

*Note:* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code No. 7240)  
June 6, 2022

To Shareholders

Masao Tsuru  
Representative Director and President  
NOK CORPORATION  
12-15, Shiba-Daimon 1-chome, Minato Ward, Tokyo

## Notice of the 116th Annual Shareholders' Meeting

We are pleased to inform you that the 116th Annual Shareholders' Meeting of NOK CORPORATION will be held as per the schedule given below.

In order to prevent the spread of the novel coronavirus infection, we would like to request you **to exercise your voting rights either in writing or by electromagnetic means (via the Internet) for this Annual Shareholders' Meeting in advance, as much as possible, and not to physically attend the meeting on the day regardless of your health condition.**

**Please review the attached Reference Materials for the Annual Shareholders' Meeting and exercise your voting rights by 5:15 p.m. on Thursday, June 23, 2022.**

- 1. Time:** 10:00 a.m., June 24, 2022 (Friday)
- 2. Place:** Meeting room at the Company's head office  
12-15, Shiba-Daimon 1-chome, Minato Ward, Tokyo

**3. Agenda:**

**Report**

1. Business Report, Consolidated Financial Statements and Audit Reports concerning Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors for the 116th Term (April 1, 2021 to March 31, 2022)
2. Financial Statements for the 116th Term (April 1, 2021 to March 31, 2022)

**Items for Resolution**

- |                    |   |
|--------------------|---|
| <b>First Item</b>  | Appropriation of surplus  |
| <b>Second Item</b> | Amendment to the Articles of Incorporation  |
| <b>Third Item</b>  | Election of nine (9) Directors  |
| <b>Fourth Item</b> | Decision on the amount and details of share-based remuneration, etc. for Directors and Operating Officers |

#### 4. Exercise of voting rights

If you exercise your voting rights both in writing and via the Internet, the vote you cast via the Internet will be considered as the valid exercise of your voting rights.

If you exercise your voting rights via the Internet more than once, your most recent vote will be considered the valid exercise of your voting rights.

---

\* If you plan to attend the meeting in person, please present the enclosed voting form at the reception desk.

\* The following are posted on our website at <https://www.nok.co.jp/> under the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, and thus are not provided in the enclosed attachment “Business Report for the 116th Term (April 1, 2021 to March 31, 2022).”

(i) “System for Ensuring Properness of Operations” for Business Report

(ii) “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements

(iii) “Statement of Changes in Net Assets” and “Notes to Financial Statements” in the Financial Statements

\* Any amendments to Reference Materials for the Annual Shareholders’ Meeting, the Business Report, the Consolidated Financial Statements and the Financial Statements will be posted on our website at <https://www.nok.co.jp/>.

#### < Please note the following >

- **Please note that you may be refused entry into the meeting venue if you have a high temperature or seem unwell.**
- **We regret that at this year’s Annual Shareholders’ Meeting, you will not be offered a small gift for you to take home. We would deeply appreciate your understanding.**
- **Annual Shareholders’ Meeting staff will have a health check and wear masks to deal with shareholders.**
- **We may review and update the above arrangements as necessary depending on ongoing changes to the situation of the spread of the novel coronavirus disease and the government’s announcements. Please visit our website at <https://www.nok.co.jp/> for up-to-date information.**

## **Reference Materials for the Annual Shareholders' Meeting**

### **First Item: Appropriation of surplus**

We propose to appropriate surplus as follows.

#### Matters concerning year-end dividends

Regarding the year-end dividend for this fiscal year, we believe that it is important, in principle, to maintain stable dividend payments at appropriate levels in response to our mid- to long-term performance, while retaining a sufficient amount of reserves to prepare for future business expansion and strengthen our financial foundation is equally important. Therefore, after taking these factors into overall consideration, we propose to pay dividends as follows:

On July 9, 2021, the Company celebrated the 80th anniversary of its founding. While expressing our sincere gratitude to our shareholders, we propose to pay a commemorative dividend as a year-end dividend for the fiscal year.

(1) Type of dividend property: monetary dividends

(2) Matters concerning assignment of dividend property to shareholders and amounts thereof

¥35.00 per common share

Total sum: ¥6,057,061,535

The year-end dividend for this fiscal year comprises an ordinary dividend of ¥25 and an additional commemorative dividend (to commemorate the 80th anniversary of the founding) of ¥10.

As ¥25.00 per share was paid as an interim dividend, total dividends per share for this fiscal year will be ¥60.

(3) Date from which dividends from surplus come into effect

June 27, 2022

## Second Item: Amendment to the Articles of Incorporation

### 1. Reasons for the amendment

Since 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) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the shareholder’s meeting in electronic format.

- (1) Article 14, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference materials, etc. for the shareholder’s meeting in electronic format.
- (2) Article 14, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Materials, Etc. for the Shareholder’s Meeting (Article 14 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

### 2. Details of the amendment

The details of the amendment are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials, Etc. for the Shareholder’s Meeting)</u>  <u>Article 14. When the Company convenes a shareholder’s meeting, if it discloses information that is to be stated or presented in the reference materials for the shareholder’s meeting, 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>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Measures, Etc. for Providing Information in Electronic Format)</u>  <u>Article 14.</u>  <u>1. When the Company convenes a shareholder’s meeting, it shall take measures for providing information that constitutes the content of reference materials, etc. for the shareholder’s meeting in electronic format.</u>  <u>2. 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>

Current Articles of Incorporation	Proposed amendment
(Newly established)	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>Article 1. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Materials, Etc. for the Shareholder’s Meeting) in the pre-amended Articles of Incorporation and the establishment of the new Article 14 (Measures, Etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is 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).</u></p> <p><u>Article 2. Notwithstanding the provisions of the preceding paragraph, Article 14 of the pre-amended Articles of Incorporation shall remain effective regarding any shareholder’s meeting held on a date within six (6) months from September 1, 2022.</u></p> <p><u>Article 3. These Supplementary Provisions shall be deleted on the date when six (6) months have elapsed from September 1, 2022 or three (3) months have elapsed from the date of the shareholder’s meeting in the preceding paragraph, whichever is later.</u></p>

### Third Item: Election of nine (9) Directors

The terms of office for the current nine (9) Directors will expire at the conclusion of the 116th Annual Shareholders' Meeting. Accordingly, the Company requests shareholder approval for the election of nine (9) Directors (including three (3) Outside Directors).

