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Securities code: 5451
June 3, 2024

To our shareholders:

Satoshi Nitta, President and Representative Director
Yodogawa Steel Works, Ltd.
4-1-1 Minami-honmachi, Chuo-ku, Osaka

NOTICE OF THE 125TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 125th Ordinary General Meeting of Shareholders of Yodogawa Steel Works, Ltd. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the shareholders meeting, etc. (items for which measures for providing information in electronic format are to be taken). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

[The Company’s website]

<https://www.yodoko.co.jp/ir/ir-stock/meeting/> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/5451/teiji/> (in Japanese)

[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 “Yodogawa Steel Works” in “Issue name (company name)” or the Company’s securities code “5451” 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].”)

You may exercise your voting rights either electronically (via the Internet) or by postal mail (voting form). Please review the “Reference Documents for the General Meeting of Shareholders” attached or included in the items subject to measures for electronic provision and we request that you exercise your rights no later than 5:30 p.m., Monday, June 24, 2024 (Japan Standard Time).

1. Date and Time: Tuesday, June 25, 2024 at 10:00 a.m. (Japan Standard Time)

2. Venue: Banquet Room “Tsuru,” 5th Floor, Hotel Nikko Osaka
1-3-3 Nishi-Shinsaibashi, Chuo-ku, Osaka

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 125th Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.
2. Non-Consolidated Financial Statements for the 125th Term (from April 1, 2023 to March 31, 2024)

Items to be resolved:

<Company Proposals (From Proposal 1 to Proposal 3)>

Proposal 1: Election of Seven (7) Directors

Proposal 2: Election of Four (4) Audit & Supervisory Board Members

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

<Shareholder Proposals (From Proposal 4 to Proposal 10)>

- Proposal 4:** Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.
- Proposal 5:** Disposal of Surplus
- Proposal 6:** Amendment to the Articles of Incorporation in Relation to the Formulation and Disclosure of a Plan Towards Improving PBR by 1x or More
- Proposal 7:** Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program
- Proposal 8:** Abolition of the Shareholder Benefit Program
- Proposal 9:** Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock
- Proposal 10:** Cancellation of Treasury Stock

- If attending the meeting in person, please present the enclosed voting rights form at the reception desk.
- 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 websites above.
- Of the items subject to measures for electronic provision, the following items are not included in this notice of convocation in accordance with laws and regulations and Article 16, Paragraph 2 of the Company's Articles of Incorporation.
 - "Matters Concerning Stock Acquisition Rights" and "Overview of Systems for Ensuring Appropriateness of Business Activities and Operation Status" of the Business Report
 - "Consolidated Statement of Change in Net Assets" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
 - "Non-consolidated Statement of Change in Net Assets" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

The above items are a portion of the consolidated financial statements and non-consolidated financial statements that were audited by the Accounting Auditor in preparing the accounting audit report, and a portion of the business report, consolidated financial statements and the non-consolidated financial statements that were audited by the Audit & Supervisory Board Members in preparing the audit report.

4. Exercise of Voting Rights:

You may exercise your voting rights by one of the following three (3) methods.

- 1) Exercise of voting rights by attendance at the General Meeting of Shareholders
Please submit the enclosed voting form to the receptionist on the day of the General Meeting of Shareholders.
Date and Time of the General Meeting of Shareholders: Tuesday, June 25, 2024, at 10:00 a.m. (Japan Standard Time)
If you would like to exercise your voting rights by proxy, you may do so by nominating one shareholder with voting rights as proxy. Please also be advised that non-shareholders will not be permitted to attend the meeting.
- 2) Exercise of Voting Rights by Postal Mail
Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us no later than the deadline for exercising voting rights.
Deadline for exercising voting rights: To reach us no later than 5:30 p.m., Monday, June 24, 2024 (Japan Standard Time)
In the event that there is no indication of approval or disapproval of a proposal on the voting form, this shall be treated as an intent of approval for Company Proposals, and disapproval for Shareholder Proposals.
- 3) Exercise of Voting Rights via the Internet
Kindly peruse the "Guide to the Exercise of Voting Rights via the Internet" on page 3, and please exercise your voting rights by accessing the "Smart Exercise" or "Exercise of Voting Rights Website" no later than the deadline for exercising voting rights.
Deadline for exercising voting rights: To input no later than 5:30 p.m., Monday, June 24, 2024 (Japan Standard Time)
 - 1) In cases of duplicate exercise of voting rights both by using the Internet and by using the voting form, the exercise of the voting rights via the Internet shall be treated as valid.
 - 2) In cases in which multiple exercises of voting rights have been made via the Internet, the most recent exercise of voting rights shall be treated as valid.

Guide to the Exercise of Voting Rights via the Internet

1. Exercise of Voting Rights by the “Smart Exercise”

- (1) Please read the QR code*¹ on the right-hand side of the enclosed Voting Form using a smartphone or similar device*², access the “Smart Exercise” website designated by the Company, and indicate your approval or disapproval of the proposals in accordance with the guidance on the screen (It is not necessary to enter the Exercise of Voting Rights Code and the Password).
- (2) The exercise of voting rights using “Smart Exercise” can only be performed once. In the event that you wish to revise the approval or disapproval indicated after exercising voting rights, you must use method 2. below to exercise your voting rights once again.

*1. QR Code is a registered trademark of DENSO WAVE INCORPORATED.

*2. An application (or a feature) to read QR Codes will be required.

2. Exercise of Voting Rights by the entry of the Exercise of Voting Rights Code and the Password

- (1) Please access the “Exercise of Voting Rights Website” (refer to the URL below), and enter the Exercise of Voting Rights Code and the Password printed on the enclosed voting form to log in, then indicate your approval or disapproval in accordance with the guidance on the screen. It is necessary for you to change your password when you log in for the first time.

<https://soukai.mizuho-tb.co.jp/>

- (2) The Exercise of Voting Rights Code and the Password (including the new password selected by yourself when asked to change it) shall be valid only for this Ordinary General Meeting of Shareholders.
- (3) Please be careful how you manage your password, as it is used as a means of confirming the identity of the shareholder exercising voting rights. Please be noted that the Company (shareholder registry administrator) will not contact you to ask for your password.
- (4) If you enter your password incorrectly for a certain number of times, the password will be locked and you will no longer be able to use it. If this occurs, please complete the procedures indicated in the guidance on the screen.

