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(Stock Exchange Code 5471)

June 5, 2023

To Shareholders with Voting Rights:

Takeshi Ishiguro,
President and Representative Executive Director
Daido Steel Co., Ltd.
1-10, Higashisakura 1-chome, Higashi-ku, Nagoya,
Aichi, Japan

**NOTICE OF
THE 99TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

This is to inform you that the 99th Annual General Meeting of Shareholders of Daido Steel Co., Ltd. (the “Company”) will be held for the purposes as described below.

When convening the General Meeting of Shareholders, the Company takes measures for providing information in electronic format. Items for which measures for providing information in electronic format will be taken, such as the “NOTICE OF THE 99TH ANNUAL GENERAL MEETING OF SHAREHOLDERS” and “Other Items Subject to Measures for Electronic Provision of 99th Annual General Meeting of Shareholders (Items Excluded from the Delivered Paper-based Documents)” can be found on the following websites.

The Company’s website:

<https://www.daido.co.jp/ir/stock/meeting/index.html> (in Japanese)

In addition to the above website, the documents can also be found on the following websites.

Online convocation website:

<https://s.srdb.jp/5471/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

On the above TSE website, please input the issue name (Daido Steel) or the securities code (5471) and click “Search.” Then select “Basic information” and navigate to the “Documents for public inspection/PR information” tab.

If you are unable to attend the meeting, you can exercise your voting rights in advance by either of the following methods. Please review the Reference Documents for the Annual General Meeting of Shareholders in the items subject to measures for electronic provision and exercise your voting rights by no later than 4:00 p.m. on Monday, June 26, 2023.

[Exercise of voting rights via the Internet, etc.]

Please access the website designated by the Company (<https://www.web54.net>) (in Japanese) and enter your approval or disapproval of each proposal before the above voting deadline by following the instructions provided in the website.

[Exercise of voting rights in writing]

Please indicate your approval or disapproval on the enclosed voting rights exercise form and return it so that it arrives by the above-mentioned deadline.

- 1. Date and Time** Tuesday, June 27, 2023, at 10:00 a.m. (JST)
(Reception starts at 9:00 a.m.)
- 2. Place** The 2nd Floor Hall at Nagoya Chamber of Commerce and Industry located at
10-19, Sakae 2-chome, Naka-ku, Nagoya, Aichi, Japan

3. Meeting Agenda

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 99th Business Term (from April 1, 2022 to March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 99th Business Term (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 3** Election of One Director Who Is a Substitute Audit & Supervisory Committee Member
- Proposal No. 4** Payment of Bonuses to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)
- Proposal No. 5** Determination of the Amount and Content of Performance-linked Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

4. Others

- (1) Of the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following matters are not provided in the documents to be delivered to shareholders who have requested written delivery.
 - (a) System and Operation Status for Ensuring Proper Business Operations and Basic Policy Regarding Control of the Company in the Business Report
 - (b) Consolidated Notes and Consolidated Statement of Changes in Equity in the Consolidated Financial Statements
 - (c) Non-consolidated Notes and Statement of Changes in Equity in the Non-consolidated Financial StatementsPlease note that the documents to be delivered to shareholders who have requested written delivery are part of the documents audited by the Accounting Auditor and Audit & Supervisory Committee when preparing their respective audit reports.
- (2) If voting rights are not exercised in writing to indicate either approval or disapproval for each proposal, it will be considered as an indication of approval.
- (3) If voting rights are exercised in duplicate by both mailing the document and via the Internet, etc., the exercise of voting rights via the Internet, etc., will be considered valid.
- (4) For shareholders who wish to have diverse exercise of voting rights, please give notice along with the reason in writing at least three days prior to the date of the Annual General Meeting of Shareholders.

(Notice) Any changes to the items subject to measures for electronic provision will be posted on the Company's website, the online convocation website, and the TSE website mentioned above.

(Request) When attending on the day of the event, please submit your enclosed voting rights exercise form to the reception desk at the venue.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

1. Surplus dividends

The intention of the Company's dividend policy is to ensure stable profit returns. Therefore, the Company carefully considers consolidated business results and dividend payout ratios in order to meet shareholder expectations.

Regarding the year-end dividend for the current fiscal year, the Company proposes the following in line with the Company's basic policy and based on a careful consideration of the financial situation and business results for the whole year.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥130 per common share of the Company
Total payment: ¥5,542,912,830
- (3) Effective date of dividends of surplus
June 28, 2023

2. Other appropriation of surplus

A general reserve is set aside to strengthen the financial structure.

- (1) Item of surplus to be increased and amount of increase
General reserve: ¥16,000,000,000
- (2) Item of surplus to be decreased and amount of decrease
Retained earnings brought forward: ¥16,000,000,000

Proposal No. 2 Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

As the terms of office of all ten Directors will expire at the end of this Annual General Meeting of Shareholders, the Company proposes the election of ten Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal).

