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(Securities code: 3865)
June 12, 2023

To Shareholders with Voting Rights:

Sekio Kishimoto
President and CEO
Hokuetsu Corporation
3-5-1 Nishi-Zao, Nagaoka City, Niigata, Japan

NOTICE OF CONVOCATION OF THE 185th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that the 185th Ordinary General Meeting of Shareholders (this “Meeting”) of Hokuetsu Corporation (the “Company”) will be held for the purposes as described below.

In convening this Meeting, the Company has taken electronic measures. Matters to be provided electronically are posted on the Company’s website on the Internet.

The Company’s website
<https://www.hokuetsucorp.com/en/ir/notice.html>

In addition to the above, the matters to be provided electronically are also available on the Tokyo Stock Exchange (TSE) website. Please access the following TSE website (Listed Company Search) below, enter the issue name (company name) “Hokuetsu Corporation” or securities code “3865,” and select “Basic Information” followed by “Documents for public inspection/PR information” to review the information.

Tokyo Stock Exchange website (Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please consider your health condition as of the day of the Meeting before coming to the venue. We appreciate your careful consideration of your attendance, including exercising your voting rights via the Internet or by mail.

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. Japan time
- 2. Place:** Nagaoka Mill of the Company located at 3-2-1 Zao, Nagaoka City, Niigata, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The business report, consolidated financial statements for the Company’s 185th fiscal year (April 1, 2022 - March 31, 2023) and results of audits of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated financial statements for the Company’s 185th fiscal year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

Company Proposals (Proposal 1 and Proposal 2)

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Ten (10) Directors

Shareholder Proposals (Proposal 3 to Proposal 5)

- Proposal 3:** Approval of Compensation Amount for Restricted Stock Compensation Plan
- Proposal 4:** Purchase of Treasury Shares

Proposal 5: Amendments to the Articles of Incorporation Regarding the Number of Outside Directors

4. **Matters to be resolved at the Meeting**
- (1) If there is no indication of approval or disapproval for each proposal on the Voting Rights Exercise Form, it will be deemed as approval for company proposals (Proposal 1 and Proposal 2) and disapproval for shareholder proposals (Proposal 3 to Proposal 5).
- (2) If you exercise your voting rights in duplicate in writing and via electromagnetic means, the one exercised via electromagnetic means (the Internet) will be deemed valid. Moreover, if you exercise your voting rights more than once via electromagnetic means (the Internet), the last exercise will be deemed valid.

- ⊙ With the implementation of electronic provision measures for materials for general meetings of shareholders due to the revision of the Companies Act, shareholders can now access the materials for general meetings of shareholders on the website instead of in the paper form.
- ⊙ At this General Meeting of Shareholders, the Company will send documents stating the matters to be provided electronically to all shareholders regardless of whether or not a request for the delivery of written documents. However, these documents do not include the following items in accordance with the provision of law and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation.
 - "Matters Concerning Share Acquisition Rights, etc. of the Company," "Systems to Ensure Appropriateness of Business and Overview of Operation of Such Systems," and "Basic Policy on Control of the Company" in the business report
 - "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the consolidated financial statements
 - "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the non-consolidated financial statementsAccordingly, the business report, the consolidated financial statements, and the non-consolidated statements included in such documents are part of the documents audited by the Audit & Supervisory Board, its members and the Accounting Auditor in preparing their respective audit reports.
- ⊙ Any revisions to the matters to be provided electronically, the Company will post a notice of such revisions and information before and after the revisions on the Company and TSE websites listed on page 1.
- ⊙ The Company may put in place measures to prevent COVID-19 infection at the venue of the General Meeting of Shareholders. Your cooperation is appreciated.
- ⊙ We are no longer offering souvenirs for shareholders. We appreciate your understanding.

Guide to the Exercise of Voting Rights

In this General Meeting of Shareholders, although one shareholder made shareholder proposals, the Company's Board of Directors is against Proposal 3, Proposal 4, and Proposal 5 submitted by the shareholder.

If you agree with the opinions of the Board of Directors, please vote for approval of company proposals (Proposal 1 and Proposal 2) and disapproval of shareholder proposals (Proposal 3 to Proposal 5).

Please refer to the "Reference Documents for the General Meeting of Shareholders" for details of the opinions of the Board of Directors.

There are three methods to exercise your voting rights.

Exercising voting rights by attending the meeting

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and Time of the General Meeting of Shareholders: Thursday, June 29, 2023 at 10:00 a.m. Japan time

Exercise voting rights in writing

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it.

Exercise deadline: Received by Wednesday, June 28, 2023 at 5:20 p.m. Japan time

Exercising voting rights via the Internet

Please follow the guidance on page 6 and enter your approval or disapproval.

Exercise deadline: Wednesday, June 28, 2023 at 5:20 p.m. Japan time

Exercising voting rights in writing

Exercise deadline: Received by Wednesday, June 28, 2023 at 5:20 p.m. Japan time

This General Meeting of Shareholders will resolve company proposals (proposals submitted by the Board of Directors) and shareholder proposals (proposals submitted by one shareholder).

One shareholder submitted Proposal 3 to Proposal 5. The Company’s Board of Directors is against all of them. Please refer to the Reference Documents for the General Meeting of Shareholders (Contents of Proposals) for details.

An example of how to fill out the Voting Rights Exercise Form is shown below.

If you exercise your voting rights via the Internet, please enter your approval or disapproval after referring to the example below.