(Notes)

- The deadline for exercising voting rights is 5:30 p.m., Monday, June 24, 2024 (Japan Standard Time). Voting rights reaching the Company (shareholder registry administrator) before the deadline are valid, so we request that you kindly exercise them well in advance.
- In the event that voting rights are exercised both by using the voting form and via the Internet, only the vote performed via the Internet shall be deemed effective. If you exercise your voting rights more than once via the Internet, only your final vote shall be deemed effective.
- You shall bear your own expenses for connection to the Internet.
- Although operational checks have been carried out for the exercise of voting rights for common Internet connection devices, there is a possibility that you may be unable to access the site due to the device you are using and the situation at the time.

3. For your inquiries

If you have any inquiries, please contact the Securities Agent Dept. of Mizuho Trust & Banking Co., Ltd., which is the Company’s shareholder registry administrator, as shown below.

- (1) Inquiries regarding the operation of the “Smart Exercise” and “Exercise of Voting Rights Website”
Tel: 0120-768-524 (toll free only from Japan) (Business hours: 9:00 a.m. to 9:00 p.m. except for year-end and New Year’s holidays)
- (2) Inquiries regarding share handling matters other than the above
Tel: 0120-288-324 (toll free only from Japan) (Business hours: 9:00 a.m. to 5:00 p.m. on weekdays)

Reference Documents for the General Meeting of Shareholders

Items to be Resolved and Reference Documents

<Company Proposals (From Proposal 1 to Proposal 3)>

Proposal 1: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of seven (7) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Satoshi Nitta (March 26, 1956) Reappointment	<p>Apr. 1980 Joined the Company</p> <p>Nov. 2009 Was seconded to Sheng Yu Steel Co., Ltd.</p> <p>Sept. 2010 Was treated as General Manager of Sheng Yu Steel Co., Ltd.</p> <p>Apr. 2012 Senior Executive Officer, Senior General Manager Corporate Planning Division, General Manager of Overseas Business Planning Dept., and Supervisor of Steel Coil & Sheet Plants of the Company</p> <p>Apr. 2014 Senior Executive Officer of the Company President of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>June 2017 Director, Managing Executive Officer of the Company President of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>June 2018 President and Representative Director of the Company (Current Position)</p> <p>[Significant concurrent position outside the Company] President and Representative Director of Keiyo Tekko Futo Co., Ltd.</p>	28,783
<p>Reasons for selection as a candidate for Director</p> <p>Satoshi Nitta has worked mainly in the production and corporate planning department of steel-coil and sheet-related operations. Since he also has considerable operational experience relating to the management of overseas subsidiary companies, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Toshio Kumamoto (March 13, 1963) Reappointment	<p>Apr. 1986 Joined the Company</p> <p>June 2011 General Manager of General Affairs Dept. of the Company</p> <p>Apr. 2014 Executive Officer, General Manager Kure Plant and General Manager of General Affairs Dept. Kure Plant of the Company</p> <p>June 2016 Senior Executive Officer, General Manager Administration Division, General Manager of General Affairs Dept. and General Manager of General Affairs Dept. of Tokyo Branch of the Company</p> <p>June 2017 Senior Executive Officer, Senior General Manager Administration Division, General Manager of General Affairs Dept., General Manager of General Affairs Dept. of Tokyo Branch, in charge of affiliated companies of the Company</p> <p>June 2018 Director, Managing Executive Officer, Senior General Manager Administration Division, General Manager of General Affairs Dept., General Manager of General Affairs Dept. of Tokyo Branch, in charge of affiliated companies of the Company</p> <p>Apr. 2019 Director, Managing Executive Officer, Senior General Manager Administration Division, General Manager of General Affairs Dept., General Manager of General Affairs Dept. of Tokyo Branch, Senior General Manager Corporate Planning Division, General Manager of Overseas Business Planning Dept., in charge of affiliated companies of the Company</p> <p>June 2019 Director, Managing Executive Officer, Senior General Manager Administration Division, General Manager of General Affairs Dept., General Manager of General Affairs Dept. of Tokyo Branch, in charge of affiliated companies of the Company</p> <p>Apr. 2022 Director, Managing Executive Officer, Senior General Manager Administration Division, in charge of domestic affiliated companies of the Company</p> <p>Apr. 2023 Director, Senior Managing Executive Officer, Senior General Manager Administration Division, General Manager of Legal Affairs Dept., in charge of domestic affiliated companies of the Company (Current Position)</p>	13,943
<p>Reasons for selection as a candidate for Director</p> <p>Toshio Kumamoto has worked mainly in the general affairs department. Since he also has considerable operational experience as a leader of main plants, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Tadashi Hattori (July 16, 1958) Reappointment	<p>Apr. 1982 Joined the Company</p> <p>June 2011 General Manager of Sales Dept. - 1 of Sales Division of the Company</p> <p>Apr. 2012 Executive Officer, General Manager Sales Division, General Manager of Sales Dept. - 1, and Branch Manager of Tokyo of the Company</p> <p>Apr. 2015 Executive Officer, General Manager Sales Division, and General Manager of Sales Dept. - 1 of the Company</p> <p>June 2016 Senior Executive Officer of the Company President and Representative Director of YODOKO SHOJI CO., LTD.</p> <p>June 2019 Director, Managing Executive Officer, Senior General Manager of the Sales Division, General Manager of Sales Dept. - 1 and Sales Dept. - 2, and Branch Manager of Tokyo of the Company</p> <p>Apr. 2020 Director, Managing Executive Officer, Senior General Manager of the Sales Division, General Manager of Sales Dept. - 1, and Branch Manager of Tokyo of the Company</p> <p>Oct. 2020 Director, Managing Executive Officer, Senior General Manager of the Sales Division, and Branch Manager of Tokyo of the Company</p> <p>Apr. 2021 Director, Managing Executive Officer, Senior General Manager of the Sales Division, and in charge of Development Division of the Company</p> <p>Apr. 2023 Director, Senior Managing Executive Officer, Senior General Manager of the Sales Division, and in charge of Development Division of the Company</p> <p>Apr. 2024 Director, Senior Managing Executive Officer, Senior General Manager of the Sales Division, and in charge of Building Materials Development Dept. of the Company (Current Position)</p>	16,943
<p>Reasons for selection as a candidate for Director</p> <p>Tadashi Hattori has worked mainly in the sales department of steel-coil and sheet-related operations. Since he also has considerable operational experience relating to the management of subsidiary companies, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Eiichi Tanaka (August 19, 1962) Reappointment	<p>Apr. 1985 Joined the Company</p> <p>Feb. 2014 Was seconded to PCM PROCESSING (THAILAND) LTD., Director and President</p> <p>June 2017 Corporate Officer, General Manager Corporate Planning Division, General Manager of Overseas Business Planning Dept. of the Company</p> <p>June 2018 Executive Officer, Senior General Manager Corporate Planning Division, General Manager of Overseas Business Planning Dept. of the Company</p> <p>Apr. 2019 Executive Officer of the Company Director of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>June 2019 Executive Officer of the Company President of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>June 2020 Executive Officer of the Company Chairman of the Board, YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>June 2021 Senior Executive Officer of the Company Chairman of the Board, YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>Apr. 2022 Managing Executive Officer, Senior General Manager Corporate Planning Division, and General Manager of Overseas Business Planning Dept. of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD., in charge of overseas affiliated companies of the Company</p> <p>June 2022 Director, Managing Executive Officer, Senior General Manager Corporate Planning Division, and General Manager of Overseas Business Planning Dept. of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD., in charge of overseas affiliated companies of the Company</p> <p>Apr. 2023 Director, Senior Managing Executive Officer, Senior General Manager Corporate Planning Division, and in charge of plants of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD., in charge of overseas affiliated companies of the Company</p> <p>Apr. 2024 Director, Senior Managing Executive Officer, Senior General Manager Corporate Planning Division, in charge of plants and in charge of Steel Sheet Development Dept. of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD., in charge of overseas affiliated companies of the Company (Current Position)</p>	10,794