The candidates for Director are as follows:

Candidate No.	Name	Current Position	
1	Takeshi Ishiguro	President & CEO, Representative Executive Director	
2	Tetsuya Shimizu	Representative Executive Director, Executive Vice President	
3	Tsukasa Nishimura	Representative Executive Director, Executive Vice President	
4	Toshiaki Yamashita	Director, Managing Executive Officer	
5	Akihito Kajita	Director, Managing Executive Officer	
6	Tatsushi Iwata	Managing Executive Officer	New appointment
7	Tadayuki Kashima	Managing Executive Officer	New appointment
8	Noriyuki Hiramitsu	–	New appointment Independent Outside
9	Ryoichi Yamamoto	Director	Independent Outside
10	Mutsuko Jinbo	Director	Independent Outside

Candidate for Director

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Takeshi Ishiguro (January 15, 1957)	<p>Apr. 1980 Joined Daido Steel Co., Ltd.</p> <p>July 2002 General Manager, Sales Department 1, Steel Business Division</p> <p>June 2004 General Manager, Steel Sales Department, Steel Business Division</p> <p>June 2006 General Manager, Steel Planning and Management Department, Steel Business Division</p> <p>June 2008 General Manager, Corporate Planning Department</p> <p>June 2009 Director and General Manager, Corporate Planning Department</p> <p>Apr. 2012 Director</p> <p>June 2012 Managing Director</p> <p>June 2013 Managing Director, General Manager of Specialty Steel Products Division, and General Manager, Specialty Steel Bar & Wire Business Division</p> <p>June 2014 Representative Director and Vice President, General Manager, Tokyo Head Office, and General Manager, Specialty Steel Products Division</p> <p>June 2015 Representative Executive Director, Executive Vice President and General Manager, Tokyo Head Office</p> <p>June 2016 President & CEO, Representative Executive Director (current position)</p> <p>[Significant concurrent positions outside the Company] Outside Director of TYK Corporation</p>	9,000 shares
<p>As President & CEO and Representative Executive Director, he has shown the direction that the Group should follow and led the management of the Group in the face of drastic changes in the outside world. In order to sustainably improve the Company's corporate value, the Company nominates Takeshi Ishiguro as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Tetsuya Shimizu (November 7, 1962)	<p>Apr. 1985 Joined Daido Steel Co., Ltd.</p> <p>July 2008 General Manager, Advanced Materials R&D Department, Specialty Steel Research Center, R&D Division</p> <p>June 2010 General Manager, Specialty Steel Research Center, R&D Division</p> <p>Oct. 2014 General Manager, Material Solutions Department, Forged Products Division</p> <p>June 2016 Executive Officer and General Manager, Material Solutions Department</p> <p>Apr. 2017 Executive Officer and General Manager, Corporate Research & Development Center</p> <p>Apr. 2019 Executive Officer and General Manager, Corporate Planning Department</p> <p>Apr. 2020 Managing Executive Officer and General Manager, Corporate Planning Department</p> <p>June 2020 Director, Managing Executive Officer and General Manager, Corporate Planning Department</p> <p>June 2021 Director, Managing Executive Officer and General Manager, Functional Products Business Division</p> <p>Apr. 2022 Representative Executive Director, Executive Vice President, General Manager, Functional Products Business Division, and General Manager, Tokyo Head Office</p> <p>Apr. 2023 Representative Executive Director, Executive Vice President (current position)</p>	2,700 shares
<p>He has extensive knowledge about research and development. He also has a wide range of expertise in other areas, such as coordinating the 2023 Medium-Term Management Plan as General Manager of the Corporate Planning Department. Going forward, the Group will need to proceed with product portfolio reforms in order to respond to major changes in the external environment. In order to realize an improvement in the Group's value through his knowledge and leadership skills, the Company nominates Tetsuya Shimizu as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Tsukasa Nishimura (October 6, 1957)	<p>Apr. 1981 Joined Daido Steel Co., Ltd.</p> <p>Nov. 2003 Deputy General Manager, Hoshizaki Plant, Steel Business Division</p> <p>June 2006 General Manager, Hoshizaki Plant, Steel Business Division</p> <p>June 2009 General Manager, Stainless Steel & Tool Steel Business Division</p> <p>June 2010 Director and General Manager, Chita Plant, Specialty Steel Business Division</p> <p>Apr. 2012 Director and General Manager, Chita Plant, Specialty Steel Products Division</p> <p>June 2013 Director</p> <p>June 2014 Managing Director</p> <p>June 2015 Director, Managing Executive Officer</p> <p>June 2016 Representative Executive Director, Executive Vice President (current position)</p> <p>[Responsibility] Assistant to the President Supervisor of all departments, in charge of CRM Department</p> <p>[Significant concurrent positions outside the Company] Outside Auditor of TYK Corporation</p>	8,200 shares
He has extensive knowledge of manufacturing technology. Developing our manufacturing technology is crucial to achieving carbon neutral and meeting other challenges. In order to sustainably improve the Company's corporate value, the Company nominates Tsukasa Nishimura as a candidate for Director.			
