Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 5852
(Mailing date) June 5, 2023
(Start date of electronic provision) June 1, 2023

To our shareholders:

Shinichi Takahashi, President, COO
Ahresty Corporation
[Head Office and Headquarters]
1-2 Nakabara, Mitsuya-cho, Toyohashi-shi, Aichi
[Tokyo Head Office]
2-46-1 Honcho, Nakano-ku, Tokyo

NOTICE OF THE 102nd GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 102nd General Meeting of Shareholders of Ahresty Corporation (the "Company"), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company's website:
https://www.ahresty.co.jp (in Japanese)
(From the above website, select "For Investors," and then "Shareholders Meeting.")

Website with information for the general meeting of shareholders:
https://d.sokai.jp/5852/teiji/ (in Japanese)

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)
(Access the TSE website by using the internet address shown above, enter "Ahresty" in "Issue name (company name)" or the Company's securities code "5852" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information" to check the information. Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

Please note that instead of attending the meeting on the specified date, you can exercise your voting rights via the internet, etc. or in writing (by postal mail). Please review the "Reference Documents for the General Meeting of Shareholders" provided towards the end of this document and cast your vote upon by 5:45 p.m. on Wednesday, June 21, 2023.
[If you choose to exercise your voting rights via the internet, etc.]
Please access the website (https://evote.tr.mufg.jp/) (in Japanese) designated by the Company for exercising your voting rights and use the "Voting Code" and "Password" provided on the voting form that is sent to you with this notice. Please follow the instructions on the screen and enter your approval or disapproval for each proposal by the specified deadline.

[If you choose to exercise your voting rights in writing (by mail)]
Please indicate your approval or disapproval for each proposal on the voting form and return it to us so that it arrives by the specified deadline.

1. **Date and Time:** Thursday, June 22, 2023 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** Harmony Square, 3rd floor, Harmony Hall
   1-32-2 Honcho, Nakano-ku, Tokyo
3. **Purpose of the Meeting**

   Matters to be reported:

   1. Business Report and Consolidated Financial Statements for the 102nd fiscal year (from April 1, 2022 to March 31, 2023) and Reports of Audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
   2. Non-Consolidated Financial Statements for the 102nd fiscal year (from April 1, 2022 to March 31, 2023)

   Matters to be resolved:

   Company proposal items

   Proposal No. 1 Election of Four (4) Directors (Excluding Directors Serving as the Audit and Supervisory Committee Members)

   Proposal No. 2 Election of Five (5) Directors Serving as the Audit and Supervisory Committee Members

   Shareholder proposal items

   Proposal No. 3 Amendments to the Articles of Incorporation Regarding the Appropriation of Retained Earnings

   Proposal No. 4 Amendments to the Articles of Incorporation for Acquisition of Own Shares

   Proposal No. 5 Amendments to the Articles of Incorporation Concerning the Authority for Determining Dividends of Retained Earnings and Other Surplus

   Proposal No. 6 Appropriation of Retained Earnings
4. **Matters to be Decided at the Meeting**
   1. If you exercise your voting rights in writing (by postal mail) and do not indicate approval or disapproval for a proposal on the voting form, it will be considered as approval for company proposals and disapproval for shareholder proposals.
   2. If you exercise your voting rights multiple times online, the last exercise of your voting rights will be considered as valid.
   3. If you exercise your voting rights both online and in writing (by postal mail), the voting rights exercised online will be considered as valid regardless of the date of arrival.

- We will receive questions and opinions on the Company's website (https://www.ahresty.co.jp/en/contact/ir_contact/). We plan to post responses to the questions and opinions we received through June 20 on the Company's website at a later date for matters of high interest to you. We ask for your understanding in the event that we are unable to respond to all of your questions and opinions. We appreciate your questions and opinions we received as reference for our future operations.
- A video of a portion of the shareholders' meeting on the day will be posted on the Company's website at a later date.
- All the attendees are kindly requested to submit the enclosed voting form to our reception desk at the venue on the day of meeting.
- Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.
  (i) Business Report: "Assets and Profit/Loss for the Three Most Recent Fiscal Years," "Main Business Activities," "Main Sales Offices and Factories," "Employee Situation," "Principal Lenders," "Other Important Matters Concerning the Current Status of the Corporate Group," "Status of Shares," "Status of Stock Acquisition Rights, etc.," "Matters Related to Outside Officers Among the Status of Company Officers Including Summary of Contents of Liability Limitation Contracts and Summary of Contents of Officer and Director Liability Insurance Contracts," "Status of Accounting Auditor," "System to Ensure Appropriateness of Operations and Overview of Operation of the System," "Policy for Determining Dividends of Retained Earnings," "Basic Policy on Company Control" (ii) Consolidated Financial Statements: "Consolidated Statements of Changes in Net Assets," "Notes to the Consolidated Financial Statements" (iii) Non-Consolidated Financial Statements: "Non-Consolidated Balance Sheet," "Non-Consolidated Statement of Income," "Statements of Changes in Net Assets," "Notes to the Non-Consolidated Financial Statements" (iv) Audit Reports: "Audit Report on Consolidated Financial Statements" and "Audit Report on Non-Consolidated Financial Statements"
  Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents subject to audits by the Accounting Auditor when creating its accounting audit reports and Audit and Supervisory Committee when creating its audit reports.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the aforementioned websites.

Reference Documents for the General Meeting of Shareholders

<Company Proposals (Proposal No. 1 and 2)>
Proposal No. 1 and 2 are proposals made by the Company.