□How to fill out the form

The voting form is an image only

議決権行使書

北越コーポレーション株式会社 御中

株主番号 議決権行使回数 印

議案	第1号議案	第2号議案 (1号議案の修正)	議案	第3号議案	第4号議案	第5号議案
会社提案	賛	賛	株主提案	賛	賛	賛
	否	否		否	否	否

お願い

- 議決権行使書により議決権を行使される場合は、この用紙に賛否をご表示いただき、2023年6月28日午後5時20分までに到着するよう返送してください。
- 第2号議案の賛否をご表示の際、一部の候補者につき異なる意思を表示される場合は、「株主総会参考書類」に記載の当該候補者の番号を記入してください。
- 賛否のご表示は、黒色のボールペンにより、はっきりと○印を記入してください。
- 議決権をインターネットで行使される場合は、下のQRコードをスマートフォンで読み取るか、裏面記載のウェブサイトにてアクセスのうえ、2023年6月28日午後5時20分までにご投票ください。この場合、議決権行使書を返送される必要はありません。

スマートフォン用議決権行使ウェブサイト ログインQRコード

北越コーポレーション株式会社

(ご注意) 当社取締役会は株主提案に反対です。株主提案に反対の場合は、株主提案の「否」の欄に○を付けてください。

Please indicate your approval or disapproval of each proposal.

In case of approval, draw a circle in the “賛” section

If case of disapproval, draw a circle in the “否” section

Example of filling out the Voting Rights Exercise Form

This example is when you approve all company proposals and disapprove all shareholder proposals.

議案	第1号議案	第2号議案 <small>(下の候補者を除く)</small>
会社提案	○	○
	○	○

議案	第3号議案	第4号議案	第5号議案
株主提案	○	○	○
	○	○	○

Proposal 1 and Proposal 2 are proposed by the Company's Board of Directors.

Proposal 3 to Proposal 5 are proposed by one shareholder.

The Company's Board of Directors is against each of the shareholder proposals. If you agree with the Board of Directors, draw a circle in the “否” section of shareholder proposals.

If there is no indication of approval or disapproval for each proposal, it will be deemed as approval for company proposals and disapproval for shareholder proposals.

Exercising voting rights via the Internet

Exercise deadline: Wednesday, June 28, 2023 at 5:20 p.m. Japan time

Voting website: <https://soukai.mizuho-tb.co.jp/> (in Japanese)

How to scan a QR code using a smartphone

About “Smart Exercise”

1 Please scan the “Voting Website Login QR Code for Smartphones” on the enclosed Voting Rights Exercise Form. You can access the website without entering the “Voting Rights Exercise Code” and “Password.”

*You may only exercise your voting rights once by the above method.

*The QR Code is a registered trademark of DENSO WAVE INCORPORATED.

2 Please follow the on-screen guidance and enter your approval or disapproval.

How to enter your login ID and temporary password

Access procedures

1 Please access the voting website.

2 Please enter the “Voting Rights Exercise Code” indicated on the Voting Rights Exercise Form.

3 Please enter the “Password” indicated on the Voting Rights Exercise Form.

4 Please follow the on-screen guidance and enter your approval or disapproval.

Inquiries regarding the exercise of voting rights via the Internet

Internet Help Desk of Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Telephone: 0120-768-524 (Operating hours: 9:00 a.m. – 9:00 p.m., excluding year-end and new year holidays)

Notes:

- 1) The password is a means of confirming the voter's identity, and the Company will not ask you for your password.
- 2) If you mistype the password more than a certain number of times, it will be locked. Please follow the on-screen instructions if you are locked out.
- 3) Passwords (including those changed by the shareholder) are valid only for this Meeting. A new password will be issued at the next General Meeting of Shareholders.
- 4) Although the operation of the voting website has been verified using available Internet access devices, it may not be available depending on the device you are using.

Your exercise of voting rights leads to the creation of a sustainable society.

A portion of the mailing costs reduced by using Smart Exercise will be donated to a charitable foundation.

Our goal is to realize a sustainable society following our Group Corporate Philosophy "As a people-focused business group, we work to improve society globally by providing socially and environmentally responsible products through innovative manufacturing on a global scale." As part of this effort, we have continued to support WWF Japan since 1993, which upholds the ideal of creating a sustainable society. If you exercise your voting rights via the Internet or other means, including Smart Exercise, a portion of the mailing costs will be used to support the activities of WWF Japan.

We hope you will take advantage of Smart Exercise, which will enable shareholders to exercise their voting rights in a way that will help create a sustainable society.

Reference Documents for the General Meeting of Shareholders

(Contents of Proposals)

Company Proposals (Proposal 1 and Proposal 2) Proposal 1 and Proposal 2 are made by the Company

<Company Proposals>

Proposal 1: Appropriation of Surplus

Year-end dividends

The Company's basic capital policy is to pay stable and continuous dividends by implementing capital policies that consider the balance between financial soundness, capital efficiency, and shareholder returns in order to continue to invest in growth for the long-term and stable enhancement of corporate value.

For the 185th fiscal year, the Company proposes to increase year-end dividends by ¥2 per share of common stock as below, comprehensively taking into account the fact that various management measures based on the long-term management vision have achieved a certain level of results, as evidenced by the Company reporting record-high consolidated net sales.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and its total amount
¥9 per share of the Company's common stock
Total of ¥1,517,948,838
Note: Annual dividends for the fiscal year under review will be ¥18 per share including the interim dividend of ¥9 per share.
- (3) Effective date of the dividends of surplus
June 30, 2023

<Company Proposal>

Proposal 2: Election of Ten (10) Directors

The terms of office of all Directors (10 Directors) will expire at the conclusion of this Meeting. The Company proposes the election of 10 Directors.

