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Securities code: 7943

June 4, 2024

To Our Shareholders

Narumitsu Yoshioka, President
NICHIHA CORPORATION
12, Shiotome-cho, Minato-ku, Nagoya
(Head Office: Mitsui Sumitomo Banking Nagoya Building, 2-18-19, Nishiki, Naka-ku, Nagoya)

Notice of the 87th Annual General Meeting of Shareholders

We are pleased to announce the 87th Annual General Meeting of Shareholders of NICHIHA CORPORATION (the “Company”), which will be held as described below.

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

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/7943/teiji/> (in Japanese)

TSE website (Listed Company Search):

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

To access this information from the website, access the TSE website (Listed Company Search) by using the Internet address shown above, enter the issue name (Nichiha) or securities code (7943), and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information,” “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting.”

The Company’s website:

<https://www.nichiha.co.jp/ir/shareholder/> (in Japanese)

In lieu of attending the meeting in person, you may exercise your voting rights in writing or by an electronic method (via the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

1. Date and time: Tuesday, June 25, 2024, at 10:00 a.m. (JST)

2. Place: Event Hall, 5th Floor, Denki Bunka Kaikan
2-2-5, Sakae, Naka-ku, Nagoya

3. Purpose of the meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 87th fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 87th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Eight Directors

Proposal No. 3 Election of Two Audit & Supervisory Board Members

Proposal No. 4 Determination of Remuneration for Allotment of Restricted Shares to Directors
(Excluding Outside Directors)

4. Information on Exercise of Voting Rights

Please refer to “Information on Exercise of Voting Rights” (available in Japanese only).

- When attending the meeting in person, please submit the enclosed voting form at the reception.
- The same paper-based documents that are delivered to shareholders who have requested delivery of the paper-based documents (paper-based documents) will be prepared at the venue of the general meeting of shareholders.
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Company’s Articles of Incorporation, the following items are not provided in the paper-based documents. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including the following matters.
 1. Business Report •Share acquisition rights, etc. of the Company •System for ensuring the appropriateness of businesses and the summary of its operation status
 2. Consolidated Financial Statements •Consolidated Statements of Changes in Net Assets •Notes to the consolidated financial statements
 3. Non-consolidated Financial Statements •Non-consolidated Statements of Changes in Net Assets •Notes to the non-consolidated financial statements
- If circumstances arise that necessitate a revision to the matters subject to measures for electronic provision, the Company will notify you by posting a notice to that effect, the matters before and after the revision on each of the Internet websites listed on the previous page.
- Please note that the results of the resolutions of this general meeting of shareholders will be posted on the Company’s website as indicated on the previous page. The Company will send written notices regarding dividends.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes to pay a year-end dividend for the fiscal year as follows in order to provide a stable return of profits to its shareholders in accordance with the Group's "Basic Policy on Decisions on Dividends and Other Appropriation of Surplus" (available in Japanese only) and giving consideration to the business performance of the fiscal year and the future business environment.

As the Company has already paid an interim dividend of ¥57 per share, the annual dividend will be ¥114 per share.

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥57 per common share of the Company
The total amount ¥2,020,019,181
- (3) Effective date of dividends of surplus
June 26, 2024

Proposal No. 2 Election of Eight Directors

At the conclusion of this meeting, the terms of office of all nine Directors will expire.

Therefore, the Company will review its management system and proposes the election of eight Directors.

In selecting candidates for Director, the Board of Directors has made decisions based on the “Nomination policies and procedures for candidates for Director” (see page 12).

The candidates for Director are as follows:

Candidate No.	Name	Candidate attributes	Current position and responsibility in the Company	Attendance at the Board of Directors Meetings (fiscal 2023)
1	Narumitsu Yoshioka	Reelection	President	12/12 100%
2	Kazushi Tono	Reelection	Director, Senior Executive Officer In charge of Management Planning Department, Procurement Division, Financial Department, and Environment Office	12/12 100%
3	Kazuyuki Kojima	Reelection	Director, Senior Executive Officer In charge of Human Resources Department, Systems Control Department, Quality Assurance Department, CS Promotion Department, Safety Promotion Office, and Performance Evaluation Center	12/12 100%
4	Munetsugu Oka	Reelection	Director, Executive Managing Officer General Manager of Engineering Division, and in charge of Research and Development Department	10/10 100%
5	Naoki Tajiri	Reelection Outside Independent	Outside Director	12/12 100%
6	Hiroaki Nishi	Reelection Outside Independent	Outside Director	12/12 100%
7	Kazuko Ohtani	Reelection Outside Independent Female	Outside Director	10/10 100%
8	Emi Noge	New election Outside Independent Female	–	–

Reelection: Reelection candidate for Director

New election: New election candidate for Director

Outside: Candidate for outside Director

Independent: Independent Director/Audit & Supervisory Board Member as provided for by Tokyo Stock Exchange, Inc., etc.

