

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 this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 9989)

June 8, 2026

(Start date of measures for electronic provision: May 30, 2026)

**To Shareholders with Voting Rights:**

Hiroshi Sadakata  
CEO and Representative Director  
SUNDRUG CO., LTD.  
1-38-1 Wakamatsucho, Fuchu, Tokyo

## NOTICE OF THE 63RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 63rd Annual General Meeting of Shareholders of SUNDRUG CO., LTD. (the “Company”) will be held for the purposes as described below.

The Company has taken measures for electronic provision for the convocation of this General Meeting of Shareholders and has posted the matters to be provided electronically on the website below as “NOTICE OF THE 63RD ANNUAL GENERAL MEETING OF SHAREHOLDERS.”

The Company’s website (<https://www.sundrug.co.jp/ir/irdata/stockmeeting>)

“*Net de Shoshu* (online convocation)” service (<https://s.srdb.jp/9989/>) (Japanese only)

Tokyo Stock Exchange, Inc.’s website (Listed Company Search)

(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Please access Tokyo Stock Exchange, Inc.’s website above, enter the Company’s name or stock exchange code in the search box and click “Search,” and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

**Please note that you can exercise your voting rights in writing or via the Internet. In either case, you are kindly requested to examine the Reference Documents for the General Meeting of Shareholders listed in the matters to be provided electronically and exercise your voting rights so that it is received by 5:30 p.m. on Friday, June 26, 2026, Japan time.**

**1. Date and Time:** Saturday, June 27, 2026, at 10:00 a.m. Japan time (Reception commences at 9:15 a.m.)

**2. Place:** Conference room, 2nd floor, Seminar Center of the Company, located at 1-16-4 Midoricho, Fuchu, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 63rd Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-Consolidated Financial Statements for the Company's 63rd Fiscal Year (April 1, 2025 - March 31, 2026)

**Proposal to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Seven (7) Directors  
**Proposal 3:** Election of One (1) Corporate Auditor

---

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. The paper copy to be sent to shareholders who have requested it, pursuant to the provisions of laws and regulations and Article 14 of the Company's Articles of Incorporation, does not include part of the Consolidated Financial Statements and Non-consolidated Financial Statements, which are among the matters to be provided electronically.

Therefore, the matters included therein are part of the documents audited by the Corporate Auditors and the Accounting Auditor when preparing the audit reports.

Changes, if any, to the matters to be provided electronically will be posted on the websites that list them.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

The Company would like to appropriate the surplus as follows:

Matters concerning year-end dividends:

The Company proposes that year-end dividends of the 63rd fiscal year as follows in view of performance of the fiscal year under review and future business development, etc.

(1) Type of dividend assets:

Cash

(2) Matters concerning the allotment of dividend assets to the shareholders and the amount thereof:

66 yen per share of common stock of the Company

Total amount will be 7,720,871,334 yen.

The total dividend for the fiscal year under review is 131 yen per share, increased by 1 yen per share over the previous year, including the interim dividend of 65 yen per share.

(3) Date when dividends of surplus take effect:

Monday, June 29, 2026

**Proposal 2:** Election of Seven (7) Directors

The terms of office of seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders.

The Company would like to propose the election of seven (7) Directors.

Please note that the candidates for Director have been nominated after deliberation by the voluntary Nomination and Compensation Advisory Committee. Their nomination is based on the judgment that they will strengthen shareholder returns, promote sustainable management, and thereby increase corporate value over the medium to long term, while the diversity and skills of the Board of Directors as well as the past business experiences and track records of the candidates have also been taken into consideration.