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
		[Significant concurrent position outside the Company] Chairman of the Board, YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.	
	Reasons for selection as a candidate for Director Eiichi Tanaka has worked mainly in the sales department of steel-coil and sheet-related operations. Since he also has considerable operational experience relating to the management of overseas subsidiary companies, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.		
5	Sadao Kobayashi (December 11, 1951) Reappointment	<p>Apr. 1974 Joined Mitsubishi Plastics, Inc. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2010 Executive Officer, General Manager of Nagahama Plant and General Manager of Santo Plant of Mitsubishi Plastics, Inc.</p> <p>Apr. 2011 Director of the Board and Managing Executive Officer of Mitsubishi Plastics, Inc., and Managing Executive Officer of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>Apr. 2015 Representative Director and Senior Managing Executive Officer of Mitsubishi Plastics, Inc.</p> <p>Apr. 2017 Advisor to Mitsubishi Chemical Corporation</p> <p>June 2019 Advisor to Japan Excel-Management Consulting Co., Ltd. (JEMCO)</p> <p>June 2021 Outside Director of the Company (Current Position)</p>	0
	Reasons for selection as a candidate for Outside Director and overview of expected role Sadao Kobayashi has extensive experience as a manager of a listed company, including leadership of overseas group companies, and a wide range of insight based on his many years of experience in the manufacturing and production technology sectors. The Company proposes that he be reappointed as an Outside Director so that his independent viewpoints from outside the Company can continue to be applied to the management of the Company for contributing to its further development. After his appointment, we expect him to fulfill the above role.		
6	Katsuyuki Kuse (March 12, 1963) Reappointment	<p>Apr. 1991 Registered as Attorney Joined KANSAI LAW & PATENT OFFICE</p> <p>Aug. 1993 Joined Kudawara & Kuse Law Office (currently Kuse Law Office), Partner</p> <p>June 2009 Member of Committee on Intellectual Property Rights of Japan Federation of Bar Associations (Current Position)</p> <p>Sept. 2010 Representative Attorney of Kudawara & Kuse Law Offices (currently Kuse Law Office) (Current Position)</p> <p>June 2013 Japan Intellectual Property Association Lecturer</p> <p>Apr. 2019 Osaka Bar Association, Intellectual Property Committee Chair</p> <p>June 2021 Outside Director of the Company (Current Position)</p>	0
	Reasons for selection as a candidate for Outside Director and overview of expected role Katsuyuki Kuse has tremendous experience as an attorney at law and insight into a wide range of corporate legal matters, particularly intellectual property rights. The Company proposes that he be re-elected as an Outside Director so that his independent viewpoints from outside the Company can continue to be applied to the management of the Company for contributing to further enhancement of the Company's corporate governance and the further revitalization of the Board of Directors. He has not been directly involved with the management of a company other than serving as an outside officer. However, he has considerable expertise involving legal matters as an attorney at law. Since he has sufficient knowledge to deal with these matters, the Company believes that he will be able to properly perform the duties of an Outside Director. After his appointment, we expect him to fulfill the above role.		

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Miho Ishihara (February 17, 1969) Newly appointed	<p>Oct. 1996 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Jan. 2002 Registered as Certified Public Accountant</p> <p>Feb. 2006 Joined Protiviti Japan (currently Protiviti LLC)</p> <p>Apr. 2009 Joined EY Advisory Co., Ltd. (currently EY Strategy and Consulting Co., Ltd.)</p> <p>May 2010 Opened Ishihara Certified Public Accountant Office (currently Ishihara Certified Public Accountant & Certified Public Tax Accountant Office) (Current Position)</p> <p> Joined Hibiki Audit Corporation</p> <p>Dec. 2010 Registered as Certified Public Tax Accountant</p> <p>June 2019 Outside Audit & Supervisory Board Member of the Company (Current Position)</p> <p>June 2022 Outside Director of NICHIA STEEL WORKS, LTD. (Current Position)</p> <p>May 2023 Outside Director and Audit and Supervisory Committee Member of ZUIKO CORPORATION (Current Position)</p> <p>July 2023 Senior Partner of Kainan Audit Corporation (Current Position)</p> <p>[Significant concurrent position outside the Company]</p> <p>Outside Director of NICHIA STEEL WORKS, LTD.</p> <p>Outside Director and Audit and Supervisory Committee Member of ZUIKO CORPORATION</p> <p>Senior Partner of Kainan Audit Corporation</p>	0
<p>Reasons for selection as a candidate for Outside Director and overview of expected role</p> <p>Miho Ishihara has many years of experience mainly as a Certified Public Accountant and Certified Public Tax Accountant. In addition, she has experience as a consultant in matters concerning internal control and risk management. She has been contributing to the further enhancement of corporate governance as an Outside Audit & Supervisory Board Member since June 2019. From the perspective of further enhancing the diversity of the Board of Directors of the Company, we believe that it would be useful to utilize her experience and knowledge at the Board of Directors, and so we request that she be appointed as an Outside Director. She has not been directly involved with the management of a company other than serving as an outside officer. However, she has considerable expertise involving finance and accounting matters as a Certified Public Account and Certified Public Tax Accountant. Since she has sufficient knowledge to deal with these matters, the Company believes that she will be able to properly perform the duties of an Outside Director. After her appointment, we expect her to fulfill the above role.</p>			

