

Note: This document has been translated from a part of the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for the accuracy of this translation.

(Distribution date) March 8, 2023

(Starting date of electronic provisioning measures) February 27, 2023

To our shareholders:

Norimasa Kitazawa,
President and CEO
Pigeon Corporation
4-4, Nihonbashi-Hisamatsu-cho,
Chuo-ku, Tokyo

Notice of the 66th Ordinary General Meeting of Shareholders

Pigeon Corporation (the "Company") is pleased to announce the 66th Ordinary General Meeting of Shareholders of Pigeon Corporation (the "Meeting"). The details of the Meeting are provided below.

In convening the Meeting, we have taken measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders in electronic format (items to be provided in electronic format), which are posted on the Company's corporate website on the internet, so please access our corporate website below to review the contents.

[The Company's Corporate Website]
https://www.pigeon.co.jp/ir/kabunushi_sokai/

The items to be provided in electronic format are also posted on each of the following websites in addition to the aforementioned corporate website, so please access the following websites to review the contents.

[General Meeting of Shareholders Materials Website] <https://d.sokai.jp/7956/teiji/>

[Tokyo Stock Exchange Website (TSE Listed Company Information Service)]
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Please access the TSE website above, search by entering "Pigeon" in the Issue Name (Company Name) field or the Company's securities code "7956" in the Code field, select "Basic Information" and then "Documents for Public Inspection/PR Information," and check the column "Notice of Convocation of General Meeting of Shareholders/General Meeting of Shareholders Materials" in Documents for Public Inspection.)

Instead of attending the Meeting in person, you may exercise your voting rights in writing or electronically (via the internet, etc.). After reviewing the Reference Documents for the General Meeting of Shareholders provided herewith, please exercise your voting rights through either of the methods described in page 3 by 5:15 p.m., Wednesday, March 29, 2023 (JST).

1. **Date and Time:** Thursday, March 30, 2023, at 10:00 a.m. (JST)
2. **Place:** Royal Park Hotel, 3F, Royal Hall
1-1, Nihonbashi-Kakigara-cho 2-chome, Chuo-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported

1. Business Report and Consolidated Financial Statements for the 66th Fiscal Year (from January 1, 2022 to December 31, 2022), as well as the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 66th Fiscal Year (from January 1, 2022 to December 31, 2022)

Matters to be resolved

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to Articles of Incorporation
- Proposal 3:** Election of Nine (9) Directors
- Proposal 4:** Election of Four (4) Audit & Supervisory Board Members
- Proposal 5:** Election of Two (2) Substitute Audit & Supervisory Board Members
- Proposal 6:** Partial Amendments to Performance-linked Stock Remuneration, etc. for Directors

4. Exercise of Voting Rights

Please be informed that if voting rights are exercised both in writing and by the internet, etc., the contents of the votes by the internet, etc. shall be deemed valid.

If voting rights are exercised multiple times via the internet, etc., the final vote cast will be considered effective. (However, this is restricted to the votes cast before the deadline for the exercise of voting rights.)

- You are kindly requested to submit the enclosed Voting Form to the receptionist when you attend the Meeting.
- If any changes have been made to items to be provided in electronic format, such changes will be posted on the aforementioned Company's corporate website and each of the other websites, including the items before and after such changes have been made.
- In addition, paper-based documents containing the items to be provided in electronic format will be sent to shareholders who have requested the delivery of paper-based documents, but said documents will exclude the following items in accordance with laws and regulations and Article 15 of the Company's Articles of Incorporation. However, as with the items contained in said paper-based documents, Audit & Supervisory Board Members and the Accounting Auditor have audited the following items in preparing the audit reports.
 - (1) Part of Business Report concerning Status of the Accounting Auditor, System to ensure the appropriateness of business operations and the operation status of the system, and Basic policy regarding control of the Company
 - (2) Consolidated statements of changes in net assets and Notes to consolidated financial statements
 - (3) Statements of changes in net assets and Notes to non-consolidated financial statements

Guidance for Methods of Exercise of Voting Rights

In case you are attending the Meeting

Please submit the enclosed Voting Form to a receptionist at the meeting venue.

Date and time: **Thursday, March 30, 2023, at 10:00 a.m. (JST)**
(Reception starts at 9:00 a.m.)

Place: **Royal Park Hotel, 3F, Royal Hall**

In case you are exercising voting rights in writing

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Form and return it to us by mail.

If you do not indicate your approval or disapproval for a proposal, you will be assumed to have approved the proposal.

Exercise deadline: **No later than 5:15 p.m. on Wednesday, March 29, 2023 (JST)**

In case you are exercising voting rights via the internet, etc.

Please access <https://evote.tr.mufig.jp/>, log in using the Login ID and Temporary Password indicated on the enclosed Voting Form and indicate your approval or disapproval by following the instructions on the screen.

* For details, please contact the Help Desk provided below.

Exercise deadline: **No later than 5:15 p.m. on Wednesday, March 29, 2023 (JST)**

* Please note that votes cannot be accepted daily from 2:00 a.m. to 5:00 a.m.

Inquiries related to systems, etc.

Mitsubishi UFJ Trust and Banking Corporation
Stock Transfer Agency Division (Help Desk)

Phone: 0120-173-027 (toll-free, within Japan)

Hours: 9:00 a.m. to 9:00 p.m. (JST)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company hereby makes the following proposal on the appropriation of surplus:

Year-end dividends

The Company views the return of profits to shareholders as an important management priority. Our basic policy is to proactively return profits to shareholders through distribution of dividends from surplus and other means, while reinforcing our financial position by taking into consideration the medium-term changes in business conditions and the Pigeon Group's business strategies. Pursuant to our Seventh Medium-Term Business Plan (from the year ended December 31, 2020 through the year ended December 31, 2022), we have listed "year-on-year increases in cash dividends in each fiscal period" and "a total shareholder return ratio of 55% on a consolidated basis" as our goals.

Based on the above policy, we propose the appropriation of surplus for the current fiscal year as described below.

1) Type of dividend property:

Cash

2) Dividend property allotment and total amount thereof

Dividend per common share of the Company: ¥38

Total amount of dividends: ¥4,550,878,252

3) Effective date of distribution of dividends from surplus:

March 31, 2023

<Reference>

Record date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
December 31, 2021	¥37	¥37	¥74
December 31, 2022	¥38	¥38	¥76

* The annual dividend per share for the year ended December 31, 2022 is ¥76, an increase of ¥2 compared to the previous year.

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for amendments

The Company proposes to amend Article 21 of the current Articles of Incorporation to allow a Director other than the Chairman or the President to be the Person to Convene Meetings of the Board of Directors and Chairperson for the purpose of strengthening the oversight function of the Board of Directors.

2. Details of amendments

Details of the amendments are stated below.

(Amendments underlined)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 21. (Person to Convene Meetings of the Board of Directors and Chairperson)</p> <p>1. Unless otherwise provided for by laws and regulations, <u>the Chairman or the President</u> shall convene and act as chairperson at all meetings of the Board of Directors.</p> <p>2. If <u>the Chairman or the President</u> is unable to act as such, one of the other Directors shall convene and act as chairperson in accordance with the order of priority previously determined by the Board of Directors.</p>	<p style="text-align: center;">CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 21. (Person to Convene Meetings of the Board of Directors and Chairperson)</p> <p>1. Unless otherwise provided for by laws and regulations, <u>the Director previously determined by the Board of Directors</u> shall convene and act as chairperson at all meetings of the Board of Directors.</p> <p>2. If <u>the Director of the preceding paragraph</u> is unable to act as such, one of the other Directors shall convene and act as chairperson in accordance with the order of priority previously determined by the Board of Directors.</p>

Proposal 3: Election of Nine (9) Directors

The terms of office of all ten (10) existing Directors will expire as of the conclusion of the Meeting. Therefore, to create a management system that can respond quickly to changes in the management environment by slimming the Company's Board of Directors, the Company proposes the election of nine (9) Directors, reducing the number of Directors by one (1).

Each of the candidates for Directors was decided by the Board of Directors after receiving the report of the Voluntary Nominating Committee, an advisory panel to the Board of Directors.

The candidates for Director are as follows:

No.		Name		Current Position in the Company
1	Reappointment	Norimasa Kitazawa		President and CEO
2	Reappointment	Tadashi Itakura		Director, Senior Managing Executive Officer
3	Reappointment	Kevin Vyse-Peacock		Director, Junior Managing Executive Officer
4	New appointment	Ryo Yano		Senior Managing Officer
5	Reappointment	Takayuki Nitta	Outside Independent	Director
6	Reappointment	Rehito Hatoyama	Outside Independent	Director
7	Reappointment	Chiaki Hayashi	Outside Independent	Director
8	Reappointment	Eriko Yamaguchi	Outside Independent	Director
9	Reappointment	Yumiko Miwa	Outside Independent	Director

Reappointment	Reappointed candidate for Director
New appointment	Newly appointed candidate for Director
Outside	Candidate for Outside Director
Independent	Candidate for independent director based on provisions of the Tokyo Stock Exchange

Candidate

No.

1

Norimasa Kitazawa

(January 20, 1956)

Reappointment

Career Summary, Position and Responsibility in the Company

Apr. 1979	Joined Aster Corporation	Number of the Company's common shares held: 43,716 shares
Sep. 1983	Joined the Company	(Number of shares scheduled to be delivered based on stock remuneration system: 16,516 shares)
Apr. 1998	President of Pigeon Singapore Pte. Ltd.	Attendance at Board of Directors meetings: 7 out of 7 times
May 2002	President of Pigeon (Shanghai) Co., Ltd.	Attendance at Voluntary Remuneration Committee meetings: 6 out of 6 times
Jan. 2008	Managing Officer of the Company	Attendance at Voluntary Nominating Committee meetings: 6 out of 6 times
Mar. 2011	Senior Managing Officer	Attendance at Governance Committee meetings: 5 out of 5 times
Apr. 2012	Director, Junior Managing Executive Officer	
Apr. 2013	Director, Managing Executive Officer	
Apr. 2014	Director, Senior Managing Executive Officer	
Mar. 2016	Vice President and Director	
Apr. 2019	President and CEO (current position)	

Notable Concurrent Positions

None.

