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To our shareholders:

Atsunori Takebe

President

**TRANCOM CO., LTD.**

**19-30, 1-chome Aoi, Higashi-ku, Nagoya**

## **NOTICE OF THE 66th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the 66th Annual General Meeting of Shareholders of TRANCOM CO., LTD. (the “Company”) on June 20, 2023, which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information in electronic format. This information is posted on each of the following websites, so please access either of those websites to confirm the information.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing (by postal mail) or by electromagnetic means such as via the internet, etc. Please review the Reference Document for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m. on Monday, June 19, 2023 (JST).

The Company’s website:

<https://www.trancom.co.jp/ir/stock/generalmeeting/> (in Japanese)

Website for informational materials for the general meeting of shareholders:

<https://d.sokai.jp/9058/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

\* Access the website by using the internet address shown above, enter “TRANCOM” in “Issue name (company name)” or the Company’s securities code “9058” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

**Meeting Details**

**1. Date and Time:** Tuesday, June 20, 2023 at 10:00 a.m. (Japan Standard Time)

**2. Place:** **4F Conference Room, Mazak Art Plaza  
19-30, 1-chome Aoi, Higashi-ku, Nagoya**

**3. Purposes:**

**Items to be reported:**

1. Business Report, Consolidated Financial Statements and Audit Reports of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee for the 66th Fiscal Year (from April 1, 2022 to March 31, 2023)
2. Non-Consolidated Financial Statements for the 66th Fiscal Year (from April 1, 2022 to March 31, 2023)

**Items to be resolved:**

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Election of six (6) Directors who are not Audit and Supervisory Committee Members

**Proposal 3:** Election of one (1) Director who is an Audit and Supervisory Committee Member

## Reference Document for the General Meeting of Shareholders Proposals and Reference Information

### Proposal 1: Appropriation of surplus

#### 1. Year-end dividend

To determine the amount of dividends payable at the end of the 66th fiscal year, the Company must take account of the continuation of stable dividend with business performance for the 66th fiscal year. Accordingly, the Company proposes to pay dividends as follows:

- (1) Type of dividend assets: Cash
- (2) Allocation of dividends to shareholders, and total amount  
Per share of common stock: ¥60  
Total dividends: ¥579,093,900  
Since the interim dividend in the amount of 68 yen per share has been distributed, the annual dividend for the current fiscal year would be 128 yen per share (dividend increase of 2 yen).
- (3) Effective date of dividends of surplus: June 21, 2023

#### 2. Other appropriation of surplus

Regarding matters relating to the other appropriation of surplus, the Company proposes the following to prepare for investment to promote further business growth and other actions.

- (1) Item of surplus to be increased and amount of increase  
General reserve: ¥1,000,000,000
- (2) Item of surplus to be decreased and amount of decrease  
Retained earnings brought forward: ¥1,000,000,000

**Proposal 2:** Election of six (6) Directors who are not Audit and Supervisory Committee Members

The terms of office of all six (6) Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes electing six (6) Directors who are not Audit and Supervisory Committee Members, including two (2) Outside Directors.

Audit and Supervisory Committee determines that all candidates for Directors are well qualified.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
1	Masahisa Shimizu 72 years old (Jun. 23, 1950)  <u>Reelection</u>  Attendance at the Board of Directors meetings 12/12 (100%)	<p>Jul. 1976 Joined Aichi Kogata Unyu Co., Ltd. (currently AICOH., Ltd.)</p> <p>Jun. 1989 Board Director of the Company</p> <p>Jun. 1994 Executive Director</p> <p>Apr. 2000 Senior Executive Director</p> <p>Jun. 2005 President</p> <p>Apr. 2016 Chairman</p> <p>Apr. 2022 Board Director and Supreme Advisor (current position)</p> <p><b>Reasons for Nomination as Director</b> Masahisa Shimizu has led the Company by demonstrating excellent foresight and strong leadership and grown it into a unique logistics company. On the basis of his track record, he exercised management leadership as Representative Director and Supreme Advisor. The Company has nominated him as a candidate for Director, because he can be expected to utilize his experience as a manager cultivated thus far, and perform the duties such as decision-making in management policy and corporate strategy, oversight of business operations and proactive advocacy of corporate values to disseminate them within the Group from an even wider perspective.</p>	30,600

