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Securities Code: 7231
June 5, 2023

To Our Shareholders:

Nobuhiko Takamatsu
Representative Director, President and CEO
TOPY INDUSTRIES, LIMITED
1-2-2 Osaki, Shinagawa-ku, Tokyo

Notice of Convocation of the 129th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 129th Ordinary General Meeting of Shareholders of Topy Industries Limited (the “Company”). The meeting will be held as described below.

In convening the 129th Ordinary General Meeting of Shareholders, the Company has taken electronic provision measure for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (matters for an electronic provision measure). To review the information, please access either of the following websites on which the information is posted.

【The Company’s website】

https://www.topy.co.jp/en/stock/shares_bonds/meeting.html(English)

【Website posting general shareholder meeting materials】

<https://d.sokai.jp/7231/teiji/>(in Japanese only)

【Tokyo Stock Exchange (TSE) website (Listed Company Search)】

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>(English)

(Please access the TSE website, and search by Issue name (company name) “Topy Industries” or Code “7231”, select “Basic information” and then “Documents for public inspection/PR information” and view the information under “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting”.

If you are unable to attend the meeting in person, you may exercise your voting rights by either means of Form for Exercising Voting Rights by post or via the Internet, etc. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

To exercise your voting rights by post:

Please indicate “for” or “against” on the enclosed Form for Exercising Voting Rights and return it to us by 5:45 p.m. on Thursday, June 22, 2023.

To exercise your voting rights via the Internet, etc.:

Please review the “Guide for Exercising Voting Rights via the Internet, etc.” (in Japanese only) and access the designated voting website (<https://www.web54.net>) and enter your approval or disapproval for the proposal no later than 5:45 p.m. on Thursday, June 22, 2023.

1. Date and Time

Friday, June 23, 2023 at 10:00 a.m.

2. Place

Conference Room, Art Village Osaki Central Tower 7th Floor,
1-2-2 Osaki, Shinagawa-ku, Tokyo

3. Objectives of the Meeting

Matters to be reported:

- a. Business Report and Consolidated Financial Statements for the 129th Fiscal Year (from April 1, 2022 to March 31, 2023), as well as the audit reports of the Independent Auditor and the Audit & Supervisory Board for Consolidated Financial Statements
- b. Non-Consolidated Financial Statements for the 129th Fiscal Year (from April 1, 2022 to March 31, 2023)

Agenda for resolution:

Proposal 1: Election of Nine (9) Directors

Proposal 2: Election of Two (2) Audit & Supervisory Board Members

4. Notice Regarding Exercise of Voting Rights

- a. If you do not indicate your approval or disapproval of the proposal in your vote by Form for Exercising Voting Rights, we will assume that you have voted in favor of the proposal.
- b. If you exercise your voting rights multiple times via the Internet, etc., or by both the Form for Exercising Voting Rights and via the Internet, etc., the last exercise shall be considered valid. In such cases where votes from both the Form for Exercising Voting Rights and via the Internet, etc. arrive on the same day, the vote via the Internet, etc. shall be considered valid.

Notes:

- * You are kindly requested to present the enclosed Form for Exercising Voting Rights to the receptionist when you attend the meeting.
- * Among matters for an electronic provision measure, under laws and regulations and the provision in Article 15, paragraph 2 of the Articles of Incorporation of the Company, the “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” are not included in the materials in paper format delivered to shareholders who have requested it. In addition, the “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” have been combined with the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the auditing process, in order for the preparation of the audit reports of the Independent Auditor and the Audit & Supervisory Board.
- * If any changes are made to matters for an electronic provision measure, such changes will be posted on each website listed on page 1 with a comparison before and after the revision.

