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Securities Code: 5446

May 30, 2024

Dear Shareholders:

Katsuyoshi Daido
President and Representative Director
HOKUETSU METAL Co., Ltd.
3-1, Zaou 3-chome, Nagaoka city,
Niigata, Japan

Notice of Convocation of the 108th Annual General Meeting of Shareholders

Notice is hereby given that the 108th Annual General Meeting of Shareholders of HOKUETSU METAL Co., Ltd. (“the Company”) will be held as set forth below.

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

Company website

<https://www.hokume.co.jp/ir/meeting/> (in Japanese)

Tokyo Stock Exchange website (TSE 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 “Hokuetsu Metal” in “Issue name (company name)” or the Company’s securities code “5446” 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].”)

Website for informational materials for the general meeting of shareholders

<https://d.sokai.jp/5446/teiji/> (in Japanese)

Please review the accompanying “Reference Documents for the General Meeting of Shareholders” and cast your votes in accordance with the explanation on pages 5 to 6 so that they reach the Company prior to the end of business hours (5:00 p.m. JST) on June 19, 2024 (Wednesday).

1. Date and time of the meeting: Thursday, June 20, 2024, at 10:00 a.m. (JST)
Reception will start at 9:00 a.m. (JST)

2. Place of the meeting: Hotel New Otani Nagaoka, 2F (Hakucho room)
8-35, Daimachi 2-chome, Nagaoka city, Niigata

3. Agenda of the meeting:

Matters to be reported:

1. Report on the Business Report and Consolidated Financial Statements for the 108th fiscal year (from April 1, 2023 to March 31, 2024) and the results of the audits of the Consolidated Financial Statements by the Accounting Auditor and Board of Company Auditors
2. Report on the Non-Consolidated Financial Statements for the 108th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

Proposal No. 1: Election of Six (6) Directors

Proposal No. 2: Election of Two (2) Company Auditors

- If attending the meeting on the day, please present your voting rights exercise form at Reception.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the aforementioned Company website, TSE website, and website for informational materials for the general meeting of shareholders.
- We will send paper-based documents that include matters subject to measures for electronic provision to shareholders who have made a request for delivery of such documents, but in accordance with laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following matters will be excluded.
 - (i) “Matters related to the accounting auditor,” “Operational status of systems to ensure the appropriateness of business operations,” “Basic policy related to control of the Company,” and “Policy related to determining dividends of surplus, etc.” in the Business Report
 - (ii) “Consolidated statement of changes in equity” and “Notes to the consolidated financial statements” in the consolidated financial statements
 - (iii) “Balance sheet,” “Statement of income,” and “Statement of changes in equity” in the non-consolidated financial statements
 - (iv) “Audit Report of Accounting Auditors Concerning the Consolidated Financial Statements (Copy),” “Audit Report of Accounting Auditors (Copy),” and “Audit Report of Board of Company Auditors (Copy)” in the audit report

Reference Documents for the General Meeting of Shareholders

Proposals and Matters for Reference

Proposal No. 1: Election of Six (6) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of six (6) Directors.

The candidates for Directors are as follows:

Candidate Number	Name	Current Position	
1	Katsuyoshi Daido	President and Representative Director	Reelection
2	Masaki Takeuchi	Managing Director	Reelection
3	Yoshiyuki Nanba	Director	Reelection
4	Daisuke Inoue	—	New Outside
5	Mieko Watanabe	Director	Reelection Outside Independent
6	Taishi Watabe	—	New Outside Independent

