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Securities code: 5703

Date of sending by postal mail: June 3, 2024

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To our shareholders:

Ichiro Okamoto
President and CEO
Nippon Light Metal Holdings Company, Ltd.
1-1-13 Shimbashi, Minato-ku, Tokyo

Notice of the 12th Annual General Meeting of Shareholders

You are hereby notified of the 12th Annual General Meeting of Shareholders of Nippon Light Metal Holdings Company, Ltd. (the “Company”), which will be held as per the attached details.

Upon the convocation of this Annual General Meeting of Shareholders, in accordance with laws and regulations and the Company’s Articles of Incorporation, the Company has taken measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format. The matters subject to measures for electronic provision are posted on the following websites. Please access one of the websites and review the information.

1 The Website of the Company

Please access the Company’s website below to view the “12th Annual General Meeting of Shareholders (held on June 25, 2024).”

(<https://www.nikkeikinholdings.co.jp/ir/stock/p5.html>) (in Japanese)

2 Website for Posted Informational Materials for the General Meeting of Shareholders

Please visit the website below to view informational materials for the General Meeting of Shareholders.

(<https://d.sokai.jp/5703/teiji/>) (in Japanese)

3 TSE Website (Listed Company Search)

Access the TSE website by using the Internet address shown below, enter “Nippon Light Metal Holdings” in “Issue name (company name)” or the Company’s securities code “5703” 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].”

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

If you are unable to attend the Meeting in person, you may exercise your voting rights by mail or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m., on Monday, June 24, 2024 (JST).

1. Date and Time: Tuesday, June 25, 2024, at 10:00 a.m. (Reception scheduled to open at 9:00 a.m.) (JST)

2. Venue: 1-2-6 Shimbashi, Minato-ku, Tokyo
“La Rose,” 5th floor, Dai-ichi Hotel Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 12th 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 Board of Auditors

2. Non-consolidated Financial Statements for the 12th 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 Nine Directors |
| Proposal No. 3 | Election of Three Auditors |
| Proposal No. 4 | Determination of Amount and Details of Performance-linked Stock Compensation Plan for Directors |

4. Matters Concerning Exercise of Voting Rights

- (1) If you exercise your voting rights by proxy, you must appoint one of the shareholders holding voting rights as the proxy, and have your proxy submit a written document certifying the authority of proxy.
 - (2) If you do not indicate your approval or disapproval of each proposal on the voting form, we will assume that you have voted in favor of the proposal.
 - (3) If you exercise your voting rights via the Internet multiple times, only the last vote exercised will be treated as valid.
 - (4) If you exercise your voting rights by mail and also place your vote via the Internet, whichever we received last will be treated as valid. If we receive both on the same day, we will treat only your vote placed via the Internet as valid.
- Although the documents including the matters subject to measures for electronic provision are delivered to shareholders who have made a request for delivery of paper-based documents, in accordance with laws and regulations and the provision of the Company's Articles of Incorporation, the following are posted on the websites mentioned on the previous page. Therefore, they are not included among said documents.
- (i) Matters concerning the basic policy on the persons who control decisions on the Company's financial and business policies (ii) Consolidated statement of changes in shareholders' equity in the Consolidated Financial Statements (iii) Notes to the Consolidated Financial Statements (iv) Non-consolidated statement of changes in shareholders' equity in the Non-consolidated Financial Statements (v) Notes to the Non-consolidated Financial Statements
- The documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Auditors and the Accounting Auditor when they create their respective audit reports.
- If revisions to the matters subject to measures for electronic provision arise, the Company will post a notice of the revisions and the details of the matters before and after the revisions on the websites mentioned on the previous page.
- No souvenir gifts will be provided to shareholders who attend the General Meeting of Shareholders in person. We thank you for your kind understanding.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

With regard to distributing profits, the Company has a basic policy to pay dividends to its shareholders, while strengthening its financial structure and managerial foundation, and comprehensively considering consolidated performance, etc. from a mid-to-long-term standpoint.

The Company has given consideration to the business performance of the fiscal year and future business development, etc., and it proposes to pay year-end dividends for this fiscal year of ¥40 per common share of the Company as follows.

Accordingly, upon adding the interim dividends (¥10 per share), the dividend of surplus for the current fiscal year will be ¥50 per share, the same amount as the previous fiscal year.

Year-end dividends

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount
¥40 per common share of the Company
Total dividends: ¥2,477,710,920
- (3) Effective date of dividends of surplus
June 26, 2024

Proposal No. 2 Election of Nine Directors

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all 14 Directors will expire. Therefore, the Company proposes to reduce the number of Directors by five and to elect nine Directors so that the personnel structure will place more emphasis on management oversight.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Candidate attributes
1	Ichiro Okamoto	President and CEO	Reelection
2	Yasunori Okamoto	Director Assistant to President and Head of Personnel, General Affairs and Accounting & Finance Administration Dept.	Reelection
3	Shuichi Asakuno	Director Head of Central Product Safety & Quality Assurance Administration Dept.	Reelection
4	Hiroyuki Matsudaira	Director Head of Central Planning Office and Business Transformation Office	Reelection
5	Ryoichi Hayashi	Director	Reelection Outside Independent
6	Keiko Tsuchiya	Director	Reelection Outside Independent
7	Tatsuya Tanaka	Director	Reelection Outside Independent
8	Tetsuhiro Hosono		New election Outside Independent
9	Kiyoshi Miyake		New election Outside

