

This document has been translated from a part of the Notice of the 161st Ordinary General Meeting of Shareholders and is provided for your reference and convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original of the document is the sole official version.

Securities Code: 3110

June 7, 2022

To Our Shareholders:

Yuichi Tsuji
Director, Representative and Chief Executive Officer
Nitto Boseki Co., Ltd.
Aza Higashi 1, Gonome, Fukushima-shi, Fukushima

Notice of the 161st Ordinary General Meeting of Shareholders

We hereby provide notice of the 161st Ordinary General Meeting of Shareholders (the “Meeting”) of Nitto Boseki Co., Ltd. (the “Company”), which will be held as indicated below.

To minimize the risk of infection from the novel coronavirus disease (COVID-19), the Company will hold the Meeting with appropriate measures put in place to prevent infection.

In order to prevent the spread of infection, we request that, regardless of your own state of health, you exercise your voting rights prior to the Meeting in writing (by postal mail) or via the internet, etc. and refrain from attending the Meeting in person.

Please note that the Meeting was held at the Company’s Tokyo headquarters the last two years in response to COVID-19, but this year, the Meeting will be held at a venue in Fukushima Prefecture with full measures to prevent COVID-19. **Please be aware that the venue is different than last year.**

When exercising your voting rights in writing (by postal mail) or via the internet, etc., in advance, please review the attached Reference Documents for the General Meeting of Shareholders, and while referring to “Instructions Concerning Exercise of Voting Rights” on page 3, exercise your voting rights by 5:25 p.m. on Monday, June 27, 2022 (JST).

Request Concerning Measures Against COVID-19

- **Changes may still be made to the aforementioned response to reflect the circumstances surrounding the spread of COVID-19, etc. We will provide the latest information on the Company’s website (<https://www.nitto.co.jp/>). Before attending, please check the website for updates.**
- We will take all the necessary precautions at the Meeting in the interest of protecting the safety of shareholders and preventing the spread of infection, which may include body temperature checks and a requirement to use hand sanitizer upon entry. In addition, shareholders who attend in person will be asked to wear a mask. Please note that you will not be admitted entry to the venue if you do not wear a mask.
- The Company’s officers attending the Meeting and event staff will wear masks when interacting with shareholders.
- **Note that shareholders will be seated at a distance from each other to maintain social distancing, and it may therefore be impossible to provide sufficient seating for all attendees. For this reason, please be aware that if all seats are filled, shareholders will be unable to enter, even if they have traveled to the venue.**

- 1. Date and Time:** Tuesday, June 28, 2022, at 10:00 a.m.
- 2. Venue:** 1st Floor, Square Room, LT Wedding and Party Emporium
1-10-41, Noda-machi, Fukushima-shi, Fukushima
- Note: Please be aware that the venue is different than last year.**

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 161st fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit Committee
2. The Non-consolidated Financial Statements for the 161st fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Seven Directors

4. Disclosure on the Internet

If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, such changes will be posted on the Company's website.

(<https://www.nittobo.co.jp/eng/>)

Supplementary information for English readers

The Consolidated Financial Statements and an introduction to the Company's business operations are available on the Company's website.

Investor Relations: <https://www.nittobo.co.jp/eng/ir/index.htm>

Introduction to the Company's business operations (Business Intro): <https://www.nittobo.co.jp/english/business/index.htm>

Instructions Concerning Exercise of Voting Rights

Voting rights at the General Meeting of Shareholders are an important right of all shareholders.

Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

In order to minimize the spread of COVID-19, we request that shareholders, if at all possible, exercise their voting rights in writing (by postal mail) or via the internet, etc.

Exercising Voting Rights in Writing (by Postal Mail) or via the Internet, etc.

1. Exercising Voting Rights in Writing (by Postal Mail)

Please indicate, on the enclosed voting card, your approval or disapproval with respect to each proposal and then return the card by postal mail.

If you submit a voting card without indicating your approval or disapproval with respect to each proposal, it will be deemed as an approval.

Deadline for exercising voting rights: To be received by Monday, June 27, 2022, at 5:25 p.m. (JST)

2. Exercising Voting Rights via Smartphone or the Internet, etc.

To exercise voting rights via the internet, please access the “smart voting” website or “website for the exercise of voting rights (<https://soukai.mizuho-tb.co.jp/>)” designated by the Company from your smartphone or personal computer, and enter your approval or disapproval with respect to each proposal by following the instructions displayed on the screen by the deadline for exercising voting rights.

- (1) If you exercise your voting rights both in writing (by postal mail) and via the internet, etc., the exercise of your voting rights via the internet, etc. will be treated as valid.
- (2) If you exercise your voting rights multiple times via the internet, etc., the last exercise of your voting rights will be treated as valid.

Deadline for exercising voting rights: To be exercised by Monday, June 27, 2022, at 5:25 p.m. (JST)

3. When Attending the General Meeting of Shareholders in Person:

Please present the enclosed voting card at the reception.

Date and Time: Tuesday, June 28, 2022, at 10:00 a.m. (Reception will open at 9:00 a.m.)

Exercising Voting Rights via the Voting Rights Exercise Platform **(For Institutional Investors)**

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

Supplementary information for English readers

The website that Nittobo uses for the exercise of voting rights (<https://soukai.mizuho-tb.co.jp/>) is available in Japanese only.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Dividends of Surplus

The Company regards its policy of paying dividends to its shareholders as one of the top priorities, and it maintains a basic policy to improve stable dividend payment while giving consideration to a comprehensive range of matters including enhancement of internal reserves to strengthen the financial structure and for stable future growth.

In line with this policy, the Company proposes to pay year-end dividends for the 161st fiscal year of ¥22.50 per share.

As the Company has already paid an interim dividend of ¥22.50 per share, the annual dividend will be ¥45 per share, the same amount as last year.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥22.50 per common share of the Company
The total dividends: ¥872,936,213
- (3) Effective date of dividends of surplus
June 29, 2022

[Reference]

Trends in Dividends

Item	157th fiscal year (Fiscal year ended March 31, 2018)	158th fiscal year (Fiscal year ended March 31, 2019)	159th fiscal year (Fiscal year ended March 31, 2020)	160th fiscal year (Fiscal year ended March 31, 2021)	161st fiscal year (Fiscal year ended March 31, 2022)
Annual dividend per share (Yen)	40	40	45	45	45
Annual dividend (Millions of yen)	1,552	1,552	1,746	1,745	1,745
Consolidated dividends payout ratio (%)	15.2	19.4	30.3	21.6	26.8
Amount used to acquire the treasury shares (Millions of yen)	780	6	10	5	3
Total return ratio (%)	22.8	19.5	30.4	21.6	26.8

(Note) The Company conducted a consolidation of common shares at a rate of one share for every five shares as of October 1, 2017. The amounts of annual dividend per share for the 157th fiscal year reflect the values after the consolidation of shares.

