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(Stock Exchange Code 5101)

March 7, 2024

(Measures for electronic provision have commenced on February 29, 2024)

To Shareholders with Voting Rights:

Masataka Yamaishi
President, Chairman of the Board
The Yokohama Rubber Co., Ltd.
2-1 Oiwake
Hiratsuka City, Kanagawa
Prefecture

**NOTICE OF
THE 148TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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

We are pleased to notify you that the 148th Ordinary General Meeting of Shareholders of The Yokohama Rubber Co., Ltd. (the “Company”) will be held for the purposes described below.

We have taken the measures for electronic provision of materials for this General Meeting of Shareholders and, pursuant to the provisions of Article 325-3 of the Companies Act, have disclosed the matters subject to measures for electronic provision on the Company’s website on the Internet. Please access the website at the following link to confirm those matters.

Company website: <https://www.y-yokohama.com/global/ir/information/notify/>

In addition to the Company’s website, the matters subject to measures for electronic provision are also disclosed on the website of the Tokyo Stock Exchange. If you are unable to view the matters subject to measures for electronic provision on the Company’s website, please access the Tokyo Stock Exchange website (Listed Company Search) at the following link, enter the issue name (company name) or code and click on “Search.” Select “Basic information” and “Documents for public inspection/PR information” to view the information under the “Notice of General Shareholders Meeting.”

Tokyo Stock Exchange website (Listed Company Search):

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

Since voting rights can be exercised in writing or via the Internet even if you are not present at the meeting, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Wednesday, March 27, 2024, Japan time, as per “4. Guidance on the Exercise of Voting Rights” below.

- 1. Date and Time:** Thursday, March 28, 2024, at 10 a.m., Japan time
(Reception starts at 9 a.m.)
- 2. Place:** 3rd Floor Hall, New Dining Hall Building, Head Office and Hiratsuka
Factory, the Company
2-1 Oiwake, Hiratsuka City, Kanagawa Prefecture

No souvenirs will be provided to shareholders attending the General Meeting of Shareholders.
Your understanding would be much appreciated.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 148th Fiscal Year (January 1, 2023–December 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements

2. Non-Consolidated Financial Statements for the Company's 148th Fiscal Year
(January 1, 2023–December 31, 2023)

Proposals to be resolved: (Please see the Reference Documents for the General Meeting of Shareholders from page 3.)

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Ten (10) Members of the Board (excluding Members of the Board who are Members of the Audit & Supervisory Committee)
Proposal 3: Election of One (1) Substitute Member of the Board who is a Member of the Audit & Supervisory Committee
Proposal 4: Revision of Amount of Compensation, etc. for Members of the Board who are Members of the Audit & Supervisory Committee

4. Guidance on the Exercise of Voting Rights

- (1) If you exercise your voting rights in writing:
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it to us so that it arrives by 6:00 p.m. on Wednesday, March 27, 2024, Japan time.
- (2) If you exercise your voting rights via the Internet:
Please read the Guidance on the Exercise of Voting Rights via the Internet (Japanese only), and cast your vote by 6:00 p.m. on Wednesday, March 27, 2024, Japan time.
- (3) If you exercise your voting rights both in writing and via the Internet, only the vote cast through the Internet shall be deemed valid. If you cast a vote more than once through the Internet or other means, only the last vote shall be deemed valid.
- (4) If there is no indication of a vote for or against the proposals on the Voting Rights Exercise Form, it will be treated as an indication of a vote for the proposals.

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Please note that the number of questions from shareholders may be limited in order to ensure smooth proceedings.
- Among the matters to be included in the paper copies that describe the matters subject to measures for electronic provision, the following matters are disclosed on the Company's website and the Tokyo Stock Exchange website pursuant to laws and regulations and Article 18 of the Company's Articles of Incorporation, and are therefore not included in the paper copies delivered to the shareholders who have requested delivery of paper copies. Accordingly, the contents included in the paper copies that describe the matters subject to measures for electronic provision form part of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements that were audited by the Audit & Supervisory Committee in the preparation of their Audit Report and of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor in the preparation of the Accounting Auditor's Report.