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
1	Ichiro Okamoto (June 12, 1956) Reelection Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1981 Joined Nippon Light Metal Company, Ltd. June 2006 Officer of Nippon Light Metal Company, Ltd. June 2009 Director and Executive Officer of Nippon Light Metal Company, Ltd. June 2012 Senior Executive Officer of Nippon Light Metal Company, Ltd. Oct. 2012 Director, Head of Technology & Development Administration Dept. and Head of Central Product Safety & Quality Assurance Administration Dept. of the Company Jan. 2013 Manager of the Rolled Products business of Nippon Light Metal Business Group of the Company June 2013 President and CEO of Nippon Light Metal Company, Ltd. (current position) June 2014 In charge of the Chemicals business of Nippon Light Metal Business Group of the Company June 2015 President and CEO of the Company (current position) June 2015 In charge of CSR & Auditing Administration Dept. of the Company Mar. 2023 In charge of the Metals & Industrial Parts businesses of Nippon Light Metal Business Group and the Nikkei MC Aluminium business of Nippon Light Metal Business Group of the Company Significant concurrent positions outside the Company President and CEO of Nippon Light Metal Company, Ltd.	1) 38,852 shares 2) None
[Reasons for nomination as candidate for Director] Ichiro Okamoto has contributed to new product development processes, etc. as the person responsible for the Technology & Development functions for many years. He has gained broad experiences and insight while taking responsibility for the Company's core businesses, namely the Rolled Products and Chemicals businesses. He has served as President and CEO of the Company since June 2015. He possesses a wealth of experience and broad understanding as a senior corporate manager for many years, is strengthening initiatives to social issues through business, and is exercising strong leadership to sustainably improve the corporate value of the Company group (the "Group"). Consequently, the Company proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
2	Yasunori Okamoto (April 7, 1957) Reelection Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1980 Joined Nippon Light Metal Company, Ltd. June 2008 Officer of Nippon Light Metal Company, Ltd. June 2012 Executive Officer of Nippon Light Metal Company, Ltd. Oct. 2012 Officer, Head of Central Planning Office of the Company June 2013 Director and Head of Personnel, General Affairs and Accounting & Finance Administration Dept. of the Company Director of Nippon Light Metal Company, Ltd. (current position) June 2014 Senior Executive Officer of Nippon Light Metal Company, Ltd. June 2018 Assistant to President of the Company (current position) June 2020 Director and Executive Vice President of Nippon Light Metal Company, Ltd. (current position) Significant concurrent positions outside the Company Director and Executive Vice President of Nippon Light Metal Company, Ltd., Director of Toyo Aluminium K.K., and Outside Director of Tamai Steamship Co., Ltd.	1) 20,196 shares 2) None
[Reasons for nomination as candidate for Director] Yasunori Okamoto possesses a wealth of experiences in broad areas such as finance, strategic planning, personnel, and purchasing, and is currently overseeing personnel, general affairs and accounting departments contributing to the management of the Group as Director of the Company. In addition, since June 2018, he has worked as an Assistant to the President. Consequently, the Company judges his experiences and insight gained through the above to be indispensable to the management of the Group, and proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
3	Shuichi Asakuno (October 31, 1964) Reelection Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1988 Joined Nippon Light Metal Company, Ltd. Apr. 2007 Head of Tochigi plant of Nikkei MC Aluminium Co., Ltd. June 2010 Head of Overseas Management Department of Nikkei MC Aluminium Co., Ltd. June 2012 Head of Sales Department of Nikkei MC Aluminium Co., Ltd. June 2013 Executive Officer of Nikkei MC Aluminium Co., Ltd. June 2016 Operating Officer of Nikkei MC Aluminium Co., Ltd. June 2017 Representative Director, President of Nikkei MC Aluminium Co., Ltd. June 2021 Director of the Company, Director, Executive Officer of Nippon Light Metal Company, Ltd. (current position) June 2021 In charge of the Metals & Industrial Parts businesses of Nippon Light Metal Business Group and the Nikkei MC Aluminium business of Nippon Light Metal Business Group of the Company Mar. 2023 Head of Central Product Safety & Quality Assurance Administration Dept. of the Company (current position) Significant concurrent positions outside the Company Director, Executive Officer of Nippon Light Metal Company, Ltd.	1) 6,456 shares 2) None
[Reasons for nomination as candidate for Director] Shuichi Asakuno has demonstrated his skills over many years in charge of aluminum metal and alloys business and has made significant contributions to aluminum recycling, a sustainability issue. Since March of last year, as Head of Central Product Safety & Quality Assurance Administration, he has been engaged in rebuilding the quality assurance system, which has been a challenge for the Group. The Company judges his experiences and insight gained through the above to be indispensable to the management of the Group, and proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
4	Hiroyuki Matsudaira (September 29, 1966) Reelection Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1989 Joined Shin Nikkei Company, Ltd. Aug. 2009 General Manager, Business Administration Department of Shin Nikkei Company, Ltd. June 2010 Deputy General Manager, Finance Group, Accounting Finance Department of Nippon Light Metal Company, Ltd. July 2014 General Manager, Finance Group, Accounting Finance Department of Nippon Light Metal Company, Ltd. July 2017 Senior Manager of Planning Dept. of Nippon Light Metal Company, Ltd. June 2018 Officer, Head of Planning Dept. of Nippon Light Metal Company, Ltd. June 2021 Head of Central Planning Office of the Company Executive Officer of Nippon Light Metal Company, Ltd. (current position) June 2021 Officer of the Company June 2022 Director of the Company, Director of Nippon Light Metal Company, Ltd. (current position) Apr. 2023 Head of Business Transformation Office of the Company (current position) Significant concurrent positions outside the Company Director, Executive Officer of Nippon Light Metal Company, Ltd., Auditor of Toyo Aluminium K.K., and Chairman of Nikkei (Shanghai) International Trading Co., Ltd.	1) 6,376 shares 2) None
[Reasons for nomination as candidate for Director] Hiroyuki Matsudaira has many years of experience in fields such as finance and planning. He has been in charge of the planning department as a Director of the Company since June 2022, leading the formulation of the medium-term management plan starting in fiscal year 2023. Since April of last year, as Head of the Business Transformation Office, he has been promoting management reform and strengthening internal control measures. The Company judges his experiences and insight gained through the above to be indispensable to the management of the Group, and proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
5	Ryoichi Hayashi (June 6, 1951) Reelection Outside Independent Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1974 Joined Mitsubishi Corporation Apr. 2002 General Manager of International Petroleum Unit and General Manager of International Petroleum Business Planning & Development Office of Mitsubishi Corporation Apr. 2007 Senior Vice President and Division COO of Carbon & LPG Business Div. of Mitsubishi Corporation Mar. 2012 President of MMP K.K. July 2012 Senior Corporate Counsellor of Energy Business Group of Mitsubishi Corporation June 2013 Outside Director of the Company (current position) Mar. 2014 Director of Tokai Carbon Co., Ltd. Significant concurrent positions outside the Company None	1) 6,405 shares 2) None
[Reasons for nomination as candidate for outside Director and summary of roles the candidate is expected to fulfill if elected] Ryoichi Hayashi possesses in-depth insight through his experiences as a senior corporate manager of the trading company for many years, and worked as Director of other companies. Furthermore, as an outside Director of the Company, he has provided appropriate proposals about management of the Company from an independent point of view. The Company judges that he will help maintain impartiality of the management of the Company by monitoring and overseeing its management based on his broad experiences and deep insight. Thus, we propose his reelection as outside Director. As a member of the Nomination and Remuneration Committee established by the Company, he will fulfill the important responsibility of deliberating issues related to nomination and remuneration of Directors, etc. and reporting to the Board of Directors. He is also expected to supervise and monitor management of the Company from a neutral position in order to increase the mid-to-long-term corporate value. The Company has submitted notification to the Tokyo Stock Exchange that he has been designated as an independent director as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent director to continue.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
6	Keiko Tsuchiya (May 13, 1960) Reelection Outside Independent Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1981 Joined DENTSU INC. Jan. 1994 Development Manager and HR Planning & Organizational Effectiveness Director of Nippon Becton, Dickinson and Company, Ltd. July 2004 Chief Researcher & Producer of Human Value, Inc. Oct. 2005 Executive Officer, Head of HR Division, Asia-Pacific Region of GE Toshiba Silicones Co., Ltd. (currently Momenite Performance Materials Japan LLC) Jan. 2009 Senior HR Manager of Cisco Co., Ltd. Feb. 2011 Vice President, Human Resources Division of Johnson & Johnson K.K. Aug. 2015 Director, Head of HR Division of Adecco Ltd. Jan. 2016 Head of People Value Division of Adecco Ltd. June 2020 Outside Director of the Company (current position) Jan. 2022 Director of Modis Ltd. (currently AKKODiS Consulting Ltd.) Significant concurrent positions outside the Company Outside Director of TAIYO HOLDINGS CO., LTD.	1) 4,775 shares 2) None
[Reasons for nomination as candidate for outside Director and summary of roles the candidate is expected to fulfill if elected] Keiko Tsuchiya has management experience as a Director of a temporary staffing and recruitment operator, as well as extensive knowledge of the field of human resources, and currently serves as an outside Director of the pure holding company that oversees manufacturing companies. Furthermore, as an outside Director of the Company, she has provided appropriate proposals about management of the Company from an independent point of view. The Company judges that she will help maintain impartiality of the management of the Company by monitoring and overseeing its management based on her broad experiences and deep insight. Thus, we propose her reelection as outside Director. As a member of the Nomination and Remuneration Committee established by the Company, she will fulfill the important responsibility of deliberating issues related to nomination and remuneration of Directors, etc. and reporting to the Board of Directors. She is also expected to supervise and monitor management of the Company from a neutral position in order to increase the mid-to-long-term corporate value. The Company has submitted notification to the Tokyo Stock Exchange that she has been designated as an independent director as provided for by the aforementioned exchange. If her reelection is approved, the Company plans for her appointment as an independent director to continue.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
7	Tatsuya Tanaka (September 11, 1956) Reelection Outside Independent Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%)	Apr. 1980 Joined Fujitsu Limited Apr. 2005 Director of the Board and Vice President of Fujitsu (China) Holdings Co., Ltd Apr. 2012 Corporate Vice President, Head of Manufacturing Industry Business Unit of Fujitsu Limited May 2013 Head of Manufacturing Industry Business Unit of the Industrial/Logistics Sales Group of Fujitsu Limited Apr. 2014 Corporate Senior Vice President, Head of Asia Region of Fujitsu Limited Jan. 2015 Corporate Executive Officer, SEVP of Fujitsu Limited June 2015 Representative Director, President of Fujitsu Limited June 2019 Director, Chairman of Fujitsu Limited Apr. 2020 Director, Chairman of Fujitsu Marketing Limited Oct. 2020 Director, Chairman of Fujitsu Japan Limited June 2021 Outside Director of the Company (current position) Apr. 2022 Senior Advisor of Fujitsu Japan Limited Significant concurrent positions outside the Company Outside Director, Audit and Supervisory Committee Member of UBE Corporation; Outside Director of Asahi Mutual Life Insurance Company	1) 2,015 shares 2) None
[Reasons for nomination as candidate for outside Director and summary of roles the candidate is expected to fulfill if elected] Tatsuya Tanaka has been involved in the management of IT and information systems companies that represent Japan for many years, and has a wealth of experience in overseas businesses, such as in China and Singapore. Furthermore, as an outside Director of the Company, he has provided appropriate proposals about management of the Company from an independent point of view. The Company judges that he will help maintain impartiality of the management of the Company by monitoring and overseeing its management based on his broad experiences and deep insight. Thus, we propose his reelection as outside Director. As a member of the Nomination and Remuneration Committee established by the Company, he will fulfill the important responsibility of deliberating issues related to nomination and remuneration of Directors, etc. and reporting to the Board of Directors. He is also expected to supervise and monitor management of the Company from a neutral position in order to increase the mid-to-long-term corporate value. The Company has submitted notification to the Tokyo Stock Exchange that he has been designated as an independent director as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent director to continue.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
8	Tetsuhiro Hosono (December 14, 1952) New election Outside Independent	Apr. 1976 Joined Ministry of International Trade and Industry Apr. 1985 First Secretary, Embassy of Japan in Malaysia of Ministry of Foreign Affairs Apr. 1993 Counsellor, Embassy of Japan in Germany of Ministry of Foreign Affairs Sept. 1996 Director, Foreign Exchange and Trade Finance Division, Trade Bureau of Ministry of International Trade and Industry June 1999 Director, International Economic Affairs Division, International Economic Affairs Department, Trade Policy Bureau of Ministry of International Trade and Industry June 2000 Director, Policy Planning and Coordination Division of Ministry of International Trade and Industry June 2002 Director-General for Natural Resources and Fuel Department of Agency for Natural Resources and Energy June 2004 Director-General for Natural Resources and Energy Policy of Agency for Natural Resources and Energy July 2006 Director-General, Manufacturing Industries Bureau of Ministry of Economy, Trade and Industry July 2009 Commissioner of Japan Patent Office Aug. 2010 Director-General of Agency for Natural Resources and Energy May 2012 Advisor to Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) June 2015 Executive Director of The Middle East Institute of Japan (current position) June 2016 President and Representative Director of JECC Corporation Apr. 2018 Chairman & CEO of Japan Oil, Gas and Metals National Corporation (currently Japan Organization for Metals and Energy Security) June 2023 President of Japan Patent Information Organization (current position) Significant concurrent positions outside the Company Executive Director of The Middle East Institute of Japan; President of Japan Patent Information Organization	1) 0 shares 2) None

