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(Stock Exchange Code 5481)

June 4, 2024

(Commencement of electronic provision measures: May 28, 2024)

To Shareholders with Voting Rights:

3007, Aza-Ichimonji, Nakashima, Shikama-ku, Himeji, Hyogo
Sanyo Special Steel Co., Ltd.
MIYAMOTO Katsuhiro
Representative Director and President

**NOTICE OF
THE 112th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 112th Annual General Meeting of Shareholders of Sanyo Special Steel Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and matters subject to measures for electronic provision are posted as the “Notice of the 112th Annual General Meeting of Shareholders” on the following website.

The Company’s website: <https://www.sanyo-steel.co.jp/english/>

In addition to the above website, this information is also posted on the following website.

Tokyo Stock Exchange website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, search by entering the Company’s name or the Stock Exchange Code, and select “Basic information” and “Documents for public inspection/PR information” in that order to view the information.

If you do not attend the meeting in person, you can exercise your voting rights in advance in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights no later than 5:00 p.m. on Tuesday, June 25, 2024 Japan time.

- 1. Date and Time:** Wednesday, June 26, 2024, at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** Lecture hall of the Company located at
3007, Aza-Ichimonji, Nakashima, Shikama-ku, Himeji, Hyogo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 112th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Financial Statements for the Company’s 112th Fiscal Year (April 1, 2023 - March 31, 2024)
 - Proposals to be resolved:**
 - Proposal 1:** Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
 - Proposal 2:** Election of 3 Directors Who Are Audit and Supervisory Committee Members
 - Proposal 3:** Election of 1 Substitute Director Who Is an Audit and Supervisory Committee Member

Guide to Exercising Voting Rights

Attending the General Meeting of Shareholders

**Date and time of the meeting: Wednesday, June 26, 2024, at 10:00 a.m.
(Reception starts at 9:00 a.m.)**

Please submit the enclosed Voting Rights Exercise Form at the meeting venue reception desk.

Exercising Voting Rights in Writing (by Mail)

Deadline: To be received by no later than 5:00 p.m. on Tuesday, June 25, 2024

Please indicate your approval or disapproval for each proposal on the enclosed Voting Rights Exercise Form, and return it so that it is received by the deadline. If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it will be treated as an indication of approval.

Exercising Voting Rights via the Internet, etc.

Deadline: Exercised by no later than 5:00 p.m. on Tuesday, June 25, 2024

Please access the designated voting rights exercise website and enter your approval or disapproval for each proposal by the deadline.

[Voting Rights Exercise Website]: <https://www.web54.net> (available in Japanese)

Refer to page for details of exercising voting rights via the Internet, etc.

- We are sending you documents containing the matters subject to measures for electronic provision, which are to be sent to those shareholders who have requested the delivery of the paper-based documents. Of the documents to be included with this notice, pursuant to laws and regulations and the Article 17 of the Articles of Incorporation of the Company, Notes to the Consolidated Financial Statements in the Consolidated Financial Statements and Notes to the Financial Statements in the Financial Statements are disclosed on our website. Accordingly, the Consolidated Financial Statements and the Financial Statements accompanying this notice are included in the Consolidated Financial Statements and the Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor during preparation for the Audit Report and the Independent Auditor's Reports, respectively.
- If there are any amendments to the matters subject to measures for electronic provision, the details of the revisions will be posted on the websites.

Precautions for Exercising Voting Rights via the Internet, etc.

Votes via the Internet may be casted through the following methods. Please refer to the information mentioned below.

By scanning the QR Code: “Smart Exercise”

You can log into the voting rights exercise website without entering the code for exercising voting rights and password.

1. Scan the QR Code printed on the bottom right of the Voting Rights Exercise Form.

* QR Code is a registered trademark of DENSO CORPORATION.

2. Input your vote of approval or disapproval for each proposal by following the on-screen instructions.

Exercising voting rights by “Smart Exercise” is valid only once.

If you wish to change your vote after voting, please access the website for PC, log in by entering the code for exercising voting rights and password printed on the Voting Rights Exercise Form and exercise your voting rights again.

By entering the code for exercising voting rights and password (voting rights exercise website: <https://www.web54.net>)

1. Access the voting rights exercise website

Click “Next”

2. Log into the website

Enter the code for exercising voting rights

Click “Log in”

3. Enter your password

Enter the initial password

Set a new password that you actually use.

Click “Register”

4. Input your vote of approval or disapproval for each proposal by following the on-screen instructions

Handling of Exercise of Voting Rights

1. If you exercise your voting rights both in writing and via the Internet, etc., the vote placed via the Internet, etc., shall be deemed valid.
2. If you exercise your voting rights multiple times via the Internet, etc., on the same proposal, the most recent vote within the deadline shall be deemed valid.
3. Any fees of Internet service providers and telecommunication carriers (connection fees, etc.) for using the voting rights exercise website shall be borne by shareholders.
4. Depending on your Internet user environment, you may not be able to use the voting rights exercise website.

Handling of Your Password and the Code for Exercising Voting Rights

1. The password is crucial information to verify that a voting person is a qualified shareholder. Please carefully safeguard your password as you do with seals and PINs.
2. In case you commit more than a certain number of erroneous attempts to input your password, the password will lose its validity. Follow the on-screen instructions if you would like to reissue a password.
3. The code for exercising voting rights indicated on the Voting Rights Exercise Form is available only for this General Meeting of Shareholders.

Inquiries

Inquiries Concerning Operation on Personal Computers, etc. When Exercising Voting Rights

“Web Support” by Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank
0120-652-031 (Business hours: 9 a.m. - 9 p.m.)

Other inquiries

1. Shareholders who have accounts with securities companies

Please make an inquiry to the respective securities company with which you hold your account.