The candidates are as follows:

No.	Name	Current positions at the Company	Attributes	Board of Directors/ Attendance
1	Hiroshi Sadakata	CEO and Representative Director	<u>Reelection</u>	100% (13/13)
2	Naoki Tada	Chairman and Director	<u>Reelection</u>	100% (13/13)
3	Yoshimitsu Sakai	Director	<u>Reelection</u>	100% (13/13)
4	Takashi Tada	Director	<u>Reelection</u>	100% (13/13)
5	Masato Matsumoto	External Director	<u>Reelection</u> <u>External</u> <u>Independent</u>	100% (13/13)
6	Tomoko Tsuji	External Director	<u>Reelection</u> <u>External</u> <u>Independent</u>	92% (12/13)
7	Ritsuko Saito	External Director	<u>Reelection</u> <u>External</u> <u>Independent</u>	100% (13/13)

Reelection Candidate to be reelected

Independent

Independent officer in accordance with the rules of Tokyo Stock Exchange, Inc.

External Candidate for External Director

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
1	Hiroshi Sadakata (September 27, 1970)  <u>Reelection</u>	March 1989      Joined the Company April 2001      Section Manager, Corporate Planning Office January 2003    Deputy Manager, Second Sales Division April 2004      Manager, Second Sales Division April 2005      Executive Officer and Manager of the Second Sales Division June 2008      Director and Manager of the Second Sales Division December 2009   Director May 2019      President and Representative Director June 2020      Chairman and Representative Director of DIREX CORPORATION (to present) April 2022      CEO and Representative Director (to present) February 2024   Director of Kirindo Holdings Co., Ltd. (to present) February 2024   Director of BCJ-47 Co., Ltd. (to present)	<u>Term of Service on the Board of Directors:</u> 18 years  <u>Attendance at Board Meetings:</u> 100% (13/13)  <u>Number of shares of the Company held</u> 53,400 shares
<p><b>[Reasons to be selected as a candidate for Director]</b></p> <p>Mr. Hiroshi Sadakata has served as Vice President and Representative Director of DIREX CORPORATION, an important subsidiary of the Company from December 2009, as President and Representative Director of DIREX CORPORATION from June 2014, and as President and Representative Director of the Company from May 2019 and demonstrated his ability as top management. He has extensive business experience and a wide range of knowledge in management and supervision in general. Accordingly, the Company proposes that he continue his position as Director as he is deemed to be an appropriate person for the Group to sustainably enhance its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
2	Naoki Tada (November 13, 1962)  <u>Reelection</u>	May 1990      Joined the Company April 1995    Section Manager, Corporate Planning Office March 2001    Retired from the Company June 2001      Director of the Company March 2019    Chairman and Representative Director of Forest Mall Co., Ltd. (to present) April 2019     Director and General Manager of the Administrative Division April 2022     Chairman and Director (to present) July 2024      President and Representative Director of IRYUSHOJI CO., LTD. (to present)	<u>Term of Service on the Board of Directors:</u> 25 years  <u>Attendance at Board Meetings:</u> 100% (13/13)  <u>Number of shares of the Company held</u> 3,113,300 shares
<b>[Reasons to be selected as a candidate for Director]</b> Mr. Naoki Tada has been involved in business management as Non-Executive Director from June 2001, as Director and General Manager of the Administrative Division from April 2019, and as Chairman and Director from April 2022, fulfilling his roles and responsibilities. He has a wide range of knowledge in management in general as a top manager, based on his extensive business experience with the Company and experience as Chairman, President and Representative Director at other companies. Accordingly, the Company proposes that he continue his position as Director as he is deemed to be an appropriate person for the Group to sustainably enhance its corporate value.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
3	Yoshimitsu Sakai (December 15, 1964)  <u>Reelection</u>	November 1983    Joined the Company April 1998        Section Manager, Sales Department April 2001        Deputy Manager, Store Development Department April 2005        Executive Officer and Manager of the Store Development Department June 2010         Director and Manager of the Store Development Department March 2019        Executive Officer and Manager of the Store Development Department June 2022         Director and Manager of the Store Development Department July 2022         Director and General Manager of the Store Development Department (to present)	<u>Term of Service on the Board of Directors:</u> 4 years  <u>Attendance at Board Meetings:</u> 100% (13/13)  <u>Number of shares of the Company held</u> 29,400 shares
