Outside Corporate Auditor of Sumitomo Rubber Industries, Ltd. (current)
April 2018	Professor at the Graduate School of Economics, Kyoto University (current)
April 2018	Professor at the Graduate School of Management, Kyoto University (current)
March 2019	Outside Director of Nissha Co., Ltd.

(Significant Positions Concurrently Held)

Professor at the Graduate School, Kyoto University

Outside Corporate Auditor of Sumitomo Rubber Industries, Ltd.

Reasons for nomination as Outside Director of the Board, and outline of her expected role

Dr. Asli M. Colpan has an abundant track record and high levels of expertise mainly in the study fields of corporate strategy and corporate governance over a long period of time. Additionally, she has actually been involved in corporate management as outside director and outside corporate auditor. In view of her knowledge and insights, Dr. Colpan has been nominated as Outside Director of the Board since it is deemed beneficial to the Company in its transition period if she provides us with monitoring of the Company's management, as a whole, from an objective and neutral point of view.

The reason for determining that the nominee fulfills her duties as an Outside Director of the Board

Dr. Asli M. Colpan does not have experience dealing directly with corporate management by means other than serving as an Outside Officer, but it is believed that her professional knowledge and experience as a university professor who teaches business administration and adequate insights into guiding corporate management will enable her to fulfill the duties of an Outside Director of the Board.

Independence as Outside Director of the Board nominee

The Company has no business relationship with GOURMET KINEYA CO., LTD. or Nissha Co., Ltd, where she served as Outside Director in the past, or Sumitomo Rubber Industries, Ltd., where she currently serves as outside corporate auditor. Furthermore, the Company does not have a relationship of business or donation with the Graduate School of Kyoto University, where she serves as a professor. Therefore, there are no special conflicts of interest between the said companies or university and the Company that would affect her independence. Dr. Colpan fulfills the "Standards concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors" established by the Company, which are included as Reference on page 30.

Assuming that this item of proposal is approved, the Company has designated her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notified the institution of her appointment.

Limited liability agreement with the Outside Director of the Board nominee

In the event that Dr. Asli M. Colpan is appointed and takes office, the Company will conclude a limited liability agreement with Dr. Colpan that sets out her liability for failure to perform her duties in the amount prescribed by laws and ordinances, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

Note: Dr. Asli M. Colpan is a nominee for Outside Director. There are no special conflicts of interest between her and the Company.

Fourth Item of Proposal: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

Subject to approval and resolution of the Second Item of Proposal “Partial Amendments to the Articles of Incorporation,” the Company will shift to a company with an Audit & Supervisory Committee. The Company, therefore, requests the election of the three (3) Directors of the Board who are Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has given its prior accord to this Fourth Item of Proposal.

This Fourth Item of Proposal shall become effective only when the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The nominees for Directors of the Board who are Audit & Supervisory Committee Members are as follows:

No.	Name	Current position	Number of Board of Directors meetings attended		Number of the Board of Corporate Auditors meetings attended:	
1	HASEBE Hideshi	Full-time Corporate Auditor New Appointment	19/19	100%	14/14	100%
2	YAMAMOTO Tokuo	Outside Corporate Auditors New Appointment Outside Independent Officer	19/19	100%	14/14	100%
3	NAKAI Hiroe	Outside Corporate Auditors New Appointment Outside Independent Officer	15/15	100%	11/11	100%

Note: Since Ms. NAKAI Hiroe was appointed as Corporate Auditor on June 29, 2023, the numbers of Board of Directors meetings and Board of Corporate Auditors meetings held and attended are different from those of other Audit & Supervisory Committee Member nominees.

Candidates for Director of the Board (New Appointment)

Candidates for Director of the Board (Outside)

Candidates for Independent Officer (Independent Officer)

No.

1

HASEBE Hideshi (Date of Birth: January 16, 1963)

New Appointment

Number of Company Shares Held:	6,400
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Number of Board of Directors meetings attended:	19/19 (100%)
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Number of Board of Corporate Auditors meetings attended:	14/14 (100%)
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Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1985	Joined Kansai Paint
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April 2015	General Manager of Finance and Accounting Dept., Administrative Div.
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April 2018	Executive Officer, General Manager of Business Administration Dept. Administrative Div.
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June 2020	Full-time Corporate Auditor (current)
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(Significant positions concurrently held)

Corporate Auditor of Kansai Paint Sales Co., Ltd.

