



# The 161th Business Year Notice of Convocation of the Ordinary General Shareholders' Meeting



Time and Date

**Friday, June 21, 2024**  
**10:00 a.m.**



Venue

**1st Floor hall, Head of Techno Center,  
Nikko Co., Ltd.**

1013-1, Eigashima, Okubo-cho, Akashi, Hyogo Prefecture

Please refer to the map of the venue at the end of this notice in attending the Meeting.

Resolutions

**Proposal 1: Appropriation of Surplus from the 161st Business Year**

**Proposal 2: Election of Nine Directors**

**Proposal 3: Election of One Audit & Supervisory Board Member**

**Proposal 4: Election of One Substitute Audit & Supervisory Board Member**

**Proposal 5: Revision of Amount of Remuneration for Directors**

**Proposal 6: Revision of Amount of Remuneration for Audit & Supervisory Board Members**

Deadline for exercising voting rights via the internet or in writing (mail)

**Thursday, June 20, 2024**  
**Till 5 p.m.**

## [Notice]

If there are any changes to the operation, etc. of the General Shareholders' Meeting, the Company will post a notification on its website to inform the shareholders. Please kindly check the site for notifications. (<https://www.nikko-net.co.jp/>)

You may also exercise your voting rights in advance via the internet, etc. and in writing (by post). You are requested to kindly also consider exercising your voting rights ahead of the meeting.



Main contents of this convocation notice are available on a PC or a smartphone.  
<https://p.sokai.jp/6306/>



## To Shareholders:

(Tokyo Stock Exchange Code: 6306)  
June 5, 2024

1013-1, Eigashima, Okubo-cho, Akashi, Hyogo Prefecture

# Nikko Co., Ltd.

Representative Director and President Masaru Tsuji

### Notice of Convocation of the 161st Ordinary General Shareholders' Meeting

We deeply thank you for your continued support.

We would like to notify you of the 161st Ordinary General Shareholders' Meeting of Nikko Co., Ltd., which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for the electronic provision of information contained in the reference documents for the general meeting of shareholders, etc. (matters subject to measures for the electronic provision of information), and has posted the information on each of the following websites. Please access either of the websites to view the information.

[Company website]

<https://www.nikko-net.co.jp/ir/meeting.html>



[Website listing materials for the general meeting of shareholders]

<https://d.sokai.jp/6306/teiji/>



In addition to the Company's website, the matters subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE; Listed Company Search). Access the TSE website by using the internet address shown below, enter "Nikko" in "Issue name (company name)" or the Company's securities code "6306" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information" to view the information.

[TSE website]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



If you are unable to attend the meeting, you may exercise your voting rights using one of the methods explained from page 3 onwards. Please consider the reference materials attached to this notice and exercise your voting rights.

# To Shareholders:


## Meeting Details

<b>1</b>	<b>Time and Date</b>	From 10:00 a.m., Friday, June 21, 2024				
<b>2</b>	<b>Venue</b>	1st Floor Hall, Techno Center, Nikko Co., Ltd. 1013-1, Eigashima, Okubo-cho, Akashi-shi, Hyogo Prefecture If you are attending the Meeting, please refer to the map of the venue at the end of this notice.				
<b>3</b>	<b>Meeting Agenda</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; vertical-align: top;"><b>Reports</b></td> <td> <ol style="list-style-type: none"> <li>1. Business report, consolidated financial statements, and non-consolidated financial statements for the 161st business year (from April 1, 2023 to March 31, 2024)</li> <li>2. Results of the audits of the consolidated financial statements for the 161st business year (from April 1, 2023 to March 31, 2024) by the Independent Auditor and Audit &amp; Supervisory Board</li> </ol> </td> </tr> <tr> <td style="vertical-align: top;"><b>Resolutions</b></td> <td> <p>Proposal 1: Appropriation of Surplus from the 161st Business Year</p> <p>Proposal 2: Election of Nine Directors</p> <p>Proposal 3: Election of One Audit &amp; Supervisory Board Member</p> <p>Proposal 4: Election of One Substitute Audit &amp; Supervisory Board Member</p> <p>Proposal 5: Revision of Amount of Remuneration for Directors</p> <p>Proposal 6: Revision of Amount of Remuneration for Audit &amp; Supervisory Board Members</p> </td> </tr> </table>	<b>Reports</b>	<ol style="list-style-type: none"> <li>1. Business report, consolidated financial statements, and non-consolidated financial statements for the 161st business year (from April 1, 2023 to March 31, 2024)</li> <li>2. Results of the audits of the consolidated financial statements for the 161st business year (from April 1, 2023 to March 31, 2024) by the Independent Auditor and Audit &amp; Supervisory Board</li> </ol>	<b>Resolutions</b>	<p>Proposal 1: Appropriation of Surplus from the 161st Business Year</p> <p>Proposal 2: Election of Nine Directors</p> <p>Proposal 3: Election of One Audit &amp; Supervisory Board Member</p> <p>Proposal 4: Election of One Substitute Audit &amp; Supervisory Board Member</p> <p>Proposal 5: Revision of Amount of Remuneration for Directors</p> <p>Proposal 6: Revision of Amount of Remuneration for Audit &amp; Supervisory Board Members</p>
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- Ⓒ When you arrive at the venue, please submit the enclosed Voting Rights Exercise Form at the reception desk at the venue.
- Ⓒ If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the websites listed on page 1 where the matters subject to measures for electronic provision are posted.
- Ⓒ Among the matters subject to measures for the electronic provision of information, the following are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents in accordance with relevant laws and regulations and the provisions of the Articles of Incorporation of the Company. The Audit & Supervisory Board Members and the Independent Auditors have audited the documents subject to audit including the following matters.
  - (i) "Status of Agreement for Limitation of Liability" and "Summary of Directors and Officers Liability Insurance" under Company Executives of the Business Report
  - (ii) "Systems Necessary to Ensure That the Execution of the Duties by the Directors Complies with Applicable Laws and the Articles of Incorporation, and to Ensure That the Other Operations of Nikko Co., Ltd. and the Operations of the Group of Enterprises Consisting of Nikko Co., Ltd. and its Subsidiaries are Appropriate," "Overview of the Operation of the Internal Control System," "Basic Policy Regarding the Control by the Stock Company," and "Policy on Deciding Dividend of Surplus, etc." of the Company's System and Policy of the Business Report
  - (iii) "Consolidated Statements of Changes in Equity of the Consolidated Financial Statements" and "Notes to the Consolidated Statements"
  - (iv) "Non-Consolidated Statements of Changes in Equity of the Financial Statements" and "Notes to the Statements"