The candidate for Director is as follows:

Candidate No.	Name		Positions, responsibilities, and significant concurrent positions
1	Sekio Kishimoto	Reelection	President and CEO
2	Shigeru Wakamoto	Reelection	Director; COO, Production Technology Division; Deputy Division Manager, Safety, Environment & Quality Management Division; Profit Management Office President and CEO, MC Hokuetsu Energy Service Company
3	Shigeharu Tachibana	Reelection	Managing Director; COO, Paper & White Paperboard Sales Division; Profit Management Office
4	Makoto Yanagisawa	New election	Corporate Officer; CO-CFO; CRO; In charge of General Affairs Department, Legal Affairs & Risk Management Office, Public Relations Office; Profit Management Office
5	Yutaka Ishizuka	New election	President and CEO, Hokuetsu Paper Tech Niigata Co., Ltd. President and CEO, Techno-Hokuetsu, Ltd.
6	Tomoyuki Iida	New election	Corporate Officer; COO, Resources & Raw Material Division; General Manager, Woodchip & Pulp Department; Profit Management Office
7	Mitsuyasu Iwata	Reelection Outside Independent	Outside Director
8	Kazuo Nakase	Reelection Outside Independent	Outside Director
9	Hiromitsu Kuramoto	Reelection Outside Independent	Outside Director
10	Hiroko Nihei	Reelection Outside Independent	Outside Director Counsel Attorney, O'Melveny & Myers LLP Outside Corporate Auditor, SEED Co., Ltd. Audit & Supervisory Board Member (Outside), JUKI CORPORATION

Candidate No.	Name	Career summary, positions, and responsibilities	
1	Sekio Kishimoto [Reelection] Date of birth May 16, 1945 Years in office as Director: 24 years (at conclusion of this Meeting) Attendance at Board of Directors meetings: 13 out of 13 meetings Number of shares of the Company held: 271,100	July 1969 July 1995 March 1999 June 1999 June 2001 June 2004 July 2006 June 2007 April 2008	Joined Mitsubishi Corporation General Manager, Paper Raw Materials Division Advisor; General Manager, Purchasing Department, Materials Division, the Company Director; Deputy Division Manager, Materials Division; General Manager, Purchasing Department Managing Director; COO, Material Division Senior Managing Director; COO, Material Division Executive Vice President; Representative Director Executive Vice President; Representative Director; CO-CEO President and CEO (current position)
<p>[Reason for nomination as candidate for Director]</p> <p>As President and CEO since April 2008, Sekio Kishimoto has demonstrated strong leadership to achieve the rapid expansion and globalization of the Group. In addition, since he has gained extensive business experience and knowledge of global business management at Mitsubishi Corporation and the Company, his ability and experience are essential for achieving the long-term management vision “Vision 2030” and the “Medium-term Management Plan 2026.” The Company believes that he continues to contribute to the long-term and stable growth of the Company’s corporate value and therefore has continued to nominate him as a candidate for Director.</p>			

Candidate No.	Name	Career summary, positions, and responsibilities	
2	Shigeru Wakamoto [Reelection] Date of birth January 13, 1958 Years in office as Director: 4 years (at conclusion of this Meeting) Attendance at Board of Directors meetings: 13 out of 13 meetings Number of shares of the Company held: 48,601	April 1981 April 2018 June 2019 April 2020 October 2020 April 2023 Significant concurrent positions	Joined the Company Corporate Officer; Kishu Mill Manager, Paper Business Division Director; COO, Technology Development Division; In charge of Safety Supervision Department, Environment Supervision Department President and CEO, MC Hokuetsu Energy Service Company (current position) Director; COO, Technology Development Division; In charge of Safety Supervision Department; Environment Supervision Department; Quality Management Office Director; COO, Production Technology Division; Deputy Division Manager, Safety, Environment & Quality Management Division Director; COO, Production Technology Division; Deputy Division Manager, Safety, Environment & Quality Management Division; Profit Management Office (current position) President and CEO, MC Hokuetsu Energy Service Company
<p>[Reason for nomination as candidate for Director]</p> <p>Shigeru Wakamoto has rich experience and knowledge in the technology division, which he has gained at the Niigata Mill, Kanto Mill, and Kishu Mill. He has primarily devoted himself to managing the Kishu Mill as a mill manager. As COO of the Production Technology Division, he is currently responsible for improving the quality and production efficiency and ensuring stable operations of all the Company's mills. In addition, he has been working on the structural transformation of the Paper Business and the development of environmentally-friendly products. The Company believes that he continues to contribute to the long-term and steady growth of the Company's corporate value and therefore has continued to nominate him as a candidate for Director.</p>			

Candidate No.	Name	Career summary, positions, and responsibilities	
3	Shigeharu Tachibana	April 1981	Joined the Company
	[Reelection]	April 2014	Corporate Officer; General Manager, Coated Paper Sales Department, Paper Business Division; General Manager, Niigata Sales Office; Staff General Manager, CEO Office
	Date of birth December 13, 1958	June 2015	Corporate Officer; COO, White Paperboard Division; General Manager, Jiangmen Promotion Group; Staff General Manager, CEO Office
	Years in office as Director: 6 years (at conclusion of this Meeting)	July 2016	Corporate Officer; COO, White Paperboard Division; General Manager, CEO Office; U.S. Business Promotion Office
	Attendance at Board of Directors meetings: 13 out of 13 meetings	June 2017	Director; COO, White Paperboard Division; Chairman, Jiangmen Xinghui Paper Mill Co., Ltd.
	Number of shares of the Company held: 58,575	April 2018	Directors; Chairman, Jiangmen Xinghui Paper Mill Co., Ltd.
		April 2019	Director; COO, Paper Business Division; In charge of Sales Branch Office
		April 2020	Director; COO, Paper Business Division
		April 2021	Director; COO, Paper & White Paperboard Division
		June 2021	Managing Director; COO, Paper & White Paperboard Division
	April 2022	Managing Director; COO, Paper & White Paperboard Division; General Manager, Material Logistics Department	
	April 2023	Managing Director; COO, Paper & White Paperboard Sales Division; Profit Management Office (current position)	
[Reason for nomination as candidate for Director] Shigeharu Tachibana has extensive experience and knowledge in the sales division and has contributed to improving business performance as COO of the Paper & White Paperboard Division. He currently oversees the Paper & White Paperboard Sales Division, aiming for further efficiency and stable profitability. The Company believes that he continues to contribute to the long-term and steady growth of the Company's corporate value and therefore has continued to nominate him as a candidate for Director.			

