

*(English Translation)*

*This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.*

Stock code: 3036

June 8, 2021

To Our Shareholders:

Masato Takei, President and CEO  
ALCONIX CORPORATION  
2-11-1, Nagata-cho, Chiyoda-ku, Tokyo

## **Notice of Convocation of the 40th Ordinary General Meeting of Shareholders**

I would like to take this opportunity to thank you for your support of ALCONIX CORPORATION (“ALCONIX” or the “Company”). We will hold the 40th Ordinary General Meeting of Shareholders as described below.

The Japanese government and local governments are strongly urging people to stay at home and limit outings in order to prevent the spread of novel coronavirus disease (COVID-19). After carefully examining this situation, ALCONIX has decided to hold this meeting while implementing appropriate measures concerning COVID-19.

To comply with government requests to stay at home and prevent the spread of COVID-19, we strongly request shareholders to submit your votes in advance in writing, by using the Internet or in another way to refrain from visiting the venue on the day of the Meeting.

If you exercise your voting rights in writing or on the Internet website, please review the following Reference Documents for the General Meeting of Shareholders and submit your votes by no later than 5:30 p.m. on Tuesday, June 22, 2021.

Shareholders who attend the meeting will not receive any gifts from ALCONIX. Thank you for your understanding.

### **Details**

- 1. Date and time** Wednesday, June 23, 2021 at 10 a.m.
- 2. Place** Orchard, The Okura Prestige Tower, The Okura Tokyo  
2-10-4, Toranomom, Minato-ku, Tokyo

### **3. Meeting agenda**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and the results of audits conducted by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 40th Fiscal Year (April 1, 2020 - March 31, 2021)
  2. Non-consolidated Financial Statements for the Company’s 40th Fiscal Year (April 1, 2020 - March 31, 2021)

### **Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Retained Earnings
- Proposal No. 2:** Election of Eight Directors
- Proposal No. 3:** Election of One Substitute Audit & Supervisory Board Member
- Proposal No. 4:** Introduction of Performance-linked Stock Compensation Plan for Directors

- For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
- Sanitizer dispensers will be placed near the reception desk for the use of shareholders. Shareholders who attend the meeting are asked to bring a mask and wear it at all times.
- At the entrance to this meeting, we will check the temperature of people who want to attend the meeting. Individuals who have an elevated temperature, are not feeling well will not be allowed to enter the meeting room and be asked to leave.
- All ALCONIX personnel involved in the operation of the meeting will be at the meeting only after their health, including body temperature, has been checked and masks are in place.
- To shorten the time required for this meeting in order to prevent the spread of COVID-19, detailed explanations from the podium of matters to be reported and proposals to be resolved will be omitted. Shareholders are asked to review this information beforehand in this notice of convocation.
- As the following information is posted on ALCONIX's website (<https://www.alconix.com>) on the Internet pursuant to the laws and regulations and the provisions in Article 15 of the Company's Articles of Incorporation, it is not included in the documents attached to this notice of convocation.

Business Report

Consolidated Financial Statements

Non-consolidated Financial Statements

The Audit & Supervisory Board Members and the accounting auditor have audited the Reference Documents, including the above items posted on the Company's website. If any amendment is made to the Reference Documents for the General Meeting of Shareholders, the Business Report and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on ALCONIX's website.

- Please check our website (URL: <https://www.alconix.com>) for information on any additional measures for the prevention and spread of infections in response to the pandemic situation.

## Reference Documents for the General Meeting of Shareholders

Proposal No. 1

### Appropriation of Retained Earnings

ALCONIX's basic policy regarding dividends is to continuously provide stable dividends while securing adequate internal reserves for future business development and a stronger infrastructure for business operations.

The year-end dividend for the fiscal year ended March 31, 2021 (FY3/21) is as follows.

Reference Dividend policy

**(1) Type of dividend:**

Cash

**(2) Dividend payment and total amount:**

A dividend per common stock of the Company

21 yen

Total amount of dividends

525,753,753 yen

**Together with an interim dividend, the annual dividend will be 42 yen per share.**

**Note: Pursuant to Article 453 of the Companies Act, total dividends are calculated after deducting the 907,207 treasury shares from the number of shares outstanding.**

**(3) Effective date of distribution of retained earnings:**

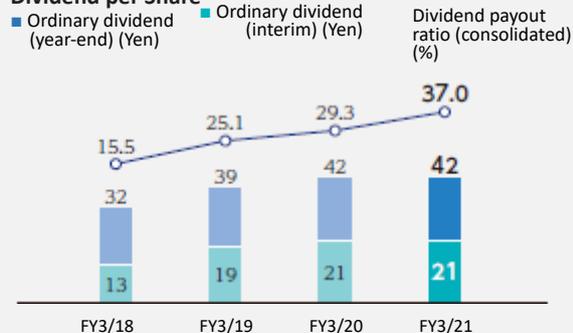
June 24, 2021

#### Basic Policy

Maintain the optimal balance between internal reserves and dividend payments

Funds for future business development and a stronger infrastructure for business operations  
Stable and consistent distributions to shareholders

#### Dividend per Share



Note: Dividends have been adjusted to reflect stock splits conducted in prior years.

