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Securities code: 6203

June 10, 2025

Start date of measures for electronic provision: May 26, 2025

To Our Shareholders

Takahiro Tsukamoto, President, Managing Director

Howa Machinery, Ltd.

1900-1, Sukaguchi, Kiyosu-shi, Aichi, Japan

Notice of the 187th Annual General Meeting of Shareholders

You are cordially invited to attend the 187th Annual General Meeting of Shareholders of Howa Machinery, Ltd. (the “Company”), which will be held as indicated below.

In convening this meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the following Internet websites. Please access any of the websites to review the information.

The Company’s website:

<https://www.howa.co.jp/> (in Japanese)

(From the above website, select “Investor Relations,” “IR Library,” and then “Materials Related to General Meeting of Shareholders.”)

Website for posted informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/6203/teiji/> (in Japanese)

In addition, the items subject to measures for electronic provision are also posted on the following website of the Tokyo Stock Exchange (TSE).

Tokyo Stock Exchange website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter “Howa Machinery” in “Issue name (company name)” or the Company’s securities code “6203” 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].”)

As an alternative to attending the meeting in person, you may exercise your voting rights in one of the ways noted below. Please review the Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

Exercising Voting Rights in Writing (by postal mail):

Use the Voting Rights Exercise Form to indicate “for” or “against” for each of the proposals and return the form to us so that it arrives no later than 5:00 p.m. on Wednesday, June 25, 2025 (JST).

Exercising Voting Rights Using Electromagnetic Method (via the Internet, etc.):

Access the voting website specified by the Company (<https://www.web54.net>) (in Japanese) and follow the prompts on the screen. Enter your votes “for” or “against” each of the proposals no later than 5:00 p.m. on Wednesday, June 25, 2025 (JST). If exercising your voting rights via the Internet, etc., please see the “Instructions for Exercising Voting Rights Using Electromagnetic Method (via the Internet, etc.)” (in Japanese only).

- 1. Time and date** 10:00 a.m., Thursday, June 26, 2025 (JST) (Reception desk scheduled to open at 9:00 a.m.)
2. Venue Conference Room #5, 3rd Floor, Nagoya Chamber of Commerce & Industry
2-10-19 Sakae, Naka-ku, Nagoya-shi, Aichi

3. Agenda of the Meeting

Matters to be Reported

1. The Business Report, Consolidated Financial Statements, and the audit reports of the Accounting Auditor and the Audit & Supervisory Committee regarding the Consolidated Financial Statements for the 187th fiscal year (April 1, 2024 – March 31, 2025)
2. The Non-Consolidated Financial Statements for the 187th fiscal year (April 1, 2024 – March 31, 2025)

Matters to be Resolved

- Proposal No. 1** Appropriation of Surplus
* Summary of submitted proposal: Dividend of ¥20 per common share of the Company
- Proposal No. 2** Election of Two Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
* Names of candidates: Takahiro Tsukamoto (reappointment), Makoto Kitamura (reappointment)
- Proposal No. 3** Election of Three Directors Who Are Audit & Supervisory Committee Members
* Names of candidates: Masako Tanaka (reappointment), Seiichi Hattori (new appointment), Taiji Mizuno (new appointment)
- Proposal No. 4** Election of One Substitute Director Who Is an Audit & Supervisory Committee Member
* Name of candidate: Yoko Ogawa

4. Other Matters Concerning the Meeting

- (1) If you exercise your voting rights in writing (by postal mail) and do not indicate whether you are “for” or “against” each of proposals on the Voting Rights Exercise Form, we will treat it as if you indicated “for.”
- (2) If exercising your voting rights by proxy, you may appoint one Company shareholder with voting rights to attend the meeting as your proxy. Please note, however, that written proof of their right of proxy must be submitted.

- If attending the meeting in person, please present the Voting Rights Exercise Form at the venue’s reception desk.
- The reception desk is scheduled to open at 9:00 a.m. on the day of the meeting.
- On the day of the meeting, the dress code for Company staff will be business casual (no neckties). Shareholders are also requested to attend the meeting in business casual attire.
- No commemorative gifts will be provided to shareholders attending the meeting. Your understanding is appreciated.
- A notice of resolution will not be sent; instead, it will be posted on the Company’s website (<https://www.howa.co.jp/>) (in Japanese) on the Internet after the conclusion of the meeting.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the Internet websites.
- For this meeting, paper-based documents stating items subject to measures for electronic provision will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents. However, in accordance with applicable laws and regulations and Article 17, paragraph (2) of the Company’s Articles of Incorporation, the following items are excluded.
 - (1) Notes to Consolidated Financial Statements
 - (2) Notes to Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the paper-based documents are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that the Accounting Auditor and Audit & Supervisory Committee audited when they prepared the accounting audit report and audit report.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company engages primarily in build-to-order manufacturing of machine tools and these orders are influenced by capital expenditures that fluctuate due to economic conditions inside and outside Japan. Our basic policy is to pay a dividend that is stable and continual, from a medium- to long-term perspective, given that Company performance can vary widely from year to year. If profits increase, the Company's policy is to strengthen shareholder returns by targeting a dividend payout ratio of 30%.

