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Securities Code: 7839

November 30, 2023

Start date of measures for electronic provision: November 30, 2023

To our shareholders:

Kenichiro Ishida
President and Representative Director
SHOEI CO., LTD.
1-31-7, Taito, Taito-ku, Tokyo

NOTICE OF CONVOCATION OF THE 67TH ANNUAL GENERAL SHAREHOLDERS MEETING

We are pleased to announce the 67th Annual General Shareholders Meeting of SHOEI CO., LTD. (the Company), which will be held as described hereunder.

When convening this general shareholders meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general shareholders meeting, etc. (items for which the measures for providing information in electronic format will be taken) in electronic format, and posts this information on the Company's website. Please access the website by using the Internet address shown below to review the information.

The Company's website: https://www.shoei.com/ir/stockholders_meeting/ (in Japanese)

In addition to posting items subject to measures for electronic provision on the Company's website, we also post this information on the website of Tokyo Stock Exchange, Inc. (TSE) shown below.

TSE website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter "SHOEI" in "Issue name (company name)" or the Company's securities code "7839" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you are unable to attend the meeting in person, you may exercise your voting rights on the Internet or in writing. Please review the Reference Documents for General Shareholders Meeting and exercise your voting rights by 6:00 p.m. (JST) on Thursday, December 21, 2023.

[Exercise of voting rights on the Internet]

Please access the website designated by the Company for exercising voting rights (<https://evote.tr.mufg.jp/>) (in Japanese), enter the "voting rights exercise code" and "password" provided on the form for the exercise of voting rights sent together with this Notice of Convocation, and follow the instructions on the screen to indicate your approval or disapproval of the proposals by the above deadline.

[Exercise of voting rights in writing (by mail)]

Please indicate your approval or disapproval of the proposals on the form for the exercise of voting rights and return it to us so that it arrives by the above deadline.

1. Date and Time: Friday, December 22, 2023 at 10:00 a.m. (JST)
(The reception will start at 9:20 a.m.)

2. Place: First Conference Room, 8F, Japan Education Center Hitotsubashi Hall
2-6-2, Hitotsubashi, Chiyoda-ku, Tokyo

3. Purpose of the Meeting:

Items to be reported:

1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Board of Auditors for the 67th fiscal year (from October 1, 2022 to September 30, 2023)
2. The Non-consolidated Financial Statements for the 67th fiscal year (from October 1, 2022 to September 30, 2023)

Items to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Two (2) Directors |
| Proposal No. 3 | Election of Three (3) Auditors |
| Proposal No. 4 | Revision of Remuneration Amount for Directors |
| Proposal No. 5 | Revision of Remuneration Amount for Auditors |

4. Items decided for convocation

- (1) If you exercise your voting rights in writing (by mail) and there is no indication of approval or disapproval of the proposals on the form for the exercise of voting rights, it will be treated as an indication of approval.
- (2) If you exercise your voting rights more than once on the Internet, only the last vote shall be deemed effective.
- (3) Please note that your online vote will prevail should you exercise your voting rights both on the Internet and in writing (by mail) regardless of the time of arrival.
- (4) If you are exercising your voting right by proxy, another shareholder with voting rights to serve as proxy can attend the general shareholders meeting on your behalf. However, the proxy must submit to the Company a document evidencing the proxy's authority to represent.
- (5) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons therefor by three days prior to the general shareholders meeting.

- ◎ When you attend the meeting in person, please hand in the form for the exercise of voting rights to the receptionist.
- ◎ If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's aforementioned website and the TSE website.
- ◎ The Company will also send paper-based documents stating items subject to measures for electronic provision to shareholders who requested the delivery of paper-based documents. However, the following items are excluded from these documents, as provided for by the provisions of laws and regulations and Article 14 of the Company's Articles of Incorporation.
 - (i) "Overview of System to Ensure the Properness of Operations and the Operational Status of the System" in the Business Report
 - (ii) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
 - (iii) "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements provided in the paper-based documents constitute part of the documents audited by the Financial Auditor in preparing the accounting audit report and the Board of Auditors in preparing the audit report.

Reference Documents for General Shareholders Meeting

Proposal No. 1 Appropriation of Surplus

The Company's basic policy is to pay year-end dividends with a consolidated dividend payout ratio of 50% as the goal, while enhancing shareholders' equity to strengthen the Company's financial standing and business foundation.

