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(Stock Exchange Code 5471)

June 2, 2022

**To Shareholders with Voting Rights:**

Takeshi Ishiguro,  
President and Representative Executive Director  
Daido Steel Co., Ltd.  
1-10, Higashisakura 1-chome, Higashi-ku, Nagoya,  
Aichi, Japan

**NOTICE OF  
THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

This is to inform you that the 98th Annual General Meeting of Shareholders of Daido Steel Co., Ltd. (the “Company”) will be held for the purposes as described below.

In order to prevent the spread of COVID-19, the Company requests that all shareholders exercise their voting rights in advance either in writing or via the Internet, etc., and where possible not attend the annual general meeting of shareholders in person on the day of the meeting. Thank you for your cooperation.

**If you are unable to attend the meeting, you can exercise your voting rights in advance by either of the following methods. Please review the Reference Documents for the Annual General Meeting of Shareholders on pages 3 to 24 below and exercise your voting rights by no later than 4:00 p.m. on Thursday, June 23, 2022.**

[Exercise of voting rights in writing]

Please indicate your approval or disapproval on the enclosed voting rights exercise form and return it so that it arrives by the above-mentioned deadline.

[Exercise of voting rights via the Internet, etc.]

Please access the website designated by the Company (<https://www.web54.net>) and enter your approval or disapproval of each proposal before the above voting deadline by following the instructions provided in the website.

**1. Date and Time** Friday, June 24, 2022, at 10:00 a.m. (JST)  
(Reception starts at 9:00 a.m.)

**2. Place** The 2nd Floor Hall at Nagoya Chamber of Commerce and Industry located at  
10-19, Sakae 2-chome, Naka-ku, Nagoya, Aichi, Japan

**3. Meeting Agenda**

**Matters to be reported:**

1. The Business Report, Consolidated Financial Statements for the Company’s 98th Business Term (from April 1, 2021 to March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company’s 98th Business Term (from April 1, 2021 to March 31, 2022)

**Proposals to be resolved:**

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Appropriation of Surplus  |
| <b>Proposal No. 2</b> | Partial Amendment to the Articles of Incorporation  |
| <b>Proposal No. 3</b> | Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)                         |
| <b>Proposal No. 4</b> | Election of Three Directors Who Are Audit & Supervisory Committee Members   |
| <b>Proposal No. 5</b> | Election of One Director Who Is a Substitute Audit & Supervisory Committee Member                                     |
| <b>Proposal No. 6</b> | Determination of Amount of Remuneration for Directors (Excluding Those Who Are Audit & Supervisory Committee Members) |
| <b>Proposal No. 7</b> | Determination of Amount of Remuneration of Directors Who Are Audit & Supervisory Committee Members                    |
| <b>Proposal No. 8</b> | Payment of Bonuses to Directors   |

**4. Others**

- (1) If voting rights are not exercised in writing to indicate either approval or disapproval for each proposal, it will be considered as an indication of approval.
- (2) If voting rights are exercised in duplicate by both mailing the document and via the Internet, etc., the exercise of voting rights via the Internet, etc., will be considered valid.
- (3) For shareholders who wish to have diverse exercise of voting rights, please give notice along with the reason in writing at least three days prior to the date of the annual general meeting of shareholders.

(Notice) Any changes to the Reference Documents for the General Meeting of Shareholders, and Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company's website (<https://www.daido.co.jp>).

(Request) When attending on the day of the event, please submit your enclosed voting rights exercise form to the reception desk at the venue.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

##### 1. Surplus dividends

The intention of the Company's dividend policy is to ensure stable profit returns. Therefore, the Company carefully considers consolidated business results and dividend payout ratios in order to meet shareholder expectations.

Regarding the year-end dividend for the current fiscal year, the Company proposes the following in harmony with the Company's basic policy and based on a careful consideration of the financial situation and business results for the whole year.

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount  
¥100 per common share of the Company  
Total payment: ¥4,263,879,000
- (3) Effective date of dividends of surplus  
June 27, 2022

##### 2. Other appropriation of surplus

A general reserve is set aside to strengthen the financial structure.

- (1) Item of surplus to be increased and amount of increase  
General reserve ¥12,000,000,000
- (2) Item of surplus to be decreased and amount of decrease  
Retained earnings brought forward: ¥12,000,000,000

**Proposal No. 2 Partial Amendment to the Articles of Incorporation**

(Reasons for the amendment)

1. In order to prepare for future business development, the Company will make partial amendments to Article 2 (Purpose).
2. By appointing Audit & Supervisory Committee Members who are responsible for auditing the execution of duties by Directors as members of the Board of Directors, the Company will move to a company with an Audit & Supervisory Committee in order to further enhance corporate governance, such as strengthening the supervisory function of the Board of Directors and expedite decision-making on management. Accordingly, the Company will make necessary changes, including the establishment of provisions concerning the Audit & Supervisory Committee and Audit & Supervisory Committee Members, and the deletion of provisions related to the Audit & Supervisory Board and Audit & Supervisory Board Members.
3. Since the amended proviso to Article 1 of the Supplementary Provisions of the “Act for Partial Revision of the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022, provisions for electronic measures for provision of information of the Reference Documents for the General Meeting of Shareholders and provisions to limit the scope of the matters described in the documents to be delivered to shareholders who have requested written delivery will be newly established, provisions for the deemed provision and Internet disclosure of Reference Documents for the General Meeting of Shareholders will be deleted, and supplementary provisions concerning the Date of Enforcement will be newly established.

(Details of the amendments)

The details of the amendments are as follows.

Amendments to the Articles of Incorporation pertaining to this Proposal shall take effect at the conclusion of this General Meeting of Shareholders.