Reasons for Nomination as Candidate for Director

Mr. Norimasa Kitazawa has long played a leadership role in the management by acting as the representative director of overseas companies of Pigeon Group. He has promoted strategic market development of the Company in foreign countries, in which the Company is a new entrant, and particularly in China, he has successfully established business models to establish a sales company and two (2) manufacturing companies. Furthermore, after being appointed as President and CEO of the Company in April 2019, he implemented policies to enhance the Company's corporate value further, including revising the Pigeon Way and changing the Company's brand. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Eighth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the talent necessary as the President and CEO to spearhead efforts that enable the Company to enhance its corporate governance and maximize its corporate value. Therefore, the Company has nominated him as a candidate to continue serving as Director.

Candidate
No.
2

Tadashi Itakura
(January 5, 1964)

Reappointment

Career Summary, Position and Responsibility in the Company

Apr. 1987	Joined the Company	
Jan. 2008	General Manager of Human Resources & General Affairs Dept., Administration Div.	
Jan. 2009	Managing Officer and Division Manager of Human Resources & General Affairs Div.	
Apr. 2012	Managing Officer of the Company and President of Thai Pigeon Co., Ltd.	Number of the Company's common shares held: 16,289 shares
Jan. 2014	Managing Officer and Division Manager of Research & Development Div.	
Apr. 2014	Director, Junior Managing Executive Officer and Division Manager of Research & Development Div.	(Number of shares scheduled to be delivered based on stock remuneration system: 9,269 shares)
Jan. 2015	Director, Junior Managing Executive Officer and Supervision of Research & Development Div., Quality Control Div. and Customer Service Center	
Apr. 2016	Director, Junior Managing Executive Officer and Division Manager of Quality Control Div. and Supervision of Research & Development Div., Logistics Div. and Customer Service Center	Attendance at Board of Directors meetings: 7 out of 7 times
Mar. 2017	Director, Managing Executive Officer and Supervision of Customer Communication Div., Research & Development Div., Quality Control Div. and Logistics Div.	Attendance at Governance Committee meetings: 5 out of 5 times
Jan. 2019	Director, Managing Executive Officer and General Manager of Global Head Office	
Mar. 2020	Director, Senior Managing Executive Officer and General Manager of Global Head Office	
Aug. 2021	Director, Senior Managing Executive Officer and General Manager of Global Head Office and Division Manager of Accounting & Finance Div.	
Dec. 2022	Director, Senior Managing Executive Officer and General Manager of Global Head Office (current position)	

Notable Concurrent Positions

None.

Reasons for Nomination as Candidate for Director

Mr. Tadashi Itakura has experience in the fields of accounting, human resources, and general affairs, and has also played a leadership role in management by acting as the representative director of overseas manufacturing companies. As the Division Manager of the Research & Development Division, he has also promoted initiatives to strengthen development and quality control which constitute the Company's core competencies. Since January 2019, as the General Manager of Global Head Office, he has managed and promoted policies to strengthen group governance from the standpoints of the brand, ESG, and risk management. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Eighth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the talent necessary to contribute to efforts that enable the Company to enhance its corporate governance and maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.

Candidate

No.

3

Kevin Vyse-Peacock

(May 25, 1967)

Reappointment

Career Summary, Position and Responsibility in the Company

Sep. 1989	Joined Croda UK Ltd	Number of the Company's common shares held: 6,605 shares
Jul. 1993	Earned an MBA from Leeds University	
Apr. 1996	Sales and marketing director healthcare of Croda UK Ltd	(Number of shares scheduled to be delivered based on stock remuneration system: 6,605 shares)
Apr. 2001	Established Lansinoh Laboratories, Inc.-UK branch President	
Feb. 2010	President and CEO of Lansinoh Laboratories, Inc.	Attendance at Board of Directors meetings: 7 out of 7 times
Apr. 2016	Director, Junior Managing Executive Officer of the Company, and President and CEO of Lansinoh Laboratories, Inc.	
Jan. 2018	Director, Junior Managing Executive Officer and Division Manager of Lansinoh Business Div. of the Company and President and CEO of Lansinoh Laboratories, Inc. (current position)	

Notable Concurrent Positions

President and CEO of Lansinoh Laboratories, Inc.

Reasons for Nomination as Candidate for Director

Mr. Kevin Vyse-Peacock joined Lansinoh Laboratories, Inc. in 2001 and has led business management as President of the UK branch of Lansinoh Laboratories, Inc. as well as President and CEO of Lansinoh Laboratories, Inc. He has realized expansion into global markets through various efforts including expanding the Lansinoh brand in Europe and the U.S.A., commencement of deployment of nursing bottles and nursing bottle nipples, which are two (2) of Pigeon's mainstay products, in Europe and the U.S.A., as well as establishing sales companies in various countries. This experience and knowledge in corporate management will be needed in promoting the globalization of the Company, as well as in achieving the targets of the Eighth Medium-Term Business Plan and in other future business activities. Moreover, the Company deems that he has the talent necessary to contribute to efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.

Candidate

No.

4

Ryo Yano

(July 23, 1973)

New appointment

Career Summary, Position and Responsibility in the Company

Apr. 1997	Joined the Company	
Jul. 2014	Member of the Board of Pigeon (Shanghai) Co., Ltd.	
Jan. 2017	President and Member of the Board of Pigeon (Shanghai) Co., Ltd.	Number of the Company's common shares held:
Jan. 2018	Managing Officer, Division Manager of China Business Division of the Company and President and Member of the Board of Pigeon (Shanghai) Co., Ltd.	0 shares
Jan. 2019	Senior Managing Officer, Division Manager of China Business Division of the Company and Representative Director of Pigeon (Shanghai) Co., Ltd. (current position)	

Notable Concurrent Positions

Representative Director of Pigeon (Shanghai) Co., Ltd.

Reasons for Nomination as Candidate for Director

Mr. Ryo Yano has a proven track record of making significant contributions to the expansion of the Group's China business by overseeing the sales and marketing domain in the China Business Division and establishing a foundation for growth in the growing e-commerce market. After assuming the position of Division Manager of the China Business Division in January 2018, Mr. Yano has united Group companies not only in China but also in South Korea and neighboring countries, contributing greatly to strengthening the business foundation of the China Business Division. This experience and knowledge in corporate management will be needed in promoting the globalization of the Company, as well as in achieving the targets of the Eighth Medium-Term Business Plan and in other future business activities. Moreover, the Company deems that he has the talent necessary to contribute to efforts that enable the Company to maximize its corporate value and therefore nominated him as a new candidate for Director.

Candidate

No.

5

Takayuki Nitta

(November 8, 1970)

Reappointment

Outside

Independent

Career Summary, Position and Responsibility in the Company

Apr. 1995	Participated in Japan Overseas Cooperation Volunteers of Japan International Cooperation Agency (JICA) (later changed from a special public institution to an independent administrative institution under the same English name)	Number of the Company's common shares held: 7,400 shares
Mar. 1999	Joined Corporate Directions, Inc.	Attendance at Board of Directors meetings: 7 out of 7 times
Jun. 2005	Joined Asuka Corporate Advisory Co., Ltd.	Attendance at Voluntary
Feb. 2009	Executive Director of Asuka Corporate Advisory Co., Ltd.	Remuneration
Oct. 2013	Established Misaki Consulting (currently known as Misaki Capital Inc.), Partner of Misaki Capital Inc.	Committee meetings: 6 out of 6 times
Apr. 2015	Outside Director of the Company (current position)	Attendance at Voluntary Nominating
Feb. 2023	Senior Managing Director of Misaki Capital Inc. (current position)	Committee meetings: 6 out of 6 times

Notable Concurrent Positions

Senior Managing Director of Misaki Capital Inc.

Reasons for Nomination as Candidate for Outside Director and Overview of Expected Role

Mr. Takayuki Nitta is a candidate for Outside Director as provided for in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act. He has a wealth of knowledge in corporate management nurtured through extensive experience at a management consulting company and investment management companies. As an Outside Director, we expect him to use this knowledge to provide useful advice and recommendations on the Company's management strategies from an investor's perspective. Because he is currently performing these roles as an Outside Director, he has been nominated as a candidate for Outside Director.

Candidate

No.

6

Rehito Hatoyama

(January 12, 1974)

Reappointment

Outside

Independent

Career Summary, Position and Responsibility in the Company

Apr. 1997	Joined Mitsubishi Corporation	
May 2008	Joined Sanrio Company, Ltd.	
Jun. 2008	Earned an MBA from Harvard Business School	
Jun. 2010	Director of Sanrio Company, Ltd.	Number of the Company's common shares held: 3,200 shares
Apr. 2013	Managing Director of Sanrio Company, Ltd.	Attendance at Board of Directors meetings: 7 out of 7 times
Jun. 2013	Outside Director of DeNA Co., Ltd.	Attendance at Governance Committee meetings: 5 out of 5 times
Jun. 2015	CEO of Sanrio Media & Pictures Entertainment, Inc.	
Mar. 2016	Outside Director of LINE Corporation	
Apr. 2016	Director of Sanrio Company, Ltd.	
Apr. 2016	Outside Director of the Company (current position)	
Jun. 2016	Outside Director of transcocosmos inc. (current position)	
Jul. 2016	Established Hatoyama Soken Corporation, Representative Director of Hatoyama Soken Corporation (current position)	
Mar. 2021	Outside Director and Audit and Supervisory Committee Member of Z Holdings Corporation (current position)	

Notable Concurrent Positions

Representative Director of Hatoyama Soken Corporation
Outside Director and Audit and Supervisory Committee Member of Z Holdings Corporation
Outside Director of transcocosmos inc.