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
			[Reasons for nomination as candidate for outside Director and summary of roles the candidate is expected to fulfill if elected] Tetsuhiro Hosono has extensive experience in public administration in technology, manufacturing, metals, and energy, as well as global knowledge in the areas of international economics and finance. In recent years, he has also demonstrated his management skills by serving as a representative of a corporation. The Company judges that he will help maintain impartiality of the management of the Company by monitoring and overseeing its management based on his broad experiences and deep insight. Thus, we propose his election as outside Director. As a member of the Nomination and Remuneration Committee established by the Company, he will fulfill the important responsibility of deliberating issues related to nomination and remuneration of Directors, etc. and reporting to the Board of Directors. He is also expected to supervise and monitor management of the Company from a neutral position in order to increase the mid-to-long-term corporate value. If his election is approved, the Company plans to designate him as independent director as provided for by the Tokyo Stock Exchange.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
9	Kiyoshi Miyake (June 7, 1960) New election Outside	Apr. 1983 Joined The Dai-Ichi Kangyo Bank, Limited Apr. 2010 Executive Officer, General Manager of Asia Financial Solution Division of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) Apr. 2012 Managing Executive Officer, Head of East Asia of Mizuho Corporate Bank, Ltd. Apr. 2016 Deputy President (Representative Director) of Mizuho Bank, Ltd. Apr. 2020 Chairman of Mizuho Securities Co., Ltd. June 2022 President & Representative Director of Chuo-Nittochi Group Co., Ltd.; President & Representative Director of Chuo-Nittochi Co., Ltd. (current position) Significant concurrent positions outside the Company President & Representative Director of Chuo-Nittochi Group Co., Ltd.; President & Representative Director of Chuo-Nittochi Co., Ltd.	1) 0 shares 2) None
[Reasons for nomination as candidate for outside Director and summary of roles the candidate is expected to fulfill if elected] Kiyoshi Miyake possesses in-depth insight through his experiences as a senior corporate manager of the financial institutions for many years, and works as a representative director and president of a business company. The Company judges that he will help maintain impartiality of the management of the Company by monitoring and overseeing its management based on his broad experiences and deep insight. Thus, we propose his election as outside Director. As a member of the Nomination and Remuneration Committee established by the Company, he will fulfill the important responsibility of deliberating issues related to nomination and remuneration of Directors, etc. and reporting to the Board of Directors. He is also expected to supervise and monitor management of the Company from a neutral position in order to increase the mid-to-long-term corporate value.			