2. Shareholders who do not have accounts with securities companies (but have special accounts):

Please contact Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank
0120-782-031 (Business hours: 9 a.m.–5 p.m. excluding Saturdays, Sundays, and national holidays)

For Institutional Investors

Institutional investors may use the “Electronic Voting Platform” that is operated by ICJ, Inc., as an electromagnetic means of exercising voting rights.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all 8 Directors (excluding Directors who are members of the Audit and Supervisory Committee) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors (excluding Directors who are members of the Audit and Supervisory Committee) including 2 Outside Directors is proposed with the increase of the number of Directors by 1 in order to further strengthen the management structure.

The candidates for Directors (excluding Directors who are members of the Audit and Supervisory Committee) are as follows:

No.	Name		Current positions at the Company	[Attendance at the Board of Directors meetings]
1	MIYAMOTO Katsuhiko	Reappointment	Representative Director and President	100% (15 out of 15 meetings)
2	OI Shigehiro	Reappointment	Director, Member of the Board and Managing Executive Officer	100% (15 out of 15 meetings)
3.	OMAE Kozo	Reappointment	Director, Member of the Board and Managing Executive Officer	100% (15 out of 15 meetings)
4.	YANAGIMOTO Katsu	Reappointment	Director, Member of the Board and Managing Executive Officer	100% (15 out of 15 meetings)
5	YATSUNAMI Takashi	New appointment	Managing Executive Officer	-
6	HORI Yoshiro	New appointment	Executive Officer	-
7	FUJIWARA Kayo	Reappointment Outside Independent	Director, Member of the Board	100% (15 out of 15 meetings)
8	TOIDE Iwao	New appointment Outside Independent	Director, Member of the Board and Audit and Supervisory Committee Member	100% (15 out of 15 meetings)
9	SONODA Hiroto	Reappointment	Director, Member of the Board	100% (15 out of 15 meetings)