Reason for nomination

Mr. HASEBE Hideshi has abundant knowledge on accounting with experience of serving as General Manager of the Finance and Accounting Dept. and General Manager of the Finance and Accounting Dept. of the Company. Furthermore, since June 2020, he has engaged in auditing of the Company's business execution in an appropriate manner as a full-time Corporate Auditor, utilizing his knowledge and experience. Mr. HASEBE has been nominated as a Director of the Board who is an Audit & Supervisory Committee Member since it is expected that he is capable of appropriately fulfilling his responsibilities in the monitoring and auditing in the Company's group governance by making use of his abundant business experience and particularly his expertise on finance and accounting.

Note: There are no special conflicts of interest between Mr. HASEBE Hideshi as a nominee and the Company.

Number of Company Shares Held: -

Number of Board of Directors meetings attended: 19/19 (100%)

Number of Board of Corporate Auditors meetings attended: 14/14 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1981	Joined NEC Corporation
May 1995	Seconded to NEC de Mexico SA de CV, Accounting and Finance Manager
June 2007	General Manager of Affiliated Companies of NEC de Mexico SA de CV
February 2014	Associate Senior Vice President of NEC Networks & System Integration Corporation
June 2017	Full-time Corporate Auditor of NEC Networks & System Integration Corporation
June 2019	Full-time Corporate Auditor of JAPAN PURE CHEMICAL CO., LTD.
June 2021	Outside Corporate Auditor of Kansai Paint (current)

Reasons for nomination as Outside Director of the Board who is an Audit & Supervisory Committee Member, and the outline of his expected role

Mr. YAMAMOTO Tokuo successively held the position of supervisor of policy for affiliated companies including overseas companies based on his finance and accounting skills, and has abundant experience and knowledge on corporate governance. Since June 2021, he has implemented appropriate audit in an objective and professional manner from the perspective of the Company's group governance as the Company's Outside Corporate Auditor. Mr. YAMAMOTO has been nominated as a Director of the Board who is an Audit & Supervisory Committee Member since it is expected that he is capable of appropriately fulfilling his responsibilities in the monitoring and auditing in the Company's group governance by making use of his abundant business experience and particularly from his viewpoints on financing and accounting.

It should be noted that Mr. YAMAMOTO will have served as Outside Corporate Auditor for Three (3) years as of the close of this Meeting.

Independence as a nominee for Outside Director of the Board who is an Audit & Supervisory Committee Member

Since the amount of business for the last fiscal year with NEC Corporation, where Mr. YAMAMOTO Tokuo served in the past, was less than 0.01% of the Company's consolidated net sales and less than 0.01% of said client's consolidated net sales, there is no risk of conflict of interest with general shareholders. Since there is no business relationship between the Company and NEC Networks & System Integration Corporation, where he served in the past, his independence will not be affected. Furthermore, Mr. YAMAMOTO Tokuo fulfills the "Standards Concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors" established by the Company, which are included as Reference on page 30.

Limited liability agreement with the nominee for Outside Director of the Board who is an Audit & Supervisory Committee Member

The Company has executed an agreement with Mr. YAMAMOTO Tokuo, limiting his liability for damages.

If he is selected and takes office, the Company will extend the agreement with him.

Note: Mr. YAMAMOTO Tokuo is a nominee for Outside Director who is an Audit & Supervisory Committee Member. There are no special conflicts of interest between him and the Company.

Number of Company Shares held:	-
Number of Board of Directors meetings attended:	15/15 (100%)
Number of Board of Corporate Auditors meetings attended:	11/11 (100%)

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1988	Registered as a lawyer (Osaka Bar Association)
August 2016	Outside Corporate Auditor of Kansai Paint
June 2018	Outside Director of GUNZE LIMITED (current)
June 2023	Outside Corporate Auditors of Kansai Paint (current)

(Significant positions concurrently held)

Lawyer and Outside Director of GUNZE LIMITED

Reasons for nomination as Outside Director of the Board who is an Audit & Supervisory Committee Member, and the outline of her expected role

Ms. NAKAI Hiroe has expertise in the legal field based on her many years of experience as a lawyer. From August 2016 to June 2017, and since June 2023, she monitored and has monitored the Company's management as an Outside Corporate Auditor from a fair and neutral standpoint. In view of her experience in supervising corporate management as Outside Director, Ms. NAKAI has been nominated as Director who is an Audit & Supervisory Committee Member since she is deemed most appropriate for enhancing the corporate governance of the Company, including its legal affairs and compliance, by utilizing her wealth of experience.