- Notes:
1. There is no particular business or other relationship between any of the candidates and the Company.
 2. Director candidate Satoshi Nitta is scheduled to retire from his position as Representative Director of Keiyo Tekko Futo Co., Ltd. as of the date of the conclusion of the general meeting of shareholders for the 56th period of said company scheduled to be held on June 17, 2024.
 3. Number of Years since the Candidates for Outside Directors were appointed as Outside Directors or Audit & Supervisory Board Members of the Company
As of the date of the conclusion of this General Meeting of Shareholders, Sadao Kobayashi and Katsuyuki Kuse both will have served as Outside Directors of the Company for a period of three (3) years, and Miho Ishihara will have served as Outside Audit & Supervisory Board Member of the Company for a period of five (5) years.
 4. Director candidates Sadao Kobayashi, Katsuyuki Kuse, and Miho Ishihara are candidates for election as Outside Directors. A notice has been submitted to the Tokyo Stock Exchange that these three candidates are designated as Independent Officers in accordance with the regulations of this exchange.
 5. The Company has agreements with Sadao Kobayashi and Katsuyuki Kuse respectively that limit their liability as prescribed in Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The liability limit in these agreements is the higher of 8 million yen or the minimum limit on liability in Article 425, Paragraph 1 of the Companies Act, and in case they are re-elected, the Company plans to continue such agreements with them. If Miho Ishihara is elected, the Company plans to enter into the same limited liability agreement with her.

6. The Company shall enter into a liability insurance agreement with an insurance company for Directors, Officers, and others, as provided for in Article 430-3, Paragraph 1 of the Companies Act, and the insurance policy covers damages and litigation expenses incurred by the insured due to claims for damages arising from the insured's acts (including omissions) committed by the insured in the course of their duties as Director and Officers of the Company. If each candidate is elected, the candidate will be included as an insured person under this insurance policy. The Company plans to renew this insurance policy with the same terms and conditions during the term of office.

(Reference) Structure of the Board of Directors (projected makeup from June 25, 2024)

1. Expertise and experience expected of Directors

Name	Years in office	Independent outside officer	Experience in managing other companies	Committee member	Areas of particular expertise								
					Business management and management strategy	Sales and marketing	Production, technology, and development	Human resources and labor	Finance and accounting	Legal affairs	Foreign operations	ICT and DX	ESG and sustainability
Satoshi Nitta	7			○	●		●				●	●	●
Toshio Kumamoto	6				●			●	●	●			●
Tadashi Hattori	5				●	●	●				●		
Eiichi Tanaka	2				●	●	●				●	●	●
Sadao Kobayashi	3	○	○	○	●		●				●		
Katsuyuki Kuse	3	○		○						●			●
Miho Ishihara	Newly appointed	○		○					●				●

2. Description of expertise and experience expected of above Directors

Satoshi Nitta	In addition to the fields of Production and technology and Foreign operations, in which he has long experience, he is expected to provide top management leadership in ICT and DX and in ESG and sustainability, areas in which strategic initiatives will be necessary for the Company.
Toshio Kumamoto	In addition to the field of Human resources and labor, in which he has long experience, he is expected to provide expertise in the fields of Finance and accounting, Legal affairs, and ESG and sustainability as Senior General Manager of Administration Division.
Tadashi Hattori	In addition to the field of Sales and marketing, in which he has long experience, he is expected to provide expertise in development and Foreign operations, leveraging his marketing perspective.
Eiichi Tanaka	In addition to the fields of Sales and marketing and Foreign operations, in which he has long experience, he is expected to provide expertise in ICT and DX, ESG and sustainability, and Production, technology and development as Senior General Manager Corporate Planning Division and in charge of plants.
Sadao Kobayashi	He is expected to provide general management advice based on his extensive experience in the Production and Technology sector, including leadership of overseas group companies, as well as his knowledge as a manager in a listed company.
Katsuyuki Kuse	He is expected to contribute to corporate governance by utilizing his knowledge as an attorney with experience in corporate legal affairs.
Miho Ishihara	In addition to the fields of finance and accounting, in which she has extensive experience and knowledge, she is expected to provide advice on corporate governance based on her experience in risk-management-related consultancy.

Proposal 2: Election of Four (4) Audit & Supervisory Board Members

The term of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of four (4) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kenji Hayashi (July 9, 1959) Newly appointed	Apr. 1982 Joined the Company	4,763
		Sept. 2006 Group Leader of Planning Group of Information Systems Dept. of Corporate Planning Division	
2	Hiroaki Shinohara (March 15, 1965) Newly appointed	Sept. 2016 General Manager of Information Systems Dept. of Corporate Planning Division	2,006
		July 2019 General Manager of Information Systems Dept. of Corporate Planning Division (Commissioned)	
3	Ritsuko Watanabe (June 15, 1977) Reappointment	Apr. 2023 Mentor of ICT Promotion Dept. of Corporate Planning Division (Current Position)	0
		Sept. 2007 Registered as Attorney	
Reasons for selection as a candidate for Audit & Supervisory Board Member			
Kenji Hayashi has extensive experience at the information systems department, and consequently we request that he be appointed as an Audit & Supervisory Board Member in order for his experience and knowledge to be used in the audit system of the Company.			
Reasons for selection as a candidate for Audit & Supervisory Board Member			
Hiroaki Shinohara has extensive experience in the finance & accounting department, and consequently we request that he be appointed as an Audit & Supervisory Board Member in order for his experience and knowledge to be used in the audit system of the Company.			
Reasons for selection as a candidate for Outside Audit & Supervisory Board Member			
Ritsuko Watanabe has extensive experience as an Attorney and we request that she be appointed as an Outside Audit & Supervisory Board Member so that her independent viewpoints from outside the Company can be reflected in the auditing process and because we believe that the effectiveness of the Company's Audit & Supervisory Board will benefit as a result of her participation. She has not been directly involved with the management of a company. However, as an Attorney she has considerable expertise in legal matters and the Company believes that she will be able to properly perform the duties of an Outside Audit & Supervisory Board Member.			