Candidate No.	Name	Career summary, positions, and responsibilities	
4	Makoto Yanagisawa	April 1980	Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
	[New election]	June 2010	General Manager, Internal Control Audit Office, the Company
	Date of birth September 23, 1955	April 2016	Corporate Officer; In charge of Group Governance Administration Department; General Manager, Public Relations Department
	Years in office as Director: –	April 2019	Corporate Officer; Chief Compliance Officer; In charge of Group Governance Administration Office; General Manager, Public Relations Office
	Attendance at Board of Directors meetings: –	April 2020	Corporate Officer; Chief Risk Management Officer; Chief Compliance Officer; In charge of Group Governance Administration Office; Legal Affairs & Compliance Office, Public Relations Office; Deputy in charge of Safety Management Department, Environment Management Department, Quality Management Office
	Number of shares of the Company held: 16,843	April 2022	Corporate Officer; Deputy in charge of Corporate Planning Department, Business Management Department; Chief Risk Management Officer; In charge of General Affairs Department, Legal Affairs & Risk Management Office, Public Relations Office
		November 2022	Corporate Officer; CO-CFO; CRO; In charge of General Affairs Department, Legal Affairs & Risk Management Office, Public Relations Office
	April 2023	Corporate Officer; CO-CFO; CRO; In charge of General Affairs Office, Legal Affairs & Risk Management Office, Public Relations Office; Profit Management Office (current position)	
<p>[Reason for nomination as candidate for Director]</p> <p>Makoto Yanagisawa has considerable knowledge of finance and accounting matters because of his extensive experience and expertise in financial institutions. Since joining the Company in October 2016, he has overseen various departments and has contributed to improving corporate governance. As CO-CFO, He is currently committed to strengthening the Company's management base by developing and implementing management plans. The Company believes that he continues to contribute to the long-term and steady growth of the Company's corporate value and therefore has nominated him as a candidate for Director.</p>			

Candidate No.	Name	Career summary, positions, and responsibilities	
5	Yutaka Ishizuka [New election] Date of birth February 5, 1960 Years in office as Director: - Attendance at Board of Directors meetings: - Number of shares of the Company held: 13,137	April 1982 April 2019 June 2019 August 2020 April 2021	Joined the Company Corporate Officer; Kishu Mill Deputy Manager, Paper Business Division Corporate Officer; Kishu Mill Manager, Paper Business Division Corporate Officer; Niigata Mill Deputy Manager, Paper Business Division; COO, Papermaking Division President and CEO, Hokuetsu Paper Tech Niigata Co., Ltd. (current position) President and CEO, Techno-Hokuetsu, Ltd. (current position) Significant concurrent positions President and CEO, Hokuetsu Paper Tech Niigata Co., Ltd. President and CEO, Techno-Hokuetsu, Ltd.
[Reason for nomination as candidate for Director] Yutaka Ishizuka has extensive experience and knowledge in the technology division, which he has gained at the Niigata Mill and Kishu Mill. Since April 2021, He has served as president of two subsidiaries in the Niigata area and has been committed to strengthening the Group. The Company believes that he continues to contribute to the long-term and steady growth of the Company's corporate value as a Niigata Mill Manager and therefore has nominated him as a candidate for Director.			

Candidate No.	Name	Career summary, positions, and responsibilities	
6	Tomoyuki Iida [New election] Date of birth August 16, 1961 Years in office as Director: - Attendance at Board of Directors meetings: - Numbers of shares the Company held: 10,123	April 1984 January 2020 April 2020 July 2020 April 2023	Joined Marubeni Corporation Deputy Division Manager, Resources & Pulp Division, the Company Corporate Officer; COO, Resources & Pulp Division; General Manager, Woodchip & Pulp Department Corporate Officer; COO, Resources & Raw Material Division; General Manager, Woodchip & Pulp Department Corporate Officer; COO, Resources & Raw Material Division; General Manager, Woodchip & Pulp Department; Profit Management Office (current position)
[Reason for nomination as candidate for Director] Tomoyuki Iida has extensive overseas experience and knowledge in the other company's pulp division. Since joining the Company in January 2020, he has contributed to improving business performance as COO of the Woodchip & Pulp Division. As COO of the Resources & Raw Material Division, he continues to demonstrate his management skills. The Company believes that he continues to contribute to the long-term and steady growth of the Company's corporate value and therefore has continued to nominate him as a candidate for Director.			

Candidate No.	Name	Career summary, positions, and responsibilities	
7	<p>Mitsuyasu Iwata</p> <p>[Reelection] [Outside] [Independent]</p> <p>Date of birth February 11, 1947</p> <p>Years in office as Outside Director: 8 years (at conclusion of this Meeting)</p> <p>Attendance at Board of Directors meetings: 13 out of 13 meetings</p> <p>Number of shares of the Company held: 0</p>	<p>July 1969</p> <p>September 1999</p> <p>June 2000</p> <p>July 2000</p> <p>October 2003</p> <p>June 2005</p> <p>June 2007</p> <p>June 2009</p> <p>June 2015</p> <p>July 2015</p>	<p>Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>Commissioner, Small and Medium Enterprise Agency</p> <p>Retired from Ministry of International Trade and Industry</p> <p>Board Member, Japan Bank for International Cooperation</p> <p>Advisor, The Kansai Electric Power Co., Inc.</p> <p>Managing Director</p> <p>Executive Vice President; Director</p> <p>President; Representative Director, Osaka Small and Medium Business Investment & Consultation Co., Ltd.</p> <p>Outside Director, the Company (current position)</p> <p>Board Chairman, Business Policy Forum, Japan</p> <p>Board Chairman, Research Institute of Economy, Trade and Industry</p>
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mitsuyasu Iwata has extensive experience holding several important positions in the Ministry of Economy, Trade and Industry (former Ministry of International Trade and Industry) and deep insight as an electric power company manager. He has played an active role in the Company's Board of Directors, providing management advice and supervising the execution of business operations. With his extensive experience in the Ministry of Economy, Trade and Industry and corporate management, the Company believes that he continues to make decisions on important management matters and supervise the execution of business operations by providing advice from a neutral standpoint, independent of the management team. Therefore, the Company has continued to nominate him as a candidate for Outside Director.</p>			