The candidates for Directors are as follows:

Candidate No.	Name	Attribute of Candidate	Current Positions and Responsibilities in the Company	Number of attendance at the Board of Directors meetings (FY2021)
1	Masato Tsuru	Reappointed candidate	Chairman of the Board & Representative Director	12/12 (100%)
2	Masao Tsuru	Reappointed candidate	President and Representative Director	12/12 (100%)
3	Jiro Iida	Reappointed candidate	Executive Vice President and Representative Director Supervising Production and Overseas Business	12/12 (100%)
4	Yasuhiko Kuroki	Reappointed candidate	Executive Vice President and Representative Director Supervising Corporate Sales and Marketing	11/12 (91.7%)
5	Akira Watanabe	Reappointed candidate	Senior Managing Director General Manager, Corporate Finance & Accounting Office	12/12 (100%)
6	Junichi Orita	Reappointed candidate	Senior Managing Director General Manager, Corporate Business Strategy Office	9/9 (100%)
7	Kensaku Hogen	Reappointed candidate [Outside Director] [Independent Director]	Outside Director	12/12 (100%)
8	Makoto Fujioka	Reappointed candidate [Outside Director] [Independent Director]	Outside Director	12/12 (100%)
9	Naoki Shimada	New candidate [Outside Director] [Independent Director]	–	–

Reappointed candidate: Candidate for reelection as Director

New candidate: Candidate for newly-elected Director

Outside Director: Candidate for Outside Director

Independent Director: Independent Director stipulated by the Tokyo Stock Exchange

(Note) Since the candidate Mr. Junichi Orita was newly elected as Director at the 115th Annual Shareholders' Meeting held on June 25, 2021, the number of the Board of Directors meetings for him is different from that of the other candidates.

Candidate No.	Name (Date of Birth)	Brief Personal History, and Position and Area of Responsibility at the Company (Significant Concurrent Positions)	Number of the Company's Shares Held
1	Reappointed candidate  Masato Tsuru (January 11, 1948)	<p>March 1973    Joined NOK Corporation June 1977    MBA, Harvard Business School February 1978    Deputy General Manager, Corporate Finance &amp; Accounting Office, and Deputy General Manager, Planning Division, NOK Corporation June 1979    Director, NOK Corporation June 1981    Managing Director, NOK Corporation June 1981    General Manager, Corporate Finance &amp; Accounting Office, and Deputy General Manager, Planning Division, NOK Corporation April 1982    General Manager, Corporate Finance &amp; Accounting Office, and General Manager, Planning Division, NOK Corporation July 1982    General Manager, Corporate Finance &amp; Accounting Office, General Manager, Planning Division, and General Manager, Personnel Division, NOK Corporation June 1983    Senior Managing Director, NOK Corporation June 1985    President and Representative Director, NOK Corporation June 1989    Chairman of the Board, President and Representative Director, NOK Corporation April 2018    Chairman of the Board &amp; Representative Director, NOK Corporation (incumbent)</p> <p>Significant concurrent positions Chairman of the Board &amp; Representative Director, Nippon Mektron, Ltd. NOK Klüber Co., Ltd. Unimatec Co., Ltd. Seiwa Jisho Co., Ltd.</p>	435,500 shares
Reasons for nomination as a candidate for Director We propose that Mr. Masato Tsuru be re-elected as a Director because we have decided that he is able to execute his duties by appropriately making comprehensive managerial judgments and decisions with an overarching view of the NOK Group, as well as performing supervision of management objectively. We believe he can do so based on his experience of being involved in management in a wide range of areas, such as corporate finance & accounting division and planning division, and his extensive experience and achievements as a business manager.			
2	Reappointed candidate  Masao Tsuru (June 13, 1980)	<p>April 2005    Joined NOK Corporation May 2009    MBA, McDonough School of Business, Georgetown University April 2015    Department Manager, Corporate Planning Department, Corporate Planning Office, NOK Corporation April 2017    Operating Officer, NOK Corporation April 2017    Deputy General Manager, Corporate Planning Office, NOK Corporation June 2018    President and Representative Director, NOK Klüber Co., Ltd. April 2020    Representative Director, NOK Klüber Co., Ltd. April 2020    Senior Operating Officer, NOK Corporation April 2020    General Manager, Corporate Business Strategy Office, NOK Corporation June 2020    Director, NOK Corporation June 2020    Senior Managing Director, NOK Corporation April 2021    President and Representative Director, NOK Corporation (incumbent)</p> <p>Significant concurrent positions Chairman of the Board &amp; Director, NOK-Freudenberg Singapore Pte. Ltd. Representative Director, Seiwa Jisho Co., Ltd.</p>	54,800 shares
Reasons for nomination as a candidate for Director We propose that Mr. Masao Tsuru be re-elected as a Director because we have decided that he is able to execute his duties by appropriately making comprehensive managerial judgments and decisions for the entire NOK Group, as well as exercise supervision of management objectively. We believe he can do so based on his experience of being involved in the Company's corporate planning division and managing NOK Klüber Co., Ltd., as well as his wealth of experience and track record in a wide range of management areas.			