Dividends for FY3/21

1H FY3/21 (Interim dividend) **21** yen + FY3/21 (Year-end dividend) **21** yen = Annual dividend of **42** yen

## Election of Eight Directors

The terms of office of all seven Directors will expire at the conclusion of this General Meeting of Shareholders. ALCONIX proposes the election of eight Directors, an increase of one Director, to strengthen the internal control system. The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at ALCONIX		Attendance at the Board of Directors meetings
1	Masato Takei	Reelection	President and CEO	100% (12/12 times)
2	Hiroshi Teshirogi	Reelection	Director, Senior Managing Executive Officer, General Manager of Corporate Sector, Manager of General Affairs & Human Resources Department and Information System Department	100% (12/12 times)
3	Takumi Suzuki	Reelection	Director, Managing Executive Officer, Manager of Corporate Sector, Corporate Planning Department, Legal & Compliance Department and Risk Management Department, and General Manager of Corporate Planning Department	100% (12/12 times)
4	Toshiya Imagawa	Newly appointed	Managing Executive Officer in charge of internal controls, Manager of Audit Department	-
5	Nobuhiko Takahashi	Newly appointed	Executive Officer, Manager of Corporate Sector, Finance Department and Accounting Department, and General Manager of Finance Department	-
6	Masao Hisada	Reelection Outside Independent	Director	100% (12/12 times)
7	Yukino Kikuma	Reelection Outside Independent	Director	100% (10/10 times)
8	Toshiya Tsugami	Newly appointed Outside Independent	-	-