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	<p data-bbox="209 338 400 423">MIYAMOTO Katsuhiro (October 22, 1956)</p> <p data-bbox="225 454 384 483"><u>Reappointment</u></p> <p data-bbox="209 515 400 685">[Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings)</p> <p data-bbox="201 716 408 920">[Term of office as Director of the Company] 3 years (at the conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="432 264 1286 320">April 2009 Head of Division, Accounting & Finance Division, Nippon Steel Corporation</p> <p data-bbox="432 324 1262 380">April 2012 Executive Officer and Head of Division, Accounting & Finance Division</p> <p data-bbox="432 385 1286 465">October 2012 Executive Officer and Head of Division, Accounting & Finance Division, Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p data-bbox="432 470 903 499">April 2015 Managing Executive Officer</p> <p data-bbox="432 504 1286 611">April 2016 Managing Executive Officer, Vice Head of Global Business Development, Project Leader, CSVC Project, Global Business Development Sector and Project Leader, Wuhan Tin Mill Project, Global Business Development Sector</p> <p data-bbox="432 616 871 645">April 2018 Executive Vice President</p> <p data-bbox="432 649 1158 678">June 2018 Representative Director and Executive Vice President</p> <p data-bbox="432 683 1286 734">April 2019 Representative Director, Executive Vice President and Head of Global Business Development, Nippon Steel Corporation</p> <p data-bbox="432 739 1286 819">December 2019 Representative Director, Executive Vice President, Head of Global Business Development, and Project Leader, India Iron and Steel Project, Global Business Development Sector</p> <p data-bbox="432 824 927 853">April 2021 Director, Member of the Board</p> <p data-bbox="432 857 1286 938">June 2021 Representative Director and President (current position) Board Member and Chair of the Board, Ovako Group AB (current position)</p> <p data-bbox="432 943 1023 994">[Significant concurrent position] Board Member and Chair of the Board, Ovako Group AB</p>	7,900
<p data-bbox="201 999 719 1028">[Reason for nomination as candidate for Director]</p> <p data-bbox="201 1032 1461 1279">Mr. MIYAMOTO Katsuhiro has a wealth of experience and broad insights engaging in management including a track record serving as Head of Division of Accounting & Finance Division, Head of Global Business Development and Representative Director and Executive Vice President at Nippon Steel Corporation and is well versed in finance, corporate planning, and overseas business operations. He has appropriately controlled and supervised management and led the Group's management as Representative Director and President of the Company since June 2021. In addition, he has sufficiently demonstrated his capabilities as a personnel in charge of promoting important issues of the Company such as the Global Business of the Company, carbon neutrality, and digital transformation (DX). Therefore, the Company judges that he is suitable for achieving sustainable improvement in the Company's and the Group's corporate value and proposes that he continue to be elected as Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
2	<p>OI Shigehiro (August 28, 1961)</p> <p><u>Reappointment</u></p> <p>[Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings)</p> <p>[Term of office as Director of the Company] 13 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1986</p> <p>April 2010</p> <p>April 2011</p> <p>June 2011</p> <p>January 2015</p> <p>April 2017</p> <p>June 2017</p> <p>[Significant concurrent positions]</p> <p>None</p>	<p>Joined the Company</p> <p>General Manager, Production Administration Department</p> <p>General Manager, Production Planning & Administration Department</p> <p>Director, Member of the Board, General Manager, Production Planning & Administration Department</p> <p>Director, Member of the Board, General Manager, Steelmaking Department</p> <p>Director, Member of the Board</p> <p>Director, Member of the Board and Managing Executive Officer (current position)</p>	33,500
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. OI Shigehiro has been engaged in management of the Company as Director from June 2011. After serving as General Manager of Production Planning & Administration Department and Steelmaking Department, he currently serves as Director and Managing Executive Officer in charge of general production divisions such as Safety & Disaster Prevention Department, Environmental Management & Carbon Neutrality Promotion Department, Production Planning & Administration Department, Equipment Department, Steelmaking Department, Bar & Wire Manufacturing Department, and Tube Manufacturing Department, having sufficiently demonstrated his capabilities as a leader in production divisions. In addition, he strives to share with and accumulate in the Group companies its know-how on manufacturing technologies and safety and health and other areas. Therefore, the Company judges that he is suitable for achieving sustainable improvement in the Company's and the Group's corporate value and proposes that he continue to be elected as Director.</p>				
3	<p>OMAE Kozo (March 29, 1961)</p> <p><u>Reappointment</u></p> <p>[Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings)</p> <p>[Term of office as Director of the Company] 9 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 2009</p> <p>October 2012</p> <p>April 2013</p> <p>April 2015</p> <p>June 2015</p> <p>April 2016</p> <p>April 2017</p> <p>June 2017</p> <p>April 2018</p> <p>April 2024</p> <p>[Significant concurrent positions]</p> <p>None</p>	<p>Head of Office, Europe Office, Nippon Steel Corporation</p> <p>Head of Office, Europe Office, Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p>General Manager, Corporate Planning Division</p> <p>Executive Counselor, Deputy General Manager of Tokyo Regional Office of the Company</p> <p>Director, Member of the Board, Deputy General Manager, Tokyo Regional Office</p> <p>Director, Member of the Board, Head of Osaka Branch</p> <p>Director, Member of the Board</p> <p>Chairman, Ningbo Sanyo Special Steel Products Co., Ltd.</p> <p>Director, Member of the Board and Managing Executive Officer of the Company</p> <p>Director, Member of the Board and Managing Executive Officer, Head of Tokyo Regional Office</p> <p>Director, Member of the Board and Managing Executive Officer (current position)</p>	15,700
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. OMAE Kozo has been engaged in management of the Company as Director from June 2015. After serving as General Manager of Tokyo Regional Office, Head of Osaka Branch, and Chairman of Ningbo Sanyo Special Steel Products Co., Ltd., he has served as Director and Managing Executive Officer in charge of sales divisions, having sufficiently demonstrated his capabilities as a leader in sales divisions. Currently, He continues to serve as Director and Managing Executive Officer in charge of administration departments such as Computer Systems Planning Office, Human Resources and Labor Policy Department, Human Resources Planning Department, General Administration Department, and Internal Control & Audit Department, sufficiently demonstrating his capabilities by utilizing his past experiences. Therefore, the Company judges that he is suitable for achieving sustainable improvement in the Company's and the Group's corporate value and proposes that he continue to be elected as Director.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4	<p>YANAGIMOTO Katsu (July 26, 1961)</p> <p><u>Reappointment</u></p> <p>[Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings)</p> <p>[Term of office as Director of the Company] 12 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>April 1984 Joined the Company</p> <p>October 2010 Head of Research & Development Center</p> <p>October 2011 General Manager, Technical Planning & Administration Department</p> <p>June 2012 Director, Member of the Board, General Manager, Technical Planning & Administration Department</p> <p>June 2017 Director, Member of the Board, Executive Officer, General Manager, Technical Planning & Administration Department</p> <p>April 2018 Director, Member of the Board, Executive Officer, Head of Indian Business Administration Office</p> <p>June 2018 Director, Member of the Board and Managing Executive Officer (current position)</p> <p>[Significant concurrent positions] None</p>	22,100
<p>[Reason for nomination as candidate for Director] Mr. YANAGIMOTO Katsu has been engaged in management of the Company as Director from June 2012. After serving as General Manager of Technical Planning & Administration Department, he currently serves as Director and Managing Executive Officer in charge of general engineering divisions such as Metal Powder Manufacturing & Sales Division, Research & Development Center, Technical Planning & Administration Department, and Quality Assurance Department, sufficiently demonstrating his capabilities as a leader in engineering divisions. In addition, he strives to share with and accumulate in the Group companies its know-how on research and development, technical administration, quality assurance and other areas. Therefore, the Company judges that he is suitable for achieving sustainable improvement in the Company's and the Group's corporate value and proposes that he continue to be elected as Director.</p>			
5	<p>YATSUNAMI Takashi (August 12, 1963)</p> <p><u>New appointment</u></p> <p>[Attendance at the Board of Directors meetings] -</p> <p>[Term of office as Director of the Company] -</p>	<p>April 2010 Head of Office, Guangzhou Office, Nippon Steel Corporation</p> <p>October 2012 Head of Office, Guangzhou, Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p>April 2014 General Manager, Global Business Development Division, and General Manager, Global General Administration Office, General Administration Division</p> <p>April 2015 Head of Division, Global Business Development Division</p> <p>July 2015 Head of Division, Global Business Development Division</p> <p>September 2016 President, NIPPON STEEL & SUMITOMO METAL U.S.A., INC. (currently NIPPON STEEL NORTH AMERICA, INC.)</p> <p>April 2019 Advisor of the Company</p> <p>June 2019 Executive Officer, General Manager, Corporate Planning Department</p> <p>June 2022 Managing Executive Officer, General Manager, Corporate Planning Department</p> <p>July 2022 Chairman & Director, Sanyo Special Steel Manufacturing India Pvt. Ltd. (current position)</p> <p>April 2024 Managing Executive Officer (current position)</p> <p>[Significant concurrent position] Chairman & Director, Sanyo Special Steel Manufacturing India Pvt. Ltd.</p>	3,400
<p>[Reason for nomination as candidate for Director] Mr. YATSUNAMI Takashi has a wealth of experience and broad insights experiencing the Global Business and overseas assignments in the US and China at Nippon Steel Corporation. In addition, he has a wealth of experience and track record as well as a high level of insight in the overall management serving as General Manager of Corporate Planning Department and being in charge of Accounting & Finance Department, as Managing Executive Officer at the Company. Therefore, the Company judges that he is suitable for achieving sustainable improvement in the Company's and the Group's corporate value and proposes that he be elected as Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
6	HORI Yoshiro (August 1, 1964) [New appointment] [Attendance at the Board of Directors meetings] - [Term of office as Director of the Company] -	April 2005 April 2013 June 2016 April 2019 May 2023 June 2023 April 2024 [Significant concurrent position]	Group Leader, Electrical Steel Sheet Domestic Group, Electrical Steel Sheet Div., Flat Products Unit, Nippon Steel Corporation Head of Office, Chicago Office, NIPPON STEEL & SUMITOMO METAL U.S.A., INC. (currently NIPPON STEEL NORTH AMERICA, INC.) General Manager, Steelmaking Plant and Production Operations Division, Railway, Automotive & Machinery Parts Unit, Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation) CEO, Standard Steel, LLC Advisor of the Company Executive Officer, Head of Osaka Branch Executive Officer, Head of Tokyo Regional Office (current position) Chairman, Ningbo Sanyo Special Steel Products Co., Ltd. (current position)	200
[Reason for nomination as candidate for Director] Mr. HORI Yoshiro has a wealth of experience and broad insights experiencing the Global Business and overseas assignments in the US at Nippon Steel Corporation. In addition, he has a wealth of experience and track record as well as a high level of insight in the overall management serving as Head of Osaka Branch and being in charge of Sales Planning & Administration Department, Hiroshima Branch and Kyushu Sales Office, as Executive Officer at the Company. Therefore, the Company judges that he is suitable for achieving sustainable improvement in the Company's and the Group's corporate value and proposes that he be elected as Director.				
7	FUJIWARA Kayo (May 27, 1962) [Reappointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings) [Term of office as Director of the Company] 2 years (at the conclusion of this General Meeting of Shareholders)	April 1985 April 1987 April 1989 April 2003 July 2006 July 2012 April 2014 April 2018 April 2021 June 2022 [Significant concurrent position]	Joined Mitsui & Co., Ltd. Joined ICI Australia Ltd. Joined Nippon Oil Corporation (currently ENEOS Corporation) Manager, Crude Oil Products Group, International Department, Nippon Oil Corporation (currently ENEOS Corporation) Deputy General Manager, Overseas Procurement Department General Manager, Systems Integration Department, Systems Integration Division, JX Nippon Oil & Energy Corporation (currently ENEOS Corporation) Managing Director, JX Nippon Oil & Energy Asia Pte Ltd. Executive Officer and General Manager of Crude Trading & Shipping Department, JXTG Nippon Oil & Energy Corporation (currently ENEOS Corporation) Director and Senior Vice President, ENEOS Ocean Corporation (current position) Outside Director, Member of the Board of the Company (current position) Director and Senior Vice President, ENEOS Ocean Corporation	700
[Reason for nomination as candidate for Outside Director and expected roles] Ms. FUJIWARA Kayo, based on a wealth of experience and broad insights that she has developed through her involvement in the management of ENEOS Ocean Corporation and other companies, has supervised and provided proposals for the Company's management from her position independent from the management team executing the business. In addition, she has provided appropriate advice on the Company's global operations and their development based on her experience in overseas sales and overseas assignments and also supported career paths for female employees. The Company proposes that she continue to be elected as an Outside Director with an expectation of her continuous contribution to supervising and providing proposals for the Company's and the Group's management based on her wealth of experience and broad insights.				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
8	TOIDE Iwao (October 18, 1958) <u>New appointment</u> <u>Outside</u> <u>Independent</u> [Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings) [Term of office as Director of the Company] 2 years (at the conclusion of this General Meeting of Shareholders)	April 1981	Joined Mitsubishi Corporation	700
		April 2011	Senior Vice President; and Division COO, Ferrous Raw Materials Division	
		April 2012	Senior Vice President; and Division COO, Steel Business Division	
		April 2013	Senior Vice President; and General Manager, Metals Group CEO Office	
		April 2014	President & CEO, Director, Metal One Corporation	
		April 2017	Executive Vice President; and Corporate Functional Officer, Mitsubishi Corporation	
		June 2017	Director and Executive Vice President; and Corporate Functional Officer	
		April 2019	Director and Executive Vice President; and Group CEO, Automotive & Mobility Group	
		June 2019	Executive Vice President; and Group CEO, Automotive & Mobility Group	
		April 2022	Senior Advisor	
June 2022	Director, Member of the Board and Audit and Supervisory Committee Member of the Company (current position)			
	[Significant concurrent positions]	None		
[Reason for nomination as candidate for Outside Director and expected roles] Mr. TOIDE Iwao has a wealth of experience and broad insights gained from his involvement in the management of Mitsubishi Corporation, etc. He has expertise in the automotive industry, our customer sector, and experience in the Global Business and overseas assignments. Since his election as Director who is a member of the Audit and Supervisory Committee in June 2022, he has conducted appropriate audit operations and provided useful advice for the management. The Company proposes that he be elected as an Outside Director with an expectation of his continuous contribution to supervising and providing proposals for the Company's and the Group's management based on his wealth of experience and broad insights.				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
9	SONODA Hiroto (April 5, 1967) <u>Reappointment</u> [Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings) [Term of office as Director of the Company] 2 years (at the conclusion of this General Meeting of Shareholders)	<p>April 2010 Group Leader, Bar and Steel Group I, Bar & Wire Rod Marketing Div., Bar & Wire Rod Unit, Nippon Steel Corporation</p> <p>October 2012 General Manager, Bar and Steel Office I, Bar & Wire Rod Marketing Div., Bar & Wire Rod Unit, Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p>April 2017 Senior Manager, Bar & Wire Rod Marketing Div., Bar & Wire Rod Unit</p> <p>January 2018 Senior Manager, Bar & Wire Rod Unit</p> <p>April 2019 General Manager, Head of Division, Bar & Wire Rod Marketing Div., Bar & Wire Rod Unit, Nippon Steel Corporation Director, Nippon Steel SG Wire Co., Ltd. Director, NIPPON STEEL WELDING & ENGINEERING CO., LTD. Audit & Supervisory Board Member, Miyazaki Seiko Co., Ltd. Representative Director and President, NSBC Corporation Director, Tokai Specialty Steel Co., Ltd.</p> <p>June 2019 Audit & Supervisory Board Member of the Company</p> <p>June 2020 Retired from Audit & Supervisory Board Member of the Company</p> <p>April 2021 Executive Officer, Head of Unit, Bar & Wire Rod Unit, Nippon Steel Corporation</p> <p>June 2021 Audit & Supervisory Board Member of the Company Outside Audit & Supervisory Board Member, Nichia Steel Works, Ltd. (current position)</p> <p>June 2022 Director, Member of the Board of the Company (current position)</p> <p>April 2023 Executive Officer, Head of Unit, Plate & Construction Products Unit, Head of Unit, Bar & Wire Rod Unit, Nippon Steel Corporation</p> <p>April 2024 Managing Executive Officer, Head of Unit, Plate & Construction Products Unit, Head of Unit, Bar & Wire Rod Unit, Nippon Steel Corporation (current position)</p> <p>[Significant concurrent positions] Managing Executive Officer, Head of Unit, Plate & Construction Products Unit, Head of Unit, Bar & Wire Rod Unit, Nippon Steel Corporation Outside Audit & Supervisory Board Member, Nichia Steel Works, Ltd.</p>	0
[Reason for nomination as candidate for Director] Mr. SONODA Hiroto has a wealth of experience and broad insights gained at Nippon Steel Corporation and has provided opinions and advice for the Company's management. The Company proposes that he continue to be elected as Director with an expectation of his continuous contribution to providing opinions and advice for the Company's and the Group's management based on his wealth of experience and broad insights.			