Reasons for Nomination as Candidate for Outside Director and Overview of Expected Role

Mr. Rehito Hatoyama is a candidate for Outside Director as provided for in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act. He has abundant experience and a wealth of knowledge regarding management in terms of international business strategy and execution of such strategy in operating companies, corporate governance, etc. As an Outside Director, we expect him to use this knowledge to provide useful advice and recommendations on the Company's management strategies. Because he is currently performing these roles as an Outside Director, he has been nominated as a candidate for Outside Director.

Candidate

No.

7

Chiaki Hayashi

(August 8, 1971)

Reappointment

Outside

Independent

Career Summary, Position and Responsibility in the Company

Apr. 1994	Joined Kao Corporation	Number of the Company's common shares held: 1,600 shares
Feb. 2000	Established Loftwork Inc., Representative Director of Loftwork Inc.	
Feb. 2012	Assistant Director of MIT Media Lab	Attendance at Board of Directors meetings: 7 out of 7 times
Apr. 2014	President and Representative Director, Hidakuma Co., Ltd	
May 2019	Chief Executive Officer of Hidakuma Co., Ltd (current position)	Attendance at Governance Committee meetings: 5 out of 5 times
Mar. 2020	Outside Director of the Company (current position)	
Feb. 2021	Chairperson, Loftwork Inc.	
Nov. 2021	Outside Director of JINS HOLDINGS Inc. (current position)	
Apr. 2022	Director, Loftwork Inc. (current position)	
Sep. 2022	Established Q0 Inc., President and CEO of Q0 Inc. (current position)	

Notable Concurrent Positions

President and CEO of Q0 Inc.
 Director, Loftwork Inc.
 Chief Executive Officer of Hidakuma Co., Ltd
 Outside Director of JINS HOLDINGS Inc.

Reasons for Nomination as Candidate for Outside Director and Overview of Expected Role

Ms. Chiaki Hayashi is a candidate for Outside Director as provided for in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act. She co-founded Loftwork Inc., which deals with various design projects, and has abundant project management experience (online, physical spaces, community, and business). She is also proactively involved in MTRL, a platform for creators and manufacturers that seeks new possibility for materials. She also has abundant experience in co-creation as the Assistant Director at the MIT Media Lab and has won various creative awards. While driving business as an entrepreneur, she serves as a member of various committees including METI's Industrial Structure Council. As an Outside Director, she is expected to use her wealth of insight and experience to provide useful advice and recommendations to the Company's business execution, including in the area of product development, in line with the Company's mission of being a Design Driven Company. Because she is currently performing these roles as an Outside Director, she has been nominated as a candidate for Outside Director.

Candidate

No.

8

Eriko Yamaguchi

(August 21, 1981)

Reappointment

Outside

Independent

Career Summary, Position and Responsibility in the Company

Mar. 2006	Established MOTHERHOUSE Co., Ltd., CEO of MOTHERHOUSE Co., Ltd. (current position)	Number of the Company's common shares held: 300 shares
Nov. 2007	Managing Director of MATRIGHOR Limited (current position)	Attendance at Board of Directors meetings: 7 out of 7 times
Dec. 2015	Director of MOTHERHOUSE Asia Pacific Limited	Attendance at Voluntary Remuneration Committee meetings: 6 out of 6 times
Aug. 2017	Director of MOTHERHOUSE TAIWAN Co., Ltd. (current position)	Attendance at Voluntary Nominating Committee meetings: 6 out of 6 times
Mar. 2020	Outside Director of the Company (current position)	

Notable Concurrent Positions

CEO of MOTHERHOUSE Co., Ltd.
 Managing Director of MATRIGHOR Limited
 Director of MOTHERHOUSE TAIWAN Co., Ltd.

Reasons for Nomination as Candidate for Outside Director and Overview of Expected Role

Ms. Eriko Yamaguchi is a candidate for Outside Director as provided for in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act. She established MOTHERHOUSE Co., Ltd., which operates under the philosophy of "we spotlight the potential of developing countries through our products to establish an international brand" and conducts business that aims to "manufacture products in developing countries that truly satisfy customers." In addition to business management, she also drives business as the head of product design. She cultivates local production in developing countries and enriches those regions by creating brands that pursue the possibilities of local natural materials, thereby promoting the circulation of consumer activities there. With such activities recognized, she won various awards both in Japan and overseas as a globally active female entrepreneur. As an Outside Director, she is expected to use her wealth of insight and experience to provide useful advice and recommendations on the Company's management strategies and other business operations, as the Company aims to become a Design Driven Company with the aim of making further progress in overseas business. Because she is currently performing these roles as an Outside Director, she has been nominated as a candidate for Outside Director.

Candidate
No.
9

Yumiko Miwa
(October 12, 1965)

Reappointment

Outside

Independent

Career Summary, Position and Responsibility in the Company

Apr. 1988	Joined Nomura Securities Co., Ltd.	Number of the Company's common shares held: 400 shares
Apr. 1996	Full-time Assistant, School of Commerce, Meiji University	
Apr. 1997	Full-time Lecturer, School of Commerce, Meiji University	
Apr. 2000	Assistant Professor, School of Commerce, Meiji University	
Apr. 2002	Member, Fund Management Committee, Pension Fund Association for Local Government Officials	Attendance at Board of Directors meetings: 4 out of 5 times
Oct. 2005	Professor, School of Commerce, Meiji University (current position)	
Apr. 2006	Visiting Professor, Stephen M. Ross School of Business, University of Michigan	Attendance at Voluntary Remuneration Committee meetings: 5 out of 5 times
Apr. 2020	Member, Fund Management Committee, National Federation of Mutual Aid Associations for Municipal Personnel (current position)	
Jun. 2020	Outside Director of Eisai Co., Ltd. (current position)	Attendance at Voluntary Nominating Committee meetings: 5 out of 5 times
Apr. 2021	Member, Pension Asset Management Review Committee, The Mutual Aid Association of Prefectural Government Personnel (current position)	
Mar. 2022	Outside Director of the Company (current position)	
Aug. 2022	Representative Director of I-O Wealth Advisors, Inc. (current position)	

Notable Concurrent Positions

Professor, School of Commerce, Meiji University
Representative Director of I-O Wealth Advisors, Inc.
Member, Fund Management Committee, National Federation of Mutual Aid Associations for Municipal Personnel
Outside Director of Eisai Co., Ltd.
Member, Pension Asset Management Review Committee, The Mutual Aid Association of Prefectural Government Personnel

Reasons for Nomination as Candidate for Outside Director and Overview of Expected Role

Ms. Yumiko Miwa is a candidate for Outside Director as provided for in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act. She is an expert in ESG and corporate governance, having conducted research related to the development of institutional investors and corporate governance, engagement of institutional investors, and ESG investment. In addition, she has knowledge of finance and accounting, and as a manager of a company engaged in the asset management education business, she has a high level of insight into management and supervisory ability with a focus on finance and accounting. ESG and corporate governance initiatives are becoming more important today, and using her abundant insight and experience, as an Outside Director, she is expected to provide useful advice and recommendations on the Company's management strategy and on improved corporate governance, in line with the Company's mission of being a Design Driven Company. Because she is currently performing these roles as an Outside Director, she has been nominated as a candidate for Outside Director.

- Notes:
1. There is no special interest between the candidates and the Company.
 2. Although Takayuki Nitta is a Senior Managing Director of Misaki Capital Inc., it has been confirmed that the said company (including the funds it manages) has not made any investment in the Company and will not do so until the end of his term as an Outside Director of the Company. Therefore, it has been concluded that there is no risk of conflict of interest between he and our general shareholders.
 3. The Company has no transactional relationship with Hatoyama Soken Corporation or Z Holdings Corporation, at which Rehito Hatoyama has concurrent positions. Furthermore, although he is an Outside Director of transcosmos inc., and the Company and transcosmos inc. have a transactional relationship of ¥193 million per year (for the fiscal year ended December 2022), the value of the

transactions comprises less than 1% of the Company's consolidated net sales. Therefore, it has been concluded that there is no risk of conflict of interest between he and our general shareholders.

4. The Company has no transactional relationship with Q0 Inc., Loftwork Inc., Hidakuma Co., Ltd, or JINS HOLDINGS Inc. at which Chiaki Hayashi has concurrent positions.
5. The Company has no transactional relationship with MOTHERHOUSE Co., Ltd., MATRIGHOR Limited, or MOTHERHOUSE TAIWAN Co., Ltd., at which Eriko Yamaguchi has concurrent positions.
6. There is no transactional relationship including donation between the Company and Meiji University, I-O Wealth Advisors, Inc., the National Federation of Mutual Aid Associations for Municipal Personnel, Eisai Co., Ltd., or The Mutual Aid Association of Prefectural Government Personnel at which Yumiko Miwa has concurrent positions.
7. After getting married, Yumiko Miwa's surname changed to Shibata, but her maiden name Miwa is used for her work including as a university professor.
8. Yumiko Miwa's attendance at Board of Directors meetings, Voluntary Remuneration Committee meetings, and Voluntary Nominating Committee meetings held after her appointment as a Director on March 30, 2022 are shown.
9. Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa currently serve as Outside Directors of the Company. Their terms of office as of the conclusion of the Meeting are seven (7) years and eleven (11) months for Takayuki Nitta, six (6) years and eleven (11) months for Rehito Hatoyama, three (3) years for both Chiaki Hayashi and Eriko Yamaguchi, and one (1) year for Yumiko Miwa.
10. Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa have been designated as independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE) and the Company notified the TSE to that effect.. If this proposal is approved and adopted, the Company plans to continue to designate the candidates as independent director.
11. The Company has concluded limited liability contracts with Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa which limit their liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act and the Articles of Incorporation. If this proposal is approved and adopted, the Company plans to renew the limited liability contracts with Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa. The limit of liability for damages pursuant to the limited liability contracts is the aggregate sum of the amounts prescribed in each item in Article 425, paragraph (1) of the Companies Act.
12. The Company has entered into an indemnification agreement with Norimasa Kitazawa, Tadashi Itakura, Kevin Vyse-Peacock, Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa, pursuant to Article 430-2, paragraph (1) of the Companies Act, whereby the Company indemnifies (provided, however, that in the event that the indemnified person is found to have performed his/her duties for the purpose of gaining unjust enrichment for him/herself or a third party, or for the purpose of causing damage to the Company, or in the event that the indemnified person is found to have performed his/her duties with malice or gross negligence, the indemnified expenses, etc. shall be refunded.) the candidates for the expenses stipulated in item (i) of the same paragraph and the loss stipulated in item (ii) of the same paragraph to the extent provided for by law. If this proposal is approved and adopted, the Company will continue said agreements with Norimasa Kitazawa, Tadashi Itakura, Kevin Vyse-Peacock, Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa, and will conclude a new indemnification agreement of the same content with Ryo Yano.
13. The Company has concluded a liability insurance contract for officers, etc. with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act (provided, however, that certain exclusions apply, such as not covering damages resulting from acts committed by insured persons while being aware that such acts violate laws and regulations). If this proposal is approved and adopted, Norimasa Kitazawa, Tadashi Itakura, Kevin Vyse-Peacock, Takayuki Nitta, Rehito Hatoyama, Chiaki Hayashi, Eriko Yamaguchi, and Yumiko Miwa will continue to be insured persons in the liability insurance contract, and Ryo Yano will newly become an insured person in the liability insurance contract.