Proposal No. 2 Partial Amendments 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 general meeting of shareholders in electronic format.

- (1) Article 15, paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents, etc. for the general meeting of shareholders in electronic format.
- (2) Article 15, 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 Documents, Etc. for the General Meeting of Shareholders (Article 15 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 amendments

The details of the amendments are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 15 (Internet Disclosure and Deemed Provision of Reference Documents, Etc. for the General Meeting of Shareholders)</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, non-consolidated 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><Deleted></p> <p><u>Article 15 (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, etc. for the general meeting of shareholders 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>

Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p data-bbox="804 232 1075 262"><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <li data-bbox="820 268 1398 622">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents, Etc. for the General Meeting of Shareholders) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (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) (hereinafter referred to as the “Date of Enforcement”).</u> <li data-bbox="820 633 1369 768">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 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> <li data-bbox="820 779 1398 913">3. <u>These Supplementary Provisions 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>

Proposal No. 3 Election of Seven Directors

The terms of office of all currently serving seven Directors will expire at the conclusion of the Meeting. In this regard, in accordance with the decision made by the Nomination Committee, the Company proposes to elect seven Directors (including four External Directors).

To ensure a system by which the whole of the Board of Directors is able to suitably supervise the execution of the Company's business, the basic policy is to have the Board of Directors comprised of Internal Directors, who have capabilities and insight with respect to respective businesses and overall management, and External Directors, who are in number at least the same as Internal Directors and are able to provide valuable opinions concerning the enhancement of governance, etc. from the multiple perspectives of the stakeholders, etc.

If this proposal is approved as proposed, four of the seven Directors will be External Directors.

All of the four candidates for External Directors satisfy the "Independence Criteria for External Directors" established by the Company and the requirements for independence stipulated by Tokyo Stock Exchange, Inc.

Please refer to the activities of External Directors during the fiscal year under review on pages 26 to 27.

The candidates for Director are as follows:


Candidate No.		Name	Current Position and Responsibility in the Company	Attendance at meetings of Board of Directors	
1	<input checked="" type="checkbox"/> Reelection	Yuichi Tsuji	Director Member of Nomination Committee, Member of Remuneration Committee Representative and Chief Executive Officer	13/13	
2	<input checked="" type="checkbox"/> Reelection	Toyoshi Nishizaka	Director Member of Audit Committee (full-time)	13/13	
3	<input checked="" type="checkbox"/> New election	Kazuhiko Igarashi	Managing Executive Officer, President of Research and Development Headquarters, Head of DX Strategy Office and Environment Technology Strategy Office	—	
4	<input checked="" type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent	Sadayoshi Fujishige	External Director Chairman of Nomination Committee, Member of Remuneration Committee	13/13	
5	<input checked="" type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent	Hiroshi Kagechika	External Director Chairman of Remuneration Committee, Member of Nomination Committee, Member of Audit Committee	13/13	
6	<input checked="" type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent	Agasa Naito	External Director Member of Nomination Committee, Member of Remuneration Committee, Member of Audit Committee	13/13	
7	<input checked="" type="checkbox"/> New election <input type="checkbox"/> External <input type="checkbox"/> Independent	Yasuharu Nakajima	—	—	
		<input type="checkbox"/> External	: Candidate for External Director	<input type="checkbox"/> Independent	: Independent Officer

[Reference]


Independence Criteria for External Directors


If an External Director of the Company does not fall under any of the following items, that External Director is deemed to have independence.


1. Any party whose major client or supplier is the Company or any of its subsidiaries, or executive of that party.
2. Any party that is a major client or supplier of the Company or any of its subsidiaries, or executive of that party.
3. A consultant, certified public accountant or other accounting professional, or an attorney at law or other legal professional who has been paid substantial amounts of money or other financial benefits other than Directors' or other corporate officers' remuneration paid by the Company (or if the party receiving such financial benefits is an incorporated entity, partnership or other organization, then persons belonging to such organization).
4. A party who has fallen under any of the items in 1 to 3 above in the most recent year.
5. A relative within the second degree of kinship of a party who falls under any of the following sub-items
 - (a) to (c) (excluding unimportant positions).
 - (a) Party mentioned in 1 to 4
 - (b) Executive of a subsidiary of the Company
 - (c) A party who has fallen under (b) or an executive of the Company in the most recent year


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 Reelection	<p>Yuichi Tsuji (Oct. 25, 1959)</p>  <p>Attendance at meetings (Fiscal year ended March 31, 2022) Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6</p>	<p>Oct. 2013 Joined the Company General Manager of Accounting and Finance Dept.</p> <p>Apr. 2014 Operating Officer and General Manager of Accounting and Finance Dept.</p> <p>Jun. 2014 Executive Officer, General Manager of Corporate Business Planning Dept. and Responsible for Corporate Risk Management</p> <p>Nov. 2014 Executive Officer, General Manager of Corporate Business Planning Dept., Responsible for Corporate Risk Management, Human Resources Dept., Information System Dept., Compliance Management Dept., Purchasing Dept., Osaka Branch and Nagoya Branch</p> <p>Jun. 2015 Director and Executive Officer (current)</p> <p>Feb. 2016 Representative Executive Officer</p> <p>Jun. 2016 Representative and Chief Executive Officer (current)</p> <p>Current Status in the Board: Member of Nomination Committee and Remuneration Committee</p>	3,600
<p>Reason for nomination as candidate for Director:</p> <p>Mr. Yuichi Tsuji assumed his office as Executive Officer in 2014 and was responsible for overall headquarters functions, including the Corporate Business Planning Dept. and Human Resources Dept.</p> <p>Since 2016, Mr. Tsuji has presided over the entire Nitto Boseki Group as Representative and Chief Executive Officer, and having formulated the Nittobo Group's vision for 2030 [Big VISION 2030], he is currently working to promote the New Mid-Term Business Plan (FY2021-2023), which is the first stage in a long-term strategy for realizing the vision. Mr. Tsuji has ample business experience befitting a Director of the Company, and has a broad range of knowledge and deep insight into the Company's business. Therefore, the Nomination Committee once again nominates him as a candidate for Director.</p> <p>If this proposal is approved and adopted, the Company plans to once again appoint Mr. Tsuji as Representative and Chief Executive Officer at a meeting of the Board of Directors after the conclusion of the Meeting.</p>			


Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
2 Reelection	<p>Toyoshi Nishizaka (May 8, 1958)</p>  <p>Attendance at meetings (Fiscal year ended March 31, 2022) Board of Directors: 13/13 Audit Committee: 13/13</p>	<p>Apr. 1981 Joined the Company</p> <p>Jun. 2003 General Manager of Planning & Administration Dept., Glass Fiber Division</p> <p>Feb. 2007 General Manager of Human Resources Dept.</p> <p>Jun. 2008 Director and General Manager of Human Resources Dept.</p> <p>Oct. 2008 Operating Officer and President of Building Materials Division</p> <p>Apr. 2010 Managing Operating Officer and President of Environmental Division</p> <p>Jan. 2011 Managing Operating Officer and stationed at Main Branch (Fukushima)</p> <p>May 2012 President, Representative Director of Nittobo Allied Service Co., Ltd.</p> <p>Apr. 2013 Advisor and Head of Fukuyama Center of the Company</p> <p>Jun. 2014 Director (current)</p> <p>Current Status in the Board: Member of Audit Committee (full-time)</p>	5,500
<p>Reason for nomination as candidate for Director:</p> <p>Mr. Toyoshi Nishizaka served as General Manager of Human Resources Dept. and President of Environmental Division and has experience in starting up overseas subsidiaries.</p> <p>Mr. Nishizaka was responsible for his office as Head of Fukuyama Center in 2013, and now serves as a full-time Member of Audit Committee as a non-executive Director (a Director not concurrently serving as an Executive Officer). Mr. Nishizaka has ample business experience befitting a Director of the Company, and has a broad range of knowledge and deep insight into the Company's business. Therefore, the Nomination Committee once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
3 New election	<p>Kazuhiko Igarashi (Jul. 26, 1964)</p> 	<p>Apr. 1990 Joined the Company</p> <p>Mar. 2007 General Manager of the Glass Fiber Yarn Production Department</p> <p>Apr. 2011 General Manager of the Glass Fiber Division Manufacturing Control Department</p> <p>Apr. 2013 General Manager of the Glass Fiber Division Technology and Production Headquarters</p> <p>Apr. 2014 General Manager of the Glass Fiber Division Production Headquarters and Deputy General Manager of Fukushima Factory</p> <p>Apr. 2015 Executive Officer, General Manager of the Glass Fiber Division Production Headquarters and Deputy General Manager of Fukushima Factory</p> <p>Feb. 2016 Executive Officer, General Manager of the Glass Fiber Division Production Headquarters and General Manager of Fukushima Factory</p> <p>Apr. 2020 Managing Executive Officer, President of Glass Fiber Division</p> <p>Apr. 2021 Managing Executive Officer, President of Glass Fiber Division and General Manager of Technology Headquarters</p> <p>Apr. 2022 Managing Executive Officer, President of Research and Development Headquarters, Head of DX Strategy Office and Environment Technology Strategy Office (current)</p>	2,500
<p>Reason for nomination as candidate for Director:</p> <p>Mr. Kazuhiko Igarashi has worked many years in the production and technical areas of the Glass Fiber Division. From 2017, he was responsible for his office as the President of the said division, and since April 2022, he serves as Managing Executive Officer and the President of the Research and Development Headquarters.</p> <p>Mr. Igarashi is the most senior figure in production, technology, and research and development in the glass fiber business. He has ample business experience befitting a Director of the Company, and has a broad range of knowledge and deep insight into the Company's production and technical areas. Therefore, the Nomination Committee newly nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
4 Reelection	<p>Candidate for External Director Independent Officer</p> <p>Sadayoshi Fujishige (Jan. 1, 1947)</p>  <p>Tenure as External Director: 2 years (at the conclusion of the Meeting)</p> <p>Attendance at meetings (Fiscal year ended March 31, 2022) Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6</p>	<p>Mar. 1969 Joined Lion Fat & Oil Co., Ltd. (currently: Lion Corporation)</p> <p>Mar. 1996 Director, Executive General Manager of International Division of Lion Corporation</p> <p>Mar. 2000 Executive Director, Executive General Manager of Home Products Sales Headquarters of Lion Corporation</p> <p>Mar. 2002 Representative Director, Senior Executive Director, Responsible for Home Products Business, Executive General Manager of Home Products Sales Headquarters of Lion Corporation</p> <p>Mar. 2004 Representative Director, President and CEO of Lion Corporation</p> <p>Mar. 2006 Representative Director, President and CEO, Chairman of the Board of Directors, Responsible for Home Products Business of Lion Corporation</p> <p>Jan. 2012 Representative Director, Chairman and CEO, Chairman of the Board of Directors of Lion Corporation</p> <p>Jan. 2014 Representative Director, Chairman, Chairman of the Board of Directors of Lion Corporation</p> <p>Mar. 2016 Advisor of Lion Corporation</p> <p>Jun. 2020 External Director of SATO HOLDINGS CORPORATION (current)</p> <p>Jun. 2020 External Director of the Company (current)</p> <p>Mar. 2021 Special Consultant of Lion Corporation (current)</p> <p>Jun. 2021 Outside Member of the Board (Member of the Audit and Supervisory Committee) of TV Asahi Holdings Corporation (current)</p> <p>Current Status in the Board: Chairman of Nomination Committee and Member of Remuneration Committee</p>	0
<p>Reason for nomination as candidate for External Director and overview of expected role:</p> <p>Mr. Sadayoshi Fujishige has a wealth of experience and a high level of insight as a top manager of listed companies, having served as Representative Director, President and Chairman, etc. at Lion Corporation. He attends meetings of the Board of Directors, the Nomination Committee, and the Remuneration Committee, and as Chairman of the Nomination Committee he actively expresses opinions. In this way, he plays an appropriate role as an External Director of the Company, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.</p> <p>The Nomination Committee judges that he will continue to perform his expected role described above as an External Director through his knowledge and experience from a perspective of promoting the sustainable growth and medium- to long-term increase in corporate value of the Company. Therefore, the Committee nominates him as a candidate for External Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Significant Concurrent Positions outside the Company	Number of the Company's Shares Owned