- (Notes)
- For the duties in charge for each candidate currently serving as Director of the Company, please refer to pages 37 to 38 of the Business Report of the Japanese version of this document.
 - For the attendance at the Board of Directors meetings for each candidate, the numbers stated above are those during the 112th fiscal year (April 1, 2023 to March 31, 2024). The "Attendance at the Board of Directors meetings" for Mr. TOIDE Iwao shows his attendance as an Outside Director who is a member of the Audit and Supervisory Committee.
 - The "Term of office as Director of the Company" for Mr. TOIDE Iwao shows the term of office as an Outside Director who is a member of the Audit and Supervisory Committee.
 - There are no special interests between each candidate and the Company.
 - Mr. SONODA Hiroto serves as an executive officer at the Company's parent company, Nippon Steel Corporation. His position and roles are described above under the "Past experience and positions."
 - Ms. FUJIWARA Kayo and Mr. TOIDE Iwao are candidates for Outside Directors.
 - Agreement limiting liability with Directors
The Company has entered into an agreement limiting liability with Ms. FUJIWARA Kayo, Mr. TOIDE Iwao, and Mr. SONODA Hiroto, stating that in the event where a Director causes damages to the Company due to negligence when performing duties and he/she acts in good faith without gross negligence, his/her liability for damages shall be the minimum liability amount pursuant to Article 425, Paragraph 1 of the Companies Act. If the reelection or election of Ms. FUJIWARA Kayo, Mr. TOIDE Iwao, and Mr. SONODA Hiroto is approved, the Company plans to continue said agreement limiting liability with them.
 - Indemnity agreements with Directors