Female: Female candidate

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p data-bbox="331 607 544 667">Narumitsu Yoshioka (September 14, 1963)</p> <p data-bbox="384 701 491 730">Reelection</p>	<p data-bbox="612 264 1238 324">Apr. 1986 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p data-bbox="612 331 1238 421">Apr. 2015 Executive Officer, General Manager of Seoul Branch, and General Manager of Global Korea Corporate Banking Department</p> <p data-bbox="612 427 1238 517">Apr. 2017 Executive Officer, President of Sumitomo Mitsui Banking Corporation (China) Limited, and Deputy Head of East Asia Division</p> <p data-bbox="612 524 1238 613">Apr. 2018 Managing Executive Officer, Head of East Asia Division of Sumitomo Mitsui Financial Group, Inc.</p> <p data-bbox="612 620 1238 741">Managing Executive Officer, Head of East Asia Division, Deputy responsible for Global Advisory Dept. of Sumitomo Mitsui Banking Corporation</p> <p data-bbox="612 748 1238 808">Chairman of Sumitomo Mitsui Banking Corporation (China) Limited</p> <p data-bbox="612 815 1238 936">Apr. 2020 Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. Managing Executive Officer of Sumitomo Mitsui Banking Corporation</p> <p data-bbox="612 943 1238 972">May 2020 Advisor to the Company</p> <p data-bbox="612 978 1238 1039">June 2020 Director, Executive Vice President, and Assistant to the President</p> <p data-bbox="612 1046 1238 1075">June 2021 President (current position)</p>	7,400 shares
<p data-bbox="276 1077 772 1106">(Reasons for nomination as candidate for Director)</p> <p data-bbox="276 1113 1430 1261">Narumitsu Yoshioka has considerable knowledge from his many years of experience in corporate management and overseas operations, etc. As President, he has exercised strong leadership and fulfilled his responsibilities to strengthen the revenue base and enhance the corporate value of the Group. The Company has determined that he will continue to utilize his extensive experience and knowledge in the Group's management and has nominated him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Kazushi Tonoï (November 7, 1963)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1986 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>Apr. 2014 General Manager of Tokyo Corporate Banking Dept. X</p> <p>Apr. 2015 Advisor to the Company</p> <p>Oct. 2015 Executive Managing Officer, Assistant to the President, and in charge of Procurement Division</p> <p>Apr. 2016 Executive Managing Officer, Assistant to the President, and in charge of Procurement Division, Financial Department, and General Affairs Department</p> <p>June 2016 Director, Executive Managing Officer, and in charge of Procurement Division, Financial Department, and General Affairs Department</p> <p>Apr. 2018 Director, Senior Executive Officer, and in charge of Procurement Division, Financial Department, and General Affairs Department</p> <p>Nov. 2018 Director, Senior Executive Officer, and in charge of Production Division, Procurement Division, Financial Department, and General Affairs Department</p> <p>Apr. 2020 Director, Senior Executive Officer, General Manager of Production Division, and in charge of Procurement Division, Financial Department, General Affairs Department, Environment Office, and Safety Promotion Office</p> <p>Apr. 2022 Director, Senior Executive Officer, General Manager of Management Planning Department, and in charge of Procurement Division, Financial Department, and Environment Office</p> <p>Apr. 2024 Director, Senior Executive Officer, and in charge of Management Planning Department, Procurement Division, Financial Department, and Environment Office (current position)</p>	4,100 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Kazushi Tonoï has been fulfilling his responsibilities mainly by formulating and conducting the Group's management strategy, streamlining in the purchasing and logistics departments, and improving the operations of the financial accounting department. The Company has determined that he will continue to utilize his extensive experience and knowledge in the Group's management and has nominated him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p data-bbox="347 875 523 936">Kazuyuki Kojima (March 8, 1965)</p> <p data-bbox="384 972 486 996">Reelection</p>	<p data-bbox="612 264 715 288">Apr. 1987</p> <p data-bbox="612 300 715 324">Apr. 2013</p> <p data-bbox="612 360 715 385">Apr. 2014</p> <p data-bbox="612 421 715 445">Apr. 2015</p> <p data-bbox="612 524 715 548">June 2015</p> <p data-bbox="612 748 715 772">June 2016</p> <p data-bbox="612 972 715 996">Apr. 2018</p> <p data-bbox="612 1196 715 1220">Apr. 2022</p> <p data-bbox="612 1397 715 1422">Apr. 2024</p> <p data-bbox="772 264 1230 1608"> Joined the Company Managing Officer, General Manager of Management Planning Department Senior Managing Officer, General Manager of Management Planning Department Senior Managing Officer, General Manager of International Business Division, and General Manager of Management Planning Department Director, Senior Managing Officer, General Manager of International Business Division, General Manager of Management Planning Department, and in charge of System Development Department, Quality Assurance Department, CS Promotion Department, and Performance Evaluation Center Director, Executive Managing Officer, General Manager of International Business Division, General Manager of Management Planning Department, and in charge of System Development Department, Quality Assurance Department, CS Promotion Department, and Performance Evaluation Center Director, Senior Executive Officer, General Manager of International Business Division, General Manager of Management Planning Department, and in charge of Systems Control Department, Quality Assurance Department, CS Promotion Department, and Performance Evaluation Center Director, Senior Executive Officer, General Manager of Production Division, and in charge of Systems Control Department, Quality Assurance Department, CS Promotion Department, Performance Evaluation Center, and Safety Promotion Office Director, Senior Executive Officer, and in charge of Human Resources Department, Systems Control Department, Quality Assurance Department, CS Promotion Department, Safety Promotion Office, and Performance Evaluation Center (current position) </p>	5,400 shares