Candidate No.	Name	Career summary, positions, and responsibilities	
8	Kazuo Nakase	April 1973	Joined Mitsubishi Paper Mills Ltd.
	[Reelection]	June 2006	Director, Managing Executive Officer
	[Outside]	June 2008	Director, Senior Managing Executive Officer
	[Independent]	June 2009	Representative Director, Senior Managing Executive Officer; General Manager, Paper Div.; In charge of Paper Div. and German Operations
	Date of birth November 7, 1949	June 2011	President; Chief Executive Officer, Mitsubishi Paper Sales Co., Ltd. (currently Mitsubishi Oji Paper Sales Co., Ltd.)
	Years in office as Outside Director: 6 years (at conclusion of this Meeting)	June 2015	Advisor
	Attendance at Board of Directors meetings: 13 out of 13 meetings	June 2016	Outside Audit & Supervisory Board Member, the Company
Number of shares of the Company held: 0	June 2017	Outside Director (current position)	
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Kazuo Nakase has extensive experience in the paper manufacturing industry and deep insight as an experienced corporate manager. As Outside Audit & Supervisory Member on the Board of Directors, he has played an active role in strengthening the auditing function of the Company's management. Moreover, since June 2017, he has fulfilled the role of Outside Director, providing management advice and supervising the execution of business operations. With his extensive experience in corporate management, the Company believes that he continues to make decisions on important management matters and supervise the execution of business operations by providing advice from a neutral standpoint, independent of the management team. Therefore, the Company has continued to nominate him as a candidate for Outside Director.</p>			

Candidate No.	Name	Career summary, positions, and responsibilities	
9	Hiromitsu Kuramoto	April 1972	Joined Nippon Yusen Kabushiki Kaisha (NYK Line)
	[Reelection]	June 2001	Director
	[Outside]	June 2003	Director; Managing Corporate Officer
	[Independent]	April 2006	Representative Director; Senior Managing Corporate Officer
	Date of birth	April 2008	Representative Director; Executive Vice-President
	May 11, 1948		Corporate Officer
	Years in office as Outside Director:	April 2010	Director
	2 years (at conclusion of this Meeting)	June 2010	Director; Executive Vice-President Corporate Officer, Yusen Air & Sea Services Co., Ltd.
	Attendance at Board of Directors meetings:	October 2010	Director; Vice-President Corporate Officer, Yusen Logistics Co., Ltd.
	13 out of 13 meetings	April 2011	President and Representative Director
	Number of shares of the Company held:	June 2016	Chairman and Representative Director; Chairman, Executive Officer
	2,000	April 2017	Chairman; Representative Director
		June 2018	Executive Board Counselor
	June 2021	Outside Director, the Company (current position)	
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Hiromitsu Kuramoto has extensive international experience and deep insight as an experienced corporate manager. He has fulfilled his role in providing advice on management from a global perspective to the Company's Board of Directors and supervising business execution. With his extensive experience as an experienced corporate manager in other industries, the Company believes that he continues to make decisions on important management matters and supervise the execution of business operations by providing advice from a neutral standpoint, independent of the management team. Therefore, the Company has continued to nominate him as a candidate for Outside Director.</p>			

Candidate No.	Name	Career summary, positions, and responsibilities	
10	Hiroko Nihei [Reelection] [Outside] [Independent] Date of birth: August 23, 1976 Years in office as Outside Director: 1 year (at conclusion of this Meeting) Attendance at Board of Directors meetings: 10 out of 10 meetings Number of shares of the Company held: 0	April 1999 March 2008 September 2009 October 2009 September 2014 January 2016 March 2019 June 2019 January 2020 June 2022 March 2023 Significant concurrent position	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) Retired from Mizuho Bank, Ltd. Completed the legal apprentice training program, admitted to the bar (Dai-Ichi Tokyo Bar Association) Joined O'Melveny & Myers LLP, Associate Attorney Magister Juris, University of Oxford Counsel Attorney, O'Melveny & Myers LLP (current position) Master of Advanced Law, LL.M. in Intellectual Property Law, Graduate School of Law, Waseda University Outside Corporate Auditor, SEED Co., Ltd. (current position) Supervisory Director, Invesco Office J-REIT, Inc. Outside Director, the Company (current position) Audit & Supervisory Board Member (Outside), JUKI CORPORATION Counsel Attorney, O'Melveny & Myers LLP Outside Corporate Auditor SEED Co., Ltd. Adult & Supervisory Board Member (Outside), JUKI CORPORATION
[Reason for nomination as candidate for Outside Director and outline of expected roles] Hiroko Nihei has advanced and specialized legal knowledge cultivated as an attorney at law and extensive legal experience, mainly in international commercial law. She has fulfilled her role in providing management advice and supervising business execution, including from the perspective of gender and diversity in the Company's Board of Directors. With her legal expertise and extensive experience, the Company believes that she continues to make decisions on important management matters and supervise the execution of business operations by providing advice from a neutral standpoint, independent of the management team. Therefore, the Company has continued to nominate her as a candidate for Outside Director.			