## How to Exercise Voting Rights

Voting rights at an Ordinary General Shareholders' Meeting are an important right of the shareholders. We sincerely request you to consider the reference materials for the meeting, upon exercising your voting rights. The following three methods can be used for exercising voting rights.




**Attending the Ordinary General Shareholders' Meeting in person**

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

Time and date

**Friday, June 21, 2024  
10:00 a.m.**  
(The reception desk opens at 9:00 a.m.)




**Exercise of voting rights via the internet**

Please enter your approval or disapproval of the proposals in accordance with the instructions in the next page.

Deadline for exercising voting rights:

**Thursday, June 20, 2024  
Input need to be completed by  
5:00 p.m.**



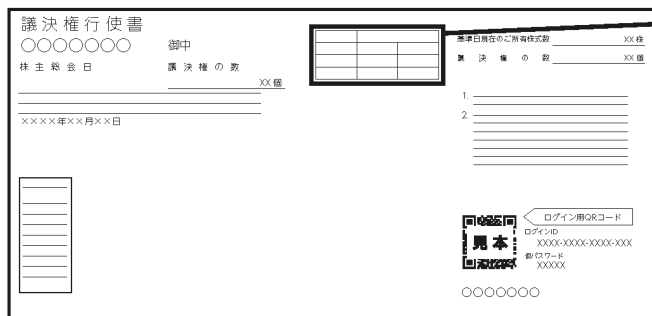
**Exercise of voting rights in writing (postal mail)**

Please indicate your approval or disapproval on each of the proposals on the enclosed Voting Rights Exercise Form and send it by mail. The form does not require a postal stamp.

Deadline for exercising voting rights:

**Thursday, June 20, 2024  
The voting rights arriving by  
5:00 p.m. will be accepted.**

## How to fill the Voting Rights Exercise Form



\*The Voting Rights Exercise Form is a representative image.

Enter your approval or disapproval here.

### Proposal 1, 3, 4, 5 and 6

- If you approve the proposal >> Draw a circle (○) in the "Approve" field.
- If you disapprove the proposal >> Draw a circle (○) in the "Disapprove" field.

### Proposal 2

- If you approve the election of all candidates >> Draw a circle (○) in the "Approve" field.
- If you disapprove the election of all candidates >> Draw a circle (○) in the "Disapprove" field.
- If you disapprove the election of some of the candidates >> Draw a circle (○) in the "Approve" field and enter the number of the candidate you disapprove.

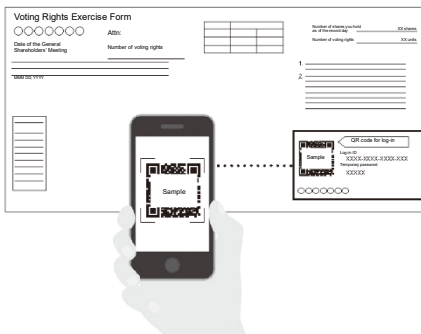
If you exercise your voting rights both via the internet and in writing (mail), the voting rights exercised via the internet are accepted as the valid exercise of voting rights. If you exercise your voting rights over several times via the internet, the final entry is accepted as the valid exercise of voting rights. If you exercise your voting rights in writing and in case that there is no indication of approval or disapproval for each proposal on the returned Voting Form, the vote will be regarded as having indicated approval for proposals made by the Company.

# How to exercise voting rights via the internet

## How to read the QR code

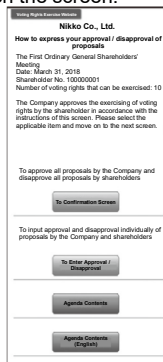
You may log in to the voting right exercise website without the log-in ID and temporary password in the Voting Rights Exercise Form.