<p data-bbox="277 1621 772 1646">(Reasons for nomination as candidate for Director)</p> <p data-bbox="277 1653 1437 1774">Kazuyuki Kojima has been fulfilling his responsibilities mainly by striving to enhance production capacity and improve quality control of the Group, and is currently fulfilling his responsibilities as Director in charge of primarily the human resources and quality assurance departments. The Company has determined that he will continue to utilize his extensive experience and knowledge in the Group's management and has nominated him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Munetsugu Oka (January 27, 1968) Reelection	<p>Apr. 1992 Joined Nihon Cement Co., Ltd. (currently Taiheiyo Cement Corporation)</p> <p>Apr. 2010 General Manager of MMC Manufacturing Department, MMC Division of Nihon Ceratec Co., Ltd. (currently NTK CERATEC CO., LTD.)</p> <p>Apr. 2014 General Manager of MMC Division and General Manager of Manufacturing Department, JAPAN FINE CERAMICS CO., LTD.</p> <p>Jan. 2019 Deputy General Manager of Engineering Division of the Company</p> <p>Mar. 2019 Deputy General Manager of Production Division</p> <p>Oct. 2019 Managing Officer, Deputy General Manager of Production Division, General Manager of Production Management Office</p> <p>Oct. 2020 Senior Managing Officer, Deputy General Manager of Production Division, and General Manager of Production Management Office</p> <p>Apr. 2021 Senior Managing Officer, Deputy General Manager of Production Division, General Manager of Nagoya plant, and General Manager of Production Management Office</p> <p>Oct. 2021 Senior Managing Officer, Deputy General Manager of Production Division, and General Manager of Nagoya plant</p> <p>Oct. 2022 Senior Managing Officer, Deputy General Manager of Engineering Division</p> <p>June 2023 Director, Senior Managing Officer, General Manager of Engineering Division, and in charge of Research and Development Department</p> <p>Apr. 2024 Director, Executive Managing Officer, General Manager of Engineering Division, and in charge of Research and Development Department (current position)</p>	1,100 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Munetsugu Oka has mastery over various operations related to production, development and technology, and has strived to improve and rationalize operations in the production department. He has been fulfilling his responsibilities as the head of the engineering department. The Company has determined that he will continue to utilize his extensive experience and knowledge in the Group's management and has nominated him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Naoki Tajiri (March 10, 1949) Reelection Outside Independent	Apr. 1972 Joined Sumitomo Metal Mining Co., Ltd.	– shares
		June 2001 General Manager of Finance & Accounting Dept.	
June 2003 Executive Officer and General Manager of Finance & Accounting Dept.			
June 2006 Managing Executive Officer and General Manager of Finance & Accounting Dept.			
June 2008 Senior Managing Executive Officer and General Manager of Corporate Planning Dept.			
June 2010 Senior Audit & Supervisory Board Member			
June 2014 Advisor			
June 2015 Outside Audit & Supervisory Board Member of the Company			
June 2019 Outside Director (current position)			
(Reasons for nomination as candidate for outside Director and summary of expected roles) Naoki Tajiri has abundant experience as a manager and corporate auditor of a business corporation, as well as business experience in the accounting department, and possesses considerable insight. He has served as outside Director of the Company since June 2019. The Company has nominated him as a candidate for outside Director in the expectation that he continues to utilize his extensive experience and insight and fulfill his role of supervising and advising corporate management, etc. especially from the perspective of corporate management, and also that he is involved in the Nomination and Remuneration Advisory Committee as its member from an objective and independent position.			
6	Hiroaki Nishi (August 8, 1960) Reelection Outside Independent	Oct. 1983 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)	– shares
		Mar. 1987 Registered as a certified public accountant	
		June 1998 Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)	
		July 2012 Partner of Deloitte Tohmatsu Financial Advisory Co., Ltd. (currently Deloitte Tohmatsu Financial Advisory LLC)	
		Apr. 2015 Partner of Deloitte Tohmatsu LLC	
		May 2020 Resigned from Deloitte Tohmatsu LLC and Deloitte Tohmatsu Financial Advisory LLC	
		June 2020 Established Hiroaki Nishi CPA Office (currently Hiroaki Nishi CPA & CPTA Office) as Director (current position)	
		June 2020 Outside Audit & Supervisory Board Member of the Company	
		June 2021 Registered as a certified public tax accountant	
		June 2021 Outside Director of the Company (current position)	
[Significant concurrent positions outside the Company] Director of Hiroaki Nishi CPA & CPTA Office			
(Reasons for nomination as candidate for outside Director and summary of expected roles) Hiroaki Nishi has experience as a management consultant and abundant expertise as a certified public accountant and possesses considerable insight. He has served as outside Director of the Company since June 2021. The Company has nominated him as a candidate for outside Director in the expectation that he continues to utilize his extensive experience and insight and fulfills his role of supervising and advising corporate management, etc. as an outside Director especially from the perspective of corporate management, and also that he is involved in the Nomination and Remuneration Advisory Committee as its member from an objective and independent position.			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. In addition to the requirements for outside Directors stipulated in the Companies Act, the Company adopts the independence criteria stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. as criteria for determining independence, and appoints independent outside Directors in accordance with these criteria.
 3. Naoki Tajiri, Hiroaki Nishi, Kazuko Ohtani and Emi Noge are candidates for outside Director.
 4. The Company has submitted notification to Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. concerning the appointment of Naoki Tajiri, Hiroaki Nishi and Kazuko Ohtani as Independent Directors as provided for by the aforementioned exchanges. If their reelection is approved, the Company plans to continue to appoint them as Independent Directors. If the election of Emi Noge is approved, the company plans to appoint her as an Independent Director.
 5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into limited liability agreements with Naoki Tajiri, Hiroaki Nishi and Kazuko Ohtani to limit their liability under Article 423, paragraph (1) of the Companies Act to an amount as provided for by laws and regulations. If their reelection is approved, the Company plans to renew the aforementioned agreements with them. In addition, if the election of Emi Noge is approved, the Company plans to newly conclude the aforementioned agreement with her.
 6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers a legally mandated amount of indemnification and litigation expenses, etc. incurred by the insured due to acts (including omissions) committed by the insured in the capacity as an Audit & Supervisory Board Member in the course of business. If this proposal is approved and adopted, and the candidates assume office, the candidates will be included as insureds in the policy. In addition, when this insurance policy is renewed, the Company plans to renew the policy with the same terms.
 7. Naoki Tajiri, Hiroaki Nishi and Kazuko Ohtani are currently outside Directors of the Company. At the conclusion of this meeting, their tenures since assuming office as outside Directors will have been five years, three years, and one year, respectively.