<b>[Reasons to be selected as a candidate for Director]</b> Mr. Yoshimitsu Sakai has been engaged in corporate management at the Company in the sales, product and store development departments, and as an Executive Officer and Director since April 2005, and has performed his roles and responsibilities. He also has extensive business experience and a prominent level of knowledge in management and store development. Accordingly, the Company proposes that he continue his position as Director as he is deemed to be an appropriate person for the Group to sustainably enhance its corporate value.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
4	<p style="text-align: center;">Takashi Tada (March 10, 1969)</p> <p style="text-align: center;"><u>Reelection</u></p>	<p>April 1992      Joined Ito-Yokado Co., Ltd.</p> <p>October 1996    Joined the Company</p> <p>March 2001      Director of IRYUSHOJI CO., LTD. (Non-Executive Director) (to present)</p> <p>April 2001      Section Manager, Information Section, Merchandise Division</p> <p>January 2003    Section Manager, Supplier Section, Merchandise Division</p> <p>May 2005        Section Manager, Corporate Planning Office</p> <p>December 2006   Retired from the Company</p> <p>January 2007    Senior Managing Director of Yamaki SC Kaihatsu Co., Ltd. (currently Forest Mall Co., Ltd.)</p> <p>June 2009        President and Representative Director of Forest Co., Ltd. (currently Forest Mall Co., Ltd.)</p> <p>April 2014      Representative Director and President of C'sRetail Co., Ltd. (currently C's One Co., Ltd.)</p> <p>March 2017      Retired from the position</p> <p>June 2017        Director of the Company (to present)</p> <p>February 2024   Director of Kirindo Holdings Co., Ltd. (to present)</p> <p>February 2024   Director of BCJ-47 Co., Ltd. (to present)</p>	<p><u>Term of Service on the Board of Directors:</u> 9 years</p> <p><u>Attendance at Board Meetings:</u> 100% (13/13)</p> <p><u>Number of shares of the Company held</u> 2,207,600 shares</p>
<p><b>[Reasons to be selected as a candidate for Director]</b></p> <p>Since joining the Company in October 1996, Mr. Takashi Tada took on a wide range of assignments, and after retiring from the Company, he has been engaged in corporate management. Since May 2019, he has served as President and Representative Director of DIREX CORPORATION, a significant subsidiary, and has proven his skills as a top manager. He has abundant business experience and a prominent level of knowledge in general management and administrative supervision. Accordingly, the Company proposes that he continue his position as Director as he is deemed to be an appropriate person for the Group to sustainably enhance its corporate value.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
5	Masato Matsumoto (January 11, 1957)  <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Independent</div>	<p>April 1979      Joined The Nomura Securities Investment Trust Sales Co., Ltd.</p> <p>September 2002      Executive Officer of Mitsubishi Securities Co., Ltd. (currently Mitsubishi UFJ Securities Holdings Co., Ltd.)</p> <p>May 2010      Managing Executive Officer, General Manager of Osaka Branch, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>June 2012      Senior Managing Director of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>June 2013      Executive Vice President of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>June 2015      Executive Vice President of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., concurrently Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2016      Chairman and Representative Director of MUS Business Service Co., Ltd.</p> <p>July 2017      Advisor of SBS Holdings, Inc.</p> <p>June 2018      External Director of the Company (to present)</p> <p>March 2019      Outside Audit &amp; Supervisory Board Member of SBS Holdings, Inc.</p> <p>March 2021      Outside Director (Member of the Audit and Supervisory Committee) of SBS Holdings, Inc.</p>	<p><u>Term of Service on the Board of Directors:</u> 8 years</p> <p><u>Attendance at Board Meetings:</u> 100% (13/13)</p> <p><u>Number of shares of the Company held</u> 0 shares</p>
<p><b>[Reasons to be selected as a candidate for External Director and summary of expected roles]</b></p> <p>Mr. Masato Matsumoto has extensive business experience and a wide range of knowledge, and he is fulfilling his role to help the Company's business in general by giving advice and making proposals so as to enhance the decision making and supervisory function of the Board of Directors from a neutral and objective standpoint. He is also expected to perform his duties appropriately from an independent viewpoint as External Director. Accordingly, the Company proposes that he continue his position as External Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