5 Reelection	<p data-bbox="301 286 571 360">Candidate for External Director Independent Officer</p> <p data-bbox="328 398 544 454">Hiroshi Kagechika (Mar. 12, 1950)</p>  <p data-bbox="301 824 576 936">Tenure as External Director: 2 years (at the conclusion of the Meeting)</p> <p data-bbox="301 965 564 1037">Attendance at meetings (Fiscal year ended March 31, 2022)</p> <p data-bbox="301 1037 571 1137">Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6 Audit Committee: 13/13</p>	<p data-bbox="587 286 1235 342">Apr. 1972 Joined NKK Corporation (currently: JFE Holdings, Inc.)</p> <p data-bbox="587 353 1086 383">Feb. 2002 Vice President of NKK Corporation</p> <p data-bbox="587 394 1126 423">Apr. 2003 Vice President of JFE Steel Corporation</p> <p data-bbox="587 434 1217 490">Apr. 2005 Senior Vice President (Director of Steel Research Laboratory) of JFE Steel Corporation</p> <p data-bbox="587 501 1198 557">Apr. 2009 President and Director of JFE Techno-Research Corporation</p> <p data-bbox="587 568 1182 598">Apr. 2015 Advisor of JFE Techno-Research Corporation</p> <p data-bbox="587 609 1158 638">Jun. 2020 External Director of the Company (current)</p> <p data-bbox="587 667 1246 723">Current Status in the Board: Chairman of Remuneration Committee, Member of Nomination Committee and Audit Committee</p>	0
	<p data-bbox="301 1149 1166 1178">Reason for nomination as candidate for External Director and overview of expected role:</p> <p data-bbox="301 1178 1415 1361">Mr. Hiroshi Kagechika has specialist insight and a wealth of experience in corporate business and the field of research and development in the manufacturing sector, having served as Senior Vice President and Director of Steel Research Laboratory at JFE Steel Corporation, and President and Director of JFE Techno-Research Corporation. He attends meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee, and as Chairman of the Remuneration Committee he actively expresses opinions. In this way, he plays an appropriate role as an External Director of the Company, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.</p> <p data-bbox="301 1361 1415 1471">The Nomination Committee judges that he will continue to perform his expected role described above as an External Director through his knowledge and experience from a perspective of promoting the sustainable growth and medium- to long-term increase in corporate value of the Company. Therefore, the Committee nominates him as a candidate for External 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
6 Reelection	<p data-bbox="300 286 572 367">Candidate for External Director Independent Officer</p> <p data-bbox="363 398 509 456">Agasa Naito (Oct. 2, 1976)</p>  <p data-bbox="300 824 579 936">Tenure as External Director: 2 years (at the conclusion of the Meeting)</p> <p data-bbox="300 967 572 1034">Attendance at meetings (Fiscal year ended March 31, 2022)</p> <p data-bbox="300 1039 572 1128">Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6 Audit Committee: 13/13</p>	<p data-bbox="585 286 1252 743"> Oct. 2001 Registered as an attorney Joined Nagashima Ohno & Tsunematsu May 2008 Registered as an attorney at New York State Bar Association Jun. 2011 Joined TANABE & PARTNERS Apr. 2013 Partner of TANABE & PARTNERS (current) Jun. 2015 Outside Audit & Supervisory Board Member of BOOKOFF CORPORATION LIMITED Oct. 2018 Outside Audit & Supervisory Board Member of BOOKOFF GROUP HOLDINGS LIMITED Jun. 2020 External Director of the Company (current) Aug. 2021 Outside Director (Audit & Supervisory Board Member) of BOOKOFF GROUP HOLDINGS LIMITED (current) </p> <p data-bbox="585 748 1252 801">Current Status in the Board: Member of Nomination Committee, Remuneration Committee and Audit Committee</p>	0
<p data-bbox="300 1146 1161 1169">Reason for nomination as candidate for External Director and overview of expected role:</p> <p data-bbox="300 1173 1414 1308">Ms. Agasa Naito has a wealth of experience and a high level of insight as an expert in law and as an outside officer of other companies. She attends meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee, where she actively expresses opinions. In this way, she plays an appropriate role as an External Director of the Company, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.</p> <p data-bbox="300 1312 1414 1415">The Nomination Committee judges that she will continue to perform her expected role described above as an External Director through her knowledge and experience from a perspective of promoting the sustainable growth and medium- to long-term increase in corporate value of the Company. Therefore, the Committee nominates her as a candidate for External Director.</p> <p data-bbox="300 1420 1414 1496">Ms. Naito has never been involved in the management of a company, except as an external director or external corporate auditor. However, the Company judges she will appropriately fulfill her duties as an External Director based on the above reasons.</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 New election	Candidate for External Director Independent Officer Yasuharu Nakajima (Apr. 7, 1960) 	Oct. 1983 Joined Tetsuzo Ota & Co. (currently Ernst & Young ShinNihon LLC) Apr. 1987 Registered as a certified public accountant May 1998 Partner of Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) May 2004 Senior Partner of ShinNihon & Co. (currently Ernst & Young ShinNihon LLC) Sep. 2008 General Manager of 6th Audit Department of Ernst & Young ShinNihon LLC Sep. 2010 Managing Director, General Manager of 2nd Audit Business Division, and General Manager of Knowledge Headquarters of Ernst & Young ShinNihon LLC Jul. 2021 Partner of Ernst & Young ShinNihon LLC (current) Note: Mr. Nakajima expects to resign from Ernst & Young ShinNihon LLC on June 28, 2022.	0
Reason for nomination as candidate for External Director and overview of expected role: Mr. Yasuharu Nakajima has engaged in corporate audit work for many years as a certified public accountant, and he has specialized knowledge and abundant experience in finance and accounting. The Nomination Committee judges that he will perform his expected role as an External Director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution through his aforementioned knowledge and experience from a perspective of promoting the sustainable growth and medium- to long-term increase in corporate value of the Company. Therefore, the Committee nominates him as a candidate for External Director. Mr. Nakajima has never been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an External Director based on the above reasons.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Mr. Sadayoshi Fujishige, Mr. Hiroshi Kagechika, Ms. Agasa Naito and Mr. Yasuharu Nakajima are candidates for External Director.
 3. Mr. Sadayoshi Fujishige, Mr. Hiroshi Kagechika, Ms. Agasa Naito and Mr. Yasuharu Nakajima satisfy the Independence Criteria for External Directors established by the Company and the requirements for independence stipulated by Tokyo Stock Exchange, Inc.
 4. The Company has entered into limited liability agreements with Messrs. Sadayoshi Fujishige and Hiroshi Kagechika, and Ms. Agasa Naito to limit their liability under Article 423, paragraph 1 of the Companies Act to an amount as provided for by Article 425, paragraph 1 of the same Act pursuant to the provisions of Article 26 of the Company's Articles of Incorporation, and if this proposal is approved and adopted as originally proposed, the Company plans to renew these agreements.