- (1) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
- (2) Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements

Accordingly, please be aware that the page numbers, paragraph numbers and reference page numbers stated in the paper copies sent are identical to those in the matters subject to measures for electronic provision, and therefore there are some gaps in the page numbers.

- Should circumstances occur that require the revision of the matters subject to measures for electronic provision, this fact, along with the matters prior to revision and after revision, will be posted on the Company's website and the Tokyo Stock Exchange website.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic dividend policy is to continue the stable payment of dividends, while ensuring the internal reserves necessary for future development of business operations and reinforcement of management structure.

Regarding the year-end dividend for the fiscal year under review, we would like to increase the dividend by 17 yen per share and propose the following, based on the Company's financial position and consolidated results in the current term.

Details of the year-end dividend

- (1) Type of dividend property:
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof:
¥50 per share of common stock of the Company
Total cash dividends of ¥8,037,388,550
- (3) Effective date of dividend of surplus:
March 29, 2024

Proposal 2: Election of Ten (10) Members of the Board (excluding Members of the Board who are Members of the Audit & Supervisory Committee)

The terms of office of all eleven (11) Members of the Board (excluding Members of the Board who are Members of the Audit & Supervisory Committee; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, we would like to elect ten (10) Members of the Board (including four (4) Outside Members of the Board) for the Company.

