

(NOTE) This document has been translated from the Japanese original for reference purposes only. In all cases, the Japanese original shall take precedence.

February 27, 2024

To Whom It May Concern:

Company name: Nippon Denko Co., Ltd.
Representative: Yasushi Aoki, President & CEO
(Securities code: 5563
TSE First Section)
Inquiries: Toru Tanaka, Executive Officer
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Notice Concerning the 124th Annual General Meeting of Shareholders

Nippon Denko Co., Ltd. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on February 27, 2024, to hold the 124th Annual General Meeting of Shareholders and to submit proposals.

1. Schedule

- (1) Date and time: Thursday, March 28, 2024 at 10 a.m. (JST)
- (2) Venue: Yaesu First Financial Building
Room A to C, 2nd floor, Bellesalle Yaesu
3-7, 1-chome, Yaesu, Chuo-ku, Tokyo

2. Matters to be resolved:

- (1) Proposal No. 1 Dividends of Surplus
- (2) Proposal No. 2 Partial Amendments to the Articles of Incorporation
- (3) Proposal No. 3 Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- (4) Proposal No. 4 Election of Five Directors Who Are Audit & Supervisory Committee Members
- (5) Proposal No. 5 Setting of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- (6) Proposal No. 6 Setting of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members
- (7) Proposal No. 7 Setting of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

3. Details of each proposal.

(1) Proposal No. 1 Dividends of Surplus

The Company's dividend policy is basically to distribute dividends according to consolidated business performance of each fiscal year. In determining the amount of the dividends, we take into account the trends in business performance, the business development in the future and the amount of the reserves necessary for keeping the financial condition.

In accordance with this policy, the Company proposes to pay year-end dividends for the fiscal year as follows:

- 1) Type of dividend property
Cash
- 2) Allotment of dividend property to shareholders and their aggregate amount
6 yen per share of the common stock of the Company
Total amount: 823,291,650 yen
- 3) Effective date of dividends of surplus
Mach 29, 2024

(2) Proposal No. 2 Partial Amendments to the Articles of Incorporation

1) Reasons for the amendment

- a. We are continuously working to enhance corporate governance to aim for sustainable growth and medium- to long-term improvement of corporate value. As part of these efforts, the Company would like to transition to a company with an Audit & Supervisory Committee and will make the following changes, in an aim to accelerate management decision-making and strengthen the supervisory function of the Board of Directors over business execution.
- b. The Company will add to, delete and change the business purposes as provided for in Article 2 of the current Articles of Incorporation to clarify the line of business in light of the current conditions of its business and to accommodate future business expansion.
- c. In line with the above, the Company will amend and delete relevant provisions, change the number of articles, and make other necessary modifications.

2) Details of the amendment

The details of the amendments are as described in the Exhibit:

(3) Proposal No. 3 Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting, and the terms of office of all seven Directors of the Company will expire at the time the amendment to the Articles of Incorporation takes effect.

Accordingly, the Company proposes the election of six Directors (excluding Directors who are Audit & Supervisory Committee Members.). This proposal will take effect on the condition of the effectiveness of the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The candidates for Director are as follows:

Name	Current position	Attributes
Yasushi Aoki	Representative Director and President	Reelection
Yoshimi Yamadera	Director Senior Managing Executive Officer	Reelection
Jiro Kobayashi	–	New election
Masakazu Tsumoda	Managing Executive Officer	New election
Yasuhide Miyake	Executive Officer	New election
Kazutoshi Ohmi	Outside Director	Reelection

(4) Proposal No. 4 Election of Five Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting.