Candidate No.	Name (Date of Birth)	Brief Personal History, and Position and Area of Responsibility at the Company (Significant Concurrent Positions)	Number of the Company's Shares Held
3	Reappointed candidate  Jiro Iida (April 9, 1955)	April 1978    Joined NOK Corporation June 2000    Department Manager, Sales Department, Corporate Sales & Marketing Division, NOK Corporation April 2003    Department Manager, International Business Department, Corporate Production Control Office, NOK Corporation June 2003    Director, NOK Corporation June 2003    Deputy General Manager, Corporate Production Control Office, NOK Corporation June 2007    General Manager, Corporate Planning Office, NOK Corporation June 2009    Senior Operating Officer, NOK Corporation June 2013    Director, NOK Corporation June 2013    Senior Managing Director, NOK Corporation April 2018    Representative and Senior Managing Director, NOK Corporation April 2018    General Manager, Corporate Business Strategy Office, NOK Corporation April 2020    Executive Vice President and Representative Director, NOK Corporation (incumbent) April 2020    Supervising Production and Overseas Business, NOK Corporation (incumbent)	25,700 shares
		[ Significant concurrent positions Chairman of the Board & Director, Thai NOK Co., Ltd. ]	
Reasons for nomination as a candidate for Director We propose that Mr. Jiro Iida be re-elected as a Director because we have decided that he is able to make appropriate decision making in a wide range of areas, including managerial judgments in global business development, and exercise supervision of management objectively. We believe he can do so based on his extensive experience and knowledge obtained through his experience of engaging mainly in the operations at overseas business divisions and sales & marketing division.			
4	Reappointed candidate  Yasuhiko Kuroki (February 27, 1957)	April 1979    Joined NOK Corporation April 2003    Branch Manager, Anjo Branch, Corporate Sales & Marketing Division, NOK Corporation October 2004    Deputy General Manager, Corporate Sales & Marketing Division, NOK Corporation June 2005    Director, NOK Corporation June 2009    Senior Operating Officer, NOK Corporation June 2013    Director, NOK Corporation June 2013    Senior Managing Director, NOK Corporation June 2013    General Manager, Corporate Sales & Marketing Division, NOK Corporation April 2018    Representative and Senior Managing Director, NOK Corporation April 2020    Executive Vice President and Representative Director, NOK Corporation (incumbent) April 2020    Supervising Corporate Sales and Marketing, NOK Corporation (incumbent)	26,900 shares
		Reasons for nomination as a candidate for Director We propose that Mr. Yasuhiko Kuroki be re-elected as a Director because we have decided that he is able to make appropriate managerial judgments in various aspects, including deployment of sales and marketing activities and exercise supervision of management objectively. We believe he can do so based on his wealth of knowledge and experience, being well versed in sales and marketing policies, obtained through his many years of service mainly in the operations in sales & marketing division.	
5	Reappointed candidate  Akira Watanabe (November 18, 1957)	April 1980    Joined NOK Corporation July 2000    Department Manager, Accounting Department, Corporate Finance & Accounting Office, NOK Corporation June 2005    Director, NOK Corporation June 2005    Deputy General Manager, Corporate Finance & Accounting Office, NOK Corporation June 2007    General Manager, Corporate Finance & Accounting Office, NOK Corporation June 2009    Senior Operating Officer, NOK Corporation June 2013    Director, NOK Corporation June 2013    Senior Managing Director, NOK Corporation (incumbent) April 2017    General Manager, Corporate Finance & Accounting Office, and General Manager, Corporate IT Office, NOK Corporation October 2018    General Manager, Corporate Finance & Accounting Office, NOK Corporation (incumbent)	25,610 shares
		Reasons for nomination as a candidate for Director We propose that Mr. Akira Watanabe be re-elected as a Director because we have decided that he is able to maintain and enhance the supervisory function of the Board of Directors and make appropriate managerial judgments, as well as further contributing to increasing the corporate value of the NOK Group. We believe he can do so based on his extensive experience and track record as well as highly specialized knowledge and insights obtained through his many years of service in finance & accounting division.	