(Underlined text indicates changes.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (Omitted)	Article 1 (Unchanged)
Article 2 (Purpose)	Article 2 (Purpose)
The purpose of the Company is to operate the following businesses:	The purpose of the Company is to operate the following businesses:
(1)-(14) (Omitted)	(1)-(14) (Unchanged)
(15) Management of sports facilities	(15) Management of <u>sports teams and</u> sports facilities
(16)-(20) (Omitted)	(16)-(20) (Unchanged)
Article 3 (Omitted)	Article 3 (Unchanged)
Article 4 (Institutions)	Article 4 (Institutions)
The Company shall have the following institutions outside of the General Meeting of Shareholders and Directors.	The Company shall have the following institutions outside of the General Meeting of Shareholders and Directors.
(1) Board of Directors	(1) Board of Directors
(2) <u>Audit &amp; Supervisory Board Members</u>	(Deleted)
(3) <u>Audit &amp; Supervisory Board</u>	(Deleted)
(Newly established)	(2) <u>Audit &amp; Supervisory Committee</u>
(4) Financial auditor	(3) Financial auditor
Article 5 (Omitted)	Article 5 (Unchanged)
Chapter 2 Stock	Chapter 2 Stock
Article 6 to Article 12 (Omitted)	Article 6 to Article 12 (Unchanged)
Chapter 3 General meeting of shareholders	Chapter 3 General meeting of shareholders

Current Articles of Incorporation	Proposed amendments
<p>Article 13 to Article 19 (Omitted)</p> <p><u>Article 20 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p>	<p>Article 13 to Article 19 (Unchanged)</p> <p>(Deleted)</p> <p><u>Article 20 (Measures, etc. for Providing Information in Electronic Format)</u></p> <p>(1) <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p>(2) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
<p>Article 21 to Article 22 (Omitted)</p> <p>Chapter 4 Directors and the Board of Directors</p> <p>Article 23 (Number of Directors)</p> <p>The Company shall have no more than 15 Directors.</p> <p>(Newly established)</p>	<p>Article 21 to Article 22 (Unchanged)</p> <p>Chapter 4 Directors and the Board of Directors</p> <p>Article 23 (Number of Directors)</p> <p>(1) The Company shall have no more than 15 Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>(2) <u>The Company shall have no more than four Directors who are Audit &amp; Supervisory Committee Members.</u></p>
<p>Article 24 (Election of Directors)</p> <p>(1) Directors shall be elected at the General Meeting of Shareholders.</p> <p>(2)-(3) (Omitted)</p>	<p>Article 24 (Election of Directors)</p> <p>(1) Directors shall be <u>categorized as Directors who are Audit &amp; Supervisory Committee Members and other Directors, and</u> elected at the General Meeting of Shareholders.</p> <p>(2)-(3) (Unchanged)</p>
<p>Article 25 (Term of Office of Directors)</p> <p>(1) The term of office of Directors shall be until the conclusion of the Annual General Meeting of Shareholders for the last business year ending within one year after his/her election.</p> <p>(2) The term of office of Directors elected for increasing the number of Directors or due to a vacancy of a Directorship shall be until the expiration of the term of office of the incumbent Director.</p> <p>(Newly established)</p>	<p>Article 25 (Term of Office of Directors)</p> <p>(1) The term of office of Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> shall be until the conclusion of the Annual General Meeting of Shareholders for the last business year ending within one year after his/her election.</p> <p>(2) The term of office of Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> elected for increasing the number of Directors or due to a vacancy of a Directorship shall be until the expiration of the term of office of the incumbent Director <u>(excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>(3) <u>The term of office of Directors who are Audit &amp; Supervisory Committee Members shall be until the conclusion of the Annual General Meeting of Shareholders for the last business year ending within two years after his/her election.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	(4) <u>The term of office of a Director who is an Audit &amp; Supervisory Committee Member elected as a substitute for a Director who is an Audit &amp; Supervisory Committee Member who resigned before the expiration of his/her term of office shall be until the expiration of the term of office of the retired Director who is an Audit &amp; Supervisory Committee Member.</u>
Article 26 (Representative Directors and Directors with Titles)  (1) The Company may, by resolution of the Board of Directors, appoint one Chairman, one President, and a small number of Vice Presidents and Managing Directors.	Article 26 (Representative Directors and Directors with Titles)  (1) The Company may, by resolution of the Board of Directors, appoint one Chairman, one President, and a small number of Vice Presidents and a Managing Directors, <u>from the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u>
(2) (Omitted)	(2) (Unchanged)
Article 27 (Omitted)	Article 27 (Unchanged)
Article 28 (Remuneration, etc. of Directors)  Directors' remuneration, bonuses and other property benefits received from the Company in exchange for the execution of duties ( <u>hereinafter referred to as "Remuneration, etc."</u> ) shall be determined by a resolution of the General Meeting of Shareholders.	Article 28 (Remuneration, etc. of Directors)  Directors' remuneration, bonuses and other property benefits received from the Company in exchange for the execution of duties shall be determined by a resolution of the General Meeting of Shareholders <u>after categorizing according to Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u>
Article 29 (Convenor of Board of Directors' Meetings)  (1) The President shall convene meetings of the Board of Directors.	Article 29 (Convenor of Board of Directors' Meetings)  (1) The President shall convene meetings of the Board of Directors, <u>excluding particular instances stipulated in laws and regulations.</u>
(2) (Omitted)	(2) (Unchanged)
Article 30 (Convocation Notice of Board of Directors' Meetings)  Notice of convocation of meetings of the Board of Directors shall be issued to each Director <u>and Audit &amp; Supervisory Board Member</u> three days prior to the date of the meeting. Provided, however, that in case of emergency, this period may be shortened.	Article 30 (Convocation Notice of Board of Directors' Meetings)  Notice of convocation of meetings of the Board of Directors shall be issued to each Director <u>at least</u> three days prior to the date of the meeting. Provided, however, that in case of emergency, this period may be shortened.
(Newly established)	<u>Article 31 (Delegation of Decisions on Important Business Execution)</u>  <u>In accordance with Article 399-13 Paragraph 6 of the Companies Act, the Board of Directors may, by resolution, delegate all or part of decisions on the execution important business matters (excluding the matters listed in each item of Paragraph 5 of the same Article) to Directors.</u>
Article 31 (Omitted)	Article 32 (Same as current Article 31)
Article 32 (Minutes of Board of Directors' Meetings)  (1) The outline and results of the proceedings of the Board of Directors meetings and other matters stipulated in laws and regulations shall be described or recorded in the minutes, and the Directors <u>and Audit &amp; Supervisory Board Members</u> present shall write and seal their names or provide an electronic signature.	Article 33 (Minutes of Board of Directors' Meetings)  (1) The outline and results of the proceedings of the Board of Directors meetings and other matters stipulated in laws and regulations shall be described or recorded in the minutes, and the Directors present shall write and seal their names or provide an electronic signature.
(2) (Omitted)  (Newly established)	(2) (Unchanged)
Article 33 (Omitted)	<u>Article 34 (Regulations on the Board of Directors)</u>  <u>Matters related to the Board of Directors shall be governed by Regulations on the Board of Directors stipulated by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.</u>
Article 34 (Release of Liability of Directors)	Article 35 (Same as current Article 33)
	Article 36 (Release of Liability of Directors)