Therefore, the Company proposes the election of five Directors who are Audit & Supervisory Committee Members.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal will take effect on the condition of the effectiveness of the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Name	Current position	Attributes
Kazunari Itami	Outside Audit & Supervisory Board Member (full-time)	New election
Hokuto Nakano	Outside Director	New election
Masahiro Tani	Outside Director	New election
Hiroaki Kimura	Outside Audit & Supervisory Board Member	New election
Aogi Suemura	Outside Audit & Supervisory Board Member	New election

(5) Proposal No. 5 Setting of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The amount of remuneration for the Company's Directors was approved to be within an annual amount not exceeding 450 million yen at the 114th Annual General Meeting of Shareholders held on March 28, 2014, and furthermore, separate from this, a restricted stock remuneration system for Directors (excluding outside Directors) was approved at the 119th Annual General Meeting of Shareholders held on March 28, 2019, and it has been in effect to this day.

If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting. Accordingly, in conjunction with the transition to a company with an Audit & Supervisory Committee, we intend to abolish the current provisions regarding the amount of remuneration for Directors and newly set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) at an annual amount of no more than 450 million yen.

A summary of the policy regarding the determination of the details of individual remuneration, etc., for the Company's Directors is as described in the Business Report. If this proposal is approved, the Company plans to make changes so that it applies to Directors (excluding Directors who are Audit & Supervisory Committee Members), as well as other partial changes.

This proposal, in accordance with the policy described above, will be determined by considering the economic situation, the scale of the Company's business, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members), the levels of other companies, among other factors, and has been deemed to be appropriate.

Currently, the number of Directors is seven (of which three are outside Directors), and if Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" are approved and passed as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (including one outside Director).

This proposal will take effect on the condition of the effectiveness of the amendment to the Articles of Incorporation in Proposal No. 2 "Partial Amendments to the Articles of Incorporation."

(6) Proposal No. 6 Setting of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting.

Therefore, we request that the amount of remuneration for Directors who are Audit & Supervisory Committee Members, considering factors including the number of members and the economic situation, be set similarly to the amount of remuneration for current Audit & Supervisory Board Members, within an annual amount not exceeding 70 million yen.

The content of this proposal is set in consideration of the economic situation, etc., and has been deemed to be appropriate.

If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 4 "Election of Five Directors Who Are Audit & Supervisory Committee Members" are approved and passed as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be five.

This proposal will take effect on the condition of the effectiveness of the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

(7) Proposal No. 7 Setting of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

The amount of remuneration for the Company’s Directors was approved to be within an annual amount not exceeding 450 million yen at the 114th Annual General Meeting of Shareholders held on March 28, 2014, and furthermore, separate from this, a restricted stock remuneration system for Directors (excluding outside Directors) was approved at the 119th Annual General Meeting of Shareholders held on March 28, 2019, and it has been in effect to this day.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting. Accordingly, in conjunction with the transition to a company with an Audit & Supervisory Committee, we intend to abolish the current provisions for remuneration for granting restricted stock and newly provide remuneration for granting restricted stock to the Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors; hereinafter the “eligible Directors”), with the purpose of giving incentives for the sustainable improvement of the Company’s corporate value and further sharing value with shareholders, separate from the remuneration framework in Proposal No. 5 “Setting of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members).”

Based on this proposal, the remuneration for granting restricted stock to the eligible Directors will be in the form of a monetary claim (hereinafter the “monetary remuneration claim”), and its total amount will be within an annual amount not exceeding 100 million yen, which is considered reasonable in light of the purpose described above. The Board of Directors will determine the specific payment timing and allocation for each eligible Director. However, remuneration for granting restricted stock will not be paid to outside Directors.

The amount of remuneration above does not include the salary as an employee for Directors who concurrently serve as employees.

This proposal is procedural due to the transition to a company with an Audit & Supervisory Committee, and since the substance of the remuneration is the same as what was approved at the 119th Annual General Meeting of Shareholders held on March 28, 2019, it is deemed appropriate.

Currently, there are seven Directors (including three outside Directors), and if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved as originally proposed, the number of the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (including one outside Director).