Company proposal
Proposal No. 1 Election of Four (4) Directors (Excluding Directors Serving as the Audit and Supervisory Committee Members)

The term of office of all four (4) Directors (excluding Directors serving as the Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we request the election of four (4) Directors (excluding Directors serving as the Audit and Supervisory Committee Members). In addition, the candidates for election as Directors (excluding Directors serving as the Audit and Supervisory Committee Members) are determined on the basis of the report of the Nomination and Compensation Committee, in which the majority of members are composed of outside Directors with a chairperson served by an outside Director. The Audit and Supervisory Committee judges all candidates to be appropriate in consideration of familiarity with the Company's business, the high level of expertise and extensive experience each possess, and capability to contribute to the improvement of the corporate value of the Company in the medium to long term.
The candidates for election as Directors (excluding Directors serving as the Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position/areas of responsibility in the Company	
1	Arata Takahashi	Representative Director, Chairman, CEO Nomination and Compensation Committee Member	Reelection
2	Shinichi Takahashi	Representative Director, President, COO, Chief of Manufacturing Command, Chief of General Administrative Command	Reelection
3	Naoyuki Kaneta	Representative Director, Senior Managing Executive Officer, Chief of Quality Assurance Command Chief of Sales Command	Reelection
4	Hideki Nariya	Managing Executive Officer, Chief of General Administrative Command	New election

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions and areas of responsibility
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="2">1</td><td>Arata Takahashi
(November 2, 1955)

Reelection</td><td>Apr. 1979
Oct. 1986

June 1987
May 1994
June 1995
June 1997
Oct. 1997
June 2001
July 2001
June 2003
June 2005
Mar. 2023</td><td>Joined Ahresty Corporation
Director, Fuso Light Alloys of America Corporation (current Ahresty Wilmington Corporation)
Director, Ahresty Corporation
Chairman, Ahresty Wilmington Corporation
Senior Executive Director, Ahresty Corporation
Vice President, Ahresty Corporation
President, Ahresty Corporation
Director, Kyoto Die Casting Co., Ltd.
Executive Officer, Ahresty Corporation
Senior Executive Officer, Ahresty Corporation
CEO, Ahresty Corporation
Representative Director, Chairman, Ahresty Corporation (current position)
CEO, Ahresty Corporation (current position)</td><td>1,073,293</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
Mr. Arata Takahashi has long-standing achievements in leading the entire Group as Group’s management and abundant knowledge in the overall business. In consideration of the above, it was judged that he is appropriate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Shinichi Takahashi
(October 21, 1980)

Reelection</td><td>Apr. 2005
Apr. 2009
Jan. 2011
Apr. 2014

June 2016
June 2017

June 2019

Mar. 2023</td><td>Joined Hitachi, Ltd.
Joined Ahresty Corporation
Director, Ahresty Wilmington Corporation
General Manager, IT System Dept., Ahresty Corporation
Executive Officer, Ahresty Corporation
Managing Executive Officer, Ahresty Corporation
Chief, General Administrative Command, Ahresty Corporation
Director, Ahresty Corporation
Senior Managing Executive Officer, Ahresty Corporation
Representative Director, Ahresty Corporation
President, Ahresty Corporation (current position)
COO, Ahresty Corporation (current position)</td><td>75,429</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
Mr. Shinichi Takahashi has proven achievements in controlling the general administrative division of the Group as Chief of General Administrative Command of the Company as well as past experience in management and knowledge as Director of an overseas subsidiary and Executive Officer. In consideration of the above, it was judged that he is appropriate for Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and areas of responsibility
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="2">3</td><td>Naoyuki Kaneta
(April 26, 1964)

Reelection</td><td>Apr. 1983 Joined Ahresty Corporation
June 2006 General Manager, Western Japan Die Casting Sales Dept., Ahresty Corporation
Mar. 2007 Executive Officer, Ahresty Corporation
Deputy Chief, Sales Command; General Manager, Die Casting Sales Dept., Ahresty Corporation
May 2008 Chief, Sales Command, Ahresty Corporation
Apr. 2011 Managing Executive Officer, Ahresty Corporation
June 2015 Director, Ahresty Corporation
June 2019 Senior Managing Executive Officer, Ahresty Corporation (current position)
Mar. 2023 Representative Director, Ahresty Corporation (current position)
Chief, Quality Assurance Command, Ahresty Corporation (current position)</td><td>83,607</td></tr>
<tr><td colspan="3">(Reason for nomination as candidate for Director)
Mr. Naoyuki Kaneta has proven achievements in controlling the sales division of the Group as Chief of Sales Command of the Company as well as abundant experience in sales in the past. In consideration of the above, it was judged that he is appropriate for Director.</td></tr>
<tr><td rowspan="2">4</td><td>Hideki Nariya
(November 4, 1963)

New election</td><td>Apr. 1986 Joined Sanwa Bank (present MUFG Bank)
June 2015 Joined Ahresty Corporation
June 2017 General Manager, Management Planning Department, Ahresty Corporation
June 2019 Executive Officer, Ahresty Corporation
Apr. 2022 Chief, General Administrative Command, Ahresty Corporation (current position)
Apr. 2023 Managing Executive Officer, Ahresty Corporation (current position)</td><td>10,535</td></tr>
<tr><td colspan="3">(Reason for nomination as candidate for Director)
Mr. Hideki Nariya has proven achievements in controlling the general administrative division of the Group as Chief of General Administrative Command of the Company as well as past experience in management and knowledge as Executive Officer. In consideration of the above, it was judged that he is appropriate for Director.</td></tr>
</table>

(Notes)
1. There are no conflicts of interest between each candidate and the Company.
2. If the reelection of Arata Takahashi is approved, the Company plans to continue to select him as a Nomination and Compensation Committee Member.
3. The Company has concluded a directors and officers liability insurance policy with all Directors as insured persons. In the event this proposal is approved as proposed and each candidate assumes the position of Director, each candidate shall become an insured person under the insurance policy. The insurance policy covers damages 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 upon receipt of claims pertaining to the pursuit of such liability. However, there are certain exemptions, including the case where damage caused by an act that is committed in recognition of a violation of laws and regulations may not be compensated. The entire premium is borne by the Company. The policy is scheduled for renewal with the same contents at the next renewal.

Company proposal

Proposal No. 2 Election of Five (5) Directors Serving as the Audit and Supervisory Committee Members

The term of office of all five (5) Directors serving as the Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we request the election of five (5) Directors serving as the Audit and Supervisory Committee Members. In addition, the candidates for Directors serving as the Audit and Supervisory Committee Members are determined on the basis of the report of the Nomination and Compensation Committee, in which the majority of members are composed of outside Directors with a chairperson served by an outside Director. The Audit and Supervisory Committee consents to this proposal.