Current Articles of Incorporation	Proposed amendments
<p>(1) (Omitted)</p> <p>(2) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may conclude an agreement with Directors (excluding <u>persons who are an</u> executive director, etc.) to limit liability for damages for failure to perform his/her duties. Provided, however, that the maximum amount of liability based on the agreement shall be the amount prescribed by laws and regulations.</p>	<p>(1) (Unchanged)</p> <p>(2) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may conclude an agreement with Directors (excluding <u>those</u> are executive directors, etc.) to limit liability for damages for failure to perform his/her duties. Provided, however, that the maximum amount of liability based on the agreement shall be the amount prescribed by laws and regulations.</p>
<p style="text-align: center;"><u>Chapter 5</u> <u>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 35 (Number of Audit &amp; Supervisory Board Members)</u> <u>The Company shall have no more than four Audit &amp; Supervisory Board Members.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 36 (Election of Audit &amp; Supervisory Board Members)</u></p> <p>(1) <u>Audit &amp; Supervisory Board Members will be elected at the General Meeting of Shareholders.</u></p> <p>(2) <u>The election of Audit &amp; Supervisory Board Members shall be made by a majority of the voting rights of shareholders present at the meeting attended by shareholders who hold at least one-third of the voting rights of shareholders entitled to exercise voting rights.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 37 (Term of Office of Audit &amp; Supervisory Board Members)</u></p> <p>(1) <u>The term of office of Audit &amp; Supervisory Board Members shall be until the conclusion of the Annual General Meeting of Shareholders for the last business year ending within four years after his/her election.</u></p> <p>(2) <u>The term of office of an Audit &amp; Supervisory Board Member elected as a substitute for an Audit &amp; Supervisory Board Member who resigned before the expiration of his/her term of office shall be until the expiration of the term of office of the retired Audit &amp; Supervisory Board Member.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 38 (Full-time Audit &amp; Supervisory Board Member)</u> <u>The Audit &amp; Supervisory Board shall select Full-time Audit &amp; Supervisory Board Members by resolution.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 39 (Remuneration, etc. of Audit &amp; Supervisory Board Members)</u> <u>Remuneration, etc. of Audit &amp; Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 40 (Convocation Notice of Audit &amp; Supervisory Board Meetings)</u> <u>Notice of convocation of meetings of the Audit &amp; Supervisory Board shall be issued to each Audit &amp; Supervisory Board Member three days prior to the date of the meeting. Provided, however, that in case of emergency, this period may be shortened.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 41 (Method of Resolution of the Audit &amp; Supervisory Board)</u> <u>Resolutions of the Audit &amp; Supervisory Board shall be made by a majority of the Audit &amp; Supervisory Board Members, except as otherwise provided for by laws and regulations.</u></p>	<p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>Article 42 (Minutes of Audit &amp; Supervisory Board Meetings)</u></p> <p><u>The outline and results of the proceedings of the Audit &amp; Supervisory Board meetings and other matters stipulated in laws and regulations shall be described or recorded in the minutes, and the Audit &amp; Supervisory Board Members present shall write and seal their names or provide an electronic signature.</u></p>	(Deleted)
<p><u>Article 43 (Release of Liability of Audit &amp; Supervisory Board Members)</u></p> <p>(1) <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company, by resolution of the Board of Directors, may release Audit &amp; Supervisory Board Members (including persons who were an Audit &amp; Supervisory Board Member) to limit liability for damages for failure to perform his/her duties.</u></p> <p>(2) <u>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may conclude an agreement with Audit &amp; Supervisory Board Members to limit liability for damages for failure to perform his/her duties. Provided, however, that the maximum amount of liability based on the agreement shall be the amount prescribed by laws and regulations.</u></p>	(Deleted)
(Newly established)	<p style="text-align: center;"><u>Chapter 5</u></p> <p style="text-align: center;"><u>Audit &amp; Supervisory Committee</u></p> <p><u>Article 37 (Full-time Audit &amp; Supervisory Committee Member)</u></p> <p><u>The Audit &amp; Supervisory Committee may, by its resolution, select Full-time Audit &amp; Supervisory Committee Members.</u></p> <p><u>Article 38 (Convocation Notice of Audit &amp; Supervisory Committee Meetings)</u></p> <p><u>Notice of convocation of the Audit &amp; Supervisory Committee shall be issued to each Audit &amp; Supervisory Committee Member at least three days prior to the date of the meeting. Provided, however, that in case of emergency, this period may be shortened.</u></p> <p><u>Article 39 (Regulations on the Audit &amp; Supervisory Committee)</u></p> <p><u>Matters related to the Audit &amp; Supervisory Committee shall be governed by Regulations on the Audit &amp; Supervisory Committee stipulated by the Audit &amp; Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.</u></p>
(Newly established)	
(Newly established)	
(Newly established)	
<p>Chapter 6</p> <p>Financial Auditor</p>	<p>Chapter 6</p> <p>Financial Auditor</p>
Article 44 to Article 45 (Omitted)	Article 40 to Article 41(Same as current Article 44 to Article 45)
<p>Chapter 7</p> <p>Accounts</p>	<p>Chapter 7</p> <p>Accounts</p>
Article 46 to Article 50 (Omitted)	Article 42 to Article 46(Same as current Article 46 to Article 50)
(Newly established)	<u>Supplementary Provisions</u>
(Newly established)	<u>Article 1</u>



Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>The Company, by resolution of the Board of Directors, may release Audit &amp; Supervisory Board Members (including persons who were Audit &amp; Supervisory Board Members) prescribed in Article 423, Paragraph 1 of the Companies Act concerning actions prior to the conclusion of the 98th Annual General Meeting of Shareholders to limit liability for damages for failure to perform his/her duties.</u></p> <p><u>Article 2</u></p> <p>(1) <u>The deletion of Article 20 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 20 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p>(2) <u>Notwithstanding the provision of the preceding paragraph, Article 20 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p>(3) <u>This Article shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

**Proposal No. 3 Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as drafted, the Company will transition into a company with an Audit & Supervisory Committee. Therefore, as the terms of office of all ten directors will expire at the end of this annual general meeting of shareholders, the Company proposes the election of ten directors (excluding directors who are the Audit & Supervisory Committee Member; the same shall apply hereinafter in this proposal) after the transition into a company with an Audit & Supervisory Committee.

However, this proposal can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for Director are as follows:

Candidate No.	Name	Current Position	
1	Tadashi Shimao	Chairperson of the Board of Directors, Representative Executive Director	
2	Takeshi Ishiguro	President & CEO, Representative Executive Director	
3	Tsukasa Nishimura	Representative Executive Director, Executive Vice President	
4	Tetsuya Shimizu	Representative Executive Director, Executive Vice President	
5	Kazuhiro Toshimitsu	Representative Executive Director, Executive Vice President	
6	Toshiaki Yamashita	Director, Managing Executive Officer	
7	Akihito Kajita	Director, Managing Executive Officer	
8	Shuji Soma	Director	Independent Outside
9	Ryoichi Yamamoto	Director	Independent Outside
10	Mutsuko Jinbo	Director	Independent Outside

