

Note: Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of non-Japanese speaking shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Stock Exchange No.: 5406)

June 1, 2022

**NOTICE OF  
169TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

Kobe Steel, Ltd. (“the Company”) would hereby like to inform you that the 169th Ordinary General Meeting of Shareholders will be held as follows. In order to prevent the spread of the novel coronavirus (COVID-19) infection, we kindly ask you to carefully consider your attendance at the General Meeting of Shareholders after confirming the situation and checking your health condition on the day of the meeting, and that you take precautions to prevent infection when you come to the meeting venue. We also would like to ask you to consider exercising your voting rights in writing (by mail) or via the Internet.

**[Voting in writing (by mail)]**

**Please return to us the voting form enclosed herewith, indicating your approval or disapproval of each proposal to be resolved.**

**[Voting via the Internet]**

**Please read the “Guide to Exercising Voting Rights” on pages 3 and 4 and input your approval or disapproval of each proposal to be resolved in accordance with the instructions on the website.**

Yours faithfully,

Mitsugu Yamaguchi

*President, CEO and Representative Director*

Kobe Steel, Ltd.

2-4, Wakinohama-Kaigandori 2-chome, Chuo-ku, Kobe, Hyogo

**1. Date and Time:**

**10:00 a.m., Wednesday, June 22, 2022** (JST: Japan Standard Time)  
(The venue is scheduled to be open at 9:00 a.m.)

**2. Venue:**

Kobe International Exhibition Hall No. 2 Building (first floor)  
11-1, Minatojima-nakamachi 6-chome, Chuo-ku, Kobe, Hyogo

**3. Meeting Agenda:**

*Matters to be reported:*

1. The business report, consolidated financial statements, and non-consolidated financial statements for the 169th business term (from April 1, 2021 to March 31, 2022)
2. The results of audits by Accounting Auditors and the Audit & Supervisory Committee concerning the consolidated financial statements for the 169th business term

*Matters to be resolved:*

- Item 1: Partial amendments to the Articles of Incorporation
- Item 2: Election of eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Item 3: Election of five (5) Directors who are Audit & Supervisory Committee Members
- Item 4: Election of one (1) Director who is a substitute Audit & Supervisory Committee Member
- Item 5: Determination of the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Item 6: Determination of details of the stock compensation plan for Directors

#### 4. Matters regarding this Notice of Convocation

##### (1) Information on some parts of the consolidated financial statements and non-consolidated financial statements to be provided via the Internet

Based on laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation, matters that should be displayed as the status of assets and results of operations of the Company, consolidated statements of changes in net assets, notes to consolidated financial statements, non-consolidated statements of changes in net assets, and notes to non-consolidated financial statements are posted on the Company's website (<https://www.kobelco.co.jp/english/>). The status of assets and results of operations of the Company were audited as part of the business report by the Audit & Supervisory Committee in the course of the preparation of their audit reports. In addition, the consolidated statements of changes in net assets, notes to consolidated financial statements, non-consolidated statements of changes in net assets, and the notes to non-consolidated financial statements were audited as part of the consolidated financial statements and the non-consolidated financial statements by Accounting Auditors and the Audit & Supervisory Committee in the course of the preparation of their audit reports.

##### (2) Notification of the revision of Reference Documents for the General Meeting of Shareholders and other attached documents

In the event that the Company revises Reference Documents for the General Meeting of Shareholders, business report, and consolidated and non-consolidated financial statements, the matters to be revised will be posted on the Company's website (<https://www.kobelco.co.jp/english/>).

#### **Guide to Exercising Voting Rights**

Voting rights at the General Meetings of Shareholders are important rights held by shareholders. Please exercise your voting right after reviewing the Reference Documents for the General Meeting of Shareholders. Voting rights can be exercised by the following three methods.

##### **Exercising Voting Rights in Writing (by mail)**



Please indicate your approval/disapproval of each matter to be resolved on the enclosed Voting Form, and then return the voting form back to the Company so that it reaches us by the deadline.

**Deadline for the exercise of voting rights: To be received no later than 5:30 p.m. Tuesday, June 21, 2022 (JST)**

##### **Exercising Voting Rights via the Internet (using a personal computer or a smartphone)**



Please follow the guidance below and enter your approval/disapproval of each matter to be resolved.

**Deadline for the exercise of voting rights: To be registered no later than 5:30 p.m. Tuesday, June 21, 2022 (JST)**

### **By Attending the General Meeting of Shareholders**



Please submit the enclosed voting form at the meeting venue reception desk.

**Date and time of the Meeting: Wednesday, June 22, 2022, at 10:00 a.m. (JST)**

**The venue is scheduled to be open at 9:00 a.m. (JST).**

#### **\* Exercise of voting rights by proxy**

You may entrust another shareholder with voting rights to attend the meeting as a proxy. If you do so, please submit your proxy statement together with the voting form.

### **Guide to Exercising Voting Rights via the Internet**

#### **By Entering Login ID and Temporary Password**

Link to the Exercise of Voting Rights website: <https://evote.tr.mufg.jp/>

1. Please access the Exercise of Voting Rights website.
  2. Enter your Login ID and Temporary Password provided on the voting form and click on Login.
  3. Please register a new password.
  4. Please indicate your approval or disapproval of each proposal following on-screen instructions
- (i) Please contact the following office about how to operate your computer or smartphone in order to exercise your voting rights via the Internet:

Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Tel.: 0120-173-027 (This toll-free number is available only in Japan.) (9:00 a.m. - 9:00 p.m. JST)
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- (ii) As for inquiries other than those covered in item (i) above, please contact the following office:

Osaka Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Tel.: 0120-094-777 (This toll-free number is available only in Japan.) (9:00 a.m. - 5:00 p.m. JST), excluding Saturdays, Sundays, and Japanese national holidays)
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1. The Exercise of Voting Rights website is not available from 2 a.m. to 5 a.m. JST every day.
2. Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.
3. The costs incurred for the access to the Exercise of Voting Rights website (such as provider's Internet connection fees and communication charges) shall be borne by the shareholders.

You are requested to submit the enclosed voting form at the reception desk in case that you attend the meeting in person. You may entrust another shareholder having the voting rights to attend the meeting as a proxy. If you do so, please submit your proxy statement together with the voting form.

**1. Total Number of Voting Rights Held by All Shareholders:**

**3,918,827**

**2. Agenda Items and Reference Documents:**

**Item 1: Partial amendments to the Articles of Incorporation**

(Reasons for partial amendments to the Articles of Incorporation)

1. In accordance with the enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, the Company proposes the following amendments to the Company's Articles of Incorporation to introduce the system for providing materials for the General Meetings of Shareholders in electronic format.
  - 1) Article 14 (Measures for Electronic Provision, Etc.), Paragraph 1 of the proposed amendment shall be newly established, as the Company will be obligated to stipulate in the Articles of Incorporation that it shall take measures for electronic provision of information (the content of reference documents, etc.) for the General Meeting of Shareholders.
  - 2) Article 14 (Measures for Electronic Provision, Etc.), Paragraph 2 of the proposed amendment shall be newly established to limit the scope of matters to be recorded in physical documents provided to shareholders who request the physical documents to those specified by the applicable Ordinance of the Ministry of Justice, among the matters for which information (the content of reference documents, etc.) for the General Meeting of Shareholders is electronically provided.
  - 3) Once the system for providing materials for General Meetings of Shareholders in electronic format is introduced, Article 14 of the current Articles of Incorporation (Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders) will no longer be necessary, and therefore, it shall be deleted.
  - 4) Supplementary provisions shall be established concerning the validity of the provisions that are newly established or deleted as provided above. The supplementary provisions shall be deleted after the expiration date has elapsed.
  
2. As part the efforts to strengthen the corporate governance system, the Company has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee in fiscal 2016 in order to further strengthen the supervisory function of the Board of Directors and speed up decision-making process regarding management. In fiscal 2021, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) was reduced by three (3) from the previous eleven (11) to eight (8), in order to place greater emphasis on determining important management directions and monitoring, including risk management. As a result of the Company's consideration of its future corporate governance and the nature of the Board of Directors, based in part on the deliberations at the Corporate Governance Committee, Article 18 (Number of Directors), paragraph 1 of the current Articles of Incorporation shall be amended to reduce the maximum number of Directors (excluding Directors who are Audit & Supervisory Committee Members) by five (5), from fifteen (15) to ten (10). The amendment to Article 18, paragraph 1 of the current Articles of Incorporation will come into effect upon approval of this Item at this Ordinary General Meeting of Shareholders.