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
2	<p>Atsunori Takebe 48 years old (Jul. 30, 1974)</p> <p><u>Reelection</u></p> <p>Attendance at the Board of Directors meetings 12/12 (100%)</p>	<p>Jul. 1999    Joined the Company</p> <p>Feb. 2003    Block Manager of Block I of Logistics Management Group</p> <p>Feb. 2010    Manager of Corporate Planning Group</p> <p>Apr. 2014    Seconded to Transfreight China Logistics Ltd. (currently TRANCOM CHINA LOGISTICS LTD.) as Deputy General Manager</p> <p>Nov. 2015    Manager of Overseas Business Group of the Company President of Transfreight China Logistics Ltd.</p> <p>Apr. 2016    Executive Officer in charge of Overseas Business of the Company</p> <p>Jun. 2016    Board Director and Executive Officer in charge of Overseas Business</p> <p>Feb. 2019    Board Director and Executive Officer in charge of Automotive Logistics and Overseas Business</p> <p>Oct. 2019    Chairman of Sergent Services Pte Ltd</p> <p>Apr. 2020    Board Director and Senior Executive Officer in charge of Automotive Logistics and Overseas Business of the Company</p> <p>Feb. 2021    Board Director and Senior Executive Officer in charge of Corporate Planning, Automotive Logistics and Overseas Business</p> <p>May 2021    Representative Director of AICOH., Ltd. (current position)</p> <p>Apr. 2022    President of the Company (current position)</p> <p>[Important Concurrent Positions] Representative Director of AICOH., Ltd.</p> <p><b>Reasons for Nomination as Director</b> Since joining the Company, Atsunori Takebe has engaged in the Logistics Management business, Corporate Planning, business expansion in overseas, the promotion of the automotive logistics business, etc. and has gained extensive experience. On the basis of his track record, he has promoted the rebuilding of the foundation for growth by developing ESG/SDGs management in addition to expanding new transport and delivery areas that combine ideas and technology. Moreover, as President, he led the medium-term management plan “TRANCOM VISION 2025” and pushed ahead efforts for its realization. The Company has nominated him as a candidate for Director, because he can be expected to continue utilizing his broad business experience and knowledge for management.</p>	136,900

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
3	<p>Yasuhiro Jinnō 52 years old (Mar. 8, 1971)</p> <p><u>Reelection</u></p> <p>Attendance at the Board of Directors meetings 12/12 (100%)</p>	<p>Mar. 1995    Joined the Company</p> <p>Jun. 2005    Executive Officer, General Manager of Transportation Group</p> <p>Feb. 2012    Executive Officer, controlling operation of Logistics Management Group</p> <p>Jun. 2014    Board Director and Executive Officer in charge of Logistics Management Group</p> <p>Apr. 2016    Board Director and Senior Executive Officer in charge of Logistics Management Group</p> <p>Dec. 2016    Board Director and Senior Executive Officer, assisting operations control</p> <p>Apr. 2017    Board Director and Managing Executive Officer</p> <p>Oct. 2018    Board Director and Senior Managing Executive Officer</p> <p>Apr. 2020    President and Representative Director of TRANCOM SC., LTD.</p> <p>Feb. 2021    Board Director and Senior Managing Executive Officer in charge of Business Operations and Sales of the Company</p> <p>Apr. 2023    Board Director and Executive Officer in charge of Business Improvement and Public Relations (current position)</p> <p><b>Reasons for Nomination as Director</b> Yasuhiro Jinnō has engaged in the Transportation business and Logistics Management business since joining the Company and held positions of responsibility in diverse business areas. On the basis of his extensive business experience and track record, he has formulated and implemented business strategy from a management perspective looking to the medium to long term. The Company has nominated him as a candidate for Director, because he can be expected to continue promoting the Company's business.</p>	1,700