Candidate for Director

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Tadashi Shimao (February 2, 1950)	<p>Apr. 1973      Joined Daido Steel Co., Ltd.</p> <p>June 1998      General Manager, Management Department, Chita Plant</p> <p>June 2000      General Manager, Sales Department 1, Steel Business Division</p> <p>July 2002      Chief Staff, Corporate Planning Department (General Manager in charge of planning)</p> <p>Apr. 2004      General Manager, Corporate Planning Department</p> <p>June 2004      Director and General Manager, Corporate Planning Department</p> <p>June 2006      Managing Director</p> <p>June 2009      Representative Director and Vice President, and General Manager, Tokyo Head Office</p> <p>June 2010      Representative Executive Director, President</p> <p>June 2015      President &amp; CEO, Representative Executive Director</p> <p>June 2016      Chairperson of the Board of Directors, Representative Executive Director (current position)</p> <p>[Significant concurrent positions outside the Company] External Director of Chubu Electric Power Co., Inc.</p>	8,100 shares
<p>He has been involved in the management of the Company for many years since his appointment to the Board of Directors in 2004. He has led the management of the Group as Representative Executive Director and President for six years from 2010 to 2016. In order to sustainably improve the Company's corporate value, the Company nominates Tadashi Shimao as a candidate for Director.</p>			
2	Takeshi Ishiguro (January 15, 1957)	<p>Apr. 1980      Joined Daido Steel Co., Ltd.</p> <p>July 2002      General Manager, Sales Department 1, Steel Business Division</p> <p>June 2004      General Manager, Steel Sales Department, Steel Business Division</p> <p>June 2006      General Manager, Steel Planning and Management Department, Steel Business Division</p> <p>June 2008      General Manager, Corporate Planning Department</p> <p>June 2009      Director and General Manager, Corporate Planning Department</p> <p>Apr. 2012      Director</p> <p>June 2012      Managing Director</p> <p>June 2013      Managing Director, General Manager of Specialty Steel Products Division, and General Manager, Specialty Steel Bar &amp; Wire Business Division</p> <p>June 2014      Representative Director and Vice President, General Manager, Tokyo Head Office, and General Manager, Specialty Steel Products Division</p> <p>June 2015      Representative Executive Director, Executive Vice President, General Manager, Tokyo Head Office</p> <p>June 2016      President &amp; CEO, Representative Executive Director (current position)</p> <p>[Significant concurrent positions outside the Company] Outside Director of TYK Corporation</p>	8,400 shares
<p>As President &amp; CEO and Representative Executive Director, he has shown the direction that the Group should follow and led the management of the Group in the face of drastic changes in the outside world. In order to sustainably improve the Company's corporate value, the Company nominates Takeshi Ishiguro as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Tsukasa Nishimura (October 6, 1957)	<p>Apr. 1981      Joined Daido Steel Co., Ltd.</p> <p>Nov. 2003      Deputy General Manager, Hoshizaki Plant, Steel Business Division</p> <p>June 2006      General Manager, Hoshizaki Plant, Steel Business Division</p> <p>June 2009      General Manager, Stainless Steel &amp; Tool Steel Business Division</p> <p>June 2010      Director and General Manager, Chita Plant, Specialty Steel Business Division</p> <p>Apr. 2012      Director and General Manager, Chita Plant, Specialty Steel Products Division</p> <p>June 2013      Director</p> <p>June 2014      Managing Director</p> <p>June 2015      Director, Managing Executive Officer</p> <p>June 2016      Representative Executive Director, Executive Vice President (current position)</p> <p>[Responsibility] Assistant to the President Supervisor of all departments, in charge of CRM Department</p> <p>[Significant concurrent positions outside the Company] Outside Auditor of TYK Corporation</p>	7,000 shares
He has extensive knowledge of manufacturing technology. Developing our manufacturing technology is crucial to achieving carbon neutral and meeting other challenges. In order to sustainably improve the Company's corporate value, the Company nominates Tsukasa Nishimura as a candidate for Director.			
4	Tetsuya Shimizu (November 7, 1962)	<p>Apr. 1985      Joined Daido Steel Co., Ltd.</p> <p>July 2008      General Manager, Advanced Materials R&amp;D Department, Specialty Steel Research Center, R&amp;D Division</p> <p>June 2010      General Manager, Specialty Steel Research Center, R&amp;D Division</p> <p>Oct. 2014      General Manager, Material Solutions Department, Forged Products Division</p> <p>June 2016      Executive Officer and General Manager, Material Solutions Department</p> <p>Apr. 2017      Executive Officer and General Manager, Corporate Research &amp; Development Center</p> <p>Apr. 2019      Executive Officer and General Manager, Corporate Planning Department</p> <p>Apr. 2020      Managing Executive Officer and General Manager, Corporate Planning Department</p> <p>June 2020      Director, Managing Executive Officer and General Manager, Corporate Planning Department</p> <p>June 2021      Director, Managing Executive Officer and General Manager, Functional Products Business Division</p> <p>Apr. 2022      Representative Executive Director, Executive Vice President, General Manager, Functional Products Business Division, and General Manager, Tokyo Head Office (current position)</p> <p>[Responsibility] Assistant to the President Corporate Research &amp; Development Center, Sales Division</p>	1,900 shares
He has extensive knowledge about research and development. He also has a wide range of expertise in other areas, such as coordinating the 2023 Medium-Term Management Plan as General Manager of the Corporate Planning Department. Since the Company will need to develop more new products, for example, to deal with vehicle electrification, the Company nominates Tetsuya Shimizu as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Kazuhiro Toshimitsu (August 24, 1962)	<p>Apr. 1985      Joined Daido Steel Co., Ltd.</p> <p>June 2009      General Manager, Stainless Steel Sales Department, Stainless Steel &amp; Tool Steel Division</p> <p>Apr. 2012      General Manager, Nagoya Sales Department, Specialty Steel Bar &amp; Wire Business Division, Specialty Steel Products Division</p> <p>June 2015      General Manager, Nagoya Sales Department, Automobile Business Unit</p> <p>Apr. 2017      Executive Officer and General Manager, Planning Department for Affiliates</p> <p>Apr. 2019      Executive Officer and General Manager, General Affairs Department</p> <p>Apr. 2020      Managing Executive Officer and General Manager, General Affairs Department</p> <p>June 2020      Director, Managing Executive Officer</p> <p>Apr. 2022      Representative Executive Director, Executive Vice President (current position)</p> <p>[Responsibility] Assistant to the President General Affairs Department, Legal Department, Personnel Department, and Director's Departmental Section</p>	1,700 shares
<p>He has been promoting to reform in non-financial areas such as SDGs and corporate governance codes. As the importance of non-financial factors in the enhancement of sustainable corporate value has been increasing year by year, Kazuhiro Toshimitsu's expertise in this area is crucial for this purpose; therefore, the Company nominates him as a candidate for Director.</p>			
6	Toshiaki Yamashita (January 20, 1964)	<p>Apr. 1986      Joined Daido Steel Co., Ltd.</p> <p>Apr. 2012      General Manager, Automobile Sales Department, Specialty Steel Bar &amp; Wire Division, Specialty Steel Products Division</p> <p>June 2015      General Manager, Tokyo Sales Department, Automobile Business Unit</p> <p>June 2016      General Manager, Automobile Business Unit</p> <p>Apr. 2017      Executive Officer and General Manager, Corporate Planning Department</p> <p>Apr. 2019      Executive Officer and General Manager, Automobile Business Unit</p> <p>Apr. 2020      Managing Executive Officer and General Manager, Automobile Business Unit</p> <p>June 2020      Director, Managing Executive Officer and General Manager, Automobile Business Unit</p> <p>June 2021      Director, Managing Executive Officer and General Manager, Specialty Steel Business Division (current position)</p> <p>[Responsibility] Die Forging Division</p> <p>[Significant concurrent positions outside the Company] Director of FUJI OOZX Inc.</p>	1,400 shares
<p>He has extensive sales know-how from being engaged in sales of our steel-related products for many years. He also has a wide range of knowledge from his experience as General Manager, Corporate Planning Department. In order to reflect Toshiaki Yamashita's market responsiveness in the midst of major changes in the Company's product strategy, such as our response to vehicle electrification, onto our management, we nominate him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Akihito Kajita (October 11, 1962)	<p>Apr. 1986      Joined The Industrial Bank of Japan, Limited</p> <p>Apr. 2011      General Manager, e-Business Division of Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2012      General Manager, Toyama Corporate Banking Division</p> <p>July 2013      General Manager, Toyama Branch of Mizuho Bank, Ltd.</p> <p>Apr. 2014      General Manager, Corporate Banking Division No. 1</p> <p>June 2015      President &amp; CEO of Mizuho Electronic Monetary Claim Recording Co., Ltd.</p> <p>June 2017      Executive Officer of Daido Steel Co., Ltd.</p> <p>June 2019      Director, Executive Officer</p> <p>June 2021      Director, Managing Executive Officer (current position)</p> <p>[Responsibility] IT Planning Department, Finance &amp; Accounting Department, and Internal Control (Financial Instruments and Exchange Act)</p>	3,200 shares
<p>He has previously worked for financial institutions and has been intimately involved in IT and finance. Akihito Kajita's expertise and extensive knowledge of IT will be needed to further promote digitalization going forward. The Company nominates him as a candidate for Director in order to bring a diverse perspective to the Company's management through his experience in different industries.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	<p style="text-align: center;">Independent Outside</p> <p style="text-align: center;">Shuji Soma (September 14, 1961)</p>	<p>Apr. 1986      Joined Nippon Steel Corporation</p> <p>Apr. 2009      Group Manager, Flat Products Marketing &amp; Technical Service Department, Flat Products Division</p> <p>Nov. 2010      General Manager, Sheet &amp; Coil Division of Yawata Works</p> <p>Apr. 2013      General Manager, Head of Div., Production &amp; Technical Control Division, Yawata Works, Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>Nov. 2014      General Manager, Head of Div., Production &amp; Technical Control Division, Kimitsu Works</p> <p>Apr. 2016      Executive Officer, Head of Div., Flat Products Technology Division, Flat Products Unit Deputy Project Leader, Shanghai-Baoshan Cold-rolled &amp; Coated Sheet Products Project, Global Business Development Sector Deputy Project Leader, India Continuous Annealing and Processing Line Project, Global Business Development Sector</p> <p>Apr. 2019      Managing Executive Officer, Head of Works Nagoya Works, Nippon Steel Corporation (current position)</p> <p>June 2019      Director of Daido Steel Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Managing Executive Officer of Nippon Steel Corporation [Tenure as Director of the Company] 3 years</p>	0 shares
<ol style="list-style-type: none"> <li>1. Shuji Soma is a candidate for outside Director. Mr. Soma has abundant experience and insight as an executive of a major company in the steel industry. The Company expects that he will share appropriate advice and ideas on Company management at Board of Directors meetings, Nomination and Remuneration Committee and other such meetings based on his experience, and therefore renominates him as a candidate for outside Director.</li> <li>2. The Company has entered into an agreement with Shuji Soma to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. If he is reelected, this agreement will be continued.</li> <li>3. Shuji Soma serves as a Director of Kisokoma Heights Co., Ltd., which is a subsidiary of the Company.</li> <li>4. The Company has designated Shuji Soma as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Although the Company has sales transactions with Nippon Steel Corporation, where he is currently an executive, it accounts for less than 1% of Company sales, so it is not considered as interfering with his independence.</li> </ol>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Independent</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span> </div> <p>Ryoichi Yamamoto (March 27, 1951)</p>	<p>Apr. 1973      Joined The Daimaru, Inc.</p> <p>Feb. 1993      Manager of Sales Planning Department, Osaka Umeda Store</p> <p>Feb. 2001      Director, and General Manager of Sales Reform Promotion Office and General Manager of Sales Planning Office, Department Store Operations Headquarters, Head Office</p> <p>May 2003      President and COO</p> <p>Sept. 2007      Director of J. FRONT RETAILING Co., Ltd. Director of Matsuzakaya Co., Ltd.</p> <p>Mar. 2010      President of Daimaru Matsuzakaya Department Stores Co. Ltd.</p> <p>Apr. 2013      President of J. FRONT RETAILING Co., Ltd.</p> <p>May 2017      Director, President, and Representative Executive Officer</p> <p>May 2020      Director and Board of Directors Chairperson (current position)</p> <p>June 2021      Director of Daido Steel Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Director of J. FRONT RETAILING Co., Ltd.</p> <p>Outside Director of NORITAKE CO., LIMITED</p> <p>[Tenure as Director of the Company]</p> <p>1 year</p>	0 shares
<p>1. Ryoichi Yamamoto is a candidate for outside Director. Mr. Yamamoto has served for many years as a representative director and representative executive officer in industries outside the Company, and has a wide range of experience and insight. The Company expects that he will share appropriate advice and ideas on Company management at Board of Directors meetings, Nomination and Remuneration Committee and other such meetings based on his experience, and therefore renominates him as a candidate for outside Director.</p> <p>2. The Company has entered into an agreement with Ryoichi Yamamoto to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. If he is reelected, this agreement will be continued.</p> <p>3. The Company has designated Ryoichi Yamamoto as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Although the Company occasionally has purchase transactions for goods with Daimaru Matsuzakaya Department Store Co. Ltd., where he executed business until March of 2012, it accounts for less than 1% of Company sales, so it is not considered as interfering with his independence.</p>			