The details of the amendments are as follows:

(Underlined portions are amended.)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 14. (Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders)</u>  <u>When convening a General Meeting of Shareholders, the Company may be deemed to have provided shareholders with necessary information that should be described or presented in reference documents for the General Meeting of Shareholders, business reports, non-consolidated and consolidated financial reports, if they are disclosed via the Internet in accordance with ordinances of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p>Article 18. (Number of Directors)            The number of Directors (excluding Directors who are Audit &amp; Supervisory Committee Members) of the Company shall be no more than fifteen <u>(15)</u>.            The number of Directors who are Audit &amp; Supervisory Committee Members of the Company shall be no more than five (5).</p> <p>Supplementary Provisions            (Transitional Measures Regarding Liability Exemption of Audit &amp; Supervisory Board Members Prior to Transitioning to a Company with an Audit &amp; Supervisory Committee)            The exemption of liability of Audit &amp; Supervisory Board Members (including prior members) stipulated in Article 423, paragraph 1 of the Companies Act prior to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2016, as well as agreements concluded with Audit &amp; Supervisory Board Members in order to limit the liability, shall be pursuant to Article 36, paragraphs 1 and 2 of the Articles of Incorporation prior to the amendments that will come into effect at the conclusion of the aforementioned Ordinary General Meeting of Shareholders.</p>	<p>(Deleted)</p> <p><u>Article 14. (Measures for Electronic Provision, Etc.)</u>  <u>In the convocation of General Meetings of Shareholders, the Company shall provide electronically information that is the content of reference documents for the general meeting of shareholders, etc.</u>  <u>Of the matters to which electronic provision measures apply, the Company shall not be required to include all or part of matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who made requests for provision of physical documents by the record date for voting rights.</u></p> <p>Article 18. (Number of Directors)            The number of Directors (excluding Directors who are Audit &amp; Supervisory Committee Members) of the Company shall be no more than ten <u>(10)</u>.            The number of Directors who are Audit &amp; Supervisory Committee Members of the Company shall be no more than five (5).</p> <p>Supplementary Provisions  <u>Article 1. (Transitional Measures Regarding Liability Exemption of Audit &amp; Supervisory Board Members Prior to Transitioning to a Company with an Audit &amp; Supervisory Committee)</u>            The exemption of liability of Audit &amp; Supervisory Board Members (including prior members) stipulated in Article 423, paragraph 1 of the Companies Act prior to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2016, as well as agreements concluded with Audit &amp; Supervisory Board Members in order to limit the liability, shall be pursuant to Article 36, paragraphs 1 and 2 of the Articles of Incorporation prior to the amendments that will come into effect at the conclusion of the aforementioned Ordinary General Meeting of Shareholders.</p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="810 282 1348 338"><u>Article 2. (Transitional Measures Regarding Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="911 353 1348 600"><u>The deletion of Article 14 (Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation before the amendment and new establishment of Article 14 after the amendment (Measures for Electronic Provision, Etc.) shall come into effect from September 1, 2022.</u></p> <p data-bbox="911 616 1348 862"><u>Notwithstanding the provisions of the previous paragraph, Article 14 (Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation before the amendment shall remain valid for General Meetings of Shareholders held on or before the last day of February 2023.</u></p> <p data-bbox="911 878 1348 1037"><u>This Article 2 of the Supplementary Provisions shall be deleted after the lapse of six months from September 1, 2022 or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Item 2: Election of eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The terms of office of the eight (8) incumbent Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same shall apply in this Item) will expire at the conclusion of the 169th Ordinary General Meeting of Shareholders. Accordingly, it is proposed that eight (8) Directors be elected.

In evaluating this Item, the Audit & Supervisory Committee examined the content of the deliberations at the Nomination & Compensation Committee, one of whose members is an Outside Director who is an Audit & Supervisory Committee Member and concluded that there were no specific issues with the procedures for selecting candidates, and that the candidates were selected in accordance with the Company's principles on appointment of candidates for Directors and there are no specific matters to be declared at the General Meeting of Shareholders pursuant to the provisions of the Companies Act.

The candidates for the Company's Directors at the 169th Ordinary General Meeting of Shareholders are as follows.

(Please see pages 31 through 33 for the Company's principles on appointment of candidates for Directors and Standards for Independent Directors. Please also see "Reference: Knowledge, experience, and skills that are particularly expected to be demonstrated to improve the functions of the Board of Directors (Skills Matrix)" on pages 26 through 28).



<List of the candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members)>


No.	Name	Reappointment/New appointment Internal/Outside	Independent Director at the financial instruments exchange	Current position
1	Mitsugu Yamaguchi (male)	Reappointment Internal	-	President, CEO and Representative Director, Member of Compliance Committee, Member of Nomination & Compensation Committee, Member of Corporate Governance Committee
2	Fusaki Koshiishi (male)	Reappointment Internal	-	Executive Vice President and Representative Director, Member of Quality Management Committee
3	Koichiro Shibata (male)	Reappointment Internal	-	Executive Vice President and Representative Director
4	Yoshihiko Katsukawa (male)	Reappointment Internal	-	Director, Executive Officer, Member of Corporate Governance Committee
5	Hajime Nagara (male)	Reappointment Internal	-	Director, Executive Officer, Member of Compliance Committee, Member of Corporate Governance Committee
6	Hiroyuki Bamba (male)	Reappointment Outside	✓	Director, Member (Committee Chair) of Corporate Governance Committee
7	Yumiko Ito (female)	Reappointment Outside	✓	Director, Member of Corporate Governance Committee
8	Shinsuke Kitagawa (male)	New appointment Outside	✓	-


Note 1. In order to secure superior talent and prevent Directors from being intimidated in the performance of their duties, the Company plans to enter into a compensation agreement with each candidate, if he/she is elected as a Director, to compensate expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided by laws and regulations. Under the said agreement, the following measures are taken to ensure that the appropriateness of the execution of duties by the Directors is not impaired.


- (1) In order to receive a settlement package as compensation for the losses mentioned in Item 2 of the same Paragraph, the agreement shall be subject to a reconciliation to which the Company agrees.
- (2) In addition to cases in which the Company is entitled by law to demand the return of compensation already received by the Director, if it is found that the Director's explanation to the Company regarding his/her claim for compensation under the relevant compensation agreement was false in any material respect, the Company may demand the return of the amount of compensation already received by the Director.


Note 2. The Company has entered into a directors and executive officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors as the insured in order to secure superior talent and prevent Directors from being intimidated in the performance of their duties. If each candidate is elected as Director, they will become the insured under the said insurance contract. For details regarding the directors and executive officers liability insurance contract, please see page60 of the business report attached to this Notice of Convocation.


Career summary of each candidate is as follows. There are no special interests between the candidates and the Company.


No. 1	Mitsugu Yamaguchi (Date of birth: January 8, 1958)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 48,300 shares			
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1981:	Joined the Company	As Mitsugu Yamaguchi has abundant experience and knowledge of M&As and alliances in the Company's iron and steel business, machinery business, and in the Head Office, the Company deems that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 31). In order for the Company to complete the KOBELCO Group Medium-Term Management Plan (FY2021–FY2023) and leap forward even further, top management is required to take an objective and comprehensive view not biased toward a particular business. In this regard, the Company deems that Mitsugu Yamaguchi, who has experience in the various fields of materials, machinery, and the Head Office, is well qualified for the position.	
April 2011:	Officer		
April 2013:	Senior Officer		
April 2015:	Executive Officer		
June 2016:	Director, Senior Managing Executive Officer		
April 2017:	Executive Vice President and Director		
April 2018:	President, CEO and Director (incumbent)		
Duties and significant concurrent positions			
Not applicable			

No. 2	<b>Fusaki Koshiishi</b> (Date of birth: August 29, 1959)	
Reappointment/ Internal Director		
Number of shares of the Company owned: 43,500 shares		
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)		
Career summary (positions)		Reasons for selecting the candidate
April 1984:	Joined the Company	As Fusaki Koshiishi has abundant experience and knowledge in the field of product technology in the welding business, the Company deems that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 31). In addition, the Company deems that Fusaki Koshiishi, who has experience and knowledge in the Welding Business engaged in both materials and machinery businesses, namely welding materials and welding robot systems, is well qualified as a person to supervise companywide health and safety, companywide environmental protection and disaster prevention, and companywide quality at the Company, which operates various businesses including materials, machinery and electric power.
April 2012:	Officer	
April 2014:	Senior Officer	
June 2015:	Managing Director	
April 2016:	Director, Senior Managing Executive Officer	
April 2018:	Executive Vice President and Director (incumbent)	
Duties and significant concurrent positions		
Oversees the Environment and Safety Department and the Quality Management Department. Oversees companywide health and safety. Oversees companywide environmental protection and disaster prevention. Oversees companywide quality.		

No. 3	Koichiro Shibata (Date of birth: December 6, 1958)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 40,500 shares			
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1984:	Joined the Company	As Koichiro Shibata has abundant experience and knowledge in the field of product technology in the iron & steel business and experience as General Manager of a steelworks, the Company deems that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 31). In addition, the Company deems that Koichiro Shibata, who has experience and knowledge in the field of product technology and production sites, is well qualified as a person to supervise the field of technical development and digital transformation (DX) that serves as the foundation of our growth strategy.	
April 2012:	Officer		
April 2014:	Senior Officer		
April 2016:	Senior Managing Executive Officer		
April 2018:	Executive Vice President		
June 2018:	Executive Vice President and Director (incumbent)		
Duties and significant concurrent positions			
Oversees the Business Development Department, the Intellectual Property Department, and the IT Planning Department. Oversees companywide technical development. Oversees companywide information systems.			

No. 4	Yoshihiko Katsukawa (Date of birth: March 12, 1962)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 27,900 shares			
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1985:	Joined the Company	As Yoshihiko Katsukawa has abundant experience and knowledge in the Company's corporate planning department and planning and administration departments under the business divisions, the Company deems that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 31). In addition, the Company deems that Yoshihiko Katsukawa, who has abundant experience at planning departments and administration departments, is well qualified as a person to supervise the Head Office divisions that perform corporate planning, finance/accounting, and other functions to support the Groupwide implementation of the management reforms.	
April 2015:	Officer		
April 2017:	Managing Executive Officer		
April 2018:	Senior Managing Executive Officer		
June 2018:	Director, Senior Managing Executive Officer		
April 2021:	Director, Executive Officer (incumbent)		
Duties and significant concurrent positions			
Oversees the Corporate Planning Department, the Finance and Accounting Department, and overseas locations (under the Head Office).			