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
4	<p>Ryo Kambayashi 49 years old (Apr. 1, 1974)</p> <p><b>Reelection</b></p> <p>Attendance at the Board of Directors meetings 12/12 (100%)</p>	<p>Mar. 1997    Joined the Company</p> <p>Feb. 2012    General Manager of Logistics Information Service Group</p> <p>Apr. 2014    Executive Officer, General Manager of Logistics Information Service Group</p> <p>Mar. 2016    President and Representative Director of TTS CO., LTD. (current position)</p> <p>Apr. 2018    Senior Executive Officer in charge of Logistics Information Service of the Company</p> <p>Apr. 2019    Managing Executive Officer in charge of Logistics Information Service</p> <p>Jun. 2019    Board Director and Managing Executive Officer in charge of Logistics Information Service</p> <p>Feb. 2020    Board Director and Managing Executive Officer responsible for Transport Division</p> <p>Oct. 2020    Board Director and Senior Managing Executive Officer responsible for Transport Division</p> <p>Feb. 2022    Board Director and Senior Managing Executive Officer responsible for Transport Division, and in charge of Logistics Information Service and DX &amp; ICT</p> <p>Jan. 2023    Board Director and Senior Managing Executive Officer in charge of Strategy Planning</p> <p>Apr. 2023    Board Director and Executive Officer in charge of Strategy Planning (current position)</p> <p>[Important Concurrent Positions] President and Representative Director of TTS CO., LTD.</p> <p><b>Reasons for Nomination as Director</b> Ryo Kambayashi has engaged in the Logistics Information Service business since joining the Company and has led its growth into one of the core businesses of the Company. Utilizing this extensive business experience and knowledge, he formulated and implemented business strategy that quickly responds to changes in economic conditions and the business environment as the person responsible for the Transport Division. The Company has nominated him as a candidate for Director, because he can be expected to continue promoting the Company's business.</p>	1,200

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
5	<p>Kei Sato 57 years old (Jun. 1, 1965)</p> <p><u>Reelection</u> <u>Outside Director</u> <u>Independent</u></p> <p>Attendance at the Board of Directors meetings 12/12 (100%)</p>	<p>Apr. 1988    Joined KOKUSAI SHOGYO publishing corp. Dec. 1990    Joined THE NIKKAN KOGYO SHIMBUN, LTD. Nov. 2003    Managing Director of Phoenix Capital Co., Ltd. Feb. 2004    Director of Kinsho Store Co., Ltd. May 2007    Representative Director of PARER Co., Ltd. Aug. 2008    Director and Co-founder of KAJITAKU CO., LTD. Jun. 2019    Outside Director of the Company (current position) Jun. 2019    Outside Director of Life Network Co., Ltd. (current position) Nov. 2019    Joint Representative Director of COKIA Ltd. (current position)</p> <p>[Important Concurrent Positions] Outside Director of Life Network Co., Ltd. Joint Representative Director of COKIA Ltd.</p> <p><b>Reasons for Nomination as Outside Director and expected role</b> Kei Sato has engaged in business management in various fields, and has a track record as a corporate manager accumulated over many years and exceptional insight concerning society, economic trends, etc. Utilizing this, he actively offers comments and advice in order to increase the transparency and fairness of management as Chairperson of the Nomination Committee and the Remuneration Committee. Furthermore, he contributes to collaboration between Outside Directors, information sharing and the enhancement of the functions of the Board of Directors through the constructive exchange of opinions, etc. as Head of Independent Outside Directors. The Company has nominated him as a candidate for Outside Director, because he can be expected to continue utilizing his experience, etc. to appropriately monitor and give effective advice regarding the Company's overall management.</p> <p><b>Matters concerning Independence</b> The Company has no special relationship with Life Network Co., Ltd. or COKIA Ltd., at both of which Kei Sato concurrently serves as a director. He had been in an agreement for an advisory contract with the Company regarding sales activities since February 2016, but the compensation was less than five million yen, and the advisory contract was terminated in May 2019. Therefore, we believe that this does not affect his independence. In addition, he has been registered as an Independent Director prescribed by the Tokyo Stock Exchange and Nagoya Stock Exchange, and if he is elected, the Company will continue to appoint him as Independent Director.</p>	—

