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Securities code: 5408

June 7, 2024

(Date of commencement of measures for electronic provision: June 4, 2024)

**To Shareholders with Voting Rights:**

Kazuaki Hakomori  
Representative Director and President  
NAKAYAMA STEEL WORKS, LTD.  
1-1-66 Funamachi, Taisho-ku,  
Osaka-shi, Osaka, Japan

**NOTICE OF  
THE 130TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 130th Annual General Meeting of Shareholders of NAKAYAMA STEEL WORKS, LTD. (the “Company”) will be held as described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures for electronic provision of materials for the general meeting of shareholders and posted the matters to be provided electronically as the “Notice of the 130th Annual General Meeting of Shareholders” on the website on the internet indicated below.

[The Company’s website]

[https://www.nakayama-steel.co.jp/menu/investment/shareholders\\_meeting.html](https://www.nakayama-steel.co.jp/menu/investment/shareholders_meeting.html) (in Japanese)

The matters to be provided electronically are also posted on the website on the internet indicated below. Please access the Tokyo Stock Exchange website (TSE Listed Company Search) indicated below, enter “Nakayama Steel Works” in the “Issue name (company name)” field or the Company’s securities code “5408” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and click “Click here for access” below [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] to review the materials.

[Tokyo Stock Exchange website (TSE Listed Company Search)]

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

**If you are unable to attend the meeting, you may exercise your voting rights in writing (voting rights exercise form) or via electromagnetic means (the internet). Please review the Reference Materials for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. Japan time on Tuesday, June 25, 2024, in accordance with the “Guide for exercising voting rights” on pages 3 and 4 (in Japanese only).**

- 1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Place:** Headquarters of the Company  
1-1-66 Funamachi, Taisho-ku, Osaka-shi, Osaka, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 130th 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. Non-consolidated Financial Statements for the Company's 130th Fiscal Year (April 1, 2023 - March 31, 2024)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 4:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member

End

Notice:

- ⊙ For this General Meeting of Shareholders, regardless of whether a shareholder requested a paper copy or not, the paper copy of the materials for the general meeting of shareholders has been sent to shareholders, as before the introduction of the electronic provision system. However, "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements and "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements are posted on the Company's website (<https://www.nakayama-steel.co.jp/>) (in Japanese only) on the internet, in accordance with provisions of laws and regulations as well as Article 15 of the Articles of Incorporation of the Company, and therefore are not included in this Notice. Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in this Notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Auditor's Report and the Independent Auditor's Report, respectively.
- ⊙ Any revisions to the matters provided electronically will be posted on each website on which the matters to be provided electronically are posted (in Japanese only).

# Reference Materials for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company's basic policy for appropriation of surplus is to realize stable dividends, while securing internal reserves necessary to enhance its management base and financial position as well as to prepare for future business development.

Accordingly, the Company proposes a year-end dividend for the fiscal year under review as follows.

Matters concerning year-end dividend

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property to shareholders and the total amount thereof  
31 yen per share of common stock of the Company  
Total amount: 1,678,882,004 yen
- (3) Effective date of distribution of surplus  
June 27, 2024

**Proposal 2:** Election of Nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members), including two (2) Outside Directors, is proposed, by decreasing the number of Directors by one (1).

In submitting this proposal, the candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) have been determined after deliberation by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Age	Gender	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Kazuaki Hakomori [Reappointment]	71	Male	Representative Director and President; Chairperson, the Board of Directors; Chairperson, the Remuneration and Nomination Advisory Committee	17/17 (100%)
2	Sachio Nakamura [Reappointment]	67	Male	Senior Managing Director; Supervising Corporate Management Division and General Affairs and Human Resources Department	17/17 (100%)
3	Nobuhiko Naito [Reappointment]	65	Male	Senior Managing Director; Supervising Sales, Building Materials Sales, Product Development Division, and Purchasing Department	17/17 (100%)
4	Masahiro Morikawa [Reappointment]	64	Male	Managing Director; Supervising General Production Administration and Steel Manufacturing Division	16/17 (94%)
5	Yasuharu Kadono [Reappointment]	64	Male	Managing Director; Supervising Rolling, Building Materials Manufacturing, and Engineering Division	17/17 (100%)
6	Yoshinobu Shibahara [Reappointment]	58	Male	Director; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Senior General Manager, Product Development Division	13/13 (100%)
7	Mitsuaki Sakaguchi [Reappointment]	55	Male	Director; Senior General Manager, Corporate Management Division	13/13 (100%)
8	Masahiro Nakatsukasa [Reappointment] [Outside] [Independent]	59	Male	Outside Director; Member, the Remuneration and Nomination Advisory Committee	16/17 (94%)
9	Sayuri Murakami [Reappointment] [Outside] [Independent]	62	Female	Outside Director; Member, the Remuneration and Nomination Advisory Committee	13/13 (100%)