Note: Attendance for Ms. Yukino Kikuma is for meetings beginning with June 2020 because Ms. Kikuma was elected as a Director at the 39th Ordinary General Meeting of Shareholders. Between June 2020 and March 2021, Ms. Kikuma's attendance ratio is 100%.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p data-bbox="272 365 448 427">Masato Takei (May 18, 1953)</p>  <p data-bbox="233 808 486 846">Reelected</p>	<p data-bbox="523 320 1203 383">April 1977    Joined Nissho Iwai Corporation (currently Sojitz Corporation)</p> <p data-bbox="523 394 1150 456">April 2003    Joined ALCONIX, Executive Officer and General Manager of Group 3 of ALCONIX</p> <p data-bbox="523 468 1145 530">June 2006    Executive Officer and General Manager of Group 4 of ALCONIX</p> <p data-bbox="523 542 1150 604">June 2009    Director, Managing Executive Officer and General Manager of Group 4 of ALCONIX</p> <p data-bbox="523 616 1171 707">April 2010    Director, Managing Executive Officer and General Manager of Electronics &amp; Advanced Materials Division of ALCONIX</p> <p data-bbox="523 719 1171 810">June 2015    Director, Senior Managing Executive Officer and General Manager of Electronics &amp; Advanced Materials Division of ALCONIX</p> <p data-bbox="523 822 1107 884">June 2017    Director &amp; Executive Vice President of ALCONIX</p> <p data-bbox="523 896 1145 927">June 2018    President and CEO of ALCONIX (current)</p>	112,800
<p data-bbox="220 943 772 974">Reasons for nomination as a candidate for Director</p> <p data-bbox="220 981 1426 1189">Mr. Masato Takei has served in a variety of key positions involving aluminum, copper, electronic materials, titanium, business development since joining ALCONIX. Since his election as a Director in 2009, he played a central role in establishing a sound profit structure for the electronics and advanced materials business, which is one of the core profit centers of the ALCONIX Group. Mr. Takei was named Executive Vice President in 2017 and became a Representative Director in 2018. Due to his specialized knowledge and his experience, he is a candidate for reelection as a Director. If Mr. Takei is reelected as a Director, he is to be named President and CEO at the meeting of the Board of Directors that follows this Ordinary General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="264 483 456 544">Hiroshi Teshirogi (May 6, 1958)</p>  <p data-bbox="236 925 485 965">Reelected</p>	<p data-bbox="523 304 1206 365">April 1981    Joined Nissho Iwai Corporation (currently Sojitz Corporation)</p> <p data-bbox="523 376 879 405">April 2003    Joined ALCONIX</p> <p data-bbox="523 416 1145 477">June 2004    Executive Officer and General Manager of Group 1 of ALCONIX</p> <p data-bbox="523 488 1166 589">April 2008    President and CEO of ALCONIX SANSHIN CORPORATION (currently ALCONIX · MITAKA CORPORATION)</p> <p data-bbox="523 600 1126 660">June 2009    Managing Executive Officer and General Manager of Group 1 of ALCONIX</p> <p data-bbox="523 672 1142 763">June 2010    Managing Executive Officer and General Manager of Aluminum &amp; Copper Products Division of ALCONIX</p> <p data-bbox="523 775 1134 866">June 2014    Director, Managing Executive Officer and General Manager of Aluminum &amp; Copper Products Division of ALCONIX</p> <p data-bbox="523 878 1166 969">June 2017    Director, Senior Managing Executive Officer and General Manager of Corporate Planning Division of ALCONIX</p> <p data-bbox="523 981 1206 1137">April 2021    Director, Senior Managing Executive Officer, General Manager of Corporate Sector , Manager of General Affairs &amp; Human Resources Department and Information System Department of ALCONIX (current)</p>	98,300
<p data-bbox="220 1160 775 1189">Reasons for nomination as a candidate for Director</p> <p data-bbox="220 1193 1433 1406">Mr. Hiroshi Teshirogi was assigned to the aluminum and copper products business after joining ALCONIX. He was named an Executive Officer and General Manager of the aluminum and copper products section in 2004. After his election as a Director in 2014, Mr. Teshirogi has demonstrated his operational leadership skills to manage and supervise trade in Japan and overseas, trilateral transactions and the growth of overseas operations. As well as with his management experience as the executive director of the subsidiary, Mr. Teshirogi is currently a Director and Senior Managing Executive Officer and General Manager of the Corporate Sector. Due to his specialized knowledge and his experience, Mr. Teshirogi is a candidate for reelection as a Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="248 443 467 506">Takumi Suzuki (February 18, 1963)</p>  <p data-bbox="233 875 488 913">Reelected</p>	<p data-bbox="523 277 1209 338">April 1986    Joined Nissho Iwai Corporation (currently Sojitz Corporation)</p> <p data-bbox="523 353 879 383">June 2009    Joined ALCONIX</p> <p data-bbox="523 398 1187 495">July 2013    General Manager of Corporate Planning Department of Corporate Planning Division of ALCONIX</p> <p data-bbox="523 510 1171 607">June 2017    Executive Officer and General Manager of Corporate Planning Department of Corporate Planning Division of ALCONIX</p> <p data-bbox="523 622 1193 741">June 2018    Executive Officer, Deputy General Manager of Corporate Planning Division and General Manager of Corporate Planning Department of ALCONIX</p> <p data-bbox="523 757 1171 875">June 2019    Director, Executive Officer, Deputy General Manager of Corporate Planning Division and General Manager of Corporate Planning Department of ALCONIX</p> <p data-bbox="523 891 1203 1086">April 2021    Director, Managing Executive Officer, Manager of Corporate Sector, Corporate Planning Department, Legal &amp; Compliance Department and Risk Management Department, and General Manager of Corporate Planning Department of ALCONIX (current)</p>	12,400
<p data-bbox="220 1106 772 1135">Reasons for nomination as a candidate for Director</p> <p data-bbox="220 1144 1439 1361">Since joining ALCONIX, Mr. Takumi Suzuki has been involved with corporate planning and has contributed to the growth of the ALCONIX Group and the formulation of management strategies. He has played a significant role in strengthening the consolidated profit structure by planning and overseeing M&amp;A mainly in the manufacturing sector. He has also demonstrated excellent leadership concerning the establishment and execution of business strategies for the entire ALCONIX Group. Mr. Suzuki is currently Director, Managing Executive Officer, Manager of the Corporate Sector and General Manager of the Corporate Planning Department. Due to his specialized knowledge and his experience, he is a candidate for reelection as a Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p data-bbox="263 347 454 414">Toshiya Imagawa (August 8, 1965)</p>  <p data-bbox="231 772 486 817">Newly appointed</p>	<p data-bbox="526 280 1173 347">April 1989      Joined Nissho Iwai Corporation (currently Sojitz Corporation)</p> <p data-bbox="526 347 917 392">September 2003      Joined ALCONIX</p> <p data-bbox="526 392 1157 459">October 2004      General Manager of Electronic Materials Department, Group 4 of ALCONIX</p> <p data-bbox="526 459 1157 571">April 2010      General Manager of Electronic Materials Department, Electronics &amp; Advanced Materials Division of ALCONIX</p> <p data-bbox="526 571 1189 683">June 2015      Executive Officer, Deputy General Manager of Electronics &amp; Advanced Materials Division of ALCONIX</p> <p data-bbox="526 683 1189 795">June 2017      Executive Officer, General Manager of Electronics &amp; Advanced Materials Division of ALCONIX</p> <p data-bbox="526 795 1157 896">April 2021      Managing Executive Officer in charge of internal controls, Manager of Audit Department of ALCONIX (current)</p>	23,800
<p data-bbox="223 907 774 940">Reasons for nomination as a candidate for Director</p> <p data-bbox="223 952 1428 1153">Since joining ALCONIX, Mr. Toshiya Imagawa has demonstrated his ability to establish new businesses and increase the market share of existing products in the electronic and advanced materials business, which is one of the core businesses of ALCONIX. In addition, he has been dedicated to establishing a solid revenue base for ALCONIX. He has also served as a Director (part-time) of a number of domestic and overseas manufacturing subsidiaries and overseas corporations, accumulating a significant amount of knowledge and experience in group management. Since April 2021, he has been in charge of internal control and the Audit Department. Due to his specialized knowledge and his experience, he is a candidate for election as a Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p>Nobuhiko Takahashi (February 5, 1965)</p>  <p>Newly appointed</p>	<p>April 1987    Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)</p> <p>April 2015    Branch Manager of Shenzhen Branch, Bank of Tokyo-Mitsubishi UFJ (China), Ltd. (currently MUFG Bank (China), Ltd.)</p> <p>June 2017     Joined ALCONIX</p> <p>October 2017   General Manager of Finance Department of ALCONIX</p> <p>June 2020     Executive Officer, Deputy General Manager of Finance &amp; Accounting Division and General Manager of Finance Department of ALCONIX</p> <p>April 2021     Executive Officer, Manager of Corporate Sector, Finance Department and Accounting Department, and General Manager of Finance Department of ALCONIX (current)</p>	2,200
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Nobuhiko Takahashi was mainly involved in overseas corporate finance operations at a major financial institution and experienced as a branch manager of an overseas branch. After joining ALCONIX, he was appointed as the General Manager of the Finance Department and have demonstrated his knowledge and ability as an expert in international finance and treasury, and became the head of the Finance &amp; Accounting Sector of ALCONIX in April 2021. Due to his specialized knowledge and his experience, he is a candidate for election as a Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held			
6	<p>Masao Hisada (December 16, 1948)</p>  <table border="1" data-bbox="231 824 485 943"> <tr><td>Reelected</td></tr> <tr><td>Outside</td></tr> <tr><td>Independent</td></tr> </table>	Reelected	Outside	Independent	<p>April 1972    Joined Hitachi, Ltd.</p> <p>April 2007    Vice President and Executive Officer of Hitachi, Ltd.</p> <p>April 2010    Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi High-Technologies Corporation (currently Hitachi High-Tech Corporation)</p> <p>April 2011    Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation</p> <p>June 2015    Chairman of the Board of Hitachi High-Technologies Corporation</p> <p>June 2019    Honorary Senior Advisor of Hitachi High-Technologies Corporation (current)</p> <p>June 2019    Outside Director of ALCONIX (current)</p> <p>June 2019    Outside Director of Enplas Corporation (current)</p> <p>Significant concurrent position</p> <p>June 2019    Honorary Senior Advisor of Hitachi High-Technologies Corporation (currently Hitachi High-Tech Corporation)</p> <p>June 2019    Outside Director of Enplas Corporation</p>	2,200
Reelected						
Outside						
Independent						
<p>Reasons for nomination as a candidate for Director and overview of expected roles</p> <p>Mr. Masao Hisada has many years of experience involving global business operations, procurement, marketing and other activities in his career at Hitachi. He has also demonstrated excellent leadership skills as a Vice President and Executive Officer of Hitachi and then as a President and Chairman of a Hitachi Group company. This experience gives him an extensive insight on company management. ALCONIX believes that Mr. Hisada can use his experience and knowledge to play a role in strengthening the oversight function of the Board of Directors. As a result, Mr. Hisada is a candidate for reelection as an Outside Director. In addition, the Company has designated him as an independent officer pursuant to the provisions of the Tokyo Stock Exchange. Mr. Hisada's term of office as an Outside Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</p>						