Dividends for the current fiscal year are as indicated below, based on a comprehensive consideration of fiscal-year performance, the economic environment surrounding the Group, retained earnings necessary for future business development, and the maintenance of a stable dividend.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and its aggregate amount
¥20 per common share of the Company
Total dividends: ¥244,623,640
- (3) Effective date of dividends of surplus
June 27, 2025

Proposal No. 2 Election of Two Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Since two Directors (excluding Directors who are Audit & Supervisory Committee Members) will reach the end of their terms at the conclusion of this meeting, the Company is requesting the appointment of two Directors (excluding Directors who are Audit & Supervisory Committee Members).

The Audit & Supervisory Committee has deemed that all of the candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) in this proposal are suitable candidates.

The candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position & responsibility in the Company	Attendance at Board of Directors meetings in the current fiscal year	Attribute
1	Takahiro Tsukamoto	President, Managing Director, and Head of Business Division	100%	Reappointment
2	Makoto Kitamura	Director, Head of General Administration Division, General Manager of General Affairs & Human Resources Department, General Manager of General Accounting Department, General Manager of Legal Department, and General Manager of Sustainability Promotion Office	100%	Reappointment

Reappointment: Candidate for Director to be reappointed

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)		Number of Company shares owned
1	Takahiro Tsukamoto (July 27, 1954) Gender: male Reappointment Attendance at Board of Directors meetings 10/10	Nov. 1978	Joined the Company	35,962
		June 2003	General Manager of Sales Group, Machinery Department	
		Dec. 2003	President of Howa Machinery Singapore Pte. Ltd.	
		May 2004	General Manager of Machine Tools Group, Machinery Department of the Company	
		June 2005	Director and General Manager in charge of sales in Machine Tools Group, Machinery Department	
		June 2007	Director and General Manager of Machinery Department	
		June 2011	Managing Director, Head of Business Division, and General Manager of Machinery Department	
		June 2015	Senior Managing Director and Head of Business Division	
		June 2016	President, Managing Director, and Head of Business Division	
		Apr. 2017	President, Managing Director, Head of Business Division, and General Manager of Sweepers & Special Vehicles Department	
		July 2018	President, Managing Director, and Head of Business Division (current position)	
		Special interest with the Company There is no special interest between Mr. Tsukamoto and the Company.		
Reason for nomination as a candidate for Director Mr. Tsukamoto is judged to be qualified to continue his role as Director due to his involvement mainly in sales-related tasks for the Business Division since joining the Company, his service as President of overseas subsidiaries, and his possession of knowledge and abundant experience related to global business operations. Note: The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in “2. (3) Status of Corporate Officers” of the Business Report (in Japanese only). If Mr. Tsukamoto is reappointed and takes office as Director, he will continue being an insured party under this Insurance Agreement. When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)		Number of Company shares owned
2	<p>Makoto Kitamura (October 26, 1978) Gender: male</p> <p>Reappointment</p> <p>Attendance at Board of Directors meetings 6/6</p>	Aug. 2012	Joined the Company	2,977
		July 2021	General Manager of Legal Department and General Manager of New Business Critical System Promotion Office	
		Jan. 2023	Deputy General Manager of General Affairs & Human Resources Department and General Manager of Legal Department	
		July 2023	General Manager of General Affairs & Human Resources Department and General Manager of Legal Department	
		June 2024	Director, Head of General Administration Division, General Manager of General Affairs & Human Resources Department, General Manager of General Accounting Department, General Manager of Legal Department, and General Manager of Sustainability Promotion Office (current position)	
Special interest with the Company				
There is no special interest between Mr. Kitamura and the Company.				
Reason for nomination as a candidate for Director				
Mr. Kitamura is judged to be qualified to continue his role as Director due to his involvement mainly in legal affairs, information systems, general affairs, human resources, and accounting-related tasks since joining the Company, his current service of supervising administration as Head of the General Administration Division, and his possession of broad-based knowledge and abundant experience.				
Note: The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in "2. (3) Status of Corporate Officers" of the Business Report (in Japanese only). If Mr. Kitamura is reappointed and takes office as Director, he will continue being an insured party under this Insurance Agreement.				
When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.				