6	<p data-bbox="213 696 419 757">Tomoko Tsuji (August 16, 1956)</p> <p data-bbox="245 786 387 880"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">External</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p>	<p data-bbox="459 300 1182 1272"> April 1979      Joined Ajinomoto Co., Inc.  February 1987      Received a doctorate in Agriculture (former  Laboratory of Applied Microbial Chemistry,  the University of Tokyo)  March 1988      Postdoctoral Fellow at The Rockefeller  University  November 1988      Postdoctoral Fellow at the Pennsylvania State  University  December 1989      Joined Sagami Chuo Chemical Research  Institute  May 1999      Joined FANCL CORPORATION  June 2004      Executive Officer, Director of Central  Research Institute, FANCL CORPORATION  June 2007      Executive Director, General Manager of  FANCL Research Institute, FANCL  CORPORATION  May 2008      Advisor of Nippon Suisan Kaisha, Ltd.  April 2009      General Manager of Human Life Science  R&amp;D Center, Nippon Suisan Kaisha, Ltd.  May 2015      Executive Officer, General Manager of  Ingredients Development Department, Group  Merchandising Division, YOSHINOYA  HOLDINGS CO., LTD.  June 2020      External Director of the Company (to present)  June 2022      Outside Director of FUJI OIL HOLDINGS  INC. (currently FUJI OIL CO., LTD.) (to  present)  March 2025      Executive Officer of YOSHINOYA  HOLDINGS CO., LTD.  March 2025      Chief Technology Officer of SPEEDIA Co.,  Ltd.  June 2025      R&amp;D Executive Fellow of YOSHINOYA  HOLDINGS CO., LTD. </p>	<p data-bbox="1203 618 1474 965"> <u>Term of Service on the  Board of Directors:</u>  6 years   <u>Attendance at Board  Meetings:</u>  92% (12/13)   <u>Number of shares of  the Company held</u>  0 shares </p>
<p data-bbox="193 1279 1474 1487"> <b>[Reasons to be selected as a candidate for External Director and summary of expected roles]</b>  Ms. Tomoko Tsuji has been engaged in research and development of product materials and management of retail business as Doctor in Agriculture, at various companies, etc. She has knowledge of overall management and provides useful advice and suggestions regarding the Company's overall management from a neutral and objective standpoint. She also plays a role in strengthening the decision-making and supervisory functions of the Board of Directors. She is expected to perform her duties appropriately from an independent viewpoint as External Director. Accordingly, the Company proposes that she continue her position as External Director. </p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
7	Ritsuko Saito (November 2, 1964)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	<p>April 1988      Joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.)</p> <p>January 2010    Joined A.D. Works Co., Ltd. (currently A.D. Works Group Co., Ltd.)</p> <p>April 2020      General Manager of FSA &amp; SE Department, Corporate Planning Office, A.D. Works Co., Ltd.</p> <p>April 2021      Secretary General of Specified Joint Real Estate Enterprise Council</p> <p>June 2021      General Manager of Promotion Office of the Council of Act on Specified Joint Real Estate Ventures, A.D. Works Group Co., Ltd.</p> <p>July 2021      General Manager of Disclosure Office, A.D. Works Group Co., Ltd.</p> <p>January 2023    Director of Angel Torch Co., Ltd.</p> <p>November 2023   Outside Director of Chiiki Newspaper Company</p> <p>June 2024      External Director of the Company (to present)</p> <p>November 2024   Director of Chiiki Newspaper Company (to present)</p>	<p><u>Term of Service on the Board of Directors:</u> 2 years</p> <p><u>Attendance at Board Meetings:</u> 100% (13/13)</p> <p><u>Number of shares of the Company held</u> 0 shares</p>
<p><b>[Reasons to be selected as a candidate for External Director and summary of expected roles]</b></p> <p>Ms. Ritsuko Saito has experience in areas such as disclosure and finance, as well as corporate management, at various companies, etc. She has knowledge of overall management and provides useful advice and suggestions regarding the Company's overall management from a neutral and objective standpoint. She also plays a role in strengthening the decision-making and supervisory functions of the Board of Directors. She is expected to perform her duties appropriately from an independent viewpoint as External Director. Accordingly, the Company proposes that she continue her position as External Director.</p>			