The candidates for Members of the Board are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Masataka Yamaishi (June 5, 1962) Male	<p>April 1986 Joined the Company June 2007 General Manager, Head of Waste-Reduction Promotion Dept. November 2008 General Manager, Head of GD100 Promotion Dept. January 2010 General Manager, Head of Secretariat January 2012 President of Yokohama Europe GmbH October 2013 General Manager, Head of Corporate Planning Dept. of the Company and President of Acty Corporation March 2014 Corporate Officer of the Company March 2015 Director and Corporate Officer of the Company and President of Yokohama Motorsports International Co., Ltd. July 2016 Member of the Board and Managing Officer of the Company March 2017 President and Representative Member of the Board (to present)</p> <p>[Significant concurrent positions] Chairman, Tire Fair Trade Council Chairman, The Japan Automobile Tyre Manufacturers Association, Inc.</p>	173,577
	Reason for his nomination as a Member of the Board	Mr. Masataka Yamaishi took office as a Director of the Company in 2015 and President and Representative Member of the Board in 2017, having been energetically engaged in the business execution for the growth of the Yokohama Rubber Group. The Company believes that, with his ample expertise and experience, including the acquisitions of Alliance Tire Group in 2016 and Trelleborg Wheel Systems Holding AB in 2023 to make them wholly-owned subsidiaries of the Company, he is capable of appropriately supervising the management of the Company. Therefore, the Company nominated him as a Member of the Board again.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Shinji Seimiya (December 20, 1964) <u>Male</u>	<p>April 1989 Joined the Company</p> <p>April 2012 General Manager, Head of Tire Technology Management Dept.</p> <p>October 2014 General Manager, Head of Tire Designing Dept. No. 1</p> <p>March 2017 Acting Head of Consumer Tire Development Division and General Manager, Head of Tire Designing Dept. No. 2</p> <p>March 2018 Associate Officer, Acting Head of Consumer Tire Development Division and Head of Tire Designing Dept. No. 2</p> <p>March 2019 Officer, Head of Tire Development Div. and Head of Tire Designing Dept. No. 1</p> <p>March 2021 Officer, Assistant in Technology Control</p> <p>March 2022 Member of the Board and Officer</p> <p>March 2023 Member of the Board and Managing Officer (to present)</p>	24,140
	Reason for his nomination as a Member of the Board	Mr. Shinji Seimiya took office as a Member of the Board of the Company in 2022, and currently serves as Chief Technical and productional Officer and is in charge of IT & Management System Planning Division. The Company believes that, with his ample expertise and experience in the tire technology and product development departments of the Company, he is capable of appropriately supervising the management of the Company. Therefore, the Company nominated him as a Member of the Board again.	
3	Nitin Mantri (March 29, 1970) <u>Male</u>	<p>March 2001 Joined The Boston Consulting Group</p> <p>August 2003 Joined Cummins Inc.</p> <p>June 2012 President of Cummins Fuel Systems</p> <p>February 2017 Joined ATC Tires Private Limited</p> <p>May 2017 CEO of ATC Tire Private Limited</p> <p>March 2018 Officer of the Company</p> <p>October 2019 Chairman of Yokohama India Private Limited (to present)</p> <p>March 2020 Member of the Board and Officer of the Company</p> <p>March 2021 Representative Director of Yokohama Off-Highway Tires K.K. (to present)</p> <p>March 2022 Member of the Board and Managing Officer of the Company (to present)</p> <p>March 2023 Chairman of Yokohama Tyre Vietnam Inc. (to present)</p> <p>[Significant concurrent positions] CEO of Yokohama Off-Highway Tires K.K. Chairman of Yokohama India Private Limited Chairman of Yokohama Tyre Vietnam Inc.</p>	14,356
	Reason for his nomination as a Member of the Board	Mr. Nitin Mantri took office as a Member of the Board of the Company in 2020, currently serves as Head of OHT Division, CEO of Yokohama Off-Highway Tires K.K., Chairman of Yokohama India Private Limited and Chairman of Yokohama Tyre Vietnam Inc., and is in charge of Yokohama Europe GmbH. The Company believes that, with his ample expertise and experience in management of overseas operations, he is capable of appropriately supervising the management of the Company. Therefore, the Company nominated him as a Member of the Board again.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p>Tomoaki Miyamoto (September 23, 1966)</p> <p>Male</p>	<p>April 1990 Joined the Company</p> <p>April 2013 Senior Managing Director of Yokohama Motorsports International Co., Ltd.</p> <p>April 2015 General Manager, Head of Japan Replacement Tire Business Planning Dept. of the Company</p> <p>July 2015 Member of the Board of Yokohama Tire Japan Company Limited (to present)</p> <p>March 2018 Associate Officer, Acting Head of Japan Replacement Tire Sales & Marketing Division and Head of Japan Replacement Tire Business Planning Dept. of the Company</p> <p>March 2019 Officer and Head of Japan Replacement Tire Sales & Marketing Division</p> <p>March 2022 Managing Officer and Head of Japan Replacement Tire Sales & Marketing Division (to present)</p> <p>March 2023 Member of the Board and Managing Officer (to present)</p>	11,271