4	Toshiaki Yamashita (January 20, 1964)	<p>Apr. 1986 Joined Daido Steel Co., Ltd.</p> <p>Apr. 2012 General Manager, Automobile Sales Department, Specialty Steel Bar & Wire Division, Specialty Steel Products Division</p> <p>June 2015 General Manager, Tokyo Sales Department, Automobile Business Unit</p> <p>June 2016 General Manager, Automobile Business Unit</p> <p>Apr. 2017 Executive Officer and General Manager, Corporate Planning Department</p> <p>Apr. 2019 Executive Officer and General Manager, Automobile Business Unit</p> <p>Apr. 2020 Managing Executive Officer and General Manager, Automobile Business Unit</p> <p>June 2020 Director, Managing Executive Officer and General Manager, Automobile Business Unit</p> <p>June 2021 Director, Managing Executive Officer and General Manager, Specialty Steel Business Division</p> <p>Apr. 2023 Director, Managing Executive Officer and General Manager, Specialty Steel Business Division, General Manager, Tool Steel Business Division, and General Manager, Tokyo Head Office (current position)</p> <p>[Responsibility] All marketing & sales departments, Sales Management Department, and Hot Forming Division</p> <p>[Significant concurrent positions outside the Company] Director of FUJI OOZX Inc.</p>	2,000 shares
He has extensive sales know-how from being engaged in sales of our steel-related products for many years. He also has a wide range of knowledge from his experience as General Manager, Corporate Planning Department. In order to reflect Toshiaki Yamashita's market responsiveness in the midst of major changes in the Company's product strategy, such as our response to vehicle electrification, onto our management, we nominate him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Akihito Kajita (October 11, 1962)	<p>Apr. 1986 Joined The Industrial Bank of Japan, Limited</p> <p>Apr. 2011 General Manager, e-Business Division of Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2012 General Manager, Toyama Corporate Banking Division</p> <p>July 2013 General Manager, Toyama Branch of Mizuho Bank, Ltd.</p> <p>Apr. 2014 General Manager, Corporate Banking Division No. 1</p> <p>June 2015 President & CEO of Mizuho Electronic Monetary Claim Recording Co., Ltd.</p> <p>June 2017 Executive Officer of Daido Steel Co., Ltd.</p> <p>June 2019 Director, Executive Officer</p> <p>June 2021 Director, Managing Executive Officer (current position)</p> <p>[Responsibility] IT Planning Department, Finance & Accounting Department, and Internal Control (Financial Instruments and Exchange Act)</p>	4,600 shares
<p>He has previously worked for financial institutions and has been intimately involved in IT and finance. Akihito Kajita's expertise and extensive knowledge of IT will be needed to further promote digitalization going forward. The Company nominates him as a candidate for Director in order to bring a diverse perspective to the Company's management through his experience in different industries.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p style="text-align: center;"><u>New appointment</u></p> <p style="text-align: center;">Tatsushi Iwata (October 13, 1964)</p>	<p>Apr. 1987 Joined Daido Steel Co., Ltd.</p> <p>June 2014 General Manager, Global Business Division</p> <p>Apr. 2017 General Manager, Automobile Business Unit</p> <p>Apr. 2018 Executive Officer and General Manager, Automobile Business Unit</p> <p>Apr. 2019 Executive Officer and General Manager, Planning Department for Affiliates</p> <p>June 2021 Managing Executive Officer and General Manager, Planning Department for Affiliates</p> <p>Apr. 2022 Managing Executive Officer</p> <p>Jan. 2023 Managing Executive Officer and General Manager, Corporate Planning Department</p> <p>Apr. 2023 Managing Executive Officer (current position)</p> <p>[Responsibility]</p> <p>Corporate Planning Department, ESG Management Department, and Planning Department for Affiliates</p>	1,800 shares
		<p>He has extensive knowledge with regard to global business. In recent years, he has been intimately involved in the management of the Group as the officer in charge of the Corporate Planning Department. The Company nominates Tatsushi Iwata as a candidate for Director as his knowledge is required to further promote our key focus areas of global business and ESG management.</p>	
7	<p style="text-align: center;"><u>New appointment</u></p> <p style="text-align: center;">Tadayuki Kashima (July 22, 1964)</p>	<p>Apr. 1987 Joined Daido Steel Co., Ltd.</p> <p>July 2010 Deputy General Manager, Chita Plant, Specialty Steel Business Division</p> <p>June 2014 General Manager, Procurement Department</p> <p>June 2015 General Manager, Technical Planning & Administration Department</p> <p>Apr. 2018 Executive Officer and General Manager, Chita Plant</p> <p>June 2021 Managing Executive Officer and General Manager, Specialty Steel Production Division</p> <p>Apr. 2023 Managing Executive Officer and General Manager, Production Division (current position)</p> <p>[Responsibility]</p> <p>Production departments and Advanced Manufacturing Department</p>	1,500 shares
		<p>He has extensive knowledge of manufacturing technology. Moving forward, the Group will need to accelerate its response to carbon neutrality and further strengthen its high-performance products. The Company therefore nominates Tadayuki Kashima as a candidate for Director as we need to further develop our manufacturing technology.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <p>Noriyuki Hiramitsu (October 15, 1966)</p>	<p>Apr. 1991 Joined Nippon Steel Corporation</p> <p>Apr. 2016 General Manager, Head of Div., Production & Technical Control Division, Nagoya Works, Nippon Steel & Sumitomo Metal Corporation</p> <p>Apr. 2018 General Manager, Vice Head of Works, Nagoya Works</p> <p>Apr. 2020 Executive Officer, Head of Center, Plant Engineering and Facility Management Center, Nippon Steel Corporation</p> <p>Apr. 2023 Managing Executive Officer, Head of Works, Nagoya Works (current position)</p> <p>[Significant concurrent positions outside the Company] Managing Executive Officer of Nippon Steel Corporation</p>	0 shares