No. 5	Hajime Nagara (Date of birth: July 5, 1961)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 26,600 shares			
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1985:	Joined the Company	As Hajime Nagara has abundant experience and knowledge in the human resources department and the planning and administration departments in the business divisions, the Company deems that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 31). In addition, the Company deems that Hajime Nagara, who has abundant experience in the human resources department and planning department, is well qualified as a person to supervise the departments that serve as the foundation of sustainability management, such as internal control, compliance, legal and human resources, procurement, general administration, etc.	
April 2016:	Executive Officer		
April 2018:	Managing Executive Officer		
April 2020:	Senior Managing Executive Officer		
June 2020:	Director, Senior Managing Executive Officer		
April 2021:	Director, Executive Officer (incumbent)		
Duties and significant concurrent positions			
Oversees the Internal Control and Audit Department, the Legal Department, the General Administration and CSR Department, the Human Resources Department, the Civil Engineering & Construction Technology Department, the Machinery & Materials Procurement Department, the Rugby Center, domestic branch offices and sales offices, and Takasago Works (departments under its direct supervision). Oversees companywide compliance.			

No. 6	<b>Hiroyuki Bamba</b> (Date of birth: January 27, 1954)	
Reappointment/Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 11,000 shares		
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)		
Term of office as Outside Director of the Company: 5 years		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles
April 1976:	Joined Sumitomo Rubber Industries, Ltd.	As Hiroyuki Bamba is able to make objective, fair and neutral judgment based on his abundant experience in the different business fields from ours in the world of industry and deep insight as a corporate executive, the Company deems that he is well qualified to be an Outside Director of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 through 33). He has actively provided advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, and as Committee Chair of the Corporate Governance Committee, he has provided advice and recommendations regarding the state of the Company's management system in a way that contributes to sustainable growth and enhanced corporate value from an independent and fair viewpoint. The Company expects Hiroyuki Bamba to continue to properly carry out his roles such as overseeing business executions as an Outside Director of the Company.
March 2000:	Director of Sumitomo Rubber Industries, Ltd.	
March 2003:	Executive Officer of Sumitomo Rubber Industries, Ltd.	
July 2003:	President and Director of SRI Sports Limited (currently Sumitomo Rubber Industries, Ltd.)	
March 2011:	Chairman and Director of SRI Sports Limited	
March 2015:	Counselor to Sumitomo Rubber Industries, Ltd.	
June 2015:	Outside Director of Sekisui Plastics Co., Ltd. (currently Sekisui Kasei Co., Ltd.) (incumbent)	
June 2017:	Director of the Company (incumbent)	
Duties and significant concurrent positions		
Outside Director of Sekisui Kasei Co., Ltd.		

- Hiroyuki Bamba is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Hiroyuki Bamba as an Independent Director at the financial instruments exchange. If Hiroyuki Bamba is elected as an Outside Director at the 169th Ordinary General Meeting of Shareholders, the Company will register Hiroyuki Bamba again as an Independent Director at the financial instruments exchange.
- Hiroyuki Bamba meets the Company's Standards for Independent Directors. The summary is as follows.

Sumitomo Rubber Industries, Ltd.	Sales from the Company: The amount of transactions totals less than 0.1% of the Company's consolidated net sales. Retired from executive position in June 2003 (three or more years have passed)
SRI Sports Limited (currently Sumitomo Rubber Industries, Ltd.)	No business transactions with the Company. Retired from executive position in March 2015 (three or more years have passed)

- The Company has entered into an agreement with Hiroyuki Bamba that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations. If he is elected as a Director at the 169th Ordinary General Meeting of Shareholders, the Company will renew the terms of the agreement limiting liability with him.

No. 7	<b>Yumiko Ito</b> (Date of birth: March 13, 1959)		
Reappointment/Outside Director/ Independent Director at the financial instruments exchange			
Number of shares of the Company owned: 5,800 shares			
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)			
Term of office as Outside Director of the Company: 3 years			
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles	
April 1984:	Legislation Staff ( <i>Sanji</i> ), The Legislative Bureau of the House of Representatives of Japan	As Yumiko Ito is able to make objective, fair and neutral judgment based on her abundant experience and deep insight centered on legal affairs in corporate management, the Company deems that she is well qualified to be an Outside Director of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 through 33). She has actively provided advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, and, as a member of the Corporate Governance Committee, she has provided advice and recommendations regarding the state of the Company's management system in a way that contributes to sustainable growth and enhanced corporate value from an independent and fair viewpoint. The Company expects Yumiko Ito to continue to properly carry out her roles such as overseeing business executions as an Outside Director of the Company.	
April 1989:	Admitted to the bar in Japan Joined Sakawa Law Office		
July 1991:	Joined Tanabe & Partners		
April 2001:	General Counsel, Legal & Patent Operation of GE Yokogawa Medical Systems, Ltd. (currently GE Healthcare Japan Corporation)		
May 2004:	Staff Counsel, Legal & Intellectual Property of IBM Japan, Ltd.		
March 2007:	Executive Officer, Legal & Corporate Affairs of Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)		
April 2013:	Executive Officer and General Counsel of Sharp Corporation		
June 2013:	Director, Executive Officer and General Counsel of Sharp Corporation		
April 2014:	Director, Executive Managing Officer and General Counsel of Sharp Corporation		
June 2016:	Executive Managing Officer and General Counsel of Sharp Corporation		
March 2019:	Retired from Sharp Corporation		
April 2019:	Established Ito Law Office; appointed as Representative (incumbent)		
June 2019:	Director of the Company (incumbent) Outside Corporate Auditor of Santen Pharmaceutical Co., Ltd. (incumbent)		
Duties and significant concurrent positions			
Representative of Ito Law Office Outside Corporate Auditor of Santen Pharmaceutical Co., Ltd.			


- Yumiko Ito is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Yumiko Ito as an Independent Director at the financial instruments exchange. If Yumiko Ito is elected as an Outside Director at the 169th Ordinary General Meeting of Shareholders, the Company will register Yumiko Ito again as an Independent Director at the financial instruments exchange.



- Yumiko Ito meets the Company's Standards for Independent Directors. The summary is as follows.

GE Yokogawa Medical Systems, Ltd. (currently GE Healthcare Japan Corporation)	No business transactions with the Company.
IBM Japan, Ltd.	Purchases by the Company: The amount of transactions totals less than 0.1% of IBM Japan, Ltd.'s consolidated net sales.
Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)	No business transactions with the Company. Retired from the executive position in March 2013 (three or more years have passed)
Sharp Corporation	Sales from the Company: The amount of transactions totals less than 0.01% of the Company's consolidated net sales. Retired from the executive position in March 2019
Sakawa Law Office	No advisory contract (Retired in July 1991). No business transactions with the Company.
Tanabe & Partners	No advisory contract (Retired in March 2001). Payment by the Company: Less than 1 million yen
Ito Law Office	No advisory contract. No business transactions with the Company.

- The Company has entered into an agreement with Yumiko Ito that the limit of her liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations. If she is elected as a Director at the 169th Ordinary General Meeting of Shareholders, the Company will renew the terms of the agreement limiting liability with her.

No. 8	<b>Shinsuke Kitagawa</b> (Date of birth: March 15, 1958)		
New appointment/Outside Director/ Independent Director at the financial instruments exchange			
Number of shares of the Company owned: 0 shares			
Attendance at Board of Directors meetings during fiscal 2021: -			
Term of office as Outside Director of the Company: - years			
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles	
April 1981:	Joined the Ministry of International Trade and Industry	As Shinsuke Kitagawa is able to make objective, fair and neutral judgment based on his experience in economic and industrial policy, including in the field of natural resources and energy, as well as his deep insight into industry in general gained from his abundant experience in the different business fields from ours, the Company deems that he is well qualified to be an Outside Director of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 through 33). The Company expects Shinsuke Kitagawa to carry out his roles such as overseeing business executions as an Outside Director of the Company.	
September 2012:	Director-General, Trade and Economic Cooperation Bureau, the Ministry of Economy, Trade and Industry (METI)		
June 2013:	Commissioner, Small and Medium Enterprise Agency, METI		
July 2015:	Retired from METI		
November 2015:	Advisor of MITSUI & CO., LTD.		
April 2016:	Executive Managing Officer of MITSUI & CO., LTD.		
April 2019:	Senior Executive Managing Officer of MITSUI & CO., LTD. (incumbent)		
July 2020:	President & CEO of Mitsui & Co. Global Strategic Studies Institute (incumbent)		
Duties and significant concurrent positions			
Senior Executive Managing Officer of MITSUI & CO., LTD. President & CEO of Mitsui & Co. Global Strategic Studies Institute			

- Shinsuke Kitagawa is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- If Shinsuke Kitagawa is elected as a Director, the Company will register him as an Independent Director at the financial instruments exchange.
- Shinsuke Kitagawa meets the Company's Standards for Independent Directors. The summary is as follows.

MITSUI & CO., LTD.	Sales from the Company: The amount of transactions totals less than 1% of the Company's consolidated net sales. Purchases by the Company: The amount of transactions totals less than 1% of MITSUI & CO., LTD.'s consolidated net sales.
Mitsui & Co. Global Strategic Studies Institute	No business transactions with the Company.