Proposal 4: Election of Four (4) Audit & Supervisory Board Members

The terms of office of all four (4) existing Audit & Supervisory Board Members will expire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of four (4) Audit & Supervisory Board Members.

With respect to this proposal, the Company has obtained the consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No. 1	<p>Hiroshi Nishimoto (February 10, 1962)</p>	Reappointment
---------------------------	---	---------------

Career Summary and Position in the Company

<p>Jul. 1985 Joined the Company</p> <p>Jan. 2014 General Manager of Logistics Dept., Logistics Div.</p> <p>Jan. 2016 Managing Officer, Division Manager of Logistics Div. and General Manager of Procurement Dept.</p> <p>Jan. 2017 Managing Officer and Division Manager of Logistics Div.</p> <p>Dec. 2020 Managing Officer and Assistant to Head of Japan Operations of Administration Div.</p> <p>Mar. 2021 Standing Audit & Supervisory Board Member (current position)</p>	<p>Number of the Company's common shares held: 2,000 shares</p> <p>Attendance at Board of Directors meetings: 7 out of 7 times</p> <p>Attendance at Audit & Supervisory Board meetings: 8 out of 8 times</p>
--	--

Notable Concurrent Positions

None.

Reasons for Nomination as Candidate for Audit & Supervisory Board Member

Since assuming the position of Standing Audit & Supervisory Board Member in March 2021, Mr. Hiroshi Nishimoto has contributed to revitalizing the Board of Directors by expressing opinions with a holistic view of the Company while capitalizing on many years of extensive management experience during his term as an executive in the Company. This enabled the Company to ensure management soundness, and he has played a role in enhancing the Company's corporate governance. In light of the above, the Company continues to deem that he has adequate talent to perform the role of Audit & Supervisory Board Member.

Candidate
No.

2

Koji Ishigami
(July 8, 1962)

Reappointment

Career Summary and Position in the Company

Mar. 1986	Joined the Company	Number of the Company's common shares held:
Jan. 2006	General Manager, Marketing Department, Marketing Division	42,300 shares
Jan. 2007	Managing Officer and Division Manager of HHC & Elder Care Business Division	Attendance at Board of Directors meetings:
Jan. 2013	Managing Officer, Division Manager of Health & Elder Care Business Division of the Company and President of Pigeon Tahira Corporation	5 out of 5 times
Jan. 2016	Managing Officer and Senior Managing Director of Pigeon Tahira Corporation	Attendance at Audit & Supervisory Board meetings:
Jan. 2018	Managing Officer and Division Manager of Human Resources & General Affairs Div.	4 out of 4 times
Dec. 2019	Managing Officer and Division Manager of Administration Division	
Mar. 2022	Standing Audit & Supervisory Board Member (current position)	

Notable Concurrent Positions

None.

Reasons for Nomination as Candidate for Audit & Supervisory Board Member

Since assuming the position of Standing Audit & Supervisory Board Member in March 2022, Mr. Koji Ishigami has contributed to revitalizing the Board of Directors by expressing opinions from diverse perspectives while capitalizing on many years of extensive management experience during his term as an executive in the Company. This enabled the Company to ensure management soundness, and he has played a role in enhancing the Company's corporate governance. In light of the above, the Company continues to deem that he has adequate talent to perform the role of Audit & Supervisory Board Member.

Candidate

No.

3

Koichi Otsu

(May 26, 1966)

Reappointment

Outside

Independent

Career Summary and Position in the Company

Apr. 1989	Joined The Fuji Bank, Limited (currently known as Mizuho Bank, Ltd.)	Number of the Company's common shares held: 5,400 shares
Jul. 1995	Joined Barclays de Zoete Wedd Securities Japan Limited (currently known as Barclays Securities Japan Limited)	Attendance at Board of Directors meetings: 7 out of 7 times
Sep. 1996	Joined GLOBIS CORPORATION	
Apr. 1999	Joined Entrepia Japan	
Jul. 2003	Established Otsu Koichi Office, Head of Otsu Koichi Office	Attendance at Audit & Supervisory Board meetings: 8 out of 8 times
Apr. 2004	Reorganized Otsu Koichi Office to Otsu International, Inc., President of Otsu International, Inc. (current position)	
Apr. 2015	Visiting Professor at Waseda Business School (Graduate School of Business and Finance)	Attendance at Governance Committee meetings: 5 out of 5 times
Apr. 2015	Visiting Professor at Tama Graduate School of Management and Information Sciences	
Aug. 2015	Outside Director and Audit & Supervisory Committee Member of Sprix, Ltd.	* Candidate for Independent Auditor based on provisions of the Tokyo Stock Exchange
Apr. 2019	Outside Audit & Supervisory Board Member of the Company (current position)	
Apr. 2022	Visiting Professor at Graduate School of Business Breakthrough University (current position)	

Notable Concurrent Positions

President of Otsu International, Inc.

Visiting Professor at Graduate School of Business Breakthrough University

Reasons for Nomination as Candidate for Outside Audit & Supervisory Board Member

Mr. Koichi Otsu has professional expertise and deep foresight in the realm of accounting and finance. He is sufficiently experienced in providing recommendations and proposals regarding management from a broad perspective and teaching corporate finance at a variety of educational institutions. The Company considers that he can utilize his hands-on management experience to provide advice and proposals, in addition to the insights in his areas of expertise. In light of the above, the Company deems that he is capable of performing duties as an Outside Audit & Supervisory Board Member.

Candidate

No.

4

Atsuko Taishido

(July 3, 1975)

Reappointment

Outside

Independent

Career Summary and Position in the Company

Oct. 2001	Registered as Attorney (Tokyo Bar Association)	Number of the Company's common shares held: 2,100 shares
Oct. 2001	Joined Mori Sogo (currently known as Mori Hamada & Matsumoto)	
Jan. 2010	Partner of Mori Hamada & Matsumoto (current position)	Attendance at Board of Directors meetings: 7 out of 7 times
Jun. 2015	Outside Audit & Supervisory Board Member of Kanda Holdings Co., Ltd.	
Jun. 2018	Outside Audit & Supervisory Board Member of Jupiter Telecommunications Co., Ltd. (currently known as JCOM Co., Ltd.) (current position)	Attendance at Audit & Supervisory Board meetings: 8 out of 8 times
Apr. 2019	Outside Audit & Supervisory Board Member of the Company (current position)	
Jun. 2022	Outside Director and Audit and Supervisory Board Member of T&D Holdings, Inc. (current position)	Attendance at Governance Committee meetings: 5 out of 5 times

*Candidate who meets the independence criteria for Independent Auditor stipulated by the Tokyo Stock Exchange

Notable Concurrent Positions

Partner of Mori Hamada & Matsumoto

Outside Audit & Supervisory Board Member of JCOM Co., Ltd.

Outside Director and Audit and Supervisory Board Member of T&D Holdings, Inc.

Reasons for Nomination as Candidate for Outside Audit & Supervisory Board Member

Ms. Atsuko Taishido has professional expertise as an attorney and high-level insight regarding various risks in global corporate management. She possesses experience particularly in providing professional advice and proposals to the management in the realm of corporate governance and internal control. Although she has never been involved in corporate management other than serving as an outside director/auditor, the Company considers that she will utilize her experience in solving corporate management problems of many companies as an attorney to provide advice and recommendations from a range of viewpoints. In light of the above, the Company deems that she is capable of performing duties as an Outside Audit & Supervisory Board Member.

- Notes:
1. There is no special interest between the candidates and the Company.
 2. Koji Ishigami's attendance at the meetings of the Board of Directors and the Audit & Supervisory Board held after his appointment as Audit & Supervisory Board Member on March 30, 2022 are shown.
 3. The Company has no transactional relationship with Otsu International, Inc. or Graduate School of Business Breakthrough University, at which Koichi Otsu has concurrent positions.
 4. The Company has no transactional relationship with Mori Hamada & Matsumoto, JCOM Co., Ltd., or T&D Holdings, Inc., at which Atsuko Taishido has concurrent positions.
 5. Koichi Otsu and Atsuko Taishido currently serve as Outside Audit & Supervisory Board Members of the Company. The terms of office for both as of the conclusion of the Meeting will be three (3) years and eleven (11) months.
 6. Koichi Otsu has been designated as independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE) and the Company notified the TSE to that effect. If this proposal is approved and adopted, the Company plans to continue to designate Koichi Otsu as independent auditor. It has also been determined that Atsuko Taishido meets all of the

independence criteria for said independent director/auditor and that there is no risk of a conflict of interest between her and general shareholders. However, in accordance with the rules of Mori Hamada & Matsumoto, to which she belongs, the Company does not plan to register or designate her as independent auditor.