Candidate No.	Name (Date of Birth)	Brief Personal History, and Position and Area of Responsibility at the Company (Significant Concurrent Positions)	Number of the Company's Shares Held
6	Reappointed candidate  Junichi Orita (July 1, 1974)	February 2001    Joined NOK Corporation May 2008        MBA, Eli Broad Graduate School of Management, Michigan State University July 2013        Deputy Department Manager, International Business Department, Corporate Planning Office, NOK Corporation April 2015        Department Manager, Business Managing Department, Corporate Business Strategy Office, NOK Corporation April 2017        Operating Officer, NOK Corporation April 2017        Deputy General Manager, Corporate Business Strategy Office, NOK Corporation June 2019        Senior Operating Officer, NOK Corporation April 2021        General Manager, Corporate Business Strategy Office, NOK Corporation (incumbent) June 2021        Senior Managing Director, NOK Corporation (incumbent) [ Significant concurrent positions Chairman of the Board & Director, Wuxi NOK-Freudenberg Oilseal Co., Ltd. Changchun NOK-Freudenberg Oilseal Co., Ltd. Taicang NOK-Freudenberg Sealing Products Co., Ltd. ]	4,200 shares
Reasons for nomination as a candidate for Director We propose that Mr. Junichi Orita be re-elected as a Director because we have decided that he is able to execute his duties by appropriately making managerial judgments and decisions on the overall business strategy and other management-related items of the entire NOK Group, as well as exercise supervision of management objectively. We believe he can do so based on his experience of being involved in the Company's corporate planning division and business managing division.			
7	Reappointed candidate [Independent Director] [Candidate for Outside Director]  Kensaku Hogen (August 2, 1941)	April 1964        Joined the Ministry of Foreign Affairs March 1998       Under-Secretary-General, the United Nations April 2001        Ambassador of Japan to Canada January 2005     Retired from the Ministry of Foreign Affairs June 2015        Outside Director, NOK Corporation (incumbent) [ Significant concurrent positions Outside Director, Eagle Industry Co., Ltd. ]	2,400 shares
Reasons for nomination as a candidate for Outside Director and summary of expected roles We propose that Mr. Kensaku Hogen be re-elected as an Outside Director because we have decided that he is able to give advice on the overall business activities of the Company from objective, broad and sophisticated viewpoints based on his extensive experience and deep insights into foreign affairs. We believe he can provide advice, oversight, and supervision on management, etc., concerning the Company's global business expansion particularly based on his experience, etc. in foreign affairs. Although he has no experience of being involved in corporate management other than by serving as outside director and outside corporate auditor, the Company has judged that he is able to execute the duties of an Outside Director appropriately considering the reasons described above.			
8	Reappointed candidate [Independent Director] [Candidate for Outside Director]  Makoto Fujioka (March 27, 1950)	April 1972        Joined the Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry) June 1977        MBA, Harvard Business School June 1987        Head of Energy Efficiency Division, International Energy Agency (IEA) (in France) June 1996        Deputy Director-General, Trade & Economic Affairs, the Ministry of International Trade and Industry February 2001    Ambassador of Japan to the United Arab Emirates September 2003 Retired from the Ministry of Economy, Trade and Industry June 2004        Director and Executive Officer, Nippon Light Metal Co., Ltd. June 2007        Director and Senior Executive Officer, Nippon Light Metal Co., Ltd. June 2013        Director and Executive Vice President, Nippon Light Metal Co., Ltd. July 2015        Director General, Japan Association for Chemical Innovation June 2016        Outside Director, NOK Corporation (incumbent) [ Significant concurrent positions Outside Director, Eagle Industry Co., Ltd. Outside Director, Nippon Paper Industries Co., Ltd. ]	5,000 shares
Reasons for nomination as a candidate for Outside Director and summary of expected roles We propose that Mr. Makoto Fujioka be re-elected as an Outside Director because we have decided that he is able to give advice on the business activities of the Company from objective, broad and sophisticated viewpoints. We believe he can do so based on his extensive experience and deep insights into industrial policy and foreign affairs as well as his track record in corporate management. We believe he can provide advice, oversight, and supervision on the Company's overall management particularly based on his experience, etc. in industrial policies and corporate management.			

Candidate No.	Name (Date of Birth)	Brief Personal History, and Position and Area of Responsibility at the Company (Significant Concurrent Positions)	Number of the Company's Shares Held
9	New candidate [Independent Director] [Candidate for Outside Director]  Naoki Shimada (November 23, 1968)	<p>April 1993      Joined Apple Computer, Inc. June 1998      MBA, Sloan School of Management at Massachusetts Institute of Technology October 1998    Joined The Boston Consulting Group, Inc. September 2001   CEO, P&amp;E Directions, Inc. (incumbent) September 2005   Outside Director, ACMOS INC. June 2008      Outside Director, Nihon M&amp;A Center Inc. March 2013      External Audit &amp; Supervisory Board Member, Fundely Co., Ltd. (incumbent) June 2015      Outside Director, SUGITA ACE CO., LTD (incumbent) June 2021      External Director, RENOVA, Inc. (incumbent)</p> <p>Significant concurrent positions CEO, P&amp;E Directions, Inc. External Audit &amp; Supervisory Board Member, Fundely Co., Ltd.* Outside Director, SUGITA ACE CO., LTD External Director, RENOVA, Inc. * Scheduled to retire from this position at the conclusion of the company's ordinary general meeting of shareholders scheduled to be held in June 2022.</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director and summary of expected roles We propose that Mr. Naoki Shimada be newly elected as an Outside Director because we have decided that he is able to give advice on the overall management of the Company from his extensive experience in corporate management as a business manager and as a consultant. We believe he can provide advice, oversight, and supervision on the creation and development of new businesses of the Company from a broad perspective particularly based on his experience as a business manager.</p>			

Notes:

- Candidate Mr. Masato Tsuru also serves as Chairman of the Board & Representative Director for NOK Klüber Co., Ltd., a trade partner of the Company; and as Chairman of the Board & Representative Director for Seiwa Jisho Co., Ltd., a business partner of the Company in the area of real estate leasing, etc.
- Candidate Mr. Masao Tsuru also serves as Chairman of the Board & Director for NOK-Freudenberg Singapore Pte. Ltd., with which the Company maintains a loan agreement; and as Representative Director for Seiwa Jisho Co., Ltd., a business partner of the Company in the area of real estate leasing, etc.
- Candidate Mr. Junichi Orita also serves as Chairman of the Board & Director for Wuxi NOK-Freudenberg Oilseal Co., Ltd. and Changchun NOK-Freudenberg Oilseal Co., Ltd., a trade partner of the Company; and as Chairman of the Board & Director for Taicang NOK-Freudenberg Sealing Products Co., Ltd., with which the Company maintains a technology license agreement.
- The other candidates do not have any special relationship with or interest in the Company.
- With the aim of ensuring Directors and Corporate Auditors are able to fully conduct their expected roles in the course of the performance of duties and they are comprised of talented persons, the Company has entered into a directors and officers liability insurance (D&O insurance) policy as provided for in Article 430-3, paragraph 1 of the Companies Act. If this item for resolution is approved as originally proposed and each candidate assumes office as a Director, they will become insureds of such insurance. The insurance policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as Directors, Corporate Auditors, etc., or receipt of claims pertaining to the pursuit of such liability. Provided, however, that there are certain reasons for coverage exclusion that, for example, exclude losses arising from any act that the person carried out while being aware that it violated laws and regulations. The entire amount of insurance premiums, including those for special clauses, are borne by the Company, and there are no insurance premiums actually borne by the insureds. The deductible clause is set in the policy, whereby losses within such deductible are not covered by the policy. The Company plans to renew the insurance policy on November 1, 2022.
- Mr. Kensaku Hogen, Mr. Makoto Fujioka and Mr. Naoki Shimada are candidates for Outside Directors. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Kensaku Hogen and Mr. Makoto Fujioka have been designated as independent directors as stipulated in the regulations of the aforementioned exchange. Furthermore, Mr. Naoki Shimada satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer.
- The numbers of years since Mr. Kensaku Hogen and Mr. Makoto Fujioka assumed office as Outside Directors of the Company will be seven years and six years, respectively, as of the conclusion of this Annual Shareholders' Meeting.
- The Company has entered into an agreement with each of Mr. Kensaku Hogen and Mr. Makoto Fujioka to limit their liability provided for in Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on the said agreement is the amount prescribed in laws and regulations. If the re-election of Mr. Kensaku Hogen and Mr. Makoto Fujioka is approved, the Company will continue the same agreement with each of them. If the election of Mr. Naoki Shimada is approved, the Company plans to enter into the same limited liability agreement with him.

[Reference] Specific areas that the Company expects of the Directors and Corporate Auditors (management supervision function after the Third Item is approved (planned))

Name		Corporate management	Business / Technology strategy	Sales strategy	Finance / Accounting/ Capital policy	Global management	New business	ESG (Environment, Social, and, Governance)
Directors	Masato Tsuru	○	○					
	Masao Tsuru	○	○					
	Jiro Iida		○			○		
	Yasuhiko Kuroki		○	○				
	Akira Watanabe	○			○			
	Junichi Orita		○				○	
	Kensaku Hogen	Outside	○			○		
	Makoto Fujioka	Outside	○					○
	Naoki Shimada	Outside	○				○	
Corporate Auditors	Nozomu Maehara			○				○
	Hideki Watanabe				○	○		
	Osamu Kobayashi	Outside			○			○
	Hideki Ogawa	Outside	○	○				
	Atsushi Kajitani	Outside	○					○

(Note) The above list shows up to two areas specifically expected of each person, and does not indicate all areas of their knowledge or experience.

#### **Fourth Item: Decision on the amount and details of share-based remuneration, etc. for Directors and Operating Officers**

##### 1. Reason for the proposal and the reason such remuneration is considered appropriate

This proposal requests shareholders' approval for the introduction of a new performance-linked and share-based remuneration plan (the "Plan") for Directors and Operating Officers (excluding Outside Directors and those who are non-residents of Japan; the "Directors, etc.") of the Company. The share-based remuneration based on the Plan will be provided to the Directors, etc. separately from the total amount of remuneration, etc. for the Company's Directors (maximum amount of ¥450 million per year) that was approved at the 103rd Annual Shareholders' Meeting (held June 25, 2009).

The Plan aims to increase the motivation of the Directors, etc. to contribute to improving the medium- and long-term performance and increasing the corporate value of the NOK Group and to align their interests with those of shareholders. In addition, by linking the number of shares that are delivered to the level of achievement of the performance targets, etc. in the Medium-Term Management Plan, the Company will increase the motivation to achieve those performance targets.

At the Board of Directors meeting held on May 20, 2022, the Company established the new policy, which is subject to approval of this proposal, for determining the details of remuneration, etc. for officers, and the outline of the policy is provided below. The Company considers this proposal to be appropriate because the content of this proposal is necessary and reasonable to grant remuneration, etc. to individual Directors, etc. in line with the aforementioned policy. In addition, the introduction of the Plan has passed through the deliberation process of the Management Supervision Meeting in order to ensure transparency and objectivity in the process for determining remuneration.

The number of eligible Directors under the Plan will be six (6) if "Third Item: Election of nine (9) Directors" is approved and adopted as originally proposed. In addition, as stated above, Operating Officers are also eligible for the Plan (at the conclusion of this Annual Shareholders' Meeting, the number of eligible Operating Officers under the Plan who do not serve concurrently as Directors is scheduled to be 18), and although the remuneration based on the Plan includes the remuneration for Operating Officers, this proposal proposes the amount and details of the total remuneration based on the Plan as the remuneration, etc. for Directors, etc., in consideration of the possibility that those Operating Officers may assume office as new Directors during the applicable period.

##### 2. Amount and other details of remuneration, etc. under the Plan

###### (1) Overview of the Plan

The Plan is a share-based remuneration plan for Directors, etc. in which the Company contributes to a trust an amount of money equivalent to the amount of remuneration for Directors, etc., and that money is used as the funds to acquire the Company's shares through the trust. The Company's shares and the amount of money equivalent to the converted value of the Company's shares (the "Company's Shares, etc.") are delivered or granted (the "Delivery, etc.") as officer remuneration in accordance with their position and level of achievement of performance targets, etc. (details of the Plan are provided below in (2) and thereafter).