- If Shinsuke Kitagawa is elected as a Director at the 169th Ordinary General Meeting of Shareholders, the Company will enter into an agreement with him that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations.

**Item 3: Election of five (5) Directors who are Audit & Supervisory Committee Members**

The terms of office of the five (5) incumbent Directors who are Audit & Supervisory Committee Members will expire at the conclusion of the 169th Ordinary General Meeting of Shareholders. Accordingly, it is proposed that five (5) Directors who are Audit & Supervisory Committee Members be elected.

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

The candidates for the Company’s Directors who are Audit & Supervisory Committee Members at the 169th Ordinary General Meeting of Shareholders are as follows.

(Please see pages 31 through 33 for the Company’s principles on appointment of candidates for Directors and Standards for Independent Directors. Please also see “Reference: Knowledge, experience, and skills that are particularly expected to be demonstrated to improve the functions of the Board of Directors (Skills Matrix)” on pages 26 through 28).

<List of the candidates for Directors who are Audit & Supervisory Committee Members>

No.	Name	Reappointment/New appointment Internal/Outside	Independent Director at the financial instruments exchange	Current position
1	Hiroshi Ishikawa (male)	Reappointment Internal	-	Audit & Supervisory Committee Member (full-time)
2	Yasushi Tsushima (male)	Reappointment Internal	-	Audit & Supervisory Committee Member (full-time)
3	Masaaki Kono (male)	Reappointment Outside	✓	Member (Committee Chair) of Audit & Supervisory Committee Member of the Nomination & Compensation Committee Member of the Corporate Governance Committee
4	Kunio Miura (male)	Reappointment Outside	✓	Audit & Supervisory Committee Member Member (Committee Chair) of the Compliance Committee
5	Nobuko Sekiguchi (female)	New appointment Outside	✓	-


Note 1. In order to secure superior talent and prevent Directors from being intimidated in the performance of their duties, the Company plans to enter into a compensation agreement with each candidate, if he/she is elected as a Director who is an Audit & Supervisory Committee Member, to compensate expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided by laws and regulations. Under the said agreement, the following measures are taken to ensure that the appropriateness of the execution of duties by the Directors is not impaired.

(1) In order to receive a settlement package as compensation for the losses mentioned in Item 2 of the same Paragraph, the agreement shall be subject to a reconciliation to which the Company agrees.


(2) In addition to cases in which the Company is entitled by law to demand the return of compensation already received by the Director, if it is found that the Director’s explanation to the Company regarding his/her claim for compensation under the relevant compensation agreement was false in any material respect, the Company may demand the return of the amount of compensation already received by the Director.

Note 2. The Company has entered into a directors and executive officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors as the insured in order to secure superior talent and prevent Directors from being intimidated in the performance of their duties. If each candidate is elected as a Director who is an Audit & Supervisory Committee Member, they will become the insured under the said insurance contract. For details regarding the directors and executive officers liability insurance contract, please see page 60 of the business report attached to this Notice of Convocation.


Career summary of each candidate is as follows. There are no special interests between the candidates and the Company.

No. 1	<b>Hiroshi Ishikawa</b> (Date of birth: April 7, 1958)	
Reappointment/Internal Director		
Number of shares of the Company owned: 17,300 shares		
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)		
Attendance at Audit & Supervisory Committee meetings during fiscal 2021: 16/16 meetings held (100%)		
Career summary (positions)		Reasons for selecting the candidate
April 1982:	Joined the Company	As Hiroshi Ishikawa has abundant experience and knowledge in project management in the engineering business and operations in the planning and administration departments under the business divisions, the Company deems that he is well qualified to be an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors (please see pages 31 through 32).
April 2014:	Officer	
April 2016:	Managing Executive Officer	
June 2018:	Director who is an Audit & Supervisory Committee Member (incumbent)	
Duties and significant concurrent positions		
-		

- Hiroshi Ishikawa is a full-time Audit & Supervisory Committee Member.
- The Company has entered into an agreement with Hiroshi Ishikawa that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations. If he is elected as a Director who is an Audit & Supervisory Committee Member at the 169th Ordinary General Meeting of Shareholders, the Company will renew the terms of the agreement limiting liability with him.

No. 2	<b>Yasushi Tsushima</b> (Date of birth: July8, 1959)		
Reappointment/Internal Director			
Number of shares of the Company owned: 16,400 shares			
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)			
Attendance at Audit & Supervisory Committee meetings during fiscal 2021: 16/16 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1982:	Joined the Company	As Yasushi Tsushima has abundant experience and knowledge in operations of the planning and administration departments under the iron & steel business and the electric power business as well as Kobelco Construction Machinery Co., Ltd., the Company deems that he is well qualified to be an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors (please see pages 31 through 32).	
April 2013:	Officer		
June 2015:	Director, Managing Executive Officer of Kobelco Construction Machinery Co., Ltd.		
April 2018:	Director of Kobelco Construction Machinery Co., Ltd.		
June 2018:	Director who is an Audit & Supervisory Committee Member of the Company (incumbent)		
Duties and significant concurrent positions			
-			

- Yasushi Tsushima is a full-time Audit & Supervisory Committee Member.
- The Company has entered into an agreement with Yasushi Tsushima that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations. If he is elected as a Director who is an Audit & Supervisory Committee Member at the 169th Ordinary General Meeting of Shareholders, the Company will renew the terms of the agreement limiting liability with him.

No. 3	Masaaki Kono (Date of birth: February 24, 1957)	
Reappointment/ Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 3,200 shares		
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)		
Attendance at Audit & Supervisory Committee meetings during fiscal 2021: 16/16 meetings held (100%)		
Term of office as Outside Director of the Company: 2 years		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles
April 1979:	Joined The Dai-Ichi Kangyo Bank, Limited	As Masaaki Kono is able to make objective, fair and neutral judgment based on his abundant experience in credit management and financial management at financial institutions and his knowledge of the financial industry such as his deep insight as a corporate executive of financial institutions, the Company deems that he is well qualified to be an Outside Director who is an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 to 33). He has actively provided advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, and, as Chair of the Audit & Supervisory Committee, he has contributed to the enhancement of the monitoring functions of the management of the Company. As a member of the Corporate Governance Committee and Nomination & Compensation Committee, he has provided advice and recommendations regarding the state of the Company's management system in a way that contributes to sustainable growth and enhanced corporate value from an independent and fair viewpoint. The Company expects Masaaki Kono to continue to properly carry out his roles such as overseeing business executions as an Outside Director of the Company. In addition, he has considerable knowledge of finance and accounting.
March 2006:	Executive Officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)	
April 2008:	Managing Executive Officer of Mizuho Corporate Bank, Ltd.	
April 2011:	Managing Executive Officer,	
June 2011:	Managing Director and Managing Executive Officer of Mizuho Financial Group, Inc.	
April 2012:	Managing Executive Officer of Mizuho Bank, Ltd. Managing Executive Officer of Mizuho Corporate Bank, Ltd. Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.	
April 2013:	Director of Mizuho Financial Group, Inc. Deputy President and Deputy President - Executive Officer (Representative Director) of Mizuho Bank, Ltd. Deputy President & Executive Officer of Mizuho Corporate Bank, Ltd.	
July 2013:	Deputy President & Executive Officer of Mizuho Financial Group, Inc.	
April 2016:	Retired from Mizuho Bank, Ltd. Retired from Mizuho Financial Group, Inc. Advisor of Orient Corporation	
June 2016:	President and Representative Director of Orient Corporation	
April 2020:	Chairman and Represent Director of Orient Corporation	
June 2020:	Chairman and Director of Orient Corporation (incumbent) Director who is an Audit & Supervisory Committee Member of the Company (incumbent)	
Duties and significant concurrent positions		
Chairman and Director of Orient Corporation		


- Masaaki Kono is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Masaaki Kono as an Independent Director at the financial instruments exchange. If Masaaki Kono is elected as a Director who is an Audit & Supervisory Committee Member at the 169th Ordinary

General Meeting of Shareholders, the Company will register Masaaki Kono again as an Independent Director at the financial instruments exchange.

- Until April 2016, Masaaki Kono held executive positions at Mizuho Bank, Ltd., which is one of the Company's major business partners.
- Masaaki Kono meets the Company's Standards for Independent Directors. The summary is as follows.

Mizuho Financial Group, Inc.	No business transactions with the Company. Resigned as an executive position in April 2016 (three or more years have passed)
Mizuho Bank, Ltd. (Mizuho Corporate Bank, Ltd. was merged into Mizuho Bank, Ltd. in July 2013.)	Borrowings from the Bank: About 14% of funds. Sales from the Company: The amount of transactions totals less than 0.01% of the Company's consolidated net sales. Resigned as an executive position in April 2016 (three or more years have passed)
Mizuho Trust & Banking Co., Ltd	Borrowings from the Bank: About 2% of funds. No business transactions with the Company. Resigned as an executive position in April 2013 (three or more years have passed)
Orient Corporation	Sales from the Company (only in fiscal 2019): The amount of transactions totals less than 0.01% of the Company's consolidated net sales. (Orient Corporation is an affiliate of Mizuho Financial Group, Inc., which is the parent company of Mizuho Bank, Ltd., one of the Company's major lenders, but it is not involved in the Company's borrowing from Mizuho Bank, Ltd.)