Also, if this proposal is approved and adopted as originally proposed, the Company plans to enter into the same limited liability agreement with Mr. Yasuharu Nakajima.

5. The Company has submitted an Independent Officer Notification Form to register Messrs. Sadayoshi Fujishige and Hiroshi Kagechika, and Ms. Agasa Naito as independent officers at Tokyo Stock Exchange, Inc. If their election is approved and adopted in accordance with this proposal, they will continue to serve as independent officers and the Company plans to submit Independent Officer Notification Forms registering them all as Independent Officers.

Also, Mr. Yasuharu Nakajima satisfies the requirements for independence stipulated by Tokyo Stock Exchange, Inc., and if his election is approved and adopted in accordance with this proposal, the Company plans to submit an Independent Officer Notification Form to register him as an independent officer.

6. Overview of directors and officers liability insurance policy

The Company has concluded a directors and officers liability insurance (D&O insurance) policy as stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company, in which Directors and Executive Officers of the Company and directors and other officers of its subsidiaries are the insureds. The insurance premiums, including those for special clauses, are borne by the Company in full, and there are no insurance premiums actually borne by the insureds. The aforementioned insurance policy has been made to cover losses such as amount of indemnification and court costs that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability.

If this proposal is approved and adopted as originally proposed, the Company plans to include all seven Director candidates as insureds in the aforementioned insurance policy and renew the said policy with the same terms in June 2022.

7. It is planned that after the conclusion of the Meeting, by way of resolutions of the Board of Directors, the respective members and chairman for the Nomination Committee, Remuneration Committee, and Audit Committee will be appointed as follows.

In each committee, the majority of members shall be External Directors, and an External Director shall be appointed as chairman.

Name	Position	Nomination Committee	Remuneration Committee	Audit Committee
Yuichi Tsuji	Director, Representative and Chief Executive Officer	○	○	
Toyoshi Nishizaka	Director			○
Kazuhiko Igarashi	Director, Managing Executive Officer			
Sadayoshi Fujishige	External Director, Independent Officer	●	○	○
Hiroshi Kagechika	External Director, Independent Officer	○	●	○
Agasa Naito	External Director, Independent Officer	○	○	○
Yasuharu Nakajima	External Director, Independent Officer	○	○	●

(Note) The black circles (●) indicate the committee chairman and the white circles (○) indicate members.

[Reference]**Key Director Expertise and Experience (Skills Matrix)**

The Company defines the fields of Directors' knowledge, experience and capability that are considered important for the Company from the perspective of company management as "corporate management," "technology and R&D," "sales and marketing," "global business," "finance and accounting," "legal affairs and risk management," and "HR, labor resources, personnel development." The Company aims to ensure the Board of Directors is made up of personnel who possess the appropriate insight and abundant experience in each of these fields.

Name	Corporate management	Technology/ R&D	Sales/ Marketing	Global business	Finance/ Accounting	Legal affairs/ Risk management	HR/ Labor resources/ Personnel development
Yuichi Tsuji	●			●	●	●	
Toyoshi Nishizaka	●		●	●		●	●
Kazuhiko Igarashi	●	●		●			
Sadayoshi Fujishige	External Director		●	●			
Hiroshi Kagechika	External Director	●		●			
Agasa Naito	External Director			●		●	
Yasuharu Nakajima	External Director				●	●	

(Note) The above table does not represent all knowledge, experience, etc. possessed by each person.

Attached Documents

(1) Corporate governance

The Company made the transition from a company with Audit & Supervisory Board to a company with a Nomination Committee, etc. in 2014. With the aim of achieving sustainable growth for the Group while enhancing the corporate value over the medium to long term, the Company is enhancing the corporate governance structure and implementing reviews on an ongoing basis, setting various objectives, such as further clarifying the separation of supervision from execution, strengthening the management supervisory function and improving management transparency of the Board of Directors, and ensuring agility of the execution and running of business operations performed swiftly by Executive Officers.

[Principal initiatives carried out in recent years]

- 1) The Company has established the “preliminary briefings” to deepen understanding of agenda items of meetings of the Board of Directors in the interest of further energizing deliberations at meetings of the Board of Directors, and preliminary briefings were held 12 times in the fiscal year. During these preliminary briefings, timely and appropriate explanations were given and opinions were exchanged regarding not only the agenda items to be raised at the meeting of the Board of Directors, but also matters deemed important for the supervision of management, spending about two hours each time. The background of the agenda items, etc. provided at meetings contributed to deepening essential understanding, thereby contributing to the efficient operation of the meetings of the Board of Directors.
- 2) The Company established the Corporate Communication Department on April 1, 2017 with the aim of enhancing the dissemination of information to outside the company. This department works to ensure better transparency and fairness, to disseminate information that is easy to understand and very useful, and to promote constructive dialogue with the shareholders. Beginning with fiscal year 2018, the department now augments its IR activities by also engaging in dialogue with key persons for deciding voting rights at institutional investors.
- 3) From the standpoint of supervising the business execution of Executive Officers, the Board of Directors determined the “Rules of Executive Committee” at the meeting of the Board of Directors held on December 26, 2017. Concerning deliberations on important matters related to overall management of the Group, the Board of Directors has indicated its intention to promote discussions that are more multifaceted to further energize and deepen the Executive Committee meetings.
- 4) From 2019, the Company has begun to publish an integrated report combining financial information and non-financial information including CSR to enable a deeper understanding of the Group’s initiatives for creating value over the medium to long term.
- 5) The Company holds shares of listed companies under its policy on cross-shareholding in cases where it deems such shareholding to be beneficial for building favorable relationships with important trading partners of the Group in fields including sales, procurement of raw material and fuel, and finance, smoothly advancing business activities of the Group, and maintaining and enhancing corporate value in the Group. However, from a standpoint of the sustainability and growth of the Group’s corporate value, when the Company deems that there is insufficient reason to hold those shares, the Company will sell them while paying attention to the effect on the market, and so forth.