[Ahresty Corporation Independent Director Election Standards]

In addition to the standards stipulated in the Companies Act and by the Tokyo Stock Exchange, the election will be held in accordance with the "Independent Director Election Standards" (established in October 2015) related to independence from the Company for electing outside Directors, and efforts will be made to eliminate the risk of conflict of interest with general shareholders.

[Broad Overview of Independent Director Election Standards]

1. The candidate should not be currently serving or in the past ten years served as an Executive Director of the Ahresty group.
2. The candidate should not be currently serving or in the past five years served as a Director, Statutory Auditor, Executive Officer or any other position in a major shareholder, etc. of the Company.
3. The candidate should not be a person who executes business or an employee serving any other role at any major customer/supplier of the Ahresty Group. Major customer/supplier refers to a buyer whose trade amount accounts for 2% or more of consolidated sales of the Ahresty Group or a supplier whose trade amount with the Ahresty Group accounts for 2% or more of consolidated sales of the customer/supplier in the past three fiscal years.
4. The candidate should not be a Director or any other officer, or an employee of a non-profit organization, etc., receiving donations of a certain amount or above from the Ahresty Group. A certain amount refers to ¥10 million or an amount that is 2% or more of the total revenue of the organization, on average over the past three fiscal years.
5. The candidate should not be an attorney at law, a certified public accountant or licensed tax accountant, or any other consultant who has received money or other economic benefits of at least a certain amount other than officer remuneration from the Ahresty Group, in the past three fiscal years. A certain amount refers to ¥10 million or more annually, on average over the past three years.
6. The candidate should not be a spouse or relative, etc., within the second degree of kinship of a person who falls under the following.
   (1) Currently serving or in the past five years served as a Director, Statutory Auditor, or a significant employee of the Company
   (2) Currently serving or in the past five years served as a Director of subsidiaries of the Company
   (3) Persons for which assuming office is restricted as provided in 2 to 5 above.

The candidates for election as Directors serving as the Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current position/areas of responsibility in the Company	
1	Kazuyuki Sakai	Director, full-time Audit and Supervisory Committee Member	Reelection
2	Shuhei Shiozawa	Director, Audit and Supervisory Committee Member	Reelection Outside Director Independent Officer
3	Akiyoshi Mori	Director, Audit and Supervisory Committee Member	Reelection Outside Director Independent Officer
4	Kimiko Terai		New election
5	Toshihiro Matsuba		New election

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and areas of responsibility
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="2">1</td><td>Kazuyuki Sakai
(December 11, 1960)

Reelection</td><td>Apr. 1984 Joined Ahresty Corporation
Nov. 2006 General Manager, Kumagaya Plant; General Manager, Aluminum Ingot Sales Dept., Ahresty Corporation
July 2014 General Manager, Human Resources Dept., Ahresty Corporation
Apr. 2018 Managing Director, Ahresty India Private Limited
May 2020 Senior Advisor, Audit and Supervisory Committee Office, Ahresty Corporation
June 2021 Director [full-time Audit and Supervisory Committee Member], Ahresty Corporation (current position)</td><td>17,436</td></tr>
<tr><td colspan="3">(Reason for nomination as candidate for Director)
In addition to having experience in the sales and human resources divisions of the Company, Mr. Kazuyuki Sakai served as general manager of domestic and overseas plants, and has comprehensive familiarity with the Company’s business. He has management experience and knowledge gained at overseas subsidiaries. Accordingly, the Company has determined that he is qualified to be a Director serving as the Audit and Supervisory Committee Member.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and areas of responsibility
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="2">2</td><td>Shuhei Shiozawa
(September 19, 1955)

Reelection
Outside Director
Independent Officer</td><td>Nov. 1986 Holds a Ph.D. from the University of Minnesota (Economics)
Apr. 1987 Associate Professor, Keio University Faculty of Economics
Apr. 1991 Visiting Research Fellow, Paris Institute of Political Studies (Sciences Po)
Apr. 1994 Professor, Keio University Faculty of Economics
Jan. 2001 International Economics Manager and Councilor, Cabinet Office (Japan)
Oct. 2005 Dean of Keio University Faculty of Economics
Apr. 2008 Certified Public Accountant, Examiner
Mar. 2012 Director, Kenedix, Inc. (outside Director)
June 2016 Director, KYB Corporation (outside Director) (current position)
June 2017 Director [Audit and Supervisory Committee Member], Ahresty Corporation (current position)
Apr. 2019 Professor Emeritus, Keio University (current position)
President, Tokyo International University
Apr. 2022 Councilor and Professor, Faculty of Economics, Tokyo International University (current position)
(Significant concurrent positions outside the Company)
Director (Outside Director), KYB Corporation; Councilor and Professor, Faculty of Economics, Tokyo International University</td><td>–</td></tr>
<tr><td colspan="3">Reason for nomination as candidate for outside Director and summary of expected roles
Mr. Shuhei Shiozawa has never in the past been directly involved in management of a company except as an outside director. However, he is a professor of economics specializing in theoretical economics and financial theory with extensive experience and insight as a university professor of economics and president. Taking advantage of this knowledge, he hopes that he will continue to provide supervision and advice on the execution of duties by Directors from a specialist perspective on corporate finance and corporate management that emphasizes shareholders’ value, and therefore the Company has determined that he is eligible as an outside Director serving as the Audit and Supervisory Committee Member. In addition, if Mr. Shuhei Shiozawa is elected, he will participate from an objective and neutral standpoint in the selection of our executive candidates and the determination of executive compensation, etc. as chairperson of the Nomination and Compensation Committee.</td></tr>
<tr><td rowspan="2">3</td><td>Akiyoshi Mori
(June 15, 1948)