	Reason for his nomination as a Member of the Board	Mr. Tomoaki Miyamoto took office as a Member of the Board of the Company in 2023, and currently serves as Head of the Japan Replacement Tire Sales & Marketing Division, Head of Consumer Tire Product Planning Division, Head of Corporate Administration Division, Head of Hiratsuka Factory, and Member of the Board of Yokohama Tire Japan Company Limited. The Company believes that, with his ample expertise and experience in the domestic tire sales department of the Company, he is capable of appropriately supervising the management of the Company. Therefore, the Company nominated him as a Member of the Board again.	
5	<p>Yoshikuni Nakamura (May 8, 1967)</p> <p>Male</p>	<p>April 1991 Joined the Company</p> <p>July 2013 Officer, General Manager and Head of Metropolitan Sales Division, and President, Tokyo Company of Yokohama Tire Japan Company Limited</p> <p>April 2015 General Manager, Head of Tire Overseas Sales & Marketing Dept. of the Company and President of Yokohama Tire Korea Co., Ltd.</p> <p>March 2017 General Manager, Head of Tire Overseas Business Planning Dept. of the Company</p> <p>March 2018 Associate Officer, Acting Head of Tire Overseas Sales & Marketing Division, Head of Tire Overseas Sales Planning Dept. of the Company, and President of Yokohama Asia Co., Ltd.</p> <p>March 2019 Associate Officer, Head of Tire Overseas Sales & Marketing Division of the Company, and President of Yokohama Asia Co., Ltd.</p> <p>October 2019 Officer, Head of Tire Overseas Sales & Marketing Division of the Company, and President of Yokohama Asia Co., Ltd.</p> <p>March 2022 Managing Officer, Head of Tire Overseas Sales & Marketing Division of the Company, and Chairman of Yokohama Asia Co., Ltd.</p> <p>March 2023 Member of the Board and Managing Officer of the Company (to present)</p>	12,071
	Reason for his nomination as a Member of the Board	Mr. Yoshikuni Nakamura took office as a Member of the Board of the Company in 2023, and currently serves as Head of the Tire Business Planning Division, in charge of Tire Overseas Sales & Marketing Division, in charge of Corporate Social Responsibility Division, and in charge of Tire Logistics Division. The Company believes that, with his ample expertise and experience in the tire overseas sales & marketing department of the Company, he is capable of appropriately supervising the management of the Company. Therefore, the Company nominated him as a Member of the Board again.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Masahiro Yuki (October 11, 1968) Male	<p>April 1991 Joined the Company</p> <p>January 2012 General Manager, Head of Secretariat</p> <p>September 2013 Vice President of Yokohama Tire Philippines, Inc. and President of Yokohama Tire Sales Philippines, Inc.</p> <p>April 2015 General Manager, Head of Tire Overseas Sales Planning Dept. of the Company</p> <p>October 2016 General Manager, Head of Tire Business Planning Dept. and General Manager, Head of Tire Overseas Sales Planning Dept.</p> <p>March 2017 General Manager, Head of Tire Business Planning Dept.</p> <p>March 2018 Associate Officer, Acting Head of Tire Business Planning Division, and Head of Tire Business Planning Dept.</p> <p>March 2019 Officer, Head of Tire Business Planning Division, and Head of Tire Business Planning Dept.</p> <p>March 2020 Officer of the Company, Chairman of Yokohama Rubber (China) Co., Ltd. (to present)</p> <p>March 2023 Member of the Board and Officer of the Company (to present)</p> <p>June 2023 Outside Director of Kanagawa Chuo Kotsu Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Chairman of Yokohama Rubber (China) Co., Ltd.</p>	9,466
	Reason for his nomination as a Member of the Board	Mr. Masahiro Yuki took office as a Member of the Board of the Company in 2023, and is currently in charge of Corporate Finance & Accounting Department and Quality Assurance Division, and serves as Chairman of Yokohama Rubber (China) Co., Ltd. The Company believes that, with his ample expertise and experience in the planning and overseas tire sales departments of the Company, he is capable of appropriately supervising the management of the Company. Therefore, the Company nominated him as a Member of the Board again.	
7	Hideichi Okada (October 15, 1951) Outside Member of the Board Independent Officer Male	<p>April 1976 Joined the Ministry of International Trade and Industry (MITI)</p> <p>May 1981 Graduated from Harvard Law School</p> <p>April 2001 Executive Secretary to the Prime Minister</p> <p>August 2008 Director-General, Trade Policy Bureau</p> <p>July 2010 Vice-Minister for International Affairs</p> <p>September 2012 Retired from office</p> <p>January 2013 Advisor to NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.</p> <p>March 2013 Member of the Board of the Company (to present)</p> <p>July 2014 Senior Executive Vice President of NEC Corporation</p> <p>June 2016 President and Chief Executive Officer of Japan Petroleum Exploration Co., Ltd., President and Chief Executive Officer of Japex Offshore Ltd. and President and Chief Executive Officer of Japex Garraf Ltd.</p> <p>August 2017 Chairman of JAPEX Montney Ltd.</p> <p>October 2019 Special Advisor of Japan Petroleum Exploration Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Special Advisor of Japan Petroleum Exploration Co., Ltd.</p>	-