Moreover, the Company reviews the holding policy for listed shares individually at a meeting of the Board of Directors on a periodic basis, comprehensively considering qualitative factors such as the materiality of transactions, and the maintaining or establishment of favorable trading relationships, etc., i.e. sales and purchases, the existence of any technological cooperation or joint capital investment, whether there are any joint ventures underway, or financing arrangements, and a quantitative evaluation that compares the total return on investment, calculated by considering dividend yield and business profit, against the cost of capital. Based on such reviews, the Company sold 17 different company shares worth ¥12,804 million in the five-year period from fiscal year 2017.

- 6) The Remuneration Committee of the Company decided to introduce a performance-linked stock remuneration plan, starting from fiscal year 2022, with the aim of clarifying the linkage between the remuneration of the Executive Officers (including those concurrently serving as Directors) and the Company’s business performance and stock value as well as to enhance the awareness of the

Executive Officers to contribute to the improvement of the Company's business performance and the increase in its corporate value over the medium to long term.

[Self-evaluation concerning the effectiveness of the Board of Directors]

The composition, operation, support structure, shareholder dialogue, etc. of the Company's Board of Directors are analyzed and evaluated by the Board of Directors based on evaluations by each Director by implementing surveys using external attorneys.

In the evaluation concerning the effectiveness of the Board of Directors in the previous fiscal year, the opinion was expressed that further improvements need to be made to matters such as further improvement in risk management, creation of a structure for feedback on matters resolved by the Board of Directors in the past, promotion of sustainability activities, and discussions on grooming plan for prospective candidates for senior executive positions, and the following initiatives were adopted in the fiscal year.

- The Company periodically identified and evaluated business risks associated with changes in the market environment and promoted initiatives for risk mitigation, such as examining its own risks making reference to disasters and cases of misconduct at other companies, and reported on the status of these initiatives and discussed them at meetings of the Board of Directors, etc.
- Executive Officers provided feedback at meetings of the Board of Directors, etc. on large-scale capital investment projects and annual budget, etc., as well as progress and issues with the Mid-Term Business Plan, which made for deeper discussion regarding management strategy such as response to changes in the market environment and the competitive environment.
- In April 2021, the Company established the Sustainability Committee, chaired by the Representative and Chief Executive Officer, and promoted discussion regarding specific activity policies and targets, such as CO₂ emissions reduction, recycling and re-use activities, and development of environmentally friendly products, and reported on the status of these initiatives and discussed them at meetings of the Board of Directors, etc.
- The grooming plan for prospective candidates for senior executive positions will continue to be discussed by the Nomination Committee.
- The survey for the fiscal year, the evaluation improved about 80% of the survey items receiving higher evaluation compared with the previous fiscal year, and the Board of Directors received a high evaluation for effectiveness. On the other hand, there were also an opinion that Directors did not have sufficient opportunity to grasp the front line situation through business site and plant visits due to the COVID-19 pandemic, and an opinion that it would be desirable to undertake a full review of group governance.

The Company will continue to make improvement to ensure the Board of Directors performs supervisory functions further.

(2) Amount of remuneration, etc. of Directors and Executive Officers

Category of officer	Total amount of remuneration, etc. (Millions of yen)	Total amount by category of remuneration, etc. (Millions of yen)			Number of recipients (Persons)
		Fixed remuneration	Performance-linked remuneration	Retirement benefits	
Directors (Excluding External Directors)	78	58	19	–	3
External Directors	76	76	–	–	4
Directors Total	155	135	19	–	7
Executive Officers Total	189	141	47	–	12
Grand Total	344	277	67	–	19

(Notes) 1. The amount paid to Executive Officers does not include the wages paid for service as an employee for Executive Officers who concurrently serve as an employee of the Company.

2. The Company's performance-linked remuneration is calculated based on the previous fiscal year's performance, and the amount combined with fixed remuneration (basic remuneration) is defined as remuneration for the current fiscal year, and this is paid as a fixed regular wage.

(3) Policy for the determination of remuneration, etc. for Directors and Executive Officers**(i) Deciding policy**

The Company determines the policy related to the determination of individual remuneration of Directors and Executive Officers on the basis of objective data, etc. from external consultants in the Remuneration Committee, composed of a majority of External Directors and chaired by an External Director, based on the provisions of the Companies Act related to a Company with Nomination Committee, etc.

Furthermore, the policy is based on the approach of providing strong motivation for officers to achieve their performance targets while securing transparency and rationality, fostering awareness for medium- to long-term management, and conforming with the interests of stakeholders including shareholders and investors, and the performance targets used for calculating remuneration also reflect this approach.

(ii) Outline of details of the policy

The Company's officer remuneration (excluding External Directors) is structured with basic remuneration determined by the position and the state of competency expected of each position (behavior evaluation) and the state of performance (performance evaluation), and performance-linked remuneration that varies within a range of 0% to 150% according to the level of achievement of company performance targets from the previous fiscal year and individual performance targets based on the activities and performance of the responsible divisions, and the current fiscal year's remuneration is based on a combination of these.

Performance-linked remuneration is not applicable for External Directors due to the role of supervising management from an independent and objective perspective.

<Percentage of remuneration by position>

Position	Portion of officer remuneration (if the level of achievement of company and individual targets is 100%)		
	Basic remuneration	Performance-linked remuneration (note)	
		Company performance	Individual performance
Representative and Chief Executive Officer	67%	16.5%	16.5%
Senior Managing Executive Officers	69%	15.5%	15.5%
Other officers (Excluding External Directors)	71%	14.5%	14.5%
External Directors	100%	—	—

(Note) Performance-linked remuneration (company performance portion + individual performance portion) is set at 50% of basic remuneration for the Representative and Chief Executive Officer, 45% of basic remuneration for Senior Managing Executive Officers, and 40% of basic remuneration for other officers (excluding External Directors).

<Indicators for performance-linked remuneration and ratio for their reflection therein>

Company performance	Operating profit (compared to budget)	Operating profit (year on year)	ROE (year on year)	Dividends (year on year)
	25%	25%	25%	25%
Individual performance	Operating profit of division under charge (compared to budget)		Status of initiatives to address the medium-term issues for division under charge	
	40%		60%	

<The reasons for the selection of these indicators>

(i) Company performance

Operating profit is set to strengthen our earning power and growth potential, and ROE is set to improve capital efficiency. Dividends are set for the purpose of further sharing value with our shareholders.

(ii) Individual performance

The operating profit of division under charge and the status of initiatives to address issues in the Mid-Term Business Plan were set to clarify the responsibility for performance that should be taken on by each officer (excluding External Directors). In addition, evaluation is conducted based on a perspective and items different from that of the company performance.