Reelection
Outside Director
Independent Officer</td><td>Apr. 1978 Registered as an attorney at law (Tokyo Bar Association)
Apr. 1978 Joined Osaki Law Office
Apr. 2008 Mori & Kikuchi Law Office (current position)
June 2019 Director [Audit and Supervisory Committee Member], Ahresty Corporation (current position)</td><td>–</td></tr>
<tr><td colspan="3">Reason for nomination as candidate for outside Director and summary of expected roles
Mr. Akiyoshi Mori has never in the past been directly involved in the management of a company, but he is a certified attorney at law with extensive experience for many years and specialized knowledge concerning corporate legal affairs. Taking advantage of this knowledge, the Company expects him to continue to provide supervision and advice on the execution of duties by Directors from a specialist perspective, particularly in corporate legal affairs, and the Company has determined that he is eligible as an outside Director serving as the Audit and Supervisory Committee Member. In addition, if Mr. Akiyoshi Mori is elected, he will participate from an objective and neutral standpoint in the selection of our executive candidates and the determination of executive compensation, etc. as a member of the Nomination and Compensation Committee.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and areas of responsibility
(significant concurrent positions outside the Company)</th><th>Number of the Company’s shares held</th></tr>
<tr><td rowspan="2">4</td><td>Kimiko Terai
(July 31, 1962)

New election
Female
Candidate for outside Director
Candidate for Independent Officer</td><td>Apr. 2001 Researcher, Research Department, The Tokyo Institute for Municipal Research
Apr. 2002 Assistant Professor, Hosei University Faculty of Business Administration (title changed to Associate Professor in 2007)
Jan. 2007 Visiting Scholar, University of California, Irvine
Apr. 2008 Professor, Hosei University Faculty of Business Administration
Apr. 2012 Professor, Keio University Faculty of Economics (current position)
Apr. 2013 Professor, Keio University Graduate School of Law
June 2015 Outside Director, Alfresa Holdings Corporation
(Significant concurrent positions outside the Company)
Professor, Keio University Faculty of Economics</td><td>–</td></tr>
<tr><td colspan="3">Reason for nomination as candidate for outside Director and summary of expected roles
Ms. Kimiko Terai has never in the past been directly involved in management of a company except as an outside director. However, she has deep insight and broad experience as an economist, and is an academic expert familiar with the financial sector, including the social security system. Taking advantage of this knowledge, she hopes that she will provide supervision and advice on the execution of duties by Directors from a specialist perspective on corporate governance, and therefore the Company has determined that she is eligible as an outside Director serving as the Audit and Supervisory Committee Member. In addition, if Ms. Kimiko Terai is elected, she will participate from an objective and neutral standpoint in the selection of our executive candidates and the determination of executive compensation, etc. as a member of the Nomination and Compensation Committee.</td></tr>
<tr><td rowspan="2">5</td><td>Toshihiro Matsuba
(October 13, 1962)

New election
Candidate for outside Director
Candidate for Independent Officer</td><td>Apr. 1985 Joined Nippon Light Metal Co., Ltd.
July 2004 Head of Shimizu Plant Technology Department, Nippon Light Metal Co., Ltd.
Sep. 2006 Head of Shimizu Plant Development Department, Nippon Light Metal Co., Ltd.
Jan. 2009 Head of Overseas Operations Department of the Chemicals Div., Nippon Light Metal Co., Ltd.
June 2013 Head of Administration Department of the Chemicals Div., Nippon Light Metal Co., Ltd. (concurrent position)
Oct. 2015 Head of Shimizu Plant, Nippon Light Metal Co., Ltd.
June 2017 Officer, Head of Chemicals Div., Nippon Light Metal Co., Ltd.
June 2021 Managing Director and Executive Officer, Nippon Light Metal Co., Ltd. (current position)
Director, Head of Technology & Development Administration Dept., Nippon Light Metal Holdings Company, Ltd. (current position)</td><td>–</td></tr>
<tr><td colspan="3">Reason for nomination as candidate for outside Director and summary of expected roles
Mr. Toshihiro Matsuba has extensive experience and insight as a Director and Executive Officer of a non-ferrous metal company. Therefore, the Company expects that he will utilize this knowledge to supervise and provide advice on the execution of duties by Directors from a specialist perspective, particularly with respect to the reasonableness and appropriateness of decision making of the board. Accordingly, the Company has determined that he is qualified to be an outside Director serving as the Audit and Supervisory Committee Member. In addition, if Mr. Toshihiro Matsuba is elected, he will participate from an objective and neutral standpoint in the selection of our executive candidates and the determination of executive compensation, etc. as a member of the Nomination and Compensation Committee.</td></tr>
</table>

(Notes) 1. There are no conflicts of interest between each candidate and the Company.
2. There are no trade relations between the Ahresty Group and the companies that Shuhei Shiozawa, Akiyoshi Mori and Kimiko Terai serve as executives for.

3. Nippon Light Metal Co., Ltd., one of the companies where Toshihiro Matsuba executes business, owns 657,392 shares of Ahresty Corporation stock. Additionally, the Ahresty Group has trade relations with the companies consolidated under Nippon Light Metal Holdings Company, Ltd. as a supplier of aluminum raw materials. However, the total amount of the transactions accounts for less than 0.7% of the consolidated sales of Nippon Light Metal Holdings Company, Ltd. Both the number of shares owned and transaction amount have been judged to be insignificant in regards to any special interest.
4. Shuhei Shiozawa, Akiyoshi Mori, Kimiko Terai and Toshihiro Matsuba are candidates for outside Director.
5. The Company has submitted notification to the Tokyo Stock Exchange that Shuhei Shiozawa and Akiyoshi Mori have been designated as independent officers as provided for by the aforementioned exchange.
6. Kimiko Terai and Toshihiro Matsuba satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning their appointment as an independent officer.
7. If the reelection of Kazuyuki Sakai, Shuhei Shiozawa and Akiyoshi Mori is approved, the Company plans to continue to select Shuhei Shiozawa as Chairperson of the Nomination and Compensation Committee, and Kazuyuki Sakai and Akiyoshi Mori as Nomination and Compensation Committee Members. If the election of Kimiko Terai and Toshihiro Matsuba is approved, the Company plans to select them as Nomination and Compensation Committee Members.
8. Shuhei Shiozawa and Akiyoshi Mori are currently outside Directors of the Company. At the conclusion of this meeting, Shuhei Shiozawa's tenure as outside Director will have been six years. At the conclusion of this meeting, Akiyoshi Mori's tenure as outside Director will have been four years.
9. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Kazuyuki Sakai, Shuhei Shiozawa, and Akiyoshi Mori to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under these agreements is ¥4 million or the minimum liability amount provided for under Article 425, paragraph 1 of the Companies Act, whichever is higher. If their reelection is approved, the Company plans to renew these agreements with them. If the election of Kimiko Terai and Toshihiro Matsuba is approved, the Company plans to enter into the same limited liability agreement with them.
10. The Company has concluded a directors and officers liability insurance policy with all Directors as insured persons. In the event this proposal is approved as proposed and each candidate assumes the position of Director, each candidate shall become an insured person under the insurance policy. The insurance policy covers damages 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 upon receipt of claims pertaining to the pursuit of such liability. However, there are certain exemptions, including the case where damage caused by an act that is committed in recognition of a violation of laws and regulations may not be compensated. The entire premium is borne by the Company. The policy is scheduled for renewal with the same contents at the next renewal.

