

Notice Regarding Establishment of the Nomination and Compensation Committee

STAR MICRONICS CO., LTD. (“the Company”) has announced that at a meeting of the Board of Directors held today, that the Company has resolved to establish the Nomination and Compensation Committee as an arbitrary advisory body to the Board of Directors. Brief details are presented as follows.

1. Rationale behind establishment

The Company has decided to establish the Nomination and Compensation Committee as an arbitrary advisory body to the Board of Directors to increase the transparency and objectivity of procedures related to the nomination and compensation paid to Directors and Executive Officers, and to further enhance corporate governance.

2. Role of the Nomination and Compensation Committee

In an advisory capacity, the Nomination and Compensation Committee will deliberate on the following matters and report to the Board of Directors:

- (1) Matters concerning the approach to be adopted toward the composition of the Board of Directors
- (2) Matters concerning the election and dismissal of Directors (items to be resolved at the General Meeting of Shareholders)
- (3) Matters concerning the appointment and removal of Representative Directors and Executive Directors
- (4) Matters concerning the appointment and removal of Executive Officers
- (5) Matters concerning the appointment and removal of Executive Officers with designated roles
- (6) Matters concerning the compensation of Directors (excluding Directors who serve as Audit and Supervisory Committee members)
- (7) Matters concerning the compensation of Executive Officers
- (8) Matters concerning succession planning for the President and CEO
- (9) Matters concerning the policies and procedures necessary for resolving the preceding items
- (10) Other matters deemed necessary by the Board of Director

3. Composition of the Nomination and Compensation Committee

The members of the Nomination and Compensation Committee shall comprise three (3) or more Directors appointed through a resolution of the Board of Directors, the majority of whom shall be Independent Outside Directors.

4. Date of establishment

February 9, 2021