- Notes:
1. There are no special interests between each candidate and the Company.
 2. To enable the Company to attract capable personnel as outside directors, the Company's Articles of Incorporation stipulate that the Company may enter into agreements with Directors (excluding executive directors, etc.) to limit their liability for damages up to the amount specified by laws and regulations. The Company has entered into agreements with Mitsuyasu Iwata, Kazuo Nakase, Hiromitsu Kuramoto, and Hiroko Nihei, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount specified by laws and regulations, when damage is incurred by the Company due to their negligence provided they acted in good faith and without gross negligence. If the election of these four candidates is approved, the Company will enter into such agreements with these four individuals.
 3. The Company has concluded a Directors and Officers Liability Insurance (D&O insurance) contract as stipulated in Article 430-3 of the Companies Act, insuring Directors, Audit & Supervisory Board Members, Corporate Officers, and key employees. If each candidate is elected, they will be insured under the contract. The Company pays all insurance premiums. The policy shall cover damages incurred by the insured due to claims for damages arising from the insured's conduct (including omissions) in their capacity as a director of the Company during the insurance period. However, the insurance contract will not cover claims arising from intentional or gross negligence.
 4. The Company has designated Mitsuyasu Iwata, Kazuo Nakase, Hiromitsu Kuramoto, and Hiroko Nihei as independent directors stipulated by the Tokyo Stock Exchange. If the election of these four candidates is approved, the Company plans to designate these four individuals as independent directors.

<Reference>

Management Structure after Election

Name	Current positions at the Company	Specialties & Characteristics of Director Candidates								
		Corporate management	Internati-onally minded	Industry knowledge	ESG/ sustainability	Finance/ accounting	Technology / IT (production /R&D)	Sales/ marketing	Human resources/ labor/ legal affairs	Purchasing/ procurement
Sekio Kishimoto	President CEO	●	●	●	●	●		●	●	●
Shigeru Wakamoto	Senior Managing Director	●		●	●		●			
Shigeharu Tachibana	Senior Managing Director	●	●	●	●			●		
Makoto Yanagisawa	Director CFO			●	●	●			●	
Yutaka Ishizuka	Director			●	●		●			
Tomoyuki Iida	Director	●	●	●	●					●
Mitsuyasu Iwata	Outside Director	●	●		●	●				
Kazuo Nakase	Outside Director	●		●	●			●		
Hirimitsu Kuramoto	Outside Director	●	●		●					●
Hiroko Nihei	Outside Director		●		●				●	

Shareholder Proposals (Proposal 3 to Proposal 5)

These shareholder proposals were submitted by Nippon Active Value Fund plc.

<Shareholder Proposal>

Proposal 3: Approval of Compensation for a Restricted Stock Compensation Plan

(1) Summary of the proposal

We propose to abolish the current stock compensation-style stock option plan and introduce a restricted stock compensation plan. We propose a maximum total amount of ¥183 million per annum, separate from the annual maximum amount of basic compensation, for Directors (excluding Outside Directors) eligible under the restricted stock compensation plan. This compensation shall consist of the grant of monetary compensation rights for the delivery of a maximum total of 207,000 shares of restricted stock. The transfer restriction period shall be three (3) years from the date when the shares are delivered.

The specific timing and allocation of the payment of this compensation shall be determined by the Board of Directors. However, the restricted stock compensation plan shall be designed as a system of performance-linked initiatives, under which shares of restricted stock equivalent to three (3) times the amount of fixed compensation, in the aggregate, shall be delivered to eligible Directors over the next three (3) years, provided that performance criteria are satisfied.

(2) Reasons for the proposal

The Company has introduced a stock option plan as a medium- to long-term incentive for Directors. However, we believe that this stock option plan makes it difficult for shareholders to ascertain the number of shares held by each Director and difficult to determine whether the plan is providing an appropriate incentive. Therefore, it should be replaced with a restricted stock compensation plan. Moreover, the stock options actually granted during the Company's 184th fiscal year (from April 1, 2021 to March 31, 2022) were equivalent to a total of only ¥33 million, or approximately 24.8% of the amount of fixed compensation for the nine (9) Directors, excluding Outside Directors, of ¥133 million. On this basis, it will take 12 years for the stock options granted to reach the equivalent of three (3) times fixed compensation, which is the level considered necessary for stock compensation to achieve the effective sharing of values between Directors and shareholders. To achieve the purpose of value sharing between Directors and shareholders, it is only meaningful if the restricted stock compensation plan pays compensation while each Director is in office. As the plan cannot be predicated on a term of office of 12 years, it must pay a certain level of compensation over shorter periods.

We further believe that the Company should establish shareholding guidelines concerning the restricted stock compensation plan, set a target for the acquisition of the Company's shares by corporate officers while in office at three (3) times the level of fixed basic compensation, and disclose the status of the acquisition of the Company's shares by corporate officers in the corporate governance reports it submits to the Tokyo Stock Exchange.

[Opinion of the Company's Board of Directors]

The Board of Directors **opposes** this proposal based on the recommendations of the Nomination and Compensation Committee.

The Company's basic policy regarding compensation for Directors is to establish a compensation system that functions adequately as an incentive to strive for the long-term, stable enhancement of corporate value and comprehensively reflects the performance of the Company and the individual Director.

Compensation for the Company's Directors (excluding Outside Directors) is composed of a basic salary as fixed compensation and performance-linked compensation, which is based on corporate performance. Performance-linked compensation includes annual incentive compensation (performance-linked bonuses) and medium- to long-term incentive compensation (stock compensation-style stock options). Compensation for Outside Directors consists only of a basic salary as fixed compensation, from the perspective of ensuring a high level of independence. This compensation system was approved by the 178th Ordinary General Meeting of Shareholders held on June 28, 2016, and compensation is paid to the Company's Directors within the annual limit then approved, which is ¥540 million per annum (not including compensation received in the capacity of an employee, for Directors who also serve as employees).

Basic salary, paid as fixed monthly compensation, is determined based on the comprehensive consideration of factors such as position and responsibilities, taking account of the Company's business results and the level of pay for employees. Performance-linked compensation comprises performance-linked bonuses, paid as cash compensation based on the Company's business results and personal contribution to performance, and stock compensation-style stock options, granted as non-cash compensation. It is structured to comprehensively reflect both quantitative contributions, using indicators that measure the Company's business results and profitability including consolidated net sales, consolidated operating income and consolidated ordinary income, and qualitative contributions, using ESG (environment, social, and governance) indicators to measure the medium- to long-term enhancement of corporate value.