Reference

Skill Matrix of Directors

In the event that Proposal 1 and Proposal 2 are approved, the skill matrix of Directors is as follows.

Current position	Name	Full-time	Areas of responsibility/ expertise	Manufacturing/ Quality/ Technology development	Sales/ Marketing	Finance/ Accounting/ Capital policy	Legal/Risk management	Global (international experience)	Human Resources/ ESG
Representative Director, Chairman	Arata Takahashi	○	CEO	●	●	●	●	●	●
Representative Director, President	Shinichi Takahashi	○	COO Chief of Manufacturing Command	○		●	●	●	●
Representative Director	Naoyuki Kaneta	○	Chief of Sales Command Chief of Quality Assurance Command	○	●				
Director	Hideki Nariya	○	Chief of General Administrative Command			●	●	○	●
Director, Audit and Supervisory Committee Member	Kazuyuki Sakai	○		●	●		●	●	●
	Shuhei Shiozawa		Ph.D. in Economics			●		○	●
	Akiyoshi Mori		Lawyer				●		
	Kimiko Terai		Ph.D. in Economics			●			●
	Toshihiro Matsuba		Business Executive	●	●			●	

Required knowledge, experience and ability	Expectation
Manufacturing/Quality/Technology development	Respond to the rapid progress of electrification / Contribute to world-class manufacturing
Sales/Marketing	Respond to overseas market expansion
Finance/Accounting/Capital policy	Strengthen Group profitability and financial base
Legal/Risk management	Enhance management to undertake appropriate risks
Global (international experience)	Perform management in response to overseas business expansion
Human Resources/ESG	Respond to sustainability management

(Note) Cases where the skills indicated are based on direct knowledge, experience, or abilities are represented with a ●, and those based on related knowledge, experience, or abilities are represented with a ○.

<Shareholder Proposals (Proposal 3 to 6)>

Proposal 3 to Proposal 6 are based on proposals by one shareholder (owning 4,261 voting rights) (hereinafter referred to as the "Proposing Shareholder").

The following outlines and reasons for the proposals are presented as submitted by the Proposing Shareholder, with the exception of formal modifications, and are stated in the original text, including wording and factual understanding.

Shareholder proposal

Proposal No. 3 Amendments to the Articles of Incorporation Regarding the Appropriation of Retained Earnings

1. Outline of Proposal

   Amend the current Articles of Incorporation by shifting each provision from Article 42 onwards down by one article, and introduce new Article 42 as follows. The amendment to the Articles of Incorporation indicated by this proposal shall take effect upon its approval at the General Meeting of Shareholders.

   (Fiscal Year-End Dividend)

   Article 42. The Company shall distribute dividends at the end of each fiscal year, within the range of the distributable amount, from other retained earnings as the source in an amount equivalent to 3% or more of net assets, as fiscal year-end dividends. However, in cases where there is a clear and reasonable necessity for the Company to pay an amount below the standard amount to shareholders and the Company provides appropriate explanation for this reasonable necessity, the above provision shall not apply.

2. Reason for the proposal

   The Company is a major manufacturer of aluminum die-cast parts and was a profitable enterprise, generating high profits prior to the COVID-19 pandemic. However, our Price-to-Book Ratio (PBR) currently stands at 0.22 times (as of March 24, 2023), which is significantly undervalued compared to the industry average of 1.16 times on the Tokyo Stock Exchange Prime Market. The decline in the Company's stock price can be attributed to the disruptions caused by the COVID-19 pandemic and semiconductor shortages, as well as the increasing trend towards electric vehicles and the concept of "engineless" automobiles. Despite these challenges, our financial position remains strong and stable.

   In contrast, the dividend, which was ¥26 in FY2017, has experienced a substantial decrease to ¥10 in the FY2022 company forecast. Companies in the automotive parts sector, characterized by significant fluctuations in earnings due to model cycles, often experience considerable variations in dividend payments based on profit levels. Considering the instability of dividend payments as a contributing factor to the lower stock price, the Company proposes the implementation of a dividend on equity (DOE) ratio based on equity capital to enhance the stability of shareholder returns. The Company believes that this measure will lead to a more sustainable and steady shareholder composition in the long term.

Opinion of the Board of Directors

Objection	The Board of Directors opposes this proposal based on the following reasons.

Opinion of the Board of Directors of the Company in Relation to Shareholder Proposals in General

There are four shareholder proposals, all of which are opposed by the Board of Directors of the Company.

The series of proposals from this shareholder consists, as stated in the "Summary of proposal" and "Reasons for proposal" for each of Proposals No. 3 to No. 6, of an appeal to other shareholders by means of an insistence on continuously paying a dividend based on the dividend on equity ratio (DOE) for as long as there are profits available for dividends, and on continuously implementing share buybacks equivalent to 1% of net assets until the price-to-book ratio recovers to 1x. The opinion of the Board of Directors is as follows.

The businesses of the Ahresty Group (the Company and its affiliates) consist of the following.

