

Status of Activity of Board of Directors, Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee (Fiscal Year ended March 31, 2023)

The following table shows the members and chairpersons of the Board of Directors, the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee, as well as their meetings and attendance record for the fiscal year ended March 31, 2023:

Title	Name	Board of Directors	Meeting Attendance	Nomination of Directors Advisory Committee	Meeting Attendance	Remuneration of Directors Advisory Committee	Meeting Attendance
Representative Director, President and CEO	Hironobu Yasuhara	◎	17/17 (100%)	○	8/8 (100%)		
Representative Director, Vice President and Executive Officer	Akira Miyagi	○	17/17 (100%)	○	8/8 (100%)	○	7/7 (100%)
Director, Executive Corporate Officer	Masaaki Yajima	○	13/13 (100%)				
External Director	Madoka Mayuzumi	○	16/17 (94%)	○	7/8 (88%)	○	5/7 (71%)
External Director	Shigeru Saito	○	17/17 (100%)	○	6/8 (75%)	○	5/7 (71%)
External Director	Tsunehiko Iwai	○	17/17 (100%)	◎	8/8 (100%)	◎	7/7 (100%)
Standing Audit & Supervisory Board Member	Shinichi Kitagawa	□	17/17 (100%)				
Standing Audit & Supervisory Board Member	Katsuhiro Okamoto	□	17/17 (100%)				
External Standing Audit & Supervisory Board Member	Hiroshi Shirai	□	17/17 (100%)				
External Standing Audit & Supervisory Board Member	Mitsuhiro Hamamoto	□	17/17 (100%)				
External Standing Audit & Supervisory Board Member	Minoru Shimada	□	17/17 (100%)	△		△	
Corporate Officer	Katsuya Hirooka	△					
Corporate Officer	Takahiko Hasegawa	△				○	7/7 (100%)
Corporate Officer	Yasuo Kamoshita	△					
Corporate Officer	Kazuhiro Shibahara	△					
Corporate Officer	Hiroshi Imai						
Corporate Officer	Shuji Morimoto						
Corporate Officer	Atsuko Shinoduka						

(◎ chair or chairperson, ○ member, □ Attendee, △ observer)

a. Activities of Board of Directors

Name	Matters to be Discussed and Considered	Number of Meetings Held
Board of Directors	<ul style="list-style-type: none"> <li>• In addition to the matters as prescribed by laws and regulations and the Articles of Incorporation, all important matters related to our business are discussed.</li> <li>• The following matters were mainly discussed and considered during the fiscal year ended March 31, 2023.               <ul style="list-style-type: none"> <li>i) Corporate Governance                   <p>In order to clarify the roles of the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee, which is one of the issues that we have raised to improve the effectiveness of the Board of Directors, we discussed the details of revision of the Committee rules and establishment of operational guidelines which were submitted by these Committees. We will oversee the proper operation of the Board of Directors in accordance with the annual activity plan, including the structure of the Board of Directors and formulation of skills matrix established in the operational guidelines for the Nomination of Directors Advisory Committee.</p> </li> <li>ii) Sustainability                   <p>We received reports from the Sustainability Committee on business risks and opportunities related to climate change (response to TCFD), issues related to sustainability such as CSR procurement and ensuring diversity including promotion of activities by women, as well as a plan for initiatives by our group. At the same time, we also received and confirmed updates on progress on a regular basis. We will continue to oversee the allocation of management resources and implementation of strategies related to business portfolio in order to achieve specific performance goals.</p> </li> <li>iii) Corporate Ethics and Risk Management                   <p>The Corporate Ethics and Risk Management Committee conducts a scoring evaluation of potential risks related to business environment and/or business strategies, and operational risks from the perspective of their likelihood of occurrence and impact of such risks. The risk items that are evaluated as having a significant potential impact on the management of our group, are annually reviewed based on the recommendations of the Corporate Ethics and Risk Management Committee and determined as the Group's Material Risk. Subsequently, we received reports on a regular basis to ensure that the initiatives to mitigate risks are being appropriately implemented, including responses to incidents of operational risk that occurred unexpectedly during the fiscal year ended March 31, 2023, and monitored measures to prevent recurrence.</p> </li> <li>iv) Medium- to Long-Term Business Strategies                   <p>We discussed whether the business strategies, including strategies and plans for entering new business, directions for achieving discontinuous growth in our domestic and overseas businesses, brand strategies for our core brand products, and responses to social issues, are appropriately formulated and/or implemented based on the business environment and competitive advantages. We will continue to aim to maximize our corporate value, and confirm the effectiveness of our strategies and status of progress of our plans. We will also deepen our discussions on fundamental initiatives to achieve sustainable growth.</p> </li> <li>v) Capital Efficiency                   <p>In order to reevaluate our business portfolios and achieve an appropriate reallocation of management resources, we have made decisions to reorganize our domestic business office and to withdraw from our underperforming business in China. We will continue to look into the issues related to improvement of capital profitability.</p> </li> </ul> </li> <li>• In addition to the above, reports are made from the Director and Corporate Officer monthly on the status of execution and deliberations at the Group Management Meeting.</li> </ul>	17