Reference Documents for the General Meeting of Shareholders

Proposal 1 Election of Nine (9) Directors

At the conclusion of this meeting, the terms of office of all eight (8) Directors will expire. Therefore, the Company proposes the election of nine (9) Directors. The candidates for Director are as follows:

No.		Name (Age)	Gender	Positions, duties, and responsibilities in the Company and significant concurrent positions outside the Company	Attendance at Board of Directors Meetings	Number of years in office as a Director
1	Reelection	Nobuhiko Takamatsu (68 years old)	Male	Representative Director, President and CEO in charge of Overseas Business Strategy	17/17 (100%)	6 years
2	New election	Hiroshi Ishii (63 years old)	Male	Senior Managing Executive Officer in charge of Sales and Overseas Business Strategy Advisor of Nippon Steel Corporation	–	–
3	Reelection	Shinichi Kijima (64 years old)	Male	Director and Executive Vice President, Assistant to the President in charge of Finance	12/12 (100%)	1 year
4	Reelection	Masayoshi Takezawa (62 years old)	Male	Senior Managing Director in charge of Technology, Safety and Health, DX Strategy, and Business Development Strategy Center	17/17 (100%)	2 years
5	Reelection	Tsuyoshi Nakamura (63 years old)	Male	Senior Managing Director in charge of Corporate Planning, Business Operations, and Sustainability Strategy	12/12 (100%)	1 year
6	Reelection	Shuichi Tachibana (60 years old)	Male	Managing Director in charge of General Affairs, Personnel, and Risk Management, and assistant in charge of Safety and Health	12/12 (100%)	1 year
7	Reelection	Takeshi Kiriya (60 years old)	Male	Outside Independent Director President of Value Management Institute, Inc., Director of Japan Economic Research Institute Inc.	17/17 (100%)	3 years
8	Reelection	Hiroko Kaneko (58 years old)	Female	Outside Independent Director Attorney at law, Outside Audit & Supervisory Board Member of Shinsho Corporation	17/17 (100%)	2 years
9	Reelection	Takahiro Mikami (63 years old)	Male	Outside Independent Director	12/12 (100%)	1 year

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Takeshi Kiriya, Hiroko Kaneko and Takahiro Mikami are candidates for outside Director. The Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that each of them has been designated as an independent officer as provided for by the aforementioned exchanges.
 - The Company has entered into agreements with Takeshi Kiriya, Hiroko Kaneko and Takahiro Mikami to limit their liability for damages set forth in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. According to this agreement, the limit of liability for damages shall be the amount stipulated by laws and regulations, and if their reelection is approved, the Company plans to continue this agreement with each of them.
 - The Company has concluded a directors and officers liability insurance policy with an insurance company, as set forth in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers any damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or from claims pertaining to the pursuit of such liability, and if each candidate is elected, they will be included as insured persons under the said insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew

the insurance policy with the same terms as above.

5. The positions, duties, and responsibilities in the Company and significant concurrent positions outside the Company of each candidate are as of the date of dispatch of this notice of convocation.
6. Attendance of Shinichi Kijima, Tsuyoshi Nakamura, Shuichi Tachibana and Takahiro Mikami at Board of Directors meetings shows those since their appointment as Directors on June 23, 2022.
7. The age and number of years in office as a Director of each candidate are as of the conclusion of this Ordinary General Meeting of Shareholders.