(i) Persons eligible for Delivery, etc. of the Company's Shares, etc. subject to this proposal	<ul style="list-style-type: none"> <li>• Directors of the Company (excluding Outside Directors and those who are non-residents of Japan)</li> <li>• Operating Officers of the Company (excluding those who are non-residents of Japan)</li> </ul>
(ii) Impact of the Company's shares subject to this proposal on the total number of issued shares	
Upper limit of the money to be contributed by the Company (as described in (2) below)	<ul style="list-style-type: none"> <li>• Amount obtained by multiplying ¥345 million by the number of fiscal years in the applicable period</li> <li>• For the initial applicable period, the total amount for the four fiscal years is ¥1,380 million (the initial applicable period is the four fiscal years from the fiscal year ending March 31, 2023, to the fiscal year ending March 31, 2026)</li> </ul>
Upper limit for the number of the Company's Shares, etc. for Delivery, etc. to Directors, etc. and method of acquiring the Company's shares (as described in (2) and (3) below)	<ul style="list-style-type: none"> <li>• Number of shares obtained by multiplying 320 thousand shares by the number of fiscal years in the applicable period</li> <li>• The total number of shares for the four fiscal years in the initial applicable period is 1,280 thousand shares</li> <li>• The above number of shares per fiscal year (320 thousand shares) is approximately 0.18% of the total number of issued shares of the Company (as of March 31, 2022, after deducting treasury stock)</li> <li>• The Company's shares will be acquired from the stock market or the Company (disposal of treasury stock) (Because the Company plans to acquire the Company's shares for the initial applicable period from the stock market, this will not have a dilution effect on the shares.)</li> </ul>
(iii) Details of conditions for the achievement of performance targets (as described in (3) below)	<ul style="list-style-type: none"> <li>• The performance-linked coefficient varies within a range of 0% to 200% in accordance with the level of achievement of the key indicators for achieving the performance targets in the Medium-Term Management Plan and other indicators determined by the Board of Directors (for the initial applicable period, the level of achievement of ROA and FTSE Russell's ESG Ratings targets)</li> </ul>
(iv) Timing of Delivery, etc. of the Company's Shares, etc. to Directors (as described in (4) below)	<ul style="list-style-type: none"> <li>• After the end of the applicable period</li> </ul>

## (2) Upper limit of the money to be contributed by the Company

The Plan is, in principle, to be applied during the fiscal years covered by the Company's Medium-Term Management Plan (the "Applicable Period"). The initial Applicable Period shall be four fiscal years from the fiscal year ending March 31, 2023, to the fiscal year ending March 31, 2026.

To acquire the Company's shares subject to the Delivery, etc. to Directors, the Company will contribute the upper limit of the trust money to be contributed for each Applicable Period, which is the amount obtained by multiplying ¥345 million by the number of fiscal years in the relevant Applicable Period (for the four fiscal years of the initial Applicable Period, the total amount is ¥1,380 million), and establish a trust (the "Trust") for a period corresponding to the Applicable Period and whose beneficiaries are Directors, etc. The Trust, in accordance with the instructions of the trust administrator, will use the trust money as funds to acquire the Company's shares on the stock market or from the Company (disposal of treasury stock) (the Company plans to acquire the Company's shares for the initial Applicable Period, from the stock market). During the Applicable Period, the Company will grant points to Directors, etc. as set forth in (3) below, and conduct Delivery, etc. of the Company's Shares, etc. corresponding to the number of points granted at the certain timing determined in advance from the Trust.

At the expiration of the trust period, the Trust may be continued by amending the trust agreement or making additional contributions to the Trust instead of establishing a new Trust. In this case, the new Applicable Period shall, in principle, be the fiscal years covered by the Company's Medium-Term Management Plan in place at that time, and the trust period of the Trust shall be extended to a period that corresponds to the new Applicable Period. The Company shall make additional contributions within the upper limit for the total amount of trust money to be contributed to the Trust approved by resolution at this Annual Shareholders' Meeting. In addition,

for the new Applicable Period, granting of points and Delivery, etc. of the Company's Shares, etc. shall continue for the Directors, etc. However, when the additional contributions are made, if there are any of the Company's shares (excluding the Company's shares corresponding to points granted to Directors, etc. for which Delivery, etc. has not been completed) and money (the Company's shares and the money are collectively referred to as the "Remaining Shares, etc.") that remain in the trust assets on the final day of the trust period prior to extension, the total of the amount of the Remaining Shares, etc. and the trust money to be additionally contributed shall be within the range of the amount obtained by multiplying ¥345 million by the number of fiscal years in the Applicable Period.

The extension of the trust period is not limited to only one time, and the trust period may be extended in the same manner thereafter.

(3) Calculation method and upper limit, etc. for the number of the Company's Shares, etc. for Delivery, etc. to Directors, etc.

The number of the Company's Shares, etc. for Delivery, etc. to Directors, etc. is determined according to the number of "share delivery points." One share of the Company's shares is delivered per one share delivery point, and fractions less than one point are discarded. However, in the event of a share split, share consolidation, etc. of the Company's shares during the trust period, the number of the Company's shares per one share delivery point and the upper limit of the number of the Company's Shares, etc. for Delivery, etc. to Directors, etc. will be adjusted according to the split ratio, consolidation ratio, etc.