The content of this proposal will take effect on the condition of the effectiveness of the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

Exhibit: Comparison table

(Underlined portions indicate the proposed changes.)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions Article 1. (Omitted)	Chapter I General Provisions Article 1. (Unchanged)
Article 2. (Purpose)	Article 2. (Purpose)
The purpose of the Company shall be to engage in the following business activities:	The purpose of the Company shall be to engage in the following business activities:
1. <u>Manufacture and sale and import and export of ferroalloys and metallic silicon</u> <Newly established>	(1) <u>Manufacture and sale and import and export of ferroalloys and metallic silicon</u>
2. <u>Manufacture and sale and import and export of various metal materials</u>	(2) <u>Mining operations</u>
3. <u>Manufacture and sale and import and export of chromium salts, manganese inorganic chemical products, carbon products, and other chemical industry products</u>	(3) <u>Manufacture and sale and import and export of various metal materials</u>
4. <u>Manufacture and sale of fertilizers</u>	(4) <u>Manufacture and sale and import and export of zirconium oxide, boron oxide, manganese inorganic chemical products, and other chemical industry products</u> <Deleted>
5. <u>Manufacture and sale of ceramics</u>	(5) <u>Manufacture and sale of electronic parts materials and magnetic materials</u> <Deleted>
6. <u>Molding, processing and sale of synthetic resins</u>	<Deleted>
7. <u>Manufacture and sale of electronic device parts and electronic parts materials and magnetic materials</u>	<Deleted>
8. <u>Manufacture and sale of secondary battery materials</u>	(6) <u>Manufacture and sale of battery materials</u>
9. <u>Manufacture and sale of measuring equipment and analytical equipment, and environmental measurement certification business</u>	<Deleted>
10. <u>Crushing and other treatment of minerals and stones</u> <Newly established> <Newly established> <Newly established>	<Deleted>
11. <u>Ion-exchange resin regeneration</u>	(7) <u>Waste treatment</u>
12. <u>Manufacture and sale of wastewater treatment equipment and water treatment equipment</u>	(8) <u>Recovery and sale of valuable metals from waste</u>
13. <u>Machinery and equipment installation work</u>	(9) <u>Manufacture and sale of civil engineering and construction materials</u>
11. <u>Ion-exchange resin regeneration</u>	(10) <u>Ion-exchange resin regeneration</u>
12. <u>Manufacture and sale of wastewater treatment equipment and water treatment equipment</u>	(11) <u>Manufacture and sale of wastewater treatment equipment and pure water production system</u> <Deleted>

<p><u>14. Design, implementation, management, and contracting of civil engineering, construction, and other plant construction work, and manufacture and sale of civil engineering and construction materials</u></p> <p><u>15. Construction consulting</u></p> <p><u>16. Software business and information processing and provision services</u></p> <p><u>17. Power generation and electric power supply</u></p> <p><u>18. Waste treatment</u></p> <p><u>19. Mining operations</u> <Newly established></p> <p><u>20. Transportation and warehousing</u></p> <p><u>21. Aquaculture and processing and sale of marine products</u> <Newly established></p> <p><u>22. Sale, purchase, lease, brokerage, and management of real estate</u></p> <p><u>23. Control and management of business activities of subsidiaries through ownership of shares of subsidiaries</u></p> <p><u>24. Business incidental or related to preceding items</u></p>	<p><Deleted></p> <p><Deleted></p> <p><Deleted></p> <p><u>(12) Power generation and electric power supply</u> <Deleted></p> <p><Deleted></p> <p><u>(13) Manufacture and sale of measuring equipment and analytical equipment</u></p> <p><u>(14) Transportation and warehousing</u> <Deleted></p> <p><u>(15) Molding, processing and sale of synthetic resins</u></p> <p><u>(16) Sale, purchase, lease, brokerage, and management of real estate</u></p> <p><u>(17) Control and management of business activities of subsidiaries through ownership of shares of subsidiaries</u></p> <p><u>(18) Business incidental or related to preceding items</u></p>
<p>Article 3. (Omitted)</p>	<p>Article 3. (Unchanged)</p>
<p>Article 4. (Organs)</p> <p>The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs:</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit & Supervisory Board Member</u></p> <p>(3) <u>Audit & Supervisory Board</u></p> <p>(4) Accounting Auditor</p>	<p>Article 4. (Organs)</p> <p>The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs:</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit & Supervisory Committee</u> <Deleted></p> <p>(3) Accounting Auditor</p>
<p>Article 5. (Omitted)</p>	<p>Article 5. (Unchanged)</p>