It should be noted that Ms. NAKAI will have served as Outside Corporate Auditor for One (1) year as of the close of this Meeting.

The reason for determining that the nominee fulfills her duties as an Outside Director

Ms. NAKAI Hiroe does not have experience in dealing directly with corporate management by means other than serving as an Outside Officer, but it is believed that her professional knowledge and experience as a lawyer and adequate insights into guiding corporate management will enable her to fulfill the duties of an Outside Director who is an Audit & Supervisory Committee Member.

Independence as a nominee for Outside Director of the Board who is an Audit & Supervisory Committee Member

The Company does not do business with the law firm to which Ms. NAKAI Hiroe belongs. Since the Company has no business relationship with GUNZE LIMITED, where she currently serves as Outside Director, there are no special conflicts of interest between the said company and the Company that would affect her independence. Furthermore, Ms. NAKAI fulfills the "Standards Concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors" established by the Company, which are included as Reference on page 30.

The Company has designated her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notified the institution of her appointment.

Limited liability agreement with the nominee for Outside Director who is an Audit & Supervisory Committee Member

The Company has executed an agreement with Ms. NAKAI Hiroe, limiting her liability for damages. If she is selected and takes office, the Company will extend the agreement with her.

Notes: 1. Ms. NAKAI Hiroe's name on her family register is ASAMI Hiroe.

2. Ms. NAKAI Hiroe is a nominee for Outside Director who is an Audit & Supervisory Committee Member. There are no special conflicts of interest between her and the Company.

Fifth Item of Proposal: Election of One (1) Alternate Director Who Is an Audit & Supervisory Committee Member

Subject to approval and resolution of the Second Item of Proposal “Partial Amendments to the Articles of Incorporation,” the Company will shift to a company with an Audit & Supervisory Committee. To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Committee Members required by laws and regulations, the Company requests the advance election of one (1) alternate Director of the Board who is an Audit & Supervisory Committee Member.

The effectiveness of the election under this Proposal may be cancelled based on resolution of the Board of Directors of the Company, provided such cancellation is done prior to the assumption of office.

The Board of Corporate Auditors has given its prior accord to this Fifth Item of Proposal.

This item of proposal shall become effective only when the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The nominee for Alternate Director who is an Audit & Supervisory Committee Member is as follows:

KURODA Ai (Date of Birth: October 14, 1966)

Outside

Number of Company Shares held: -

Brief Personal History and Positions/Responsibilities at the Company (Significant Positions Concurrently Held)

April 1995 Registered as a lawyer (Osaka Bar Association)

June 2017 Outside Corporate Auditor of Kamigumi Co., Ltd. (current)

(Significant positions concurrently held)

Lawyer and Outside Corporate Auditor of Kamigumi Co., Ltd.

Reason for nomination as Alternate Outside Director Who is an Audit & Supervisory Committee Member, and the outline of her expected role

Ms. KURODA Ai has expertise in the legal field based on her many years of experience as a lawyer, and she also has a track record of auditing corporate management as an outside corporate auditor. In view of her wealth of experience, Ms. KURODA was nominated as an Alternate Outside Director who is an Audit & Supervisory Committee Member since she is deemed most appropriate for enhancing the corporate governance of the Group, including its legal affairs and compliance.

The reason for determining that the nominee is capable of fulfilling her duties as Outside Director who is an Audit & Supervisory Committee Member

Ms. KURODA Ai does not have experience in dealing directly with corporate management by means other than serving as an Outside Officer, but it is believed that her professional knowledge and experience as a lawyer and adequate insights into guiding corporate management will enable her to fulfill the duties of an Outside Director who is an Audit & Supervisory Committee Member.

Independence as a nominee for Outside Director of the Board who is an Audit & Supervisory Committee Member

The Company does not do business with the law firm to which Ms. KURODA Ai belongs. Since the Company has no business relationship with Kamigumi Co., Ltd., where she currently serves as an Outside Corporate Auditor, there are no special conflicts of interest between the said company and the Company that would affect her independence. Furthermore, Ms. KURODA fulfills the “Standards Concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors” established by the Company, which are included as Reference on page 30.