In line with the aforementioned policy, the Company proposes to pay year-end dividends for the 67th fiscal year as shown below.

Also, the Company, from medium- and long-term perspectives, intends to apply internal reserves by allocating them to research & development for the development of new products and capital investment, and to preparations for future business expansion.

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥66 per common share of the Company.

In this event, the total dividends will be ¥3,534,538,128.

(3) Effective date of dividends of surplus

The effective date of dividends of surplus will be December 25, 2023.

Proposal No. 2 Election of Two (2) Directors

The terms of office of Directors Kenichiro Ishida, Hiroshi Yamaguchi and Kyosuke Shimizu will expire at the conclusion of this Annual General Shareholders Meeting. Therefore, the Company proposes the election of two Directors, lowering the number of Directors by one to enhance the efficiency of the management system and accelerate decision-making. The Company will assume a six-Director structure for its Board of Directors after approval of this proposal. Although the Company is lowering the number of outside Directors by one, the election of suitable persons shall be made to properly ensure efficient operation of the Board of Directors and soundness of the governance system.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kenichiro Ishida (November 29, 1960)	<p>Apr. 1983 Joined Mitsubishi Corporation</p> <p>May 2013 Joined the Company Senior General Manager of Overseas Sales Department</p> <p>Jul. 2013 President and Representative Director of SHOEI (EUROPA) GMBH (joint representative)</p> <p>Jul. 2013 President and Representative Director of SHOEI DISTRIBUTION GMBH</p> <p>Jul. 2013 President and Representative Director of SHOEI EUROPE DISTRIBUTION SARL</p> <p>Jul. 2013 President and Representative Director of SHOEI ITALIA S.R.L.</p> <p>Dec. 2013 Director and General Manager of Overseas Sales Department of the Company</p> <p>Oct. 2016 President and Representative Director (current position)</p> <p>Dec. 2016 Director of SHOEI (EUROPA) GMBH (joint representative)</p>	80,800
<p>[Reasons for nomination] Kenichiro Ishida has led the management of the Company as President and Representative Director, and is expected to further contribute to the increase of the Group's corporate value through the utilization of his abundant insight concerning the Group's overall management. Therefore, the Company proposes his reelection.</p>			
2	Hiroshi Yamaguchi (December 5, 1966)	<p>Apr. 1990 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Oct. 2020 Joined the Company Senior General Manager of Finance and Accounting Department</p> <p>Oct. 2023 Director and General Manager of Business and Financial Management Headquarters, and General Manager of Business and Financial Management Department (current position)</p>	4,000
<p>[Reasons for nomination] Hiroshi Yamaguchi is expected to further contribute to the increase of the Group's corporate value through the utilization of his abundant experience in overseas operations at financial institutions and broad range of insight in the field of finance. Therefore, the Company proposes his election.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company, thereby covering losses such as claims for damages and court costs incurred by the insured, including the Company's Directors. If each candidate is elected and assumes the office as Director, they will be the insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 3 Election of Three (3) Auditors

The terms of office of Auditors Atsuyuki Miyakawa, Yutaka Koide and Masaru Morita will expire at the conclusion of this Annual General Shareholders Meeting. Therefore, the Company proposes the election of three Auditors.

In addition, the consent of the Board of Auditors has been obtained for this proposal.

The candidates for Auditor are as follows:

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Atsuyuki Miyakawa (June 25, 1963)	Jul. 2006 Joined the Company	1,600
		Oct. 2008 General Manager of Internal Auditing Department	
Jul. 2016 General Manager of Business and Financial Management Department			
Oct. 2020 General Manager of IR & PR Department			
Dec. 2021 Auditor (current position)			
[Reasons for nomination] Atsuyuki Miyakawa is expected to further contribute to the increase of the Group's corporate value through the utilization of his abundant insight into the operations of the Internal Auditing Department and the Business and Financial Management Department, where he has worked for many years. Therefore, the Company proposes his election.			
2	Masaru Morita (September 22, 1952)	Apr. 1976 Joined MITSUI & CO., LTD.	-
		May 2004 Joined ALQ Inc.	
		May 2006 Representative Director and President	
		May 2009 Representative Director and President of Yasui Chemical Industry Inc.	
		May 2014 Representative Director and President of ALQ Chemical Co., Ltd.	
		May 2018 Representative Director and President of ALQ Inc.	
Dec. 2019 Auditor of the Company (current position)			
[Reasons for nomination] Masaru Morita possesses broad discernment and abundant experience as a senior manager of many years, characteristics that the Company expects to be reflected in the auditing of the Company, for which reason it requests his election as an outside Auditor.			