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
6	<p>Kuniko Usagawa 53 years old (Mar. 10, 1970)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">Outside Director</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p>Attendance at the Board of Directors meetings 10/10 (100%)</p>	<p>Apr. 1992    Joined Recruit From A Co., Ltd. (currently Recruit Co., Ltd.)</p> <p>Oct. 2012    HR Research Organization, Recruit Holdings Co., Ltd. (currently Recruit Co., Ltd.) Corporate Management Office, Recruit Career Co., Ltd. Corporate Management Office, Recruit Jobs Co., Ltd.</p> <p>Apr. 2014    Head of Jobs Research Center</p> <p>Oct. 2017    Concurrent position at Senior Assessment Services, Next Generation Business Development Office, Recruit Co., Ltd.</p> <p>Jun. 2020    Outside Director of The Yamaguchi Bank, Ltd. (current position)</p> <p>Apr. 2021    Recruit Co., Ltd. HR Headquarters, Division Management Headquarters Head of Jobs Research Center (current position) Mid-Career Recruiting Division, HR Headquarters, Division Management Headquarters Social Solutions Design Department (current position) Product Management Headquarters Product Management Office HR Product Management Office Mid-Career Recruiting Product Management Unit AP Product Management Group Senior Assessment Team (current position) Senior Analyst of HR Public Relations Office, Public Relations Office, Policy Planning Office (current position) Research Office, Policy Planning Office (current position) Public Relations Office (current position)</p> <p>Jun. 2022    Outside Director of the Company (current position)</p> <p>[Important Concurrent Positions] Head of Jobs Research Center, Recruit Co., Ltd. Outside Director of The Yamaguchi Bank, Ltd. Permanent Member of the Committee of ASSOCIATION OF JOB INFORMATION OF JAPAN Academic committee member of “The Committee for Greater Inclusiveness” of the Tokyo Chamber of Commerce and Industry</p> <p><b>Reasons for Nomination as Outside Director and expected role</b> Kuniko Usagawa has long served in the field of human resources, being engaged in a variety of tasks including sales, product planning, screening, and human resources, and has abundant specialized knowledge and experience. In addition, she is engaged as a Permanent Member of the Committee of ASSOCIATION OF JOB INFORMATION OF JAPAN, a committee member for the Tokyo Chamber of Commerce and Industry and other committee members. The Company has nominated her as a candidate for Outside Director because she can be expected to utilize this experience to offer effective advice on the Company’s handling of recruitment and training of human resources. Although she has no experience in corporate management other than as Outside Director, she can be expected to perform suitably the duties of Outside Director for the reasons stated above.</p> <p><b>Matters concerning Independence</b> The Company has no special relationship with The Yamaguchi Bank, Ltd., of which Kuniko Usagawa is Director. In addition, she has been registered as an Independent Director prescribed by the Tokyo Stock Exchange and Nagoya Stock Exchange, and if she is elected, the Company will continue to appoint her as Independent Director.</p>	—

- (Notes)
- 1 There is no special interest between the candidates and the Company.
  - 2 The Company has entered into a directors and officers liability insurance policy as prescribed in Article 430-3 of the Companies Act with an insurance company, and plans to renew the policy in June 2023. This insurance policy covers losses and such costs as related litigation expenses borne by the insured persons resulting from corporate lawsuits, third-party lawsuits, and shareholder lawsuits, and an overview of the details is provided in this Reference Document for the General Meeting of Shareholders (see Page 15 of the items subject to measures for electronic provision). If each candidate is reelected, he or she will be included as insured person in the policy.
  - 3 Kei Sato and Kuniko Usagawa are candidates for Outside Director.
  - 4 The Company has entered into an agreement with Kei Sato and Kuniko Usagawa to limit their liability for damages as prescribed in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the same law. The limited amount of liabilities for damages under the Agreement was set as the higher of either two (2) million yen or the minimum amount stipulated by the provision of Article 425, Paragraph 1 of the Companies Act. Upon the approval of the reelection of Kei Sato and Kuniko Usagawa, the Company plans to continue the said agreement with them.
  - 5 The term of office of Kei Sato as Outside Director will be four (4) years since his appointment at the conclusion of this Annual General Meeting of Shareholders.
  - 6 The term of office of Kuniko Usagawa as Outside Director will be one (1) year since her appointment at the conclusion of this Annual General Meeting of Shareholders.
  - 7 Kuniko Usagawa's name in her family registry is Kuniko Takahashi.

**Proposal 3:** Election of one (1) Director who is an Audit and Supervisory Committee Member

The term of office of Director who is an Audit and Supervisory Committee Member Eiji Shibuya will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes electing one (1) Director who is an Audit and Supervisory Committee Member.