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
1	Reelection Nobuhiko Takamatsu (June 2, 1955)	<p>Apr. 1979 Joined NIPPON STEEL CORPORATION</p> <p>Apr. 2011 Executive Officer General Manager, Head of Division, Ironmaking Technology Division</p> <p>Apr. 2012 Advisor Executive Officer in charge of technology/quality, Usiminas Siderúrgicas de Minas Gerais S.A.</p> <p>Aug. 2014 Executive Vice President in charge of business planning</p> <p>Apr. 2016 Managing Executive Officer and Vice Head of Global Business Development Sector, NIPPON STEEL & SUMITOMO METAL CORPORATION</p> <p>Sept. 2016 Director, Usiminas Siderúrgicas de Minas Gerais S.A.</p> <p>Apr. 2017 Senior Managing Executive Officer, Assistant to the President and CEO, the Company Advisor, Nippon Steel & Sumitomo Metal Corporation</p> <p>June 2017 Representative Director, President and CEO, the Company</p> <p>Apr. 2022 Representative Director, President and CEO in charge of Sales</p> <p>Apr. 2023 Representative Director, President and CEO in charge of Overseas Business Strategy (to present)</p>	10,400
<p>[Reasons for nomination as candidate for Director] Nobuhiko Takamatsu has served as Representative Director, President and CEO of the Company since June 2017, and has demonstrated a high level of competence as supervisor of the Group's overall management, including the promotion of structural reform, business reform, and work style reform. Based on his wealth of knowledge and experience of management in general, he is expected to continue to contribute to the Group's sustainable growth and enhancement of corporate value. Therefore, we propose his election as a Director.</p>			
2	New election Hiromi Ishii (February 4, 1960)	<p>Apr. 1983 Joined NIPPON STEEL CORPORATION</p> <p>Apr. 2014 Operating Officer and General Manager, Bar & Wire Rod Technology Div., Bar & Wire Rod Unit, NIPPON STEEL & SUMITOMO METAL CORPORATION</p> <p>Apr. 2017 Managing Executive Officer and General Manager, Bar & Wire Rod Technology Div., Bar & Wire Rod Unit</p> <p>June 2018 Advisor Executive Vice President and Group Production & Technology Advisor of Ovako AB</p> <p>Apr. 2019 Advisor of Nippon Steel Corporation (to present)</p> <p>Apr. 2023 Senior Managing Executive Officer in charge of Sales and Overseas Business Strategy, the Company (to present)</p>	0
<p>[Reasons for nomination as candidate for Director] Hiromi Ishii possesses abundant knowledge and experience, including the supervision of the Technology Division, the development of overseas business, and the supervision of the overall management in a steel manufacturer. Based on this knowledge and experience, he is expected to implement the Medium-term Consolidated Management Plan as a supervisor of the overall management of the Group and contribute to the Group's sustainable growth and enhancement of corporate value. Therefore, we propose his election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary		Number of the Company's shares owned
3	Reelection Shinichi Kijima (November 28, 1958)	Apr. 1981	Joined the Company	5,782
		Apr. 2010	Operating Officer, General Manager of Corporate Planning Dept.	
Apr. 2015	Managing Executive Officer, General Manager of Wheel Div.			
Apr. 2018	Vice President, Operating Officer, TOPY ENTERPRISES, LIMITED			
June 2018	Representative Director and President			
Apr. 2022	Vice President, Operating Officer, Assistant to the President and CEO, the Company and Representative Director and President, TOPY ENTERPRISES, LIMITED			
June 2022	Director and Executive Vice President, Assistant to the President and CEO in charge of Finance, the Company (to present)			
[Reasons for nomination as candidate for Director] Shinichi Kijima possesses abundant knowledge and experience in the administration section and business section. He has also demonstrated a high level of managerial ability as the Representative Director and President at a Group company. Based on this knowledge and experience of management in general, we have determined that he is qualified to continue to oversee the finance section of the Group, and therefore we propose his election as a Director.				
4	Reelection Masayoshi Takezawa (February 18, 1961)	Apr. 1983	Joined the Company	5,540
		Apr. 2015	Operating Officer, General Manager of Business Process Innovation & Promotion Dept.	
Apr. 2017	Managing Executive Officer, General Manager of IoT Promotion Dept.			
Apr. 2018	Managing Executive Officer, General Manager of IoT Promotion Dept. and Engineering Administration Dept.			
Apr. 2021	Managing Executive Officer in charge of Technology, Business Process Innovation & Promotion, Safety, and Smart Promotion			
June 2021	Managing Director in charge of Technology, Business Process Innovation & Promotion, Safety, and Smart Promotion			
Oct. 2021	Managing Director in charge of Technology, Business Process Innovation & Promotion, Business Development Strategy Center, Safety, and Smart Promotion			
Apr. 2022	Senior Managing Director in charge of Technology, Safety and Health, DX Strategy, and Business Development Strategy Center			
Apr. 2023	Senior Managing Director in charge of Technology, Safety and Health, DX Strategy, and Business Development Strategy Center (to present)			
[Reasons for nomination as candidate for Director] Masayoshi Takezawa has a wealth of knowledge and experience in the steel, IoT and engineering departments in addition to experience in business administration and management, including supervision of domestic and overseas Group companies. Additionally, he provided strong leadership in the planning and implementation of various measures, such as technical human resource development and the smart factory initiatives. Based on this knowledge and experience, we have determined that he is qualified to continue to oversee the Group's overall engineering department, and therefore we propose his election as a Director.				