- 1 Read the QR code printed in the Voting Rights Exercise Form.



\*\*QR code® is a registered trademark of Denso Wave Incorporated.

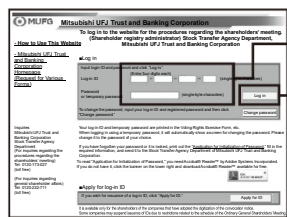
- 2 Please enter your approval or disapproval by following the instructions on the screen.



## How to enter login ID and temporary password

Voting right exercise website <https://evote.tr.mufg.jp/>

- 1 Access the voting right exercise website.
- 2 Enter the log-in ID and temporary password in the Voting Rights Exercise Form and click.



Input the login ID and temporary password.

Click "Log in."

- 3 Please enter your approval or disapproval by following the instructions on the screen.

\*The operation screen is a representative image.

Help Desk, Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation  
**0120-173-027**  
 (Toll free; from 9:00 to 21:00)

Institutional investors may use the voting rights electronic execution platform for institutional investors operated by ICJ, Inc.

**Reference Materials for the Ordinary  
General Shareholders' Meeting  
Proposals and Reference Items**

**Proposal 1: Appropriation of Surplus from the 161st Business Year**

The Company recognizes appropriate returns of profit to shareholders as one of the important management issues. Its basic policy is to decide the amount of dividends by comprehensively considering requirements for enhancement of internal reserve, etc., while intending, in principle, to pay dividends by reflecting its business performance for the concerned period.

Under this basic policy, the Company sets the year-end dividend for the current business year as described below.

**Matters regarding year-end dividends**

**(1) Type of dividend property**

Cash

**(2) Matters regarding appropriation of the dividend property to shareholders and its total amount**

15.00 yen per share of common stock

574,925,610 yen in total

**(3) Effective date of dividend of surplus**

June 24, 2024

As a result, annual dividend for the current fiscal year including interim dividend is 30.00 yen per share of common stock.

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## **Proposal 2: Election of Nine Directors**

The Company emphasizes on management responsibility of its Directors and its Articles of Incorporation set the term of their office at one year so as to ask for shareholders' confidence in them every business year.

The term of office of all nine Directors will expire at the conclusion of this Ordinary General Shareholders' Meeting, and Nikko Co., Ltd. requests to elect nine Directors once again.

Candidates for Directors are as described below.

The number of candidates and the candidates are determined at the Board of Directors upon consideration of a report by the Nomination and Remuneration Committee, which serves as an advisory body to the Board of Directors.

## List of candidates

(Note) The attendance of Mr. Takeshi Sone and Mr. Koichi Kawakami at Board of Directors meetings during the year under review covers only their attendance at Board of Directors meetings held after their appointment on June 23, 2023.

Candidate number	Attributes	Name	Current position at Nikko Co., Ltd.	Attendance at the Board of Directors meetings	Tenure as director (as of the end of this General Meeting of Shareholders)
1	Reappointment	Takahisa Nishikawa	Representative Director and Chairman	13 out of 13 meetings	16 years
2	Reappointment	Masaru Tsuji	Representative Director and President	13 out of 13 meetings	16 years
3	Reappointment	Hiroshi Fujii	Representative Director and Vice President	13 out of 13 meetings	13 years
4	Reappointment	Tomomi Nakayama	Managing Director	13 out of 13 meetings	5 years
5	Reappointment	Takeshi Sone	Director	9 out of 10 meetings	1 year
6	Reappointment	Koichi Kawakami	Director	10 out of 10 meetings	1 year
7	Reappointment Outside Independent	Masafumi Ishii	Director	13 out of 13 meetings	3 years
8	Reappointment Outside Independent	Rika Saeki	Director	13 out of 13 meetings	3 years
9	Reappointment Outside Independent	Shigeru Sadakari	Director	13 out of 13 meetings	2 years

Reappointment

Candidate for reappointment as Director

Outside

Candidate for Outside Director

Independent

Candidate for independent director as set forth by the Tokyo Stock Exchange



Candidate number	Name (Date of birth)	Brief personal history, position and responsibility at Nikko Co., Ltd. (Important concurrent position)		The number of shares the candidate holds in the Company
1	<p><b>Takahisa Nishikawa</b></p> <p>(Date of birth: March 31, 1959)</p> <p>Reappointment</p>	<p>April 1982 June 2007 June 2008 June 2011 June 2012 April 2019</p>	<p>Joined Nikko Co., Ltd. Executive Officer of the Company Director of the Company Managing Director of the Company Representative Director and President of the Company Representative Director and Chairman of the Company (current) Affiliates in-charge and General Manager of Manufacturing Division of Nikko Co., Ltd. (current)</p>	123,300 shares
	<p>[Reason for nomination as candidate for Director] Takahisa Nishikawa has appropriately supervised the management and taken decisions on important matters as the Representative Director and President since 2012, Representative Director and Chairman since April 2019, and Director and Chairman since June 2021, and has been contributing to business expansion while working to improve the corporate value. Given his track record and based on the judgment that he is an appropriate human resource for realizing continuous improvement in its corporate values, the Company requests to elect him again as Director.</p>			
2	<p><b>Masaru Tsuji</b></p> <p>(Date of birth: June 4, 1960)</p> <p>Reappointment</p>	<p>September 1987 June 2007 June 2008 June 2011 June 2015 April 2016 April 2019</p>	<p>Joined Nikko Co., Ltd. Executive Officer of the Company Director of the Company Managing Director of the Company Senior Managing Director of the Company General Manager of Business Division of the Company Representative Director and President of the Company (current) Internal control in-charge and General Manager of Technology Division of the Company (current)</p>	114,700 shares
	<p>[Reason for nomination as candidate for Director] Since 2019, Masaru Tsuji has appropriately supervised the management and taken decisions on important matters as the Representative Director and President and has formulated and been implementing the Medium-Term Management Plan while working to improve the Company's corporate value. Given his track record and based on the judgment that he is an appropriate human resource for realizing continuous improvement in its corporate values, the Company requests to elect him again as Director.</p>			