Reelection

Candidate for reelection as Director

New

New candidate for election as Director

Outside

Candidate for Outside Director

Independent

Independent Director as stipulated by the stock exchange

Candidate Number	Name (Date of birth)	Brief career history (Positions and responsibilities) Other important positions held concurrently	Number of shares of the Company held by candidate
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Katsuyoshi Daido (December 3, 1959)</p> <p style="text-align: center;">Length of term 2 years</p> <p style="text-align: center;">Attendance at meetings of the Board of Directors 16/16</p>	<p>April 1982 Joined Topy Industries, Limited (“Topy Industries”)</p> <p>July 2004 Director in charge of Corporate Planning Business, Corporate Planning Division</p> <p>July 2008 Head of Accounting, Finance Division</p> <p>Oct. 2012 Director in charge of Financial Accounting, Finance Division</p> <p>April 2013 Executive Officer, Finance Manager</p> <p>April 2016 Executive Officer in charge of steel business, Manager of Steel Business Division</p> <p>April 2018 Managing Executive Officer, Manager of Internal Audit Division</p> <p>April 2021 Senior Managing Executive Officer in charge of Corporate Planning, Finance</p> <p>June 2021 Senior Managing Director in charge of Corporate Planning, Finance</p> <p>April 2022 Senior Managing Director in charge of Finance</p> <p>June 2022 Vice President and Director in charge of Corporate Planning, General Affairs, HR, Finance and System, Senior Manager of Overall Business of the Company</p> <p>Jan. 2023 President and Representative Director in charge of Corporate Planning, General Affairs, HR, Finance and System, Senior Manager of Overall Business of the Company</p> <p>April 2023 President and Representative Director (to present)</p> <p>Other important positions held concurrently None</p>	3,300 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Katsuyoshi Daido has demonstrated strong leadership as a Director (Representative Director) who also has served as a business executive (President), and led the management of the Hokuetsu Metal Group. In addition to long years of experience in finance departments, he has extensive knowledge and experience of corporate planning, administrative, steel and other departments, and has fulfilled his duties and responsibilities appropriately by leveraging his abilities in well-balanced analysis, planning and communication, as well as his broad network of contacts.</p> <p>The Nomination and Compensation Committee has determined that he will contribute to the Company’s sustainable growth and to the improvement of its corporate value, and has determined that he should be a candidate for reelection as Director.</p>			

	<p>Message to shareholders</p> <p>A year and a half have passed since I was appointed President in January 2023, and the medium-term management plan has entered its final year. Over that time, we have strengthened the processed product business that was one of the priority issues under the medium-term management plan, and steadily implemented a variety of initiatives related to the structural management reforms of the Group. We also worked to enhance investor relations to facilitate a deeper understanding of these activities of the Company. On the other hand, to achieve sustainable growth into the future we actively invested not only in facilities but also in human capital.</p> <p>However, due to such factors as the lack of strength in construction demand, especially in our home region of Niigata, we were unable to increase profits as planned in FY2023. FY2024 is the final year of the medium-term management plan, and as such it will be a time not only for accelerating initiatives to raise profitability but also for depicting new routes to growth, such as by coming to certain conclusions about investments in electric furnaces.</p> <p>I humbly request the continued support of our shareholders.</p>
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Candidate Number	Name (Date of birth)	Brief career history (Positions and responsibilities) Other important positions held concurrently	Number of shares of the Company held by candidate
2	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Masaki Takeuchi</p> <p style="text-align: center;">(September 18, 1965)</p> <p style="text-align: center;">Length of term 2 years</p> <p style="text-align: center;">Attendance at meetings of the Board of Directors 16/16</p>	<p>April 1988 Joined Topy Industries</p> <p>June 2004 Manager of No.1 Engineering Group, Engineering Division, Steel Structures Business Division</p> <p>Sep. 2006 Quality Assurance Group, Development & Engineering Division, Toyohashi Factory, Steel Business Division</p> <p>April 2010 Manager of Quality Assurance Group, Development & Engineering Division, Toyohashi Factory, Steel Business Division</p> <p>April 2013 Production Manager, Toyohashi Factory, Steel Business Division</p> <p>April 2015 Engineering Manager, Toyohashi Factory, Steel Business Division</p> <p>April 2017 Director, Engineering Manager, Toyohashi Factory, Steel Business Division</p> <p>April 2018 Director, Deputy Head of Toyohashi Factory, Steel Business Division</p> <p>April 2019 Director, Head of Toyohashi Factory, Steel Business Division</p> <p>June 2021 Director of Topy Marine Transport, Limited</p> <p>June 2022 Director of the Company</p> <p>Oct. 2022 Director in charge of Safety, Engineering, Quality, Manufacturing, and Processing, General Manager of Engineering Management Division/Engineering Development Division</p> <p>April 2023 Managing Director in charge of Safety, Engineering, Quality, Manufacturing, and Processing, General Manager of Engineering Management Division/Engineering Development Division (to present)</p> <p>Other important positions held concurrently None</p>	1,900 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Masaki Takeuchi is a candidate who has promoted the integration of the Board of Directors and business execution as an Executive Director. He also has extensive knowledge and experience of engineering departments, and has fulfilled his duties and responsibilities appropriately by demonstrating strong leadership from an on-site perspective in the way he has strengthened the Company's technological and on-site capabilities.</p> <p>The Nomination and Compensation Committee has determined that he will contribute to the Company's sustainable growth and to the improvement of its corporate value, and has determined that he should be a candidate for reelection as Director.</p>			