- The Company has entered into an agreement with Masaaki Kono that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations. If he is elected as a Director at the 169th Ordinary General Meeting of Shareholders, the Company will renew the terms of the agreement limiting liability with him.

No. 4	<b>Kunio Miura</b> (Date of birth: February 13, 1953)	
Reappointment/ Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 3,200 shares		
Attendance at Board of Directors meetings during fiscal 2021: 15/15 meetings held (100%)		
Attendance at Audit & Supervisory Committee meetings during fiscal 2021: 16/16 meetings held (100%)		
Term of office as Outside Director of the Company: 2 years		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles
April 1979:	Appointed as judge	As Kunio Miura is able to make objective, fair and neutral judgment based on his abundant experience as a judge and lawyer and insight as an outside officer of listed companies, even though he has experience in the management of a company merely as an outside director or an outside audit & supervisory board member, the Company deems that he is well qualified to be an Outside Director who is an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 to 33). He has actively provided advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, and, as a member of the Audit & Supervisory Committee and Committee Chair of the Compliance Committee, he contributed to the enhancement of the monitoring functions of the management of the Company. The Company expects Kunio Miura to continue to properly carry out his roles such as overseeing business executions as an Outside Director of the Company.
March 1988:	Resigned as judge	
April 1988:	Admitted to the bar in Japan	
April 1997:	Established Kawamoto and Miura Law Office; appointed as Representative (incumbent)	
June 2003:	Outside Corporate Auditor of YAMAHA CORPORATION	
June 2008:	Outside Audit & Supervisory Board Member of ASAHI INTELLIGENCE SERVICE CO., LTD. (incumbent)	
June 2010:	External Corporate Auditor of Sumitomo Seika Chemicals Company, Limited.	
June 2020:	Director who is an Audit & Supervisory Committee Member of the Company (incumbent)	
June 2021:	External Director (Audit and Supervisory Committee Member) of Sumitomo Seika Chemicals Company, Limited. (incumbent)	
Duties and significant concurrent positions		
Representative of Kawamoto and Miura Law Office Outside Audit & Supervisory Board Member of ASAHI INTELLIGENCE SERVICE CO., LTD. External Director (Audit and Supervisory Committee Member) of Sumitomo Seika Chemicals Company, Limited.		

- Kunio Miura is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Kunio Miura as an Independent Director at the financial instruments exchange. If Kunio Miura is elected as a Director who is an Audit & Supervisory Committee Member at the 169th Ordinary General Meeting of Shareholders, the Company will register Kunio Miura again as an Independent Director at the financial instruments exchange.
- Kunio Miura meets the Company's Standards for Independent Directors. The summary is as follows.

Kawamoto and Miura Law Office	No advisory contract. No business transactions with the Company.
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- The Company has entered into an agreement with Masaaki Kono that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations. If he is elected as a Director who is an Audit & Supervisory Committee Member at the 169th Ordinary General Meeting of Shareholders, the Company will renew the terms of the agreement limiting liability with him.



No. 5	<b>Nobuko Sekiguchi</b> (Date of birth: July 3, 1968)	
New appointment/ Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 0 shares		
Attendance at Board of Directors meetings during fiscal 2021: -		
Attendance at Audit & Supervisory Committee meetings during fiscal 2021: -		
Term of office as Outside Director of the Company: - years		

Career summary (positions)	Reasons for selecting the candidate and overview of expected roles
November 2005: Joined CAPCOM CO., LTD. April 2011: Corporate Officer supervising Management Planning, CAPCOM CO., LTD. April 2016: Managing Cooperate Officer, Head of Management Planning and Human Resources, CAPCOM CO., LTD. March 2019: Resigned from CAPCOM CO., LTD. June 2019: Outside Director of DUSKIN CO., LTD. June 2020: Outside Director (Audit and Supervisory Committee Member) of H2O RETAILING CORPORATION (incumbent)	As Nobuko Sekiguchi is able to make objective, fair and neutral judgment based on her abundant experience regarding finance, accounting and business management in the different business fields from ours in the world of industry and knowledge as an outside director of another listed company, the Company deems that she is well qualified to be an Outside Director who is an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 through 33). The Company expects Nobuko Sekiguchi to actively provide advice and recommendations at meetings of the Board of Directors and the Meetings of Independent Directors, and properly carry out her roles such as overseeing business executions as an Outside Director of the Company. In addition, she has considerable knowledge of finance and accounting.
<b>Duties and significant concurrent positions</b> Outside Director of DUSKIN CO., LTD. Outside Director (Audit and Supervisory Committee Member) of H2O RETAILING CORPORATION	

- Nobuko Sekiguchi is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- If Nobuko Sekiguchi is elected as a Director who is an Audit & Supervisory Committee Member, the Company will register Nobuko Sekiguchi again as an Independent Director at the financial instruments exchange.
- Nobuko Sekiguchi meets the Company's Standards for Independent Directors. The summary is as follows.

CAPCOM CO., LTD.	No business transactions with the Company. Retired from executive position in March 2019 (three or more years have passed)
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- If Nobuko Sekiguchi is elected as Director who is an Audit & Supervisory Committee Member at the 169th Ordinary General Meeting of Shareholders, the Company is scheduled to enter into an agreement with her that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations.

Reference: Knowledge, experience, and skills that are particularly expected to be demonstrated to improve the functions of the Board of Directors (Skills Matrix)

The following is a summary of the knowledge, experience, and skills that the Board of Directors expects the candidates to demonstrate in particular in order to address the Group's medium- to long-term important issues (materiality) and to implement the KOBELCO Group Medium-Term Management Plan (FY2021–FY2023) that was formulated and announced in May 2021, for the purpose of enhancing the functions of the Board of Directors. These areas of experience, knowledge, and skills will be reviewed as needed in response to changes in the business environment, the formulation of new management plans, and other changes in circumstances.

Of the knowledge, experience, and skills possessed by the candidates for Directors to be elected at this General Meeting of Shareholders, the areas of knowledge, experience, and skills that we particularly expect each candidate to demonstrate are as follows.

	Name		Gender	Term of office as Director of the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Committee meetings	Comprehensive areas related to overall management		Areas related to solving social issues and creating new value			Areas related to further strengthening management foundation			Insights into other industry sectors		
							Business management and Business administration	ESG	Sales strategy and Marketing	Technology development, Intellectual property, Production technology, DX	Global business	Finance/Accounting	Organization and Human resources	Legal/risk management			
Candidates for Item 2	Mitsugu Yamaguchi	Internal	Executive	Male	6	15/15 (100%)	-	●	●	●		●					
	Fusaki Koshiishi	Internal		Male	7	15/15 (100%)	-	●	●	●	●						
	Koichiro Shibata	Internal		Male	4	15/15 (100%)	-	●	●	●	●						
	Yoshihiko Katsukawa	Internal		Male	4	15/15 (100%)	-	●	●			●		●			
	Hajime Nagara	Internal		Male	2	15/15 (100%)	-	●	●				●	●			
	Hiroyuki Bamba	Outside/ Independent Director		Non-executive	Male	5	15/15 (100%)	-	●	●		●					●
	Yumiko Ito	Outside/ Independent Director			Female	3	15/15 (100%)	-		●			●			●	●
	Shinsuke Kitagawa	Outside/ Independent Director			Male	-	-	-		●			●			●	●
Candidates for Item 3	Hiroshi Ishikawa	Internal	Non-executive	Male	4	15/15 (100%)	16/16 (100%)	●		●		●					
	Yasushi Tsushima	Internal		Male	4	15/15 (100%)	16/16 (100%)	●				●	●				
	Masaaki Kono	Outside/ Independent Director		Male	2	15/15 (100%)	16/16 (100%)	●	●				●			●	
	Kunio Miura	Outside/ Independent Director		Male	2	15/15 (100%)	16/16 (100%)		●						●	●	
	Nobuko Sekiguchi	Outside/ Independent Director		Female	-	-	-		●				●	●			●

\*This matrix does not present all the knowledge, experience, and skills that each candidate possesses, but rather maximum four ticks are given for areas that are particularly expected.

Perspectives on knowledge, experience, and skills that are particularly expected to be demonstrated to improve the functions of the Board of Directors


- The KOBELCO Group aims to enhance its corporate value over the medium to long term by promoting sustainability management based on the Group Corporate Philosophy as the foundation of all business activities.
- In order for the Board of Directors to appropriately determine important management directions and perform monitoring functions, including risk management, for the purpose of enhancing the KOBELCO Group's medium- to long-term corporate value, it is necessary to have the Board of Directors consisted of Directors who have knowledge, experience, and skills in the areas that contribute to: overall management; solving social issues and creating new value; and further strengthening the management foundation with good balance. Furthermore, the Company particularly expects Outside Directors to demonstrate their knowledge, experience, and skills with respect to insights into other industry sectors.
- The key three areas have been determined after discussion at the Corporate Governance Committee and the Nomination & Compensation Committee, taking into consideration the Company's business strategy and business characteristics, as well as the business environment and the Company's management plan.

**Item 4: Election of one (1) Director who is a substitute Audit & Supervisory Committee Member**

To prepare for the case where the number of Directors who are Audit & Supervisory Committee Members falls below the number required by laws and regulations, it is proposed that one (1) Director who is a substitute Audit & Supervisory Committee Member be elected.

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

The candidate for Director who is a substitute Audit & Supervisory Committee Member is as follows. There are no special interests between the candidate and the Company.