Candidate number	Name (Date of birth)	Brief personal history, position and responsibility at Nikko Co., Ltd. (Important concurrent position)	The number of shares the candidate holds in the Company
3	<p><b>Hiroshi Fujii</b></p> <p>(Date of birth: January 16, 1959)</p> <p>Reappointment</p>	<p>April 1982      Joined Taiyo-Kobe Bank Limited (current Sumitomo Mitsui Banking Corporation)</p> <p>April 2009      Manager of Kansai Corporate Solution Sales Department, SMBC Consulting Co., Ltd.</p> <p>June 2011      Director of the Company Manager of Financial Department of the Company</p> <p>June 2018      Managing Director of the Company General Manager of Financial Division of the Company</p> <p>April 2020      General Manager of Financial Division and Security Export Control in-charge of the Company</p> <p>April 2021      General Manager of Administrative Division, General Manager of Financial Department, and Security Export Control in-charge of the Company</p> <p>May 2021      General Manager of Administrative Division and Security Export Control in-charge of the Company (current)</p> <p>June 2021      Senior Managing Director of the Company</p> <p>April 2023      Representative Director and Vice President of the Company (current)</p> <p>&lt;Important concurrent position&gt; Representative Director and President, Nikko Kosan Co., Ltd. Representative Director and President, Nikko Baumaschinen GmbH</p>	71,400 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Hiroshi Fujii has appropriately supervised the management and taken decisions on important matters as Director, been in charge of administration of corporate planning and taken initiatives in the financial strategy as Representative Director and Vice President, and been in charge of security export control and driven forward the management plan. Given his track record and based on the judgment that he is an appropriate human resource for realizing continuous improvement in its corporate values, the Company requests to elect him again as Director.</p>			

Candidate number	Name (Date of birth)	Brief personal history, position and responsibility at Nikko Co., Ltd. (Important concurrent position)	The number of shares the candidate holds in the Company
4	<p style="text-align: center;"><b>Tomomi Nakayama</b></p> <p>(Date of birth: January 10, 1963)</p> <p style="text-align: center;">Reappointment</p>	<p>April 1982 January 2011 July 2013</p> <p>Joined Nikko Co., Ltd. Branch Manager of Chubu Branch of the Company Manager, Asphalt Plant Sales Management Department, Tokyo Head Office, the Company</p>	46,760 shares
		<p>June 2015</p> <p>Executive Officer of the Company Manager of Business Planning Department, Business Division, and Manager of Asphalt Plant Sales Management Department, Tokyo Head Office, the Company</p> <p>April 2016</p> <p>Manager of Business Planning Department, Business Division, Manager of Asphalt Plant Sales Management Department, and Director of AP Technology Center, the Company</p> <p>April 2018</p> <p>Manager of Business Planning Department, Business Division, Manager of Asphalt Plant Sales Management Department, Director of AP Technology Center, and Manager of Mobile Plant Business Department of the Company</p> <p>April 2019</p> <p>General Manager of Business Division, Manager of Business Planning Department, and Manager of Asphalt Plant Sales Management Department of the Company</p> <p>June 2019 June 2022 April 2023</p> <p>Director of the Company Managing Director of the Company (current) General Manager of Business Division, Manager of Business Planning Department of the Company (current)</p>	
<p>[Reason for nomination as candidate for Director] Tomomi Nakayama has appropriately supervised the management and taken decisions on important matters as Director, been in charge of the Business Division as Managing Director, taken initiatives in sales strategies, and driven forward management plans. Given his track record and based on the judgment that he is an appropriate human resource for realizing continuous improvement in its corporate values, the Company requests to elect him again as Director.</p>			
5	<p style="text-align: center;"><b>Takeshi Sone</b></p> <p>(Date of birth: February 25, 1970)</p> <p style="text-align: center;">Reappointment</p>	<p>April 1990 June 2012</p> <p>Joined Nikko Co., Ltd. Director of Tokyo Service Center, Service Planning Department of the Company</p>	11,595 shares
		<p>October 2013</p> <p>Director of Tokyo Service Center, Service Planning Department, and Director of Wangan Service Station of the Company</p> <p>April 2015</p> <p>Deputy Manager of Service Planning Department and Director of TSC Center of the Company</p> <p>April 2016 April 2018 April 2019</p> <p>Branch Manager of Chubu Branch of the Company Branch Manager of Kanto Branch of the Company Branch Manager of Kanto Branch and Manager of Mobile Plant Business Department of the Company</p> <p>June 2019 June 2022 April 2023</p> <p>Executive Officer of the Company Senior Executive Officer of the Company Manager of Service Planning Department and Mobile Plant Business Department of Business Division (current)</p> <p>June 2023</p> <p>Director and Executive Officer of the Company (current)</p>	
<p>[Reason for nomination as candidate for Director] Takeshi Sone has appropriately supervised the management and taken decisions on important matters as Director, been in charge of the Maintenance Service Business and Mobile Plant Business, the Company's mainstay divisions, taken initiative in business strategies for the Maintenance Service and Mobile Plant divisions, and driven forward the management plan. Given his track record and based on the judgment that he is an appropriate human resource for realizing continuous improvement in its corporate values, the Company requests to elect him again as Director.</p>			