<p style="text-align: center;">Chapter II Shares</p> <p>Article 6. to Article 12. (Omitted)</p> <p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Article 13. to Article 16. (Omitted)</p> <p>Article 17. (Measures for Providing Information in Electronic Format, Etc.)</p> <ol style="list-style-type: none"> 1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format. 2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights. <p>Article 18. to Article 19. (Omitted)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>Article 20. (Number of Directors)</p> <p>The Company shall have no more than <u>12</u> Directors.</p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;">Chapter II Shares</p> <p>Article 6. to Article 12. (Unchanged)</p> <p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Article 13. to Article 16. (Unchanged)</p> <p>Article 17. (Measures for Providing Information in Electronic Format, Etc.)</p> <ol style="list-style-type: none"> 1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format. 2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights. (Change in Japanese only; English unchanged) <p>Article 18. to Article 19. (Unchanged)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>Article 20. (Number of Directors)</p> <ol style="list-style-type: none"> 1. The Company shall have no more than <u>15</u> Directors. 2. <u>Among its Directors, the Company shall have no more than 5 Directors who are Audit & Supervisory Committee Members.</u>
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Article 21. (Method of Election)

1. Directors shall be elected by resolution of the general meeting of shareholders.
2. Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.
3. Resolutions for the election of Directors shall not be conducted by cumulative voting.

Article 22. (Term of Office)

The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.

<Newly established>

Article 23. (Directors With Special Titles)

The Board of Directors may appoint, by its resolution, one Director and Chairman, one President & CEO, one or a small number of Director and Executive Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors.

Article 24. (Representative Directors)

The President & CEO shall represent the Company.

By its resolution, the Board of Directors may appoint Representative Directors other than the President & CEO to represent the Company from among the Directors.

Article 21. (Method of Election)

1. Directors shall be elected by resolution of the general meeting of shareholders, distinguishing between Directors who are Audit & Supervisory Committee Members and those who are not.
2. Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.
3. Resolutions for the election of Directors shall not be conducted by cumulative voting.

Article 22. (Term of Office)

1. The term of office of a Director (excluding a Director who is an Audit & Supervisory Committee Member) shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.
2. The term of office of a Director who is an Audit & Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Director.

Article 23. (Directors With Special Titles)

The Board of Directors may appoint, by its resolution, one Director and Chairman, one President & CEO, one or a small number of Director and Executive Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors from among the Directors (excluding Directors who are Audit & Supervisory Committee Members).

Article 24. (Representative Directors)

1. The President & CEO shall represent the Company.
2. By its resolution, the Board of Directors may appoint Representative Directors other than the President & CEO to represent the Company from among the Directors (excluding Directors who are Audit & Supervisory Committee Members).