No.	Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Tomoko Matano (October 18, 1975) Newly appointed	Oct. 1998 Joined Asahi & Co. (currently KPMG AZSA LLC) Apr. 2002 Registered as Certified Public Accountant Apr. 2008 Joined GYOSEI & CO. Sept. 2012 Registered as Certified Public Tax Accountant Opened Matano Certified Public Accountant Office (Current Position) Oct. 2014 Partner of GYOSEI & CO. (Current Position)	0
<p>Reasons for selection as a candidate for Outside Audit & Supervisory Board Member</p> <p>Tomoko Matano has considerable knowledge of finance and accounting from her many years of experience as a Certified Public Accountant. She was asked to become an Outside Audit & Supervisory Board Member candidate in order to utilize this knowledge in the Company's auditing activities. She has not been directly involved with the management of a company. However, she has considerable expertise involving finance, and accounting matters as a Certified Public Accountant. Since she has sufficient knowledge to deal with these matters, the Company believes that she will be able to properly perform the duties of an Outside Audit & Supervisory Board Member.</p>			

- Notes:
- There is no particular business or other relationship between any of the candidates and the Company.
 - Number of Years since the Candidates for Outside Audit & Supervisory Board Members were appointed as Outside Audit & Supervisory Board Members of the Company
As of the date of the conclusion of this General Meeting of Shareholders, Ritsuko Watanabe will have served as Outside Audit & Supervisory Board Member of the Company for a period of four (4) years.
 - Audit & Supervisory Board Member candidates Ritsuko Watanabe and Tomoko Matano are candidates for election as Outside Audit & Supervisory Board Members. A notice has been submitted to the Tokyo Stock Exchange that they are Independent Officers in accordance with the regulations of this exchange.
 - The Company has agreement with Ritsuko Watanabe that limits her liability as prescribed in Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The liability limit in this agreement is the higher of 8 million yen or the minimum limit on liability in Article 425, Paragraph 1 of the Companies Act, and in case she is re-elected, the Company plans to continue such agreement with her. If Tomoko Matano is elected, the Company plans to enter into the same limited liability agreement with her.
 - The Company shall enter into a liability insurance agreement with an insurance company for Directors, Officers, and others, as provided for in Article 430-3, Paragraph 1 of the Companies Act, and the insurance policy covers damages and litigation expenses incurred by the insured due to claims for damages arising from the insured's acts (including omissions) committed by the insured in the course of their duties as Director and Officers of the Company. If each candidate is elected, the candidate will be included as an insured person under this insurance policy. The Company plans to renew this insurance policy with the same terms and conditions during the term of office.
 - Ritsuko Watanabe is expected to be elected and appointed Outside Director and Executive Auditor of Nankai Chemical Co., Ltd. at the general meeting of shareholders of said company that is scheduled to be held on June 26, 2024.
 - Ritsuko Watanabe is listed in the Family Register under the name of Ritsuko Oura.

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes that one (1) substitute Audit & Supervisory Board Member be elected to prepare for a case where the number of the members of Audit & Supervisory Board falls below the number stipulated by laws and regulations.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and significant concurrent position outside the Company	Number of the Company's shares owned
Toru Yasuhara (January 27, 1960)	Apr. 1983 Joined Export-Import Bank of Japan (currently Japan Bank for International Cooperation) Oct. 1995 Joined Seigo Yasuhara Accounting Office (currently Yasuhara Accounting Office) (Current Position) Apr. 1999 Registered as Certified Public Accountant July 2003 Registered as Certified Public Tax Accountant July 2014 Senior Partner of PKF HIBIKI AUDIT CORPORATION	0
Reasons for selection as a candidate for substitute Outside Audit & Supervisory Board Member Toru Yasuhara has considerable knowledge of finance and accounting from him many years of experience as a Certified Public Accountant. He was asked to become a substitute Outside Audit & Supervisory Board Member candidate in order to utilize this knowledge in the Company's auditing activities. He has not been directly involved with the management of a company. However, he has considerable expertise involving finance, and accounting matters as a Certified Public Accountant. Since he has sufficient knowledge to deal with these matters, the Company believes that he will be able to properly perform the duties of an Outside Audit & Supervisory Board Member.		

- Notes:
1. There is no particular business or other relationship between the candidate and the Company.
 2. Toru Yasuhara is a candidate for election as a substitute Outside Audit & Supervisory Board Member.
 3. Toru Yasuhara fulfills the requirements as an Outside Audit & Supervisory Board Member.
 4. If Toru Yasuhara is elected as Outside Audit & Supervisory Board Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that he is designated as an Independent Officer in accordance with the regulations of this exchange.
 5. If Toru Yasuhara is elected as Outside Audit & Supervisory Board Member, in accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company plans to establish an agreement with this individual that limits his liability as prescribed in Article 423, Paragraph 1 of the Companies Act. The liability limit in this agreement will be the higher of 8 million yen or the minimum limit on liability in Article 425, Paragraph 1 of the Companies Act.
 6. The Company shall enter into a liability insurance agreement with an insurance company for Directors, Officers, and others, as provided for in Article 430-3, Paragraph 1 of the Companies Act, and the insurance policy covers damages and litigation expenses incurred by the insured due to claims for damages arising from the insured's acts (including omissions) committed by the insured in the course of their duties as Director and Officers of the Company. If Toru Yasuhara is appointed as Outside Audit & Supervisory Board Member, he will be included as an insured person under this insurance policy. The Company plans to renew this insurance policy with the same terms and conditions during the term of office.

<Shareholder Proposals (From Proposal 4 to Proposal 10)>

Proposal 4 through to Proposal 10 were filed by shareholders (two shareholders).

The following agenda items, proposal content, and reasons for proposal have been arranged as individual proposals using the original text as submitted by the proposing parties.

Content of proposal

In regard to the proposals of 1, 3, 4, 6, and 8 below (hereinafter referred to as “the Proposals”), in the event of it becoming necessary to make formal adjustments to the chapters or articles of the Company’s Articles of Incorporation mentioned in the Proposals (including but not limited to the revision of article numbers) due to the approval or rejection of other proposals at this Ordinary General Meeting of Shareholders (including proposals related to Company Proposals), the text of the Proposals shall be reworded based on the actual text after such necessary adjustments have been made. A detailed explanation of each Shareholder Proposal below can be found by visiting <https://stracap.jp/5451-YODOGAWA/> or via the special site link shown on the top right of the Strategic Capital, Inc. website at <https://stracap.jp/>. All company figures stated in each Shareholder Proposal, with the exception of where expressly stated as being (non-consolidated), are based on the Consolidated Financial Statements.

(Company Note) Proposals 1, 3, 6, and 8 in “the proposals of 1, 3, 4, 6, and 8 below” refer to Proposals 4, 6, 7, and 9. The Company received a written request on May 15, 2024 from the proposing shareholders indicating that they would like to withdraw Proposal 4, and because the Board of Directors of the Company agreed to the withdrawal of this Shareholder Proposal, it will not be submitted.

Proposal 4: Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.

1. Overview of Proposal

Article 35 and Article 36 of the current Articles of Incorporation shall be amended as follows.

Current Articles of Incorporation

(Decision-making body for determining dividends from surplus, etc.)

Article 35 – The Company shall determine the matters provided for in each item of Article 459 Paragraph 1 of the Companies Act, including dividends from surplus, etc. by a resolution of the Board of Directors and not by a resolution of the General Meeting of Shareholders, unless otherwise provided for by laws and regulations.