<ol style="list-style-type: none"> 1. Noriyuki Hiramitsu is a candidate for outside Director. Mr. Hiramitsu has abundant experience and insight as an executive of a major company in the steel industry. The Company expects that he will share appropriate advice and ideas on Company management at Board of Directors meetings, Nomination and Remuneration Committee and other such meetings based on his experience, and therefore nominates him as a candidate for outside Director. 2. If the election of Noriyuki Hiramitsu is approved, the Company plans to enter into an agreement with him to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. 3. The Company plans to appoint Noriyuki Hiramitsu as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Although the Company has sales transactions with Nippon Steel Corporation, where he is currently an executive, it accounts for less than 1% of Company sales, so it is not considered as interfering with his independence. 			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	<p style="text-align: center;">Independent Outside</p> <p style="text-align: center;">Ryoichi Yamamoto (March 27, 1951)</p>	<p>Apr. 1973 Joined The Daimaru, Inc.</p> <p>Feb. 1993 Manager of Sales Planning Department, Osaka Umeda Store</p> <p>Feb. 2001 Director, and General Manager of Sales Reform Promotion Office and General Manager of Sales Planning Office, Department Store Operations Headquarters, Head Office</p> <p>May 2003 President and COO</p> <p>Sept. 2007 Director of J. FRONT RETAILING Co., Ltd. Director of Matsuzakaya Co., Ltd.</p> <p>Mar. 2010 President of Daimaru Matsuzakaya Department Stores Co. Ltd.</p> <p>Apr. 2013 President of J. FRONT RETAILING Co., Ltd.</p> <p>May 2017 Director, President, and Representative Executive Officer</p> <p>May 2020 Director and Board of Directors Chairperson (current position)</p> <p>June 2021 Director of Daido Steel Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Director of J. FRONT RETAILING Co., Ltd. Outside Director of NORITAKE CO., LIMITED [Tenure as Director of the Company] 2 years</p>	800 shares
<p>1. Ryoichi Yamamoto is a candidate for outside Director. Mr. Yamamoto has served for many years as a representative director and representative executive officer in industries outside the Company, and has a wide range of experience and insight. The Company expects that he will share appropriate advice and ideas on Company management at Board of Directors meetings, Nomination and Remuneration Committee and other such meetings based on his experience, and therefore renominates him as a candidate for outside Director.</p> <p>2. The Company has entered into an agreement with Ryoichi Yamamoto to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. If he is reelected, this agreement will be continued.</p> <p>3. The Company has designated Ryoichi Yamamoto as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Although the Company occasionally has purchase transactions for goods with Daimaru Matsuzakaya Department Store Co. Ltd., where he executed business until March of 2012, it accounts for less than 1% of the company's sales, so it is not considered as interfering with his independence.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
10	<div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> Mutsuko Jinbo (August 23, 1953) </div>	Mar. 1992 Received doctorate in engineering at Nagoya University Apr. 1996 Assistant Professor of Materials Engineering Laboratory, Daido Institute of Technology Apr. 2001 Professor of School of Engineering Apr. 2017 Director of Daido Educational Institutions Apr. 2017 President of Daido University June 2019 Director of Daido Steel Co., Ltd. (current position) Apr. 2023 Adviser of Daido Educational Institutions (current position) Apr. 2023 Research Fellow, Graduate School of Engineering, Mie University (current position) [Tenure as Director of the Company] 4 years	0 shares
<p>1. Mutsuko Jinbo is a candidate for outside Director. Although Ms. Jinbo has never been involved with company management, she has been involved with management as a director of an educational foundation and president of a university until March 2023. She has been active as a professor for many years and has a wide range of experience and insight. The Company expects that she will share appropriate advice and ideas on Company management and product development at Board of Directors meetings, Nomination and Remuneration Committee and other such meetings, and therefore renominates her as a candidate for outside Director.</p> <p>2. The Company has entered into an agreement with Mutsuko Jinbo to limit her liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. If she is reelected, this agreement will be continued.</p> <p>3. The Company has designated Mutsuko Jinbo as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Although the Company has no investment relationship with the Daido Educational Institutions where Mutsuko Jinbo served as a Director until March 2023, the Company has made donations. However, the amount of the donations is less than 1% of the total income of the institution, and therefore, is not considered as interfering with her independence.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The Company has entered into a liability insurance policy for officers, etc., with an insurance company to cover damages that arise when an insured person is liable due to the execution of his or her duties or receives a claim in carrying out such responsibilities. However, there are exemptions. For example, no compensation is made for damages caused intentionally or due to gross negligence. Each Director will become an insured person under this policy upon his or her election. Moreover, the Company plans to renew this insurance policy in the middle of their terms of office.