<b>Hiroumi Shioji</b> (Date of birth: January 28, 1957)		
Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 0 shares		
(Empty space)		
<b>Career summary (positions)</b>		<b>Reasons for selecting the candidate and overview of expected roles</b>
April 1987: Admitted to the bar in Japan. Joined Asaoka Law Office (currently Asaoka Taki Law & Accounting Office)	April 1991: Representative Lawyer, Shioji Law Office (incumbent)	As Hiroumi Shioji is able to make objective, fair and neutral judgment based on his abundant experience as a lawyer and insight as an outside officer of listed companies, even though he has experience in the management of a company merely as an outside director or outside audit & supervisory board member, the Company deems that he is well qualified to be Independent Director who is an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 31 through 33). The Company expects Hiroumi Shioji to actively provide advice and recommendations at meetings of the Board of Directors and the Meetings of Independent Directors, and properly carry out his roles such as overseeing business executions as an Outside Director of the Company.
June 2007: External Auditor of TACHIBANA ELETECH CO., LTD. (incumbent)	June 2015: Outside Director of Fuji Seal International, INC. (incumbent)	
<b>Duties and significant concurrent positions</b>		
Representative Lawyer, Shioji Law Office External Auditor of TACHIBANA ELETECH CO., LTD. Outside Director of Fuji Seal International, INC.		

- Hiroumi Shioji is a candidate for Outside Director who is a substitute Audit & Supervisory Committee Member.
- If this Item is approved at the 169th Ordinary General Meeting of Shareholders and Hiroumi Shioji assumes the position as Director who is an Audit & Supervisory Committee Member, the Company will register him as an Independent Director at the financial instruments exchange.
- Hiroumi Shioji meets the Company's Standards for Independent Directors. The summary is as follows.

Asaoka Law Office (currently Asaoka Taki Law & Accounting Office)	No advisory contract (Resigned in March 1991). No business transactions with the Company.
Shioji Law Office (currently Shioji Sogo Law Office)	No advisory contract. No business transactions with the Company.

- If this Item is approved at the 169th Ordinary General Meeting of Shareholders and Hiroumi Shioji assumes the position as Director who is an Audit & Supervisory Committee Member, the Company will enter into an agreement with him that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount required by laws and regulations.
- In order to secure superior talent and prevent Directors from being intimidated in the performance of their duties, the Company will enter into a compensation agreement with each candidate, if he/she is elected as a Director who is an Audit & Supervisory Committee Member, to compensate expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Item 2 of the same Paragraph to the extent provided by

laws and regulations. Under the said agreement, the following measures are taken to ensure that the appropriateness of the execution of duties by the Directors is not impaired.

- (1) In order to receive a settlement package as compensation for the losses mentioned in Item 2 of the same Paragraph, the agreement shall be subject to a reconciliation to which the Company agrees.
  - (2) In addition to cases in which the Company is entitled by law to demand the return of compensation already received by the Director, if it is found that the Director's explanation to the Company regarding his/her claim for compensation under the relevant compensation agreement was false in any material respect, the Company may demand the return of the amount of compensation already received by the Director.
- The Company has entered into a directors and executive officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors as the insured in order to secure superior talent and prevent Directors from being intimidated in the performance of their duties. If Hiroumi Shioji is elected as a Director who is an Audit & Supervisory Committee Member, he will become the insured under the said insurance contract. For details regarding the directors and executive officers liability insurance contract, please see page 60 of the business report attached to this Notice of Convocation.

**Reference: The Company’s principles on appointment of candidates for Directors and Standards for Independent Directors**

The Members of the Board of Directors discussed and approved the appointment of each candidate proposed in Items 2, 3 and 4 based on the consultation with and reports from the Nomination & Compensation Committee about whether or not he or she meets the requirements described in the Company’s principles on appointment of candidates for Directors and Standards for Independent Directors.

**The Company’s principles on appointment of candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The Company appoints candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) based on a principle that person suitable to the position should have the following qualities in order to carry out their roles entrusted by shareholders.

- A) To be able to take care of the Company’s stakeholders and fulfill the Company’s social responsibility as well as make an effort to well understand and implement the Company’s corporate vision and management vision to improve the Company’s corporate value;
- B) Based on their own careers, to be capable to hold deep insight regarding the Company’s business and their duties, and make flexible and balanced judgments to fully display the synergistic effects between the Company’s various businesses, such as businesses in materials, machinery and electric power supply, in the case of determining important management issues including the distribution of management resources;
- C) To be able to make prompt and decisive decisions under circumstances of hectic change; and
- D) To be able to actively make proposals or suggestions to other Directors as a member of the Board of Directors.
- E) The Company wants Outside Directors to be able to back up appropriate risk-taking and support the Company’s medium- to long-term growth by reflecting outside persons’ fair and neutral opinions on resolutions at the meetings of the Board of Directors. The Company requires Outside Directors to meet the following requirements in addition to requirements A) to D) above:
  - a. To have extensive experience and deep insight to be able to make objective, fair and neutral judgment in light of their careers;
  - b. Especially, to have global insight necessary for the implementation of the Company’s management vision or business plan or insight regarding the Company’s business areas; and
  - c. To meet the Standards for Independent Directors stipulated by the Company.

**The Company’s principles on appointment of candidates for Directors who are Audit & Supervisory Committee Members**

The Company appoints candidates for Directors who are Audit & Supervisory Committee Members based on the principle that persons suitable to the position should have the following qualities in order to carry out their roles entrusted by shareholders.

- A) To well understand the characteristics of the Company’s wide-ranging businesses and be able to audit and supervise the Company’s business based on its duties and functions stipulated in the Companies Act;
- B) To be able to consider appropriateness of management to improve corporate value, in addition to auditing the legality of management, and actively make statements at meetings of the Board of Directors;

- C) In consideration of the fact that they are Audit & Supervisory Committee Members, they are able to appropriately exercise their authority as Directors;
- D) At least one Audit & Supervisory Board Member with considerable knowledge of finance and accounting must be elected; and
- E) The Company invites Outside Directors who are Audit & Supervisory Committee Members from the legal, financial and industrial circles in order to show the functions of auditing and supervising from various angles, wants them to be able to back up appropriate risk-taking and support the Company's medium- to long-term growth, and requires them to meet the following requirements in addition to requirements A) through C) above;
  - a. To have extensive experience and deep insight to be able to make objective, fair and neutral judgment in light of their careers; and
  - b. To meet the standards for Independent Directors stipulated by the Company.

**The Company's Standards for Independent Directors**

The Company's Outside Directors (including those who are also Audit & Supervisory Committee Members) are recognized as Independent Directors as long as any of the following requirements are not applicable. Requirement "L" only applies to Independent Directors serving on the Audit & Supervisory Committee.