Proposal No. 3 Election of Three Directors Who Are Audit & Supervisory Committee Members

Four Directors who are Audit & Supervisory Committee Members will reach the end of their terms at the conclusion of this meeting.

In order to more effectively perform the duties of the Audit & Supervisory Committee, the Company will strengthen the structure of the Audit & Supervisory Committee Office and increase the number of members. This will enable the Company to provide materials to the Audit & Supervisory Committee, enhance the information sharing system, and qualitatively improve the auxiliary functions of the Audit & Supervisory Committee Members. In conjunction with the strengthening of this system, the Company proposes to change the number of Directors who are Audit & Supervisory Committee Members from four to three, and to elect the following three Directors.

If this proposal is approved and adopted as originally proposed, the composition ratio of independent outside Directors in the Board of Directors will be 60%.

The Audit & Supervisory Committee has agreed to this proposal.

The candidates for Director who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name	Current position & responsibility in the Company	Attendance at Board of Directors meetings and Audit & Supervisory Committee meetings in the current fiscal year	Attribute
1	Masako Tanaka	Director (Audit & Supervisory Committee Member)	(Board of Directors meetings) 100% (Audit & Supervisory Committee meetings) 100%	Reappointment Outside Independent
2	Seiichi Hattori	—	(Board of Directors meetings) — (Audit & Supervisory Committee meetings) —	New appointment Outside Independent
3	Taiji Mizuno	—	(Board of Directors meetings) — (Audit & Supervisory Committee meetings) —	New appointment Outside Independent