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
10	<div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Independent Outside</div> Mutsuko Jinbo (August 23, 1953)	Mar. 1992      Acquired Doctor of Engineering at Nagoya University Apr. 1996      Assistant Professor of Materials Engineering Laboratory, Daido Institute of Technology Apr. 2001      Professor of School of Engineering, Daido University Apr. 2017      Director of Daido Educational Institutions (current position) Apr. 2017      President of Daido University (current position) June 2019      Director of Daido Steel Co., Ltd. (current position) [Tenure as Director of the Company] 3 years	0 shares
<p>1. Mutsuko Jinbo is a candidate for outside Director. Although Ms. Jinbo has never been involved with company management, she has been involved with management as a director for a school corporation and has a wide range of experience and insight as a university president and professor. The Company expects that she will share appropriate advice and ideas on Company management and product development at Board of Directors meetings, Nomination and Remuneration Committee and other such meetings, and therefore renominates her as a candidate for outside Director.</p> <p>2. The Company has entered into an agreement with Mutsuko Jinbo to limit her liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. If she is reelected, this agreement will be continued.</p> <p>3. The Company has designated Mutsuko Jinbo as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. The Company has donated to Daido Educational Institutions, which is a school corporation where she currently serves as a Director, but the amount of the donation is less than 1% of the total income of the institution, and therefore, is not considered as interfering with her independence.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. The Company has entered into a liability insurance policy for officers, etc., with an insurance company to cover damages that arise when an insured person is liable due to the execution of his or her duties or receives a claim in carrying out such responsibilities. However, there are exemptions. For example, no compensation is made for damages caused intentionally or due to gross negligence. Each Director will become an insured person under this policy upon his or her election. Moreover, the Company plans to renew this insurance policy in the middle of their terms of office.

**Proposal No. 4 Election of Three Directors Who Are Audit & Supervisory Committee Members**

If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as drafted, the Company will transition into a company with an Audit & Supervisory Committee; therefore, we propose the election of three Directors who are Audit & Supervisory Committee Members.

Moreover, the Audit & Supervisory Board has approved this proposal.