The Company has entered into indemnity agreements pursuant to Article 430-2, Paragraph 1 of the Companies Act with Mr. MIYAMOTO Katsuhiko, Mr. OI Shigehiko, Mr. OMAE Kozo, Mr. YANAGIMOTO Katsu, Ms. FUJIWARA Kayo, Mr. TOIDA Iwao, and Mr. SONODA Hiroto to indemnify costs and losses stipulated in Items 1 and 2 of the said Paragraph, respectively, within the scope of laws and regulations. If their reelection or election is approved, the Company plans to continue said indemnity agreement with each of them. If the election of Mr. YATSUNAMI Takashi and Mr. HORI Yoshiro is approved, the Company plans to enter into the same indemnity agreement with each of them.

9. Directors and officers liability insurance contracts

The Company currently has a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act concluded with an insurance company to insure Mr. MIYAMOTO Katsuhiko, Mr. OI Shigehiko, Mr. OMAE Kozo, Mr. YANAGIMOTO Katsu, Ms. FUJIWARA Kayo, Mr. TOIDA Iwao, and Mr. SONODA Hiroto, among others. The insurance covers legal damages and litigation expenses incurred by the insured in the event that a claim for damages is made against the insured due to an act committed (including negligence) by the insured based on their position as an officer, etc. with all insurance premiums paid by the Company. If the reelection or election of the candidates is approved, they will continue to be insured. Mr. YATSUNAMI Takashi, currently Managing Executive Officer of the Company, and Mr. HORI Yoshiro, currently Executive Officer of the Company, are insured under the said insurance contract. If the election of the candidates is approved, they will continue to be insured under the said insurance contract. The Company plans to renew said insurance contract with same terms and conditions during their terms of office.

10. Matters concerning independence

There is no transactional relationship between Ms. FUJIWARA Kayo or Mr. TOIDA Iwao and the Company. Ms. FUJIWARA Kayo and Mr. TOIDA Iwao meet the requirements for an independent director as stipulated by Tokyo Stock Exchange, Inc.

The Company has designated them as independent directors pursuant to the provisions of said exchange. If the reelection or election of the candidates is approved, the Company plans to continue such designation as independent directors.

Proposal 2: Election of 3 Directors Who Are Audit and Supervisory Committee Members

The terms of office of all 3 Directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 3 Directors who are members of the Audit and Supervisory Committee is proposed. The Audit and Supervisory Committee has previously given its approval to this proposal.