<p>Each Representative Director shall represent the Company.</p>	<p><u>3.</u> Each Representative Director shall represent the Company.</p>
<p>Article 25. (Convener and Chairmanship of Meeting of the Board of Directors) (Omitted)</p>	<p>Article 25. (Convener and Chairmanship of Meeting of the Board of Directors) (Unchanged)</p>
<p>Article 26. (Notice of Meeting of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Notice of meeting of the Board of Directors shall be sent to each Director <u>and Audit & Supervisory Board Member</u> at least two days before the day of the meeting. However, this period may be reduced in case of urgent needs. 2. With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures 	<p>Article 26. (Notice of Meeting of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Notice of meeting of the Board of Directors shall be sent to each Director at least two days before the day of the meeting. However, this period may be reduced in case of urgent needs. 2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures
<p>Article 27. (Method of Making Resolutions of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Resolutions of the Board of Directors shall be made by a majority of the votes of the Directors present at the meeting where the majority of Directors who can participate in voting are present. 2. The Company shall deem that the Board of Directors has passed a resolution to approve matters to be resolved by the Board of Directors when all Directors (limited to those who can participate in voting on matters to be resolved) have expressed their consent in writing or electromagnetic record. <u>However, this shall not apply if the Audit & Supervisory Board Members object to the matters to be resolved.</u> 	<p>Article 27. (Method of Making Resolutions of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Resolutions of the Board of Directors shall be made by a majority of the votes of the Directors present at the meeting where the majority of Directors who can participate in voting are present. 2. The Company shall deem that the Board of Directors has passed a resolution to approve matters to be resolved by the Board of Directors when all Directors (limited to those who can participate in voting on matters to be resolved) have expressed their consent in writing or electromagnetic record.
<p>Article 28. (Omitted) <Newly established></p>	<p>Article 28. (Unchanged)</p> <p><u>Article 29. (Delegation of Decisions on Important Business Execution)</u> <u>Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or some of the decisions on important business execution (excluding the matters described in each item of paragraph (5) of the same Article) to the Directors.</u></p>

Article 29. (Remuneration, Etc.)

Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the "Remuneration, Etc.") to Directors shall be determined by resolution of a general meeting of shareholders.

Article 30. (Exemption of Directors From Liability)

1. Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.
2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding those who are Executive Directors, Managers, or other employees) limiting his/her liability for damages arising from neglecting his/her duties. However, the maximum liability for damages under such agreement shall be the amount as prescribed by laws and regulations.

Article 31. (Advisors and Advisory Board Members)
(Omitted)

Chapter V
Audit & Supervisory Board Members
and Audit & Supervisory Board

Article 32. (Number of Audit & Supervisory Board Members)

The Company shall have no more than five Audit & Supervisory Board Members.

Article 33. (Method of Election)

1. Audit & Supervisory Board Members shall be elected by resolution of the general meeting of shareholders.

Article 30. (Remuneration, Etc.)

Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the "Remuneration, Etc.") to Directors, distinguishing between Directors who are Audit & Supervisory Committee Members and those who are not, shall be determined by resolution of a general meeting of shareholders.

Article 31. (Exemption of Directors From Liability)

1. Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.
2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding those who are Executive Directors, Managers, or other employees) limiting his/her liability for damages arising from neglecting his/her duties. However, the maximum liability for damages under such agreement shall be the amount as prescribed by laws and regulations.

Article 32. (Advisors and Advisory Board Members)
(Unchanged)

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2. Resolutions on the election of an Audit & Supervisory Board Member shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.
3. Pursuant to Article 329, paragraph (3) of the Companies Act, the Company may elect Substitute Audit & Supervisory Board Members at a general meeting of shareholders in order to prepare for a case in which the number of Audit & Supervisory Board Members falls below the number required by laws and regulations.
4. The period during which the resolution pertaining to the election of substitute Audit & Supervisory Board Members set forth in the preceding paragraph shall take effect until the time of commencement of the annual general meeting of shareholders for the last business year ending within one year after the said resolution.

Article 34. (Term of Office)

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1. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.
2. The term of office of an Audit & Supervisory Board Member who is elected as a substitute shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.

Article 35. (Full-Time Audit & Supervisory Board Members)

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The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.

Article 36. (Notice of Meeting of the Audit & Supervisory Board)

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1. Notice of meeting of the Audit & Supervisory Board shall be sent to each Audit & Supervisory Board Member at least two days before the day of the meeting. However, this period may be reduced in case of urgent needs.