- Notes:
1. Ryoichi Hayashi, Keiko Tsuchiya, Tatsuya Tanaka, Tetsuhiro Hosono and Kiyoshi Miyake are candidates for outside Director.
 2. Ryoichi Hayashi, a candidate for outside Director, was non-executive Director of Nippon Electrode Co., Ltd. from March 2012 to June 2012.
 3. Kiyoshi Miyake, a candidate for outside Director, has been a person who executes the business of Mizuho Bank, Ltd., a specified related party (major business partner) of the Company, for the past ten years. His positions and responsibilities are described under his "Career summary, position and responsibility in the Company" section.
 4. Tenure since the candidates for outside Director assumed office as outside Director of the Company
 - (1) At the conclusion of this Annual General Meeting of Shareholders, Ryoichi Hayashi's tenure as outside Director of the Company will have been 11 years.
 - (2) At the conclusion of this Annual General Meeting of Shareholders, Keiko Tsuchiya's tenure as outside Director of the Company will have been four years.
 - (3) At the conclusion of this Annual General Meeting of Shareholders, Tatsuya Tanaka's tenure as outside Director of the Company will have been three years.
 - (4) Tetsuhiro Hosono and Kiyoshi Miyake are new candidates for outside Director.
 5. Limited Liability Agreements with Candidates for Outside Director
Ryoichi Hayashi, Keiko Tsuchiya, and Tatsuya Tanaka, candidates for outside Director, are currently outside Directors of the Company and the Company has entered into agreements with them to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under agreements is the higher of either ¥7 million or the minimum liability amount provided for under laws and regulations. If the reelection of them is approved, the Company plans to renew the aforementioned agreement with them. If the election of Tetsuhiro Hosono and Kiyoshi Miyake, candidates for outside Director, is approved, the Company plans to enter into the same agreement with them.
 6. Directors and Officers Liability Insurance Policy Covering Candidates for Director

The Company has concluded a directors and officers liability insurance policy covering Directors, Auditors, and Officers of the Company and certain subsidiaries of the Company. Insurance premiums are borne by the Company.

This insurance policy is intended to supplement damages, litigation expenses, and attorney fees borne as a result of the insured facing litigation from shareholder representatives and other third parties. However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality, in which the resulting damages will not be reimbursed.

Among the candidates for Director in this proposal, those candidates for reelection are already insureds under the policy, and will continue to be such after their election. Moreover, those candidates for new election will become newly insureds after their election.

In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

7. There are no other relationships that should be disclosed between any other companies that the candidate for outside Director concurrently works for (as an executive director or an outside officer) and the Group.
8. On March 29, 2023, the Company received the Investigation Report from the Special Investigation Committee (established in June 2021) and announced that 214 incidents of improper conduct related to manufacturing methods, testing and inspection methods, handling of testing and inspection results, and reporting and publication had been conducted at 18 companies and 36 business sites in the Group.

Candidates for outside Director Ryoichi Hayashi, Keiko Tsuchiya and Tatsuya Tanaka, who were in office as outside Directors of the Company at the time of the announcement, were unaware of the matter until it was discovered. However, they have regularly made statements from the standpoint of emphasizing compliance and strengthening the Group governance system at meetings of the Company's Board of Directors, etc. Furthermore, since the discovery of this matter, they have expressed their opinions on the investigation of the facts and the cause of the incident from an objective perspective independent of the Company and made necessary recommendations on measures to prevent such an event from occurring again, including the promotion of management reforms and the strengthening of internal control measures. After formulating measures to prevent recurrence, they have fulfilled their responsibilities by receiving regular reports on the progress of such measures at meetings of the Board of Directors, etc., and by actively and constructively making proposals regarding the implementation of measures to prevent recurrence, the strengthening of governance systems, and other management reforms.

9. The numbers of the Company's shares owned by the candidates for Director include their holdings in officers' stock ownership plan of the Company.

Proposal No. 3 Election of Three Auditors

At the conclusion of this Annual General Meeting of Shareholders, Auditor Kotaro Yasuda will resign and the terms of office of Auditors Yoshiki Sato and Jinseki Kim will expire. Therefore, the Company proposes the election of three Auditors.

In addition, the consent of the Board of Auditors has been obtained for the submission of this proposal.

The candidates for Auditor are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Candidate attributes
1	Yuji Suzuki	Officer Head of Technology & Development Administration Dept. of the Company	New election
2	Yoshiki Sato	Auditor	Reelection Outside Independent
3	Jinseki Kim	Auditor	Reelection Outside Independent

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
1	Yuji Suzuki (May 5, 1961) New election	Apr. 1985 Joined Nippon Light Metal Company, Ltd. Apr. 1997 Seconded to Alcan Smelters and Chemicals Ltd. Sept. 2002 Manager, Casting Section, Nagoya Plant of Nippon Light Metal Company, Ltd. Apr. 2008 General Manager, Casting Development Center, Technology and Development Group of Nippon Light Metal Company, Ltd. Apr. 2013 General Manager, Group Casting Center of Nippon Light Metal Company, Ltd. June 2016 Officer, General Manager of Group Research and Development Center, Technology and Development Group of Nippon Light Metal Company, Ltd. June 2023 Officer, Head of Technology & Development Administration Dept. of the Company Executive Officer of Nippon Light Metal Company, Ltd. (current position) Significant concurrent positions outside the Company Executive Officer of Nippon Light Metal Company, Ltd.	1) 3,325 shares 2) None
[Reasons for nomination as candidate for Auditor] Yuji Suzuki possesses deep insight into the Group's technology from his experience in manufacturing and research and development departments, mainly in the casting field. In recent years, he has also served as Head of Technology & Development Administration Dept. of the Company, and is well versed in organizational operation of the Group's business and operational processes. The Company judges that he is capable of objectively undertaking appropriate audits in order to strengthen the Group's governance based on this broad experience and insight. Thus, we propose his election as Auditor.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
2	Yoshiki Sato (December 5, 1949) Reelection Outside Independent Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%) Attendance at the Board of Corporate Auditors meeting for fiscal year 2023 13/13 (100%)	Apr. 1972 Joined Asahi Mutual Life Insurance Company Apr. 2003 Executive Officer of Asahi Mutual Life Insurance Company Apr. 2004 Managing Executive Officer of Asahi Mutual Life Insurance Company July 2004 Director and Managing Executive Officer of Asahi Mutual Life Insurance Company July 2008 President and Representative Director of Asahi Mutual Life Insurance Company Apr. 2017 Chairman and Representative Director of Asahi Mutual Life Insurance Company Apr. 2019 Chairman and Director of Asahi Mutual Life Insurance Company June 2020 Outside Auditor of the Company (current position) July 2021 Special Advisor to Asahi Mutual Life Insurance Company (current position) Significant concurrent positions outside the Company Special Advisor to Asahi Mutual Life Insurance Company; President of National Federation of UNESCO Associations in JAPAN; Outside Director of FUJI KYUKO CO., LTD.	1) 0 shares 2) None
[Reasons for nomination as candidate for outside Auditor] Yoshiki Sato possesses broad experiences and deep insight from a long history of involvement in the management of the financial institution and from serving as an outside officer of companies in various industries. The Company judges that he will contribute to securing fairness in the management of the Company by utilizing his experience and insight to the audit of the Company. Thus, the Company proposes his election as outside Auditor. The Company has submitted notification to the Tokyo Stock Exchange that he has been designated as an independent auditor as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent auditor to continue.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company Significant concurrent positions outside the Company	1) Number of the Company's shares owned 2) Relationship of special interest in the Company
3	Jinseki Kim (June 4, 1965) Reelection Outside Independent Attendance at the Board of Directors' meeting for fiscal year 2023 13/13 (100%) Attendance at the Board of Corporate Auditors meeting for fiscal year 2023 13/13 (100%)	Dec. 1992 Joined Tomono Tax Accounting Office Oct. 1994 Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) June 2003 Joined KPMG AZSA & Co. (currently KPMG AZSA LLC) July 2004 Seconded to KPMG LLP in the UK Aug. 2007 Returned to post at KPMG AZSA & Co. July 2015 Established Jinseki Kim CPA Office (current position) Dec. 2015 CEO of Accounting Workshop Co., Ltd. (current position) June 2018 Substitute Auditor of the Company Dec. 2018 Representative of Nozomy Audit Corporation (current position) June 2020 Outside Auditor of the Company (current position) Significant concurrent positions outside the Company Certified public accountant, CEO of Accounting Workshop Co., Ltd., and Representative of Nozomy Audit Corporation	1) 1,344 shares 2) None
[Reasons for nomination as candidate for outside Auditor] Jinseki Kim is a completely independent certified public accountant, in no client relationship with the Company, and possesses considerable insight in finance and accounting as well as experiences as a professional. The Company judges that he will contribute to securing fairness in the management of the Company by utilizing his experience and insight to the audit of the Company. Thus, the Company proposes his election as outside Auditor. The Company has submitted notification to the Tokyo Stock Exchange that he has been designated as an independent auditor as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent auditor to continue.			