[Audit & Supervisory Committee Opinion]

The Audit & Supervisory Committee considered the election of Directors (excluding Directors who are Audit & Supervisory Committee Members) based on the Code of Audit & Supervisory Committee Auditing and Supervising Standards, taking into consideration that appropriate procedures, including deliberations by the Nomination and Remuneration Committee, had been completed. As a result, there were no matters of particular note regarding the election of the Directors (excluding Directors who are Audit & Supervisory Committee Members).

(Reference) Skills Matrix

If Proposal No. 2 is approved and adopted as proposed, the skills of the Company's Directors will be as follows:
Please note that the knowledge and experience of each Director is not limited to the items on the list.

	Name	ESG Management / Planning	Manufac- turing Technology / R&D	Sales / Marketing	Finance / Accounting	IT	Overseas Business	Legal / Compliance
Directors	Takeshi Ishiguro	○		○			○	
	Tetsuya Shimizu	○	○				○	
	Tsukasa Nishimura	○	○					○
	Toshiaki Yamashita	○		○				
	Akihito Kajita			○	○	○		○
	Tatsushi Iwata	○		○	○		○	
	Tadayuki Kashima	○	○					
	Noriyuki Hiramitsu		○			○		
	Ryoichi Yamamoto	○		○				
	Mutsuko Jinbo		○					○
Audit & Supervisory Committee Members	Susumu Shimura	○	○					○
	Kiyoshi Mizutani	○		○	○		○	○
	Kenji Matsuo	○		○	○			

Proposal No. 3 Election of One Director Who Is a Substitute Audit & Supervisory Committee Member

To prepare for a shortage of Directors who are Audit & Supervisory Committee Members according to the legally required amount, we propose the election of one Director who is a Substitute Audit & Supervisory Committee Member.

The Audit & Supervisory Committee has approved this proposal.

The candidate for the role of Director who is a Substitute Audit & Supervisory Committee Member is as follows:

Candidate for the role of Director who is a Substitute Audit & Supervisory Committee Member

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<p style="text-align: center;">Independent Outside</p> <p style="text-align: center;">Nobuyasu Kawabe (May 25, 1965)</p>	<p>Apr. 1992 Joined Chuo Audit Corporation</p> <p>July 1995 Registered as an attorney at law and joined Fuji Law Office</p> <p>Apr. 1999 Established Kawabe Law Office (now Kawabe Kato Law Office) (current position)</p> <p>June 2020 Substitute Audit & Supervisory Board Member of Daido Steel Co., Ltd.</p> <p>June 2022 Director who is a Substitute Audit & Supervisory Committee Member (current position)</p>	<p>1,000 shares</p>
<ol style="list-style-type: none"> 1. There is no special interest between Nobuyasu Kawabe and the Company. 2. Nobuyasu Kawabe is a candidate for the role of outside Director who is a Substitute Audit & Supervisory Committee Member. Although Mr. Kawabe has no experience in company management, he does have broad experience and insight in corporate legal affairs gained from his many years as an attorney. The Company expects that he will perform appropriate auditing and supervision of the Company's management based on his experience, and therefore nominates him as a candidate for outside Director who is a Substitute Audit & Supervisory Committee Member. 3. If Nobuyasu Kawabe is appointed as a Director who is an Audit & Supervisory Committee Member, the Company plans to enter into an agreement with him to limit his liability to the minimum amount required by law as stipulated in Article 423, Paragraph 1 of the Companies Act. 4. If Nobuyasu Kawabe is appointed as a Director who is an Audit & Supervisory Committee Member, the Company plans to designate him as an independent officer according to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. 5. The Company has entered into a liability insurance policy for officers, etc., with an insurance company to cover damages that arise when an insured person is liable due to the execution of his or her duties or receives a claim in carrying out such responsibilities. However, there are exemptions. For example, no compensation is made for damages caused intentionally or due to gross negligence. If Nobuyasu Kawabe is appointed as a Director who is an Audit & Supervisory Committee Member, he will be covered by this insurance policy. 		