Additionally, the submission of this proposal has been approved by the Audit and Supervisory Committee.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
<p>Eiji Shibuya 66 years old (Jan. 28, 1957)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">Outside Director</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p>Attendance at the Board of Directors meetings 12/12 (100%)</p> <p>Attendance at the Audit and Supervisory Committee 14/14 (100%)</p>	<p>Oct. 1979      Joined Tohmatsu Awoki &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Mar. 1983      Registered as a certified public accountant (current position)</p> <p>May 2004      Representative Partner of Deloitte Touche Tohmatsu</p> <p>Jun. 2013      Deputy Chairman of Tokai Chapter of The Japanese Institute of Certified Public Accountants</p> <p>Jul. 2013      Council Member of The Japanese Institute of Certified Public Accountants</p> <p>Jul. 2018      Retired from Deloitte Touche Tohmatsu LLC</p> <p>Aug. 2018      Director of Eiji Shibuya CPA Office (current position)</p> <p>Jun. 2019      Chairman of Gifu Prefectural Chapter in Tokai Chapter of The Japanese Institute of Certified Public Accountants</p> <p style="text-align: center;">Outside Director (Audit and supervisory committee member) of MINO CERAMIC CO., LTD. (current position)</p> <p>Jun. 2021      Outside Director and Audit and Supervisory Committee Member of the Company (current position)</p> <p style="text-align: center;">Director (Auditor) of Sun Messe Co., Ltd. (current position)</p> <p>Jun. 2022      Outside auditor, MARUJUN CO., LTD. (currently J-MAX Co., Ltd.) (current position)</p>	-
	<p>[Important Concurrent Positions]</p> <p>Director of Eiji Shibuya CPA Office</p> <p>Outside Director (Audit and supervisory committee member) of MINO CERAMIC CO., LTD.</p> <p>Director (Auditor) of Sun Messe Co., Ltd.</p> <p>Outside auditor of J-MAX Co., Ltd.</p>	
	<p><b>Reasons for Nomination as Outside Director and expected role</b></p> <p>Eiji Shibuya has professional knowledge and abundant experience as a certified public accountant. The Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member, because he can be expected to provide highly effective oversight and ensure the soundness of management, and provide effective advice in order to strengthen the Company's governance, from the perspective of finance and accounting. Although he has no experience in corporate management other than as Outside Director or as Outside Audit &amp; Supervisory Board Member, he can be expected to continue to perform the duties of Outside Director who is an Audit and Supervisory Committee Member for the reasons stated above.</p>	

Name (Date of birth)	Career summary, positions and areas of responsibility in the Company	Number of Company shares owned
	<p><b>Matters concerning Independence</b>                      The Company has no special relationship with MINO CERAMIC CO., LTD., Sun Messe Co., Ltd. or J-MAX Co., Ltd., at all of which Eiji Shibuya concurrently serves as a director, etc. In addition, he has been registered as an Independent Director prescribed by the Tokyo Stock Exchange and Nagoya Stock Exchange, and if he is elected, the Company will continue to appoint him as Independent Director.</p>	

- (Notes)
- 1 There is no special interest between the candidate and the Company.
  - 2 The Company has entered into a directors and officers liability insurance policy as prescribed in Article 430-3 of the Companies Act with an insurance company, and plans to renew the policy in June 2023. This insurance policy covers losses and such costs as related litigation expenses borne by the insured persons resulting from corporate lawsuits, third-party lawsuits, and shareholder lawsuits, and an overview of the details is provided in this Reference Document for the General Meeting of Shareholders (see Page 15 of the items subject to measures for electronic provision). If Eiji Shibuya is reelected, he will be included as an insured person in the policy.
  - 3 Eiji Shibuya is a candidate for Outside Director.
  - 4 The Company has entered into an agreement with Eiji Shibuya to limit his liability for damages as prescribed in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the same law. The limited amount of liabilities for damages under the Agreement was set as the higher of either two (2) million yen or the minimum amount stipulated by the provision of Article 425, Paragraph 1 of the Companies Act. Upon the approval of the reelection of him, the Company plans to continue the said agreement with him.
  - 5 The term of office of Eiji Shibuya as Outside Director who is an Audit and Supervisory Committee Member will be two (2) years since his appointment at the conclusion of this Annual General Meeting of Shareholders.