- Notes: 1. No material conflict of interest exists between ALCONIX and the above candidate for Director.
2. Mr. Masao Hisada is a candidate for Outside Director. ALCONIX has entered into an agreement with Mr. Hisada in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to ALCONIX to the minimum liability amount as stipulated in Paragraph 1, Article 425 of the Companies Act. If this individual is reelected, ALCONIX plans to extend the agreement.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held			
7	<p>Yukino Kikuma (March 5, 1972)</p>  <table border="1" data-bbox="240 768 493 887"> <tr><td>Reelected</td></tr> <tr><td>Outside</td></tr> <tr><td>Independent</td></tr> </table>	Reelected	Outside	Independent	<p>April 1995      Joined Fuji Television Network, Inc.</p> <p>December 2011      Registered as an attorney</p> <p>January 2012      Matsuo &amp; Kosugi (current)</p> <p>June 2018      Outside Director of KOSÉ Corporation (current)</p> <p>April 2020      Outside Director (Audit &amp; Supervisory Committee Member) of Takihyo Co., Ltd. (current)</p> <p>June 2020      Outside Director of ALCONIX (current)</p> <p>June 2020      Outside Director of KITZ Corporation (current)</p> <p>Significant concurrent position</p> <p>January 2012      Matsuo &amp; Kosugi</p> <p>June 2018      Outside Director of KOSÉ Corporation</p> <p>April 2020      Outside Director (Audit &amp; Supervisory Committee Member) of Takihyo Co., Ltd.</p> <p>June 2020      Outside Director of KITZ Corporation</p>	200
Reelected						
Outside						
Independent						
<p>Reasons for nomination as a candidate for Director and overview of expected roles</p> <p>Ms. Yukino Kikuma has not directly been involved in management in the past, but has highly specialized skills and knowledge of company management as an attorney. She also has expertise involving corporate law and experience involving mass media. ALCONIX believes that Ms. Kikuma can use a broad range of her experience and knowledge to play a role in strengthening the oversight function of the Board of Directors. As a result, Ms. Kikuma is a candidate for reelection as an Outside Director. In addition, ALCONIX has designated her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange. Ms. Kikuma's term of office as an Outside Director will be one year at the conclusion of this Ordinary General Meeting of Shareholders.</p>						