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned	
5	Reelection Tsuyoshi Nakamura (April 2, 1960)	Apr. 1983	Joined the Company	5,442
		Apr. 2016	Operating Officer, General Manager of Engineering Administration Dept.	
July 2016	Operating Officer, General Manager of Engineering Administration Dept.			
Apr. 2018	Operating Officer, General Manager of Steel Div. and General Manager of Toyohashi Plant, Steel Div.			
Apr. 2020	Managing Executive Officer, General Manager of Steel Div.			
Apr. 2021	Managing Executive Officer, General Manager of Corporate Planning Dept.			
Apr. 2022	Senior Managing Executive Officer in charge of Corporate Planning and Sustainability Strategy			
June 2022	Senior Managing Director in charge of Corporate Planning and Sustainability Strategy			
Apr. 2023	Senior Managing Director in charge of Corporate Planning, Business Operations, and Sustainability Strategy (to present)			
[Reasons for nomination as candidate for Director] Tsuyoshi Nakamura possesses abundant knowledge and experience in the Steel Division, the Technology Division, and the Corporate Planning Department. Moreover, he has promoted the formulation of the Group's medium-term management plan, as well as its various sustainability-related initiatives. Based on this knowledge and experience, we have determined that he is qualified to continue to oversee the administration and business sections in promoting the Group's management strategies and sustainability strategies, and therefore we propose his election as a Director.				
6	Reelection Shuichi Tachibana (February 6, 1963)	Apr. 1985	Joined the Company	3,912
		Apr. 2018	Operating Officer, General Manager of General Affairs Dept.	
Apr. 2021	Operating Officer, General Manager of Undercarriage Components Div.			
Apr. 2022	Managing Executive Officer in charge of General Affairs, Personnel, and Risk Management			
June 2022	Managing Director in charge of General Affairs, Personnel, and Risk Management			
Apr. 2023	Managing Director in charge of General Affairs, Personnel, and Risk Management, and assistant in charge of Safety and Health (to present)			
[Reasons for nomination as candidate for Director] In addition to abundant knowledge and experience mainly in the Sales Division, Shuichi Tachibana has experience including overseas business operations and strengthening corporate governance and public relations activities in the General Affairs Division. Based on this knowledge and experience, we have determined that he is qualified to continue to oversee the administration section in promoting structural reform of the Group's business, and therefore we propose his election as a Director.				

Candidate No.	Name (Date of birth)	Career summary		Number of the Company's shares owned
7	Reelection Takeshi Kiriya (August 26, 1962) Outside Independent	Apr. 1986	Joined the Japan Development Bank	0
		June 2008	Chief Representative in London, the Development Bank of Japan	
Apr. 2010	CEO, DBJ Europe Limited			
Sept. 2013	Director of Industrial Research, Development Bank of Japan Inc.			
June 2015	Operating Officer, Director of Corporate Investment			
June 2018	Chairman of the Board of Directors, DBJ Asset Management Co., Ltd.			
June 2020	Director, the Company (to present) President of Value Management Institute, Inc. (to present) Representative Director and Senior Managing Director of Japan Economic Research Institute Inc.			
June 2022	Director of Japan Economic Research Institute Inc. (to present)			
[Reasons for nomination as candidate for outside Director and overview of expected roles] Takeshi Kiriya has a wealth of knowledge and experience covering management in general gained in international and investment operations, such as developing new business models in the establishment of local subsidiaries overseas at financial institutions and business turnarounds in manufacturing. Based on this knowledge and experience, he is expected to continue to contribute to the appropriate decision-making of the Board of Directors and to improvement of the effectiveness of management supervision. Therefore, we propose his election as an outside Director.				
8	Reelection Hiroko Kaneko (October 15, 1964) Outside Independent	Apr. 1997	Admitted to Bar, Japan (to present)	0
		Mar. 2006	Admitted to Bar, New York (to present)	
June 2019	Outside Audit & Supervisory Board Member of Shinsho Corporation (to present)			
June 2021	Director, the Company (to present)			
[Reasons for nomination as candidate for outside Director and overview of expected roles] Hiroko Kaneko has a wealth of knowledge and experience in corporate legal affairs, litigation, labor law, and other legal matters that she cultivated over many years as an attorney at law. Although she has no past experience of being involved in the management of a company in any way other than being an outside officer, based on the above knowledge and experience, she is expected to continue to contribute to the appropriate decision-making of the Board of Directors and to improvement of the effectiveness of management supervision. Therefore, we propose her election as an outside Director.				