- Notes: 1. The age of each candidate is as of this Annual General Meeting of Shareholders.  
2. The number of Board of Directors meetings indicated for Mr. Yoshinobu Shibahara, Mr. Mitsuaki Sakaguchi and Ms. Sayuri Murakami is the number of Board of Directors meetings held after their assumption of office on June 28, 2023.  
3. Mr. Noboru Kitazawa will retire from his post at the conclusion of this Annual General Meeting of Shareholders due to the expiration of his term of office.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kazuaki Hakomori (February 8, 1953) (Age 71)  [Reappointment]  [Attendance at the Board of Directors meetings] 17/17 (100%)	Apr. 1980      Joined the Company Sep. 1999      General Manager, Rolling Department No. 2 Aug. 2003      General Manager, Production Technology Department Jun. 2005      Director; General Manager, Production Technology Department; in charge of Business Strategy Apr. 2009      Director; in charge of Business Strategy, Quality Management, Product Development, and Steel Bars and Wire Rods Feb. 2011      Director; Senior General Manager, Sales Division; in charge of Product Development Nov. 2012      Director; in charge of Sales and Amorphous Apr. 2013      Director; in charge of Sales Jun. 2013      Senior Managing Director; supervising Sales, Purchasing, Manufacturing, Safety and Disaster Prevention Environment Department, and Engineering; General Manager, Management Support Office Jun. 2014      Senior Managing Director; supervising Sales, Purchasing, Manufacturing, Engineering, Safety and Disaster Prevention, Environment Management Division Jun. 2016      Senior Managing Director; supervising Sales, Purchasing, Manufacturing, and Engineering Division Jun. 2017      Representative Director and President (to the present)	12,732
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Kazuaki Hakomori was involved mainly in the Rolling Department, and has been in charge of business strategy for Production Departments since his appointment as a Director of the Company and is well versed in such areas.</p> <p>In the turnaround that the Company undertook starting in 2013, as a Director supervising sales, manufacturing, and purchasing, he contributed to the management reform by leading the thorough implementation of profit management, and together with other Directors, he successfully executed the management reform. Since his appointment as Representative Director and President in June 2017, he has been working to maximize consolidated earnings by promoting collaborative strategies with group companies, as well as to strengthen human resources, financial base, and governance.</p> <p>In addition, in the current the medium-term management plan, he is not only strengthening these management bases, but is also working to promote sustainability, including countermeasures against climate change, by strengthening the Company's efforts to achieve a carbon-neutral and recycling-oriented society. As Representative Director, he is also taking the lead in the study of expanding the wide-spread use of electric furnace steel materials and increasing the production capacity of electric furnaces.</p> <p>Therefore, we believe that he will be able to continue to reflect his wealth of knowledge and experience regarding the Company's business as a whole, as well as his insight in corporate management in the Company's management, and ultimately contribute to its shareholders as stakeholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Sachio Nakamura (February 22, 1957) (Age 67)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 17/17 (100%)</p>	<p>Apr. 1979      Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Apr. 2001      Branch Manager, Tanimachi Branch, MUFG Bank, Ltd.</p> <p>Mar. 2003      General Manager, Public Relations Division, UFJ Holdings (currently Mitsubishi UFJ Financial Group, Inc.); General Manager, Public Relations Division, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>Oct. 2004      General Manager, Tokyo Corporate Banking Division No. 2, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>Jan. 2006      General Manager, Corporate Banking Division No. 4, Corporate Banking Group No. 1, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Feb. 2007      General Manager, Public Corporate Division, The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>Jun. 2009      Representative Director and Vice President, Mitsubishi UFJ Staff Service Co., Ltd. (currently Mitsubishi UFJ Jinji Service Co., Ltd.)</p> <p>Jul. 2011      Representative Director and President, MUT Business Outsourcing Co., Ltd.</p> <p>Jun. 2013      Advisor, the Company</p> <p>Jun. 2013      Managing Director; supervising Administration Department, the Company</p> <p>Jun. 2016      Senior Managing Director; supervising General Affairs, Corporate Planning, and Accounting Division</p> <p>Apr. 2020      Senior Managing Director; supervising Safety and Disaster Prevention Environment Department, General Affairs and Human Resources Department, Systems Department, and Corporate Management Division</p> <p>Apr. 2021      Senior Managing Director; supervising Corporate Management Division, General Affairs and Human Resources Department, and Systems Department</p> <p>Apr. 2023      Senior Managing Director; supervising Corporate Management Division and General Affairs and Human Resources Department (to the present)</p>	6,882
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>Mr. Sachio Nakamura has a wide range of experience and deep insight accumulated over many years mainly at financial institutions. Since his appointment as a Director of the Company, he has been responsible for Administration Departments, including general affairs, human resources, systems, corporate planning, and accounting. Therefore, we believe that he will be able to reflect his wealth of experience and deep insight in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held		
3	Nobuhiko Naito (July 7, 1958) (Age 65)  [Reappointment]  [Attendance at the Board of Directors meetings] 17/17 (100%)	Apr. 1982      Joined the Company Dec. 2007      General Manager, Steel Bars and Wire Rods Sales Department, Sales Division Jun. 2013      Executive Officer; Senior General Manager, Purchasing Division; General Manager, Iron Source Procurement Department Jun. 2014      Executive Officer; Senior General Manager, Purchasing Division May 2015      Executive Officer; Senior General Manager, Sales Division Jun. 2017      Director; supervising Sales, Purchasing Division, and Tokyo Branch; Senior General Manager, Sales Division May 2018      Director; supervising Sales, Purchasing Division, and Tokyo Branch Apr. 2020      Director; supervising Sales Division, Purchasing Department, and Tokyo Branch Jun. 2020      Managing Director; supervising Sales Division, Purchasing Department, and Tokyo Branch Apr. 2022      Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch Jun. 2022      Senior Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch Oct. 2023      Senior Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Sales Department Apr. 2024      Senior Managing Director; supervising Sales, Building Materials Sales, Product Development Division, and Purchasing Department (to the present)	5,982		
		[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)] After joining the Company, Mr. Nobuhiko Naito was involved mainly in Sales and Purchasing Departments and is well versed in such areas. Since his appointment as a Director of the Company, he has been responsible for Sales, Purchasing, and Product Development Departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Masahiro Morikawa (June 17, 1960) (Age 64)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 16/17 (94%)</p>	<p>Apr. 1983      Joined the Company</p> <p>Apr. 2007      General Manager, Steel Manufacturing Plant</p> <p>Jun. 2013      General Manager, Production Technology Department</p> <p>May 2015      Senior General Manager, General Production Administration Division; General Manager, Production Technology Department</p> <p>Jun. 2016      Executive Officer; Senior General Manager, General Production Administration Division</p> <p>May 2018      Executive Officer; supervising General Production Administration, Manufacturing, and Engineering Division</p> <p>Jun. 2018      Director; supervising General Production Administration, Manufacturing, and Engineering Division</p> <p>Jun. 2021      Managing Director; supervising General Production Administration, Manufacturing, and Engineering Division</p> <p>Feb. 2022      Managing Director; supervising General Production Administration, Manufacturing, Engineering Division, and Steel Manufacturing Process Reform Review Group</p> <p>Apr. 2023      Managing Director; supervising General Production Administration, Steel Manufacturing, and Rolling Division</p> <p>Apr. 2024      Managing Director; supervising General Production Administration, Steel Manufacturing Division (to the present)</p>	8,312
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Masahiro Morikawa was involved mainly in Steel Manufacturing and Production Technology Departments and is well versed in such areas. Since his appointment as a Director of the Company, he has been responsible for the Production Technology, Manufacturing, Environmental Energy, and Engineering Departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p data-bbox="212 573 430 667">Yasuharu Kadono (February 9, 1960) (Age 64)</p> <p data-bbox="225 701 418 734">[Reappointment]</p> <p data-bbox="212 768 430 891">[Attendance at the Board of Directors meetings] 17/17 (100%)</p>	<p data-bbox="472 282 592 309">Apr. 1982</p> <p data-bbox="692 282 927 309">Joined the Company</p> <p data-bbox="472 315 592 342">Oct. 2002</p> <p data-bbox="692 315 1091 342">General Manager, Hot Rolling Mill</p> <p data-bbox="472 349 592 376">Jun. 2005</p> <p data-bbox="692 349 1214 409">General Manager, Galvanizing Plant and Steel Plates Mill</p> <p data-bbox="472 416 592 443">Dec. 2006</p> <p data-bbox="692 416 1091 443">General Manager, Hot Rolling Mill</p> <p data-bbox="472 450 592 477">Jun. 2013</p> <p data-bbox="692 450 1190 510">Executive Officer; Senior General Manager, Manufacturing Division</p> <p data-bbox="472 517 592 544">Jun. 2017</p> <p data-bbox="692 517 1233 600">Director; supervising Manufacturing and Engineering Division; Senior General Manager, Manufacturing Division</p> <p data-bbox="472 607 592 633">Jun. 2018</p> <p data-bbox="692 607 1257 730">Director, Senior General Manager, Manufacturing Division, NAKAYAMA MITSUBOSHI STEEL PRODUCTS. LTD. (currently NAKAYAMA STEEL WORKS, LTD.)</p> <p data-bbox="472 736 592 763">Jun. 2020</p> <p data-bbox="692 736 1206 819">Managing Director; Senior General Manager, Manufacturing Division, NAKAYAMA MITSUBOSHI STEEL PRODUCTS. LTD.</p> <p data-bbox="472 826 592 853">Apr. 2022</p> <p data-bbox="692 826 1198 927">Managing Executive Officer; Senior General Manager, Building Materials Division, NAKAYAMA STEEL WORKS, LTD.</p> <p data-bbox="472 934 592 960">Jun. 2022</p> <p data-bbox="692 934 1206 994">Managing Director; Senior General Manager, Building Materials Division, the Company</p> <p data-bbox="472 1001 592 1028">Apr. 2023</p> <p data-bbox="692 1001 1206 1084">Managing Director; Senior General Manager, Building Materials Division; supervising Engineering Division, the Company</p> <p data-bbox="472 1090 592 1117">Apr. 2024</p> <p data-bbox="692 1090 1257 1173">Managing Director; supervising Rolling, Building Materials Manufacturing, and Engineering Division, the Company (to the present)</p>	4,912