(Reference)

Nomination policies and procedures for candidates for Director

The policies and procedures to be followed in nominating candidates for Director are as follows:

With respect to the nomination of candidates for Director, the Nomination and Remuneration Advisory Committee deliberates on the draft proposal for the election of Directors for the General Meeting of Shareholders proposed by Chairman (in cases where the post of Chairman is vacant, or Chairman is prevented from so acting, President), taking into consideration the following criteria, and reports to the Board of Directors. The Board of Directors determines the candidates for Director, respecting the report of the Nomination and Remuneration Advisory Committee.

Criteria for nominating candidates for Director

1. Having an ability to contribute to the improvement of corporate value over the medium to long term.
2. Having an insight of corporate governance.
3. Having knowledge, experience and ability to fulfill supervisory responsibilities, an important role and responsibility of the Board of Directors.
4. Candidates for Director from within the Company, they must have knowledge, experience, and achievements related to the Group’s operations, as well as a sense of balance and decisiveness to understand all aspects of the Group’s business and perform their duties.
5. Candidates for outside Directors must meet the requirements for outside Directors as stipulated in the Companies Act. In addition, the candidates for independent outside Directors must meet the Company’s criteria for independence.

Experience areas of candidates for Director

The major experience areas of candidates for Director are as follows:

Candi- date No.	Name	Major experience areas required of Directors								
		Corporate management	Manufactur- ing and technology	Research and development, and quality	Sales	Global	Finance and accounting	Legal affairs	Risk management	IT and Digital
1	Narumitsu Yoshioka	●			●	●	●	●	●	●
2	Kazushi Tanoi	●	●		●		●	●	●	
3	Kazuyuki Kojima	●	●	●	●	●				●
4	Munetsugu Oka	●	●	●						
5	Naoki Tajiri	●				●	●			
6	Hiroaki Nishi	●				●	●		●	
7	Kazuko Ohtani	●						●		●
8	Emi Noge	●						●	●	

Proposal No. 3 Election of Two Audit & Supervisory Board Members

At the conclusion of this meeting, Akihiko Mizuno and Katsumi Sugiura will resign as Audit & Supervisory Board Member. Therefore, the Company proposes the election of two Audit & Supervisory Board Members.