Candidate No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
9	<p style="text-align: center;">Reelection Takahiro Mikami (October 13, 1959) Outside Independent</p>	<p>Apr. 1982 Joined Toshiba Machine Co., Ltd. June 2013 Executive Officer, Molding Machinery Business Unit Deputy General Manager June 2014 Director and Executive Officer, Molding Machinery Business Unit General Manager, and Sagami Plant General Manager June 2015 Director and Managing Executive Officer, Molding Machinery Business Unit General Manager, and Sagami Plant General Manager June 2016 Director and Managing Executive Officer, Molding Machinery Business Unit General Manager, Administration Division General Manager, Tokyo Head Office General Manager, and in charge of Sales Promotion Department Apr. 2017 President and Chief Operating Officer Feb. 2020 Director June 2020 Advisor of Shibaura Machine Co., Ltd. June 2022 Director, the Company (to present)</p>	0
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles] Takahiro Mikami has a track record of optimizing overseas bases as a Representative Director and President based on his wealth of knowledge and experience cultivated in the business, sales, and administration sections of the globally expanding manufacturing industry. Based on his wealth of knowledge and experience of management in general, he is expected to continue to contribute to the appropriate decision-making of the Board of Directors and to improvement of the effectiveness of management supervision. Therefore, we propose his election as an outside Director.</p>			

(Reference)

<Structure of the Board of Directors>

The Articles of Incorporation of the Company stipulate that the Company shall have no more than nine (9) Directors, while the basic rule is to have a necessary and appropriate number of Directors to ensure an effective management system and substantive discussions at the Board of Directors meetings. In order to ensure diversity and expertise on the Board of Directors, the Board of Directors shall be composed of persons deemed appropriate, taking into consideration a balance of Executive Directors who have excellent personality, insight, and ability to get things done, and are well-versed in the Group's business, and outside Directors in an independent position.

<Skills Matrix of Directors after This General Meeting of Shareholders>

If Proposal 1 is approved and adopted as proposed, the skills matrix of Directors will be as follows.

Name	Skills and Experience							
	Corporate Management	Finance and Accounting	Legal Affairs and Risk Management	Global and Overseas Business	Personnel/Labor Affairs/Human Resource Development	Sales	Technology/Safety/IT/DX	ESG and Sustainability
Nobuhiko Takamatsu	●	◆	●	●	◆	●	●	●
Hiromi Ishii	●			●			●	●
Shinichi Kijima	●	●	●	◆	●	◆		
Masayoshi Takezawa	●				●		●	●
Tsuyoshi Nakamura		●			●		●	●
Shuichi Tachibana			●	●	●	●		
Takeshi Kiriya	●	●	●	●	◆	◆		●
Hiroko Kaneko			●	●				
Takahiro Mikami	●	◆	●	◆	●	●	●	

Items marked with ◆ represent skills as an experienced representative Director.

Skills of executive Directors other than experienced representative Directors are limited to four items.

Proposal 2 Election of Two (2) Audit & Supervisory Board Members

At the conclusion of this meeting, the terms of office of the Audit & Supervisory Board Members Yukihiro Ogawa and Koichi Sakamoto will expire. Therefore, the Company proposes the election of two (2) Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name (Age)	Positions, duties, and responsibilities in the Company and significant concurrent positions outside the Company
1	New election Takanori Kawano (62 years old)	Councilor attached to Internal Audit Dept.
2	New election Shinya Hayakawa (61 years old)	Representative Director, President and CEO of Topy Agency, Ltd.