Notes: 1. No material conflict of interest exists between ALCONIX and the above candidate for Director.

2. Ms. Yukino Kikuma is a candidate for Outside Director. ALCONIX has entered into an agreement with Ms. Kikuma in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to ALCONIX to the minimum liability amount as stipulated in Paragraph 1, Article 425 of the Companies Act. If this individual is reelected, ALCONIX plans to extend the agreement.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held			
8	<p data-bbox="272 315 464 376">Toshiya Tsugami (March 26, 1957)</p>  <table border="1" data-bbox="240 752 491 869"> <tr> <td>Newly appointed</td> </tr> <tr> <td>Outside</td> </tr> <tr> <td>Independent</td> </tr> </table>	Newly appointed	Outside	Independent	<p data-bbox="523 277 1182 338">April 1980      Joined Ministry of International Trade and Industry, Japan</p> <p data-bbox="523 353 1182 450">April 1996      Seconded to Ministry of Foreign Affairs of Japan (Counsellor, Economic Affairs Department, Embassy of Japan in China)</p> <p data-bbox="523 465 1182 526">July 2002      Senior Fellow of Research Institute of Economy, Trade and Industry</p> <p data-bbox="523 542 1182 602">April 2014      President of Tsugami Workshop Ltd. (current)</p> <p data-bbox="523 618 1182 678">April 2018      Visiting Research Fellow of The Japan Institute of International Affairs (current)</p> <p data-bbox="523 694 1182 754">November 2018      President of Japan International Medical Exchange Co., Ltd.</p> <p data-bbox="523 770 847 799">Significant concurrent position</p> <p data-bbox="523 815 1182 853">April 2014      President of Tsugami Workshop Ltd.</p> <p data-bbox="523 869 1182 929">April 2018      Visiting Research Fellow of The Japan Institute of International Affairs</p>	-
Newly appointed						
Outside						
Independent						
<p data-bbox="225 938 767 967">Reasons for nomination as a candidate for Director</p> <p data-bbox="225 981 1374 1167">Although Mr. Toshiya Tsugami has not directly been involved in corporate management in the past, he has experience and achievements in international trade policy and a high level of knowledge as an expert in international affairs. ALCONIX believes that Mr. Tsugami can use a broad range of his experience and knowledge to play a role in strengthening the oversight function of the Board of Directors. As a result, Mr. Tsugami is a candidate for election as an Outside Director. If Mr. Tsugami is elected, ALCONIX plans to designate him as an independent officer pursuant to the provisions of the Tokyo Stock Exchange.</p>						

- Notes: 1. No material conflict of interest exists between ALCONIX and the above candidate for Director.
2. Mr. Toshiya Tsugami is a candidate for Outside Director. If Mr. Tsugami is elected, ALCONIX plans to enter into an agreement with Mr. Tsugami to limit liabilities for damages to ALCONIX as stated in Paragraph 1, Article 423 of the Companies Act, in accordance with Paragraph 1, Article 427 of the same Act. ALCONIX intends to limit the liabilities under the agreement to the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act.

### Reference: Skill Matrix for Directors and Audit & Supervisory Board Members

As an integrated company that combines trading capability with global business development and manufacturing capability with advanced technology and competitiveness, ALCONIX has appointed Directors and Audit & Supervisory Board members with a wide range of business experience and expertise in order to establish an effective corporate governance system for sustainable growth. The experience and expertise of Directors and Audit & Supervisory Board members after the approval of Proposal 2 to be submitted to this General Meeting of Shareholders are as follows.