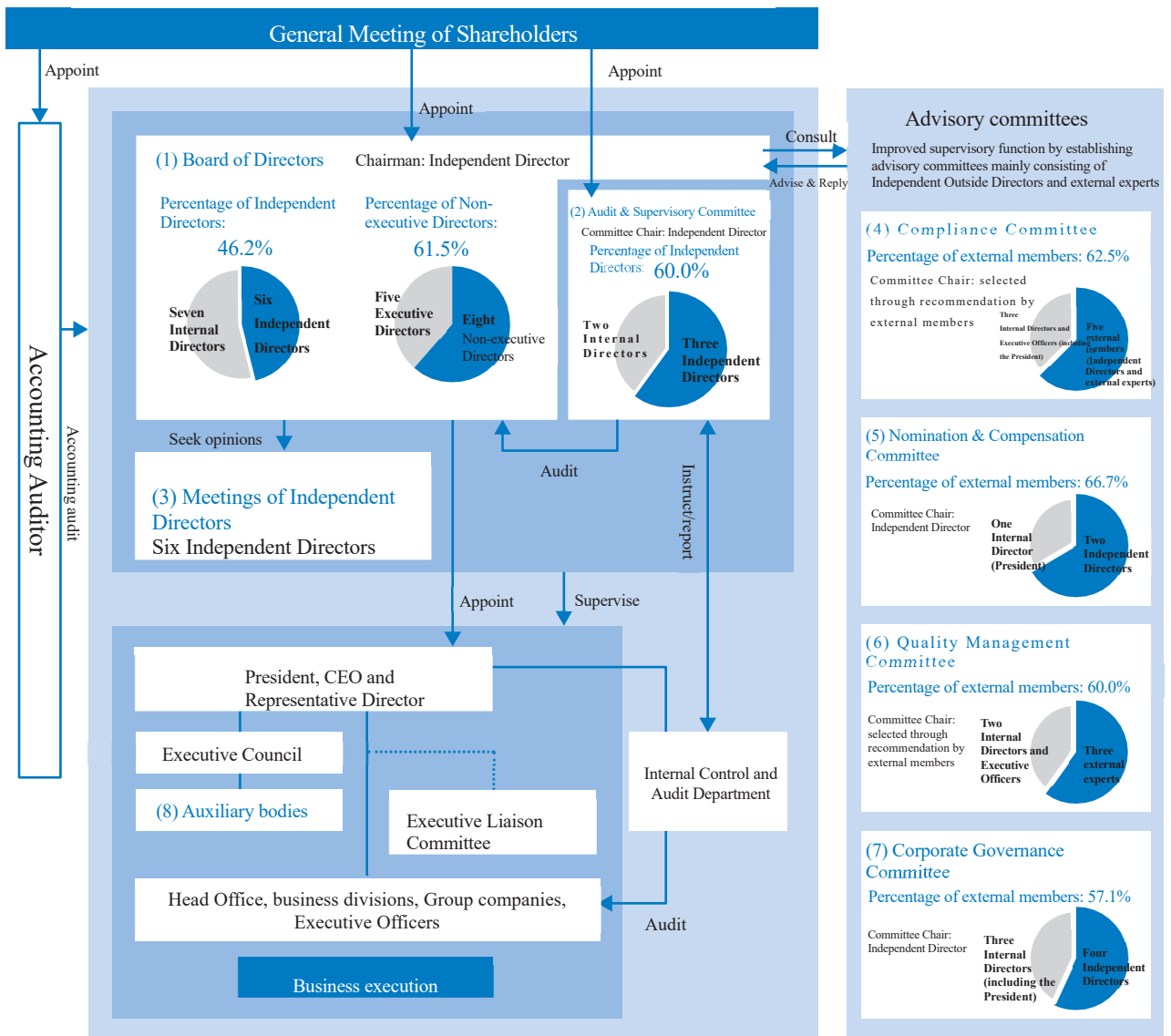
- A) A person who currently executes or has executed businesses of the Group, which includes the Company and its subsidiaries (i.e., executive directors, executive officers (consisting of *shikkoyaku* and *shikkoyakuin*) and other employees; hereinafter the same shall apply).
- B) A person who has a close relative (spouse, relative within the second degree of kinship; hereinafter the same shall apply) who currently executes or has executed businesses of the Group within the past five years.
- C) A person who is currently or has been over the past three years a principal shareholder of the Company (a shareholder who, directly or indirectly, currently owns or has owned 10% or more of all voting rights of the Company), or who currently executes or has executed businesses of the principal shareholders' company within the past three years.
- D) A major business partner of the Company (when the highest payment among payments by this partner to the Company accounts for more than 2% of the Company's annual consolidated net sales in the past three fiscal years) or a person who currently executes or has executed its business over the past three years.
- E) A person who executes businesses thereof whose major business partner is the Company (when the highest payment among payments by the Company to the person accounts for more than 2% of the person's annual consolidated net sales in last three fiscal years) or a person who currently executes or has executed its business over the past three years.
- F) Persons who are or have been over the past three years financial institutions, other large creditors or those executives indispensable for the Company's financing and that the Company depends on to the degree there is no substitute.
- G) A consultant, accountant, or legal professional who has received a large sum of money or other financial gain in the past three years from the Company, excluding remuneration for Director of the Company. If the person receiving such financial gain is an individual, the "large sum" means the larger of 10 million yen or 100 thousand U.S. dollars or more in a year. If the person receiving such financial gain is a party such as a company or an association, the "large sum" means the amount equal to or more than 2% of the party's annual consolidated net sales, and this condition is applicable to an individual who belongs to the party (but excluding an individual independently performing his



or her duties without receiving any remuneration from the party).

- H) Certified public accountants who are Accounting Auditors of the entity or those belong to the audit corporation that is an Accounting Auditor of the Company.
- D) A representative person or the equivalent thereof of a company who receives a donation or aid (which exceeds the larger of 10 million yen, 100 thousand U.S. dollars or 30% of the total average annual cost of the company in a year) from the Company.
- J) A person who executes businesses of the companies that mutually dispatches independent directors/corporate auditors. (The person who executes the business of the Group is an independent director/corporate auditor and the person who executes the business of such a company is the outside director of the Company.)
- K) A person who has a close relative who falls under any of the categories C through J above. The person who executes a business of the Company is limited to directors and executive officers and, the person who belongs to a professional advisory firm such as a law firm is limited to a member or a partner of the firm.
- L) A person who has a close relative who falls under any of the following categories a) through c).
  - a) A person who is currently or has been over the past one year a non-executive director of a subsidiary of the Company.
  - b) A person who is currently or has been over the past one year an accounting advisor of a subsidiary of the Company. (If the accounting advisor is a company, it is limited to those with a certified public accountant or a certified public tax accountant.)
  - c) A person who has been over the past one year a non-executive director of the Company.

(Reference) The Company's Corporate Governance System  
(subject to the approval of Item 2 and 3)



(1) Board of Directors

Item	Description	Aim
Number of Members (including Directors who are Audit & Supervisory Committee Members)	Thirteen (13) * Of which, Directors who are Audit & Supervisory Committee Members: Five (5) members	<ul style="list-style-type: none"> <li>● Ensuring substantial discussion at meetings of the Board of Directors</li> <li>● Enhancing the supervisory function and diversity</li> </ul>
Number of Independent Directors	Six (6) members (46.2%) * Of which, Directors who are Audit & Supervisory Committee Members: Three (3) members	<ul style="list-style-type: none"> <li>● Reflecting a fair and neutral viewpoint and the viewpoint of stakeholders including minority shareholders</li> </ul>
Percentage of Independent Directors	One third or more	<ul style="list-style-type: none"> <li>● Enhancing fairness and transparency of the Board of Directors</li> <li>● Advancing discussions on growth strategies as a company</li> </ul>
Chairman of the Board of Directors	In principle, selected from among Independent Directors	
Composition of the Board of Directors	Executive Directors include the President and Directors who oversee specific key companywide functions	<ul style="list-style-type: none"> <li>● Strengthening the monitoring function of the Board of Directors</li> </ul>
	Eight (8) Non-Executive Directors (five (5) Directors who are Audit & Supervisory Committee Members and three (3) Independent Directors) form a majority of the Board of Directors	

(2) Audit & Supervisory Committee

Item	Description	Aim
Number of Members	Five (5) (including three (3) Outside Audit & Supervisory Committee Members)	<ul style="list-style-type: none"> <li>● Ensuring transparency and fairness</li> <li>● Strengthening the auditing function</li> </ul>
Composition of Audit & Supervisory Committee Members	Outside Audit & Supervisory Committee Members invited from each of the legal, financial, and industrial circles	
Committee Chair of the Audit & Supervisory Committee	Selected from among Independent Directors, in principle	
Full-time Audit & Supervisory Committee Members	Two (2) members to be appointed	<ul style="list-style-type: none"> <li>● Ensuring the smooth execution of duties by the Audit &amp; Supervisory Committee by maintaining a good audit environment, collecting internal information on the Company, and regularly auditing the internal control system of the Company</li> </ul>

(Voluntary establishment of meetings) Those with an asterisk (\*) at the end of the names are advisory bodies to the Board of Directors.

Name	Fundamental Roles
(3) Meetings of Independent Directors	The purpose of the Meetings is to provide and share information regarding the execution of the Company's businesses other than nomination and compensation of executives (attended by Executive Directors of the Company as necessary to share information and exchange opinions with the Independent Directors).
(4) Compliance Committee*	The Committee deliberates matters regarding compliance with laws, regulations and ethics concerning the Company's business activities.
(5) Nomination & Compensation Committee*	The Committee discusses matters related to election or removal of Directors or Executive Officers, including the selection of successors to the Chief Executive Officer, and the remuneration system for Directors or Executive Officers.
(6) Quality Management Committee*	The Committee constantly monitors and gives advice on activities to strengthen the quality management in the Kobe Steel Group and monitors the effectiveness of the measures to prevent recurrence of quality misconduct.
(7) Corporate Governance Committee*	The Committee deliberates on fundamental policies concerning the corporate governance of the Group, evaluations of the effectiveness of the Board of Directors, measures to improve the effectiveness of the Board of Directors, etc.

(Auxiliary organizations for the Executive Council) (8)

Sustainability Management Committee, Risk Management Committee, Business Portfolio Management Committee, Investment and Loan Committee, R&D Committee, DX Strategy Committee, Pension Asset Management Committee

**Item 5: Determination of the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The current amount of remuneration for the Company's Directors was resolved at the 163rd Ordinary General Meeting of Shareholders held on June 22, 2016, to establish the limits on fixed compensation and performance-based compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members. The same applies hereinafter in this Item.) (This resolution is called hereinafter the "Original Resolution"), and it remains effective until the present. This Item is to request approval for the revision of the limit of fixed compensation and the limit of payment corresponding to the maximum amount of performance-based compensation in accordance with the reduction of the maximum number of Directors, subject to the approval of Item 1: Partial amendments to the Articles of Incorporation.

Specifically, the limit of fixed compensation is lowered from a total of 650 million yen to a total of 460 million yen per fiscal year, and the limit of payment corresponding to the maximum amount of performance-based compensation is lowered from a total of 350 million yen to a total of 240 million yen per fiscal year.

Regarding performance-based compensation, the Company plans to pay an amount calculated by multiplying the base amount by a factor between 0% and 200% computed based on the Company's performance results, etc., where the payment would be within the previously stated maximum of 240 million yen per year in the case that the maximum factor of 200% is applied. The Board of Directors will study and resolve detailed matters relating to the calculation of the amount of performance-based compensation such as specific establishment and calculation method of the above factors, the base amount by rank of each eligible Director, and timing of payment to be considered, upon hearing the opinion of the Nomination & Compensation Committee.

The Board of Directors of the Company believes that this Item is consistent with the Company's Fundamental Policy for Remuneration of the Company's Directors and that the proposed plan is reasonable. The Nomination & Compensation Committee, of which a majority of members are Independent Directors, has confirmed that there are no issues with this Item in light of laws and regulations and the Company's Fundamental Policy for Remuneration of the Company's Directors. The Audit & Supervisory Committee has stated that there are no issues to be noted for this Item.