	Reason for his nomination as a Member of the Board and expected roles	The term of office of Mr. Hideichi Okada as an Outside Member of the Board, will reach eleven years at the conclusion of this General Meeting of Shareholders. During his term of office, he actively provided opinions and suggestions from his international perspective and based on his deep insight of economic and social events surrounding corporate management. The Company nominated him as an Outside Member of the Board again in the belief that he will contribute to the management of the Company with his ample experience in the government ministry and knowledge of corporate management accumulated in Japan Petroleum Exploration Co., Ltd. and other companies.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Megumi Shimizu (July 22, 1968) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Member of the Board</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Female</div>	March 1993 Completed the judicial training courses at The Legal Training and Research Institute of Japan April 1993 Entered Nishimura & Sanada (until March 1995) April 1999 Re-entered Nishimura & Partners January 2004 Partner of Nishimura & Partners (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) (to present) June 2005 Graduated from Harvard Law School (LL.M.) September 2005 Served at Paul, Weiss, Rifkind, Wharton & Garrison LLP (New York) (until March 2006) December 2015 Outside auditor of EduLab, Inc. March 2018 Audit & Supervisory Board Member of the Company December 2022 Outside Director/Audit and Supervisory Committee Member of EduLab, Inc. (to present) March 2023 Member of the Board of the Company (to present) [Significant concurrent positions] Partner, Attorney-at-Law, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)	-
	Reason for her nomination as a Member of the Board and expected roles	The term of office of Ms. Megumi Shimizu as an Outside Member of the Board of the Company will reach one year at the conclusion of this General Meeting of Shareholders. She has long worked as an attorney and currently serves as a partner at a leading law office of Japan. The Company nominated her as an Outside Member of the Board again in the belief that she will use her ample insight and knowledge as a law expert for management of the Company. She was an Audit & Supervisory Board Member of the Company for five years from March 2018.	
9	Junichi Furukawa (March 27, 1968) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Member of the Board</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div>	April 1990 Joined Asahi Mutual Life Insurance Company April 2007 Temporarily assigned to Asahi Life Asset Management Co., Ltd. as General Manager, Planning & Administration Dept. August 2008 Executive General Manager of Forest Business Division, Furukawa Ringyo Co., Ltd. October 2009 Executive Director and Executive General Manager of Forest Business Division, Furukawa Ringyo Co., Ltd. April 2010 President and Representative Director of Furukawa Ringyo Co., Ltd. (to present) June 2015 Outside Director of Hakudo Co., Ltd. (to present) June 2019 Outside Director of Chuo Real Estate Co., Ltd. (now Chuo-Nittochi Co., Ltd.) (to present) April 2020 Outside Director of Chuo-Nittochi Group Co., Ltd. (to present) March 2023 Member of the Board of the Company (to present) [Significant concurrent positions] President and Representative Director of Furukawa Ringyo Co., Ltd.	1,500
	Reason for his nomination as a Member of the Board and expected roles	The term of office of Mr. Junichi Furukawa as an Outside Member of the Board of the Company will reach one year at the conclusion of this General Meeting of Shareholders. He is a corporate manager who possesses abundant experience and extensive knowledge of corporate management, and the Company nominated him as an Outside Member of the Board again in the belief that he will reflect his insights into finance and accounting and abundant knowledge with a sense of balance in the management of the Company.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	Hisako Takada (July 10, 1970) Newly nominated Outside Member of the Board Independent Officer Female	March 1993 Joined Goldman Sachs Japan Co., Ltd. August 1998 Joined Sony Corporation August 2000 Joined UBS Securities Japan Co., Ltd. December 2005 Joined GCA Savvian Corporation April 2014 Joined OMRON Corporation March 2021 Senior General Manager of CEO Office of OMRON Corporation (to present) April 2021 Executive Officer of OMRON Corporation (to present) [Significant concurrent positions] Executive Officer, Senior General Manager of CEO Office of OMRON Corporation	-
	Reason for her nomination as a Member of the Board and expected roles	Ms. Hisako Takada has abundant experience working at companies in Japan and overseas, and she currently is an Executive Officer of OMRON Corporation. The Company newly nominated her as an Outside Member of the Board in the belief that she will reflect her knowledge and experience in management strategy, including M&A, in the management of the Company.	