Proposal No. 4 Payment of Bonuses to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

Considering business results for the current fiscal year among other factors, the Company proposes to pay a total of ¥147.75 million in bonuses to the seven Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors; the same shall apply hereinafter in this proposal) incumbent as of the end of the current period.

We believe that this proposal is appropriate regarding the amount of bonuses to be paid to Directors, because it has been decided by the Board of Directors according to the policy for remuneration decided upon at the Board of Directors meeting (as described in Business Report 4. Matters Concerning Company Officers (4) Remuneration, etc. for Directors and Audit & Supervisory Board Members for the Current Fiscal Year (i) Matters Concerning Policy for Determination of Individual Remuneration of Directors), and with the ratio of performance-linked compensation to total remuneration and other factors taken into consideration, after consulting with the Nomination and Remuneration Committee, of which the majority is composed of independent outside Directors.

Proposal No. 5 Determination of the Amount and Content of Performance-linked Stock Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

Remuneration for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors) consists of basic remuneration and bonuses. However, we propose to introduce a new performance-linked stock compensation plan (hereinafter referred to as the "Plan") using a trust for such Directors. We propose that the details of the Plan be entrusted to the Board of Directors within the following scope.

1. Reasons for the proposal and reasons why the compensation plan is appropriate

The purpose of the Plan is to further clarify the linkage between the remuneration of Directors and the performance and share value of the Company to raise awareness that Directors contribute to the improvement of medium- to long-term performance and the increase of corporate value by sharing the profits and risks caused by fluctuations in the stock price with all shareholders. The Plan is also designed to provide an incentive to sustainably improve corporate value even after shares have been granted by imposing transfer restrictions on the shares to be delivered to Directors until the Director retires.

This proposal provides that remuneration under the Plan be paid to the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors; hereinafter referred to as "Directors") separately from the maximum limit (¥41 million per month (¥5 million per month for outside Directors)) for Directors (excluding Directors who are Audit & Supervisory Committee Members) that was approved at the 98th Annual General Meeting of Shareholders held on June 24, 2022.

An overview of the details of the Policy for Determination of Individual Remuneration of Directors of the Company is given in Business Report 4. Matters Concerning Company Officers (4) Remuneration, etc. for Directors and Audit & Supervisory Board Members for the Current Fiscal Year (i) Matters Concerning Policy for Determination of Individual Remuneration of Directors. Subject to the approval of this proposal, we plan to change the content as described in this proposal. However, since the content of this proposal is necessary and reasonable in order to pay remuneration in accordance with the policy after the change, we consider the content of this proposal to be reasonable.

If Proposal No. 2 "Election of Ten Directors (excluding Directors who are Audit & Supervisory Committee Members)" is approved and adopted as drafted, seven Directors will be eligible for the Plan.

* If this proposal is approved and adopted as drafted, we plan to introduce a similar share-based remuneration plan for executive officers who have concluded a contract of mandate with the Company.

2. Amount and content of remuneration under the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan in which a trust set up by the Company through the contribution of monies (hereinafter referred to as the "Trust"), acquires common shares of the Company (hereinafter referred to as "Company Shares"). A number of Company Shares equivalent to the number of points granted to each Director by the Company are then delivered to each Director through the Trust (however, as described in 3 below, transfer restrictions shall be imposed on such shares by concluding a transfer restriction agreement between the Company and each Director). The Company grants Directors two types of points: points based on the Directors' position (hereinafter referred to as "Fixed Points"), and points based on the Directors' position and the degree to which they achieve the Company's performance targets, etc. (hereinafter referred to as "Performance-linked Points").

As a general rule, Directors receive delivery of Company Shares at a certain time in each fiscal year during the trust period.

(i)	Eligible persons for the Plan	Company Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors)
(ii)	Applicable Period (the Fixed Points Applicable Period and Performance-linked Points Applicable Period on the right are collectively or individually referred to as "Applicable Period")	Fixed Points Applicable Period Approximately four years from the day following the day of conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2023 (this Annual General Meeting of Shareholders) to the day of conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027 (the period from the day following the conclusion of each Annual General Meeting of Shareholders to the day of conclusion of the Annual General Meeting of Shareholders of the following year (approximately one year) during the Fixed Points Applicable Period shall be referred to as the "Single Fixed Points Applicable Period")
		Performance-linked Points Applicable Period Four fiscal years from April 1, 2023 to March 31, 2027 (the period of each fiscal year during the Performance-linked Points Applicable Period is referred to as the "Single Performance-linked Points Applicable Period," and the Single Fixed Points Applicable Period are collectively or individually referred to as the "Single Applicable Period")
(iii)	Upper limit of monies the Company contributes as funds to acquire Company Shares needed to deliver to eligible persons in (i) within the period (period from the day following the day of the conclusion of this Annual General Meeting of Shareholders to March 31, 2027) during the Fixed Points Applicable Period and the Performance-linked Points Applicable Period	Total amount: ¥600 million
(iv)	Acquisition method of Company Shares	Receive disposal of treasury stock or acquire from exchange market (including off-floor trading)
(v)	Upper limit of total number of points granted to eligible persons in (i)	50,000 points per fiscal year
(vi)	Criteria for granting points	Fixed Points Granted according to position, etc.
		Performance-linked Points Granted according to position and degree to which they achieve the Company's performance targets, etc.
(vii)	Timing of delivery of Company Shares to eligible persons in (i)	In principle, at a certain time in each fiscal year during the trust period
(viii)	Transfer restriction period in the transfer restriction agreement specified in 3.	The period from the date on which Company Shares are delivered until the date on which the person is no longer a Director or an executive officer of the Company