Reappointment: Candidate for Director to be reappointed

New appointment: Candidate for Director to be newly appointed

Outside: Candidate for outside Director

Independent: Independent Director as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)		Number of Company shares owned
1	Masako Tanaka (December 4, 1958) Gender: female	Apr. 1981	Joined Furukawa Electric Co., Ltd.	-
		June 2013	Audit & Supervisory Board Member of The Furukawa Battery Co., Ltd.	
	Reappointment Outside Independent	Apr. 2015	Corporate Vice President of Furukawa Electric Co., Ltd.	
	Attendance at Board of Directors meetings 10/10 Attendance at Audit & Supervisory Committee meetings 11/11	June 2021	Outside Director [Audit & Supervisory Committee Member] of the Company (current position)	
		June 2022	Outside Director of FUTABA CORPORATION (current position)	
		Oct. 2023	Outside Director of UCHIDA YOKO CO., LTD. (current position)	
Special interest with the Company There is no special interest between Ms. Tanaka and the Company.				
Reason for nomination as a candidate for outside Director and summary of expected role Ms. Tanaka is a candidate for outside Director. The reason for her nomination as a candidate for outside Director is to ensure diversity of the Board of Directors, and that she has acquired extensive experience at Furukawa Electric Co., Ltd. Her expected role can be summarized as using her experience and knowledge to provide supervision and recommendations for overall management. She has been an outside Director of the Company who is an Audit & Supervisory Committee Member since June 2021, and she is judged to be qualified to continue her role as an outside Director who is an Audit & Supervisory Committee Member.				
Notes: 1. Ms. Tanaka is currently an outside Director of the Company who is an Audit & Supervisory Committee Member, and her term of office will be four years at the conclusion of this meeting. 2. The Company has designated Ms. Tanaka as an Independent Director as stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has given notice of her position to both Exchanges. If this proposal is approved, the Company plans to submit notification to the both Exchanges concerning her continued designation as an Independent Director. 3. Pursuant to Article 427, paragraph (1) of the Companies Act, the Company and Ms. Tanaka have entered into an agreement to limit liability for damages as provided in Article 423, paragraph (1) of the same Act. If the appointment of Ms. Tanaka is approved per the Proposal, the Company plans to continue the agreement between the Company and her. The maximum amount of liability for damages based on the agreement is the amount stipulated in laws and regulations. 4. The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in "2. (3) Status of Corporate Officers" of the Business Report (in Japanese only). If Ms. Tanaka is reappointed and takes office as a Director who is an Audit & Supervisory Committee Member, she will continue being an insured party under this Insurance Agreement. When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)		Number of Company shares owned	
2	Seiichi Hattori (April 14, 1951) Gender: male New appointment Outside Independent Attendance at Board of Directors meetings — Attendance at Audit & Supervisory Committee meetings —	Apr. 1975	Joined OKAYA & CO., LTD.	-	
		Mar. 1997	General Manager of Functional Components Office, Mechatronics Department, Nagoya Head Office		
		May 2008	Member of the Board President of Union Autoparts Manufacturing Co., Ltd.		
		May 2011	Member of the Board, in charge of Thailand of OKAYA & CO., LTD. President of Union Autoparts Manufacturing Co., Ltd.		
		May 2014	Member of the Board, Contracted Deputy General Manager of Nagoya Head Office of OKAYA & CO., LTD.		
		May 2015	Advisor of OKAYA & CO., LTD. Representative Director and President of TOKAI PRESSING CO., LTD.		
		June 2016	Outside Director of Aichi Tokei Denki Co., Ltd.		
	Special interest with the Company				
	There is no special interest between Mr. Hattori and the Company.				
	Reason for nomination as a candidate for outside Director and summary of expected role				
	Mr. Hattori is a candidate for outside Director. The reason for his nomination as a candidate for outside Director is that he has acquired extensive experience and knowledge in corporate management due to serving as Director at OKAYA & CO., LTD. for many years, as well as serving as the President of domestic and overseas corporations. His expected role can be summarized as using his experience and knowledge to provide supervision and recommendations for overall management.				
	Notes: 1. If this proposal is approved, the Company plans to designate Mr. Hattori as an Independent Director as stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and to give notice of his position to both Exchanges.				
	2. If this proposal is approved, the Company and Mr. Hattori will enter into an agreement to limit liability for damages as provided in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act. The maximum amount of liability for damages based on the agreement is the amount stipulated in laws and regulations.				
	3. The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in “2. (3) Status of Corporate Officers” of the Business Report (in Japanese only). If Mr. Hattori is elected and takes office as a Director who is an Audit & Supervisory Committee Member, he will be included as an insured party under this insurance Agreement. When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)		Number of Company shares owned
3	<p>Taiji Mizuno (July 22, 1962) Gender: male</p> <p>New appointment Outside Independent</p> <p>Attendance at Board of Directors meetings —</p> <p>Attendance at Audit & Supervisory Committee meetings —</p>	<p>Apr. 1999 Registered as attorneys</p> <p>Apr. 1999 Joined Tsutomu Saito Law firm</p> <p>Apr. 2004 Established Honmachi City Law Office</p> <p>Partner (current position)</p>		-
	<p>Special interest with the Company</p> <p>There is no special interest between Mr. Mizuno and the Company.</p>			
	<p>Reason for nomination as a candidate for outside Director and summary of expected role</p> <p>Mr. Mizuno is a candidate for outside Director. The reason for his nomination as a candidate for outside Director is that he has worked as a lawyer for many years and possesses extensive legal knowledge, although he does not have experience in being directly involved in corporate management. His expected role can be summarized as using his legal expertise in auditing and supervision of the Company.</p> <p>Notes: 1. If this proposal is approved, the Company plans to designate Mr. Mizuno as an Independent Director as stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and to give notice of his position to both Exchanges.</p> <p>2. If this proposal is approved, the Company and Mr. Mizuno will enter into an agreement to limit liability for damages as provided in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the same Act.</p> <p>The maximum amount of liability for damages based on the agreement is the amount stipulated in laws and regulations.</p> <p>3. The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in "2. (3) Status of Corporate Officers" of the Business Report (in Japanese only).</p> <p>If Mr. Mizuno is elected and takes office as a Director who is an Audit & Supervisory Committee Member, he will be included as an insured party under this insurance Agreement.</p> <p>When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.</p>			

Proposal No. 4 Election of One Substitute Director Who Is an Audit & Supervisory Committee Member

To prepare for the possibility of a shortage in the number of Directors who are Audit & Supervisory Committee Members as stipulated in laws and regulations, the Company proposes that Ms. Ogawa be elected as a substitute Director who is an Audit & Supervisory Committee Member.

The validity of the appointment of Ms. Ogawa can be revoked by a resolution of the Board of Directors with consent from the Audit & Supervisory Committee, but only before she has assumed office.

The Audit & Supervisory Committee also consented to this proposal.