However, this proposal can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for the role of Director who are Audit & Supervisory Committee Members are as follows:

Candidates for the role of Director who are Audit & Supervisory Committee Members

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company’s shares owned
1	Susumu Shimura February 14, 1959	Apr. 1981      Joined Daido Steel Co., Ltd. Apr. 2006      General Manager, Environmental Facilities Department, Machinery Division Apr. 2008      General Manager, Takiharuru Techno Center, Machinery Division May 2009      General Manager, Planning& Management Department, Machinery Division Apr. 2012      General Manager, Machinery Division June 2012      Director and Manager of Machinery Division June 2015      Managing Executive Officer June 2017      Director, Managing Executive Officer Apr. 2019      Director June 2019      Full-Time Audit & Supervisory Board Member (current position)	3,900 shares
He was involved in the Company’s management as a Director for many years and he has been responsible for auditing the Company as a Full-Time Audit & Supervisory Board Member since 2019. As such, Susumu Shimura wields knowledge in both management and auditing which is necessary to further strengthen internal control; therefore the Company nominates him as candidate for Director who is an Audit & Supervisory Committee Member.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Independent</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span> </div> <p style="text-align: center;">Kiyoshi Mizutani September 8, 1959</p>	<p>Apr. 1982      Joined The Tokai Bank, Limited</p> <p>June 2010      Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2010      Executive Officer of Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2012      Deputy President of MST Insurance Service Co., Ltd.</p> <p>June 2015      Full-Time Audit &amp; Supervisory Board Member of NIPPON SHARYO, LTD.</p> <p>June 2019      Full-Time Audit &amp; Supervisory Board Member of Daido Steel Co., Ltd. (current position)</p>	700 shares
2	<ol style="list-style-type: none"> <li>1. Kiyoshi Mizutani is a candidate for outside Director. He has served financial institutions in senior management positions for many years and has broad experience and insight in management. The Company expects that he will perform appropriate auditing and supervision of the Company's management based on his experience, and therefore nominates him as a candidate for outside Director who is an Audit &amp; Supervisory Committee Member.</li> <li>2. The Company has entered into an agreement with Kiyoshi Mizutani, an Outside Audit &amp; Supervisory Board Member, to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. Once his appointment to outside Director is approved, the Company plans to enter into a contract with him with the same terms and conditions.</li> <li>3. The Company has designated Kiyoshi Mizutani, an Outside Audit &amp; Supervisory Board Member, as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Once his appointment to outside Director is approved, he will continue to be designated as an independent officer. Mr. Mizutani was an executive officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.), which is a lender to the Company. However, since it has been ten years since his retirement from that position, and they account for only 18% of our borrowings, the Bank has no influence over the Company. Moreover, there are no direct transactions between the Company and MST Insurance Service Co., Ltd., which Mr. Mizutani served as an executive. Therefore, we see no issues with his independent status.</li> <li>4. It has been three years since Kiyoshi Mizutani was appointed as an Outside Audit &amp; Supervisory Board Member for the Company.</li> </ol>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Outside</div>  Kenji Matsuo June 22, 1949	Apr. 1973      Joined Meiji Life Insurance Company July 2001      Director and General Manager, Real Estate Investment Department Apr. 2005      Managing Director of Meiji Yasuda Life Insurance Company Dec. 2005      President July 2006      President Director, Representative Executive Officer July 2013      Representative Executive Officer July 2013      Senior Adviser June 2017      Audit & Supervisory Board Member of Daido Steel Co., Ltd. (current position) Apr. 2022      Honorary Advisor of Meiji Yasuda Life Insurance Company (current position)	0 shares
<p>1. Kenji Matsuo is a candidate for outside Director. He has served financial institutions in senior management positions for many years and has broad experience and insight in management. The Company expects that he will perform appropriate auditing and supervision of the Company's management based on his experience, and therefore nominates him as a candidate for outside Director who is an Audit &amp; Supervisory Committee Member.</p> <p>2. The Company has entered into an agreement with Kenji Matsuo, an Outside Audit &amp; Supervisory Board Member, to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. Once his appointment is approved, the Company plans to enter into a contract with him with the same terms and conditions.</p> <p>3. The Company has designated Kenji Matsuo, an Outside Audit &amp; Supervisory Board Member, as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Once his appointment to outside Director is approved, he will continue to be designated as an independent officer. Mr. Matsuo was an executive officer of Meiji Yasuda Life Insurance Company, which is a lender to the Company. However, since it has been nine years since his retirement from that position, and they account for only 5% of our borrowings, they do not have influence over the Company.</p> <p>4. It has been five years since Kenji Matsuo was appointed as an Outside Audit &amp; Supervisory Board Member for the Company.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. The Company has entered into a liability insurance policy for officers, etc., with an insurance company to cover damages that arise when an insured person is liable due to the execution of his or her duties or receives a claim in carrying out such responsibilities. However, there are exemptions. For example, no compensation is made for damages caused intentionally or due to gross negligence. Each Director will become an insured person under this policy upon his or her election. Moreover, the Company plans to renew this insurance policy in the middle of their terms of office.

(Reference) Skills Matrix

If Proposals No. 3 and No. 4 are approved and adopted as proposed, the skills of the Company's Directors will be as follows: Please note that the knowledge and experience of each Director is not limited to the items on the list.

	Name	ESG Management / Planning	Manufacturing Technology / R&D	Sales / Marketing	Finance / Accounting	IT	Overseas Business	Legal / Compliance
Director	Tadashi Shimao	○		○		○	○	
	Takeshi Ishiguro	○		○			○	
	Tsukasa Nishimura	○	○					○
	Tetsuya Shimizu	○	○				○	
	Kazuhiro Toshimitsu			○				○
	Toshiaki Yamashita	○		○				
	Akihito Kajita			○	○	○		○
	Shuji Soma		○			○	○	
	Ryoichi Yamamoto	○		○				
	Mutsuko Jinbo		○					○
Audit & Supervisory Committee Member	Susumu Shimura	○	○					○
	Kiyoshi Mizutani	○		○	○		○	○
	Kenji Matsuo	○		○	○			

**Proposal No. 5 Election of One Director Who Is a Substitute Audit & Supervisory Committee Member**

If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as drafted, the Company will transition into a company with an Audit & Supervisory Committee; therefore, to prepare for a shortage of Directors who are Audit & Supervisory Committee Members according to the legally required amount, we propose the election of one Director who is a Substitute Audit & Supervisory Committee Member.

