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(Securities Code: 7856)

January 4, 2022

To our shareholders:

Kazushi Asano
Representative Director and President
Hagihara Industries Inc.
1-4, Nakadori, Mizushima, Kurashiki-shi, Okayama

Notice of the 59th Annual General Meeting of Shareholders

We are pleased to announce the 59th Annual General Meeting of Shareholders of Hagihara Industries Inc. (the “Company”), which will be held as indicated below.

You can exercise your voting rights in writing. Please review the attached Reference Document for the General Meeting of Shareholders and indicate your approval or disapproval for the proposal on the enclosed voting form, and return the form so as to be received no later than Monday, January 24, 2022, at 5:30 p.m. (JST).

1. Date and Time: Tuesday, January 25, 2022, at 10:00 a.m. (JST)

2. Venue: Ivy Emerald Hall, Kurashiki Ivy Square
7-2, Honmachi, Kurashiki-shi, Okayama

As in the previous year, there will be no distribution of gifts. Moreover, snacks will not be provided at the discussion session.
We appreciate your understanding.

3. Purpose of the meeting:

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 59th fiscal year (from November 1, 2020 to October 31, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 59th fiscal year (from November 1, 2020 to October 31, 2021)

Matters to be resolved

Proposal: Appropriation of Surplus

- When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.
- If any changes are made to items in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or to the Reference Document for the General Meeting of Shareholders, such changes will be posted on the Company’s website (<https://www.hagihara.co.jp/>).
- Pursuant to the relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation, among documents to be attached to this notice of Annual General Meeting of Shareholders, “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.hagihara.co.jp/>) and are not attached to this notice.

Consequently, Consolidated Financial Statements and Non-consolidated Financial Statements stated in the documents attached to this notice of Annual General Meeting of Shareholders consist of part of the Consolidated Financial Statements, Non-consolidated Financial Statements and other documents that were audited by the Audit & Supervisory Board Members and the Financial Auditor in preparing their audit reports.

Note to shareholders

Regarding measures to prevent spread and infection of COVID-19

The Company will take the following measures to prevent the spread and infection of the novel coronavirus disease (COVID-19) at the 59th Annual General Meeting of Shareholders. We ask for your understanding and cooperation on this matter.

[Requests to shareholders]

- Please refrain from attending the meeting regardless of the state of your health, and instead exercise your voting rights in writing (postal mail) beforehand.
- As the seats in the venue will be arranged with a distance between them exceeding that of previous years, the number of seats will be much fewer than previous years. Please accept that once the seating capacity has been filled, entry will be declined to any additional people wishing to enter.

[Requests to shareholders attending in person]

- Please wear a mask.
- Temperature checking equipment will be placed near the entrance of the venue to check everyone's body temperature. Any person with a fever or who is deemed to be in poor physical health may not be admitted.

If significant changes are made to the holding and running of the General Meeting of Shareholders due to future circumstances, they will be announced on the Company's website shown below.

The Company's website (<https://www.hagihara.co.jp/>)

Reference Document for the General Meeting of Shareholders

Proposal and reference

Proposal: Appropriation of Surplus

The Company recognizes increasing the return of profit to its shareholders as a key management priority, and it maintains a basic policy of paying stable dividends while giving comprehensive consideration to matters including the Company's business performance trends and financial position. Accordingly, it proposes the payment of year-end dividends and other appropriation of surplus as follows:

1. Year-end dividends

i) Type of dividend property

To be paid in cash.

ii) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥18 per common share of the Company.

In this event, the total dividends will be ¥261,830,916.

iii) Effective date of dividends of surplus

The dividends will take effect on January 26, 2022.

2. Other appropriation of surplus

i) Item of surplus to be increased and amount of increase

General reserve: ¥300,000,000

ii) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥300,000,000