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. If each of the candidates is elected, the Company plans to enter into an agreement with each of them to limit their respective liability for damages set forth in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. According to this agreement, the limit of liability for damages shall be the amount stipulated by laws and regulations.
 3. The Company has concluded a directors and officers liability insurance policy with an insurance company, as set forth in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers any damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or from claims pertaining to the pursuit of such liability, and if each candidate is elected, they will be included as insured persons under the said insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the insurance policy with the same terms as above.
 4. The positions, duties, and responsibilities in the Company and significant concurrent positions outside the Company of each candidate are as of the date of dispatch of this notice of convocation.
 5. The age of each candidate is as of the conclusion of this Ordinary General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
1	New election Takanori Kawano (April 15, 1961)	Apr. 1985 Joined JACCS CO., LTD. Sept. 1989 Joined the Company Apr. 2017 Operating Officer, General Manager of Finance and Accounting Dept. Apr. 2021 Operating Officer, General Manager of Internal Audit Dept. Apr. 2023 Councilor attached to Internal Audit Dept. (to present)	4,300
		<p>[Reasons for nomination as candidate for Audit & Supervisory Board Member]</p> <p>Takanori Kawano possesses abundant knowledge and experience of accounting and internal auditing from his operational experience in the Company, including the Finance Department. and the Internal Audit Department. Based on this knowledge and experience, he is expected to strengthen the audit function by providing advice to ensure the legal compliance and appropriateness of decision-making by the Board of Directors and statements in the Audit & Supervisory Board meetings. Therefore, we propose his election as Audit & Supervisory Board Member.</p>	
2	New election Shinya Hayakawa (September 6, 1961)	Nov. 1986 Joined Yamada Toshio Law Office Nov. 1999 Joined the Company July 2008 General Manager for Legal Affairs, General Affairs Dept. Apr. 2013 General Manager of Administrative Dept., Undercarriage Components Div. Sept. 2016 Representative Director, President and CEO of Topy Agency, Ltd. (to present)	4,500
		<p>[Reasons for nomination as candidate for Audit & Supervisory Board Member]</p> <p>Shinya Hayakawa possesses abundant knowledge and experience related to the legal field and to management of business section. He has also demonstrated a high level of managerial ability as the Representative Director and President at a Group company. Based on this knowledge and experience, he is expected to strengthen the audit function by providing advice to ensure the legal compliance and appropriateness of decision-making by the Board of Directors and statements in the Audit & Supervisory Board meetings. Therefore, we propose his election as Audit & Supervisory Board Member.</p>	

(Reference)

<Policies and Procedures for Nominating Candidates for Directors and Officers>

The Company considers directors and officers to be persons of good personality, insight, and ability to get things done, and to be able to fulfill the duties of their offices, and nominates candidates for Executive Directors and Audit & Supervisory Board Members who are well-versed in the Group's business, and candidates for outside Directors and outside Audit & Supervisory Board Members who have a high degree of independence and expertise.

Candidates for the Company's Directors and Officers are deliberated by the Nomination Advisory Committee, a voluntary body, and based on its report, the Board of Directors decides on the candidates. Nomination for the reappointment of the President and other Executive Directors are deliberated annually by the Nomination Advisory Committee, based on an evaluation of the Company's performance and other factors. The Nomination Advisory Committee consists of three (3) outside members and one (1) internal member.

In the event of a violation of laws, regulations, or the Articles of Incorporation by the President or other Executive Directors, the Board of Directors will decide on the dismissal of such Directors from their positions or duties and the submission of a proposal for their dismissal to the General Meeting of Shareholders.

<Independence Standards>

The Company determines the independence of its outside Directors and outside Audit & Supervisory Board Members in accordance with the independence standards established by the Tokyo Stock Exchange and in consideration of their interests in the Company with respect to major shareholders, business partners, and parties with which the Company is required to disclose attribute information, parties with which outside officers have relationships of mutual appointment, and parties who receive donations from the Company, as well as the executives thereof.