Candidate number	Name (Date of birth)	Brief personal history, position and responsibility at Nikko Co., Ltd. (Important concurrent position)	The number of shares the candidate holds in the Company	
6	<b>Koichi Kawakami</b>  (Date of birth: July 8, 1965) Reappointment	December 1988 March 2003  April 2010  October 2014  April 2018 April 2021  June 2021 January 2022  October 2022  April 2023  June 2023	Joined Nikko Co., Ltd. General Manager of Corporate Planning Office, Administrative Division of the Company General Manager of International Planning Office, International Business Department of the Company General Manager of General Affairs Office, General Affairs Department of the Company Branch Manager of Chubu Branch of the Company Manager of President Office and General Manager of Quality Assurance Office of the Company Executive Officer of the Company (current) Manager of Corporate Planning Department and CEO's Office, DX Business Team Leader (CDO), General Manager of Quality Assurance Office of the Company Manager of Corporate Planning Department and CEO's Office, DX Business Team Leader (CDO) of the Company Deputy General Manager of Administrative Division, Manager of Corporate Planning Department and CEO Office, and DX Business Team Leader (CDO) of the Company (current) Director of the Company (current)	6,800 shares
		[Reason for nomination as candidate for Director] Koichi Kawakami has appropriately supervised the management and taken decisions on important matters as Director, been in charge of the Administrative Division, taken initiatives in management strategies primarily at corporate planning divisions, and driven forward management plans. Given his track record and based on the judgment that he is an appropriate human resource for realizing continuous improvement in its corporate values, the Company requests to elect him again as Director.		
7	<b>Masafumi Ishii</b>  (Date of birth: November 3, 1957) Reappointment	April 1980 February 2002 January 2004 July 2006 January 2013  July 2014  March 2017  January 2021 June 2021	Joined the Ministry of Foreign Affairs Private Secretary to the Minister for Foreign Affairs Minister, Embassy of Japan in the UK Minister, Embassy of Japan in the USA Director-General, International Legal Affairs Bureau, Ministry of Foreign Affairs Ambassador Extraordinary and Plenipotentiary, Embassy of Japan in Belgium Ambassador Extraordinary and Plenipotentiary, Embassy of Japan in Indonesia Retired from the Ministry of Foreign Affairs Outside Director of the Company (current)	6,000 shares
		[Reason for nomination as candidate for Outside Director and expected roles] Having served in a number of key positions at the Ministry of Foreign Affairs over many years, Masafumi Ishii has extensive knowledge of international affairs based on his abundant international experience as well as understanding of the Asian region, where the Company aims to expand its business in the future. He is expected to offer diverse and wide-ranging advices and appropriately supervise its business execution. While he has not been involved in corporate management in the past, the Company requests to elect him again as Outside Director based on the judgment that he is an appropriate human resource for realizing continuous improvement in corporate values given the above reasons, track record, and expectations.		