<p><u>2. With the consent of all Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without following the convening procedures.</u></p>	
<p><u>Article 37. (Method of Making Resolutions of the Audit & Supervisory Board)</u> <u>Unless otherwise provided for by laws and regulations, resolutions of a meeting of the Audit & Supervisory Board shall be made by a majority of the votes of the Audit & Supervisory Board Members.</u></p>	<p><Deleted></p>
<p><u>Article 38. (Regulations of the Audit & Supervisory Board)</u> <u>Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>	<p><Deleted></p>
<p><u>Article 39. (Remuneration, Etc.)</u> <u>The Remuneration, Etc. to Audit & Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p>	<p><Deleted></p>
<p><u>Article 40. (Exemption of Audit & Supervisory Board Members From Liability)</u></p> <p><u>1. Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.</u></p> <p><u>2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member limiting his/her liability for damages arising from neglecting his/her duties. However, the maximum liability for damages under such agreement shall be the amount as prescribed by laws and regulations.</u></p>	<p><Deleted></p>
<p><Newly established></p>	<p>Chapter V <u>Audit & Supervisory Committee</u></p>

<p><Newly established></p>	<p><u>Article 33. (Full-Time Audit & Supervisory Committee Members)</u> <u>The Audit & Supervisory Committee may appoint full-time Audit & Supervisory Committee Member(s) by its resolution.</u></p>
<p><Newly established></p>	<p><u>Article 34. (Notice of Meeting of the Audit & Supervisory Committee)</u> <u>1. Notice of meeting of the Audit & Supervisory Committee shall be sent to each Audit & Supervisory Committee Member at least two days before the day of the meeting. However, this period may be reduced in case of urgent needs.</u> <u>2. With the consent of all Audit & Supervisory Committee Members, a meeting of the Audit & Supervisory Committee may be held without following the convening procedures.</u></p>
<p><Newly established></p>	<p><u>Article 35. (Method of Making Resolutions of the Audit & Supervisory Committee)</u> <u>Resolutions of the Audit & Supervisory Committee shall be made by a majority of the votes of the Audit & Supervisory Committee Members present at the meeting where the majority of Audit & Supervisory Committee Members who can participate in voting are present.</u></p>
<p><Newly established></p>	<p><u>Article 36. (Regulations of the Audit & Supervisory Committee)</u> <u>Matters concerning the Audit & Supervisory Committee shall be governed by the Regulations of the Audit & Supervisory Committee established by the Audit & Supervisory Committee, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>
<p>Chapter VI Accounting Auditor Article <u>41.</u> to Article <u>42.</u> (Omitted) Article <u>43.</u> (Remuneration, Etc.) The remuneration of the Accounting Auditor shall be determined by the Representative Director with the consent of <u>the Audit & Supervisory Board.</u></p>	<p>Chapter VI Accounting Auditor Article <u>37.</u> to Article <u>38.</u> (Unchanged) Article <u>39.</u> (Remuneration, Etc.) The remuneration of the Accounting Auditor shall be determined by the Representative Director with the consent of <u>the Audit & Supervisory Committee.</u></p>
<p>Chapter VII Accounts Article <u>44.</u> to Article <u>47.</u> (Omitted)</p>	<p>Chapter VII Accounts Article <u>40.</u> to Article <u>43.</u> (Unchanged)</p>

<Newly established>

(Supplementary Provisions)

(Transitional Measures Concerning Exemption of Audit & Supervisory Board Members From Liability, Etc.)

1. The Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages as stipulated in Article 423, paragraph (1) of the Companies Act with respect to the acts prior to the conclusion of the 124th Annual General Meeting of Shareholders, to the extent permitted by laws and regulations.
2. For the agreement limiting liability for damages as stipulated in Article 423, paragraph (1) of the Companies Act with respect to the acts of an outside Audit & Supervisory Board Member (including a person who was formerly an outside Audit & Supervisory Board Member) prior to the conclusion of the 124th Annual General Meeting of Shareholders, it shall be as prescribed by Article 40, paragraph (2) of the Articles of Incorporation before the amendment by resolution of the same annual general meeting of shareholders.
3. This article shall be deleted at the conclusion of the 134th Annual General Meeting of Shareholders.