The Company has also established the Nomination and Compensation Committee, composed of a majority of independent Outside Directors, as a voluntary advisory body to the Board of Directors to ensure the independence and objectivity of decisions on Directors' compensation. The Nomination and Compensation Committee engages in fair deliberations from an independent and objective standpoint regarding the compensation system for Directors, including the Company's policy for determining the details of compensation for individual Directors. It reports the results of these deliberations to the Board of Directors, which makes the final decision.

The relative proportions of each type of compensation for Directors (excluding Outside Directors) are also determined by the Board of Directors after careful deliberation by the Nomination and Compensation Committee. The proportions are based on a ratio of basic compensation to performance-linked bonuses to stock compensation-style stock options of 7:2:1, which has been set with reference to executive compensation survey data (including the level of compensation and the relative proportions of each kind of compensation, etc.) compiled by external survey organizations. In this way, the Company aims to provide Directors (excluding Outside Directors) with appropriate incentives, stably enhance corporate value over the long term, differentiate Directors' compensation from that of employees, and promote the sharing of values with shareholders.

Furthermore, the stock compensation-style stock options may be exercised by Directors while still in office (after the elapse of one year from the day after the date of allotment or from the day when the Director ceases to occupy the office of Director, whichever is earlier). The total number of share acquisition rights issued and the number held by Directors is disclosed each year.

In this way, the current compensation system not only functions as an adequate incentive to strive for the enhancement of corporate value but also ensures fairness and transparency with regard to Directors' compensation. The Board of Directors, therefore, believes that it is of a suitable and appropriate structure and scale to promote the sharing of values with shareholders.

In the context of this compensation system, the shareholder proposal consists of abolishing the current stock compensation-style stock option plan and introducing a restricted stock compensation plan designed to deliver shares of restricted stock equivalent, in the aggregate, to three (3) times fixed compensation over the next three years in the case that performance criteria are satisfied, including the establishment of a compensation limit for Directors eligible for the restricted stock compensation plan of ¥183 million per annum or up to 207,000 shares, separate from the existing compensation limit. The Board of Directors believes that this proposal deviates from the Company's basic policy on Directors' compensation and permits excessive stock compensation, failing to achieve a balance between fixed compensation (basic salaries) and performance-linked compensation.

In addition, the shareholder proposal suggests the introduction of a restricted stock compensation plan that includes Outside Directors. Compensation for Outside Directors currently consists only of a basic salary as fixed compensation, from the perspective of ensuring a high level of independence, as well as the requirement to strengthen their management supervisory function. The Board of Directors believes that it is not appropriate to make Outside Directors eligible for restricted stock compensation, which is linked to business results.

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

In addition, the Board of Directors points out that whereas the shareholder proposal document states an "amount of fixed compensation for the nine (9) Directors, excluding Outside Directors, of ¥133 million," the correct amount is "¥163 million."

<Shareholder Proposal>

Proposal 4: Repurchase of Shares

(1) Summary of the proposal

We propose that the Company implement a share repurchase of its common shares not exceeding 16,861,000 shares or ¥14,837,680,000 in total, within one year from the conclusion of the Ordinary General Meeting of Shareholders, in accordance with the provisions of Article 156, Paragraph 1 of the Companies Act.

(2) Reasons for the proposal

We believe that the Company should adopt measures to repurchase approximately 10% of the total number of shares issued (excluding treasury shares) and cancel these shares in accordance with the provisions of Article 178 of the Companies Act to increase shareholder returns and capital efficiency.

[Opinion of the Company's Board of Directors]

The Board of Directors **opposes** this proposal.

The Company implements capital policy with regard to the balance between financial soundness, capital efficiency, and shareholder returns, to continue to invest in growth for the long-term, stable enhancement of corporate value. It has adopted the payment of stable, continuing dividends as its basic approach to capital policy.

Under this basic approach, the Company determines the amounts of annual dividends based on the business environment and the management outlook, without being overly influenced by the level of single-year profits, and pays continuing stable dividends. For the fiscal year ended March 31, 2023, the Company has decided to submit a proposal to this Ordinary General Meeting of Shareholders to increase the year-end dividends by ¥2 per share to ¥9 per share. If the Company's proposal for the appropriation of surplus is approved and adopted then, together with the interim dividend of ¥9 per share, the annual dividend will be ¥18 per share (representing a payout ratio of 36.3% for the fiscal year ended March 31, 2023).

As announced on May 12, 2023, the Company has established "Medium-term Management Plan 2026" spanning the period from April 1, 2023 to March 31, 2026. Under Medium-term Management Plan 2026, the Company plans to implement growth and improvement investment of ¥30 billion, including investment in the environment and human capital, maintenance and renewal investment of ¥40 billion, and M&A and other strategic investment of ¥40 billion, for a total investment of ¥110 billion. As it engages in enhancing medium- and long-term corporate value through this investment and other initiatives, the Company will also strive to strengthen shareholder returns, including stable dividends.

In contrast, this shareholder proposal, which suggests engaging in a share repurchase of up to 16,861,000 shares or ¥14,837,680,000 within one year, is excessive given the level of profit attributable to owners of parent of ¥8.3 billion for the fiscal year ended March 31, 2023. The Board of Directors can only conclude that the proposal is made from a short-term perspective. If approved, it will not only lead to the loss of funds for growth investment and risk stalling the Company's medium- and long-term growth and the enhancement of its corporate value but also run the risk of causing financial destabilization and damaging the interests of shareholders as a result.