<p data-bbox="193 1182 1476 1243">[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p data-bbox="193 1249 1476 1435">After joining the Company, Mr. Yasuharu Kadono was involved mainly in the Rolling Department, and is well versed in such area. Since his appointment as a Director of the Company, he has been responsible for the Building Materials Division as a chief of business execution of the Manufacturing Department in the secondary processing field. Since April 2024, he has also been responsible for the Rolling Division and the Engineering Division. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
6	Yoshinobu Shibahara (December 20, 1965) (Age 58)  [Reappointment]  [Attendance at the Board of Directors meetings] 13/13 (100%)	Apr. 1989	Joined the Company	2,866
		May 2015	General Manager, Sales Department	
		May 2018	Senior General Manager, Sales Division; General Manager, Sales Department	
		Apr. 2020	Executive Officer; Senior General Manager, Sales Division; General Manager, Sales Department	
		Apr. 2022	Executive Officer; Senior General Manager, Sales Division; General Manager, Sales Planning Department; Deputy Senior General Manager, Product Development Division	
		Apr. 2023	Executive Officer; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Deputy Senior General Manager, Product Development Division	
		Jun. 2023	Director; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Deputy Senior General Manager, Product Development Division	
		Apr. 2024	Director; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Senior General Manager, Product Development Division (to the present)	
[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)] After joining the Company, Mr. Yoshinobu Shibahara was involved mainly in the Sales Department, and is well versed in such area. Since his appointment as a Director of the Company, he has been responsible for Sales and Product Development Departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.				
7	Mitsuaki Sakaguchi (October 20, 1968) (Age 55)  [Reappointment]  [Attendance at the Board of Directors meetings] 13/13 (100%)	Apr. 1991	Joined the Company	3,135
		Nov. 2012	General Manager, Accounting Department	
		Jun. 2013	Senior General Manager, Corporate Management Division	
		Jun. 2016	Senior General Manager, Accounting Division;	
		Jun. 2018	Executive Officer; Senior General Manager, Accounting Division	
		Apr. 2020	Executive Officer; Senior General Manager, Corporate Management Division	
		Apr. 2022	Managing Executive Officer; Senior General Manager, Corporate Management Division	
		Jun. 2023	Director; Senior General Manager, Corporate Management Division (to the present)	
[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)] After joining the Company, Mr. Mitsuaki Sakaguchi was involved mainly in Corporate Planning, Accounting, and General Affairs Departments, and is well versed in such areas. Since his appointment as a Director of the Company, he has been responsible for Corporate Planning, Accounting, and Systems Departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>Masahiro Nakatsukasa (January 19, 1965) (Age 59)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 16/17 (94%)</p>	<p>Apr. 1994 Admitted to the Bar; Member of Osaka Bar Association. Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)</p> <p>Aug. 2005 Served at Kirkland &amp; Ellis LLP, U.S.A.</p> <p>Apr. 2006 Admitted to the New York State Bar, U.S.A.</p> <p>Jun. 2006 Outside Audit &amp; Supervisory Board Member, Asaka Industrial Co., Ltd.</p> <p>Jul. 2012 Representative Partner, Chuo Sogo Law Office, P. C. (to the present)</p> <p>Apr. 2015 Vice Chairman, Osaka Bar Association</p> <p>Jun. 2015 Outside Audit &amp; Supervisory Board Member, ARAKAWA CHEMICAL INDUSTRIES, LTD.</p> <p>Jun. 2015 Outside Audit &amp; Supervisory Board Member, NIPPON DENTSU Co., Ltd.</p> <p>Jun. 2016 Outside Director who is an Audit and Supervisory Committee Member, Asaka Industrial Co., Ltd. (to the present)</p> <p>Jun. 2016 Outside Director who is an Audit and Supervisory Committee Member, ARAKAWA CHEMICAL INDUSTRIES, LTD. (to the present)</p> <p>Jun. 2016 Outside Director who is an Audit and Supervisory Committee Member, NIPPON DENTSU Co., Ltd. (to the present)</p> <p>Jun. 2016 Outside Director, the Company (to the present)</p> <p>Jun. 2018 Outside Audit &amp; Supervisory Board Member, JSH Co., Ltd. (to the present)</p> <p>Jun. 2022 Outside Director, Osaka Mazda Motor Corporation (to the present)</p> <p>Dec. 2022 Managing Partner, Chuo Sogo Law Office, P. C. (to the present)</p> <p>[Significant concurrent positions] Representative Partner, Managing Partner, Chuo Sogo Law Office, P. C. Outside Director who is an Audit and Supervisory Committee Member, Asaka Industrial Co., Ltd. Outside Director who is an Audit and Supervisory Committee Member, ARAKAWA CHEMICAL INDUSTRIES, LTD. Outside Audit &amp; Supervisory Board Member, JSH Co., Ltd. Outside Director, Osaka Mazda Motor Corporation</p>	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles]</p> <p>Mr. Masahiro Nakatsukasa has a wide range of experience and insight as an attorney specializing in corporate legal affairs. He represents his law firm and serves as an outside director for several companies. Although he has never been involved in corporate management other than as an outside officer, he has served as an Outside Director of the Company for eight (8) years and has provided opinions on the nature of company-wide risk management by leveraging his wealth of experience and deep insight.</p> <p>In addition, he has provided advice and recommendations to the Company's management from an independent standpoint, such as by actively expressing his opinions as a member of the Company's voluntary Remuneration and Nomination Advisory Committee, thereby playing an appropriate role in enhancing the supervisory functions of the Board of Directors. Based on these achievements, in addition to executing his duties as an Outside Director, we believe that he will be able to ensure fair management that is in compliance with laws and regulations and social norms, and further enhance the Company's governance.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Sayuri Murakami (August 2, 1961) (Age 62)  [Reappointment] [Outside] [Independent]  [Attendance at the Board of Directors meetings] 13/13 (100%)	Apr. 1984      Joined The Kobe Shimbun Mar. 2009      General Manager, Economics Department, Editorial Bureau, The Kobe Shimbun Mar. 2013      Deputy General Manager, Regional Research Institute, The Kobe Shimbun Mar. 2015      Vice Chairman, Editorial Board, The Kobe Shimbun Mar. 2017      General Manager, Tokyo Branch Office, The Kobe Shimbun Mar. 2019      Executive Officer and Representative, Himeji Head Office, The Kobe Shimbun Mar. 2022      Advisor to the Editorial Bureau, The Kobe Shimbun Jun. 2022      Coordinator, Public Relations and Endowment Division, Strategic Planning Office; Regional Partnership Advisory Fellow (faculty member), Office for Promoting Regional Partnership, Kobe University Apr. 2023      Member of the Management Council, University of Hyogo (to the present) Jun. 2023      Outside Director, the Company (to the present)  [Significant concurrent positions] Member of the Management Council, University of Hyogo	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles]</p> <p>Ms. Sayuri Murakami has a wealth of experience and insight in journalism accumulated at The Kobe Shimbun. She also has experience and insight in corporate management accumulated as an Executive Officer of The Kobe Shimbun. She has served as the Company's first female outside director since June 2023, and has been active in speaking out at the Board of Directors meetings, utilizing her female perspective and keen sensitivity as a former media journalist.</p> <p>In addition, as a member of the Company's voluntary Remuneration and Nomination Advisory Committee, she provides advice and recommendations from an independent standpoint based on her experience in corporate management. Based on these achievements, we believe that she will be able to provide appropriate advice and recommendations on the Company's management and governance from an independent standpoint as an Outside Director.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Messrs. Kazuaki Hakomori, Sachio Nakamura, Nobuhiko Naito, Masahiro Morikawa, Yasuharu Kadono, Yoshinobu Shibahara, and Mitsuaki Sakaguchi satisfy the criteria for selecting Directors (excluding Directors who are Audit and Supervisory Committee Members) established by the Company (see page 22).
  3. Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami satisfy the criteria for selecting Outside Directors (excluding Audit and Supervisory Committee Members) established by the Company (see page 23) and the criteria for independence of Outside Officers (see page 23).
  4. Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami are candidates for Outside Directors. The Company has registered both of them as independent officers with the Tokyo Stock Exchange (TSE) and will continue to designate them as such if their reappointment is approved.
  5. The term of office of Mr. Masahiro Nakatsukasa as an Outside Director of the Company will be eight (8) years at the conclusion of this Annual General Meeting of Shareholders.  
The term of office of Ms. Sayuri Murakami as an Outside Director of the Company will be one (1) year at the conclusion of this Annual General Meeting of Shareholders.
  6. The Company has entered into an advisory agreement with Chuo Sogo Law Office, P. C. where Mr. Masahiro Nakatsukasa serves as a representative partner and managing partner. However, the Company's payment of fees to the said law office is negligible and the Company has no other special relationship with the said law office.

7. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami to limit their liability for damage under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If reappointment of Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami is approved, the Company intends to continue the agreements with the same content as above with them.
8. The Company has entered into a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insureds (Directors) assume liability for the execution of their duties and receive a claim for the pursuit of such liability. Each candidate will be insured under the said insurance contract. The Company intends to renew the contract with the same content at the next renewal.
9. Regarding Ms. Sayuri Murakami, Sayuri Murakami is her professional name and her name in the family register is Sayuri Ozaki.

**Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members, including two (2) Outside Directors, is proposed.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal, following deliberations by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name	Age	Gender	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings
1	Ryohei Kishida [Reappointment]	64	Male	Director (Standing Audit and Supervisory Committee Member)	17/17 (100%)	22/22 (100%)
2	Masaya Kakuda [Reappointment] [Outside] [Independent]	66	Male	Outside Director (Audit and Supervisory Committee Member)	17/17 (100%)	22/22 (100%)
3	Kazuyoshi Tsuda [Reappointment] [Outside] [Independent]	58	Male	Outside Director (Audit and Supervisory Committee Member)	17/17 (100%)	22/22 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Ryohei Kishida (February 3, 1960) (Age 64)  [Reappointment]  [Attendance at the Board of Directors meetings] 17/17 (100%)  [Attendance at the Audit and Supervisory Committee meetings] 22/22 (100%)	Apr. 1983 Mar. 2003 Jul. 2007  Apr. 2008 Jun. 2016 Jun. 2019  Apr. 2020 Jun. 2020 Jun. 2022	Joined the Company General Manager, Coke Plant General Manager in charge of Steel Bars and Wire Rods Mill General Manager, Steel Bars and Wire Rods Mill General Manager, General Affairs Division Executive Officer; General Manager, General Affairs Division Executive Officer; Assistant to President Standing Audit & Supervisory Board Member Director (Standing Audit and Supervisory Committee Member) (to the present)	1,700
<p>[Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member]            After joining the Company, Mr. Ryohei Kishida was involved mainly in the Pig Iron Manufacturing and Rolling Departments. He has deep insight based on his extensive accomplishments and broad experience in managing the General Affairs and Human Resources Departments since his appointment as an Executive Officer of the Company. He has appropriately performed his duties as a Director (a Standing Audit and Supervisory Committee Member) by leveraging his wealth of experience, such as by actively providing the Board of Directors with opinions on all aspects of management. Therefore, we believe that he is an appropriate person to audit the business execution of the Company as a Director who is an Audit and Supervisory Committee Member.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Masaya Kakuda (December 2, 1957) (Age 66)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 17/17 (100%)</p> <p>[Attendance at the Audit and Supervisory Committee meetings] 22/22 (100%)</p>	<p>Apr. 1980      Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Apr. 1998      Branch Manager, Higashi-Kobe Branch, The Sanwa Bank, Ltd.</p> <p>Oct. 2002      Chief Credit Officer, Credit Division No. 3, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>Jan. 2006      Branch Manager, Himeji Branch, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Jun. 2009      Joined THE TAISHO BANK, LTD. (currently THE TOKUSHIMA TAISHO BANK, LTD.); General Manager, Headquarters Sales Division</p> <p>Jun. 2009      Executive Officer; General Manager, Headquarters Sales Department, THE TAISHO BANK, LTD.</p> <p>Jun. 2010      Director, General Manager, Headquarters Sales Division, THE TAISHO BANK, LTD.</p> <p>Jun. 2014      Managing Director, THE TAISHO BANK, LTD.</p> <p>Apr. 2016      General Manager, Risk Compliance Division, TOMONY Holdings, Inc.</p> <p>Jun. 2016      Managing Director; General Manager, Risk Compliance Division, TOMONY Holdings, Inc.</p> <p>Jun. 2020      Director, TOMONY Holdings, Inc.; Audit &amp; Supervisory Board Member, TOMONY System Service, Inc.</p> <p>Jun. 2021      Outside Audit &amp; Supervisory Board Member, the Company</p> <p>Jul. 2021      Director, J Resort Co., Ltd.</p> <p>Jun. 2022      Outside Director (Audit and Supervisory Committee Member,), the Company (to the present)</p>	0
<p>[Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles]</p> <p>Mr. Masaya Kakuda has a wide range of experience and professional knowledge cultivated over many years at financial institutions, as well as a wealth of insight in all aspects of management gained as a corporate manager. He has audited the Company's management as an Outside Director who is an Audit and Supervisory Committee Member. He is expected to continue to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Company that aims to sustainably enhance its corporate value.</p>			