- Notes:
1. Yuji Suzuki, a candidate for Auditor, intends to resign as Executive Officer of Nippon Light Metal Company, Ltd. on June 25, 2024.
 2. Yoshiki Sato and Jinseki Kim are candidates for outside Auditor.
 3. Tenure since the candidates for outside Auditor assumed office as outside Auditor of the Company
At the conclusion of this Annual General Meeting of Shareholders, Yoshiki Sato's and Jinseki Kim's tenure as outside Auditor of the Company will have been four years.
 4. Limited liability agreements with candidates for outside Auditor
Yoshiki Sato and Jinseki Kim, candidates for outside Auditor, are currently outside Auditors of the Company and the Company has entered into agreements with them to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under agreements is the higher of either ¥7 million or the minimum liability amount provided for under laws and regulations. If the reelection of them is approved, the Company plans to renew the aforementioned agreement with them.
 5. Directors and officers liability insurance policy covering candidates for Auditor
The Company has concluded a directors and officers liability insurance policy covering Directors, Auditors, and Officers of the Company and certain subsidiaries of the Company. Insurance premiums are borne by the Company.
This insurance policy is intended to supplement damages, litigation expenses, and attorney fees borne as a result of the insured facing litigation from shareholder representatives and other third parties. However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality, in which the resulting damages will not be reimbursed.
Yuji Suzuki, Yoshiki Sato and Jinseki Kim, candidates for Auditor, are already insured under the policy, and will continue to be such after their election.
In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.
 6. There are no other relationships that should be disclosed between any other companies that the candidates for outside Auditor concurrently work for (as an executive director or an outside officer, etc.) and the Group.
 7. On March 29, 2023, the Company received the Investigation Report from the Special Investigation Committee (established in June 2021) and announced that 214 incidents of improper conduct related to manufacturing methods, testing and

inspection methods, handling of testing and inspection results, and reporting and publication had been conducted at 18 companies and 36 business sites in the Group.

Candidates for outside Auditor Yoshiki Sato and Jinseki Kim, who were in office as outside Auditors of the Company at the time of the announcement, were unaware of the matter until it was discovered. However, they have regularly made statements from the standpoint of emphasizing compliance and strengthening the Group governance system at meetings of the Company's Board of Directors, etc. Furthermore, since the discovery of this matter, they have expressed their opinions on the investigation of the facts and the cause of the incident from an objective perspective independent of the Company and made necessary recommendations on measures to prevent such an event from occurring again, including the promotion of management reforms and the strengthening of internal control measures. After formulating measures to prevent recurrence, they have fulfilled their responsibilities by receiving regular reports on the progress of such measures at meetings of the Board of Directors, etc., and by actively and constructively making proposals regarding the implementation of measures to prevent recurrence, the strengthening of governance systems, and other management reforms.

8. The numbers of the Company's shares owned by the candidates for Auditor include their holdings in officers' stock ownership plan of the Company.

<Reference> Skills Matrix of the Company's Board of Directors

To ensure that the Board of Directors appropriately fulfills its decision-making and supervisory functions in light of the medium- to long-term management direction and business strategy, and to maintain a more transparent governance system, the Company's Board of Directors is composed of a diverse range of individuals with various skills, etc. (knowledge, experience, etc.).

If Proposal No. 2 (Election of Nine Directors) and Proposal No. 3 (Election of Three Auditors) are approved at this Annual General Meeting of Shareholders as proposed, the composition of the Company's Board of Directors and the skills and qualifications of each Director and each Auditor will be as follows.

Name	Position	Skill Matrix						
		Corporate Management	Manufacturing & Technology R&D IT	Sales / Marketing/ Product Development	Finance / Accounting / Banking	Governance Risk Management/ Legal & Compliance	Personnel/ HR Development	Global Experience
Ichiro Okamoto	President and CEO	○	○	○		○		○
Yasunori Okamoto	Director	○			○	○	○	
Shuichi Asakuno	Director		○	○		○		○
Hiroyuki Matsudaira	Director				○	○		
Ryoichi Hayashi	Outside Director (Independent)	○		○				○
Keiko Tsuchiya	Outside Director (Independent)	○					○	○
Tatsuya Tanaka	Outside Director (Independent)	○	○	○		○		○
Tetsuhiro Hosono	Outside Director (Independent)	○	○		○	○		○
Kiyoshi Miyake	Outside Director	○		○	○			○
Hideo Hirose	Full-time Auditor			○			○	
Yuji Suzuki	Full-time Auditor		○					○
Yoshiki Sato	Outside Auditor (Independent)	○		○	○	○		
Shintaro Kawai	Outside Auditor (Independent)					○		
Jinseki Kim	Outside Auditor (Independent)				○	○		○

* The above matrix is a list of skills and other attributes that each person possesses that the Company considers particularly important. This does not represent all of the skills and other attributes possessed by each person.

<Reference> Independent Criteria for Outside Officers

If it is judged that no following item is applicable in an investigation carried out to outside Directors and outside Auditors (in this criteria, the “outside Officers”) within a reasonable scope at the Company, then it will be judged that the person has independency.

1. A person to which the below is applicable now or in the past ten years
 - (1) A business executor of the Company or a subsidiary of the Company (in this criteria, the “Group”) (Note 1)
2. A person to which any of the below is applicable, now or in the past three years
 - (1) A major shareholder of the Company (Note 2), a person for which the Group is a major shareholder, or a business executor thereof
 - (2) A major business partner of the Group (Note 3), a person for which the Group is a major business partner (Note 4), or a business executor thereof
 - (3) A major lender of the Group (Note 5) or a business executor thereof
 - (4) A person who belongs to an audit corporation that is the Accounting Auditor of the Group
 - (5) A person, or a person who belongs to a group, who has received remuneration pertaining to a specialist service exceeding ¥10 million per year other than officer remuneration from the Group (Note 6) (However, if an advisory agreement has been executed with the Group, then the amount is immaterial.)
 - (6) A person, or a business executor of a group, who has received a donation exceeding ¥10 million per year from the Group
 - (7) A business executor of a company who has appointed a business executor of the Group as an officer
3. A spouse or relative within the second degree of kinship of a person listed in item 1. or 2. above (however, for business executors, excluding employees who are lower in rank than general manager)
4. Other than a person above, a person that might have a conflict of interest with an ordinary shareholder and for whom it is reasonably judged that there are circumstances suggesting that the person cannot fulfill the duties of an outside Officer

Note 1: This refers to executive directors, executive officers, officers, and any other persons or employees equivalent to any of those. When judging the independence of an outside Auditor, non-executive directors are included.