	<p>Message to shareholders</p> <p>In an increasingly challenging business environment characterized by increases in various costs, including electricity, we recognize the increasing importance of strengthening the processed products business and formulating drastic new capital investment plans, which have been our focus under the current medium-term management plan. With this understanding, we will work on developing new products and human resources, and diligently promote measures to reinforce the foundation of the bar steel business.</p> <p>As we have entered the final year of the “Kizuna 2024” medium-term management plan, we aim to evaluate and summarize the results of the various initiatives, and link them to the formulation of the next medium-term management plan with a view to fulfilling our long-term vision. In order to respond to the expectations of all our stakeholders, we will work to enhance the corporate value of the Company from an ESG management perspective, while not forgetting the importance of a sincere attitude and a spirit of taking on new challenges.</p> <p>I earnestly request the continued understanding and support of shareholders.</p>
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Candidate Number	Name (Date of birth)	Brief career history (Positions and responsibilities) Other important positions held concurrently	Number of shares of the Company held
3	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Yoshiyuki Nanba</p> <p style="text-align: center;">(July 2, 1967)</p> <p style="text-align: center;">Length of term 1 year</p> <p style="text-align: center;">Attendance at meetings of the Board of Directors 13/13</p>	<p>April 1991 Joined the Company</p> <p>Oct. 2009 Deputy General Manager of General Affairs Department, General Affairs Division</p> <p>May 2010 General Manager of General Affairs Department, General Affairs Division</p> <p>Oct. 2011 Deputy General Manager of Purchasing Department, Sales Division</p> <p>Oct. 2012 Seconded to Hokuetsu Kogyo Co., Ltd.</p> <p>April 2016 General Manager of Purchasing Department, Sales Division and Deputy General Manager of Sales Division</p> <p>Oct. 2016 General Manager of Corporate Planning</p> <p>April 2017 Executive Officer, General Manager of Corporate Planning Division</p> <p>Jan. 2018 Executive Officer, Supervising General Manager of Sales Department, Sales Division</p> <p>April 2018 Executive Officer, Supervising General Manager of Sales Department, Sales Division, and Deputy General Manager of Sales Division</p> <p>Jan. 2019 Executive Officer, Supervising General Manager of Sales Department and General Manager of Processed Products Sales Department, Sales Division, and Deputy General Manager of Sales Division</p> <p>April 2021 Executive Officer, General Manager of Sales Division</p> <p>June 2022 Representative Director and President of Innovas Co., Ltd. (to present)</p> <p>June 2023 Director in charge of Sales, General Manager of Sales Division, of the Company (to present)</p> <p>Other important positions held concurrently Representative Director and President of Innovas Co., Ltd.</p>	3,400 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Yoshiyuki Nanba is a candidate who has promoted the integration of the Board of Directors and business execution as an Executive Director appointed from within the Company. He also has extensive knowledge and experience of administrative and sales departments, and has fulfilled his duties and responsibilities appropriately by demonstrating strong leadership, characterized by the natural vitality with which he has strengthened the Company's sales capabilities.</p> <p>The Nomination and Compensation Committee has determined that he will contribute to the Company's sustainable growth and to the improvement of its corporate value, and has determined that he should be a candidate for reelection as Director.</p> <p>In addition, he also serves as Representative Director and President of Innovas Co., Ltd., a specified affiliated business operator of the Company with which the Company has a business relationship in the form of products, etc.</p>			

Message to shareholders

I believe that the role that will be played by the resource-recycling electric furnace business will be extremely significant in the context of the decarbonization of industry and the conservation of resources. Through its mainstay business of creating steel using electric furnaces, the Company has continued to take on the challenges of enhancing corporate value and becoming a company that is considered indispensable by all our stakeholders. While further developing the originality of the Company that enables us to both manufacture raw materials and create a variety of processed products using those materials, we seek to respond to the needs of society and to achieve the sustainable expansion of the Company. As a Director who executes business, while working to manage the business with speed and precision in order to realize the management strategy, I will also focus on building an organization that takes a positive approach to new challenges. I also intend to make every effort to develop the next generation of human resources that will be the driving force of the Company's growth in the future.

I sincerely request the continued guidance and encouragement of shareholders.