Candidate number	Name (Date of birth)	Brief personal history, position and responsibility at Nikko Co., Ltd. (Important concurrent position)	The number of shares the candidate holds in the Company
8	<b>Rika Saeki</b>  (Date of birth: February 27, 1961) Reappointment	April 2002      Established Usystem Limited (current Usystem Co., Ltd.) Representative Director, Usystem Co., Ltd. (current) June 2021      Outside Director of the Company (current) June 2022      Director, Kobe Commerce, Industry and Trade Center (current)	None
		<Important concurrent position> Representative Director, Usystem Co., Ltd. Director, Kobe Commerce, Industry and Trade Center	
[Reason for nomination as candidate for Outside Director and expected roles] Having been engaged in corporate management as the founder and manager of an operating company, Rika Saeki has extensive knowledge and experience, which the Company expects to be reflected in its management. Further, the Company believes that it is necessary for its future development to incorporate her knowledge of ICT, which is her main business, and her diverse opinions from the diversity perspective, and expects her to offer appropriate supervision of and advice on its business execution. Based on the above reasons, track record, and expectations, the Company has judged her to be an appropriate human resource for realizing continuous improvement in its corporate values and requests to elect her again as an Outside Director. If appointed, she is expected to continue to engage in the selection of officer candidates and decision on the remuneration for officers as a Nomination and Remuneration Committee member from an objective and neutral standpoint.			
9	<b>Shigeru Sadakari</b>  (Date of birth: September 22, 1957) Reappointment	April 1980      Joined Taiyo-Kobe Bank Limited (current Sumitomo Mitsui Banking Corporation) April 2010      Executive Officer and Manager of Internal Audit Department, Sumitomo Mitsui Banking Corporation May 2011      Managing Executive Officer, The Minato Bank, Ltd. April 2013      Senior Representative Managing Director and Senior Managing Executive Officer, The Minato Bank, Ltd. June 2015      Representative Director and Vice President, Kobe Tochi Tatemono Co., Ltd. June 2016      Representative Director and President, Kobe Maintenance of Building Co., Ltd. June 2019      Outside Audit & Supervisory Board Member, the Company June 2022      Outside Director of the Company (current)	6,000 shares
[Reason for nomination as candidate for Outside Director and expected roles] Having been engaged in corporate management at financial institutions and operating companies over many years, Shigeru Sadakari has extensive knowledge and experience, which the Company expects to be reflected in its management. Further, the Company believes that it is necessary for its future development to incorporate his diverse opinions regarding financial and accounting, in which he is well-versed, and expects him to offer appropriate supervision of and advices on its business execution. Based on the above reasons, track record, and expectations, the Company requests to elect him again as Outside Director. If appointed, he is expected to continue to engage in the selection of officer candidates and decision on the remuneration for officers as a Nomination and Remuneration Committee member from an objective and neutral standpoint.			

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(Notes)

1. There is no special interest between Nikko Co., Ltd. and each of the candidates.
2. Masafumi Ishii, Rika Saeki, and Shigeru Sadakari are candidates for Outside Director.
3. Nikko Co., Ltd. has reported to the Tokyo Stock Exchange that Masafumi Ishii, Rika Saeki, and Shigeru Sadakari as Independent Directors, whose designation is required by the exchange as directors who do not cause conflict of interests with general shareholders. If all three are reappointed, the Company plans to continue to designate them as Independent Directors.
4. Masafumi Ishii and Rika Saeki currently serve as Outside Directors. Their terms of office will be three years each at the conclusion of this Ordinary General Shareholders' Meeting. Shigeru Sadakari currently serves as an Outside Director. His term of office will be two years at the conclusion of this Ordinary General Shareholders' Meeting. Sadakari served as an Outside Audit & Supervisory Board Member of the Company in the past.
5. Nikko Co., Ltd. has entered into agreements with Masafumi Ishii, Rika Saeki, and Shigeru Sadakari to limit their liability for damages and the maximum amount of their liability under these agreements is the amount provided for in laws and regulations. Upon approval of their election, the Company plans to continue these agreements with them.
6. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3 (1) of the Companies Act with an insurance company and the insurance policy covers liability of the insured including Directors arising from the performance of their duties and damage claims put forward pertaining to the pursuit of the said liability. If the candidates are elected as Directors and take office, they become the insured of the said insurance policy. The Company plans to keep the contents of the said insurance policy unchanged in the next renewal.
7. At the moment, the Company does not plan to sign an indemnity agreement based on Article 430-2 (1) of the Companies Act with each of the candidates.

## Proposal 3: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Nobutaka Yasuda will expire at the conclusion of this Ordinary General Shareholders' Meeting, and Nikko Co., Ltd. requests to elect one Audit & Supervisory Board Member.

The candidate for Audit & Supervisory Board Member is as described below.

The candidate was determined at the Board of Directors upon consideration of a report by the Nomination and Remuneration Committee, which serves as an advisory body to the Board of Directors, with the consent of Audit & Supervisory Board.

Name (Date of birth)	Brief personal history and position at Nikko Co., Ltd. (Important concurrent position)		The number of shares the candidate holds in the Company
<p><b>Morie Okaaki</b></p> <p>(Date of birth: November 2, 1963)</p> <p>New appointment</p>	April 1986	Joined Nikko Co., Ltd.	40,490 shares
	October 2003	Deputy Branch Manager of Kitakanto Branch of the Company	
	April 2004	Manager of Kitakanto Sales Office	
	October 2007	Manager of BP Sales Department, BP Business Department, the Company	
	July 2013	Manager, BP Sales Management Department, Tokyo Head Office, the Company	
	April 2016	Manager of BP Sales Management Department, Manager of Industrial Machinery Sales Management Department, and Director of Industrial Machinery Technology Center of the Company	
	June 2016	Executive Officer of the Company	
	June 2017	Manager of Industrial Machinery Sales Management Department and Director of Industrial Machinery Technology Center of the Company	
	June 2019	Manager of Industrial Machinery Sales Management Department of the Company	
	June 2021	Senior Executive Officer of the Company (current)	
April 2024	Internal Control in-charge of the Company (current)		

[Reason for nomination as candidate for Audit & Supervisory Board Member]

Morie Okaaki is well versed in the operations of the Company from his experience of serving as the sales office manager and sales manager. The Company has judged him as an appropriate human resource for appropriately implementing audit for ensuring corporate soundness and requests to elect him as Audit & Supervisory Board Member.