Moreover, the Audit & Supervisory Board has approved this proposal.

However, this proposal can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

The candidate for the role of Director who is a Substitute Audit & Supervisory Committee Member is as follows:

**Candidate for the role of Director who is a Substitute Audit & Supervisory Committee Member**

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company’s shares owned
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px auto;">Outside</div> <p style="text-align: center;">Nobuyasu Kawabe (May 25, 1965)</p>	<p>Apr. 1992      Joined Chuo Audit Corporation</p> <p>July 1995      Registered as an attorney at law and joined Fuji Law Office</p> <p>Apr. 1999      Established Kawabe Law Office (Currently Kawabe Kato Law Office) (current position)</p> <p>June 2020      Substitute Audit &amp; Supervisory Board Member of Daido Steel Co., Ltd. (current position)</p>	1,000 shares
<ol style="list-style-type: none"> <li>1. There is no special interest between Nobuyasu Kawabe and the Company.</li> <li>2. Nobuyasu Kawabe is a candidate for the role of outside Director who is a Substitute Audit &amp; Supervisory Committee Member. Although Mr. Kawabe has no experience in corporate management, he does have broad experience and insight in corporate legal affairs gained from his many years as an attorney. The Company expects that he will perform appropriate auditing and supervision of the Company’s management based on his experience, and therefore nominates him as a candidate for outside Director who is a Substitute Audit &amp; Supervisory Committee Member.</li> <li>3. If Nobuyasu Kawabe is appointed as a Director who is an Audit &amp; Supervisory Committee Member, the Company plans to enter into an agreement with him to limit his liability the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act.</li> <li>4. If Nobuyasu Kawabe is appointed as a Director who is an Audit &amp; Supervisory Committee Member, the Company plans to designate him as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.</li> <li>5. The Company has entered into a liability insurance policy for officers, etc., with an insurance company to cover damages that arise when an insured person is liable due to the execution of his or her duties or receives a claim in carrying out such responsibilities. However, there are exemptions. For example, no compensation is made for damages caused intentionally or due to gross negligence. If Nobuyasu Kawabe is appointed as a Director who is an Audit &amp; Supervisory Committee Member, he will be covered by this insurance policy.</li> </ol>		

**Proposal No. 6      Determination of Amount of Remuneration for Directors (Excluding Those Who Are Audit & Supervisory Committee Members)**

At the 91st Annual General Meeting of Shareholders held on June 26, 2015, it was approved that remuneration for Directors shall be limited to ¥41 million per month (¥5 million per month for outside Directors). However, if Proposal No. 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as drafted, the Company will transition into a company with an Audit & Supervisory Committee. Thus, in consideration of the recent economic situation and other various circumstances, the Company proposes that the remuneration of Directors (excluding those who are Members of the Audit & Supervisory Committee; hereinafter the same shall apply in this proposal) after said transition shall be limited to ¥41 million per month (¥5 million per month for outside Directors) and that the specific amount and timing of payment to each Director shall be determined by a resolution of the Board of Directors. If this proposal is approved, the Company plans to make some policy changes, such as changes in terminology, in conjunction with the transition to a company with an Audit & Supervisory Committee. We believe that this proposal is appropriate not only because the amounts of remuneration were determined by the Board of Directors after Nomination and Remuneration Committee, of which the majority is composed of independent outside Directors and independent outside Audit & Supervisory Board Members, but also because it requests approval of the same limits of remuneration as before the transition to a company with an Audit & Supervisory Committee.

If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” and Proposal No. 3 “Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved and adopted as drafted, the number of Directors will be ten (including three outside Directors).

This proposal will become effective only upon the condition that the amendments contained in Proposal No. 2 “Partial Amendment to the Articles of incorporation” have taken effect.

**Proposal No. 7      Determination of Amount of Remuneration of Directors Who Are Audit & Supervisory Committee Members**

If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as drafted, the Company will transition into a company with an Audit & Supervisory Committee; thus, in consideration of the recent economic situation and various other circumstances, the Company proposes that the remuneration of Directors who are Audit & Supervisory Committee Members after said transition shall be limited to ¥8 million per month, and that the specific amount and timing of payment to each Director shall be determined by a resolution of the Directors who are Audit & Supervisory Committee Members. We believe that this proposal is appropriate in light of the responsibilities of Directors who are Audit & Supervisory Committee Members because it proposes the same maximum limit of remuneration as before the transition into a company with an Audit & Supervisory Committee, such amount being the same as approved at the 84th Annual General Meeting of Shareholders held on June 27, 2008.

If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” and Proposal No. 4 “Election of Three Directors Who Are Audit & Supervisory Committee Members” are approved and adopted as drafted, the number of Directors who are Audit & Supervisory Committee Members will be three.

This proposal will become effective only upon the condition that the amendments contained in Proposal No. 2 “Partial Amendment to the Articles of Incorporation” have taken effect.

**Proposal No. 8      Payment of Bonuses to Directors**

Considering business results for the current fiscal year among other factors, the Company proposes to pay a total of ¥57.3 million in bonuses to the seven Directors (excluding outside Directors) incumbent as of the end of the current period.

We believe that this proposal is appropriate regarding the amount of bonuses to be paid to Directors, because it has been decided by the Board of Directors according to the policy for remuneration decided upon at the Board of Directors meeting, and with the ratio of performance-linked remuneration to total remuneration and other factors taken into consideration, after consulting with the Nomination and Remuneration Committee, of which the majority is composed of independent outside Directors and independent outside Audit & Supervisory Board Members.