Candidate Number	Name (Date of birth)	Brief career history (Positions and responsibilities) Other important positions held concurrently	Number of shares of the Company held by candidate
4	New Outside Daisuke Inoue (December 17, 1968)	<p>April 1991 Joined ITOCHU Corporation</p> <p>May 1991 No.2 Light Metal Products Section, No.2 Light Metals Department</p> <p>Oct. 2003 Seconded to ITOCHU Non-Ferrous Materials Co., Ltd.</p> <p>April 2005 Chinese Metal and Energy Group of ITOCHU Corporation (resident in Hong Kong), and Itochu Hong Kong Ltd.</p> <p>Oct. 2009 Metal and Energy Planning & Administration Department</p> <p>April 2012 Corporate Planning & Administration Division</p> <p>April 2015 Deputy Manager of Iron Ore & Steelmaking Resources Department, and Section Manager of No.1 Iron Ore Section, Iron Ore & Steelmaking Resources Department</p> <p>April 2016 Deputy Manager of Iron Ore & Steelmaking Resources Department</p> <p>April 2017 Manager of Iron Ore & Steelmaking Resources Department</p> <p>April 2018 President of ITOCHU Australia Ltd. (resident in Sydney), and seconded to IMEA (Managing Director & CEO)</p> <p>April 2023 Deputy Manager of Metal & Mineral Resources Division of ITOCHU Corporation</p> <p>April 2024 Executive Officer, Manager of Metal & Mineral Resources Division, and Manager of Non-Ferrous Metal & Recycle Department (to present)</p> <hr/> <p>Other important positions held concurrently Executive Officer, Manager of Metal & Mineral Resources Division, and Manager of Non-Ferrous Metal & Recycle Department of ITOCHU Corporation Director of ITOCHU Metals Corporation</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director and summary of expected role</p> <p>As stated in his brief career history, Mr. Daisuke Inoue has developed extensive experience and deep insights through his employment both in Japan and overseas at a company that operates globally.</p> <p>The Nomination and Compensation Committee has determined that he will contribute to the soundness and transparency of decision-making by the management of the Company, as well as help achieve sustainable growth and enhance the corporate value of the Company, and has determined that he should be a candidate for election as Outside Director.</p> <p>The Company does not conduct any business with ITOCHU Corporation. However, Mr. Inoue also serves as a Director of ITOCHU Metals Corporation which is a specified affiliated business operator of the Company, and with which the Company has a business relationship involving main raw materials, etc.</p>			
<p>Summary of the liability limitation contract</p> <p>If Mr. Daisuke Inoue is elected Director, the Company intends to enter into a contract with him in accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, to limit his liability to the minimum liability under Article 425, Paragraph 1 of the Companies Act, in relation to the liability under Article 423, Paragraph 1 of the Companies Act.</p>			