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Kazuyoshi Tsuda (January 13, 1966) (Age 58)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 17/17 (100%)</p> <p>[Attendance at the Audit and Supervisory Committee meetings] 22/22 (100%)</p>	<p>Oct. 1990      Joined Ota Showa Audit Corporation (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Aug. 1995      Registered as a certified public accountant</p> <p>Oct. 1998      Director, Inada Shokai Co., Ltd.</p> <p>Oct. 2000      Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Aug. 2003      Director, MMT Co., Ltd.</p> <p>Mar. 2008      Representative Director, Brain Trust Co., Ltd. (to the present)</p> <p>Mar. 2008      Representative, Kazuyoshi Tsuda CPA and CTA Office (to the present)</p> <p>Aug. 2008      Registered as a certified tax accountant</p> <p>Aug. 2008      Outside Audit &amp; Supervisory Board Member, Hirose Tusho Inc.</p> <p>Mar. 2015      Outside Audit &amp; Supervisory Board Member, Silver Egg Technology Co., Ltd.; (to the present)</p> <p>Apr. 2016      Outside Director, JSH Co., Ltd. (to the present)</p> <p>Jun. 2016      Outside Director (Audit and Supervisory Committee Member), Hirose Tusho Inc. (to the present)</p> <p>Jun. 2021      Outside Audit &amp; Supervisory Board Member, the Company</p> <p>Jun. 2022      Outside Director (Audit and Supervisory Committee Member), the Company (to the present)</p> <p>Jun. 2022      Outside Director, Osaka Mazda Motor Corporation (to the present)</p> <p>[Significant concurrent positions] Representative, Kazuyoshi Tsuda CPA and CTA Office Representative Director, Brain Trust Co., Ltd. Director who is an Audit and Supervisory Committee Member, Hirose Tusho Inc. Outside Audit &amp; Supervisory Board Member, Silver Egg Technology Co., Ltd. Outside Director, JSH Co., Ltd. Outside Director, Osaka Mazda Motor Corporation</p>	0
<p>[Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles]</p> <p>Mr. Kazuyoshi Tsuda has been involved in the management of a number of companies over many years, and he has a wealth of experience and professional knowledge as a certified public accountant and tax accountant specializing in management consulting. He has audited the Company's management as an Outside Director who is an Audit and Supervisory Committee Member. He is expected to continue to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Company that aims to sustainably enhance its corporate value.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Ryohei Kishida satisfies the criteria for selecting Audit and Supervisory Committee Members established by the Company (see page 22).
  3. Messrs. Masaya Kakuda and Kazuyoshi Tsuda satisfy the criteria for selecting Outside Audit and Supervisory Committee Members established by the Company (see page 23) and the criteria for independence of Outside Officers (see page 23).
  4. Messrs. Masaya Kakuda and Kazuyoshi Tsuda are candidates for Outside Directors who are Audit and Supervisory Committee Members. The Company has registered both of them as independent officers with the Tokyo Stock Exchange and will continue to designate them as such if their reappointment is approved.