(Notes)

1. There are no special interests between each candidate for Member of the Board and the Company.
2. The responsibilities of each candidate are described in “Names and Responsibilities of Members of the Board” in the Business Report (Japanese only).
3. Mr. Hideichi Okada, Ms. Megumi Shimizu, Mr. Junichi Furukawa, and Ms. Hisako Takada are candidates for Outside Member of the Board.
4. Since August 2021, at EduLab, Inc. where Ms. Megumi Shimizu had been serving as an outside auditor (now Director/Audit and Supervisory Committee Member), a special investigation committee has been established and implemented the investigation on inappropriate accounting treatment. As an outside auditor, she always makes comments and recommendations from a viewpoint of thorough enhancement of compliance. After said fact was found, she has requested thorough investigation, and provided recommendations and support for establishing internal systems and compliance systems, using experience she has accumulated to date.
5. Messrs. Hideichi Okada and Junichi Furukawa are designated as Independent Officers by the Company and have been so reported to the Tokyo Stock Exchange. Ms. Hisako Takada satisfies the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange. Therefore, if her election is approved, she will be reported as an Independent Officer of the Company to the said Exchange. Although Ms. Megumi Shimizu has not been designated as an Independent Officer and reported to the Tokyo Stock Exchange, she satisfies the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange and will be reported as an Independent Officer if her election is approved.
6. Mr. Hideichi Okada, Ms. Megumi Shimizu, Mr. Junichi Furukawa, and Ms. Hisako Takada are not executives or officers of specified related business operators of the Company and have not been so for the past ten (10) years.
7. Mr. Hideichi Okada, Ms. Megumi Shimizu, and Mr. Junichi Furukawa, and Ms. Hisako Takada do not have any plans to receive a large amount of money or other forms of property from the Company or specified related business operators of the Company and have not received such property during the past two (2) years.
8. The Company has concluded agreements with Mr. Hideichi Okada, Ms. Megumi Shimizu, and Mr. Junichi Furukawa to limit liabilities for damages under Article 423, Paragraph 1 of the Companies Act. The upper limit of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations. The Company will continue the above-mentioned agreement with them if their election is approved. If the election of Ms. Hisako Takada is approved, the Company will also conclude the same agreement with her.
9. The Company has a directors and officers liability insurance policy which provides insurance cover for all Members of the Board of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities. If each candidate assumes office as a Member of the Board, he/she will become the insured under the relevant insurance policy, and the Company plans to renew the relevant insurance policy during his/her term of office.
10. The Audit & Supervisory Committee discussed the election and compensation of Members of the Board of the Company. The Audit & Supervisory Committee has judged each candidate to be suitable as Member of the Board of the Company based on the qualifications of each candidate, the performance of duties and accomplishments during the fiscal year under review, and other factors. Additionally, the Audit & Supervisory Committee has reviewed the level and system of compensation for Members of the Board, the method of calculating specific compensation amounts, and other matters, and has judged that the content of compensation is reasonable.