In the event that Ms. KURODA is appointed as an Outside Director who is an Audit & Supervisory Committee Member, the Company will designate her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notify the institution of her appointment.

Limited liability agreement with the nominee for Outside Director of the Board who is an Audit & Supervisory Committee Member

In the event that Ms. KURODA Ai takes office as an Outside Director who is an Audit & Supervisory Committee Member, the Company will conclude a limited liability agreement with Ms. KURODA that sets out her liability for failure to perform her duties in the amount prescribed by laws and ordinances, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

Note: Ms. KUKRODA Ai is a nominee for Alternate Outside Director who is an Audit & Supervisory Committee Member. There are no special conflicts of interest between her and the Company.

Sixth Item of Proposal: Determination of Compensation for Directors of the Board (except for Directors who are Audit & Supervisory Committee Members)

Subject to approval of the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” as proposed, the Company will shift to a company with an Audit & Supervisory Committee upon the close of this Meeting.

The amount of annual compensation for Directors of the Company has been not more than 700 million yen since it was approved at the 146th Ordinary General Meeting of Shareholders held on June 29, 2010. Considering that the Company will shift to a company with an Audit & Supervisory Committee, the Company proposes that the said annual compensation be abolished and that the amount of annual compensation for Directors (except for directors who are Audit & Supervisory Committee Members; the same shall apply hereunder in this item of proposal) be newly determined, which shall not exceed 1,000 million yen (including 100 million yen or less per year for Outside Directors).

In the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” and this Sixth Item of Proposal are approved at this Meeting, we will make a resolution at a Board of Directors meeting after the close of this Meeting to revise the “Policy for Determination of Individual Director’s Compensation, etc.,” which is described in the Business Report, in consistency with the approval, upon transition to a company with an Audit & Supervisory Committee, subject to the approval and resolution of the Second Item of Proposal “Partial Amendments to the Articles of Incorporation.”

Since this item of proposal is needed to set out the details of compensation for individual Directors in accordance with the relevant policy and takes into consideration the amounts of compensation for Directors to date, the levels of compensation at other companies, economic situations and other factors, we believe that this proposal is appropriate. It should be also noted that the compensation for Directors does not include compensation for the employee portion of employee-directors for their services in such capacity, in the same manner previously applied.

The number of Directors is currently nine (9) (including four (4) Outside Directors), and in the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” and the Third Item of Proposal “Election of Eight (8) Directors of the Board (except for Directors who are Audit & Supervisory Committee Members)” are approved as proposed, the number of Directors will be eight (8) (including three (3) Outside Directors).

The resolution associated with this item of proposal will become effective when the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” takes effect.

Seventh Item of Proposal: Determination of Compensation for Directors Who Are Audit & Supervisory Committee Members

The Company will shift to a company with an Audit & Supervisory Committee at the close of this Meeting, in the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” is approved as proposed.

The Company hereby proposes that the annual compensation for Directors who are Audit and Supervisory Committee Members be 150 million yen or less.

Furthermore, in the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” and this item are approved, the Company plans to make a resolution at a Board of Directors meeting, to be held after the close of this Meeting, for formal changes (that reflect the transition to a company with an Audit & Supervisory Committee) to the “Policy for Determination of Individual Director’s Compensation, etc.,” which is included in the Business Report, in consistency with the approval.

Since this item of proposal is needed to set out the details of compensation for individual Directors in accordance with the relevant policy and takes into consideration the duties of Directors who are Audit & Supervisory Committee Members, the levels of compensation at other companies, economic situations and other factors, we believe that this proposal is appropriate.

In the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” and the Fourth Item of Proposal “Election of Three (3) Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the number of Directors who are Audit & Supervisory Committee Members will be three (3).

The resolution associated with this item of proposal will become effective when the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” takes effect.

Eighth Item of Proposal: Determination of Details of the Stock-based Compensation System for Directors (except for Directors who are Audit & Supervisory Committee Members)

1. Reason for the proposal and the grounds that the relevant compensation is reasonable

The Company will shift to a company with an Audit & Supervisory Committee at the close of this Meeting, in the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” is approved as proposed.