7. The Company has concluded limited liability contracts with Hiroshi Nishimoto, Koji Ishigami, Koichi Otsu, and Atsuko Taishido which limit their liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act and the Articles of Incorporation. If this proposal is approved and adopted, the Company plans to renew the limited liability contracts with each of them. The limit of liability for damages pursuant to the limited liability contracts is the aggregate sum of the amounts prescribed in each item in Article 425, paragraph (1) of the Companies Act.
8. The Company has entered into an indemnification agreement with Hiroshi Nishimoto, Koji Ishigami, Koichi Otsu, and Atsuko Taishido, pursuant to Article 430-2, paragraph (1) of the Companies Act, whereby the Company indemnifies (provided, however, that in the event that the indemnified person is found to have performed his/her duties for the purpose of gaining unjust enrichment for him/herself or a third party, or for the purpose of causing damage to the Company, or in the event that the indemnified person is found to have performed his/her duties with malice or gross negligence, the indemnified expenses, etc. shall be refunded.) the candidate for the expenses stipulated in item (i) of the same paragraph and the loss stipulated in item (ii) of the same paragraph to the extent provided for by law. If this proposal is approved and adopted, the Company plans to continue to enter into said agreement with each of them.
9. The Company has concluded a liability insurance contract for officers, etc. with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act (provided, however, that certain exclusions apply, such as not covering damages resulting from acts committed by insured persons while being aware that such acts violate laws and regulations). If this proposal is approved and adopted, Hiroshi Nishimoto, Koji Ishigami, Koichi Otsu, and Atsuko Taishido will continue to be insured persons in the liability insurance contract.
10. In February 2020, Kanda Holdings Co., Ltd., for which Atsuko Taishido served as an Outside Audit & Supervisory Board Member from June 26, 2015 to June 28, 2022, announced that an officer of its subsidiaries had engaged in improper acts of receiving reimbursement based on submission of fraudulent expense receipts. In the course of an audit by the Audit & Supervisory Board of Kanda Holdings, Kanda Holdings became aware of suspicions of improper receipt of reimbursement for entertainment expenses by a former Senior Managing Director who served as President of two of Kanda Holdings' subsidiaries, and an investigation by a special investigation committee established on an emergency basis revealed the improper acts. As an Audit & Supervisory Board Member of Kanda Holdings, Atsuko Taishido has regularly provided advice and recommendations to ensure the appropriateness of the execution of duties by Directors from the perspective of compliance with laws, regulations, and internal rules. In addition, she provided advice on the formulation of measures to prevent recurrence after the incident occurred and confirmed the efforts being made. In August of the same year, an act of embezzlement by a former officer who serves concurrently as an employee of a consolidated subsidiary of Kanda Holdings was announced. Although Atsuko Taishido was not aware of this fact until she received the report from Kanda Holdings, she has been reminding the Board of Directors, etc. of the importance of legal compliance on a regular basis. After becoming aware of this fact, she appropriately fulfilled her responsibilities, such as requesting an investigation into the cause of the improper conduct and a thorough strengthening of the compliance system.

(Reference) Skill Matrix of the Board of Directors after the 66th Ordinary General Meeting of Shareholders

	Name/Position	Expertise demanded of the Board of Directors (*1)									
		Management and business strategies	Experience in the Company, industry	Global business	Design, R&D, product development	SCM (*2)	Marketing, branding	Human resource development,	Finance and accounting	Legal affairs, compliance, and risk	Solving societal issues
Director	Norimasa Kitazawa President and CEO	○	○	○	○		○				
	Tadashi Itakura Director, Senior Managing Executive Officer				○	○		○	○	○	
	Kevin Vyse-Peacock Director, Junior Managing Executive Officer	○	○	○	○		○				
	Ryo Yano Director, Junior Managing Executive Officer	○	○	○			○	○			
	Rehito Hatoyama Outside Director and Chairman of the Board	○		○			○		○	○	
	Takayuki Nitta Outside Director	○							○	○	
	Chiaki Hayashi Outside Director	○			○		○	○			○
	Eriko Yamaguchi Outside Director	○		○	○		○				○
	Yumiko Miwa Outside Director							○	○		○
		Hiroshi Nishimoto Standing Audit & Supervisory Board Member		○			○				
Audit & Supervisory Board Member	Koji Ishigami Standing Audit & Supervisory Board Member	○	○					○			
	Koichi Otsu Outside Audit & Supervisory Board Member								○	○	
	Atsuko Taishido Outside Audit & Supervisory Board Member									○	○

(*1) A maximum of five main areas of expertise are presented for each person.

(*2) SCM: Supply Chain Management

Composition of Committees

As advisory panels to the Board of Directors, the Committees are chaired by an independent Outside Director and the majority of members are Outside Directors and Audit & Supervisory Board Members.

- Voluntary Remuneration Committee
Chairperson: Takayuki Nitta, Members: Norimasa Kitazawa, Tadashi Itakura, Chiaki Hayashi, Yumiko Miwa
- Voluntary Nominating Committee
Chairperson: Takayuki Nitta, Members: Norimasa Kitazawa, Tadashi Itakura, Eriko Yamaguchi, Yumiko Miwa
- Governance Committee
Chairperson: Rehito Hatoyama, Members: Norimasa Kitazawa, Tadashi Itakura, Ryo Yano, Chiaki Hayashi, Koichi Otsu, Atsuko Taishido

Proposal 5: Election of Two (2) Substitute Audit & Supervisory Board Members

The validity of election of Ms. Sachiko Omuro, who was elected as substitute Audit & Supervisory Board Member at the 62nd Ordinary General Meeting of Shareholders held on April 25, 2019 and Ms. Hiroko Noda, who was elected as substitute Audit & Supervisory Board Member at the 64th Ordinary General Meeting of Shareholders held on March 30, 2021, will expire as of commencement of the Meeting. Accordingly, in order to prepare for a possible situation in which the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of two (2) substitute Audit & Supervisory Board Members.

On the condition that Proposal 4 is approved and adopted in its original form, Ms. Sachiko Omuro’s and Ms. Hiroko Noda’s election is being requested as a substitute for Outside Audit & Supervisory Board Member Ms. Atsuko Taishido and Mr. Koichi Otsu, respectively. This election may be rescinded by a resolution at the Board of Directors with the consent of the Audit & Supervisory Board only prior to taking office.

With respect to this proposal, the Company has obtained the consent of the Audit & Supervisory Board.

The candidates for substitute Audit & Supervisory Board Member are as follows:

Candidate No. 1	Sachiko Omuro (April 25, 1980)	<input type="checkbox"/> Reappointment <input checked="" type="checkbox"/> Outside <input type="checkbox"/> Independent
---------------------------	--	---

Career Summary

- Oct. 2004 Registered as Attorney (Daini Tokyo Bar Association)
- Oct. 2004 Joined Mori Hamada & Matsumoto
- Jan. 2018 Partner of Mori Hamada & Matsumoto (current position)
- Apr. 2019 Substitute Audit & Supervisory Board Member of the Company
- Jun. 2022 Outside Audit & Supervisory Board Member of Kanda Holdings Co., Ltd. (current position)

Number of the Company’s common shares held:
0 shares

*Candidate who meets the independence criteria for Independent Auditor stipulated by the Tokyo Stock Exchange

Notable Concurrent Positions

- Partner of Mori Hamada & Matsumoto
- Outside Audit & Supervisory Board Member of Kanda Holdings Co., Ltd.

Reasons for Nomination as Candidate for Substitute Outside Audit & Supervisory Board Member

Ms. Sachiko Omuro has professional expertise and high-level insight as an attorney. Although she has never been involved in corporate management other than serving as an outside auditor, the Company considers that she is capable of providing wide-ranging advice and proposals in her areas of expertise based on the experience as an attorney in solving corporate management problems. In light of the above, the Company deems that she is capable of performing duties as an Outside Audit & Supervisory Board Member.

Candidate
No.
2

Hiroko Noda
(July 3, 1960)

Reappointment

Outside

Independent

Career Summary

Apr. 1987	Joined Minato Audit Corp. (currently known as KPMG AZSA LLC)
Aug. 1987	Joined Prudential Securities Incorporated Tokyo Branch
Mar. 1990	Registered as a certified public accountant Representative of Noda Certified Public Accountant Office (current position)
Aug. 1992	Joined Indosuez Bank S.A. Tokyo Branch (currently known as Crédit Agricole CIB)
Jun. 2000	Joined Canadian Imperial Bank of Commerce Tokyo Branch
Jul. 2006	Joined BUSICOM Co., Ltd.
Sep. 2007	Representative Director of Prominent Consulting Co., Ltd.
May 2010	Established Probity Consulting Co., Ltd., Representative Director of Probity Consulting Co., Ltd. (current position)
Apr. 2014	Part-time Lecturer of Graduate School of Asian and International Business Strategy, Asia University (current position)
Mar. 2019	Outside Director of MODEC, Inc. (current position) Outside Director and Audit & Supervisory Committee Member of Okabe Co., Ltd. (current position)
Mar. 2021	Substitute Audit & Supervisory Board Member of the Company
Jun. 2021	Outside Director and Audit Committee Member of S.T. CORPORATION (current position)
Jun. 2022	Outside Director of CHORI CO., LTD. (current position)

Number of the
Company's common
shares held:
0 shares

* Candidate for
Independent Auditor
based on provisions of
the Tokyo Stock
Exchange

Notable Concurrent Positions

Representative of Noda Certified Public Accountant Office
Representative Director of Probity Consulting Co., Ltd.
Outside Director of MODEC, Inc.
Outside Director and Audit & Supervisory Committee Member of Okabe Co., Ltd.
Outside Director and Audit Committee Member of S.T. CORPORATION
Outside Director of CHORI CO., LTD.

Reasons for Nomination as Candidate for Substitute Outside Audit & Supervisory Board Member

Ms. Hiroko Noda is a certified public accountant and has an advanced knowledge as an expert in accounting, investment, and management strategy. Furthermore, in addition to her experience in the position of head of accounting at foreign companies, she has established and managed her own company, supported the building of internal controls at a wide range of companies from listed companies to small-to-midsized companies, and is reenergizing the accounting department. The Company expects her to provide expert, highly objective advice and recommendations based on her advanced knowledge and abundant experience, and deems that she is capable of performing duties as an Outside Audit & Supervisory Board Member.