(Record date for dividends from surplus)

Article 36 – The record date for the year-end dividend of the Company shall be March 31 of each year.

2. The record date for the interim dividends of the Company shall be September 30 of each year.
3. In addition to the preceding two paragraphs, the Company may declare dividends from surplus by setting a record date.

Proposed Amendments (The underlined sections indicate changes.)

(Dividends from surplus)

Article 35 – The Company may, by resolution of the General Meeting of Shareholders, pay a year-end dividend to the shareholders or registered share pledges stated or recorded on the shareholder registry as of the last day of each fiscal year.

2. In addition to the preceding paragraph, the Company may, by a resolution of the Board of Directors, pay interim dividends to the shareholders or registered share pledges stated or recorded on the shareholder registry as of September 30 of each year.

3. In addition to the preceding two paragraphs, the Company may declare dividends from surplus by setting a record date.

Article 36 - Delete

2. Reasons for Proposal

This proposal aims to make the General Meeting of Shareholders the decision-making body for year-end dividends.

The Company specifies dividends by resolution of the Board of Directors rather than by resolution of a General Meeting of Shareholders; however, the Company's share price has remained sluggish for a long period, and it is difficult to say that the Board of Directors is conducting management in a manner that contributes to improved shareholder value.

The shareholder return policy in the Company's Medium-term Management Plan is for a "consolidated payout ratio of 30% to 50%"; however, the Company's equity ratio, as of March 31, 2023, is at the extremely high level of approximately 71%. In addition, the Company holds a high level of cash and cash-equivalent assets, and any further increase in the equity capital would only result in a decrease in ROE.

For the past 25 years, the Company's PBR has never consistently exceeded the dissolution value of 1x. This is mainly due to ROE being less than the cost of shareholders' equity.

The Company should therefore change its management policy to one that contributes to improving shareholder value by making the General Meeting of Shareholders the decision-making body for dividends, as this will result in improved governance and increased ROE, as well as reducing the cost of shareholders' equity, etc.

[Opinion of the Board of Directors Concerning Proposal 4]

The Board of Directors is **opposed to Proposal 4.**

This Shareholder Proposal seeks to amend the Articles of Incorporation so that decisions on dividends from surplus, etc. are made by resolution of a General Meeting of Shareholders.

The Board of Directors of the Company believes it reasonable for the policy on shareholder returns, which also includes the specific amount of dividends, etc. for each fiscal year, to be determined by the Board of Directors of the Company, pursuant to the medium- to long-term management policy of the Company, which is based on the business environment surrounding the Company and its business characteristics. For this reason, we believe that agile and flexible decision making at the Board of Directors, rather than at a General Meeting of Shareholders, with these matters regarded as being subject to management decisions is necessary in order to improve the medium- to long-term corporate value of the Company, and that this will contribute to the interests of all shareholders.

Therefore, the Company, pursuant to the provisions of Article 35 of the Company's Articles of Incorporation, has prescribed the Board of Directors as being the decision-making body for dividends from surplus, etc.

The Company recognizes the return of profit to all shareholders as being one of its most important issues, and in terms of measures to this end, we use the payment of dividends based on business performance, purchases of treasury stock, etc. Our basic policy is to pay dividends in accordance with business performance in a stable and ongoing manner, with dividends being paid in consideration of the capital required for investments, etc. towards improving corporate value, forecasts for future business performance, and the maintenance of a sound financial position, etc.

Pursuant to this basic policy described above, the Company, as published in its "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" issued on April 25, 2024, maintains a policy of appropriately controlling the level of equity capital in order to realize an ROE of 8% or more as soon as possible. Going forward, the Company will continue to maximize profits through a review of the business portfolio, while at the same time optimize capital through a review of the capital policy, and will work to achieve sustainable growth and improvement of its medium- to long-term corporate value.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

Proposal 5: Disposal of Surplus

1. Overview of Proposal

On the condition that Proposal 1 is approved, dividends from surplus shall be paid as follows.

(1) Type of dividend property

Cash

(2) Matters relating to the allotment of dividend property and the total amount thereof

In addition to the amount of the Company dividend, the figure obtained by deducting the amount of dividends per share of common stock based on the proposal relating to the disposal of surplus determined by the Company's Board of Directors (hereinafter referred to as "Company Proposal for Disposal of Surplus") or the amount of dividends per share of common stock determined by the Board of Directors for the disposal of surplus (including planned disposals) as of March 31, 2024 by the date of the 125th General Meeting of Shareholders based on Article 35 of the Company's Articles of Incorporation (hereinafter these dividend amounts based on the decision of the Board of Directors are collectively referred to as "Company Dividend Amount") from 391 yen (hereinafter referred to as "Additional Dividend Amount") shall be paid per share of common stock to shareholders of the common stock of the Company as of the record date for voting rights at the 125th General Meeting of Shareholders (hereinafter referred to as "Allotment Date").

In the event of the amount obtained by multiplying the net assets per share as of March 31, 2024 (refers to the value as calculated upon excluding the number of shares of treasury stock from the number of outstanding shares, in accordance with the ASBJ Guidance No. 4 "Guidance on Accounting Standard for Earnings Per Share") by 0.06 (fractions shall be rounded down; the same applies hereinafter) differing from 391 yen, the 391 yen indicated at the beginning shall be rephrased to an amount equivalent to 6% DOE.

The total amount of dividends shall be the amount obtained by multiplying the number of shares eligible for dividends as of the Company's allotment date by the Additional Dividend Amount.

(3) Date of effect of dividends from surplus

The day following the Company's 125th General Meeting of Shareholders

This proposal is an additional proposal that is both independent from and compatible with the Company Proposal for Disposal of Surplus if proposed at the 125th General Meeting of Shareholders.

2. Reasons for Proposal

This proposal is intended to set dividends at a rate of 6% of equity capital.

As described in the reasons for proposal provided for the previous proposal, there is no need for the Company to accumulate any further equity capital, and there are concerns that the current shareholder return policy will cause a further increase in the cost of capital as well as a decrease in ROE.

We would therefore like to change the current shareholder return policy from a "consolidated payout ratio of 30% to 50%" to a "consolidated payout ratio of 100%, and 6% DOE."

In the event of ROE being less than 6%, the payout ratio will exceed 100%. Based on this, the Company should demonstrate a policy of gradually reducing equity capital and improving capital efficiency, as well as providing stable returns to shareholders.

(Company Note) "Proposal 1" above refers to Proposal 4 at this meeting.

The Board of Directors is **opposed to Proposal 5.**

This Shareholder Proposal seeks the disposal of surplus on the condition that “Proposal 4. Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.” is approved. The Company, as described in its reasons for opposition to “Proposal 4. Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.,” regards the return of profits to all shareholders as one of its most important issues.