The introduction of the performance-linked stock-based compensation system (hereinafter, “the System”) was approved at the 153rd Ordinary General Meeting of Shareholders held on June 29, 2017, and partial amendments thereto were approved at the 158th Ordinary General Meeting of Shareholders held on June 29, 2022. Under the System, the Company plans to offer Directors (except for Outside Directors and residents outside Japan), Managing Executive Officers and Executive Officers (except for residents outside Japan) a grant or payment (hereinafter, the “grant, etc.”) of the Company’s shares and money equivalent to the converted value of such shares (hereinafter, “the Company’s shares, etc.”) acquired through a trust based on the amount of compensation payable to them, which is contributed by the Company.

With the transition to a company with an Audit & Supervisory Committee, the Company proposes that a new framework of compensation for the Company’s Directors, Managing Executive Officers and Executive Officers (except for Outside Directors, Directors who are Audit & Supervisory Committee Members and residents outside Japan; hereinafter, “Directors, etc.”) be established and approved.

This item is proposed to pay stock-based compensation to Directors, etc. under the System apart from the maximum amount of compensation (1,000 million yen or less per year (including 100 million yen or less per year for Outside Directors)) for Directors (except for Directors who are Audit & Supervisory Committee Members), which is proposed in the Sixth Item of Proposal “Determination of Compensation for Directors of the Board (except for Directors who are Audit & Supervisory Committee Members).”

This proposal has been made for a procedural purpose in line with the transition to a company with an Audit & Supervisory Committee, and it should be noted that the substantial amount and content of compensation are the same as those approved at the above-mentioned Ordinary General Meetings of Shareholders. Since this item was proposed for the purpose of sharing interests with shareholders by improving medium- to long-term business performance and raising awareness of contribution to increasing corporate value, we believe that this proposal is appropriate.

The Company will resolve to revise the “Policy for Determination of Individual Director’s Compensation, etc.,” which is included in the Business Report, at a Board of Directors meeting after the close of this Meeting in consistency with the approval. Therefore, such revisions are subject to approval and resolution as proposed concerning the Second Item of Proposal “Partial Amendments to the Articles of Incorporation,” the Sixth Item of Proposal “Determination of Compensation for Directors of the Board (except for Directors who are Audit & Supervisory Committee Members),” and this item of proposal.

The number of Directors eligible for the System at the close of this Meeting (except for Outside Directors, Directors who are Audit & Supervisory Committee Members, and residents outside Japan) will be five (5) (provided, however, that the number of Managing Executive Officers and Executive Officers who do not concurrently serve as Directors will be eight (8)) in the event that the Third Item of Proposal “Election of Eight (8) Directors of the Board (except for Directors who are Audit & Supervisory Committee Members)” is approved and resolved as proposed.

The resolution associated with this item of proposal will become effective when the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” takes effect.

2. Amount and outline of compensation, etc. under the System

(1) Outline of the System

The System represents a stock-based compensation system under which the Company's shares are acquired through a trust based on the amount of compensation for Directors, etc., which is contributed by the Company, and granted to Directors, etc. (Please refer to paragraph (2) and thereunder for details.)

(i) Persons eligible for the grant, etc. of the Company's shares, etc. under this item of proposal	Directors, etc. of the Company
(ii) Impact of the Company's shares subject to this item of proposal on the total number of shares outstanding	
Maximum amount of money to be contributed by the Company (See paragraph (2) below.)	750 million yen over a period of three fiscal years
Maximum number of the Company's shares, etc. to be granted to Directors, etc. (See paragraph (3) below.)	- The number of shares calculated by multiplying 90,000 shares by the number of years of the subject period. As a result, the maximum number of the Company's shares, etc. to be granted to Directors, etc. during the initial subject three (3) fiscal years will be 270,000. - The ratio of the maximum number of the Company's shares, etc. to be granted to Directors, etc. during one (1) fiscal year to the total number of the Company's shares outstanding (as of March 31, 2024; after deducting treasury stock) is approximately 0.04%.
Method of acquisition of the Company's shares (See paragraph (2) below.)	The Company's shares under the System will be acquired from the stock market or the Company (through the disposition of treasury stock, etc.). Provided, however, that there will be no dilution of shares outstanding during the initial subject period since the Company's shares will be acquired from the stock market.
(iii) Conditions for achieving operating performance (See paragraph (3) below.)	- Performance indicators shown in the Company's Medium-term Management Plan, etc. - Indicators used in the initial subject period shall be EBITDA and ROE. - Performance-linked coefficient may fluctuate between 0% and 200% depending on the achievement degrees of the individuals.
(iv) Timing for grant, etc. of the Company's shares, etc. to Directors, etc. (See paragraph (4) below.)	At retirement (Provided, however, that the Company's shares acquired under the System shall continue to be held until one (1) year has elapsed after retirement.)