(1) The core Die Casting Business, the main products of which are engine blocks, transmissions, structural components, and parts for electric vehicles.

(2) The Aluminum Business, the main products of which are secondary alloy ingots for die casting, and secondary alloy ingots for casting.

(3) The Proprietary Products Business, the main products of which are raised floor systems.

The Ahresty Group is currently pushing forward with the 22-24 Medium-Term Management Plan, which is the first action plan being implemented under its 10-year Business Plan, a long-term management plan ending in 2030. The 10-year Business Plan set "shifting the business portfolio to predominantly parts for electric vehicles," "establishing low-cost, highly productive MONOZUKURI," and "reducing CO2 emissions in production" as the pillars of our strategy, in response to changes in the external environment, such as the acceleration of electrification of automobiles and moves toward carbon neutrality. Based on these pillars, we are working to secure net sales by shifting away from parts for internal combustion engines and towards product lines focused on parts for electric vehicles, improve productivity, and enhance earnings strength.

The automobile industry is the main customer for the core products of the Ahresty Group, and is currently going through a once-in-a-century transformation. With the electrification of automobiles proceeding more quickly than was previously expected, the Ahresty Group is responding to this trend by expanding its efforts to win orders for electric vehicle parts, strengthening its presence in the market for vehicle body parts made out of aluminum, which contribute to weight reductions, and working to establish new business and expand existing business with companies, both in Japan and overseas, whose strengths include parts for electric vehicles. The accelerated transition to electric vehicles has led to an increase in demand for die casting, and in opportunities to acquire new customers, and we perceive this to be a significant new growth opportunity for the Ahresty Group. On the other hand, the automobile industry is in an extraordinarily fluid state, as can be seen by regional variations in the shift to electric vehicles, and the emergence of new automobile manufacturers. The business model of the Ahresty Group is such that it receives orders and invests in production facilities upfront in relation to products for which net sales will not be recognized for approximately three years. Particularly during the current industry transformation, which is characterized by many variable factors, we believe it is important to ensure that our balance sheet remains solid to enable us to secure stable order flows and invest steadily even when unforeseen changes occur.

In terms of the recent performance of the Ahresty Group, we began to see a moderate recovery trend in the second half of the fiscal year ended March 31, 2023, and despite a net loss attributable to owners of parent for the fiscal year as a whole, both operating income and recurring income were positive for the first time in three years. The past three years have been a particularly challenging environment for business, with the spread of COVID-19, cutbacks in production by our main customers as a result of shortages of semiconductors for automobiles, logistics disruptions caused by lockdowns in China and the spread of COVID-19 resulting from the cancellation of the zero-COVID policy, and soaring energy prices triggered by the invasion of Ukraine by Russia. The Ahresty Group has worked together as one to focus on overcoming this long ordeal. As a consequence, we are beginning to see the results of activities to improve productivity, revise prices for our products, and win orders for electric vehicle parts from new customers. Going forward, we expect this trend of recovery in our performance to continue but the shortage of semiconductors in the automobile industry is projected to be resolved only gradually. Accordingly, we forecast that sales weight (tons of products sold), which is the benchmark used by the Ahresty Group to estimate its volume of work, will not return to the level of 190,000 tons or so recorded in the fiscal year ended March 31, 2019, before the emergence of COVID-19, until the fiscal year ending March 31, 2025 or beyond.

The deterioration in performance over the past few years, the resulting decline in the share price, and the fall of the price-to-book ratio below 1x, have all been treated with the utmost seriousness by the Board of Directors. The

Ahresty Group regards the dramatic progress towards electrification being made by the vehicle industry as a new growth opportunity that will lead to expanded demand for die casting and an increase in opportunities to acquire new customers, and is working as one to push forward with the 10-year Business Plan and resolve the weakness in the share price. Under these circumstances, the annual payment of dividends based on the dividend to equity ratio (DOE) regardless of the trend in profits, and the implementation of continuous share buybacks equivalent to 1% of net assets, both of which are called for by these shareholder proposals, would impair the operation of the Group's businesses and the flexibility of its capital strategy, including returns to shareholders. It is our judgment that it would also risk the stagnation of medium- to long-term business development and of sustainable improvements in corporate value, and accordingly harm the interests of shareholders.
The above is the opinion of the Board of Directors in relation to the continuous increases in dividends and share buybacks that are the appeal and the objective of the four proposals submitted by these shareholders.

As explained in "Opinion of the Board of Directors of the Company in Relation to Shareholder Proposals in General" above, the Ahresty Group is midway through a recovery in performance in an environment where the shortage of semiconductors for automobiles is being resolved only gradually. Moreover, the automobile industry that is the main customer of the Ahresty Group's core die casting business is in the middle of a once-in-a-century transformation, and industry trends going forward are subject to many variable factors.
It is in this business environment and with the recovery in performance still in progress that the Board of Directors is doing everything in its power to return the Ahresty Group to a growth track, while at the same time considering returns to shareholders on an ongoing basis. Even during the challenging business environment of the past three years, the Board of Directors has placed great importance on returns to shareholders from the perspective of meeting their expectations to the extent possible, and has paid dividends while ensuring that they are not so high as to harm the financial soundness of the Company as it makes growth investments for electrification.
By comparison, this proposal calls for amendments to the Articles of Incorporation to the effect that dividends of surplus, etc. are to be paid annually, and are to not fall below 3% of the net assets of the Company, as a rule. However, if such provisions were established in the Articles of Incorporation, there is the risk that they would impair the agility and flexibility of the business operations of the Ahresty Group during a once-in-a-century transformation of the automobile industry, as well as of the capital policy, which includes returns to shareholders. The Board of Directors also believes that there is a danger of negative impacts on medium- to long-term growth investments and the financial soundness of the Company.
In addition, the Articles of Incorporation are the basic rules that govern the organizational activities of a company limited by shares, and the Board of Directors believes that specifying detailed matters relating to dividends of surplus, etc. in the Articles of Incorporation runs counter to their spirit.
For the above reasons, the Board of Directors of the Company opposes this proposal.