5. The term of office of Mr. Masaya Kakuda as an Outside Director who is an Audit and Supervisory Committee Member will be two (2) years at the conclusion of this Annual General Meeting of Shareholders. If his term as an outside Audit & Supervisory Board Member at a company with an Audit & Supervisory Board prior to the Company's transition to a company with an Audit and Supervisory Committee is totaled, his tenure as an outside officer will be three (3) years.
6. The term of office of Mr. Kazuyoshi Tsuda as an Outside Director who is an Audit and Supervisory Committee Member will be two (2) years at the conclusion of this Annual General Meeting of Shareholders. If his term as an outside Audit & Supervisory Board Member at a company with an Audit & Supervisory Board prior to the Company's transition to a company with an Audit and Supervisory Committee is totaled, his tenure as an outside officer will be three (3) years.
7. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Messrs. Masaya Kakuda and Kazuyoshi Tsuda to limit their liability for damage under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If reappointment of Messrs. Masaya Kakuda and Kazuyoshi Tsuda is approved, the Company intends to continue the agreements with the same content as above with them.
8. The Company has entered into a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insureds (Directors) assume liability for the execution of their duties and receive a claim for the pursuit of such liability. Each candidate will be insured under the said insurance contract. The Company intends to renew the contract with the same content at the next renewal.

[Reference] Expertise and experience of the candidates for Directors

Under the NAKAYAMA STEEL WORKS Group 2030 Long-Term Vision, the Board of Directors needs to continuously improve its own functions for the Company to realize its Medium-Term Management Plan and increase its corporate value over the long term. The following chart shows the fields in which the Board of Directors expect each Director to demonstrate their skills (including professional knowledge, capabilities, and experience).

Name	Current positions and responsibilities at the Company	Audit and Supervisory Committee	Remuneration and Nomination Advisory Committee	Sustainability Committee	Compliance / Risk Management Committee	Executive Committee
Kazuaki Hakomori	Representative Director and President; Chairperson, the Board of Directors; Chairperson, the Remuneration and Nomination Advisory Committee		●	●	●	●
Sachio Nakamura	Senior Managing Director; Supervising Corporate Management Division and General Affairs and Human Resources Department			●	●	●
Nobuhiko Naito	Senior Managing Director; Supervising Sales, Building Materials Sales, Product Development Division, and Purchasing Department			●	●	●
Masahiro Morikawa	Managing Director; Supervising General Production Administration and Steel Manufacturing Division			●	●	●
Yasuharu Kadono	Managing Director; Supervising Rolling, Building Materials Manufacturing, and Engineering Division			●	●	●
Yoshinobu Shibahara	Director; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Senior General Manager, Product Development Division			●	●	●
Mitsuaki Sakaguchi	Director; Senior General Manager, Corporate Management Division			●	●	●
Masahiro Nakatsukasa	Outside Director, Independent Officer, Remuneration and Nomination Advisory Committee Member		●			
Sayuri Murakami	Outside Director, Independent Officer, Remuneration and Nomination Advisory Committee Member		●			
Ryohei Kishida	Director (Standing Audit and Supervisory Committee Member)	●		●	●	●
Masaya Kakuda	Outside Director (Audit and Supervisory Committee Member) Independent Officer	●				
Kazuyoshi Tsuda	Outside Director (Audit and Supervisory Committee Member) Independent Officer	●				

Professional knowledge, capabilities, and experience, etc.												
Governance / Management				Sales / SMC			Production / Technology		Responsibility and new challenges for the future and society			
Corporate Management	Legal Risk Management	Finance Accounting	Human Resources Labor	Sales Strategy Marketing	Purchasing Procurement	Global Business	Manufacturing Quality Control	Technology Development Intellectual Property	IT / DX	ESG Sustainability	Human rights Diversity	Knowledge of other industries
●				●	●	●	●	●		●	●	
●	●	●	●						●	●	●	●
●				●	●	●		●		●	●	
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●	●									●	●	●
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●	●		●				●			●	●	
●	●	●								●	●	●
●		●								●	●	●

**Proposal 4:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member

To prepare for cases where the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated by laws and regulations, the election of one (1) Director who is a substitute Audit and Supervisory Committee Member is proposed.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal, following deliberations by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidate for Director who is a substitute Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
Kazuto Takahashi (October 8, 1963) (Age 60)  [Outside] [Independent]	Apr. 1987 Jul. 1988 Oct. 1993 Apr. 1997 Aug. 2007 Jul. 2016  Aug. 2016 Jun. 2017  Jul. 2023	Joined Hachioji Sogo Co., Ltd. Joined Hachioji City Hall Joined Chuo Audit Corporation Registered as a certified public accountant Joined KPMG AZSA LLC Representative, Kazuto Takahashi CPA Office (to the present) Registered as a certified tax accountant Outside Audit & Supervisory Board Member, The Sumitomo Warehouse Co., Ltd. (to the present) Supervisory Officer, Nankai Private REIT Inc.  [Significant concurrent positions] Representative, Kazuto Takahashi CPA Office Outside Audit & Supervisory Board Member, The Sumitomo Warehouse Co., Ltd.	0

[Reason for nomination as a candidate for Outside Director who is a substitute Audit and Supervisory Committee Member and overview of expected roles]

Mr. Kazuto Takahashi has been engaged in corporate auditing services as a certified public accountant and tax accountant over many years and has a wealth of experience and insight as an Outside Audit & Supervisory Board Member at audit corporations and companies. Based on the above, he is expected to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Directors of the Company that aims to sustainably enhance its corporate value.

- Notes:
1. There are no special interests between the candidate and the Company.
  2. Mr. Kazuto Takahashi satisfies the criteria for selecting Outside Audit and Supervisory Committee Members established by the Company (see page 23) and the criteria for independence of Outside Officers (see page 23).
  3. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company will designate him as an independent officer in accordance with the rules of the Tokyo Stock Exchange and register him as such.
  4. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with him to limit his liability for damage under Articles 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations.
  5. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company will enter into a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insured assumes liability for the execution of his duties or receive a claim for the pursuit of such liability. The candidate will be insured under the said insurance contract.
  6. The term of office of Director who is a Substitute Audit and Supervisory Committee Member shall be from the time of assumption of office until the expiration of the term of office of the retiring Director who is an Audit and Supervisory Committee Member.