The Company, as described in the “Yodogawa Steel Group Medium-term Management Plan (2025)” (hereinafter referred to as the “current Medium-term Management Plan”), is working towards further strengthening earning power and further improving capital efficiency over the medium to long term under the axes of “Build an even stronger profit structure,” “Take on the challenge of entering new business fields,” and “Establish a foundation for sustainable operations.” Suitable growth investment will be necessary to realize these goals, and therefore, the Company has established a basic capital policy that seeks to maintain a balance between business investment and shareholder returns.

Specifically, as the Company’s business requires an enormous amount of investment in production equipment, etc., the current Medium-term Management Plan includes a plan for capital investment of 20 to 25 billion yen in the three-year period from FY2023 to FY2025. In addition, as published in “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” towards the prompt realization of an ROE of 8% or more, it is planned for shareholder returns with a consolidated payout ratio of 75% or more to be actualized, while maintaining an annual dividend amount of 200 yen or more per share of common stock during the current Medium-term Management Plan period. In FY2023, as published in the “Notification of Dividends from Surplus for the Period Ending March 2024,” we plan to pay a year-end dividend of 145 yen per share of common stock. Combined with the interim dividend of 55 yen, the annual dividend will be 200 yen per share of common stock, which is a substantial increase compared to the annual dividend of 111 yen per share of common stock that was paid in FY2022.

On the other hand, on the condition that “Proposal 4. Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.” is approved, this Shareholder Proposal states that the Company should provide dividends in FY2023 of an amount equivalent to 6% DOE and that ROE should be improved by reducing the equity capital of the Company.

However, this Shareholder Proposal runs contrary to the Company’s capital policy, as set forth in the current Medium-term Management Plan, of maximizing profits through a review of the business portfolio, while at the same time optimizing capital through a review of the capital policy. The Company believes that, in order to achieve future growth, it necessary to secure the cash on hand required for growth investments, etc. for “strengthening existing businesses” and “creating new businesses.” In addition, the Company is confident that maximizing profits through such growth investments, etc. and improving ROE while increasing profitability and productivity is the most appropriate way to increase the medium- to long-term corporate value of the Company, and thereby improve the common interests of shareholders.

This Shareholder Proposal does not take into account the need for the Company’s medium- to long-term growth investments, etc. Furthermore, as the intent of this Shareholder Proposal is to reduce equity capital through short-term shareholder returns and superficially improve ROE though financial leverage, the Company does not believe that it will contribute to increasing the medium- to long-term corporate value of the Company or to improving the common interests of shareholders.

Based on the above, **the Company’s Board of Directors opposes this Shareholder Proposal.**

Proposal 6: Amendment to the Articles of Incorporation in Relation to the Formulation and Disclosure of a Plan Towards Improving PBR by 1x or More

1. Overview of Proposal

To add the following chapter and article to the current Articles of Incorporation.

Chapter VII Management Plan

(Management Plan)

Article 37 If the PBR as of the last trading date on the Tokyo Stock Exchange during the previous fiscal year of the Company is less than 1x, the Company shall establish a Management Plan to increase the PBR to 1x or more. The PBR shall be calculated by dividing the share price of the Company's common stock by the Company's consolidated net asset per share (calculated in accordance with ASBJ Guidance 4 of the "Guidance on Accounting Standard for Earnings per Share" including deducting the number of shares of treasury stock from the number of outstanding shares).

2. The Management Plan must be reasonable and include the establishment of ROE targets, the sale of cross-shareholdings and leased properties unable to achieve a return above the cost of capital, etc.

3. The Company shall announce the Management Plan through the Timely Disclosure Network operated by the Tokyo Stock Exchange by the announcement date of the financial results for the second quarter of the fiscal year.

2. Reasons for Proposal

In March 2023, the Tokyo Stock Exchange requested that listed companies create an "Action to Implement Management that is Conscious of Cost of Capital and Stock Price." As the Company, as of March 28, 2024, has not yet announced its policy to respond to such request, the Company is required to take particularly urgent action as the Company's PBR is regularly below 1x.

The Company's PBR has never consistently exceeded the 1x dissolution value during the past 25 years. It is clear that drastic management reforms and changes to the capital policy are necessary in order to break out from the long-term sluggish share price, and with this in mind, we request the Company to formulate and announce a specific plan for responding to the aforementioned request of the Tokyo Stock Exchange.

In particular, as the ROE of the Medium-term Management Plan is only 5%, this should be set at 8% or above at the very least, which is the minimum level that listed companies should be targeting, and a plan should be reformulated towards its realization.

[Opinion of the Board of Directors Concerning Proposal 6]

The Board of Directors is **opposed to Proposal 6.**

This Shareholder Proposal seeks to examine the efforts for the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" requested by the Tokyo Stock Exchange on March 31, 2023, and to newly establish a chapter and article in the Articles of Incorporation with the purport of the appropriate disclosure of the current evaluation status, targets, initiatives, and timing of implementation based on this request. Where this Shareholder Proposal refers to specific content such as the sale of cross-shareholdings, leased properties, and the setting of an ROE target, the Company believes that management decisions should be made on a case-by-case basis regarding what kind of plan we should use to improve our PBR in relation to the disclosures for this request from the Tokyo Stock Exchange, also taking into consideration the highly fluid nature of the business environment, etc., and believe that it would be inappropriate to include content such as that described in this Shareholder Proposal in the Articles of Incorporation, which serves the role of prescribing the fundamental standards of the Company.

The Company, based on such request from the Tokyo Stock Exchange, at the meeting of the Board of Directors held on April 25, 2024, passed a resolution on the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" in the form of a plan towards improving PBR, and is working on improving PBR based on this plan.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

Proposal 7: Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program

1. Overview of Proposal

To add the following chapter and article to the current Articles of Incorporation.

Chapter 9 Introduction of Shareholder Benefit Program, Etc.

(Introduction of Shareholder Benefit Program, Etc.)

Article 40 The introduction, continuation, amendment and abolition of a shareholder benefit program shall be subject to a resolution at a General Meeting of Shareholders.

2. Reasons for Proposal

This proposal intends to abolish the shareholder benefit program.

The Company previously introduced the shareholder benefit program, and under the shareholder benefit program announced on February 27, 2024, catalog gifts and shareholder admission tickets to Yodoko Guest House are distributed to eligible shareholders.

However, this plan is unfair for major shareholders, as they receive the same benefits regardless of how much their shareholding increases. In addition, there are cases where institutional investors refuse receipt of shareholder vouchers, in which case they receive no benefit whatsoever.