Shareholder proposal

Proposal No. 4 Amendments to the Articles of Incorporation for Acquisition of Own Shares

1. Outline of Proposal

   The following Article 44 (or Article 45 if Proposal 3 is approved at this General Meeting of Shareholders) is proposed to be newly established. The amendment to the Articles of Incorporation indicated by this proposal shall take effect upon its approval at the General Meeting of Shareholders.

   (Acquisition of Own Shares)

   Article 44. Until the Company's stock price recovers to a Price-to-Book Ratio (PBR) of 1.0 or higher, the Company shall engage in the periodic acquisition of its own shares, with the total amount of acquisitions equivalent to 1% or more of the year-end equity, within the range of distributable earnings.

2. Reason for the proposal

   The stock price of the Company is subject to fluctuations influenced by macroeconomic conditions and market trends. It does not always align with our financial performance. However, during periods of low stock prices, implementing a share repurchase program during times of low stock prices not only improves the financial performance but also demonstrates a proactive management approach that does not overlook the decline in stock prices, fostering a sense of security among shareholders and increasing corporate value.

   In recent years, the company has implemented a series of profit improvement measures, such as reducing overseas personnel, significant reduction in investment securities, impairment of our US subsidiary, and the closure of the Matsuyama plant with the recognition of proceeds from its sale (¥3 billion). As a result, the Company expects to achieve an operating profit in the second half of the FY2022. Despite the signs of overcoming the period of low earnings, the sluggish PBR can be attributed to the concerns of shareholders regarding the Company's management stance of not conducting share buybacks despite having financial capacity and overlooking the decline in stock prices. To address these concerns and regain the trust of our shareholders, the company puts forward the aforementioned proposal to continue the repurchase of company shares until the stock price exceeds a PBR of 1x.

Opinion of the Board of Directors

Objection	The Board of Directors opposes this proposal based on the following reasons.

As explained in "Opinion of the Board of Directors of the Company in Relation to Shareholder Proposals in General" in "Opinion of the Board of Directors" in "Proposal No. 3 Amendments to the Articles of Incorporation regarding the Appropriation of Retained Earnings," the Ahresty Group is midway through a recovery in performance in an environment where the shortage of semiconductors for automobiles is being resolved only gradually. Moreover, the automobile industry that is the main customer of the Ahresty Group's core die casting business is in the middle of a once-in-a-century transformation, and industry trends going forward are subject to many variable factors.

The deterioration in performance over the past few years, the resulting decline in the share price, and the fall of the price-to-book ratio below 1x, have all been treated with the utmost seriousness by the Board of Directors. While taking into account the business environment in which the Ahresty Group operates and the characteristics of its businesses, the Company is working to resolve the weakness in the share price by pursuing the following four financial strategies, which were set in the 10-year Business Plan.

(1) Enhancing capital efficiency over the medium and long term by achieving return on equity (ROE) that exceeds the cost of capital.

(2) Maintaining a healthy balance sheet to provide flexibility in winning orders and enable continued growth investments.

(3) Capturing demand related to weight reductions and electrification, acquiring new customers for electric vehicle parts, and continuing to make labor-saving and energy-saving investments for growth.

(4) Providing shareholder returns based on consolidated performance.

The goal of the Company is to move forward with the 10-year Business Plan, achieve rapid improvements in profitability by successfully shifting towards product lines focused on parts for electric vehicles, and raise the price-to-book ratio by meeting the expectations of shareholders for a recovery in performance.

With regard to the acquisition of own shares, the Company has for some time been considering a comprehensive range of factors including performance, necessity for investment, financial position, and external environment, based on a flexible approach to timing. It has already announced, on April 27, 2023, the acquisition of own shares for a total acquisition price of up to ¥500 million, or up to 900,000 shares, financed through the sale of the Higashimatsuyama Plant.

By comparison, this proposal calls for amendments to the Articles of Incorporation to the effect that share buybacks equivalent to at least 1% of net assets are to be implemented every year until the share price recovers to a price-to-book ratio of 1x, without taking into account performance during the fiscal year, investment needs, the financial state of shareholders' equity, or the external environment. If such provisions were established in the Articles of Incorporation, there is the risk that they would impair the agility and flexibility of the business operations of the Ahresty Group during a once-in-a-century transformation of the automobile industry, as well as of the capital policy, which includes returns to shareholders, and as a result the Board of Directors judges that they would not lead to improvements in corporate value over the medium to long term.

Furthermore, in the reasons provided for this proposal, it is pointed out that the Company has not implemented share buybacks despite having excess financial capacity. The Company's consolidated equity ratio in the fiscal year ended March 31, 2023 was 41.2%, but the consolidated equity ratio (capital ratio) after deducting foreign currency translation adjustments that is not the result of the Company's performance was 34.7%, and the Board of Directors has a different view on what constitutes excess financial capacity. The Company's policy is to continue to consider a comprehensive range of factors including performance, necessity for investment, financial position, and external environment, and implement acquisitions of own shares based on a flexible approach to timing.

Moreover, the Articles of Incorporation are the basic rules that govern the organizational activities of a company limited by shares, and the Board of Directors believes that specifying detailed matters relating to acquisition of own shares, etc. in the Articles of Incorporation runs counter to their spirit.

For the above reasons, the Board of Directors of the Company opposes this proposal.

Shareholder proposal

Proposal No. 5 Amendments to the Articles of Incorporation Concerning the Authority for Determining Dividends of Retained Earnings and Other Surplus

1. Outline of Proposal
   The current Article 41 of the Articles of Incorporation will be amended as follows. The amendment to the Articles of Incorporation indicated by this proposal shall take effect upon its approval at the General Meeting of Shareholders.

(the underlined text indicates the changed part.)

Current Articles of Incorporation	Proposed amendments
The Company shall determine the matters stipulated in Article 459, Paragraph 1 of the Companies Act, including the dividends of retained earnings, through resolutions of the Board of Directors, except where otherwise provided by law, <u>without requiring approval from the General Meeting of Shareholders</u>.	The Company <u>may</u> determine the matters stipulated in Article 459, Paragraph 1 of the Companies Act, including the dividends of retained earnings, through resolutions of the Board of Directors, except where otherwise provided by law.