**[Reference]** Selection Criteria and Procedural Requirements for the Selection and Dismissal of Directors (excluding Directors who are Audit Committee Members) and Directors who are Audit Committee Members

I. Eligibility of Directors (excluding Directors who are Audit and Supervisory Committee Members (hereinafter “Audit and Supervisory Committee Members”)), Election Procedure, and Composition of the Board of Directors

(Selection Criteria)

Persons who meet all of the conditions set forth in the following items:

1. Possess excellent character and insight as well as superior business sense, and is familiar with various management issues;
2. Possess company-wide perspectives and outstanding ability to make objective analysis and judgments;
3. Have the ability to state one’s own opinion proactively from a company-wide perspective;
4. Does not fall under any of the reasons for ineligibility as Director listed in the items of Article 331, Paragraph 1 of the Companies Act;
5. Hold concurrent positions as officer of no more than three (3) listed companies, excluding one’s own company.

(Election Procedure)

1. The election of Directors (excluding Audit and Supervisory Committee Members) shall be determined by resolution of the general meeting of shareholders pursuant to the provisions of Article 21 of the Articles of Incorporation of the Company. Candidates for Directors (excluding Audit and Supervisory Committee Members) to be proposed to the general meeting of shareholders shall be selected by the President based on the above criteria and referred to the Remuneration and Nomination Advisory Committee.
2. The Board of Directors shall deliberate based on the recommendations of the Remuneration and Nomination Advisory Committee and determine the candidates for Directors (excluding Audit and Supervisory Committee Members).

(Stance on Composition of the Board of Directors)

1. The Board of Directors shall be composed of diverse Directors (excluding Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members with different backgrounds, such as expert knowledge and experience.
2. The appropriate number of members to ensure that the Board of Directors is able to demonstrate its efficacy in the most effective and efficient way shall be no more than ten (10) Directors (excluding Audit and Supervisory Committee Members) and no more than five (5) Audit and Supervisory Committee Members, pursuant to the provisions of Article 20 of the Articles of Incorporation of the Company.
3. The Board of Directors shall be structured so that the Board of Directors as a whole can fulfill its fiduciary responsibility by complementing the functions of the Board of Directors as a whole with the diverse experience and insight of the Directors (excluding Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members.

II. Eligibility of Audit and Supervisory Committee Members and Election Procedure

(Selection Criteria)

Persons who meet all of the conditions set forth in the following items:

1. Possess excellent character and insight as well as superior business sense, and is familiar with various management issues;
2. Possess company-wide perspectives and outstanding ability to make objective analysis and judgments;
3. Have the ability to state one’s own opinion proactively from a company-wide perspective;
4. Does not fall under any of the reasons for ineligibility as Audit and Supervisory Committee Member listed in the items of Article 331, Paragraph 1 and Paragraph 3 of the Companies Act.

(Election Procedure)

1. The election of Audit and Supervisory Committee Members shall be determined by resolution of the general meeting of shareholders pursuant to the provisions of Article 21 of the Articles of Incorporation of the Company. Candidates for Audit and Supervisory Committee Members to be proposed to the general meeting of shareholders shall be selected by the President based on the above criteria and, following deliberation at

the Remuneration and Nomination Advisory Committee, the consent of the Audit and Supervisory Committee shall be obtained before the candidates are proposed to the Board of Directors.

2. If Audit and Supervisory Committee Members request the submission to the general meeting of shareholders of a proposal for the election of candidates selected based on the above criteria, the Board of Directors shall deliberate and decide on the candidates for Audit and Supervisory Committee Members.

(Concept on Composition)

1. The Audit and Supervisory Committee shall be composed of a majority of Outside Audit and Supervisory Committee Members. The number of Audit and Supervisory Committee Members shall be no more than five (5), pursuant to the provisions of Article 20 of the Articles of Incorporation of the Company.
2. If a standing Audit and Supervisory Committee Member is to be appointed, he or she shall be selected from among persons in the Company with a wealth of knowledge and experience.
3. It is preferable that at least one (1) Audit and Supervisory Committee Member have considerable knowledge and insights concerning finance and accounting.

### III. Eligibility of Outside Officers and Election Procedure

(Selection Criteria for Outside Directors (excluding Audit and Supervisory Committee Members))

Persons who meet all of the conditions set forth in the following items:

1. Be of sincere character with a high degree of insight and abilities, and, from the perspective of incorporating diverse perspectives into the Company's Board of Directors, possess extensive knowledge, experience, and achievements in one's own background field;
2. Does not fall under any of the reasons for ineligibility as Director listed in the items of Article 331, Paragraph 1 of the Companies Act;
3. Any concurrent posts as officer of other listed companies shall be judged to ensure independence and neutrality and to not impede one's duties;
4. Satisfy the requirements for Outside Director stipulated in Article 2, Item 15 of the Companies Act.

(Selection Criteria for Outside Audit and Supervisory Committee Members)

Persons who meet all of the conditions set forth in the following items:

1. Be of sincere character with a high degree of insight and abilities and possess a high degree of expert knowledge and a wealth of experience particularly in fields such as the law, accounting, and corporate management;
2. Does not fall under any of the reasons for ineligibility as Audit and Supervisory Committee Member listed in the items of Article 331, Paragraph 1 and Paragraph 3 of the Companies Act;
3. Satisfy the requirements for Outside Director stipulated in Article 2, Item 15 of the Companies Act.