(i) Performance-linked portion

The share delivery points of the performance-linked portion for eligible Directors, etc. are calculated by cumulating the points equivalent to 50% of the base points granted each fiscal year during the Applicable Period and, after the end of the Applicable Period, multiplying the cumulative number by the performance-linked coefficient.

\* The performance-linked coefficient varies within a range of 0% to 200% in accordance with the level of achievement of performance targets, etc. As the indicators for the level of achievement of performance targets, etc., the Company uses the key indicators for achieving the performance targets in the Medium-Term Management Plan and other indicators determined by the Board of Directors, and for the initial Applicable Period, the Company plans to use ROA and FTSE Russell's ESG Ratings.

(ii) Non-performance-linked portion

The share delivery points of the non-performance-linked portion for eligible Directors, etc. shall be the cumulative total of 50% of the base points granted each fiscal year during the Applicable Period.

For Directors, etc. who resign, retire due to death or are transferred overseas during a fiscal year of the Applicable Period, the Company will promptly grant the share delivery points calculated as described above with the performance-linked coefficient set at 100%.

The upper limit for the number of the Company's Shares, etc. for Delivery, etc. to Directors, etc. in the Applicable Period of the Trust (the number of points granted to Directors, etc.) is the number of shares obtained by multiplying 320 thousand shares by the number of fiscal years in the Applicable Period (for the four fiscal years of the initial Applicable Period, the total number is 1,280 thousand shares). The upper limit for the number of the Company's Shares, etc. for Delivery, etc. to the Directors, etc. has been set while referring to the current share price, etc. and in consideration of the above upper limit of the money to be contributed by the Company.

(4) Method and timing of Delivery, etc. of the Company's Shares, etc. to Directors, etc.

For Directors, etc. who meet the beneficiary requirements, the Company's shares equivalent to 50% of the number of share delivery points (a fractional number of shares is rounded down) are delivered, in principle, by following the prescribed vesting procedures for exercising beneficiary rights after the end of the Applicable Period. For the number of the Company's shares corresponding to the remaining number of share delivery points, the shares are converted to cash in the Trust and an amount of money equivalent to the converted value is paid.

In the event that a Director, etc. who meets the beneficiary requirements passes away during the Applicable Period, the Company's shares corresponding to the number of share delivery points

at that time, are all converted to cash in the Trust and an amount of money equivalent to the converted value is paid to the heir of the Director, etc.

(5) Voting rights of the Company's shares held in the Trust

The voting rights of the Company's shares held in the Trust (the Company's shares before Delivery, etc. to Directors, etc.) will not be exercised during the trust period in order to ensure the neutrality in the Company's management.

(6) Handling of dividends of the Company's shares held in the Trust

The dividends of the Company's shares held in the Trust will be received by the Trust and applied to the trust fees and trust expenses for the Trust. After the dividends are applied to the trust fees and trust expenses, if there are any residual dividends when the Trust is finally terminated, they are to belong to the Company within the scope of the trust expense reserve after deducting funds for acquiring shares from the trust money, and remaining dividends in excess of the trust expense reserve are to be donated to organizations that have no interest in the Company or with the Directors, etc.

(7) Other details of the Plan

Other details of the Plan are to be determined by the Board of Directors each time the Trust is established, the trust agreement is amended and additional contributions to the Trust are made.

(Reference)

For Directors and Operating Officers (excluding Outside Directors and those who are non-residents of Japan; the "Eligible Subsidiary Directors, etc.") of three of the Company's subsidiaries (Nippon Mektron, Ltd., Unimatec Co., Ltd. and NOK Klüber Co., Ltd.; the "Eligible Subsidiaries"), subject to approval and adoption of this proposal as originally proposed and approval at the Annual Shareholders' Meeting of each Eligible Subsidiary, the Company plans to introduce a plan that is similar to the one for Directors, etc. of the Company using the same Trust that is used for the Plan.

The upper limit of the money to be contributed for each Applicable Period as remuneration for all Eligible Subsidiary Directors, etc. of all Eligible Subsidiaries is planned to be the amount obtained by multiplying ¥218 million, which is the total of the three companies, by the number of fiscal years in the Applicable Period (for the four fiscal years of the initial Applicable Period, the total amount of the three companies is ¥872 million). In addition, the upper limit for the number of the Company's Shares, etc. for Delivery, etc. to all Eligible Subsidiary Directors, etc. in the Applicable Period (the number of points granted to all Eligible Subsidiary Directors, etc.) is planned to be the number obtained by multiplying 220 thousand shares, which is the total of the three companies, by the number of fiscal years in the Applicable Period (for the four fiscal years of the initial Applicable Period, the total number of the three companies is 880 thousand shares).

For details of the Plan, please refer to "Notice Concerning Introduction of Performance-Linked and Share-Based Remuneration Plan," which was disclosed as the timely disclosure information on May 20, 2022.

In addition, the policy for determining the details of remuneration, etc. for officers, which was established by resolution at the meeting of the Board of Directors of the Company held on May 20, 2022, is as follows:

- Basic policies

The NOK Group aims to be a highly profitable and strong corporate group by providing low-cost original products backed by technology, which are useful to society, at reasonable prices all over the world. In addition, the NOK Group believes that pursuing this policy with the entire Group working together from a medium- to long-term perspective will increase the medium- to long-term corporate value of the NOK Group and contribute to improving the satisfaction level of our shareholders.