	<p>Message to shareholders</p> <p>With the macro environment at a global level changing at dizzying speed, initiatives to tackle the SDGs (Sustainable Development Goals) are becoming increasingly important. Through the business of manufacturing and selling products, such as construction materials, that use steel scrap as the main raw material, the Company contributes to achieving a recycling-oriented society that enables sustainable growth, and I believe that such endeavors will become increasingly important going forward.</p> <p>While responding appropriately to changes in the external environment, such as trends in the economy and business conditions, and in resource and raw material prices, the Company also aims to create sustainable growth that is rooted in local communities.</p> <p>From the position of overseeing management as an Outside Director, I will be involved in business strategies to support the sustainable growth of the Company and in improvements to corporate governance, etc., and will also strive sincerely to enhance the corporate value of the Company.</p> <p>Thank you for your understanding and support.</p>
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Candidate Number	Name (Date of birth)	Brief career history (Positions and responsibilities) Other important positions held concurrently	Number of shares of the Company held by candidate
	<p>Reelection Outside Independent</p> <p>Mieko Watanabe (September 6, 1962)</p> <p>Length of term 1 year</p> <p>Attendance at meetings of the Board of Directors 13/13</p>	<p>April 1983 Joined Yamakou Co., Ltd. (now Snow Peak Inc.)</p> <p>Dec. 1996 Director, Snow Peak Inc.</p> <p>July 2011 Managing Director</p> <p>Mar. 2016 Representative Senior Managing Director</p> <p>June 2020 Outside Director, HARD OFF CORPORATION Co., Ltd. (to present)</p> <p>June 2023 Outside Director of the Company (to present)</p> <p>Other important positions held concurrently Outside Director, HARD OFF CORPORATION Co., Ltd.</p>	0 shares
5	<p>Reasons for nomination as a candidate for Outside Director and summary of expected role</p> <p>As stated in her brief career history, Ms. Mieko Watanabe has developed extensive experience and deep insights through her many years of involvement in the management of a listed company. She has also actively played a role on the Board of Directors by providing management with advice and supervising business execution.</p> <p>The Nomination and Compensation Committee has determined that she will continue to contribute to the soundness and transparency of decision-making by the management of the Company, as well as help achieve sustainable growth and enhance the corporate value of the Company, and has determined that she should be a candidate for reelection as Outside Director.</p> <p>The Company does not conduct any business with HARD OFF CORPORATION Co., Ltd.</p>		
	<p>Summary of the liability limitation contract</p> <p>The Company has entered into a contract with Ms. Mieko Watanabe in accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, to limit her liability to the minimum liability under Article 425, Paragraph 1 of the Companies Act, in relation to the liability under Article 423, Paragraph 1 of the Companies Act. If she is reelected Director, the Company intends to continue the contract.</p>		
	<p>Message to shareholders</p> <p>I have a very real sense of the extraordinarily important role played by the Company through the manufacture of steel using electric furnaces, thus providing fundamental support for the infrastructure projects that are absolutely essential for both maintaining and reforming society, and also helping to create a recycling-oriented society not only in Niigata, which is a regional cluster for metal processing, but also for Japan.</p> <p>The conditions under which the Company operates are challenging, due to the continuing trend towards a weaker yen, uncertainty regarding the impact of energy policy on electricity charges, the so-called “2024 problem,” and the increasingly unstable international situation. As an Outside Director, I intend to keep corporate governance in mind at all times as I devote myself to the interests of shareholders and all stakeholders on a daily basis.</p> <p>I thank you for your continued support.</p>		

Candidate Number	Name (Date of birth)	Brief career history (Positions and responsibilities) Other important positions held concurrently	Number of shares of the Company held by candidate
6	<p style="text-align: center;">New Outside Independent</p> <p style="text-align: center;">Taishi Watabe (March 19, 1967)</p>	<p>April 1990 Joined Sapporo Breweries Ltd. (now Sapporo Holdings Ltd.)</p> <p>April 2017 Joined Endo Manufacturing Co., Ltd. as an advisor</p> <p>June 2017 Director and Vice President in charge of Thailand Representative Office</p> <p>Jan. 2018 Director and Vice President in charge of Corporate Planning Department</p> <p>Mar. 2018 Representative Director and President, also in charge of Corporate Planning Department, and Medical Equipment and New Business Division</p> <p>Mar. 2019 Representative Director and President, also in charge of Corporate Planning Department</p> <p>Oct. 2019 Representative Director and President, also in charge of Corporate Planning Department, Golf Business Division, Metal Sleeve Business Division, and Medical Equipment and New Business Division</p> <p>Mar. 2020 Representative Director and President, also in charge of Golf Business Division, Metal Sleeve Business Division, and Medical Equipment and New Business Division</p> <p>Jan. 2024 Representative Director and President, also in charge of Golf, Medical Equipment, and New Businesses (to present)</p> <p>Other important positions held concurrently Representative Director and President, Endo Manufacturing Co., Ltd. Representative Director and President, EPON GOLF Co., Ltd. Director and President, ENDO THAI CO., LTD. Director and President, ENDO METAL SLEEVE (THAILAND) CO., LTD. Director and President, ENDO FORGING (THAILAND) CO., LTD.</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director and summary of expected role</p> <p>As stated in his brief career history, Mr. Taishi Watabe had many years of involvement in the management of a listed company, and has accumulated further experience and deep insights since being appointed Representative Director and President of a listed company in 2018.</p> <p>The Nomination and Compensation Committee has determined that he will contribute to the soundness and transparency of decision-making by the management of the Company, as well as help achieve sustainable growth and enhance the corporate value of the Company, and has determined that he should be a candidate for election as Outside Director.</p> <p>The Company does not conduct any business with Endo Manufacturing Co., Ltd., EPON GOLF Co., Ltd., ENDO THAI CO., LTD., ENDO METAL SLEEVE (THAILAND) CO., LTD., or ENDO FORGING (THAILAND) CO., LTD.</p>			
<p>Summary of the liability limitation contract</p> <p>If Mr. Taishi Watabe is elected Director, the Company intends to enter into a contract with him in accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, to limit his liability to the minimum liability under Article 425, Paragraph 1 of the Companies Act, in relation to the liability under Article 423, Paragraph 1 of the Companies Act.</p>			