- Notes:
1. There is no special interest between the candidates and the Company.
 2. The Company has no transactional relationship with Mori Hamada & Matsumoto, or Kanda Holdings Co., Ltd., at which Sachiko Omuro has concurrent positions.
 3. The Company has no transactional relationship with Noda Certified Public Accountant Office, Probity Consulting Co., Ltd., MODEC, Inc., Okabe Co., Ltd., S.T. CORPORATION, or CHORI CO., LTD., at which Hiroko Noda has concurrent positions.

4. If Hiroko Noda takes office as Outside Audit & Supervisory Board Member, she will be designated as independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE), and the Company plans to notify the TSE to that effect. It has also been determined that Sachiko Omuro meets all of the independence criteria for said independent director/auditor and that there is no risk of a conflict of interest between her and general shareholders. However, in the case she takes office as Outside Audit & Supervisory Board Member, in accordance with the rules of Mori Hamada & Matsumoto, to which she belongs, the Company does not plan to register or designate her as independent auditor.
5. If each candidate takes office as Outside Audit & Supervisory Board Member, the Company plans to enter into a limited liability contract with each candidate which limits their liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act and the Articles of Incorporation. The limit of liability for damages pursuant to the limited liability contract is the aggregate sum of the amounts prescribed in each item in Article 425, paragraph (1) of the Companies Act.
6. If each candidate takes office as Outside Audit & Supervisory Board Member, the Company will enter into an indemnification agreement with each candidate pursuant to Article 430-2, paragraph (1) of the Companies Act, whereby the Company will indemnify (provided, however, that in the event that the indemnified person is found to have performed his/her duties for the purpose of gaining unjust enrichment for him/herself or a third party, or for the purpose of causing damage to the Company, or in the event that the indemnified person is found to have performed his/her duties with malice or gross negligence, the indemnified expenses, etc. shall be refunded.) the candidates for the expenses stipulated in item (i) of the same paragraph and the loss stipulated in item (ii) of the same paragraph to the extent provided for by law.
7. The Company shall conclude a liability insurance contract for officers, etc. with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act (provided, however, that certain exclusions apply, such as not covering damages resulting from acts committed by insured persons while being aware that such acts violate laws and regulations). If each candidate takes office as Outside Audit & Supervisory Board Member, each candidate will be included newly as an insured person in the liability insurance contract.

Proposal 6: Partial Amendments to Performance-linked Stock Remuneration, etc. for Directors

1. Reasons for the proposal and reasons for which such remuneration is justified

At the 62nd Ordinary General Meeting of Shareholders held on April 25, 2019, the Company proposed the introduction of a performance-linked stock remuneration system (the "System") for eligible Directors of the Company (excluding Outside Directors; hereinafter the same shall apply), which was approved and adopted by shareholders, and the System is still in effect today.

The Company now would like to request approval for partial amendment of the System, as it aims to further clarify the link between remuneration for Directors and the Company's performance as well as shareholder value, and to enhance the awareness of Directors toward contributing to the improvement of the Company's medium- to long-term performance and corporate value improvement.

The Company's Board of Directors, at its meeting held on February 14, 2023, determined a policy for determining the details of new individual Director remuneration, etc., and the Company believes that details of this proposal are appropriate because they are in line with said policy and are necessary and reasonable for the payment of individual Director remuneration. Based on the report of the Voluntary Remuneration Committee, which is an advisory panel to the Board of Directors, this Proposal was placed on the agenda after the Board of Directors made its determination on the matter.

After the revision of the System, the maximum number of the shares of the Company and money equivalent to the converted value of the shares of the Company (the "Company's Shares, etc.") per fiscal year in which the Company's Shares, etc. are to be delivered or paid (the "Grant") to Directors will be 65,000 points (equivalent to 65,000 shares), which is approximately 0.05% of the total number of shares issued and outstanding (as of December 31, 2022; excluding treasury stock).

If Proposal 3, "Election of Nine (9) Directors," is approved and adopted as proposed, the number of Directors who are eligible for the System will be four (4).

2. Amount and other details of the remuneration, etc. of the System

(1) Outline of the System

This is a stock remuneration system under which shares of the Company are acquired through a trust, using the remuneration amount for Directors contributed by the Company as funds, and then the Company's Shares, etc. are Granted to Directors. (See (2) and further for details, as stated below.)

1) Persons eligible for the Grant of the Company's Shares, etc. under the System	• Directors of the Company (excluding Outside Directors)
2) Impact of shares of the Company subject to the System on the total number of issued shares of the Company	
Maximum amount of money to be contributed by the Company (as stated in (2) below)	<ul style="list-style-type: none"> • Amount obtained by multiplying ¥200 million by the number of years of the target period • The maximum amount for the three (3) fiscal years covered by the System after amendment is ¥600 million

<p>Maximum number of the Company's Shares, etc. to be acquired by Directors, etc. and the method of acquisition of shares of the Company (as described in (2) and (3) below)</p>	<ul style="list-style-type: none"> • Number of points obtained by multiplying 65,000 points (equivalent to 65,000 shares) by the number of years of the target period • The maximum number of points for the three (3) fiscal years covered by the System after amendment is 195,000 points (equivalent to 195,000 shares). • The ratio of the number of shares (65,000 shares) equivalent to the above number of points in a single fiscal year to the total number of shares issued by the Company (as of December 31, 2022; excluding treasury stock) shall be approximately 0.05%. • As shares of the Company will be acquired from the stock market, dilution will not occur in the System.
<p>3) Details of performance evaluation indicators (as described in (3) below)</p>	<ul style="list-style-type: none"> • Varies within a range from 0% to 150% according to the achievement level of the targets, including financial indicators in the Medium-term Business Plan (e.g., EPS growth rate, TSR, and ROIC) and non-financial indicators
<p>4) Timing of the Grant of the Company's Shares, etc. (as stated in (4) below)</p>	<ul style="list-style-type: none"> • Upon the retirement of Directors

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

The System will cover the three (3) consecutive fiscal years corresponding to the period of the Company's Medium-Term Business Plan (the "Target Period").

The Company shall contribute an amount of money at a maximum of ¥200 million multiplied by the number of years of the Target Period (¥600 million for the three (3) fiscal years that are the Target Period after amendment of the System) as remuneration for Directors of the Company for the acquisition of shares of the Company to be Granted to Directors, and shall establish a trust (the "Trust") with a trust period of three (3) years (including the extension of the trust period in the last paragraph of this item (2); hereinafter the same shall apply), which covers Directors who satisfy the beneficiary requirements as beneficiaries.

The Trust will acquire shares of the Company from the stock market, using the entrusted amount of money as funds, in accordance with the instructions of the trust administrators. The Company will provide points (as described in (3) below) to Directors during the trust period, and the Trust will Grant the Company's Shares, etc.

At the expiration of the trust period of the Trust, the Trust may be continued by making amendments to the trust agreement and additional entrustments, in lieu of establishment of a new Trust. In that event, the number of years corresponding to the Medium-term Business Plan at that time shall become the new Target Period, and the trust period of the Trust shall be extended for the same period as the new Target Period. For each extended trust period, the Company shall make additional contributions within the amount of ¥200 million multiplied by the number of years of said new Target Period, and shall continue providing points to Directors during the extended trust period, while the Trust shall continue to Grant the Company's Shares, etc. during the extended trust period.

However, when such additional contributions are made, if there are shares of the Company (excluding shares of the Company equivalent to the points provided to Directors that have not been Granted) and money remaining in the trust assets on the final day of the trust period prior to the extension ("Residual Shares, etc."), the sum of the amount of Residual Shares, etc. and

the money to be additionally contributed by the Company shall be within the range of ¥200 million multiplied by the number of years of said new Target Period. This extension of the trust period is not limited to a one-time extension, but may also be extended in the same manner thereafter.

If amendments to the trust agreement or additional entrustments are not made at the expiration of the trust period of the Trust, new points shall not subsequently be provided to Directors. However, if there are Directors in office at this time who may satisfy the beneficiary requirements, the trust period of the Trust may be extended for a maximum of ten (10) years, until the Directors retire from their office and the Grant of the Company's Shares, etc. to the Directors is complete.

(3) Method of calculating the number of shares of the Company to be Granted to Directors and the maximum number thereof

The number of shares of the Company to be Granted to Directors shall be calculated according to the number of points provided to the Directors each year. Under the amended system, the non-performance-linked "fixed points" granted under the current system will be abolished, and the amended system will consist of "basic performance points" and "performance-linked points." The calculation method for points is as follows.

On March 1 of each year during the Target Period, Directors will be provided with "basic performance points" corresponding to their position, and on March 1 immediately following the expiration of the Target Period, the "performance-linked points" will be calculated by multiplying the "basic performance points" accumulated during the Target Period by a performance-linked coefficient corresponding to the achievement level of the targets, including financial indicators in the Medium-Term Business Plan and non-financial indicators during the Target Period.

The Company's Shares, etc. shall be Granted to Directors at the time of their retirement, according to the accumulated number of "performance-linked points" (or basic performance points, if the retirement of the Director occurred before the calculation of performance-linked points) that the Directors have received.

(Basic performance points)

Basic stock remuneration amount ÷ Average acquisition unit price of the Company's shares *1

(Performance-linked points)

Accumulated basic performance points x Performance-linked coefficient *2

*1 The average acquisition unit price of shares of the Company by the Trust. If the trust period of the Trust is extended by making amendments to the trust agreement and additional entrustments, it will be the average acquisition unit price of shares of the Company acquired by the Trust after the extension.

*2 The "performance-linked coefficient" will vary within a range from 0% to 150%, according to the achievement level of the targets, including financial indicators in the Medium-Term Business Plan (e.g., EPS growth rate, TSR, and ROIC) and non-financial indicators.