(2) Upper limit of monies the Company contributes

In order to acquire the Company Shares needed to deliver to the Directors under the Plan within the period during the Fixed Points Applicable Period and the Performance-linked Points Applicable Period (the period from the day following the day of the conclusion of this Annual General Meeting of Shareholders to March 31, 2027), the Trust will be set up with the Directors who acquire beneficiary rights as beneficiaries as described in (3) (iii) below by contributing a total amount of up to ¥600 million as remuneration to Directors who are in office during the Applicable Period. The Trust will use the money entrusted by the Company as the source of funds to acquire the Company Shares by receiving disposal of the Company's treasury stock or by acquiring from the exchange market (including off-floor trading).

Note: The amount of money that the Company actually entrusts in the Trust is the sum of the estimated amount of necessary expenses such as trust fees and trust administrator fees, in addition to the above-

mentioned funds for acquiring the Company Shares. Moreover, if a similar stock compensation plan is introduced for executive officers with whom the Company has entered into a contract of mandate as described above, the Company will also entrust the funds needed for the acquisition of Company Shares in order to deliver to the executive officers under said plan.

In addition, even after the end of each Applicable Period, the Company's Board of Directors may decide to set a new Applicable Period (either or both Fixed Points Applicable Period or Performance-linked Points Applicable Period) with a maximum of five Single Applicable Periods, and along with this, the trust period of the Trust may be extended (this includes substantially extending the trust period by transferring the assets of the Trust to a trust set up by the Company that has the same purpose as the Trust; the same shall apply hereinafter) to a maximum of about five years to continue the Plan. In such a case, the Company will make an additional contribution to the Trust, up to the amount of ¥150 million multiplied by the number of years of the new Single Applicable Period, as additional acquisition funds for the Company Shares needed to deliver to the Directors under the Plan within the period until the end of the new Applicable Period established (but if both the Fixed Points Applicable Period and the Performance-linked Points Applicable Period are set as new Applicable Periods, then it will be the period until the end of the Performance-linked Points Applicable Period) to continue to grant the points in (3) below and deliver the Company Shares (the same shall apply thereafter).

(3) Calculation method and maximum amount of Company Shares to be granted to Directors

(i) Method of granting points to Directors

The Company shall grant Fixed Points and Performance-linked Points to each Director on the day of the grant of points (in principle, a certain day each fiscal year) specified in the Stock Delivery Regulations during the trust period in accordance with the Stock Delivery Regulations prescribed by the Board of Directors of the Company.

However, the total number of points (total of Fixed Points and Performance-linked Points) granted by the Company to Directors shall be capped at 50,000 points per fiscal year.

(ii) Delivery of Company Shares according to the number of points granted

Directors will receive Company Shares as described in (iii) below according to the number of points granted in (i) above. One point will be equal to one share of the Company's stock. However, in the event that it is deemed reasonable to adjust the number of Company Shares per point, such as with a share split or consolidation of shares, the number of Company Shares per point shall be reasonably adjusted in accordance with such split ratio or consolidation ratio.

(iii) Delivery of Company Shares to Directors

Each Director shall, in principle, acquire beneficiary rights in the Trust and receive the Company Shares as set out in (ii) above from the Trust on the condition that the Director concludes a transfer restriction agreement as set out in paragraph 3 below with the Company and goes through other prescribed procedures for each fiscal year during the trust period.

However, in the event that the Company Shares in the Trust are converted into cash, such as when the Company Shares in the Trust are settled from a takeover bid, the Company may issue cash (redeemed amount) in lieu of the Company Shares.

(4) Exercise of voting rights

Voting rights pertaining to Company Shares in the Trust shall not be uniformly exercised based on the instructions of the trust administrator who is independent from the Company and the Company's officers. By adopting this method, we intend to ensure neutrality in management of the Company regarding the exercise of voting rights pertaining to Company Shares in the Trust.

(5) Treatment of dividends

Dividends related to Company Shares in the Trust will be received by the Trust and used for the acquisition of Company Shares and trustee's fees for the Trust.

3. Transfer restriction agreement for Company Shares delivered to Directors

Upon delivery of Company Shares in 2. (3) (ii) above, the Company and the Directors shall conclude a transfer restriction agreement (hereinafter referred to as the "Transfer Restriction Agreement") that includes the outline and the following contents.