(Criteria for Independence of Outside Officers)

1. Any Outside Directors (excluding Audit and Supervisory Committee Members) or Outside Audit and Supervisory Committee Members (hereinafter, collectively "Outside Officers") who do not fall under any of the following criteria shall be recognized as being independent from the Company.
  - 1) A major shareholder (i.e., a party who holds 10% or more of the total voting rights as of the end of the most recent fiscal year) of the Company or an executive thereof;
  - 2) A party to whom the Company is a major business partner or an executive thereof;
  - 3) A major business partner of the Company or an executive thereof;
  - 4) The accounting auditor of the Company or its consolidated subsidiaries or a partner, etc. thereof who is responsible for the auditing of the Company or its consolidated subsidiaries;
  - 5) An attorney, judicial scrivener, patent attorney, certified public accountant, certified tax accountant, or consultant, etc. who has received monetary or other economic benefit other than officer compensation in the amount of more than 10 million yen per year from the Company (provided, however, that if the party receiving such economic benefit is a corporation, union, or other organization, a party belonging to an organization for which the economic benefit received from the Company is greater than 2% of the organization's annual revenue);
  - 6) A major lender (i.e., a lender whose name is listed as a major lender in the business report with respect to the most recent business year) of the Company or an executive thereof;

- 7) A party that has received donations from the Company in the amount of more than 10 million yen per year (provided, however, that if the party receiving such economic benefit is a corporation, union, or other organization, a party who is an executive of an organization for which the economic benefit received from the Company is greater than 2% of the organization's annual revenue);
  - 8) A party for whom any of 1) to 7) above applied in the past three (3) years;
  - 9) A spouse or a close relative within the second degree of kinship of a person to whom any of 1) to 8) above applies (limited to key persons);
  - 10) A spouse or a close relative within the second degree of kinship of a member of the board of directors, executive officer, director, manager, employee, or accounting advisor (in the case of a corporation, an employee charged with such duties) of the Company or its subsidiaries;
  - 11) A spouse or a close relative within the second degree of kinship of a person who was a member of the board of directors, executive officer, director, manager, employee, or accounting advisor (in the case of a corporation, an employee charged with such duties) of the Company or its subsidiaries within the past three (3) years;
  - 12) Any person who has a particular reason other than the above items, for being unable to fulfill their duties as an independent Outside Officer, such as a potential conflict of interest with the Company.
2. At least one (1) of the Outside Officers recognized as having independence based on this Article shall be designated as an Independent Officer as stipulated by a stock exchange. Outside Officers who are no longer independent, regardless of whether or not they have been designated as such, shall immediately notify the Company of such fact.
  3. "Major business partner" in this Article refers to a party for whom the annual value of transactions with the Company is greater than 2% of the Company's consolidated net sales in the past three (3) business years.

#### IV. Other (Dismissal)

If any Director (excluding Audit and Supervisory Committee Members) or Audit and Supervisory Committee Member (including Outside Officers in either case) no longer satisfies any of the conditions of the selection criteria during their term of office, the required procedures shall be taken pursuant to laws and regulations.



## Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Line item	Amount	Line item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>96,472</b>	<b>Current liabilities</b>	<b>38,772</b>
Cash and deposits	16,487	Notes and accounts payable - trade	18,742
Notes and accounts receivable - trade, and contract assets	37,960	Electronically recorded obligations - operating	1,654
Electronically recorded monetary claims – operating	9,142	Short-term borrowings	9,565
Merchandise and finished goods	16,074	Accounts payable - other	3,042
Work in process	5,270	Accrued expenses	1,987
Raw materials and supplies	10,648	Income taxes payable	1,629
Other	929	Provision for bonuses	1,074
Allowance for doubtful accounts	(40)	Provision for environmental measures	57
<b>Non-current assets</b>	<b>55,615</b>	Provision for decommissioning and removal	109
<b>Property, plant and equipment</b>	<b>47,132</b>	Other	909
Buildings and structures, net	7,605	<b>Non-current liabilities</b>	<b>8,762</b>
Machinery and equipment, net	15,590	Long-term borrowings	62
Vehicles, net	25	Deferred tax liabilities	3,412
Tools, furniture and fixtures, net	430	Deferred tax liabilities for land revaluation	1,001
Land	22,603	Provision for environmental measures	19
Leased assets, net	130	Provision for decommissioning and removal	187
Construction in progress	746	Provision for loss on business of subsidiaries and associates	627
<b>Intangible assets</b>	<b>454</b>	Retirement benefit liability	2,214
Other	454	Other	1,237
<b>Investments and other assets</b>	<b>8,028</b>	<b>Total liabilities</b>	<b>47,534</b>
Investment securities	3,607	<b>(Net assets)</b>	
Retirement benefit asset	1,917	<b>Shareholders' equity</b>	<b>100,007</b>
Deferred tax assets	13	<b>Share capital</b>	<b>20,044</b>
Guarantee deposits	2,367	<b>Capital surplus</b>	<b>7,841</b>
Other	153	<b>Retained earnings</b>	<b>72,895</b>
Allowance for doubtful accounts	(31)	<b>Treasury shares</b>	<b>(774)</b>
		<b>Accumulated other comprehensive income</b>	<b>4,545</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,565</b>
		<b>Deferred gains or losses on hedges</b>	<b>0</b>
		<b>Revaluation reserve for land</b>	<b>2,389</b>
		<b>Remeasurements of defined benefit plans</b>	<b>591</b>
		<b>Total net assets</b>	<b>104,553</b>
<b>Total assets</b>	<b>152,087</b>	<b>Total liabilities and net assets</b>	<b>152,087</b>

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

## Consolidated Statement of Income

(April 1, 2023 - March 31, 2024)

(Millions of yen)

Line item	Amount	
Net sales		184,445
Cost of sales		159,288
<b>Gross profit</b>		<b>25,157</b>
Selling, general and administrative expenses		12,830
<b>Operating profit</b>		<b>12,327</b>
Non-operating income		
Interest income	54	
Dividend income	99	
Share of profit of entities accounted for using equity method	227	
Insurance claims income	66	
Rental income from real estate	75	
Other	40	564
Non-operating expenses		
Interest expenses	140	
Loss on securitization of receivables	65	
Rental expenses	138	
Other	302	647
<b>Ordinary profit</b>		<b>12,244</b>
Extraordinary income		
Gain on sale of non-current assets	561	
Gain on sale of investment securities	416	
Reversal of provision for environmental measures	272	
Gain on sale of scraps	189	
Other	90	1,529
Extraordinary losses		
Loss on retirement of non-current assets	975	
Provision for loss on business of subsidiaries and associates	508	
Other	0	1,484
<b>Profit before income taxes</b>		<b>12,289</b>
Income taxes-current	3,422	
Income taxes-deferred	(37)	3,385
<b>Net Profit</b>		<b>8,904</b>
Profit attributable to non-controlling interests		-
<b>Profit attributable to owners of parent</b>		<b>8,904</b>

Note: Figures presented in the financial statements are rounded down to the nearest million yen.