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Securities code: 6203

June 10, 2024

Start date of measures for electronic provision: May 24, 2024

To Our Shareholders

Takahiro Tsukamoto, President, Managing Director
Howa Machinery, Ltd.
1900-1, Sukaguchi, Kiyosu-shi, Aichi, Japan

Notice of the 186th Annual General Meeting of Shareholders

You are cordially invited to attend the 186th Annual General Meeting of Shareholders of Howa Machinery, Ltd. (the “Company”), which will be held as indicated below.

In convening this meeting, 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 each of the following Internet websites. Please access any of the websites to review the information.

The Company’s website:

<https://www.howa.co.jp/> (in Japanese)

(From the above website, select “Investor Relations,” “IR Library,” and then “Materials Related to General Meeting of Shareholders.”)

Website for posted informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/6203/teiji/> (in Japanese)

In addition, the items subject to measures for electronic provision are also posted on the following website of the Tokyo Stock Exchange (TSE).

Tokyo Stock Exchange website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter “Howa Machinery” in “Issue name (company name)” or the Company’s securities code “6203” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

As an alternative to attending the meeting in person, you may exercise your voting rights in one of the ways noted below. Please review the Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

Exercising Voting Rights in Writing (by postal mail):

Use the Voting Rights Exercise Form to indicate “for” or “against” for each of the proposals and return the form to us so that it arrives no later than 5:00 p.m. on Tuesday, June 25, 2024 (JST).

Exercising Voting Rights Using Electromagnetic Method (via the Internet, etc.):

Access the voting website specified by the Company (<https://www.web54.net>) (in Japanese) and follow the prompts on the screen. Enter your votes “for” or “against” each of the proposals no later than 5:00 p.m. on Tuesday, June 25, 2024 (JST). If exercising your voting rights via the Internet, etc., please see the “Instructions for Exercising Voting Rights Using Electromagnetic Method (via the Internet, etc.)” (in Japanese only).

1. **Time and date** 10:00 a.m., Wednesday, June 26, 2024 (JST) (Reception desk scheduled to open at 9:00 a.m.)
2. **Venue** Conference Room #5, 3rd Floor, Nagoya Chamber of Commerce & Industry
2-10-19 Sakae, Naka-ku, Nagoya-shi, Aichi

3. Agenda of the Meeting

Matters to be Reported

1. The Business Report, Consolidated Financial Statements, and the audit reports of the Accounting Auditor and the Audit & Supervisory Committee regarding the Consolidated Financial Statements for the 186th fiscal year (April 1, 2023 – March 31, 2024)
2. The Non-Consolidated Financial Statements for the 186th fiscal year (April 1, 2023 – March 31, 2024)

Matters to be Resolved

Proposal No. 1 Appropriation of Surplus

* Summary of submitted proposal: Dividend of ¥20 per common share of the Company

Proposal No. 2

Election of Two Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

* Names of candidates: Takahiro Tsukamoto (reappointment), Makoto Kitamura (new appointment)

4. Other Matters Concerning the Meeting

- (1) If you exercise your voting rights in writing (by postal mail) and do not indicate whether you are “for” or “against” each of proposals on the Voting Rights Exercise Form, we will treat it as if you indicated “for.”
- (2) If exercising your voting rights by proxy, you may appoint one Company shareholder with voting rights to attend the meeting as your proxy. Please note, however, that written proof of their right of proxy must be submitted.

- If attending the meeting in person, please present the Voting Rights Exercise Form at the venue’s reception desk.
- The reception desk is scheduled to open at 9:00 a.m. on the day of the meeting.
- On the day of the meeting, the dress code for Company staff will be business casual (no neckties). Shareholders are also requested to attend the meeting in business casual attire.
- No commemorative gifts will be provided to shareholders attending the meeting. Your understanding is appreciated.
- A notice of resolution will not be sent; instead, it will be posted on the Company’s website on the Internet after the conclusion of the meeting.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the Internet websites.
- Shareholders who have made a request for delivery of paper-based documents will also receive a document stating items subject to measures for electronic provision. However, in accordance with applicable laws and regulations and Article 17, paragraph (2) of the Company’s Articles of Incorporation, the following items are excluded.
 - (1) Notes to Consolidated Financial Statements
 - (2) Notes to Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the paper-based documents are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that the Accounting Auditor and Audit & Supervisory Committee audited when they prepared the accounting audit report and audit report.