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

<Shareholder Proposal>

Proposal 5: Amendment to the Articles of Incorporation Regarding the Number of Outside Directors

(1) Summary of the proposal

We propose to amend Article 19 of the Company’s Articles of Incorporation to provide for a majority of Outside Directors.

Current	Proposed amendment
(Number of Directors) Article 19 The number of Directors of the Company shall not exceed fifteen (15). 2. <u>(Newly established)</u>	(Number of Directors) Article 19 The number of Directors of the Company shall not exceed fifteen (15). 2. <u>A majority of the Directors of the Company shall be Outside Directors as defined in Article 2, Paragraph 1, item (xv) of the Companies Act.</u>

(2) Reasons for the proposal

Principle 4.8 of Japan’s Corporate Governance Code stipulates that “independent directors should fulfill their roles and responsibilities with the aim of contributing to the sustainable growth of companies and increasing corporate value over the medium- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.” Principle 4.7 sets forth “appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders” as one of the roles and responsibilities of independent Outside Directors.

Of the Company’s ten (10) Directors, four (4) are Outside Directors. While this satisfies the requirement for at least one-third Outside Directors, we believe that, by actively raising the proportion of Outside Directors to a majority, the Company can implement a governance framework to boost capital efficiency and shareholder returns, as well as contribute to the Company’s sustainable growth and the enhancement of corporate value in the medium and long term.

We believe that it is not only necessary to increase the number of Outside Directors but also their abilities and attributes, securing Outside Directors capable of contributing to the Company’s sustainable growth and the enhancement of its corporate value in the medium and long term. In this context, we think that the Company should consider appointing analysts with a high level of experience and skills.

We believe that appointing analysts with a high level of experience and skills is an effective way to bring the perspectives of external investors and shareholders into the Board of Directors while simultaneously contributing to the enhancement of corporate value through sound risk-taking. The boards of directors of listed companies should share the same perspectives as investors and shareholders on the long-term enhancement of corporate value. In Japan, however, it is sadly not uncommon for boards to take an opposing position against investors and shareholders. We believe that if Directors possessing the experience and skills described above were to participate in the discussions and decision-making of the Company’s Board of Directors, this would lead to a proper, constructive relationship between the Board of Directors and the stock market through sound risk-taking and capital allocation, as well as better communication with the market. Former bank employees and accountants are often described in companies’ skill matrix of directors as responsible for finance. However, from the perspective of promoting “sound risk-taking,” expertise in accounting and debt markets are not sufficient. We believe that the Company should appoint a specialist in equity markets.

[Opinion of the Company's Board of Directors]

The Board of Directors **opposes** this proposal based on the recommendations of the Nomination and Compensation Committee.

Candidates nominated for the office of Director are selected by the decision of the Board of Directors, based on nomination proposals prepared by the Nomination and Compensation Committee based on the evaluation of factors such as the possession of useful qualities for realizing effective corporate governance and stably enhancing corporate value over the long term. This decision process has also been followed in selecting the candidates for Director submitted to this Ordinary General Meeting of Shareholders. The Nomination and Compensation Committee is composed of a majority of independent Outside Directors, which fully ensures its independence and objectivity.

The Nomination and Compensation Committee has prepared a matrix of the skills that the Board of Directors should possess, given factors such as the business environment and the characteristics of the Company's businesses. It has submitted a nomination proposal to the Board of Directors that specifically includes independent Outside Directors with management experience at other companies. The Board of Directors composed based on this approach has consistently aimed for sustainable growth together with all the Company's stakeholders, developing and providing high-quality, cost-competitive products and services amid a dramatically changing business environment through thorough compliance, the promotion of effective management governance, and environmentally-friendly business activities. As a result, in the fiscal year ended March 31, 2022, the Company achieved consolidated financial results including its highest-ever levels of operating income, ordinary income, and profit attributable to owners of parent. In the fiscal year ended March 31, 2023, consolidated net sales exceeded ¥300 billion for the first time ever. In this way, the Board of Directors believes that the Company is achieving higher capital efficiency, sustainable growth, and enhancing its corporate value over the medium and long term, while also balancing growth investment and shareholder returns.

Of the ten (10) Director candidates proposed by the Company to this Ordinary General Meeting of Shareholders, four (4) are candidates for independent Outside Director. The six (6) Director candidates who are not independent Outside Directors are all closely familiar with the Company's businesses and possess knowledge, experience and expertise in their respective fields of corporate management, international business, sustainability, finance and accounting, technology and IT, sales and marketing, human resources, labor management and legal affairs, purchasing and procurement, etc. The Company's independent Outside Directors include persons possessing experience in key positions at the Ministry of Economy, Trade and Industry and advanced knowledge as a senior manager of a power company, extensive experience in the paper industry and advanced knowledge as a senior corporate manager, extensive overseas experience and advanced knowledge as a senior corporate manager, and high-level specialized legal knowledge and extensive legal experience mainly in the area of international commercial law, as well as diverse perspective on gender, etc., as a female attorney at law. Each not only has expert knowledge and broad experience in their respective field but also possesses deep insight into corporate governance. Among the Director candidates who are not independent Outside Directors, there is also a candidate who joined the Company after serving in high-level, specialized positions overseas. Please refer to page 19 for an overview of the skills possessed by each candidate for Director proposed by the Company to this Ordinary General Meeting of Shareholders.

The Board of Directors composed of the candidates submitted by the Company ensures sufficient independence while maintaining the optimal composition to achieve the goals of the Company's Long-term Management Vision, "Vision 2030," and "Medium-term Management Plan 2026." This composition will lead to the sustainable enhancement of the Company's corporate value and the common interests of its shareholders.

By contrast, the Board of Directors believes that establishing the provision proposed by the shareholder in the Company's Articles of Incorporation risks a situation where nominations are proposed for the purpose of making up the required number of Outside Directors. It may have the adverse effect of limiting the scope for selecting Director candidates and obstructing efforts to achieve the optimal composition of the Board of Directors.

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