In selecting candidates for Audit & Supervisory Board Member, the Board of Directors has made decisions based on the nomination policies and procedures for candidates for Audit & Supervisory Board Member (see page 16). In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Candidate No.	Name Date of birth	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Mashiba Fujita (August 8, 1959) New election	Apr. 1982 Joined The Sumitomo Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited) June 2004 General Manager of Investment Planning Department Apr. 2005 General Manager of Securities Services Promotion Department Feb. 2006 General Manager of Fiduciary Asset Planning Department May 2008 General Manager of Investment Business Promotion Department Apr. 2011 Executive Officer, General Manager of Investment Business Promotion Department May 2011 Executive Officer, General Manager of Fukuoka Branch Apr. 2012 Executive Officer, General Manager of Fukuoka Branch of Sumitomo Mitsui Trust Bank, Limited Apr. 2014 Chairman of SBI Sumishin Net Bank, Ltd. Apr. 2020 Audit & Supervisory Board Member of Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. July 2023 Associate Director of the Company (current position)	– shares
(Reasons for nomination as candidate for Audit & Supervisory Board Member) Mashiba Fujita has held key senior positions mainly in financial institutions, including the position of top management, and possesses considerable insight in corporate management. The Company has determined that he will be able to satisfactory perform audit work by utilizing his extensive experience and knowledge and fulfill a role in management oversight. Therefore the Company has nominated him as a new candidate for Audit & Supervisory Board Member.			

Candidate No.	Name Date of birth	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Katsumi Sugiura (February 24, 1954) Reelection Outside Independent	<p>Apr. 1976 Joined Nagoya Regional Taxation Bureau</p> <p>July 2006 Director of Task Force Division, First Taxation Department</p> <p>July 2007 District Director of Asa Tax Office, Hiroshima Regional Taxation Bureau</p> <p>July 2008 District Director of Nagoya Higashi Tax Office, Nagoya Regional Taxation Bureau</p> <p>July 2009 Director of First Personnel Division, Management and Co-ordination Department</p> <p>July 2011 District Director of Tsu Tax Office</p> <p>July 2012 Deputy Assistant Regional Commissioner (Management and Co-ordination Department)</p> <p>July 2013 Assistant Regional Commissioner (Large Enterprise Examination Department)</p> <p>July 2014 Resigned from Nagoya Regional Taxation Bureau</p> <p>Sept. 2014 Registered as a certified public tax accountant Established Sugiura Katsumi Tax Accountant Office as Director (current position)</p> <p>Apr. 2015 Visiting Professor of Graduate School of Law, Nagoya University of Economics (current position)</p> <p>June 2015 Outside Auditor of KVK CORPORATION (current position)</p> <p>June 2016 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Director of Sugiura Katsumi Tax Accountant Office Visiting Professor of Graduate School of Law, Nagoya University of Economics Outside Auditor of KVK CORPORATION</p>	– shares
<p>(Reasons for nomination as candidate for outside Audit & Supervisory Board Member)</p> <p>Katsumi Sugiura has held various positions including district director of tax offices at the National Tax Agency, has abundant knowledge and experience as a certified public tax accountant and possesses considerable insight. He has served as outside Audit & Supervisory Board Member of the Company since June 2016. The Company has determined that he will continue to be qualified to serve as an Audit & Supervisory Board Member of the Company and has nominated him as a candidate for outside Audit & Supervisory Board Member.</p> <p>Mr. Sugiura has never been directly involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an outside Audit & Supervisory Board Member based on the above reasons.</p>			

Reelection: Reelection candidate for Audit & Supervisory Board Member

New election: New election candidate for Audit & Supervisory Board Member

Outside: Candidate for outside Audit & Supervisory Board Member

Independent: Independent Director/Audit & Supervisory Board Member as provided for by Tokyo Stock Exchange, Inc., etc.

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. In addition to the requirements for outside Audit & Supervisory Board Member stipulated in the Companies Act, the Company adopts the independence criteria stipulated by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. as criteria for determining independence, and appoints independent outside Audit & Supervisory Board Member in accordance with these criteria.
 3. Katsumi Sugiura is a candidate for outside Audit & Supervisory Board Member.
 4. The Company has submitted notification to Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. concerning the appointment of Katsumi Sugiura as Independent Director/Audit & Supervisory Board Member as provided for by the aforementioned exchanges. If his reelection is approved, the Company plans to continue to appoint him as an Independent Director/Audit & Supervisory Board Member.

5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a limited liability agreement with Katsumi Sugiura to limit their liability under Article 423, paragraph (1) of the Companies Act to an amount as provided for by laws and regulations. If his reelection is approved, the Company plans to renew the aforementioned agreement with him.
6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers a legally mandated amount of indemnification and litigation expenses, etc. incurred by the insured due to acts (including omissions) committed by the insured in the capacity as an Audit & Supervisory Board Member in the course of business. If this proposal is approved and adopted, and the candidates assume office, the candidates will be included as insureds in the policy. In addition, when this insurance policy is renewed, the Company plans to renew the policy with the same terms.
7. In addition, Katsumi Sugiura is currently an outside Audit & Supervisory Board Member of the Company, and at the conclusion of this meeting, his tenure will have been eight years.