- For shareholders who cannot access the items subject to measures for electronic provision due to difficulty using the Internet or other problem and would like to review the items subject to measures for electronic provision, please contact the Company.
General Affairs Section, General Affairs & Human Resources Department, Howa Machinery, Ltd.; Telephone: +81-52-408-1116
(Reception hours: 9:00 a.m. – 5:00 p.m. on weekdays)

For shareholders who would like to make a request for delivery of paper-based documents, please contact the securities company where you opened an account or Sumitomo Mitsui Trust Bank, Limited, which is the shareholder register administrator.

Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited; Telephone: 0120-533-600 (available only in Japan) (Reception hours: 9:00 a.m. – 5:00 p.m. on weekdays)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company engages primarily in build-to-order manufacturing of machine tools and these orders are influenced by capital expenditures that fluctuate due to economic conditions inside and outside Japan. Our basic policy is to pay a dividend that is stable and continual, from a medium- to long-term perspective, given that Company performance can vary widely from year to year. If profits increase, the Company's policy is to strengthen shareholder returns by targeting a dividend payout ratio of 30% (dividend of ¥20 or more per share).

Dividends for the current fiscal year are as indicated below, based on a comprehensive consideration of fiscal-year performance, the economic environment surrounding the Group, retained earnings necessary for future business development, and the maintenance of a stable dividend.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and its aggregate amount
¥20 per common share of the Company
Total dividends: ¥240,949,120
- (3) Effective date of dividends of surplus
June 27, 2024

Proposal No. 2 Election of Two Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Four Directors (excluding Directors who are Audit & Supervisory Committee Members) will reach the end of their terms at the conclusion of this meeting.

In that regard, the Company proposes to lower the number of Directors by two for the purpose of improving corporate governance and making decisions more flexibly, and is requesting the appointment of two Directors (excluding Directors who are Audit & Supervisory Committee Members).

If this proposal is approved and adopted as originally proposed, the number of inside Directors will decrease from the current five to three. However, since the number of outside Directors will remain unchanged at three, the composition ratio of outside Directors in the Board of Directors will be 50%.

The Audit & Supervisory Committee has deemed that all of the candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) in this proposal are suitable candidates.

The candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position & responsibility in the Company	Attendance at Board of Directors meetings in the current fiscal year	Attribute
1	Takahiro Tsukamoto	President, Managing Director, and Head of Business Division	100%	Reappointment
2	Makoto Kitamura	General Manager of General Affairs & Human Resources Department and General Manager of Legal Department	–	New appointment