Directors					
Name		Masato Takei	Hiroshi Teshirogi	Takumi Suzuki	Toshiya Imagawa
Position		President and CEO	Director, Senior Managing Executive Officer	Director, Managing Executive Officer	Director, Managing Executive Officer
Independence (Outside directors)					
Concurrent positions (Outside directors)					
Main expertise	President experience	○	○		
	Finance/Accounting/Tax				
	Industry knowledge	○	○	○	○
	Sales/Marketing	○	○	○	○
	International business	○	○	○	○
	Manufacturing/Research				
	Legal affairs				
	M&A/JV	○	○	○	○
Risk/Compliance/Governance				○	○

Directors					
Name		Nobuhiko Takahashi	Masao Hisada	Yukino Kikuma	Toshiya Tsugami
Position		Director, Executive Officer	Outside Director	Outside Director	Outside Director
Independence (Outside directors)			○	○	○
Concurrent positions (Outside directors)			2	4	2
Main expertise	President experience		○		○
	Finance/Accounting/Tax	○			
	Industry knowledge	○	○		
	Sales/Marketing	○	○		
	International business	○	○		○
	Manufacturing/Research		○		
	Legal affairs			○	
	M&A/JV				○
Risk/Compliance/Governance				○	

Audit & Supervisory Board Members					
Name		Masahiko Nishimura	Shigeo Ogi	Kimiko Oga	Ryoko Takeda
Position		Full-time Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
Independence (Outside members)			○	○	○
Concurrent positions (Outside members)			2	3	2
Main expertise	President experience			○	
	Finance/Accounting/Tax		○		
	Industry knowledge	○			
	Sales/Marketing	○		○	
	International business	○	○		○
	Manufacturing/Research				
	Legal affairs				○
	M&A/JV				
Risk/Compliance/Governance		○	○	○	○

- Notes: 1. Directors with special titles will be decided at a meeting of the Board of Directors that follows the shareholders meeting.  
2. The above list is based on each person's experience and includes areas in which they can demonstrate their expertise, not all of which they possess.

## Election of One Substitute Audit &amp; Supervisory Board Member

To be prepared for an insufficient number of Audit & Supervisory Board members as prescribed by laws and regulations, ALCONIX asks shareholders to elect the following candidate for Substitute Audit & Supervisory Board member. This proposal has received the consent of the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held			
<p data-bbox="247 533 411 600">Yukiko Imazu (July 28, 1968)</p>  <table border="1" data-bbox="204 963 454 1075"> <tr> <td>Reelected</td> </tr> <tr> <td>Outside</td> </tr> <tr> <td>Independent</td> </tr> </table>	Reelected	Outside	Independent	<p data-bbox="523 499 1177 566">April 1996      Joined Anderson Mōri (current Anderson Mōri &amp; Tomotsune)</p> <p data-bbox="523 577 1177 645">January 2005    Partner at Anderson Mōri &amp; Tomotsune (current)</p> <p data-bbox="523 656 1177 723">April 2007      Associate Professor at Keio University Law School</p> <p data-bbox="523 734 1177 768">March 2014     Director of Ishibashi Foundation (current)</p> <p data-bbox="523 779 1177 880">June 2018      Member of the Audit and Supervisory Board (Outside) of Daiichi Sankyo Company, Limited (current)</p> <p data-bbox="523 902 866 936">Significant concurrent positions</p> <p data-bbox="523 947 1177 981">January 2005    Partner at Anderson Mōri &amp; Tomotsune</p> <p data-bbox="523 992 1177 1025">March 2014     Director of Ishibashi Foundation</p> <p data-bbox="523 1037 1177 1137">June 2018      Member of the Audit and Supervisory Board (Outside) of Daiichi Sankyo Company, Limited</p>	-
Reelected					
Outside					
Independent					
<p data-bbox="167 1149 1133 1182">Reasons for nomination as a candidate for Substitute Audit &amp; Supervisory Board member</p> <p data-bbox="167 1205 1428 1391">Ms. Yukiko Imazu is a candidate for Substitute Outside Audit &amp; Supervisory Board member. ALCONIX has designated her as a candidate for Substitute Outside Audit &amp; Supervisory Board member so that audits at ALCONIX can benefit from her highly specialized skills and knowledge of management as an attorney although she has not directly been involved in company management in the past. If Ms. Imazu is elected as an Outside Audit &amp; Supervisory Board member, ALCONIX plans to designate her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange.</p>					

Notes: 1. No material conflict of interest exists between ALCONIX and the above candidate for Substitute Audit & Supervisory Board member.

2. If Ms. Yukiko Imazu assumes a position as an Audit & Supervisory Board member, ALCONIX plans to enter into an agreement with her to limit liabilities for damages to ALCONIX as stated in Paragraph 1, Article 423 of the Companies Act, in accordance with Paragraph 1, Article 427 of the same Act. ALCONIX intends to limit the liabilities under the agreement to the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act.

## 1. Basis for the Proposal and Appropriateness of the Proposed Compensation

This proposal is to approve the introduction of a new performance-linked stock compensation plan, “Stock Benefit Trust (BBT (=Board Benefit Trust))” (hereinafter the “Compensation Plan”) for Directors (excluding Outside Directors, unless otherwise stated, the same shall apply hereinafter) of the Company.