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
*3	Tamako Watanabe (January 26, 1982)	<p>Oct. 2002 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 2008 Joined ASG Tax Corporation (currently Grant Thornton Taiyo Tax Corporation)</p> <p>Jul. 2011 Head of Tateyama Office, Odaki Accounting, Tax and Consulting</p> <p>Jul. 2019 Joined Itsuki Accounting Firm (current position)</p> <p>May 2023 Outside Director, Hisamitsu Pharmaceutical Co.,Inc. (current position)</p>	—
<p>[Reasons for nomination] Tamako Watanabe possesses professional expertise as a certified public accountant and certified public tax accountant, characteristics that the Company expects her to use to further strengthen the auditing function of the Company, for which reason it requests her election as an outside Auditor.</p>			

A new candidate for Auditor is indicated by an asterisk (*).

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Masaru Morita and Tamako Watanabe are candidates for outside Auditor.
 3. Masaru Morita is currently an outside Auditor of the Company, and at the conclusion of this meeting, his tenure as an Auditor will have been four years.
 4. If Tamako Watanabe is elected as outside Auditor, the Company plans to submit notification to Tokyo Stock Exchange, Inc., on which the Company is listed, that she meets the criteria for an independent officer as provided for by the aforementioned exchange.
 5. If Masaru Morita's reelection as outside Auditor is approved, the Company plans to submit notification to Tokyo Stock Exchange, Inc., that he meets the criteria for an independent officer. Up until May 2020, he had been engaged in business operations at ALQ Inc., a major trading partner of the Company. However, the Company deems that he has independence based on the requirements of the "Independence Standards" established by the Company because three years have passed since his service at that company ended.
 6. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Atsuyuki Miyakawa and Masaru Morita to limit their liability for damages under Article 423, paragraph 1 of the same Act. If their reelection is approved, the Company plans to renew these agreements with them. If the election of Tamako Watanabe is approved, the Company plans to enter into the same limited liability agreement with her.
 7. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company, thereby covering losses such as claims for damages and court costs incurred by the insured, including the Company's Auditors. If each candidate is elected and assumes the office as Auditor, they will be the insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 4 Revision of Remuneration Amount for Directors

The remuneration for Directors of the Company was determined at an annual amount of ¥170 million or less by a resolution passed at the 58th Annual General Shareholders Meeting held on December 19, 2014, and has remained at that level to this day.

After considering various factors such as the increased responsibility of the Directors in line with the growth in size of the Group's business and changes to the business environment during the period since, and the viewpoint of increasing the willingness and motivation, going forward, of Directors to improve earnings and enhance corporate value of the Group over the medium to long term, the Company proposes that the amount of remuneration for Directors of the Company be revised to an annual amount of ¥250 million or less, aiming to strengthen the linkage between the remuneration for Directors and the Group's performance. Specifically, for Directors (excluding outside Directors), the amount of performance-linked remuneration is calculated based on a percentage different for each rank of Director that is set according to performance indicators based on the increased portions of (1) consolidated net profit and (2) EBITDA (profit before income taxes + interest expenses + depreciation, all on a consolidated basis) for the current year compared against a multiple year average. The annual amount of basic remuneration is then determined by aggregating the amount of aforementioned performance-linked remuneration with the amount of fixed remuneration specified for each rank of Director, that amount is divided by 12, and the resulting amount is paid monthly.

This proposal was decided by the resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee by comprehensively taking into consideration the Company's business scale, officers' compensation system and payment levels, the current number of officers, and future trends, and therefore, we believe this proposal is appropriate.

Moreover, if this proposal is approved, the Company plans to revise the policy for determining details of individual remuneration and others for Directors shown on page 21 of the Business Report (in Japanese only) based on this proposal.