(Reference)

Nomination policies and procedures for candidates for Audit & Supervisory Board Member

The policies and procedures to be followed in nominating candidates for Audit & Supervisory Board Member are as follows:

With respect to the nomination of candidates for Audit & Supervisory Board Member, taking into consideration the following criteria, the Chairman (in cases where the post of Chairman is vacant, or Chairman is prevented from so acting, it will be the President) will make the proposition, the Board of Audit & Supervisory will discuss and agree on the nominees, and the Board of Directors will decide on the nomination of candidates for Audit & Supervisory Board Member.

Criteria for nominating candidates for Audit & Supervisory Board Member

1. Have insight of corporate governance.
2. Have the ability to fulfill management oversight responsibilities from the perspective of internal control and compliance, etc.
3. Have considerable insight of finance and accounting, or have knowledge, experience, and ability in the specialty field
4. Candidates for Audit & Supervisory Board Member from within the Company must be familiar with the Group's operations and have a high level of information-gathering ability.
5. Candidates for outside Audit & Supervisory Board Member must meet the requirements for outside Audit & Supervisory Board Member as stipulated in the Companies Act. In addition, the candidates for independent outside Audit & Supervisory Board Member must meet the Company's criteria for independence.

Proposal No. 4 Determination of Remuneration for Allotment of Restricted Shares to Directors (Excluding Outside Directors)

At the 75th Annual General Meeting of Shareholders of the Company held on June 26, 2012, it was approved that the amount of remuneration for the Company's Directors shall be no more than ¥400 million per year (excluding employee's salary and bonuses for Directors who concurrently serve as employees), and the amount remains the same to the present day. Furthermore, at the 71st Annual General Meeting of Shareholders of the Company held on June 25, 2008, it was approved that the amount of remuneration, etc., related to share acquisition rights as share remuneration-type share options for Directors of the Company shall be no more than ¥100 million per year, separately from the aforementioned remuneration amount for Directors, for one year from the date of the annual general meeting of shareholders for each fiscal year.

This time, as part of revision of the remuneration plan for officers, for the purpose of further increasing the motivation of the Company's Directors (excluding outside Directors, hereinafter "Eligible Directors") to contribute to increasing the Company's share price and improving its corporate value, the Company hereby proposes to allot common shares of the Company based on provisions such as a certain transfer restriction period and reasons for acquisition without contribution by the Company as stated below (hereinafter "restricted shares") to Eligible Officers.

The Company thereby proposes to abolish the provisions of the amount remuneration, etc., related to share acquisition rights as share remuneration-type share options, and as an alternative, set the total amount of monetary remuneration claims to be provided as remuneration, etc., related to restricted shares to Eligible Directors as no more than ¥160 million per year, separately from the aforementioned remuneration amount for Directors. Allotment of restricted shares will be determined by the Board of Directors based on the report of the Nomination and Remuneration Advisory Committee, under a new evaluation system linked to performance, etc., and by comprehensively taking into consideration the degree of contribution of Eligible Directors to the Company.

If this proposal is approved, the Company will modify the "Policy for Determining the Details of Remuneration, etc., for Individual Directors" so that it will align to the details of the approval by modifying the parts related to share-based remuneration to reflect the content of remuneration in restricted shares as stated in the said policy on page 20 (details of the resolution of the Board of Directors meeting on May 9, 2024). Furthermore, as this proposal is in alignment with the policy after such modification, the Company has determined its content to be reasonable.

In addition, subject to the approval and adoption of this proposal, the Company will not thereafter issue share acquisition rights based on the provision of the amount of remuneration, etc., related to share acquisition rights as share remuneration-type share options.

There are currently nine Directors (of which four are outside Directors) of the Company, and if Proposal No. 2 is approved, there will be eight Directors (of which four are outside Directors) and the number of Eligible Directors will be four.

[Specific Details and Maximum Number of Restricted Shares to Be Allotted to Eligible Directors]

1. Allotment and payment of restricted shares

The Company shall provide monetary remuneration claims as remuneration, etc., related to restricted shares to Eligible Directors within the annual amount stated above based on the resolution of the Company's Board of Directors. Each Eligible Director will pay all monetary remuneration claims by way of in-kind contribution, and in turn receive the allotment of restricted shares.

The amount to be paid in for restricted shares shall be determined by the Company's Board of Directors on the basis of the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before the date of resolution by the Company's Board of Directors on issuance or disposal of the restricted shares (if there is no closing price on such date, the closing price on the closest preceding trading day), to the extent that the amount paid in is not particularly favorable to the Eligible Director who subscribes to the restricted shares.

Furthermore, the aforementioned monetary remuneration claims shall be provided on the condition that the Eligible Director agrees to provide the said property contributed in kind and enters into an agreement on allotment of shares with transfer restrictions that includes details stipulated in 3. below.