(Notes)

1. [Interests with the Company]  
IRYUSHOJI CO., LTD. is the largest shareholder of the Company. The Company has real estate lease transactions with Forest Mall Co., Ltd., commodity transactions with C's One Co., Ltd., a subsidiary of IRYUSHOJI CO., LTD., and real estate lease transactions with IRYU INVESTMENT, LLC. Mr. Naoki Tada and Mr. Takashi Tada are siblings.  
There are no special interests between the other candidates for Director and the Company.
2. Outline of the liability limitation agreement with the candidates for Outside Director  
If the appointment of Mr. Masato Matsumoto, Ms. Tomoko Tsuji, and Ms. Ritsuko Saito as External Director is approved, the Company plans to continue the agreement with them to limit their liabilities as provided in Article 427, Paragraph 1 of the Companies Act, pursuant to the Articles of Incorporation of the Company. The limit of liability in the said agreement under Article 423, Paragraph 1 of the same Act is equal to the minimum liability limit stipulated by laws and regulations.
3. Outline of the directors and officers liability insurance agreement with candidates for Director  
The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insured persons. Each candidate will be included in the insured persons under this insurance agreement. The Company plans to renew this insurance agreement with the same content at the next renewal.
4. Independent officers  
If the appointment of Mr. Masato Matsumoto, Ms. Tomoko Tsuji, and Ms. Ritsuko Saito as External Director is approved, they will continue to be independent officers as defined by Tokyo Stock Exchange Inc.

**Proposal 3:** Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Ms. Kishiko Wada will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed.

This Proposal has been approved by the Audit & Supervisory Board.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held, etc.
<p>Kishiko Wada (Name in the family register: Kishiko Inoue) (June 20, 1971)</p> <p><u>Reelection</u> <u>External</u> <u>Independent</u></p>	<p>April 1996      Joined Fuji Godo Law Office (to present) July 2015      Outside Director, Toshiba Plant Systems                          &amp; Services Corporation April 2016      Practicing Attorney Professor for Civil                          Advocacy at the Legal Training and                          Research Institute of the Supreme Court February 2020   Examiner for the Preliminary Bar                          Examination (Code of Civil Procedure) March 2021      External Corporate Auditor, L is B Corp. April 2021      Vice-President, the Dai-ichi Tokyo Bar                          Association                          Executive Director, Kanto Federation of                          Bar Associations June 2022      Outside Director (Audit and Supervisory                          Committee Member), TAKAOKA TOKO                          CO., LTD. (to present) June 2022      External Corporate Auditor of the                          Company (to present) March 2026      Outside Director (Audit and Supervisory                          Committee Member), SUMCO                          CORPORATION (to present)</p>	<p><u>Term of Service as Corporate Auditor:</u> 4 years</p> <p><u>Attendance at Audit &amp; Supervisory Board Meetings:</u> 100% (14/14)</p> <p><u>Number of shares of the Company held</u> 0 shares</p>
<p><b>[Reasons to be selected as a candidate for External Corporate Auditor]</b> Ms. Kishiko Wada has a wealth of business experience and specialized knowledge in legal matters, etc., as an attorney, and has appropriately demonstrated independent, objective, and neutral auditing functions as an External Corporate Auditor. She is expected to continue fulfilling similar audit functions. Accordingly, the Company proposes that she continue her position as a candidate for External Corporate Auditor.</p>		