The Compensation Plan is a plan which clearly links the Directors’ compensation to the Company’s results of operations and its share value. Under the Compensation Plan, Directors experience both the benefit of high share prices and the risk of low share prices with the Company’s shareholders. Such plan thus would lead Directors to continuously aim for better performances over a medium- to long-term period and more contributions to increasing corporate value. We believe that the content of this proposal is appropriate, as it is consistent with the company’s policy on determining the content of individual remuneration, etc., for directors (see below).

This proposal is to seek approval for the amount and specific details of remuneration, etc. to be paid to the Company’s Directors under the Compensation Plan, which is separate from the amount of remuneration for Directors approved at the 38th Ordinary General Meeting of Shareholders held on June 21, 2019 (an annual amount of not more than 500 million yen, of which not more than 50 million yen per year shall be paid to Outside Directors, but excluding employee salaries). Please note that the details of the Compensation Plan will be left to the discretion of the Board of Directors within the framework of 2. below.

If Proposal 2 is approved as proposed, the number of Directors subject to this plan will be five.

## 2. Amount of Remuneration and Details of the Compensation Plan

### (1) Overview of the Compensation Plan

The Compensation Plan enables the Company’s stock to be granted through a trust (hereinafter the “Trust”) to Directors based on performance targets achieved in accordance with the Policy on Directors’ Stock Compensation (hereinafter the “Policy”) established by the Company. The Trust acquires the Company’s stock using cash contributions from the Company as the source of funds. Directors receive stock compensation or a monetary amount equivalent to the market value of the stock in lieu of stock compensation (hereinafter the “Company’s shares, etc.”). The timing of receipt of the Company’s shares, etc. by Directors shall be, in principle, on a certain date stipulated in the Policy. However, if a Director retires or resigns before the said date arrives, the Director may receive the benefits at the time of retirement or resignation.

### (2) Individuals subject to the Compensation Plan

Directors of the Company (excluding Outside Directors and Audit & Supervisory Board Members)

### (3) Period of the Trust

The period is from August 2021 (tentative) until the end of the Trust. (The Trust shall continue without determining a specific timeline as long as the Compensation Plan exists. The Compensation Plan shall be terminated when the Company’s stock is delisted or the Policy is abolished.)

### (4) Amount of Trust Money

Subject to the approval of this proposal, the Company will introduce the Compensation Plan for the three fiscal years ending on March 31, 2022 through March 31, 2024 (hereinafter the “Initial Relevant Period,” and the Initial Relevant Period and the period for each of the three fiscal years beginning after the lapse of the Initial Relevant Period shall hereinafter be referred to as the “Relevant Period”) and each subsequent Relevant Period, and contribute the following money to the Trust as the source of funds for the acquisition of the Company’s stock by the Trust in order to provide the Company’s shares, etc. to Directors.

First, at the time of the establishment of the Trust (scheduled for August 2021), the Company will contribute funds up to 240 million yen to the Trust as the necessary funds corresponding to the Initial Relevant Period.

In addition, even after the Initial Relevant Period, until the termination of the Compensation Plan, the Company shall, in principle, make an additional contribution to the Trust for each Relevant Period to the extent that the Company reasonably

estimates the number of shares necessary to provide benefits to Directors under the Compensation Plan, and the funds deemed necessary for the Trust to acquire such shares in advance. However, in the event that such additional contribution is made, the Company shall not make any contribution to the Trust with respect to the Company's stock remaining in the trust assets (excluding the Company's stock equivalent to the number of points granted to Directors for each of the Relevant Periods up to the immediately preceding Relevant Period for which the payment to Directors has not yet been completed) and cash (hereinafter "Remaining Shares, etc."). If there are Remaining Shares, etc., the Remaining Shares, etc. shall be appropriated to the source of the benefits under the Compensation Plan for the subsequent Relevant Period, and the amount of additional contribution shall be calculated in consideration of the Remaining Shares, etc.

Note: The actual amount of money to be contributed by the Company to the Trust will be the sum of the above-mentioned funds for the acquisition of shares and the estimated amount of trust remuneration and other necessary expenses.

#### (5) Method of Acquisition of the Company's Stock by the Trust and Number of Shares to be Acquired

The acquisition of the Company's stock by the Trust will be conducted through the stock exchange market or by subscribing to disposal of the Company's treasury shares, using the funds contributed in accordance with (4) above as the source of funds. Since the maximum number of points to be granted to Directors is 50,000 points per fiscal year, the maximum number of the Company's stock to be acquired by the Trust for each Relevant Period will be 150,000 shares.

#### (6) Upper Limit of the Number of the Company's Shares, etc. Granted to Directors

Directors are entitled to points every fiscal year in accordance with their positions and performance targets achieved under the Policy. The upper limit of points granted to Directors totals 50,000 points, for each fiscal year. The Company believes the number of points is reasonable, as it is comprehensively determined considering the current payment level of Directors' compensation, a historical trend in number of Directors, and its future outlook.