2. Total number of restricted shares

The total of 100,000 shares of restricted shares allotted to Eligible Directors shall be the maximum number of restricted shares allotted in each fiscal year.

However, in cases where the Company's common shares become the subject of a share split (including allotment of the Company's common shares without contribution), a reverse share split, or other events after the date of resolution of this proposal and the total number of the restricted shares to be allotted needs to be adjusted accordingly, the total number of the restricted shares may be rationally adjusted.

3. Details of agreement on allotment of shares with transfer restrictions

An agreement on allotment of shares with transfer restrictions concluded between the Company and the Eligible Director who will receive the allotment of restricted shares upon allotment of restricted shares based on the resolution of the Company's Board of Directors shall include the following details.

(1) Details of transfer restrictions

The Eligible Director who received the allotment of restricted shares shall not transfer to a third party, create a pledge or establishment of security interest by way of transfer, transfer as a gift inter vivos, bequeath, or otherwise in any way dispose of the restricted shares allotted (hereinafter the "Allotted Shares") to the Eligible Director (hereinafter the "Transfer Restrictions") from the date of issuance of the restricted shares to the date when the Eligible Director retires or resigns from all positions of Director, Managing Officer and employee of the Company (hereinafter the "Transfer Restriction Period").

(2) Acquisition of restricted shares without contribution

The Company shall acquire, by rights, the Allotted Shares without contribution if the Eligible Director who received the allotment of restricted shares retires or resigns from all positions of Director, Managing Officer and employee of the Company by the day immediately before the date of the first annual general meeting of shareholders of the Company after the Transfer Restriction Period has started, unless due to a reason deemed legitimate by the Company's Board of Directors.

In addition, the Company shall acquire, by rights, the Allotted Shares without contribution for which the Transfer Restrictions has not been lifted based on the provision of lifting the Transfer Restrictions in (3) below as of the expiration of the Transfer Restriction Period in (1) above.

(3) Lifting of the Transfer Restrictions

The Company will lift the Transfer Restrictions on all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the Eligible Director who received the allotment of restricted shares has continuously held the position of Director, Managing Officer or employee of the Company to the date of the first annual general meeting of shareholders of the Company after the Transfer Restriction Period has started.

However, if the Eligible Director retires or resigns from all positions of Director, Managing Officer or employee of the Company by the day immediately before the date of the first annual general meeting of shareholders of the Company after the Transfer Restriction Period has started due to a reason deemed legitimate by the Company's Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be lifted and the timing of the lifting of the Transfer Restrictions shall be adjusted to a reasonable extent as necessary.

(4) Treatment during reorganization, etc.

If, during the Transfer Restriction Period, proposals relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's general meeting of shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's general meeting of shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Transfer Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.

In this case, the Company shall acquire, by rights, the Allotted Shares without contribution for which the Transfer Restrictions has not been lifted as of immediately after the lifting of the Transfer Restrictions based on the provision above.

(5) Clawback and malus clauses

During the Transfer Restriction Period as well as after the lifting of the Transfer Restrictions, if the Company's Board of Directors deems that the Eligible Director is in material violation of laws, regulations or the Company's internal regulations, etc., and if a certain event specified by the Company's Board of Directors occurs, including material accounting fraud and/or massive losses, etc., the Company will acquire without contribution all or part of the Allotted Shares that have been allotted to the Eligible Director or the Company's common shares for which the Transfer Restrictions have been lifted. Moreover, if such shares have been disposed of, the Company may demand the Eligible Director to pay the amount equivalent to the value of such shares as of the time of the disposal.

(6) Other matters

Other matters related to the agreement on allotment of shares with transfer restrictions shall be determined by the Company's Board of Directors.

(Reference)

Policy for Determining Details of Remuneration, etc., for Individual Directors

(Underlines indicate changes.)