The candidate for substitute Director who is an Audit & Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)	Number of Company shares owned
Yoko Ogawa (December 11, 1973) Gender: female	Oct. 2003 Registered as attorneys Oct. 2003 Joined Ohta & Watanabe Law firm Sep. 2015 Outside Director of FUJIKYU CORPORATION Jan. 2020 Representative Partner of TRUTH & TRUST Law Office (current position) Sep. 2023 Outside Director [Audit & Supervisory Committee] of Mitsuchi Corporation (current position)	-
Special interest with the Company There is no special interest between Ms. Ogawa and the Company.		
Reason for nomination as a candidate for substitute outside Director and summary of expected role Ms. Ogawa is judged to be qualified for her role of outside Director who is a substitute Audit & Supervisory Board Member due to her legal knowledge cultivated as a lawyer for many years, although she does not have experience in being directly involved in corporate management. She is expected to utilize her legal knowledge in supervision and auditing of the Company. She also has a strong track record in corporate legal affairs from her professional perspective as a lawyer, and she is judged as being qualified to serve as an outside Director who is an Audit & Supervisory Committee Member. Notes: 1. Ms. Ogawa is a candidate for substitute outside Director who is an Audit & Supervisory Committee Member. 2. If Ms. Ogawa is appointed as an outside Director who is an Audit & Supervisory Committee Member, the Company plans to designate her as an Independent Director as stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange, and to give notice of her position to both Exchanges. 3. In the event that Ms. Ogawa takes office as an outside Director who is an Audit & Supervisory Committee Member, the Company plans to enter into an agreement with her pursuant to Article 427, paragraph (1) of the Companies Act to limit liability for damages as provided in Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages based on the agreement is the amount stipulated in laws and regulations. 4. The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in "2. (3) Status of Corporate Officers" of the Business Report (in Japanese only). If Ms. Ogawa is elected and takes office as an outside Director who is an Audit & Supervisory Committee Member, she will be included as an insured party under this insurance Agreement. When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.		

(Reference)**Composition of the Board of Directors**

If Proposal No. 2 and Proposal No. 3 are passed as proposed, the composition of the Board of Directors of the Company will be as follows.

- Number of outside Directors: 3 out of 5 Directors
Ratio of outside Directors to inside Directors: 4:6
- Number of female Directors: 1 out of 5 Directors
Ratio of female Directors to male Directors: 2:8

Skill Matrix of Directors

If Proposal No. 2 and Proposal No. 3 are passed as proposed, the main expertise and experience of the Company's Directors will be as follows.

Category	Name	Expertise and experience							
		Finance & accounting	Corporate management	Legal affairs, compliance, risk management	International business	Sales & marketing	R&D, ICT, DX	Human resources and labor Human resources development	ESG, sustainability, SDGs
Director	Takahiro Tsukamoto	•	•		•	•	•	•	•
	Makoto Kitamura	•	•	•			•	•	•
Director (Audit & Supervisory Committee Member)	Masako Tanaka		•	•				•	•
	Seiichi Hattori	•	•		•	•			
	Taiji Mizuno			•					

Policies and procedures for the appointment of Director candidates

- Method and procedures for the appointment of Directors (excluding Directors who are Audit & Supervisory Committee Members)

Fair and highly agreeable evaluations are carried out for Directors (excluding Directors who are Audit & Supervisory Committee Members), following the procedures below.

- Evaluation through regular interviews with the President, Managing Director
- Evaluation through interviews with the Directors who are Audit & Supervisory Committee Members
- Evaluation by Nomination and Compensation Advisory Committee, a majority of whose members are outside Directors

In appointing Directors (excluding Directors who are Audit & Supervisory Committee Members), President, Managing Director has proposed to the Board of Directors the group of subsequent Directors (excluding Directors who are Audit & Supervisory Committee members) after considering the advisability of the reappointment of each Director (excluding Directors who are Audit & Supervisory Committee Members) based on these evaluations and, in the case of appointing new Directors (excluding Directors who are Audit & Supervisory Committee Members), after considering candidates from the pool of senior executives, which includes executive officers.

- Method and procedure for the appointment of Directors who are Audit & Supervisory Committee Members

In appointing Directors who are Audit & Supervisory Committee Members, President, Managing Director proposes to the Board of Directors the group of subsequent Directors who are Audit & Supervisory Committee Members after considering candidates based on the evaluations of the Nomination and Compensation Advisory Committee.

The following are the required qualities so that management is properly audited and supervised.

Parties who possess high expertise in the field of corporate management, or finance, accounting, legal affairs, and similar fields