The candidates for Directors who are members of the Audit and Supervisory Committee are as follows:

No.	Name		Current positions at the Company	[Attendance at the Board of Directors meetings]
1	NAGANO Kazuhiko	Reappointment	Director, Member of the Board and Senior Audit and Supervisory Committee Member	100% (15 out of 15 meetings)
2	YOGI Hiroshi	Reappointment Outside Independent	Director, Member of the Board and Audit and Supervisory Committee Member	100% (15 out of 15 meetings)
3	MIYAGUCHI Aki	New appointment Outside Independent	-	-

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
1	NAGANO Kazuhiko (October 2, 1957) <u>Reappointment</u> [Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings) [Attendance at the Audit and Supervisory Committee meetings] 100% (10 out of 10 meetings) [Term of office as Director and Audit and Supervisory Committee Member of the Company] 2 years (at the conclusion of this General Meeting of Shareholders)	April 1982 April 2010 April 2012 June 2013 April 2015 April 2016 June 2016 June 2017 April 2019 June 2019 June 2022 [Significant concurrent positions] None	Joined the Company General Manager, Procurement Department General Manager, General Affairs Department Director, Member of the Board and General Manager of General Affairs Department Director, Member of the Board and General Manager of Human Resources and Labor Policy Director, Member of the Board Managing Director, Member of the Board Director, Member of the Board and Managing Executive Officer Director, Member of the Board Standing Audit & Supervisory Board Member Director, Member of the Board and Senior Audit and Supervisory Committee Member (current position)	20,000
<p>[Reason for nomination as candidate for Director who is a member of the Audit and Supervisory Committee] Mr. NAGANO Kazuhiko has experienced various operations such as systems development, finance, sales management, procurement, human resources and labor policy, and general affairs and has been involved in the management of the Company since he was appointed as a Director of the Company in June 2013. After he was appointed as a Standing Audit & Supervisory Board Member in June 2019, he conducted appropriate audit operations based on broad insights that he has developed through these experiences. Thereafter, since he was appointed as Director who is a member of the Audit and Supervisory Committee in June 2022, he has conducted appropriate audit operations and provided appropriate advice and opinion for the Company's management at the Board of Directors meetings and on other occasions. As he is expected to help further enhance the auditing system for the Company and the Group, the Company proposes that he continue to be elected as Director who is a member of the Audit and Supervisory Committee.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	<p>YOGI Hiroshi (June 13, 1963)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>[Attendance at the Board of Directors meetings] 100% (15 out of 15 meetings)</p> <p>[Attendance at the Audit and Supervisory Committee meetings] 100% (10 out of 10 meetings)</p> <p>[Term of office as Director and Audit and Supervisory Committee Member of the Company] 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>May 2011 Director and Executive Vice President, Sumitomo Mitsui Banking Corporation (China) Ltd.</p> <p>April 2016 Deputy Head, East Asia Division, Sumitomo Mitsui Banking Corporation (Shanghai)</p> <p>Director and Executive Vice President, Sumitomo Mitsui Banking Corporation (China) Ltd.</p> <p>April 2017 Senior Officer and General Manager of Planning Department, East Asia Division, Sumitomo Mitsui Banking Corporation (Shanghai)</p> <p>Director and Executive Vice President, Sumitomo Mitsui Banking Corporation (China) Ltd.</p> <p>General Manager, Planning Department, East Asia Division, Sumitomo Mitsui Financial Group (Shanghai)</p> <p>April 2018 Senior Officer and General Manager of Planning Department, East Asia Division, Sumitomo Mitsui Banking Corporation (Tokyo)</p> <p>Deputy Head, East Asia Division, Sumitomo Mitsui Financial Group (Tokyo)</p> <p>May 2019 Senior Officer and Vice President, Head Office, Sumitomo Mitsui Banking Corporation</p> <p>June 2019 Audit & Supervisory Board Member of the Company</p> <p>June 2022 Director, Member of the Board and Audit & Supervisory Committee Member (current position)</p> <p>[Significant concurrent positions] None</p>	8,700
<p>[Reason for nomination as candidate for Outside Director who is a member of the Audit and Supervisory Committee and expected roles]</p> <p>Based on the wealth of international experience and broad insights gained at Sumitomo Mitsui Banking Corporation, Mr. YOGI Hiroshi conducted appropriate audit operations as an Outside Audit & Supervisory Board Member of the Company after he was appointed as an Audit & Supervisory Board Member in June 2019. Thereafter, since he was appointed as an Outside Director who is a member of the Audit and Supervisory Committee in June 2022, he has conducted appropriate audit operations and provided appropriate advice and opinion for the Company's management at the Board of Directors meetings and on other occasions. As he is expected to help further enhance the auditing system for the Company and the Group, the Company proposes that he continue to be elected as an Outside Director who is a member of the Audit and Supervisory Committee.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3	MIYAGUCHI Aki (January 19, 1967) [New appointment] [Outside] [Independent] [Attendance at the Board of Directors meetings] - [Attendance at the Audit and Supervisory Committee meetings] - [Term of office as Director and Audit and Supervisory Committee Member of the Company] -	October 1989 Joined Tetsuzo Ota & Co. (currently Ernst & Young ShinNihon LLC.) March 1993 Registered as certified public accountant October 2014 Senior Manager, Auditing Department, Osaka Office, Tetsuzo Ota & Co. April 2024 Chief, Certified Public Accountant Miyaguchi Aki Office (current position) [Significant concurrent position] Chief, Certified Public Accountant Miyaguchi Aki Office	0
[Reason for nomination as candidate for Outside Director who is a member of the Audit and Supervisory Committee and expected roles] Ms. MIYAGUCHI Aki has a wealth of experience and broad insights gained as a certified public accountant, who is well versed in corporate accounting. She is expected to provide useful advice for the Company's management from the viewpoint of compliance and diversity and inclusion and help further enhance the audit system for the Company as well as the Group, based on her wealth of experience and broad insights. Accordingly, the Company proposes that she be elected as an Outside Director who is a member of the Audit and Supervisory Committee. Although she has not been involved in corporate management in ways other than serving as outside director and outside audit & supervisory board member, based on the aforementioned reasons, the Company judges her to be able to appropriately fulfill the duties of an Outside Director who is a member of the Audit and Supervisory Committee.			