Proposal 3: Election of One (1) Substitute Member of the Board who is a Member of the Audit & Supervisory Committee

To prepare for the event the number of Members of the Board who are Members of the Audit & Supervisory Committee falls short of the number prescribed by law, we would like to elect one (1) substitute Member of the Board who is a Member of the Audit & Supervisory Committee.

With respect to the validity of the election of the substitute Member of the Board who is a Member of the Audit & Supervisory Committee, the election may be cancelled only prior to his or her appointment by resolution of the Board of Directors with the approval of the Audit & Supervisory Committee. This proposal has obtained the prior approval of the Audit & Supervisory Committee.

The candidate for substitute Member of the Board who is a Member of the Audit & Supervisory Committee is as follows.

Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
<p>Junichi Furukawa (March 27, 1968)</p> <p>Outside Member of the Board who is a Member of the Audit & Supervisory Committee Independent Officer</p> <p>Male</p>	<p>April 1990 Joined Asahi Mutual Life Insurance Company</p> <p>April 2007 Temporarily assigned to Asahi Life Asset Management Co., Ltd. as General Manager, Planning & Administration Dept.</p> <p>August 2008 Executive General Manager of Forest Business Division, Furukawa Ringyo Co., Ltd.</p> <p>October 2009 Executive Director and Executive General Manager of Forest Business Division, Furukawa Ringyo Co., Ltd.</p> <p>April 2010 President and Representative Director of Furukawa Ringyo Co., Ltd. (to present)</p> <p>June 2015 Outside Director of Hakudo Co., Ltd. (to present)</p> <p>June 2019 Outside Director of Chuo Real Estate Co., Ltd. (now Chuo-Nittochi Co., Ltd.) (to present)</p> <p>April 2020 Outside Director of Chuo-Nittochi Group Co., Ltd. (to present)</p> <p>March 2023 Member of the Board of the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>President and Representative Director of Furukawa Ringyo Co., Ltd.</p>	<p>1,500</p>
<p>Reason for his nomination as substitute Member of the Board who is a Member of the Audit & Supervisory Committee and expected roles</p>	<p>Mr. Junichi Furukawa is a corporate manager who possesses abundant experience and extensive knowledge of corporate management. The Company newly nominated him as substitute Member of the Board who is a Member of the Audit & Supervisory Committee in the belief that he will reflect his insights into finance and accounting and abundant knowledge with a sense of balance in the management of the Company. He has been serving as an Outside Member of the Board of the Company since March 2023.</p>	

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Junichi Furukawa is a candidate for substitute Outside Member of the Board who is a Member of the Audit & Supervisory Committee.
3. If Proposal 2: Election of Ten (10) Members of the Board (excluding Members of the Board who are Members of the Audit & Supervisory Committee) is approved as originally proposed, Mr. Junichi Furukawa will assume office as a Member of the Board who is not a Member of the Audit & Supervisory Committee. However, if the number of Members of the Board who are Members of the Audit & Supervisory Committee falls short of the number prescribed by law, he will resign as Member of the Board who is not a Member of the Audit & Supervisory Committee and assume office as Member of the Board who is a Member of the Audit & Supervisory Committee.
4. Mr. Junichi Furukawa is designated as an Independent Officer by the Company and has been so reported to the Tokyo Stock Exchange.
5. Mr. Junichi Furukawa is not an executive or officer of specified related business operators of the Company and has not been so for the past ten (10) years.
6. Mr. Junichi Furukawa does not have any plans to receive a large amount of money or other forms of property from the Company or specified related business operators of the Company and has not received such property during the past two (2) years.
7. The Company has concluded an agreement with Mr. Junichi Furukawa as Member of the Board who is not a Member of the Audit & Supervisory Committee to limit liabilities for damages under Article 423, Paragraph 1 of the Companies Act, and if he assumes office as Member of the Board who is a Member of the Audit & Supervisory Committee, the Company will continue the above-mentioned agreement with him. The upper limit of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
8. The Company has a directors and officers liability insurance policy which provides insurance cover for all Members of the Board of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities. If the candidate assumes office as Member of the Board who is a Member of the Audit & Supervisory Committee, his status as the insured under the relevant insurance policy will be retained, and the Company plans to renew the relevant insurance policy during his term of office.