One (1) point shall equal one (1) share of the Company. However, in the event that circumstances arise during the trust period whereby an adjustment to the points is deemed to be fair, such as a share split or consolidation of shares of the Company, the number of shares of the Company per point shall be adjusted according to the ratio of the split or consolidation, etc.

The maximum number of points to be provided to Directors in a single fiscal year shall be 65,000

points. This maximum number has been determined by taking into consideration the maximum amount of money to be contributed by the Company in the above item (2), and with reference to historical share prices, etc.

The maximum number of shares of the Company to be acquired by the Trust during the Target Period of the System (three (3) fiscal years) ("Number of Shares to Be Acquired") shall be 195,000 shares, which is equivalent to the number of shares obtained by multiplying the maximum number of points per fiscal year by the number of years of the Target Period. In the event that the points are adjusted as described above, the maximum Number of Shares to Be Acquired shall also be adjusted accordingly.

(4) Timing and method of the Grant of the Company's Shares, etc. to Directors

The Grant of the Company's Shares, etc. shall be made to Directors at the time of their retirement. At this time, the Directors will receive the delivery of shares of the Company equivalent to 50% of the points provided to them until the time of their retirement (shares of less than one unit will be rounded up). The rest of the points will be translated by the Trust into money equivalent to the converted value of the Company's shares, and paid out to the Directors.

In the event that a Director dies during the trust period, his or her heir shall receive payment of money equivalent to the converted value of all shares of the Company corresponding to the points provided until that time, after conversion within the Trust.

In addition, if a Director becomes a resident of a foreign country during the trust period, he or she may receive payment of money equivalent to the converted value of all shares of the Company corresponding to the points provided until that time, after conversion within the Trust.

Additionally, even when the beneficiary requirements are satisfied, where the Board of Directors resolves to make subsequent revisions to the financial results due to material accounting mistakes or fraud, or, where the Board of Directors, etc. deems that a Director has violated the duty of due care or the duty of loyalty, or has otherwise committed a material breach of duty of other laws and regulations or contracts during their term, the Board of Directors may decide not to Grant all or part of the Company's Shares, etc., or demand that the Director return all or part of any Company's Shares, etc. already Granted, or otherwise all or part of the amount equivalent thereto.

(5) Voting rights for shares of the Company

To ensure neutrality toward management, the voting rights for shares of the Company held within the Trust shall not be exercised during the trust period.

(6) Other details of the System

Other details of the System shall be determined by the Board of Directors when the Trust is established, and each time amendments to the trust agreement and additional contributions to the Trust are made.

For details of the System, please refer to the press release, "Notice Regarding Abolishment of the Retirement Benefits System for Directors and Introduction of a Performance-linked Stock Remuneration System," dated March 11, 2019, and "Notice Regarding Continuance and Partial Revision of Performance-linked Stock Remuneration Program for Directors," dated February 14, 2023.

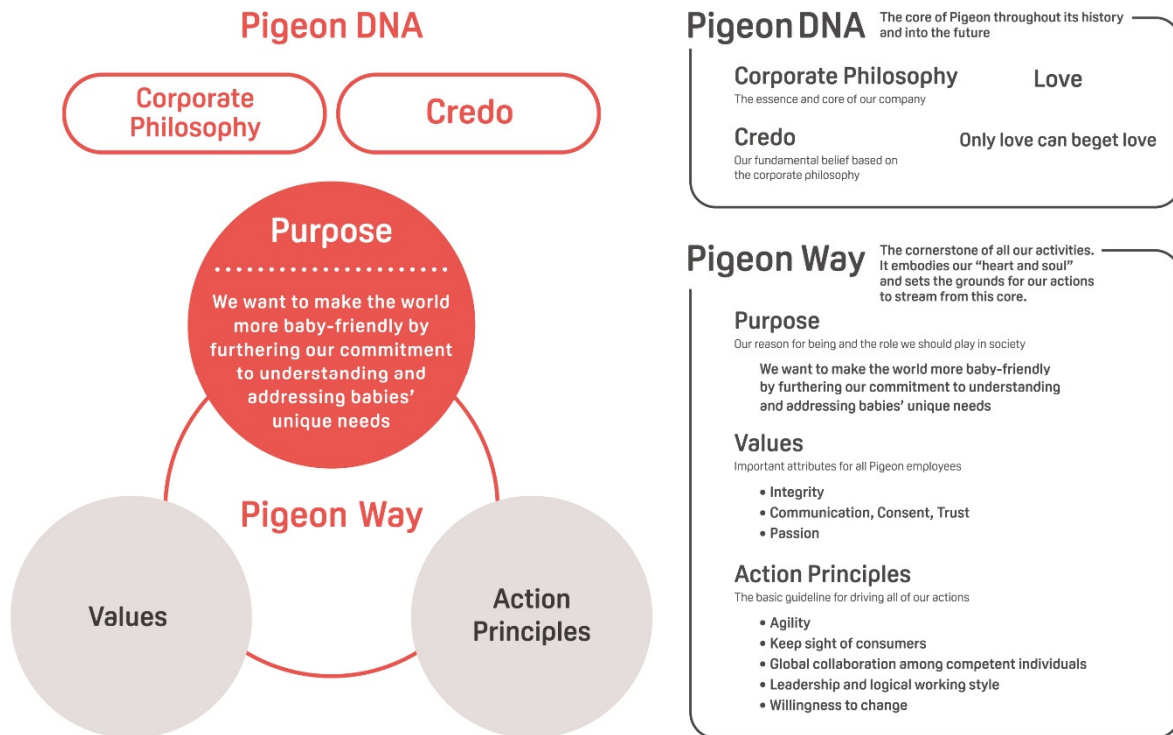
Reference: Corporate Philosophy, Key Issues, and Basic Philosophy and System of Corporate Governance

(1) Pigeon DNA and Pigeon Way

The Corporate Philosophy “Love” and Credo “Only love can beget love” are at the core of Pigeon, and as long as Pigeon continues to exist as an “indispensable presence in society,” the employees and executive officers of the Pigeon Group who make up Pigeon will continue to adhere to these principles as constants in the future, which is Pigeon’s DNA.

The “Pigeon Way,” which embodies the “heart and soul” of all employees and executive officers of the Pigeon Group and sets the grounds for the actions to stream from this core while also serving as the cornerstone of all activities, combines our Purpose of “We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies’ unique needs” and the “Values” and “Action Principles” that all employees and executive officers must uphold to achieve our Purpose.

We have positioned our Corporate Philosophy and Credo as the “Pigeon DNA,” which is a higher concept than the previous Pigeon Way, and we have positioned our Purpose as the axis of the Pigeon Way to drive our business activities toward its realization. The Pigeon DNA and the Pigeon Way are defined as follows.



(2) Establishment of Materiality (Key Issues)

Pigeon's "Purpose" of "We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies' unique needs" cannot be realized solely through the efforts of Pigeon Group employees and executive officers, but can only be realized through collaboration with external stakeholders, including customers, business partners, shareholders, and local communities. We believe that by realizing our "Purpose," we can not only continue to exist and be recognized as an "indispensable presence in society," but also contribute to the creation and realization of a sustainable society that is the basis for coexistence with our stakeholders, etc.

In this sense, our fundamental Pigeon DNA and the Pigeon Way, as well as the social and environmental challenges we must address and the future vision we aim to achieve by solving these challenges, must be shared not only by Pigeon Group employees and executive officers, but also by external stakeholders, including customers, business partners, shareholders, and local communities.

Therefore, we have established the following five Key Issues that we must resolve and realize in the process of realizing Pigeon's "Purpose" of "We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies' unique needs," so that we can share the same mindset with all stakeholders.



Enhancing Business
Competitiveness and
Resilience



Reducing Our
Environmental
Impact



Contributing to the
Resolution of Social
Issues



Managing Talent and
Cultivating the Right
Culture for Our
Purpose



Establishing Solid
Management
Foundations

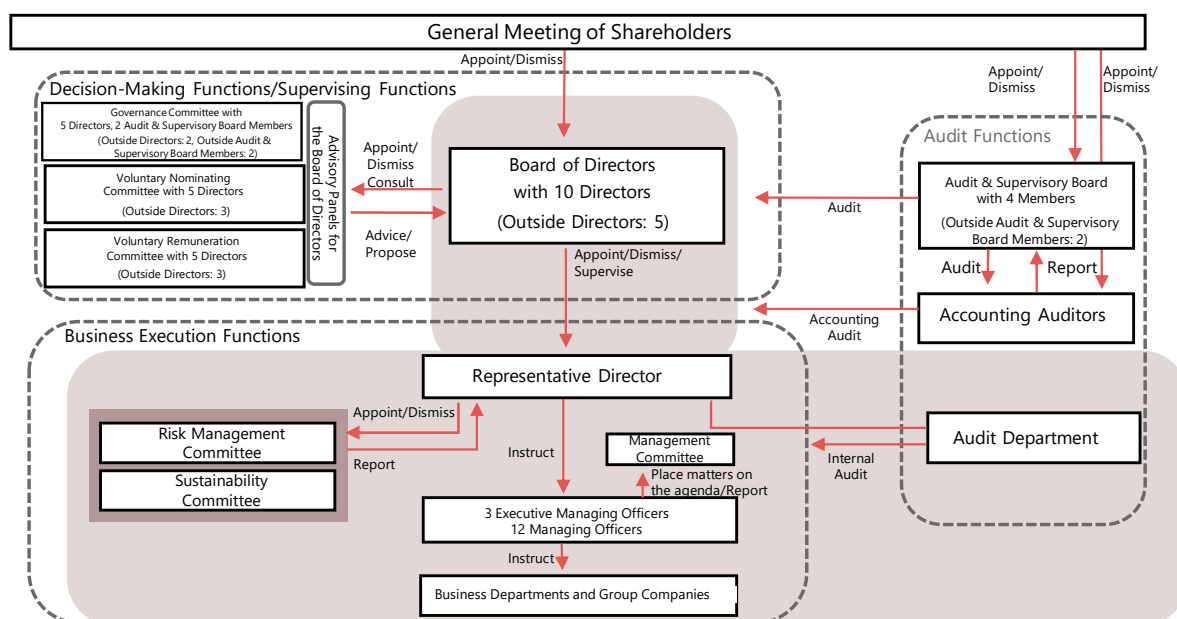
(3) Pigeon's Basic Policy for Corporate Governance

Our corporate governance must be in line with the Pigeon DNA and the Pigeon Way, be directed toward solving and realizing Key Issues, contribute to the creation and realization of a sustainable society, and ultimately be directed toward realizing our "Purpose" of "We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies' unique needs."