- (Notes)
- For the duties in charge for each candidate currently serving as Director who is a member of the Audit and Supervisory Committee of the Company, please refer to pages 37 to 38 of the Business Report of the Japanese version of this document.
 - There are no special interests between each candidate and the Company.
 - As described above under the "Past experience," Mr. YOGI Hiroshi was a person engaged in the execution of the business at Sumitomo Mitsui Banking Corporation for the past ten years, which is a specified related business party of the Company.
 - The "Attendance at the Board of Directors meetings" for Mr. NAGANO Kazuhiko and Mr. YOGI Hiroshi indicates their attendance as Directors who are members of the Audit and Supervisory Committee.
 - Mr. YOGI Hiroshi and Ms. MIYAGUCHI Aki are candidates for Outside Directors.
 - Agreement limiting liability with Directors who are members of the Audit and Supervisory Committee
The Company has entered into an agreement limiting liability with Mr. NAGANO Kazuhiko and Mr. YOGI Hiroshi, stating that in the event where a Director causes damages to the Company due to negligence when performing duties and he acts in good faith without gross negligence, his liability for damages shall be the minimum liability amount pursuant to Article 425, Paragraph 1 of the Companies Act. If the reelection Mr. NAGANO Kazuhiko and Mr. YOGI Hiroshi is approved, the Company plans to continue said agreement limiting liability with them. If the election of Ms. MIYAGUCHI Aki is approved, the Company plans to enter into the same agreement limiting liability with her.
 - Indemnity agreement with Directors who are members of the Audit and Supervisory Committee
The Company has entered into indemnity agreements pursuant to Article 430-2, Paragraph 1 of the Companies Act with Mr. NAGANO Kazuhiko and Mr. YOGI Hiroshi to indemnify costs and losses stipulated in Items 1 and 2 of the said Paragraph, respectively, within the scope of laws and regulations. If the reelection of Mr. NAGANO Kazuhiko and Mr. YOGI Hiroshi is approved, the Company plans to continue said indemnity agreement with each of them. If the election of Ms. MIYAGUCHI Aki is approved, approved, the Company plans to enter into the same indemnity agreement with her.
 - Directors and officers liability insurance contracts
The Company currently has a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act concluded with an insurance company to insure Mr. NAGANO Kazuhiko and Mr. YOGI

Hiroshi, among others. The insurance covers legal damages and litigation expenses incurred by the insured in the event that a claim for damages is made against the insured due to an act committed (including negligence) by the insured based on their position as an officer, etc. with all insurance premiums paid by the Company. If the reelection of the candidates is approved, they will continue to be insured. If the election of Ms. MIYAGUCHI Aki is approved, she will be insured under the said insurance contract. The Company plans to renew said insurance contract with same terms and conditions during their terms of office.

9. Matters concerning independence

There is no transactional relationship between Mr. YOGI Hiroshi and the Company. Mr. YOGI Hiroshi meets the requirements for an independent director as stipulated by Tokyo Stock Exchange, Inc. The Company has designated him as an independent director pursuant to the provisions of said exchange. If his reelection is approved, the Company plans to continue such designation as an independent director.

There is no transactional relationship between Ms. MIYAGUCHI Aki and the Company. Ms. MIYAGUCHI Aki meets the requirements for an independent director as stipulated by Tokyo Stock Exchange, Inc. If her election is approved, the Company plans to designate her as an independent director pursuant to the provisions of said exchange.

(Reference) The following is the structure of the Board of Directors, showing specialties and areas of experience for each Director, if Proposals 1 and 2 are approved and adopted. The following table does not show all the knowledge that each Officer possesses.

	Name	Specialties and experienced areas								
		Corporate Management Strategy	Manufacturing, Engineering, Research & Development, DX	Sales Procurement	Finance & Accounting	Personnel & Labor Relations, Diversity	International Experience	Risk Management, Compliance	Environment, Sustainability	Knowledge of other industries
Directors excluding directors who are members of the Audit and Supervisory Committee	Executive	MIYAMOTO Katsuhiro*	•	•	•	•	•	•	•	•
		OI Shigehiro	•	•	•				•	
		OMAE Kozo	•	•	•		•	•		
		YANAGIMOTO Katsu	•	•	•		•			
		YATSUNAMI Takashi	•		•	•	•		•	
		HORI Yoshiro	•		•		•			
Directors who are members of the Audit and Supervisory Committee	Non-executive	Outside Independent FUJIWARA Kayo*	•		•			•		•
		Outside Independent TOIDE Iwao*	•		•		•	•	•	•
		SONODA Hiroto	•		•		•			
		NAGANO Kazuhiko	•		•	•	•	•	•	
		Outside Independent YOGI Hiroshi*	•			•		•		•
		Outside Independent MIYAGUCHI Aki*				•	•	•		•

* Mr. MIYAMOTO Katsuhiro, Ms. FUJIWARA Kayo, Mr. TOIDE Iwao, Mr. YOGI Hiroshi, and Ms. MYAGUCHI Aki are members of the Nomination & Compensation Advisory Committee, a non-statutory advisory body of the Company.

Message from an Outside Director

It has been approximately two years since I became a Director who is an Audit and Supervisory Committee Member, and during this time the business environment surrounding the Company has undergone sustained and dramatic changes. That is to say, the relative trend toward a tailwind that the overall steel industry continued to enjoy in fiscal 2022, shifted in fiscal 2023, becoming a headwind that buffeted the industry inside and outside of Japan with expanded inventory adjustments and other issues in the construction and industrial machinery industry, in addition to economic slowdown in China and Europe. Certainly, such a business environment will always be subject to change, but no matter what confronts us, we will work tirelessly to raise our corporate value while leveraging the Company's strengths, specifically, our technological prowess, human resources, global business development, as well as a sound corporate culture that values the confidence of society, the confidence of customers, and the confidence among people, based on our corporate philosophy of "Confidence-based Management." In tandem with this, it will be essential to measure up to the trust placed in us by our various stakeholders by finding solutions to an array of ESG issues, and to contribute to bringing about a better future.