Note 2: This refers to a person who directly or indirectly holds voting rights that constitute 10% or more of all voting rights.

Note 3: This refers to a person who is a business partner group (i.e., a company that belongs to a consolidated group belonging to a direct business partner) to which the Group provides products or services and for whom, taking an average over the past three fiscal years, the total transactional value of the Group’s transactions with the business partner group exceeds 2% of consolidated sales of the Group.

Note 4: This refers to a person who is a business partner group that provides products or services to the Group and for whom, taking an average over the past three fiscal years, the total transactional value of transactions between the Group and the business partner group exceeds ¥100 million and exceeds 2% of consolidated sales (if the business partner group does not prepare consolidated balance sheets, then the net sales of the business partner group) of the Group.

Note 5: This refers to a person who is a financial institution group (i.e., a company that belongs to a consolidated group to which a direct lender belongs) that lends to the Group and for whom, taking an average over the past three fiscal years, the total amount borrowed by the Group from the financial institution group exceeds 2% of consolidated total assets of the Group.

Note 6: This refers to consultant, certified public accountant, licensed tax accountant or attorney at law fees, etc.

Proposal No. 4 Determination of Amount and Details of Performance-linked Stock Compensation Plan for Directors

1. Reasons for the proposal and reasons why the compensation plan is appropriate

Previously, the compensation for Directors of the Company consisted of “base compensation,” “performance-based compensation” and “restricted share-based compensation.” However, the Company will not grant any new “restricted share-based compensation” and it has proposed to introduce a new performance-linked stock compensation plan (the “Plan”) using a trust for its Directors (excluding outside Directors as stated below). It is proposed that details within the following scope be left entirely to the discretion of the Board of Directors of the Company.

The Plan is intended to further clarify the link between Director’s compensation and the Company’s business performance and share value, and by sharing benefits and risks of share price fluctuations with our shareholders, enhance Directors’ awareness of the need to contribute to improving medium- to long-term business performance and increasing corporate value, as well as provide an incentive to Directors aiming at continuing to increase corporate value even after the delivery of shares by restricting the transfer of shares until the retirement of the Director. In this proposal, the “retirement” of the Director is defined as ceasing to be either a Director, an Officer of the Company or a director of certain subsidiaries of the Company.

This proposal states that the compensation under the Plan will be paid to Directors (excluding outside Directors; the same applies hereinafter), apart from the maximum amount of compensation for Directors approved at the 1st Annual General Meeting of Shareholders held on June 27, 2013 (up to ¥396 million per year; however, this does not include the employee salary portion of Directors who concurrently serve as employees).

Policies related to determination of remuneration, etc. for individual Directors of the Company are as described in detail in the Business Report, 3. Matters Concerning the Company’s Corporate Officers (4) Remuneration, etc. of Directors and Auditors (ii) *(in Japanese original only). Subject to the approval of this proposal, the Board of Directors resolved at its meeting held on May 15, 2024, based on the report of the Nomination and Remuneration Committee (the majority of the members of which are composed of outside Directors and chaired by an outside Director), to change the content of the policies as described in <Reference> at the end of this proposal. The Company deems the contents of this proposal to be appropriate because they are necessary and reasonable to achieve the purposes of said policy after the change and the introduction of the Plan.

Subject to the approval and adoption of Proposal 2, “Election of Nine Directors” as originally proposed, the number of eligible Directors for the Plan will be four (excluding outside Directors).

Note: If this proposal is approved as proposed, the same performance-linked stock compensation plan as that for Directors will be introduced for Officers of the Company and directors of certain subsidiaries of the Company (collectively, the “Officers, etc.”).

At the Ninth Annual General Meeting of Shareholders held on June 25, 2021, the adoption of the restricted share-based compensation for Directors of the Company was approved. Subject to the approval of this proposal as originally proposed, the Company will abolish the compensation limit for restricted share-based compensation.

2. Compensation amounts and details under the Plan

(1) Outline of the Plan

The Plan is a share compensation plan, under which, a trust that the Company establishes by contributing money (the “Trust”) will acquire the shares of common stock of the Company (the “Company Shares”), and the number of the Company Shares equivalent to the number of points granted to each Director by the Company will be delivered to each Director through the Trust; however, as stated in 3. below, such shares shall be subject to transfer restrictions by entering into a restricted transfer agreement between the Company and each Director.

There are two types of points granted under the Plan: base points and performance-linked points.

Directors, who are in office during the period of approximately two years from the day following the date of conclusion of this Annual General Meeting of Shareholders to the date of conclusion of the Annual General Meeting of Shareholders in June 2026 (the “eligible period for base points”), will be granted the base points and delivered the shares equivalent to the base points that have been granted to Directors. Directors, who are in office during the period of two years from the fiscal year ending March 31, 2025, to the fiscal year ending March 31, 2026 (the “eligible period for performance-linked points”), will be granted the performance-linked points and delivered the shares equivalent to the performance-linked points that have been granted to Directors. (The eligible period for performance-linked points mentioned above and

the eligible period for base points to which the end date of the eligible period for performance-linked points belongs are, collectively or individually, referred to as the “eligible period”; however, the eligible period may be extended as specified in (2) below.)

In principle, the Company Shares equivalent to either type of points are delivered to Directors at a certain time in each fiscal year during the Trust period.

(i)	Eligible personnel for the Plan	Directors of the Company (excluding outside Directors)
(ii)	Eligible period	
	Eligible period for base points	From the day following the date of conclusion of this Annual General Meeting of Shareholders to the date of conclusion of the Annual General Meeting of Shareholders in June 2026
	Eligible period for performance-linked points	From the fiscal year ending March 31, 2025, to the fiscal year ending March 31, 2026
(iii)	Maximum amount of funds to be contributed by the Company that is expected to be required for the issuance of the Company Shares to the eligible personnel described under (i)	Funds for the acquisition of the Company Shares equivalent to the total number of base points to be granted for the eligible period for base points (approximately two years) Total ¥44 million
		Funds for the acquisition of the Company Shares equivalent to the total number of performance-linked points to be granted for the eligible period for performance-linked points (two years) Total ¥256 million
(iv)	Method of acquisition of the Company Shares	Disposal of treasury shares from the Company or via a stock market (including off-floor trading)
(v)	Maximum number of points to be granted to the eligible personnel described under (i) in total	112,900 points per fiscal year (total of base points and performance-linked points)
(vi)	Criteria for awarding points	Base points
		Performance-linked points
(vii)	Timing of delivery of the Company Shares to the eligible personnel described under (i)	Granted in accordance with the position, etc. Granted in accordance with the position and target achievement level of performance, etc.
(viii)	Restricted transfer period under restricted transfer agreement with the Company as stated in 3. below	A certain time in each fiscal year during the Trust period
		From the date of delivery of the Company Shares to the date of their retirement (i.e. ceasing to be either a Director, an Officer of the Company or a director of certain subsidiaries of the Company)

(2) Maximum amount of money to be contributed by the Company

The initial Trust period will be approximately two years. The Company will contribute money up to a total of ¥300 million (¥44 million as funds for the acquisition of the Company Shares equivalent to the total number of base points to be granted for the eligible period for base points, and ¥256 million as funds for the acquisition of the Company Shares equivalent to the total number of performance-linked points to be granted for the eligible period for performance-linked points) as compensation to Directors while in office to fund the acquisition of the Company Shares necessary for the delivery of such shares to Directors under the Plan, and will establish the Trust with Directors who satisfy certain requirements as beneficiaries. The Trust will be funded by money entrusted by the Company and acquire the Company Shares through the disposal of treasury shares of the Company or via a stock market (including off-floor trading).