2. Reason for the proposal
   To enable the Company to distribute retained earnings for the year-end dividend corresponding to the fiscal year ended in March 2023 according to Proposal 6 and resolution of the General Meeting of Shareholders for the reasons indicated in “2. Reason for the proposal” in Proposal 3.

Opinion of the Board of Directors

Objection	The Board of Directors opposes this proposal based on the following reasons.

The capital policy of the Company is determined after taking into account changes in the business environment in which the Ahresty Group operates, the characteristics of its businesses, and other factors. In order to enable agile decisions about what is an appropriate dividend amount after taking into account the sustainable growth and development of the Company as well as the interests of shareholders, dividends of surplus, etc. for the Company are determined not by a general meeting of shareholders but, as a matter to be decided by management, by a resolution of the Board of Directors. For this reason, pursuant to the provisions of Article 459, Paragraph 1 and Article 460 of the Companies Act, the decision-making mechanism for dividends of surplus, etc. of the Company is a resolution of the Board of Directors.

The Board of Directors will work to improve corporate value based on this approach as well as its capital policy and basic policy of shareholder returns to provide appropriate returns while seeking to bolster the financial position and the management base required to develop the business over the medium and long term.

For the above reasons, the Board of Directors of the Company opposes this proposal.

Shareholder proposal
Proposal No. 6 Appropriation of Retained Earnings

1. Outline of Proposal
For the year-end dividend for retained earnings for the fiscal year ended in March, 2023 the total amount of dividends of retained earnings (hereinafter referred to as the "dividend amount determined by the Board of Directors" if applicable) determined as the year-end dividends of retained earnings for the fiscal year ended in March 2023 based on the resolution of the Board of Directors of the Company is deducted from the amount equivalent to 3% of net assets, and this amount shall be distributed (in addition to the dividend amount determined by the Board of Directors) as follows using other retained earnings as the source of dividends.
(a) Type of dividend asset
Cash
(b) Matters concerning the allocation of dividend assets to shareholders
¥41 in cash (hereinafter referred to as the "standard dividend amount per share") minus the dividend amount determined by the Board of Directors for each share of common stock of the Company.
The total dividend amount of ¥1,063,008,927 (hereinafter referred to as the "standard total dividend amount") minus the dividend amount determined by the Board of Directors.
However, the aforementioned standard dividend amount per share and standard total dividend amount are based on the assumption that the total number of issued shares of the Company is 26,076,717 shares, of which 149,670 shares are treasury shares (hereinafter referred to as the "standard number of shares," which is obtained by deducting the number of treasury shares from the total number of issued shares at a certain time), and the net assets as of the end of the fiscal year ended March 2022 amount to ¥35,472,000,000.
Therefore, the standard dividend amount per share will be adjusted if the net assets as of the reference date for dividend distribution (March 31, 2023) differ from the net assets as of the end of March 2022, and/or if the standard number of shares as of March 31, 2023 differs from the aforementioned standard number of shares. The standard dividend amount per share will be adjusted by multiplying the net assets as of the reference date by 3/100 (rounded down to the nearest whole number) and dividing it by the standard number of shares as of March 31, 2023. If the resulting amount (rounded down to the nearest yen) differs from ¥41, it will be modified accordingly.
In such a case, the standard total dividend amount shall be calculated by multiplying the standard dividend amount per share, determined based on the aforementioned calculation, by the standard number of shares as of March 31, 2023.
(c) Effective date of distribution of retaining earnings
June 23, 2023
However, the above assumes that this General Meeting of Shareholders will be held on June 22, 2023. In the event that the meeting date is changed, it shall be assumed to be changed to the day following the revised meeting date.

2. Reason for the proposal
As stated in "2. Reason for the proposal" in Proposal 3

Opinion of the Board of Directors

Objection	The Board of Directors opposes this proposal based on the following reasons.

As explained in “Opinion of the Board of Directors of the Company in Relation to Shareholder Proposals in General” in “Opinion of the Board Of Directors” in “Proposal No. 3 Amendments to the Articles of Incorporation regarding the Appropriation of Retained Earnings,” the Ahresty Group is midway through a recovery in performance in an environment where the shortage of semiconductors for automobiles is being resolved only gradually. Moreover, the automobile industry that is the main customer of the Ahresty Group’s core die casting business is in the middle of a once-in-a-century transformation, and industry trends going forward are subject to many variable factors.

While taking into account the business environment in which the Ahresty Group operates and the characteristics of its businesses, the Company’s basic policy on capital policy and shareholder returns is to pay dividends to the extent that they do not harm the financial soundness of the Company as it makes growth investments for electrification, thus providing appropriate returns to shareholders. For this reason, the Board of Directors believes that shareholder returns should be based on consolidated performance.

By comparison, this proposal calls for dividends of surplus for the fiscal year ended March 31, 2023, equivalent to 3% of the net assets of the Company. In effect, this is a proposal to raise the total amount of the annual dividend from the current level of approximately ¥260 million to around ¥960 million. The Board of Directors recognizes the need to increase the dividend rapidly after achieving a recovery in performance, but given that the Company recorded a net loss attributable to owners of parent for the fiscal year ended March 31, 2023, it considers this to be an excessive level. If such a proposal was to be approved, there is the danger that financing for growth investments would be impaired, and that they would risk the stagnation of medium- to long-term business development and of sustainable improvements in corporate value, and accordingly harm the interests of shareholders. The Company’s consolidated equity ratio in the fiscal year ended March 31, 2023 was 41.2%, but the consolidated equity ratio (capital ratio) after deducting foreign currency translation adjustments that is not the result of the Company’s performance was 34.7%. In the light of the business environment in which the Ahresty Group operates and the characteristics of its businesses, we do not believe it is in a state of capital surplus that would make it reasonable to implement the dividend amounts suggested in this proposal.

The Board of Directors intends to move forward with the 10-year Business Plan in order to achieve rapid improvements in profitability, a recovery in performance and increases in corporate value.

For the above reasons, the Board of Directors of the Company opposes this proposal.