	<p>Message to shareholders</p> <p>My name is Taishi Watabe, and I have recently been selected as a candidate for Outside Director. I currently serve as Representative Director and President of Endo Manufacturing Co., Ltd. The headquarters of Endo Manufacturing are located in the Tsubamesanjo metal processing district. The Company manufactures heads for golfing irons, forged parts for automobiles, and components for office automation equipment, and we have recently begun manufacturing artificial joints for medical use, and parts for aero engines. In Thailand we also operate three factories employing approximately 1,000 employees.</p> <p>Endo Manufacturing is listed on the Standard market, but in recent times companies are no longer ranked only by their pursuit of sales and profits, and they must also implement initiatives related to SDGs and their response to the corporate governance code.</p> <p>In the sense that we are both companies that deal with metal we have some things in common, and as Outside Director I will strive to use this to enhance corporate value going forward.</p> <p>Thank you for your understanding and support.</p>
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- Notes:
1. The Company has no special interest with any of the candidates.
 2. Mr. Daisuke Inoue and Mr. Taishi Watabe are new candidates for Director.
 3. Mr. Daisuke Inoue, Ms. Mieko Watanabe and Mr. Taishi Watabe are candidates for Outside Director.
 4. The Company has entered into indemnity contracts, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with Mr. Katsuyoshi Daido, Mr. Masaki Takeuchi, Mr. Yoshiyuki Nanba, and Ms. Mieko Watanabe. In accordance with said contracts, the Company will provide compensation for the expenses set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of said Paragraph within the range stipulated by law. In said contracts, reporting, loss mitigation and informing obligations by Officers are stipulated, and there is a limitation of the indemnity in case of violation of such obligations. If the above-mentioned individuals are reelected, the Company intends to continue said contracts. If Daisuke Inoue and Taishi Watabe are elected Directors, the Company intends to enter into indemnity contracts with both individuals, with the same conditions.
 5. The Company has concluded a directors and officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement will cover the liability of the insured, including all Directors of the Company, in relation to the exercise of their duties, or legal damages in the event of a claim related to the pursuit of said liability. provided, however, that there is a disclaimer for acts that are recognized as violations of law. The Company bears all costs of said insurance. Each candidate for Director will become an insured under said insurance agreement if reelected. The agreement will be renewed with the same coverage and conditions at the next renewal date.
 6. The Company has designated Ms. Mieko Watanabe as an Independent Director as stipulated by Tokyo Stock Exchange, Inc., and has notified said exchange of this fact. If Ms. Mieko Watanabe is reelected Director, the Company intends that she remain an Independent Director. Mr. Taishi Watabe also meets the requirements for an Independent Director as stipulated by Tokyo Stock Exchange, Inc., and if Mr. Taishi Watabe is elected Director, the Company intends to designate him as an Independent Director and notify said exchange of this fact.

(Reference)

Expertise and experience of candidates for Director

Name	Corporate management	Global business	Technologies and manufacturing	Finance and accounting	Legal compliance and risk management	Human resources
Katsuyoshi Daido	○			○	○	○
Masaki Takeuchi	○		○		○	
Yoshiyuki Nanba	○				○	○
Daisuke Inoue	○	○			○	
Mieko Watanabe	○	○		○		
Taishi Watabe	○	○	○	○		○

(Note) The table above does not show all the knowledge, experience and skills of each candidate for Director.

Proposal No. 2: Election of Two (2) Company Auditors

The terms of office of Company Auditors Masaaki Honda and Masako Fukaya will expire at the conclusion of this general meeting of shareholders.

Accordingly, the Company proposes the election of two (2) Company Auditors.

The consent of the Board of Company Auditors for the submission of this proposal has already been obtained.