Note: The money actually entrusted by the Company to the Trust will be the sum of the funds for the acquisition of the Company Shares mentioned above, as well as the estimated amount of necessary expenses such as trust fees and trust administrator fees. In the event that a stock compensation plan for the Officers, etc. similar to the above is introduced, the funds required for the acquisition of the Company Shares to be delivered to the Officers, etc. under such plan will also be entrusted to the Trust.

In addition, by decision of the Board of Directors of the Company, the eligible period may be extended one or more times, (i) up to approximately five years in the case of the eligible period for base points and (ii) up to five fiscal years in the case of the eligible period for performance-linked points, and the Trust period may be extended accordingly to continue the Plan (including the transfer of the trust assets of the Trust to a trust established by the Company for the same purpose as the Trust, thereby effectively extending the Trust period; the same applies hereinafter). In this case, the Company will additionally contribute money in the Trust as funds for the additional acquisition of the Company Shares necessary to deliver the Company

Shares to Directors under the Plan and continue to grant points and deliver the Company Shares as described in (3) below. However, the amount of such additional contribution shall be limited to (i) an amount equal to ¥22 million multiplied by the number of years of extension as funds for the acquisition of the Company Shares equivalent to the total number of base points to be granted for the extended eligible period for base points, and (ii) ¥128 million multiplied by the number of years of extension as funds for the acquisition of the Company Shares equivalent to the total number of performance-linked points to be granted for the extended eligible period for performance-linked points, respectively (and the same applies thereafter).

(3) Calculation method and maximum number of Company Shares to be delivered to Directors

(I) Method of granting points to Directors, etc.

In accordance with the share delivery rules established by the Board of Directors of the Company, the Company shall, during the Trust period (in principle, every fiscal year), grant each Director on the point granting date specified in the share delivery rules: (i) the base points and (ii) the performance-linked points.

(i) The base points shall be granted in accordance with the position, etc. and (ii) the performance-linked points shall be granted by multiplying the number of the points determined in accordance with the position, etc. by a performance-linked coefficient that varies in proportion to the actual value of the performance-linked indices. Such performance-linked indices and the range of such performance-linked coefficients shall be decided by the Company's Board of Directors, however, the performance-linked indices during the initial eligible period for performance-linked points are to be the "stock price (TOPIX ratio)," "non-financial index (greenhouse gas reduction)," "individual target achievement level," etc., and the range of performance-linked coefficients is to be between 0% and 200%.

However, the total number of points to be granted to Directors by the Company shall be limited to 112,900 points per fiscal year.

(II) Delivery of the Company Shares in proportion to the number of points granted

Directors will receive the Company Shares in proportion to the number of points granted in (I) above by following the procedure described in (III) below. One point shall be equal to one Company Share. However, in the event of a stock split, reverse stock split, or other event in which it is deemed reasonable to adjust the number of the Company Shares per point, the number of the Company Shares per point shall be adjusted reasonably in accordance with such split ratio, reverse stock split ratio, or other factors.

(III) Delivery of the Company Shares to Directors

Each Director shall, in principle, acquire beneficiary rights of the Trust and receive the Company Shares described in (II) above from the Trust every fiscal year during the Trust period, on the condition that the Director enters into a restricted transfer agreement with the Company as stated in 3. below and follows other prescribed procedures.

However, in the event that the Company Shares held by the Trust are converted into cash for reason such as settlement after submission to a tender offer for the Company Shares held by the Trust, the Company Shares may instead be delivered in cash (said amount converted).

(4) Exercise of voting rights

No voting rights pertaining to the Company Shares held by the Trust shall be exercised based on the instructions from the trust administrator, who is independent of the Company and its Directors and Officers. With this method, the Company intends to ensure neutrality toward its management in connection with the exercise of voting rights pertaining to the Company Shares held by the Trust.

(5) Handling of dividends

Dividends pertaining to the Company Shares held by the Trust will be received by the Trust and used to pay for the acquisition of the Company Shares, trust fees paid to the trustee and other costs related to the Trust.

3. Restricted transfer agreement for the Company Shares to be delivered to Directors

In delivering the Company Shares pursuant to 2.(3) (II) above, a restricted transfer agreement (hereinafter referred to as the “Restricted Transfer Agreement”) shall be entered into between the Company and the Director, which shall include the following outline and details (The Company Shares are delivered to each Director on the condition that the Director enters into the Restricted Transfer Agreement with the Company).

However, if at the time of delivery of the shares, the Director has retired or is expected to cease to be a resident of Japan, the Company Shares not subject to transfer restrictions may be delivered. Additionally, in such cases, a certain percentage of the Company Shares may be sold and converted into cash by the Trust for the purpose of the Company withholding funds to pay withholding income taxes, etc. and then delivered in cash in place of the Company Shares.

(1) Restriction Period

The Director shall not transfer, grant a security interest on, or otherwise dispose of the shares delivered under the Plan (the “Delivered Shares”), during the period from the date of delivery (if delivered more than once, the date of each delivery) to the date of their retirement (the “Restriction Period”). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “Transfer Restrictions.” During the Restriction Period, Directors shall manage the Delivered Shares in an account at a brokerage firm designated by the Company for the purpose of segregating the shares from those already held by the Directors.

(2) Acquisition of the Delivered Shares without consideration

(I) If a Director attempts to dispose of all or part of the Delivered Shares by transfer, offering as security or otherwise in violation of (1) above, the Company shall naturally acquire all of the Delivered Shares without consideration.

(II) If a Director falls under any of the following categories during the Restriction Period, the Company shall naturally acquire all of the Delivered Shares without consideration as of the time the Director falls under any such category.

- i) If a Director has been sentenced to imprisonment without work or a severer punishment
- ii) If a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or other similar proceedings is filed against a Director
- iii) If a Director retires due to reasons other than expiration of term of office, mandatory retirement age, death or other justifiable reason

(III) If a Director falls under any of the following items during the Restriction Period, the Company shall, by giving written notice to the Director that it will acquire the Delivered Shares without consideration, naturally acquire all of the Delivered Shares without consideration (however, the Company may acquire a portion of the Delivered Shares, if it is determined that it is appropriate in the case of item ii)) upon receipt of such notice.

- i) If the Board of Directors of the Company recognizes that the Director has been engaged in a business that competes with the business of the Company and its subsidiaries (collectively, the “Group”) or has been appointed as an officer or employee of a corporation or other organization that competes with the Group (except in cases where the prior written consent of the Company has been obtained)
- ii) In the event that the Company’s Board of Directors recognizes that the Director has violated any law, the Group’s internal rules, or this agreement in any material respect, or otherwise determines that it is appropriate for the Company to acquire the Delivered Shares without consideration
- iii) If the Board of Directors of the Company recognizes that a Director’s conduct has defamed the Group or caused significant damage to the Group

(3) Treatment during reorganization, etc.