<Determining remuneration>

The Remuneration Committee chaired by an External Director checks the exhibition of competencies and the level of achievement of company performance targets and individual performance targets, and determines individual amounts based on the aforementioned remuneration percentages and percentages of reflection in performance-linked remuneration.

■ Calculation rules

(Basic remuneration)

This is determined using a basic remuneration table that is a matrix based on four levels of behavior evaluation and nine levels of performance evaluation.

(Performance-linked remuneration)

- Company performance portion = amount of basic remuneration for each previous fiscal year × percentage of company performance portion for each position × level of achievement of company performance portion for the previous fiscal year
- Individual performance portion = amount of basic remuneration for each previous fiscal year × percentage of individual performance portion for each position × level of achievement of individual performance portion for the previous fiscal year

Performance-linked remuneration is determined by combining the company performance portion and the individual performance portion calculated as shown above.

Since remuneration for Directors and Executive Officers for the fiscal year under review was also determined by the above method, and furthermore, the validity of the level of remuneration was checked based on data on officer remuneration periodically provided by external consultants, the Remuneration Committee has judged that the content of the remuneration reflects the above policy.

Targets and actual values of company performance for fiscal year 2020 used in the calculation of performance-linked remuneration in the fiscal year under review are as follows.

[Operating profit (compared to budget)] target: ¥10,000 million/actual: ¥5,964 million

[Operating profit (year on year)] target: ¥8,160 million/actual: ¥5,964 million

[ROE (year on year)] target: 6.2% (after adjustment)/actual: 4.5%

[Dividends (year on year)] target: ¥45 per share/actual: ¥45 per share

(Note) Individual performance targets are set using individual quantitative and qualitative targets, and the achievement rate was around 75%.

[Reference]

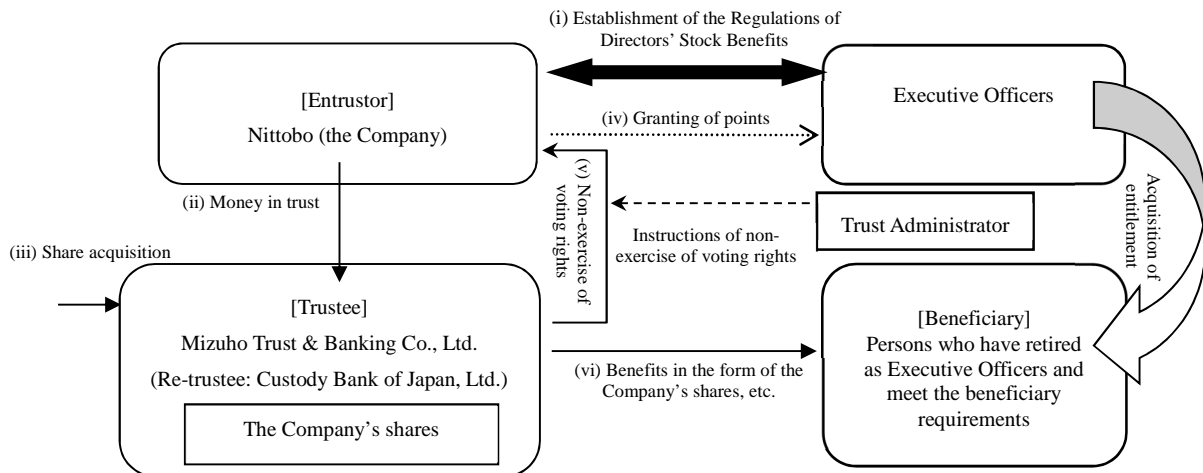
Introduction of Performance-Linked Stock Remuneration Plan

At the meeting of the Remuneration Committee held on May 12, 2022, the Company resolved to introduce a new performance-linked stock remuneration plan, the “Board Benefit Trust (BBT)” (hereinafter the “Plan”) with the aim of clarifying the linkage between the remuneration of the Executive Officers (including those concurrently serving as Directors) and the Company’s business performance and stock value as well as to enhance the awareness of the Executive Officers to contribute to the improvement of the Company’s business performance and the increase in its corporate value over the medium to long term by sharing with shareholders not only the benefits of a rise in stock price but also the risk of a decline in stock price.

1. Outline of the Plan

The Plan is a performance-linked stock remuneration plan in which the Company’s shares are acquired through a trust (the trust established under the Plan is hereinafter referred to as the “Trust”) with money contributed by the Company, and the Company’s shares and money equivalent to the amount obtained by converting the Company’s shares at market value (hereinafter referred to as the “Company’s shares, etc.”) are granted to the Executive Officers through the Trust in accordance with the Regulations of Directors’ Stock Benefits established by the Company. In principle, the Executive Officers will receive the Company’s shares, etc. when they retire.

<Structure of the Plan>



- (i) The Company shall establish the “Regulations of Directors’ Stock Benefits” by resolution of the Remuneration Committee.
- (ii) The Company will place money in the Trust to the extent approved by the resolution of the Remuneration Committee.
- (iii) The Trust shall acquire the Company’s shares using the money entrusted in (ii) above as the source of funds, either through the stock exchange market or by subscribing to the Company’s disposal of treasury shares.
- (iv) The Company grants Executive Officers points determined in accordance with their position in the Company based on the “Regulations of Directors’ Stock Benefits,” as well as points linked to the degree of achievement of the Mid-Term Business Plan and other factors.
- (v) The Trust shall not exercise voting rights pertaining to the Company’s shares in the Trust Account in accordance with the instructions of the Trust Administrator, who is independent of the Company.
- (vi) The Trust shall deliver shares of the Company to retired Executive Officers who satisfy the requirements for beneficiaries stipulated in the “Regulations of Directors’ Stock Benefits” (hereinafter the “Beneficiaries”) in proportion to the number of points granted to the Beneficiaries. However, if the Executive Officer satisfies the requirements stipulated in the “Regulations of Directors’ Stock Benefits,” he/she will receive a cash payment equivalent to the market value of the Company’s shares for a certain percentage of the points.

2. Eligibility for the Plan

Persons eligible for the Plan shall be the Company’s Executive Officers (including those concurrently serving as Directors) (Directors not concurrently serving as Executive Officers and External Directors are not eligible for the Plan).