(2) Maximum amount of money to be contributed by the Company

The System covers three (3) fiscal years, which correspond to the three-year period of the Company's Medium-term Management Plan, initially from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025. (The period subject to the System shall be hereinafter referred to as "the Subject Period".)

During the Subject Period, the Company will contribute trust money within the limit of the amount calculated by multiplying 250 million yen by the number of years of the relevant Subject Period (*i.e.* 750 million yen for the three (3) fiscal years of the initial Subject Period), and then establish a trust (hereinafter, "the Trust") with Directors, etc. who meet the beneficiary requirements as its beneficiary for a period corresponding to the Subject Period.

The Trust follows the instruction of the trust administrator and acquires the Company's shares from the stock market or the Company (by disposal of treasury stock, etc.) using the money contributed to the Trust.

During the Subject Period, the Company will grant points to Directors, etc. (as described in paragraph (3) below). The grants, etc. of the Company's shares, etc. corresponding to the accumulated value of granted points (hereinafter, "the number of accumulated points") will be offered to Directors, etc. from the trust after their retirement. (In the case of death of Directors, etc., the grants, etc. will be offered after death; the same shall apply hereafter.)

At the expiration of the trust period of the Trust, the Company may, instead of establishing a new trust, continuously use the Trust by making amendments to the trust agreement and additional contributions to the Trust. In such a case, the trust period will be extended by three (3) years, and the three-year period after the extension of the trust period shall be the Subject Period. The Company will make additional contributions of not more than 750 million yen for each extension of trust period. During the extended trust period, the Company will continue to grant points to Directors, etc., and the Trust will continue to offer them the grant, etc. of the Company's shares, etc.

It should be noted, however, that in the case where such additional contributions are made, if the Company's shares (excluding the Company's shares corresponding to the points granted to Directors, etc. but the grant, etc. has not been offered yet.) and money (hereinafter, the "residual shares, etc.") remain before the extension of the trust period, the upper limit of the total amount of the residual shares, etc. and the trust money additionally contributed by the Company shall be 750 million yen.

If the Company does not make amendments to the trust agreement or additional contributions at the expiry of the trust period of each Trust, and Directors, etc. who are likely to meet beneficiary requirements are still holding office, points will not be granted to Directors, etc. thereafter. However, the Company may extend the trust period of the Trust until the completion of the grant, etc. of the Company's shares, etc. to the relevant Directors, etc. after their retirement.

(3) Calculation method and the upper limit of the number of the Company's shares to be granted to Directors, etc.

The Company will grant Directors, etc. who hold office as of the end of each fiscal year (including those who retired on the same day due to the expiration of term of office) during the trust period (the first year is the fiscal year ended on March 31, 2023) the points calculated by the following calculation method at a predetermined time after the end of the relevant fiscal year. The granted points will be accumulated each year, and the Company's shares, etc. will be granted according to the number of accumulated points at retirement of Directors, etc.

<Calculation method of points>

The points granted to Directors, etc. shall be the total of fixed points and performance-linked points. Fixed points represent the fixed portion (hereinafter, "Fixed base amount") accounting for one-half of the stock-based compensation base amount, which is predetermined according to individual rank of Directors of the Board. The remaining one-half is the performance-linked portion (hereinafter, "Performance-linked base amount") and is determined by multiplying a performance-linked coefficient, and divided by the closing price of the Company's share recorded on the Tokyo Stock Exchange (hereinafter, "Premise stock price") on July 1 of the first fiscal year of the Subject Period of the Trust. (If it is not a business day, the closing price of the next business day shall apply; the relevant date shall be July 1, 2022 with respect to the initial Subject Period.)

(Calculation formula for fixed points)

Fixed base amount / Premise stock price (Fractions are rounded down to the nearest integer.)

(Calculation formula for performance-linked points)

Performance-linked base amount / Premise stock price x Performance-linked coefficient(*) (Fractions are rounded down to the nearest integer.)

(*) Performance-linked coefficient varies within the range of 0% to 200% depending on the degrees of achievement of targets for the performance indices indicated in the Company's Medium-term Management Plan (*i.e.* EBITDA and ROE for the initial Target Period).