b. Activities of Nomination of Directors Advisory Committee

Name	Matters to be Discussed and Considered	Number of Meetings Held
Nomination of Directors Advisory Committee	<ul style="list-style-type: none"> <li>• We held a meeting to discuss the roles expected from the Directors, formulated skills matrix based on such roles, and confirmed personnel requirements, the details of which were reported at a meeting of the Board of Directors held in May 2022.</li> <li>• We have revised the bylaws of Directors as well as the rules of this Committee, established the operational guidelines of this Committee, the details of which were reported at a meeting of the Board of Directors held in May 2022. We also reported on our annual activity plan (initial draft and considerations on whether to continue) in May 2022.</li> <li>• We held a meeting to discuss the annual activity plan of this Committee, looking ahead to June 2023, the details of which was reported at a meeting of the Board of Directors held in August 2022.</li> <li>• We held multiple meetings to discuss on evaluation system for our Directors, the details of which were reported at a meeting of the Board of Directors held in November 2022.</li> <li>• We held a meeting to discuss the change and business assignments of Directors, the details of which were reported at a meeting of the Board of Directors held in November 2022.</li> <li>• We held multiple meetings to discuss the structure for the Board of Directors after June 2023, considering the appropriateness of skills balance using matrix, ensuring diversity, career summary of candidates and reason for nomination, the details of which were reported at a meeting of the Board of Directors held in February 2023.</li> <li>• We held a meeting to discuss the review of bylaws of Directors, the details of which were reported at a meeting of the Board of Directors held in March 2023.</li> </ul>	8

c. Activities of Remuneration of Directors Advisory Committee

Name	Matters to be Discussed and Considered	Number of Meetings Held
Remuneration of Directors Advisory Committee	<ul style="list-style-type: none"> <li>• The amount of performance-based bonus payable based on the business performance of the previous fiscal year (ended March 31, 2022) was reported at a meeting of the Board of Directors held in May 2022. In addition, this Committee held a meeting to discuss the current issues and direction of the review of the remuneration system for Directors, the details of which were reported in May 2022.</li> <li>• We have revised the rules of this Committee and established the operational guidelines of this Committee, the details of which were reported at a meeting of the Board of Directors held in May. We also reported on our annual activity plan (initial draft and considerations on whether to continue) in May 2022.</li> <li>• We held a meeting to discuss the annual activity plan of this Committee, looking ahead to June 2023, the details of which was reported at a meeting of the Board of Directors held in August 2022.</li> <li>• We exchanged opinions and ongoing discussions about the current issues and improvements related to the remuneration system for Directors. We deliberated a proposal for remuneration for the fiscal year ending March 31, 2024 which is linked to the restructuring of the evaluation system for the Directors, the details of which were reported at the meeting of Board of Directors held in November 2022.</li> <li>• We confirmed the direction of the amount of performance-based bonus payable based on the projected performance for the current fiscal year (ended March 31, 2023).</li> </ul>	7