(Notes)

- There is no special interest between Nikko Co., Ltd. and the candidate.
- The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3 (1) of the Companies Act with an insurance company and the insurance policy covers liability of the insured including Audit & Supervisory Board Member arising from the performance of their duties and damage claims put forward pertaining to the pursuit of the said liability. If the candidate is elected as Audit & Supervisory Board Member and takes office, he becomes the insured of the said insurance policy. The Company plans to keep the contents of the said insurance policy unchanged in the next renewal.
- The Articles of Incorporation of the Company stipulates rules regarding an agreement to limit liability of an Audit & Supervisory Board Member for damages. However, it at this point does not plan to sign the said agreement with the candidate.
- At the moment, the Company does not plan to sign an indemnity agreement based on Article 430-2 (1) of the Companies Act with the candidate.

## Proposal 4: Election of One Substitute Audit & Supervisory Board Member

Haruhiro Ogawa was elected as a substitute Audit & Supervisory Board Member for Audit & Supervisory Board Member Nobutaka Yasuda at the 160th Ordinary General Shareholders' Meeting held on June 23, 2023. The term of office of Audit & Supervisory Board Member Yasuda will expire at the conclusion of this Ordinary General Shareholders' Meeting, and Nikko Co., Ltd. requests to elect one substitute Audit & Supervisory Board Member for Morie Okaaki, who will take office as Audit & Supervisory Board Member provided Proposal 3: Election of One Audit & Supervisory Board Member is approved as proposed at the General Shareholders Meeting.

The validity of the election of a substitute Audit & Supervisory Board Member is subject to cancellation only before his taking office by the resolution of the Board of Directors with the consent of the Audit & Supervisory Board.

The validity of the preliminary election of the substitute Audit & Supervisory Board Member is, in accordance with the Articles of Incorporation, from after this Ordinary General Shareholders' Meeting till the start of the Ordinary General Shareholders' Meeting to be held in two years.

The candidate for substitute Audit & Supervisory Board Member is as described below.

The candidate was determined at the Board of Directors upon consideration of a report by the Nomination and Remuneration Committee, which serves as an advisory body to the Board of Directors, with the consent of Audit & Supervisory Board.

Name (Date of birth)	Brief personal history and position at Nikko Co., Ltd. (Important concurrent position)	The number of shares the candidate holds in the Company
Haruhiro Ogawa  (Date of birth: March 5, 1968)	April 1991	300 shares
	April 2013	
	April 2014	
	April 2017	
	October 2018	
	May 2021	
	April 2022	

[Reason for nomination as candidate for substitute Audit & Supervisory Board Member]

Haruhiro Ogawa has worked for a bank and securities company for many years before serving as the Manager of Financial Department of the Company, and has extensive knowledge and experience regarding financial and accounting. If elected as Audit & Supervisory Board Member, Ogawa is expected to appropriately implement audit for ensuring corporate soundness. Based on these reasons, the Company requests to elect him as substitute Audit & Supervisory Board Member.



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(Notes)

1. There is no special interest between Nikko Co., Ltd. and the candidate.
2. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3 (1) of the Companies Act with an insurance company and the insurance policy covers liability of the insured including Audit & Supervisory Board Member arising from the performance of their duties and damage claims put forward pertaining to the pursuit of the said liability. If Haruhiro Ogawa takes office as an Audit & Supervisory Board Member and takes office, he becomes the insured of the said insurance policy. The Company plans to keep the contents of the said insurance policy unchanged in the next renewal.
3. The Articles of Incorporation of the Company stipulates rules regarding an agreement to limit liability of an Audit & Supervisory Board Member for damages. However, it does not plan to sign the said agreement with Haruhiro Ogawa if he takes office as Audit & Supervisory Board Member.
4. At the moment, the Company does not plan to sign an indemnity agreement based on Article 430-2 (1) of the Companies Act with Haruhiro Ogawa if he takes office as Audit & Supervisory Board Member.

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## **Proposal 5: Revision of Amount of Remuneration for Directors**

The total amount of remuneration for the Company's Directors was resolved as 220 million yen or less per year at the 151st Ordinary General Shareholders' Meeting held on June 20, 2014, and has been unchanged till now. However, taking into consideration various circumstances such as an expected increase in responsibilities and expected roles of the Directors more than ever, enhancement of management structure, and changes in the composition of the Board of Directors for strengthening of corporate governance, the Company would like to revise the total amount of remuneration for Directors to 310 million yen or less per year including 50 million yen or less for Outside Directors.

The amount of remuneration of Directors does not include the employee salary portion of the remuneration of employees concurrently serving as Directors, as in the past.

The proposal comprehensively considers the business scale of the Company, its officer remuneration system, its payment level, the current number of officers, and future trends. It was approved by the Board of Directors following the deliberation by the Nomination and Remuneration Committee and its contents are deemed appropriate.

The policy regarding determination of individual remuneration for the Company's Directors is as described in the Business Report.

The Company currently has nine Directors (including three Outside Directors) and the number of Directors does not change even after Proposal 2 is approved as proposed.