(Notes)

1. There are no special interests between the candidate for Corporate Auditor and the Company.
2. If the appointment of Ms. Kishiko Wada as External Corporate Auditor is approved, the Company plans to continue the agreement with her to limit her liabilities as provided in Article 427, Paragraph 1 of the Companies Act, pursuant to the Articles of Incorporation of the Company.  
The limit of liability in the said agreement under Article 423, Paragraph 1 of the same Act is equal to the minimum liability limit stipulated by laws and regulations.
3. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insured persons. The candidate will be included in the insured persons under this insurance agreement. The Company plans to renew this insurance agreement with the same content at the next renewal.
4. If the appointment of Ms. Kishiko Wada as External Corporate Auditor is approved, she will continue to be an independent officer as defined by Tokyo Stock Exchange Inc.
5. Ms. Kishiko Wada's name in the family register is Ms. Kishiko Inoue.

(Reference)

Main Expertise, Knowledge, Experience, etc. of Directors and Corporate Auditors after this General Meeting of Shareholders

If Proposals 2 and 3 of the Meeting are approved as proposed, main expertise, knowledge and experience of the Directors and Corporate Auditors after this General Meeting of Shareholders will be as follows.

	Name	Position	Corporate Management	Industrial Experience	Global	ESG	Finance/Accounting/M&A	Risk Management / Legal Affairs
Director	Hiroshi Sadakata	CEO and Representative Director	●	●		●		●
	Naoki Tada	Chairman and Director	●	●	●	●	●	
	Yoshimitsu Sakai	Director		●		●		
	Takashi Tada	Director	●	●		●		
	Masato Matsumoto	External Director	●			●	●	
	Tomoko Tsuji	External Director	●	●	●	●		
	Ritsuko Saito	External Director	●			●		●
Corporate Auditor	Kazutoshi Yamashita	External Corporate Auditor				●	●	
	Kishiko Wada	External Corporate Auditor				●		●
	Kayoko Kamijo	External Corporate Auditor				●	●	

(The Company's policy and process for the election of Directors and Corporate Auditors)

The nomination of candidates for Director is subject to deliberation and report by the voluntary "Nomination and Compensation Advisory Committee" under the "Criteria for Election and Dismissal of Directors and Corporate Auditors," including the candidates' past business experience, performance, knowledge, management and risk judgment, excellent management and supervisory skills, insight, ethics, and foresight, and their contribution to enhancing corporate value. After careful consideration of the criteria, the Board of Directors then decides, including ensuring diversity and overall balance. Nomination of candidates for Corporate Auditors is based on their abundant knowledge and experience, multifaceted vision, high ethical standards, and ability to audit from a neutral and objective standpoint. In accordance with the "Criteria for Election and Dismissal of Directors and Corporate Auditors," the final decision is made by the Board of Directors after deliberation by the voluntary "Nomination and Compensation Advisory Committee" and consideration and consent by the Audit & Supervisory Board.

For the nomination of candidates for External Director and External Corporate Auditor, the Company selects candidates based on the "Criteria for Independence of External Directors and External Corporate Auditors," which are separately established, candidates who have extensive experience in corporate management or academic knowledge, or candidates who have a high level of specialized knowledge and experience in legal, financial, accounting, etc. and who can perform their respective duties from a neutral and objective viewpoint.

If the members of the Board of Directors determine that the Director in question is not fully performing the expected functions in light of the "Criteria for Election and Dismissal of Directors and Corporate Auditors," a formal request shall be made to the External Directors who are members of the voluntary "Nomination and Compensation Advisory Committee." The Committee, excluding the Director in question, meets to discuss the dismissal or removal of the Director. Depending on the results of the discussion, the Committee will exchange opinions with the Director in question and submit the matter to the Board of Directors, followed by a resolution to dismiss the Director after sufficient deliberation, or to submit the dismissal to the General Meeting for resolution.