3. Amount contributed by the Company to the Trust

To the Trust, the Company will contribute the necessary funds for the five fiscal years from the fiscal year ending March 31, 2023, to the fiscal year ending March 31, 2027 (hereinafter, the period of five fiscal years shall be referred to as the “Initial Relevant Period,” and each of the three fiscal years beginning after the Initial Relevant Period is over shall be referred to as the “Next and Subsequent Relevant Periods.” The Initial Relevant Period and the Next and Subsequent Periods are collectively referred to as the “Relevant Periods”) and such funds shall be an amount reasonably expected to be required to acquire up to 174,500 shares, considering the closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange immediately before the establishment of the Trust.

After the Initial Relevant Period, and until the termination of the Plan, the Company shall, in principle, make additional contributions to the Trust for each of the next and subsequent periods by reasonably estimating the number of shares necessary to provide benefits to the Executive Officers under the Plan and allow the Trust to acquire such shares in advance. However, in the event of such additional contribution, if there are any remaining Company shares (excluding shares of the Company corresponding to the number of points granted to the Executive Officer for each of the immediately preceding relevant periods for which the Executive Officer has not yet been granted benefits) or money (hereinafter the “Remaining Shares, etc.”), and the additional contribution amount shall be calculated after considering the Remaining Shares, etc.

4. Method and number of the Company’s shares to be acquired

The acquisition of the Company’s shares by the Trust shall be conducted through the stock market or by subscribing to the Company’s disposal of treasury shares.

The maximum number of shares to be acquired by the Trust for the Relevant Periods will be the maximum number of points per fiscal year multiplied by the number of fiscal years pertaining to such relevant periods (in principle, the same as the period of the Mid-Term Business Plan).

5. Maximum number of the Company's shares, etc., to be granted to the Executive Officers

Executive Officers are granted points for each fiscal year, which are determined according to their position and are linked to the degree of achievement of the Mid-Term Business Plan and other factors. The total number of points granted to the Executive Officers per fiscal year shall be up to 34,900 points.

Points granted to the Executive Officers will be converted into one share of the Company's common stock per point when the Executive Officers are to receive the Company's shares, etc., as described in 6. below. (However, in the event of a stock split, gratis allotment of shares, or reverse stock split of the Company's shares, the conversion rate will be reasonably adjusted according to such ratio, etc.)

6. Timing at which Executive Officers receive shares, etc.

When an Executive Officer retires and satisfies the requirements for beneficiaries as stipulated in the Regulations of Directors' Stock Benefits, he/she will, in principle, receive from the Trust a number of the Company's shares corresponding the number of cumulative points awarded up to the time of retirement, by completing the prescribed procedures to determine beneficiaries. However, if the requirements stipulated in the Regulations of Directors' Stock Benefits are met, the retired Executive Officer will receive monetary benefits equivalent to the market value of the Company's shares for a certain percentage of the points.

7. Other

Based on the Remuneration Committee's deliberations on the appropriate ratio of fixed remuneration and performance-linked remuneration for the Company's Executive Officers, the Company decided to take the opportunity to introduce the Plan to increase the ratio of performance-linked remuneration for Executive Officers more than before. Specifically, the ratio of "basic remuneration," "variable remuneration," and "share remuneration" for achieving performance targets will be set to be roughly 60%:25%:15% in the case of the Representative and Chief Executive Officer.

(4) Matters regarding External Directors

There is no personal, capital, business or other relationship between the Company and each of the External Directors. Therefore, four External Directors have been elected on the basis of being able to provide appropriate advice and supervision from an independent standpoint based on character insight, etc.

(i) Relationships between the Company and organizations where significant concurrent positions are held

There are no special relationships between the Company and the organizations at which the four External Directors have significant concurrent positions.

(ii) Overview of limited liability agreements

The Company has entered into limited liability agreements with each of the External Directors to limit their liability under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of Article 26 of the Company's Articles of Incorporation. The maximum amount of the liability for damages based on such agreements is the amount prescribed in laws and regulations.

(iii) Activities of External Directors during the fiscal year under review

Each of the four External Directors attended all the meetings of the Board of Directors held during his/her term of office in the fiscal year under review. As part of their attendance at the Board of Directors meetings, the External Directors attended the preliminary briefings.

In particular, at the Audit Committee, the External Directors carried out their auditing duties as independent officers, which included holding discussions with the internal audit department, and the accounting auditor, receipt of reports on on-site inspections, etc., exchanging opinions with the Representative and Chief Executive Officer, and holding hearings with operating departments, while making use of web conferencing systems and other means due to the nature of activities during the COVID-19 pandemic.

Name	Attendance at meetings during term of office	Principal activities and overview of the duties carried out in the expected roles as an External Director
Masamichi Ouchi	Board of Directors: 13/13 Nomination Committee: 3/3 Audit Committee: 12/13	Mr. Masamichi Ouchi has a wealth of experience and a high level of insight as an expert in accounting and finance and as an outside officer of another company. Based on this, he actively makes statements at meetings of the Board of Directors, the Nomination Committee, and the Audit Committee. In this way, he plays a role expected as an External Director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.
Sadayoshi Fujishige	Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6	Mr. Sadayoshi Fujishige has a wealth of experience and a high level of insight as a top manager of a listed company. Based on this, he actively makes statements at meetings of the Board of Directors, the Nomination Committee and the Remuneration Committee. In this way, he plays a role expected as an External Director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.
Hiroshi Kagechika	Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6 Audit Committee: 13/13	Mr. Hiroshi Kagechika has specialist insight and a wealth of experience in corporate business and the field of research and development in the manufacturing sector. Based on this, he actively makes statements at meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee. In this way, he plays a role expected as an External Director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.

Name	Attendance at meetings during term of office	Principal activities and overview of the duties carried out in the expected roles as an External Director
Agasa Naito	Board of Directors: 13/13 Nomination Committee: 3/3 Remuneration Committee: 6/6 Audit Committee: 13/13	Ms. Agasa Naito has a wealth of experience and a high level of insight as an expert in law and as an outside officer of another company. Based on this, she actively makes statements at meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee. In this way, she plays a role expected as an External Director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.

(Note) The numbers of meetings of the Board of Directors and each committee attended by Messrs. Masamichi Ouchi, Sadayoshi Fujishige and Hiroshi Kagechika, and Ms. Agasa Naito refer to the meetings of the Board of Directors and each committee held from April 1, 2021 to March 31, 2022.

(iv) Relationships with specially related business entities such as main customers

Not applicable

(v) Amount of remuneration, etc. received as officers in the fiscal year under review from the Company's subsidiaries, etc.

Not applicable

(Note) Unless explicitly stated, each item in this business report reflects fiscal year 2021 (from April 1, 2021 to March 31, 2022) or the end of fiscal year 2021 (March 31, 2022).