(Reference)

**Composition of Directors after the proposals are approved (Management structure from June 20, 2023 onward)**

Name	Positions	Attribute	Gender	Skills the Company particularly expects of Directors		
				Corporate management / Management strategies	ICT / DX	Human resources / Human resources development
Masahisa Shimizu	Board Director and Supreme Advisor		Male	●		
Atsunori Takebe	President		Male	●		
Yasuhiro Jinno	Board Director and Executive Officer		Male	●		●
Ryo Kambayashi	Board Director and Executive Officer		Male	●	●	
Kei Sato	Outside Director	Outside Independent	Male			
Kuniko Usagawa	Outside Director	Outside Independent	Female			●
Eiji Shibuya	Outside Director and Audit and Supervisory Committee Member	Outside Independent	Male			
Kazuo Kawamura	Outside Director and Audit and Supervisory Committee Member	Outside Independent	Male			
Masayuki Nakano	Outside Director and Audit and Supervisory Committee Member	Outside Independent	Male			

Name	Skills the Company particularly expects of Directors			Nomination Committee	Compensation Committee
	Finance / Accounting	Legal affairs / Regulatory compliance	ESG / Sustainability		
Masahisa Shimizu					
Atsunori Takebe				●	●
Yasuhiro Jinno					
Ryo Kambayashi					
Kei Sato			●	● (Chairperson)	● (Chairperson)
Kuniko Usagawa					
Eiji Shibuya	●				
Kazuo Kawamura		●		●	●
Masayuki Nakano		●			

## **Appointment Policy and Procedures for Candidates for Director**

### **Appointment Policy for Candidates for Director**

The Company believes that the Board of Directors should be composed of various Directors with different backgrounds such as expertise and experience, and maintain an appropriate number of members so that the functions of the Board of Directors can be most effectively and efficiently exercised. The Company has selected as candidates individuals who have excellent personality and insight and who can fulfill their duties.

#### ○Directors who are not Audit and Supervisory Committee Members

The Company believes that it is necessary for Internal Directors to be persons with a sense of balance and decisiveness who can grasp and act on all operations, and who have diverse expertise (business, planning, finance, global, etc.). Specifically, the President who chairs the Board of Directors and has the ultimate responsibility for the business execution and executive officers responsible for the management and business of the Company overall are appointed.

Outside Directors are appointed from independent outside experts who possess high insights on corporate management and social/economic trends, abundant experience, diverse perspectives and expertise (sound restraining influence).

#### ○Directors who are Audit and Supervisory Committee Members

The Company appoints Outside Directors from outside independent experts who have abundant experience and high insight and expertise (sound restraining influence) in their specialized fields, and selects at least one individual who has sufficient knowledge about finance and accounting.

### **Appointment Procedures for Candidates for Director**

#### ○Directors who are not Audit and Supervisory Committee Members

The Board of Directors consults with the Nomination Committee on its plan for candidates for Director, and based a report from the Nomination Committee, the Board of Directors determines candidates for Director.

#### ○Directors who are Audit and Supervisory Committee Members

The Board of Directors consults with the Nomination Committee on its plan for candidates for Director, and based on a report from the Nomination Committee and with the agreement of the Audit and Supervisory Committee Members, the Board of Directors determines candidates for Director.

The criteria for judging independence determined by the Company are described in the “Corporate Governance Report.”

**Overview of Details of the Directors and Officers Liability Insurance Policy**

The Company has entered a directors and officers liability insurance policy as prescribed in Article 430-3 of the Companies Act with an insurance company, under which all of the Directors, Audit and Supervisory Committee Members, Executive Officers, and managers of the Company and all of its subsidiaries are the insureds.

An overview of the policy details is as follows:

- This policy covers losses and such costs as related litigation expenses borne by insured persons resulting from company lawsuits, third-party lawsuits, and shareholder lawsuits, etc.
- As a measure to prevent impairment of the appropriateness of execution of the insureds' duties, the policy has exemptions regarding damages, etc. caused by criminal action by the insureds.
- The entire amount of the premiums of the policy is borne by the Company.