Based on the prescribed ratio (1 point = 1 share of common stock of the Company), in the event that the Company's shares in the Trust increase or decrease during the trust period due to stock splits or consolidation of shares, the Company shall adjust the number of the Company's shares to be offered for grant, etc. according to the ratio of increase or decrease.

The maximum number of points to be granted to Directors, etc. during the trust period of the Trust shall be the number of points calculated by multiplying 90,000 points by 3 (the number of years in the Subject Period). And the upper limit of number of the Company's shares that Directors, etc. are entitled to receive during the trust period of the Trust shall be the number of shares corresponding to the relevant maximum number of points (hereinafter, "the Maximum Number of Shares to be Granted"). Therefore, the Maximum Number of Shares to be Granted for the initial three-year Subject Period will be 270,000 (in the case of 1 point being calculated as 1 share). The Maximum Number of Shares to be Granted has been decided in reference to the trend of the stock price, taking into consideration the upper limit of money to be contributed by the Company as stated in paragraph (2) above.

It should be noted that in the event that the Trust is continued in accordance with paragraph (2) above, the Maximum Number of Shares to be Granted during the extended trust period shall be the number of shares corresponding to the number of points calculated by multiplying 90,000 points by 3 (the number of years in the extended trust period).

(4) Method and timing of grant, etc. of the Company's shares, etc. to Directors, etc.

The Trust will grant Directors, etc. who meet beneficiary requirements the number of Company's shares equivalent to the accumulated points at their retirement.

In this case, the relevant Directors, etc. conduct in the Trust the realization of the number of the Company's shares equivalent to a certain percentage of the number of points for the purpose of securing the funds needed to pay their tax obligations, receive money equivalent to the converted value of such shares and the Company's shares (shares less than one investment unit are rounded down) equivalent to the remaining points.

The Company's shares obtained through the System shall be continuously held until one year passes after retirement.

(5) Clawback, etc.

In the event that Directors, etc. committed serious wrongdoings, violations, etc., the Company may confiscate the points granted (malus) to the relevant Director based on the System and demand the return of money equivalent to the granted Shares (clawback).

(6) Voting rights concerning the Company's shares in the Trust

Voting rights concerning the Company's shares in the Trust shall not be executed during the trust period in order to secure neutrality to management.

(7) Other details of the System

Other details concerning the System will be determined by the Board of Directors whenever the Trust is established, the trust agreement is amended, and additional contributions are made to the Trust.

<Matters for Judging the Third Item to the Fifth Item of Proposal>

1. Composition and expertise of the members of the Board of Directors in the event that the Third and the Fourth Items of Proposal are approved

The expertise we consider necessary to carry out the Company's management and the specialization we expect from individual members of the Board of Directors are as follows.

	Name	Attribute	Corporate management	Sales and marketing	Finance & accounting	Global	R&D, SCM	Human resources, Human resource development	Legal affairs, Risk management	ESG	IT, DX
Director	MORI Kunishi	Internal Male	●	●						●	
	TAKAHARA Shigeki	Internal Male	●		●	●			●	●	●
	NISHIBAYASHI Hitoshi	Internal Male	●	●		●					
	KAJIMA Junichi	Internal Male	●			●	●				
	TOMIOKA Takashi	Internal Male	●	●	●	●		●		●	●
	OMORI Shinichiro	Independent, Outside Male	●			●			●	●	●
	YOMO Yukari	Independent, Outside Female	●			●		●		●	
	Asli Meziyet Colpan	Independent, Outside Foreign, Female	●			●			●	●	
Director who is an Audit & Supervisory Committee	HASEBE Hideshi	Internal Male			●						
	YAMAMOTO Tokuo	Independent, Outside Male			●	●			●	●	
	NAKAI Hiroe	Independent, Outside Female							●		

2. Directors' and Officers' Liability Insurance

The Company has entered into a Directors' and Officers' Liability Insurance agreement with an insurance company for Directors of the Board, Corporate Auditors and Executive Officers of the Company, as well as Directors of the Board and Corporate Auditors of major consolidated subsidiaries, as the insured pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy is designed to cover damages that may arise due to the said insured assuming responsibility for his/her duties or receiving claims related to the pursuit of such responsibility. In the event that the candidates for the Third Item to the Fifth Item of Proposal are appointed, they will be included in the insured of the insurance policy. The Company also plans to update at the time of renewal with the same content.