Reappointment: Candidate for Director to be reappointed

New appointment: Candidate for Director to be newly appointed

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)	Number of Company shares owned
1	<p>Takahiro Tsukamoto (July 27, 1954) Gender: male</p> <p>Reappointment</p> <p>Attendance at Board of Directors meetings 12/12</p>	<p>Nov. 1978 Joined the Company</p> <p>June 2003 General Manager of Sales Group, Machinery Department</p> <p>Dec. 2003 President of Howa Machinery Singapore Pte. Ltd.</p> <p>May 2004 General Manager of Machine Tools Group, Machinery Department of the Company</p> <p>June 2005 Director and General Manager in charge of sales in Machine Tools Group, Machinery Department</p> <p>June 2007 Director and General Manager of Machinery Department</p> <p>June 2011 Managing Director, Head of Business Division, and General Manager of Machinery Department</p> <p>June 2015 Senior Managing Director and Head of Business Division</p> <p>June 2016 President, Managing Director, and Head of Business Division</p> <p>Apr. 2017 President, Managing Director, Head of Business Division, and General Manager of Sweepers & Special Vehicles Department</p> <p>July 2018 President, Managing Director, and Head of Business Division (current position)</p>	30,366
<p>Special interest with the Company There is no special interest between Mr. Tsukamoto and the Company.</p>			
<p>Reason for nomination as a candidate for Director Mr. Tsukamoto is judged to be qualified to continue his role as Director due to his involvement mainly in sales-related tasks for the Business Division since joining the Company, his service as President of overseas subsidiaries, and his possession of knowledge and abundant experience related to global business operations. Note: The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in "2. (3) Status of Corporate Officers" of the Business Report (in Japanese only). If Mr. Tsukamoto is reappointed and takes office as Director, he will continue being an insured party under this Insurance Agreement. When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company (Significant concurrent positions outside the Company)	Number of Company shares owned
2	Makoto Kitamura (October 26, 1978) Gender: male	Aug. 2012 Joined the Company July 2021 General Manager of Legal Department and General Manager of New Business Critical System Promotion Office	-
	New appointment	Jan. 2023 Deputy General Manager of General Affairs & Human Resources Department and General Manager of Legal Department	
	Attendance at Board of Directors meetings -	July 2023 General Manager of General Affairs & Human Resources Department and General Manager of Legal Department (current position)	
	Special interest with the Company There is no special interest between Mr. Kitamura and the Company.		
	Reason for nomination as a candidate for Director Mr. Kitamura is judged to be qualified for his role as Director due to his involvement mainly in legal affairs, information systems, general affairs, and human resources-related tasks since joining the Company, as well as his broad-based knowledge and abundant professional experience in overall administration. Note: The Company currently has a Directors' and Officers' Liability Insurance Agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. An overview of the Insurance Agreement is given in "2. (3) Status of Corporate Officers" of the Business Report (in Japanese only). If Mr. Kitamura is appointed and takes office as Director, he will be included as an insured party under this Insurance Agreement. When this Insurance Agreement is next renewed, the Company plans to renew it with the same coverage.		

(Reference)

Skill Matrix of Directors

If Proposal No. 2 is passed as proposed, the main expertise and experience of the Company's Directors will be as follows.

Category	Name	Expertise and experience							
		Finance & accounting	Corporate management	Legal affairs, compliance, risk management	International business	Sales & marketing	R&D, ICT, DX	Human resources and labor Human resources development	ESG, sustainability, SDGs
Director	Takahiro Tsukamoto	●	●		●	●	●	●	●
	Makoto Kitamura	●	●	●			●	●	●
Director (Audit & Supervisory Committee Member)	Yasuji Makino	●							
	Ippei Watanabe			●					
	Senpo Kongo	●	●	●	●				
	Masako Tanaka		●	●				●	●

Policies and procedures for the appointment of Director candidates

- Method and procedures for the appointment of Directors (excluding Directors who are Audit & Supervisory Committee Members)

Fair and highly agreeable evaluations are carried out for Directors (excluding Directors who are Audit & Supervisory Committee Members), following the procedures below.

- Evaluation through regular interviews with the President, Managing Director
- Evaluation through interviews with the Directors who are Audit & Supervisory Committee Members
- Evaluation by Nomination and Compensation Advisory Committee, a majority of whose members are outside Directors

In appointing Directors (excluding Directors who are Audit & Supervisory Committee Members), President, Managing Director has proposed to the Board of Directors the group of subsequent Directors (excluding Directors who are Audit & Supervisory Committee members) after considering the advisability of the reappointment of each Director (excluding Directors who are Audit & Supervisory Committee Members) based on these evaluations and, in the case of appointing new Directors (excluding Directors who are Audit & Supervisory Committee Members), after considering candidates from the pool of senior executives, which includes executive officers.

- Method and procedure for the appointment of Directors who are Audit & Supervisory Committee Members

In appointing Directors who are Audit & Supervisory Committee Members, President, Managing Director proposes to the Board of Directors the group of subsequent Directors who are Audit & Supervisory Committee Members after considering candidates based on the evaluations of the Nomination and Compensation Advisory Committee.

The following are the required qualities so that management is properly audited and supervised.

Parties who possess high expertise in the field of corporate management, or finance, accounting, legal affairs, and similar fields