The above amount of Director remuneration does not include compensation for duties as an employee position performed by Directors who also hold an employee position.

Additionally, the Company plans to provide Outside Directors, among other Directors, with only fixed compensation, as in the Original Resolution, taking their duties into consideration.

The resolution of this Item shall become effective under the condition that the revision of Article 18 (Number of Directors) of the Articles of Incorporation, which is submitted in Item 1, "Partial amendments to the Articles of Incorporation," takes effect, and in the case that Item 2 is approved as originally proposed, the number of Directors who will be eligible under this Item to be paid the fixed compensation is eight (8) (including three (3) Outside Directors) and the number of Directors who will be eligible under this Item to be paid the performance-based compensation is five (5).

\*For details regarding the Company's Fundamental Policy for Remuneration of the Company's Directors, please see pages 62 through 66 of the business report attached to this Notice of Convocation.

## **Item 6: Determination of details of the stock compensation plan for Directors**

At the 163rd Ordinary General Meeting of Shareholders held on June 22, 2016, the Company obtained approval for the introduction of a stock compensation plan, Board Benefit Trust (BBT) (hereinafter the “Plan”) for the Company’s Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; hereinafter, the same shall apply in this Item). Subsequently, at the 168th Ordinary General Meeting of Shareholders held on June 23, 2021, the Company obtained approval (the “Original Resolution”) to set the maximum number of points to be granted to Directors, etc. as a basis for the delivery of the Company’s shares, etc. under the Plan in accordance with the amendment of laws and regulations, and it remains effective until the present.

This Item is to request approval for the revision of the amount and content of a stock compensation plan for Directors in accordance with the reduction of the maximum number of Directors (excluding Directors who are Audit & Supervisory Committee Members) , subject to the approval of Item 1: Partial amendments to the Articles of Incorporation.

The Board of Directors believes that the content of this Item is appropriate, as its aim of raising the awareness of Directors’ contribution to the continuous improvement of business performance and the enhancement of corporate value over the medium to long term while sharing values with the shareholders remains unchanged from the purport of the Original Resolution and as it is consistent with the Company’s Fundamental Policy for Remuneration of the Company’s Directors, which was resolved by the Board of Directors of the Company. In addition, the Nomination & Compensation Committee, in which a majority of members are Independent Directors, has confirmed that there are no issues with this Item in light of laws and regulations and the Company’s Fundamental Policy for Remuneration of the Company’s Directors. The Audit & Supervisory Committee has stated that there are no issues to be noted for this Item.

The details of the Plan are to be left to the discretion of the Board of Directors within the framework of “Outline of the Plan” below.

If Items 1 and 2 are approved as originally proposed, the number of Directors subject to the Plan will be five (5), excluding Outside Directors and Directors who are Audit & Supervisory Committee Members.

The resolution of this Item shall become effective under the condition that the revision of Article 18 (Number of Directors) of the Articles of Incorporation, which is submitted in Item 1, “Partial amendments to the Articles of Incorporation,” takes effect.

\*For details regarding the Company’s Fundamental Policy for Remuneration of the Company’s Directors, please see pages 62 through 66 of the business report attached to this Notice of Convocation.

### **Outline of the Plan**

#### **(1) Outline of the Plan**

The Plan is a stock compensation plan under which money contributed by the Company is used as funds to acquire the Company’s shares through a trust (hereinafter the “Trust”). For Directors and Executive Officers who are subject to the following section (2) (hereinafter “Directors and Executive Officers”), the Company’s shares and the cash equivalent to the amount converted from the market price of the Company’s shares (hereinafter the “Company’s Shares and Money”) are provided through the Trust in accordance with director stock benefit rules established by the Company. In addition, Directors and Executive Officers shall receive Company’s Shares and Money in principle every three years on a fixed date during the trust period.

## (2) Individuals Subject to the Plan

The Company's Directors (Outside Directors and Directors who are Audit & Supervisory Committee Members are not eligible for the Plan) and Executive Officers

## (3) Amount of Money the Company will Contribute to the Trust

The Company has introduced the Plan targeting the three fiscal years from the fiscal year ended March 2017 to the fiscal year ended March 2019 (hereinafter either the period of the three fiscal years concerned or each three-fiscal year period begins after the previous three-year fiscal period is called the "Covered Period.") and each Covered Period thereafter. With regard to the Covered Period from the fiscal year ended March 31, 2017, and the Covered Period from the fiscal year ended March 31, 2020, in order to provide benefits to Directors and Executive Officers based on this Plan, 1,100 million yen (of which, 570 million yen is for the Company's Directors) as an upper limit, have been contributed to the Trust as funds to acquire the necessary shares per Covered Period. The Company thereby established the Trust, the beneficiaries of which are Directors and Executive Officers who meet the beneficiary requirements. The Trust has acquired 12,228,000 shares of the Company so far using the money entrusted by the Company as funds.

Note: The Company implemented a ten-for-one consolidation of its shares on October 1, 2016. The above number of shares was acquired before the said share consolidation.

In accordance with the recent reduction of the maximum number of Directors (excluding Directors who are Audit & Supervisory Committee Members), for the Covered Period beginning from the fiscal year ending on March 31, 2023, until the Plan ends, the Company shall make an additional contribution for each Covered Period as funds for the acquisition by the Trust of the aforementioned stock to the Trust with an upper limit of 1.1 billion yen (of which 360 million yen is for the Company's Directors). However, in making an additional contribution, in cases where there are the Company's shares (excluding the Company's shares equivalent to the number of points already granted to Directors and Executive Officers at the end of the Covered Period for which benefits have not been completed) and money remaining in the trust property (hereinafter "Remaining Shares and Money") as of the last day of the Covered Period immediately preceding the Covered Period during which said additional contribution is to be made, the Remaining Shares and Money shall be allocated to the source of the benefits under the Plan for the following Covered Period. The upper limit of the amount that the Company may make an additional contribution during the applicable Covered Period shall be the amount obtained by deducting the amount of the Remaining Shares and Money (the book value of the Company's shares as of the last day of the Covered Period immediately preceding the Covered Period during which said additional contribution is to be made) from the upper limit approved in this Item.

As a reference, on the assumption of acquiring shares of the Company at 576 yen, the closing price as of April 1, 2022, the number of shares to be acquired for the Covered Period from the fiscal year ending March 31, 2023 will be 1,910,000 shares, which will be acquired using the upper limit of 1.1 billion yen of funds to be contributed to the Trust as funds for the acquisition of the Company's shares to be paid to Directors and Executive Officers.

## (4) Acquisition Method of the Company's Shares

The acquisition of the Company's shares by the Trust shall be carried out through trading markets, using money contributed for funds as described in (3) above.

(5) Details of the Company's Shares and Money Granted to Directors and Executive Officers

The Company shall provide Directors and Executive Officers with points, the number of which is determined according to their ranks, remuneration ranks, business performance, and other factors, based on the director stock benefit rules. The total number of points granted to Directors and Executive Officers, until the fiscal year ending March 31, 2022, shall be up to 1,295,600 (of which 671,400 are for the Company's Directors). However, in accordance with the recent reduction of the maximum number of Directors (excluding Directors who are Audit & Supervisory Committee Members), the number of points shall be limited to 1,295,600 (of which 424,100 are for the Company's Directors) starting from the fiscal year ending March 31, 2023. Points granted to Directors and Executive Officers shall be converted at 1 share of common stock for 1 point when providing the Company Shares and Money as described in (6) below. However, if, after the resolution for the approval of this Item, there are share splits, allotment of shares without contribution or a stock consolidation, etc. with respect to the Company shares, the conversion ratio will be adjusted reasonably in accordance with the ratio and other factors that have been applied.

The number of points given to Directors and Executive Officers, which will be used as the standard in providing the Company Shares and Money in accordance with (6) below, shall be the total number of points granted to Directors and Executive Officers up to the time when the beneficiary requirements are fulfilled.

(6) Timing of Providing the Company's Shares and Money to Directors and Executive Officers

In cases where Directors and Executive Officers meet the beneficiary requirements under the director stock benefit rules, Directors and Executive Officers concerned shall receive the Company's Shares and Money according to the granted points equivalent to the accumulated number of shares from the Trust every three years on a fixed date during the trust period in principle, subject to the prescribed beneficiary determination procedures. However, in cases where Directors and Executive Officers retire, they shall receive the Company's Shares and Money from the Trust, regardless of the fixed date, after a period of time necessary for the benefit procedures after retirement, subject to the prescribed beneficiary determination procedures.

In addition, in cases where Directors and Executive Officers meet the beneficiary requirements under the director stock benefit rules, Directors and Executive Officers shall receive money in place of a certain portion of the Company's stock benefit converted at the market price. In order to provide this monetary benefit, the Trust may sell the Company's shares.



(Reference) Changes from the Original Resolution in this Item

	Old (Contents approved by the Original Resolution)	New (Contents approved by the Original Resolution)
Maximum amount of to be contributed by the Company to fund the acquisition of the Company's shares for each Covered Period	1,100 million yen (of which 570 million yen for the Company's Directors)	1,100 million yen (of which 360 million yen for the Company's Directors)
Maximum total number of points to be granted to Directors and Executive Officers for each fiscal year	1,295,600 points (of which 671,400 points for the Company's Directors)	1,295,600 points (of which 424,100 points for the Company's Directors)