3. Approach to Cross-shareholdings and Reduction Status

In the Growth Strategy "Good to Great" announced in November 2020, the Company has set "Generating Funds for Investment in Growth by Reducing Total Assets" as a part of strengthening infrastructure to support the implementation of the strategy. As one of its measures, the Company is promoting the reduction of cross-shareholdings while examining the economics of such holdings, and the current status as of the end of the current fiscal year is as follows:

	As of March 31, 2024		As of March 31, 2023	
	Number of issues	The carrying amount on the balance sheets (millions of yen)	Number of issues	The carrying amount on the balance sheets (millions of yen)
Unlisted shares	41	3,313	40	2,318
Shares other than unlisted shares	30	19,292	52	49,197

<Reduction of Cross-shareholdings of the 160th Fiscal Term (Sales amount)>

	Number of issues	Sales amount (millions of yen)
Shares other than unlisted shares	24	36,904

4. Standards Concerning the Independence of Outside Directors of the Board and Outside Corporate Auditors

Article 1. These regulations set out the standards concerning independence for appointing Outside Directors of the Board and Outside Corporate Auditors (hereinafter, collectively, “Outside Officers”) at the Company.

Article 2. Outside Officers of the Company must not fall under any of the following descriptions:

- (1) A Director of the Board (excluding Outside Directors of the Board of the Company or its consolidated subsidiaries), Executive Director of the Board, Corporate Auditor (excluding Outside Corporate Auditor of the Company or its consolidated subsidiaries), Executive Officer, accounting corporate advisor (in the case where the said accounting corporate advisor is a corporation, corporate employees required to perform work for the corporation are included), manager or other employee of the Company or its consolidated subsidiary;
- (2) An individual for whom the Company or its consolidated subsidiary is a major business partner or who serves as an executive at an entity for which the Company or its consolidated subsidiary is a major business partner;
- (3) An individual who is a major business partner of the Company or its consolidated subsidiary or who serves as an executive at an entity that is a major business partner of the Company or its consolidated subsidiary;
- (4) A major shareholder of the Company (in the case where the said major shareholder is a corporation, an individual who serves as an executive at the said corporation);
- (5) An individual who receives a large amount of donations from the Company or its consolidated subsidiary (in the case where the said recipient of a large amount of donations is a corporation, an individual who serves as an executive at the said corporation);
- (6) A consultant, accounting expert or law expert who receives a large amount of cash or other assets from the Company or its consolidated subsidiary, in addition to the executive compensation (in the case where the recipient of the said assets is an entity, such as a corporation or a union, an individual who belongs to the said entity);
- (7) An individual to whom any of the items numbered (1) to (5) above has applied in the past;
- (8) An individual to whom item (6) above has applied within the last three years; or
- (9) A relative within the second degree of kinship or spouse of an individual described in any of the items numbered (1) to (8) above (applies only to important individuals).

Article 3. Outside Officers of the Company shall not be subject to any circumstances, in addition to those stipulated in the previous Article, that might potentially cause a substantial conflict of interest with general shareholders of the Company.

Article 4. Outside Officers of the Company shall endeavor to maintain their independence as prescribed in these regulations. Outside Officers shall notify the Company immediately if these regulations have been violated and there is a risk that they no longer qualify as independent.

Notes:

Article 1. The contents of these standards are pursuant to the Companies Act and the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange.

Article 2.

- (2) “Individual for whom the Company or its consolidated subsidiary is a major business partner” denotes a business partner whose sales as a consolidated group to the Company’s consolidated group exceed 2% of the consolidated net sales of the business partner for the most recent fiscal year.
- (3) “Major business partner” denotes a business partner for whom sales of the Company’s consolidated group to the relevant business partner’s consolidated group exceed 2% of the Company’s consolidated sales for the most recent fiscal year.
- (4) “Major shareholder” denotes an individual who directly or indirectly owns 10% or more of the total voting rights.
- (5) “Large amount” denotes the receiving of assets that exceed the larger of ¥10 million or 2% of net sales of the individual for the most recent fiscal year.
- (6) “Large amount” denotes the receiving of assets that exceed the larger of ¥10 million or 2% of net sales of the individual for the most recent fiscal year.
- (9) “Important” denotes the officer class or equivalent of each business partner.

Please note that in the event that the Second Item of Proposal “Partial Amendments to the Articles of Incorporation” is approved as proposed, the phrase “Outside Corporate Auditors” in these standards will be eliminated.