Proposal 4: Revision of Amount of Compensation, etc. for Members of the Board who are Members of the Audit & Supervisory Committee

At the 147th Ordinary General Meeting of Shareholders held on March 30, 2023, the amount of compensation for Members of the Board who are Members of the Audit & Supervisory Committee of the Company was approved at no more than ¥100 million per year.

The Company would like to review the compensation in response to the expanded duties of Members of the Board who are Members of the Audit & Supervisory Committee, and in consideration of recent economic and other circumstances, we request approval for the amount of compensation for Members of the Board who are Members of the Audit & Supervisory Committee to be set at no more than ¥130 million per year and for the decision on specific amounts and timing of payment to individual Members of the Board who are Members of the Audit & Supervisory Committee to be made by consultation among the Members of the Board who are Members of the Audit & Supervisory Committee. The Company considers the amounts of compensation, etc. relating to this proposal to be reasonable in light of the duties and responsibilities of the Members of the Board who are Members of the Audit & Supervisory Committee.

There currently are five (5) Members of the Board who are Members of the Audit & Supervisory Committee of the Company.

[Reference 1] Skill Matrix

Among skill items set in line with the management strategy and plan of the Company with an aim of performing its medium-term management plan, up to four items of skills and specialities each Member of the Board has are indicated with circles. The table shown below does not indicate all skills and specialized knowledge each of them has.

	Masataka Yamaiishi	Shinji Seimiya	Nitin Mantri	Tomoaki Miyamoto	Yoshikuni Nakanura	Masahiro Yuki	Hideichi Okada	Megumi Shimizu	Junichi Furukawa	Hisako Takada	Gota Matsuo	Hisao Uchida	Hirokazu Kono	Asusshi Kanmei	Hiroki Kinura
Corporate management/ Management strategy	○		○	○	○	○	○		○				○	○	○
Personnel policy/ Human resource development	○								○					○	
Global knowledge/ International business	○		○		○	○	○	○							
Technological development/ Quality		○											○		
Procurement/ Production/Production technology/SCM		○	○									○	○		
Finance/Accounting						○			○	○	○				○
Governance/ Internal control	○			○			○	○		○	○	○		○	○
ESG/CSR		○			○		○			○	○				
Sales/Marketing			○	○	○	○								○	

[Reference 2] Policy on Cross-Shareholdings

In the belief that cooperative relationships with a variety of companies are essential to the expansion and sustainable development of the Company, from a medium- to long-term perspective for the enhancement of corporate value, the Company has a policy of holding shares that it considers to be necessary from a policy standpoint, taking into comprehensive consideration its strategic ties with companies with whom it has important cooperative relationships and business-related cooperative relationships with suppliers.

Once a year, the Company reviews the benefits and risks of its individual cross-shareholdings, in addition to the nature, scale, and other aspects of transactions, from both qualitative and quantitative angles with a medium- to long-term viewpoint and makes a report to the Board of Directors. Since the fiscal year ended December 31, 2017, the Company has been gradually divesting these shares a portion at a time based on the outcomes of these reviews.

Going forward, the Company will continue to review on an annual basis the appropriateness of the purpose of these holdings and their benefits and risks from the perspective of the enhancement of medium- to long-term corporate value, and it will strive to reduce those cross-shareholdings that it considers not to be economically reasonable or significant.

Number of Companies and Balance Sheet Value (as of December 31, 2023)

	Number of Companies	Total Value on Balance Sheet (millions of yen)
Unlisted shares	35	489
Shares other than unlisted shares	51	76,496

*In addition to the above, there are four (4) deemed cross-shareholdings, with a value of ¥37,702 million. Consolidated net assets (total equity) stood at ¥748,795 million as of December 31, 2023.