Indeed, under the 2025 Mid-Term Management Plan, we are taking a medium- to long-term view in a vigorous pursuit of our management initiatives, namely, the five core pillars of further enhancing our corporate value and presence in the global specialty steel market, reinforcing profitability of domestic and overseas operations, strengthening ESG initiatives, achieving carbon neutrality by 2050, and promoting DX. Recently, for instance, to achieve carbon neutrality, the Company announced its commitment to SBT and the establishment of a 2030 reduction target for Scope 3 emissions. Of course, it is no easy matter to achieve all our goals, but we face each challenge head-on and tackle it with sincerity.

On the other hand, in implementing these management measures, we must never neglect to strengthen our risk management capabilities and ensure compliance. In addition to regularly scheduled Risk Management Committee meetings, we hold constructive and open discussions on important issues such as safety, internal control, and corporate culture at our Board of Directors meetings that welcome diverse perspectives, and together with resolving issues and promoting improvement measures, we endeavor to ensure compliance.

There are still many issues to be addressed to make the Company even better, such as nurturing global human resources, promoting active roles for women, improving PBR, and enhancing governance. In working to resolve these issues, I intend to fulfill my responsibilities as an Outside Director so that the Company can continue to grow and further contribute to society.

Proposal 3: Election of 1 Substitute Director Who Is an Audit and Supervisory Committee Member

In order to prepare for cases where the number of Directors who are members of the Audit and Supervisory Committee falls below the required number stipulated by laws and regulations, we propose the election of 1 Substitute Director who is an Audit and Supervisory Committee Member.

The Audit and Supervisory Committee has previously given its approval to this proposal.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
KOBAYASHI Akihiro (December 19, 1970)	April 1999 Registered as Attorney-at-Law at the Osaka Bar Association Lawyer, Chuo Sogo Law Office November 2009 Partner, Kyoto Office, Chuo Sogo Law Office, P.C. (current position) April 2010 Part-time Lecturer, Kyoto University Law School March 2013 Outside Corporate Auditor, Funai Consulting Inc. (currently Funai Soken Holdings Inc.) April 2014 Concurrent Lecturer, Doshisha Law School March 2016 Outside Director (Audit and Supervisory Committee Member), Funai Soken Holdings Inc. (current position) April 2017 Distinguished Professor, Kyoto University Law School March 2019 Outside Audit & Supervisory Board Member of the Company June 2019 Retired from Outside Audit & Supervisory Board Member of the Company October 2022 Part-time Lecturer, Kyoto University Law Scho a member of the 1 (current position) [Significant concurrent positions] Partner, Kyoto Office, Chuo Sogo Law Office, P.C. Outside Director (Audit and Supervisory Committee Member), Funai Soken Holdings Inc.	0
[Reason for nomination as candidate for Substitute Outside Director who is a member of the Audit and Supervisory Committee and expected roles] Mr. KOBAYASHI Akihiro has a wealth of experience and professional knowledge as a lawyer in the legal area, has a track record serving as outside director and outside audit & supervisory board member at other companies, and appropriately conducted audit operations of the Company when he assumed office as an Outside Audit & Supervisory Board Member of the Company in March 2019. Therefore, the Company proposes that he be elected as Substitute Outside Director who is an Audit and Supervisory Committee Member. Although he has not been involved in corporate management in ways other than serving as outside director and outside audit & supervisory board member, based on the aforementioned reasons, the Company judges him to be able to appropriately fulfill the duties of an Outside Director who is a member of the Audit and Supervisory Committee.		

- (Notes)
1. Mr. KOBAYASHI Akihiro is a candidate for Substitute Outside Director who is a member of the Audit and Supervisory Committee.
 2. Agreement limiting liability with Substitute Outside Director who is a member of the Audit and Supervisory Committee
 If Mr. KOBAYASHI Akihiro assumes office as an Outside Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into an agreement limiting liability with him stating that in the event where he causes damages to the Company due to negligence when performing duties and he acts in good faith without gross negligence, his liability for damages shall be the minimum liability amount pursuant to Article 425, Paragraph 1 of the Companies Act.
 3. Indemnity agreement with Substitute Outside Director who is a member of the Audit and Supervisory Committee
 If Mr. KOBAYASHI Akihiro assumes office as an Outside Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into an indemnity agreement pursuant to Article 430-2, Paragraph 1 of the Companies Act with him, to indemnify costs and losses stipulated in Items 1 and 2 of the said Paragraph, respectively, within the scope of laws and regulations.
 4. Directors and officers liability insurance contracts
 The Company currently has a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act concluded with an insurance company. The insurance covers legal damages and litigation expenses incurred by the insured in the event that a claim for damages is made against the insured due to an act committed (including negligence) by the insured based on their position as an officer, etc. with all insurance premiums paid by the Company. If Mr. KOBAYASHI Akihiro assumes office as an Outside Director who is a member of the Audit and Supervisory Committee, he will be insured under the said insurance contract. The Company plans to renew said insurance contract with same terms and conditions during his term of office.
 5. Matters concerning independence
 Mr. KOBAYASHI Akihiro is a partner at the Kyoto Office of Chuo Sogo Law Office, P.C. and the Company has an ongoing legal advisory agreement with said law office. The total transaction amount is less than 1% of the annual total income of said law office. Therefore, Mr. KOBAYASHI Akihiro meets the requirements for an independent auditor as stipulated by the Tokyo Stock Exchange, Inc. If he assumes office as an Outside Director who is a member

of the Audit and Supervisory Committee, the Company plans to designate him as an independent auditor pursuant to the provisions of said exchange.