If the matters listed in each of the following items are approved at a General Meeting of Shareholders of the Company (however, if approval by a General Meeting of Shareholders of the Company is not required in item ii) or for item vi), by the Board of Directors of the Company) during the Restriction Period (provided, however, that the date specified in each of the following items (hereinafter referred to as “Effective Date of Reorganization, etc.”) shall arrive before the expiration of the Restriction Period)

notwithstanding (1) above, the Transfer Restrictions of the Delivered Shares shall be cancelled as of the time immediately preceding the business day preceding the Effective Date of Reorganization, etc.

- | | | |
|------|---|---|
| i) | A merger agreement in which the Company becomes an extinct company | Effective date of the merger |
| ii) | An absorption-type company split agreement or incorporation-type company split plan in which the Company becomes the splitting company (limited to cases in which the Company delivers to its shareholders all or part of the split consideration to be delivered as a result of such company split on the effective date of the company split) | Effective date of the company split |
| iii) | Share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary | Effective date of share exchange or share transfer |
| iv) | Reverse stock split (limited to cases in which the reverse stock split results in the Directors holding only fractions of less than one share of the Delivered Shares) | Effective date of reverse stock split |
| v) | Acquisition of all of the Company's common shares by attaching a class-wide call provision set forth in Article 108, paragraph (1), item (vii) of the Companies Act | Acquisition date as stipulated in Article 171, paragraph (1), item (iii) of the Companies Act |
| vi) | A demand for share cash-out of the Company's common stock (meaning a demand for sale of shares as set forth in Article 179, paragraph (2) of the Companies Act) | Acquisition date as stipulated in Article 179-2, paragraph (1), item (v) of the Companies Act |

(4) Other matters determined by the Board of Directors

In addition to the above, the method for expressing intentions and giving notifications in the Restricted Transfer Agreement, the method for amending the Restricted Transfer Agreement and other matters to be determined by the Board of Directors shall be laid out in the Restricted Transfer Agreement.

<Reference> Policy on the Determination of Individual Directors' Remuneration, etc.

If Proposal No. 4 (Determination of Amount and Details of Performance-linked Stock Compensation Plan for Directors) is approved at this Annual General Meeting of Shareholders as proposed, the Company plans to change the policy on the determination of individual Directors' remuneration, etc., as follows.

1. Structure and level of Directors' remuneration

(i) Structure

Remuneration for Directors (excluding outside Directors) shall consist of base remuneration, performance-based remuneration and stock-based remuneration.

Remuneration for outside Directors shall consist solely of base remuneration.

(ii) Level of remuneration

The level of remuneration for Directors shall be set in accordance with the duties and responsibilities of Directors, the financial position and business performance of the Group, and other factors, with reference to the level of remuneration for directors of domestic listed companies of the same profit scale as that of the Company.

2. Policy for determining the calculation method of basic remuneration for Directors

Basic remuneration for Directors (excluding outside Directors) shall be set as fixed remuneration in accordance with each Director's position, responsibilities, etc.

Basic remuneration for outside Directors shall be set as fixed remuneration based on their role of supervising management from an independent standpoint.

3. Policy for determining the calculation method of performance-based remuneration for Directors

Performance-based remuneration for Directors (excluding outside Directors) shall be performance-linked remuneration that fluctuates according to the Group's business performance, the degree of achievement of the management plan (operating income, ROCE, etc.), the degree of contribution to the Group's management, and other factors.

4. Policy for determining the calculation method of stock-based remuneration for Directors and other important matters

Stock-based remuneration for Directors (excluding outside Directors) shall consist of non-performance-linked stock-based remuneration and performance-linked stock-based remuneration, with the aim of enhancing incentives to improve medium- to long-term performance and increase corporate value.

Non-performance-linked stock remuneration shall be paid in proportion to the number of base points, based on the base points awarded as determined in accordance with the Director's position and other factors.

Performance-linked stock remuneration shall be paid in proportion to the number of performance-linked points granted by multiplying a number determined according to the Director's position, etc. by a performance-linked coefficient (from 0% to 200%) that varies according to the actual performance of performance-linked indices ("stock price-related indicators," "non-financial index (materiality-related indicators such as greenhouse gas reduction)," "individual target achievement level," etc.).

Stock-based remuneration is delivered through trust after each year (to be paid once a year at a certain time as described in 6. below). The Company's common shares (1 point = 1 share) equivalent to the sum of the number of base points and performance-linked points will be granted through the trust with the transfer restriction period set to the time of retirement.

If during the Restriction Period, the Director violates laws and regulations, acts in coordination with a competitor, or otherwise acts in a manner that undercuts the objective for adopting the stock-based remuneration plan, the Company may acquire all the restricted shares granted to such Director without contribution.

5. Policy on determining the ratio of the amount of base remuneration, performance-based remuneration or stock-based remuneration to the amount of remuneration paid to Directors

The ratio of remuneration for Directors (excluding outside Directors) shall be based on a standard of approximately 60% base remuneration, 20% performance-based remuneration, and 20% stock-based remuneration when 100% of each evaluation index is achieved.

The ratio of remuneration for the President and CEO shall be based on a standard of approximately 50% base remuneration, 25% performance-based remuneration, and 25% stock-based remuneration when 100% of each evaluation index is achieved.

Remuneration for outside Directors shall consist only of base remuneration based on their role of supervising management from an independent standpoint.

6. Policy for determining the timing of the award of remuneration to Directors

The amount of Directors' remuneration (excluding stock-based remuneration) shall be determined annually, and a fixed amount shall be paid monthly in cash.

Stock-based remuneration shall be paid once annually during a fixed period each year.

7. Positions, responsibilities, etc. of Director(s) when decisions on the content of their remuneration are delegated in whole or in part to the Director(s)

(i) Name or position or responsibility of Director to be delegated to: President and CEO

(ii) Authority delegated: Determination of the amount of remuneration for each individual Director

(iii) Measures to be taken to ensure that such authority is properly exercised:

The Company shall establish a Nomination and Remuneration Committee, chaired by an independent outside Director and with a majority of its members being independent outside Directors, as an advisory body to the Board of Directors and the President and CEO regarding the policy for determining Directors' remuneration and its level and structure. The Nomination and Remuneration Committee shall deliberate and report in response to inquiries concerning the policy for determining Directors' remuneration, etc., to ensure the transparency and fairness of the remuneration system and the process for determining remuneration for Directors.

8. Method of determining the details of Directors' remuneration

The Nomination and Remuneration Committee shall be consulted on the total amount of remuneration paid to Directors and the policy for determining it, and a resolution shall be obtained at a meeting of the Board of Directors attended by independent outside Directors and independent outside Auditors to leave the matter to the President and CEO, and the President and CEO shall determine the remuneration of the Company's Directors, taking into consideration the report of the Nomination and Remuneration Committee, the role and responsibility of each Director, and the performance of the Group.

With respect to stock-based remuneration, the calculation method of the number of base points (the number to be determined in accordance with the Director's position, etc.) and the calculation method of the number of performance-linked points (the number to be determined in accordance with the Director's position, etc., specific performance-linked indices and the range of performance-linked coefficients), which form the basis for granting shares, shall be stipulated in compensation regulations to be adopted by the Board of Directors.