Based on this philosophy, we have defined corporate governance as follows: (1) Offensive governance—a mechanism for transparent, fair, prompt, and decisive decision-making to ensure the Pigeon Group's sustainable growth and medium- to long-term enhancement of corporate value (social value and economic value), the resolution and realization of Key Issues, and the realization of our "Purpose," and (2) Defensive governance—a mechanism for risk control through the timely collection and sharing of information and examination and verification, in order to prevent or promptly eliminate factors that may impede the Pigeon Group's sustainable growth, damage corporate value, or impede the resolution and realization of Key Issues or the realization of our "Purpose."

By continuously strengthening these mechanisms, the Company aims to further enhance corporate governance, increase corporate value, and ultimately contribute to the creation and realization of a sustainable society, as well as realize our "Purpose."

(4) Corporate Governance Structure (As of December 31, 2022)



(5) Board of Directors

The Company's Board of Directors makes decisions on matters that are to be solely determined by the Board of Directors, based on laws and regulations and the Articles of Incorporation, as well as important matters stipulated in the "Board of Directors Rules," and receives reports on matters stipulated by these rules.

The Board of Directors is attended by Internal Directors, Outside Directors and Audit & Supervisory Board Members, and while seeking partnership between business execution functions, decision-making/supervising functions and audit functions, it responds promptly and appropriately to changes in the business environment and makes management decisions rationally and effectively to establish sustained growth and a solid operating foundation. By operating the Board of Directors in a way that elicits lively opinions from Outside Directors, the Company works to ensure the enhancement of corporate governance and the appropriateness of decision making through Outside Directors' advice, etc., on the Company's management strategies. In addition, the Board of Directors holds "informal discussions" twice a year, which are separate from Board of Directors meetings, for the purpose of eliminating asymmetric information about the Group among the Directors and Audit & Supervisory Board Members and discussing the Group's management issues and strategies from a medium- to long-term perspective.

In addition, the Board of Directors of the Company conducts an annual evaluation of the effectiveness of the Board of Directors and works to maintain and improve the effectiveness of the Board of Directors in order to increase corporate value and achieve sustainable growth over the medium to long term. The results of the evaluation of the effectiveness of the Board of Directors for the current fiscal year are as shown below.

1) Issues identified in the evaluation of the effectiveness of the Board of Directors implemented in the previous fiscal year

Improvements were made to enable the Board of Directors and Outside Directors to better fulfill their functions by extending the time of Board of Directors meetings and reviewing the reporting time, enhancing the reporting of annual activity plans and results to the Board of Directors by each advisory panel, and having Outside Directors participate in reporting meetings organized by each auditing body.

2) Method used in the evaluation of the effectiveness of the Board of Directors implemented in the current fiscal year

All Directors and Audit & Supervisory Board Members were interviewed individually after completing a questionnaire-based self-assessment. The results of the questionnaire and interviews were then compiled and analyzed by the Secretariat, verified and discussed by the Governance Committee, and discussed by the Board

of Directors based on the recommendations of the Governance Committee.

In addition, the questionnaire and other methods confirmed questions regarding the role and function of the Board of Directors, composition and size of the Board of Directors and other committees, operation of the Board of Directors, cooperation with the audit organization, communication with management, engagement with shareholders and investors, and advisory panels (Voluntary Nominating Committee, Voluntary Remuneration Committee, and Governance Committee).

3) Results of the evaluation of the effectiveness of the Board of Directors implemented in the current fiscal year and future efforts

The issues recognized in the evaluation for the previous fiscal year have been improved through the initiatives described in 1) above, and we have confirmed that the Board of Directors is making appropriate decisions through open and active discussions utilizing the diverse expertise, values, and perspectives of its Outside Directors, and plays an effective role in enhancing corporate value over the medium to long term. Meanwhile, we confirmed that it is necessary to improve the operation of the Board of Directors to further invigorate discussions at the Board of Directors meetings, including strengthening discussions and progress checks on Key Issues to be resolved by the Company in order to realize its Purpose, and we will continue to examine and work on the necessary measures for maintaining and improving the effectiveness of the Board of Directors on an ongoing basis, focusing on improving the operation of the Board of Directors.

(6) Status of audit system and audits

Audit & Supervisory Board Members, the Internal Audit Department, and Accounting Auditors mutually collaborate by holding regular debriefing sessions and at any time as necessary, exchanging information and opinions.

In accordance with the audit policy, the division of work, etc., the Audit & Supervisory Board consisting of four (4) Audit & Supervisory Board Members, which includes two (2) Outside Audit & Supervisory Board Members, conducts rigorous auditing through measures such as attending important meetings including those of the Board of Directors, giving an audience to Directors, viewing important resolution documents and other documentation, and investigating the status of operations and property. In addition, by receiving reports from the Representative Directors on matters such as important company issues and giving feedback from the Audit & Supervisory Board Members regarding information and the like heard from within the Company, it carries out exchanges of opinions regularly.

Furthermore, an Audit Department under the direct control of the President and CEO was established as the Internal Audit Department, which regularly implements internal audits on the Company and its domestic and overseas Group companies from the perspective of confirming operational effectiveness, efficiency, compliance, and asset preservation. Audit results are reported to all Directors and Audit & Supervisory Board Members, and suggestions for improvement and follow-ups are implemented.

(7) Governance Committee

To further strengthen corporate governance in the Pigeon Group, we established the Governance Committee as an advisory panel to the Board of Directors, chaired by an Outside Director and with a majority of its members being Outside Directors and Outside Audit & Supervisory Board Members. The Committee deliberates on various issues related to corporate governance within the Group that have been identified through the evaluation of the effectiveness of the Board of Directors, etc., from the perspective of promoting organic coordination and integration and proactive implementation, and provides advice and recommendations to the Board of Directors. During the current fiscal year, we reviewed and confirmed the permeation status of the Pigeon Way and Materiality, confirmed the role of the Global Head Office and exercise of its functions, and implemented the evaluation of the effectiveness of the Board of Directors (including consideration of implementation methods and analysis and verification of results).

(8) Voluntary Remuneration Committee and Executive Remuneration Policy

In order to increase the independence, objectivity, and transparency of the executive remuneration system, the Company has established a Voluntary Remuneration Committee as an advisory panel to the Board of Directors. The chairman and the majority of members of the committee are Independent Outside Directors. The Voluntary Remuneration Committee deliberates on the need for revisions to the Executive Remuneration Policy, the individual level of executive remuneration (base amount by position), the performance targets and evaluation table for bonuses, and the performance evaluations and amounts of individual payments for the bonuses and stock remuneration paid in the previous fiscal year, and provides advice and proposals to the Board of Directors. During the fiscal year under review, the Company examined revisions to its executive remuneration policy; confirmed performance evaluations and individual payments for bonuses in the previous fiscal year; confirmed performance evaluations and individual payments for shares remuneration in the previous fiscal year; confirmed progress on non-financial indicators for shares remuneration; confirmed the level, composition, and indicators of executive remuneration using external data, etc.; and considered executive remuneration systems for fiscal 2023 and beyond.

In addition, the Voluntary Remuneration Committee deliberates on draft proposals, and upon resolution by the Board of Directors, the Company formulates its Executive Remuneration Policy. The basic policy, remuneration structure, and payment details have been established in the Executive Remuneration Policy. For details, please refer to the Company's corporate website

(https://www.pigeon.com/sustainability/files/pdf/Executive_remuneration_policy_202203_e_1.pdf).

(9) Voluntary Nominating Committee and Executive Nomination Policy

The Company has established a Voluntary Nominating Committee as an advisory panel to the Board of Directors to enhance the independence, objectivity, and transparency of the appointment/dismissal and nomination decision-making processes for Directors and the Chief Executive Officer (CEO). The chairman and the majority of members of the committee are Independent Outside Directors. The Voluntary Nominating Committee deliberates on the appointment/dismissal criteria for Directors and the CEO and the successor plan, etc., and provides advice and proposals to the Board of Directors. During the fiscal year under review, the Committee examined revisions to the Executive Nomination Policy, verified and implemented the CEO successor plan, examined candidates for Directors, reviewed the term of office and tenure of Directors, revised the skill matrix, and examined the formulation of a successor plan for Outside Directors.

In addition, the Voluntary Nominating Committee deliberates on draft proposals, and upon resolution by the Board of Directors, the Company formulates its Executive Nomination Policy. The personnel requirements for the CEO and the appointment/dismissal criteria for Directors and the CEO have been established in the Executive Nomination Policy. The ideal human qualities necessary for the role of CEO of the Company are "Human qualities that can enhance resourcefulness and continuously increase the Company's corporate value (social and economic value), based on the values of the Pigeon Way." In addition, the detailed human resource requirements are determined in terms of responsibility and authority, main duties and expected results, and required competencies (behavioral characteristics, personality characteristics, experience and achievements, knowledge and skills). Furthermore, the dismissal criteria for Directors and the CEO are provided below.

- 1) Where corrupt, unjust, or disloyal actions are suspected
- 2) Where a lack of qualifications is recognized, such as a legal violation
- 3) Where the process or results of the execution of duties is insufficient, or where it is deemed inappropriate to have the individual continue to perform duties
- 4) Where ROE has fallen below 5% for three (3) consecutive fiscal years (only for the CEO)

Details of the Company's Executive Nomination Policy are provided on the Company's corporate website:

https://www.pigeon.com/sustainability/files/pdf/Executive_nomination_policy_202203_e_1.pdf