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## **Proposal 6: Revision of Amount of Remuneration for Audit & Supervisory Board Members**

The total amount of remuneration for the Company's Audit & Supervisory Board Members was resolved as 50 million yen or less per year at the 146th Ordinary General Shareholders' Meeting held on June 25, 2009, and has been unchanged till now. However, taking into consideration growing roles and responsibilities of Audit & Supervisory Board Members along with the growing scope of their assignment given the subsequent expansion of the business scale of the Group and strengthening of its corporate governance system. In order to realize a pay level that is relevant in view of these roles and responsibilities, the Company would like to revise the total amount of remuneration for Audit & Supervisory Board Members to 80 million yen or less per year.

The proposal comprehensively considers the business scale of the Company, its officer remuneration system, its payment level, the current number of officers, and future trends. It was approved by the Board of Directors following the deliberation by the Nomination and Remuneration Committee and discussions with the Audit & Supervisory Board Members and its contents are deemed appropriate.

The Company currently has four Audit & Supervisory Board Members (including three Audit & Supervisory Board Members) and the number of Audit & Supervisory Board Members does not change even after Proposal 3 is approved as proposed.

**(Reference) Diversity of the Board of Directors and the Audit & Supervisory Board (if Proposal 2 and Proposal 3 are approved)**

Director candidate number	Name	Independence (Outside Directors only)	Knowledge and experience the Company expects*								
			Corporate management Business operation	Industrial knowledge	Finance and accounting	Legal compliance	International experience	Sales experience	ICT	Engineering experience	Administrative experience
1	Takahisa Nishikawa		●	●			●			●	
2	Masaru Tsuji		●	●				●	●	●	
3	Hiroshi Fujii		●		●	●	●				
4	Tomomi Nakayama		●	●				●		●	
5	Takeshi Sone		●	●				●		●	
6	Koichi Kawakami		●	●			●	●	●		
7	Masafumi Ishii	●				●	●				●
8	Rika Saeki	●	●						●		
9	Shigeru Sadakari	●	●		●	●					

\* The above list does not cover all knowledge and experiences the candidates have.

\* ICT in the above list denotes Information and Communication Technology.

Audit & Supervisory Board Member candidate number	Name	Independence (Outside Directors only)	Knowledge and experience the Company expects*								
			Corporate management Business operation	Industrial knowledge	Finance and accounting	Legal compliance	International experience	Sales experience	ICT	Engineering experience	Administrative experience
-	Morie Okaaki		●	●				●			
-	Naoki Ota	●	●				●				
-	Tsuyoshi Fukui	●			●						
-	Koji Yoneda	●				●					

\* The above list does not cover all knowledge and experiences the Audit & Supervisory Board Members have.

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## **(Reference) Criteria for Independence of Outside Officers**

The Company shall set the criteria for independence of its outside officers (Directors and Audit & Supervisory Board Members) as follows. If none of the following items applies to an outside officer (or its candidate), the Company deems that the said outside officer maintains adequate independence.

Outside officers shall strive to maintain the independence stipulated by the criteria until retirement. If they come to lose the independence stipulated by the criteria, he or she shall immediately notify the Company.

1. A person who is or used to be engaged in business execution\*1 of the Company as well as its subsidiaries and affiliates (hereafter referred to as the "Group").
2. Party for whom the Group is a major business partner\*2 or a major business partner of the Group and a person who is engaged in business execution at the major business partner of the Group.
3. A major shareholder\*3 of the Company or a person engaged in business execution at a major shareholder of the Company.
4. A person engaged in business execution at a party in which the Group is a major shareholder.
5. A Group's major lender\*4 or person engaged in business execution at a Group's major lender.
6. A person who belongs to the accounting firm that is the accounting auditor of the Group.
7. A consultant, accountant, tax accountant, attorney at law, judicial scrivener, patent attorney, or other expert receiving 10 million yen or more a year other than officers' compensation from the Group (if such financial benefits are obtained by an organization such as an incorporated entity and union, a person belonging to such an organization).
8. A person receiving 10 million yen or more a year from the Group.
9. A person engaged in the business execution at a company where the Company's outside officer concurrently holds a position.
10. A person who fell under any of above items 2 to 9 in the past three years.
11. Spouse, or a relative within one or second degree from a person who falls under any of above items 1 to 10 in the past three years or a relative who lives together with the person.
12. A person who currently holds the position of an independent officer and the total number of years in service as Director exceeds eight years if reappointed or the total number of years in service as Audit & Supervisory Board Member exceeds 12 years if reappointed.
13. In addition to the above items, a person who has a special reason which prevents him or her from performing the duties of an independent outside officer such as a possible conflict of interest with the Company.

\*1 "Person engaged in business execution" refers to executive directors, executives, executive officers, and other officers and employees in an equivalent position at a corporate body, etc.

\*2 "Major business partner" refers to a business partner whose transaction exceeds 2% of net sales of either party in the most recent fiscal year.

\*3 "Major shareholder" refers to a party that directly or indirectly holds 10% or more of the voting rights.

\*4 "Major lender" refers to a person from which the Group is borrowing equivalent to 2% or more of its consolidated total assets in the most recent fiscal year.

Enacted on May 21, 2021