(1) Transfer Restriction Period

A Director shall not transfer, create a security interest on, or otherwise dispose of the shares delivered (hereinafter referred to as "Delivered Shares") under the Plan (hereinafter referred to as "Transfer Restriction") from the date the shares were delivered (if shares delivered more than once, the date of each delivery) until the day when he or she is no longer a Director or executive officer of the Company (hereinafter referred to as "Transfer Restriction Period").

Throughout the Transfer Restriction Period, the Delivered Shares shall be held in a securities company account designated by the Company for the purpose of managing them separately from shares already held by the Directors.

(2) Gratis acquisition of Delivered Shares

- (i) If a Director violates (1) above and attempts to dispose of all or part of the Delivered Shares by transferring, providing security, or any other method of disposal, the Company shall acquire, by rights, all of the Delivered Shares without contribution.
- (ii) If a Director falls under any of the following items at any point throughout the Transfer Restriction Period, the Company shall acquire, by rights, all of the Delivered Shares without contribution at the time the Director falls under the item:
 - a) In cases where a Director retires for a reason other than the reasons recognized by the Board of Directors of the Company as being unavoidable, such as the expiration of his/her term of office, reaching the mandatory retirement age, or death, etc.; or
 - b) In cases where a Director is sentenced to imprisonment without work or any heavier punishment.
- (iii) If a Director falls under any of the following items at any point throughout the Transfer Restriction Period, and the Board of Directors of the Company, through consultation with the Nomination and Remuneration Committee, determines that it is appropriate to acquire all of the Delivered Shares without contribution, the Company will give written notice to the Director to the effect that the Delivered Shares will be acquired without contribution, and all of the Delivered Shares will be acquired by rights and without contribution as of the time when such notice is received by the Director:
 - a) In cases where a petition for commencement of bankruptcy proceedings, commencement of civil rehabilitation proceedings or any other similar proceedings is filed against a Director;
 - b) In cases where the Company finds (excluding cases in which prior written consent has been obtained from the Company) that a Director has assumed the position of an officer or employee of a corporation or other organization competing with the business of the Group (means the Company and its subsidiaries; the same shall apply hereinafter);
 - c) In cases where the Company deems that the Director has violated laws and regulations, the internal rules of the Group, or the Transfer Restriction Agreement in any material respect;

- d) In cases where the Company deems that the Director's conduct has damaged the reputation of the Group or caused significant damage to the Group;
- e) In cases where a Director causes civil, criminal or other misconduct; or
- f) Any other cases equivalent to those of the preceding items in which the Company determines that it would be appropriate for the Company to acquire the Delivered Shares without contribution.

(3) Treatment during reorganization, etc.

If the matters listed in the following items are approved at the Company's General Meeting of Shareholders (provided, however, in cases where the approval of the Company's General Meeting of Shareholders is not required in item (ii) and in the case of (vi), the Company's Board of Directors) during the Transfer Restriction Period (provided, however, that this shall be limited to cases where the date specified in each of the following items (hereinafter referred to as the "Effective Date of Reorganization, etc.") comes before the end of the Transfer Restriction Period), notwithstanding (1) above, the Transfer Restriction on the Delivered Shares shall be lifted immediately prior to the business day preceding the Effective Date of Reorganization, etc.

- (i) A merger agreement in which the Company is the expired company: Effective date of merger;
- (ii) An absorption-type company split agreement or incorporation-type company split plan in which the Company will become the split company (limited to the case where the Company delivers all or part of the consideration for the split to the Company's shareholders on the effective date of the company split): Effective date of company split;
- (iii) A share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary: Effective date of share exchange or share transfer;
- (iv) A consolidation of shares (limited to the case where the number of Delivered Shares held by the Director are only less than one as a result of such consolidation of shares): Effective date of consolidation of shares;
- (v) An acquisition of all common stock of the Company by attaching the all acquisition clause (Class-Wide Call) of Article 108, Paragraph 1, Item 7 of the Companies Act to the common stock of the Company: Acquisition date as stipulated in Article 171, Paragraph 1, Item 3 of the Companies Act; and
- (vi) A demand for the sale of shares of common stock of the Company (meaning a Demand for Cash-Out as defined in Article 179, Paragraph 2 of the Companies Act): Acquisition date as stipulated in Article 179-2, Paragraph 1, Item 5 of the Companies Act.

(4) Other matters determined by the Board of Directors

In addition to the above, the method for expressing intentions and giving notifications in the Transfer Restriction Agreement, the method for amending the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Transfer Restriction Agreement.

[Audit & Supervisory Committee Opinion]

The Audit & Supervisory Committee considered the remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) based on the Code of Audit & Supervisory Committee Auditing and Supervising Standards, taking into consideration that appropriate procedures, including deliberations by the Nomination and Remuneration Committee, had been completed. As a result, there were no matters of particular note regarding the remuneration of the Directors (excluding Directors who are Audit & Supervisory Committee Members).