In implementing this policy, the NOK Group believes that, in terms of remuneration, it is necessary to motivate Directors and other members of management of the NOK Group's core companies to achieve their targets and encourage them to improve the satisfaction level of our shareholders. Therefore, for the management of the NOK Group's core companies, the NOK Group will newly introduce the remuneration based on the Company's shares whereby a certain portion of that remuneration varies depending on the level of achievement of KPIs in key measures of the NOK

Group's medium-term plan, coupled with monetary remuneration that varies depending on the level of achievement of performance targets in each fiscal year, aiming to increase medium- to long-term corporate value and improve the satisfaction level of our shareholders.

- Policies for determining amounts or calculation methods for individual remuneration, etc.

Directors' remuneration consists of a fixed remuneration portion, a remuneration portion for short-term expected achievements and a remuneration portion for long-term expected achievements, with consideration given to Directors' responsibilities to improve business results each fiscal year and to increase the corporate value from a medium- to long-term perspective. The Company classifies the remuneration in three types: (1) basic remuneration (monetary), (2) short-term performance-linked remuneration (monetary) and (3) medium- to long-term performance-linked remuneration (shares). On the other hand, Outside Directors are expected to provide objective opinions and suggestions from an external perspective independent from business execution, and in view of that role, they are paid only basic remuneration (monetary).

Remuneration paid to Corporate Auditors is comprised only of basic remuneration (monetary) for job title as they assume responsibilities of auditing the NOK Group-wide performance of duties.

In addition, with respect to the payment of remuneration, the remuneration may be temporarily reduced or not paid in case of a sudden deterioration in business performance or a situation that damages corporate value.

The remuneration structure for the Company's Directors includes a difference in the amount of remuneration according to the responsibilities of their position (offices of Chairman, President, Executive Vice President, Senior Managing Director, etc.). If the short-term and long-term performance portions are the base amount, the currently applied ratio of the remuneration level is 1 for the office of Senior Managing Director to approximately 1.6 for the office of Chairman and President.

- Policies for determining the components of performance-linked remuneration, etc.-related performance indicators, etc., and calculation methods of amounts and/or numbers therein

Performance-linked remuneration is paid within a range from 0% to 200% according to the level of achievement of the evaluation items.

Based on the judgment that maintaining and improving profit levels is the most appropriate indicator of corporate earnings, the Company focuses on the level of achievement of the initial operating income plan when determining short-term performance-linked remuneration, with consideration given to the payment of dividends, provision of employee bonuses and other matters that may have an impact on business performance (natural disasters, extraordinary income and loss, etc.).

To increase the overall profitability of the corporate group while also promoting management that considers ESGs, the indicators related to medium- to long-term performance-linked remuneration are ROA as a financial indicator and FTSE Russell's ESG Ratings as a non-financial indicator with an evaluation weight of 90% and 10%, respectively.

- Policies for determining the details of non-monetary remuneration, etc., and calculation methods of amounts and/or numbers therein

Regarding the medium- to long-term performance-linked remuneration, the Company utilizes a Board Incentive Plan (BIP) trust scheme in order to increase the motivation of Directors to contribute to improving business results and increasing corporate value of the NOK Group over the medium to long term. For the eligible Directors and Operating Officers (excluding Outside Directors and those who are non-residents of Japan), this plan delivers or grants the number of the Company's shares and the amount of money equivalent to the converted value of the Company's shares (the "Company's Shares, etc.") corresponding to the number of points calculated according to the position and term of office, the level of achievement of medium-term targets, etc. and in accordance with the share delivery rules approved by the Board of Directors.

- Policies for determining the proportion (ratio) of amounts for individual remuneration, etc. for each type

In consideration of the Company's business area, company size, etc., short-term performance-linked remuneration and medium- to long-term performance-linked remuneration of Directors have been set at 10% and 20% of total remuneration, respectively.



- Policies for determining the timing and conditions for providing remuneration, etc.

For the basic remuneration, the monthly amount for one year starting in the month following the annual shareholders' meeting is determined at a meeting of the Board of Directors that is held after the annual shareholders' meeting, and a fixed amount is paid on a certain date every month. For the short-term performance-linked remuneration, the amount is determined at a meeting of the Board of Directors in line with "Policies for determining the components of performance-linked remuneration, etc.-related performance indicators, etc., and calculation methods of amounts and/or numbers therein" above according to the year-end financial results, and is paid prior to the annual shareholders' meeting for the settlement of accounts. For the medium- to long-term performance-linked remuneration, fixed points calculated according to the position and term of office and performance-linked points for the purpose of increasing the incentives for achieving the targets in the Medium-Term Management Plan, etc. are granted at a certain time each year in accordance with the share delivery rules approved by the Board of Directors. In principle, when the Medium-Term Management Plan ends, the Company's Shares, etc. corresponding to the accumulated number of fixed points and the Company's Shares, etc. corresponding to the number calculated by multiplying the accumulated number of performance-linked points by the performance-linked coefficient according to the level of achievement of the medium-term targets are delivered or provided.

- Methods for determining the details of individual remuneration, etc.

The amounts of remuneration, etc. for individual Directors or the calculation methods for those amounts are determined at a meeting of the Board of Directors when the proposal regarding officer remuneration is presented to the Board of Directors by the Chairman of the Board & Director, who serves as chairperson of the Board's meetings, based on advice from the Management Supervision Meeting.

Payment plans for remuneration to Corporate Auditors are determined through discussion among the Corporate Auditors at the Board of Corporate Auditors meeting.

(Note) Management Supervision Meeting: A committee body whose primary constituent members are Outside Directors and Outside Corporate Auditors. As an advisory body to the Board of Directors, it provides confirmation and advice relating to important management issues such as nomination and remuneration.

END