If there were a shareholder benefit program involving the provision of the Company's own products and services, etc., this would raise awareness of the Company's products and services, and would likely contribute to an indirect improvement of performance and increase in shareholder value; however, the shareholder benefit program of the Company is completely unrelated to the Company's core business, and cannot be expected to produce any similar effect.

It is therefore difficult to say that the Company's shareholder benefit program provides equal benefit to all shareholders, and it would be desirable for the introduction, continuation, amendment, and abolition of the shareholder benefit program to be made subject to resolution at a General Meeting of Shareholders.

[Opinion of the Board of Directors Concerning Proposal 7]

The Board of Directors is opposed to **Proposal 7**.

The Company aims to take advantage of the shareholder benefit program in order to raise awareness of the Company, increase understanding of its business, and create an incentive and motivation to become shareholders, and regards shareholder returns to be a matter that should be comprehensively considered in conjunction with the payment of dividends and purchases of treasury stock. Therefore, the Company believes that it is desirable for the introduction, continuation, revisions and abolition of the shareholder benefit program to be determined by resolution of the Board of Directors rather than by resolution of a General Meeting of Shareholders. In addition, we consider it appropriate for decisions on the individual specific details of business execution to be entrusted to the Board of Directors and do not consider it to be appropriate to include such details as described in this Shareholder Proposal in the Articles of Incorporation, which serves the role of prescribing the fundamental standards of the Company.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal**.

Proposal 8: Abolition of the Shareholder Benefit Program

1. Overview of Proposal

On the condition that Proposal 6 is approved, the shareholder benefit program for the period ended March 2024, which was announced on February 27, 2024, shall be abolished.

2. Reasons for Proposal

As described in the previous proposal, the shareholder benefit program of the Company is an unequal plan for shareholders and cannot be expected to result in enhancement of shareholder value through increased awareness of the Company's products and services.

The Company has described the purpose of the shareholder benefit program on its website as having "the main objectives of expressing gratitude to all shareholders for their continued support, increasing the appeal of investing in shares of the Company, and encouraging shareholders to retain their shares of the Company in the medium to long term." Return for shareholders, however, only concerns the share price and dividends, and the appeal of the shares should be increased through these issues.

Therefore, it would be desirable for the shareholder benefit program to be abolished, and to transition to a policy that seeks to increase shareholder value through the share price and dividends.

(Company's Note) "Proposal 6" above refers to Proposal 7 at this meeting.

[Opinion of the Board of Directors Concerning Proposal 8]

The Board of Directors is **opposed to Proposal 8.**

This Shareholder Proposal seeks to abolish the Company's shareholder benefit program on the condition that "Proposal 7. Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program" is approved.

As also stated in our reasons for opposition to "Proposal 7. Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program," the shareholder benefit program has the objectives of expressing gratitude to all shareholders for their continued support, increasing the appeal of investing in shares of the Company, and encouraging shareholders to retain their shares of the Company in the medium to long term.

The Company determined the content of the shareholder benefit program for FY2023 upon having carefully considered the shareholder benefit program, including the pros and cons of its continuation, based on the requests of a variety of shareholders, and has received positive feedback from many shareholders.

The Company would like to continue to meet the expectations of its many shareholders.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

Proposal 9: Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock

1. Overview of Proposal

To add the following chapter and article to the current Articles of Incorporation.

Chapter 10 Cancellation of Treasury Stock

(Cancellation of Treasury Stock)

Article 41 The Company may cancel treasury stock (including determination of the class and number of each class of treasury stock to be cancelled) by a resolution of the General Meeting of Shareholders.

2. Reasons for Proposal

The Company, as of the end of September 2023, holds 5.65 million shares of treasury stock, which is equivalent to approximately 16.2% of the total number of outstanding shares.

In general, there are cases where treasury stock is held with the intent of using it as consideration in M&A transactions, etc.; however, the Company holds excessive assets, including cross-shareholdings and leased properties, and even if there is a good opportunity for an M&A, funds for this should be allocated from the sale, etc. of assets held.

On the other hand, the continued holding of a large amount of treasury stock by the Company means that shareholders face the possibility of their shares being diluted at any time.

Based on the above, we believe that the cancellation of treasury stock would contribute to improving the shareholder value of the Company. Despite this, however, the Board of Directors of the Company has not cancelled any treasury stock through to the present, and therefore, we propose the amendment to the Articles of Incorporation so that the cancellation of treasury stock be performed by resolution of a general meeting of shareholders.

[Opinion of the Board of Directors Concerning Proposal 9]

The Board of Directors is **opposed to Proposal 9.**

The Company believes that it should make decisions on the holding and cancellation of treasury stock as a matter for managerial decision making, including use for agile capital policies, such as for future fundraising, M&As, stock-based remuneration, etc., based also on consistency with the management strategy, etc. We believe that this Shareholder Proposal will restrict such range of choices and agility of the Company and may not contribute to the interests of shareholders. In regard to the cancellation of treasury stock, as prescribed in the Companies Act, we consider it appropriate for such matters to be determined at the Board of Directors rather than a General Meeting of Shareholders. In addition, we consider it appropriate for decisions on the individual specific details of business execution to be entrusted to the Board of Directors and do not consider it to be appropriate to include such details as described in this Shareholder Proposal in the Articles of Incorporation, which serves the role of prescribing the fundamental standards of the Company.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

Proposal 10: Cancellation of Treasury Stock

1. Overview of Proposal

On the condition that Proposal 8 is approved, to cancel all of the treasury stock held by the Company.

2. Reasons for Proposal

As described in the reasons for Proposal 8, the cancellation of treasury stock will contribute to improving the shareholder value of the Company, and therefore, in the case of the amendment to the Articles of Incorporation proposed in Proposal 8 being approved, this proposal seeks the cancellation of all treasury stock held by the Company.

(Company's Note) "Proposal 8" above refers to Proposal 9 at this meeting.

[Opinion of the Board of Directors Concerning Proposal 10]

The Board of Directors is **opposed to Proposal 10.**

This Shareholder Proposal seeks the cancellation of all of the Company's treasury stock on the condition that "Proposal 9. Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock" is approved.

In addition to matters included in our reasons for opposition to "Proposal 9. Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock," as published in "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," the Company has a policy in place that seeks to keep the upper limit for treasury stock at less than 10% of the total number of outstanding shares in order to prevent the excessive holding of treasury stock, and plans to cancel treasury stock as appropriate. The Company, based on this policy, upon having carefully considered the timing of the cancellation of treasury stock and the amount of treasury stock to be canceled, plans to cancel 3,000,000 shares of treasury stock (8.61% of the total number of issued shares before the cancellation) on May 31, 2024 and thinks that as of the present time it would be inappropriate to cancel all treasury stock.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**