The candidates for Company Auditor are as follows:

Candidate Number	Name	
1	Masaaki Honda	Reelection Outside
2	Masako Fukaya	Reelection Outside

Reelection	Candidate for reelection as Company Auditor
Outside	Candidate for Outside Company Auditor

Candidate Number	Name (Date of birth)	Brief career history, positions Other important positions held concurrently	Number of shares of the Company held by candidate
1	<p>Reelection Outside</p> <p>Masaaki Honda (March 23, 1961)</p> <p>Length of term 9 years</p> <p>Attendance at meetings of the Board of Directors 16/16</p> <p>Attendance at meetings of the Board of Company Auditors 15/15</p>	<p>April 1983 Joined Topy Industries</p> <p>Jan. 2007 Operations Manager, Toyohashi Factory, Steel Business Division</p> <p>April 2010 Head of Property Administration, Finance Division</p> <p>April 2015 Advisor, Finance Division</p> <p>June 2015 Company Auditor of the Company (to present)</p> <p>Other important positions held concurrently None</p>	3,600 shares
<p>Reasons for nomination as a candidate for Outside Company Auditor</p> <p>To enable Mr. Masaaki Honda to utilize the extensive experience and deep insights that he developed at Topy Industries, which is a specified affiliated business operator of the Company, in the audit system of the Company, it requests that he be reelected Outside Company Auditor. The Company sells deformed structural steel for use in automotive components to Topy Industries, and while maintaining its partnership with that company, the Company also takes orders for and sells structural steel.</p> <p>Mr. Honda has had no involvement in corporate management other than as an Outside Director or an Outside Company Auditor, but as stated above, the Company judges that he will execute his duties appropriately as an Outside Company Auditor.</p>			
<p>Summary of the liability limitation contract</p> <p>The Company has entered into a contract with Mr. Masaaki Honda in accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, to limit his liability to the minimum liability under Article 425, Paragraph 1 of the Companies Act, in relation to the liability under Article 423, Paragraph 1 of the Companies Act. If he is reelected Company Auditor, the Company intends to continue the contract.</p>			

Candidate Number	Name (Date of birth)	Brief career history, positions Other important positions held concurrently	Number of shares of the Company held by candidate
2	<p>Reelection Outside</p> <p>Masako Fukaya (December 24, 1978)</p> <p>Length of term 1 year</p> <p>Attendance at meetings of the Board of Directors 13/13</p> <p>Attendance at meetings of the Board of Company Auditors 12/12</p>	<p>July 2005 Joined Topy Industries</p> <p>April 2022 Head of Affiliated Companies Office, Corporate Planning Department (to present)</p> <p>June 2023 Company Auditor of the Company (to present)</p> <p>Other important positions held concurrently Head of Affiliated Companies Office, Corporate Planning Department, Topy Industries</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Company Auditor</p> <p>To enable Ms. Masako Fukaya to utilize the extensive experience and deep insights that she developed at Topy Industries, which is a specified affiliated business operator of the Company, in the audit system of the Company, it requests that she be reelected Outside Company Auditor. The Company sells deformed structural steel for use in automotive components to Topy Industries, and while maintaining its partnership with that company, the Company also takes orders for and sells structural steel.</p> <p>Ms. Fukaya has had no involvement in corporate management other than as an Outside Director or an Outside Company Auditor, but as stated above, the Company judges that she will execute her duties appropriately as an Outside Company Auditor.</p>			
<p>Summary of the liability limitation contract</p> <p>The Company has entered into a contract with Ms. Masako Fukaya in accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, to limit her liability to the minimum liability under Article 425, Paragraph 1 of the Companies Act, in relation to the liability under Article 423, Paragraph 1 of the Companies Act. If she is reelected Company Auditor, the Company intends to continue the contract.</p>			

- Notes:
1. The Company has no special interest with any of the candidates.
 2. Mr. Masaaki Honda and Ms. Masako Fukaya are candidates for Outside Company Auditor.
 3. The Company has entered into indemnity contracts, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with Company Auditors. In accordance with said contracts, the Company will provide compensation for the expenses set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of said Paragraph within the range stipulated by law. In said contracts, reporting, loss mitigation and informing obligations by Officers are stipulated, and there is a limitation of the indemnity in case of violation of such obligations. If the candidates are reelected Company Auditors, the Company intends to continue said contracts with both individuals.
 4. The Company has concluded a directors and officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement will cover the liability of the insured, including all Company Auditors of the Company, in relation to the exercise of their duties, or legal damages in the event of a claim related to the pursuit of said liability, provided, however, that there is a disclaimer for acts that are recognized as violations of law. The Company bears all costs of said insurance. Each candidate for Company Auditor will become an insured under said insurance agreement if reelected. The agreement will be renewed with the same coverage and conditions at the next renewal date.