We propose that the remuneration for the Directors should, in the same manner as before, exclude the portion of employee's salary of Directors who also serve as employees.

Currently the number of Directors is seven (including three outside Directors and one Director with special title). If Proposal No. 2 is approved as originally proposed, the number of Directors will be six (including two outside Directors and three Directors with special titles).

Proposal No. 5 Revision of Remuneration Amount for Auditors

The remuneration for Auditors of the Company was determined at an annual amount of ¥21 million or less by a resolution passed at the 63rd Annual General Shareholders Meeting held on December 20, 2019, and has remained at that level to this day. However, with subsequent changes in the economic situation, changes in corporate governance and various other issues having been taken into consideration, it is proposed that the annual remuneration for Auditors be revised to ¥31 million or less.

Currently the number of Auditors is three (including two outside Auditors), and if Proposal No. 3 is approved as originally proposed, the number of Auditors will be three (including two outside Auditors).

(Reference) Skill Matrix

In the event that all of the candidates listed in this Notice of Convocation are elected as originally proposed, the knowledge and expertise of each Director and Auditor (the Skill Matrix) will be as follows.

	Name	Positions	Skills (Knowledge and Expertise Expected by the Company)							
			Corporate Management Management Strategy	Product Development	Manufacturing Quality Management	Sales Marketing	Global	Personnel Human Resources Development	Legal Risk Management	Finance and Accounting
Director	Kenichiro Ishida	President and Representative Director	●			●	●	●		●
	Masayuki Shida	Director General Manager of Product Development Headquarters		●		●	●			
	Takayuki Horimoto	Director General Manager of Production Division, and Ibaraki Factory General Manager	●	●	●			●		
	Hiroshi Yamaguchi	Director and General Manager of Business and Financial Management Headquarters	●				●		●	●
	Keiichiro Kobayashi	Director Independent, Outside					●			●
	Sumiko Takayama	Director Independent, Outside							●	●
Auditor	Atsuyuki Miyakawa	Full-time Auditor							●	●
	Masaru Morita	Auditor Outside	●							●
	Tamako Watanabe	Auditor Outside	●						●	●

(Reference) Independence Standards for Outside Officers

The Company stipulates the Independence Standards for outside Directors and outside Auditors (“Outside Officers”) as follows. When an Outside Officer does not fall under any the following items, he/she is deemed to have suitable independence.

1. A person who is currently or has been within the past ten years an executive director, operating officer, manager, or employee (hereinafter “executive”) of the Company or its subsidiaries.
2. Party or executive of a legal entity holding, whether directly or indirectly, 10% or more of the total number of voting rights of the Company.
3. Party (*1) for whom the Company or its subsidiaries is a major business partner or executive of such party.
4. Party (*2) who is major business partner of the Company or its subsidiaries or executive of such party.
5. Audit corporation that serves as Financial Auditor of the Company or its subsidiaries, or partners and others of the audit corporation.
6. A consultant, attorney, certified public accountant, certified public tax accountant, etc., who received from the Company or its subsidiary monetary payment or other property benefits exceeding ¥10 million annually (based on average of past three business years) other than officer remuneration. (when a party who receives such assets is an organization such as a corporation or an association, a person who belongs to such organization)
7. A party or executive of a corporation who received donations or aid funds exceeding ¥10 million annually (based on average of past three business years) from the Company or its subsidiary.
8. Person to whom items 2 through 7 apply during the past three years.
9. Person whose spouse or a relative within the second degree of kinship falls under any of the above items 1 through 8. Provided, however, if the person to whom the above applies is an executive, then it is restricted to a principal executive (*3).
10. Person for which there is concern of permanent conflicts of interests with the Company’s general shareholders, regardless of whether they do or do not fall under any of the items 1 through 9.

- (Notes)
1. Business partner to whom the Company or its subsidiary has paid an amount of 2% or more of the annual net consolidated sales of that business partner in the most recent business year.
 2. Business partner who has paid an amount of 2% or more of the annual consolidated net sales of the Company to the Company or its subsidiary in the most recent business year, or business partner who has received monetary finance of 2% or more of the consolidated total assets of the Company from the Company or its subsidiary at the end of the most recent business year.
 3. Person who executes principal business such as a Director (excluding outside Director), Executive Officer, Operating Officer, General Manager or department head.