Before modification (Resolution of the Board of Directors on May 7, 2021)	After modification (Resolution of the Board of Directors on May 9, 2024)
<p>a) Policy for determining the calculation method for remuneration, etc., for individual Directors</p> <p>While the amounts of remuneration, etc., for individual Directors (excluding outside Directors) are based on fixed monthly remuneration to promote management that is conscious of sustainable improvement of corporate value, the Company provides bonuses at a certain point of time after the annual general meeting of shareholders by taking into consideration <u>their services and performance, etc.</u>, for each fiscal year. In addition, to increase <u>their motivation to improve performance</u>, the Company employs <u>share remuneration-type share options</u> (non-monetary remuneration) and grants them at a certain point of time after the regular Board of Directors meeting held in <u>August</u>. In addition, from the perspective of ensuring the appropriateness of the remuneration level and the transparency of the process for determining remuneration, the Company has established the “Nomination and Remuneration Advisory Committee” of which independent outside Directors form a majority, as an advisory body of the Board of Directors. The Nomination and Remuneration Advisory Committee deliberates on the total amount of remuneration for Directors as well as the remuneration level, etc., based on performance evaluation between departments during the process of determining remuneration, etc., for individual Directors, and reports to the Board of Directors. As for the ratio of each remuneration, etc., the Company takes into account the responsibility of each Director and the function as an incentive for improving the Company’s business performance while using remuneration levels, etc., of other companies as a reference, and allocates <u>approximately 55-75% to fixed monthly remuneration, approximately 20-35% to bonuses, and approximately 5-15% to share remuneration-type share options</u> as a guide for standard performance. <u>However, as bonuses vary depending on services and performance, etc., of each fiscal year, and share remuneration-type share options are affected by the share price</u>, the ratio of each remuneration, etc. above may fluctuate.</p> <p>Only fixed monthly remuneration is provided to outside Directors as they conduct management supervision, etc., as the core of corporate governance.</p> <p>b) Calculation method for remuneration, etc. for individual Directors</p> <p>Fixed monthly remuneration for Directors is on the basis of positions of Director and Managing Officer and classification of full-time and part-time. While bonuses for Directors are on the basis of fixed monthly remuneration, the amount is increased or decreased by taking into consideration <u>their services and performance, etc.</u>, of each fiscal year, and <u>share remuneration-type share options</u> for Directors <u>are on the basis of share price and position, etc.</u></p>	<p>a) Policy for determining the calculation method for remuneration, etc., for individual Directors</p> <p>While the amounts of remuneration, etc., for individual Directors (excluding outside Directors) are based on fixed monthly remuneration to promote management that is conscious of sustainable improvement of corporate value, the Company provides bonuses at a certain point of time after the annual general meeting of shareholders by taking into consideration <u>their performance evaluation, etc.</u>, for each fiscal year. In addition, to increase <u>their motivation to contribute to increasing the Company’s share price and improving its corporate value</u>, the Company employs <u>restricted shares</u> (non-monetary remuneration) and grants them at a certain point of time after the regular Board of Directors meeting held in <u>June</u>. In addition, from the perspective of ensuring the appropriateness of the remuneration level and the transparency of the process for determining remuneration, the Company has established the “Nomination and Remuneration Advisory Committee” of which independent outside Directors form a majority, as an advisory body of the Board of Directors. The Nomination and Remuneration Advisory Committee deliberates on the total amount of remuneration for Directors as well as the remuneration level, etc., based on performance evaluation between departments during the process of determining remuneration, etc., for individual Directors, and reports to the Board of Directors. As for the ratio of each remuneration, etc., the Company takes into account the responsibility of each Director and the function as an incentive for improving the Company’s business performance while using remuneration levels, etc., of other companies as a reference, and allocates <u>approximately 55-63% to fixed monthly remuneration, approximately 24-30% to bonuses, and approximately 12-15% to restricted shares</u> as a guide for standard performance. <u>However, as bonuses and restricted share vary depending on performance evaluation, etc., of each fiscal year, and restricted shares are affected by the market price</u>, the ratio of each remuneration, etc. above may fluctuate.</p> <p>Only fixed monthly remuneration is provided to outside Directors as they conduct management supervision, etc., as the core of corporate governance.</p> <p>b) Calculation method for remuneration, etc. for individual Directors</p> <p>Fixed monthly remuneration for Directors is on the basis of positions of Director and Managing Officer and classification of full-time and part-time. While bonuses for Directors are on the basis of fixed monthly remuneration, the amount is increased or decreased by taking into consideration <u>their performance evaluation, etc.</u>, of each fiscal year, and <u>restricted shares</u> for Directors <u>are based on the market price at the time of grant in consideration of their performance evaluation, etc.</u></p>

<p>c) Method for determining the details of remuneration, etc. for individual Directors</p> <p>For the details of remuneration, etc., for individual Directors, Chairman authorized by the Board of Directors (in cases where the post of Chairman is vacant, or Chairman is prevented from so acting, President) determines the amounts of fixed monthly remuneration and bonuses for each Director, respecting the report of the Nomination and Remuneration Advisory Committee, within the scope resolved at the general meetings of shareholders.</p> <p>Furthermore, the Board of Directors determines the allotment number and allotment date of <u>share remuneration-type share options</u> for each Director in the same manner.</p>	<p>c) Method for determining the details of remuneration, etc. for individual Directors</p> <p>For the details of remuneration, etc., for individual Directors, Chairman authorized by the Board of Directors (in cases where the post of Chairman is vacant, or Chairman is prevented from so acting, President) determines the amounts of fixed monthly remuneration and bonuses for each Director, respecting the report of the Nomination and Remuneration Advisory Committee, within the scope resolved at the general meetings of shareholders.</p> <p>Furthermore, the Board of Directors determines the allotment number and allotment date of <u>restricted shares</u> for each Director in the same manner.</p> <p>(Note) Parts related to share-based remuneration shall be modified to reflect the details of remuneration in restricted shares as above on the condition that this proposal is approved and adopted.</p>
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