One point granted to Director as described in (7) below, equates to one share of the Company's common stock (however, in the event of a stock split, gratis allotment of shares, or stock consolidation, etc. of the Company's stock after the approval of this proposal, a reasonable adjustment shall be made for the upper limit of points, the number of points granted and the exchange ratio in accordance with such ratio, etc.)

The number of points of Directors to be used as the basis for the provision of the Company's shares, etc. as described in (7) below shall be, in principle, the number of points granted to the relevant Directors by a certain date set forth in the Policy (the points calculated in this manner shall hereinafter be referred to as the "Fixed Number of Points").

#### (7) Benefits of the Company's Shares, etc.

Directors who satisfy the beneficiary requirements will receive benefits from the Trust in the number of Company's stock corresponding to the Fixed Number of Points determined in accordance with (6) above, in principle, by completing the prescribed beneficiary determination procedures. However, if the requirements set forth in the Policy are met, Directors will receive a monetary amount equivalent to the market value of the Company's stock in lieu of stock compensation for a certain percentage. The Trust may sell the Company's stock in order to provide cash benefits.

Even if a Director has been granted points, he or she will not be entitled to the right to receive benefits if a general meeting of shareholders resolves to dismiss him or her, if he or she resigns due to certain misconduct, or if he or she engages in inappropriate behavior that causes damage to the Company.

The amount of remuneration, etc. to be received by Directors shall be the amount obtained by multiplying the total number of points to be granted to Directors at the time of granting points by the book value per share of the Company's stock held by the Trust (however, in the event of a stock split, gratis allotment of shares, or stock consolidation, etc. of the Company's stock after the approval of this proposal, a reasonable adjustment shall be made in accordance with such ratio, etc.). In addition, in cases where cash is exceptionally provided in accordance with the provisions of the Policy, if deemed appropriate, such amount shall be added.

#### (8) Exercise of Voting Rights

The trust administrator will instruct that voting rights related to the Company's stock held by the Trust shall not be uniformly exercised. In this way, the Trust will be able to ensure its neutrality in the Company's management.

## (9) Dividends

Dividends related to the Company's stock held by the Trust shall be received by the Trust to acquire the Company's stock or pay for the trustee's remuneration. In the event that the Trust is terminated, the dividends, etc. remaining in the Trust will be distributed to the Directors in office at that time in proportion to the number of points they hold, in accordance with the provisions of the Policy.

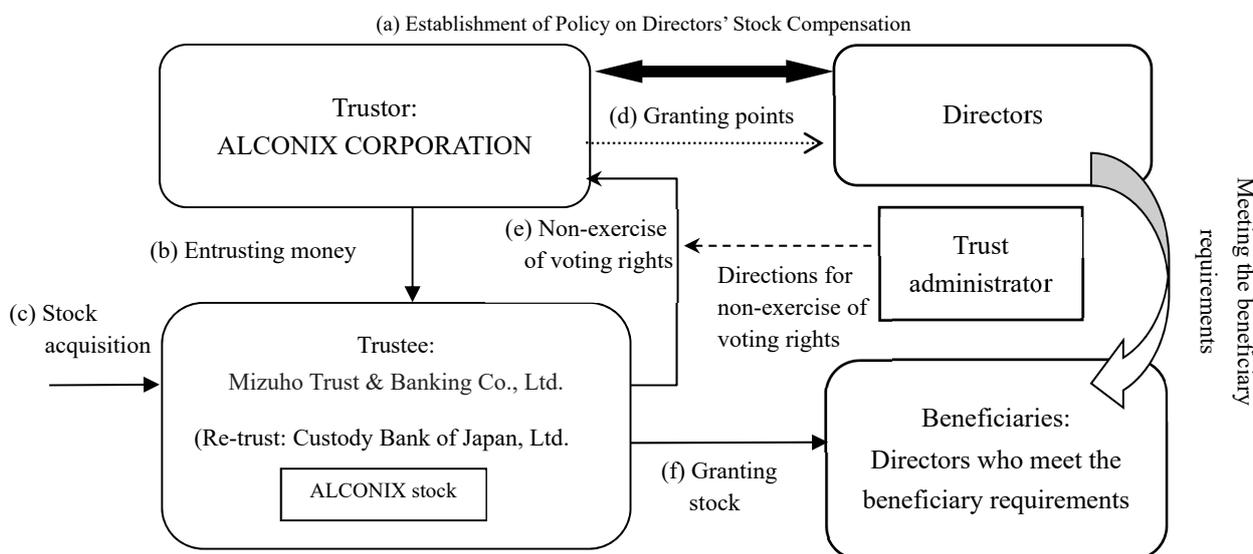
## (10) Termination of the Trust

The Trust shall be terminated in certain circumstances, such as when the Company's stock is delisted or when the Policy is abolished.

Any remaining properties in the Trust upon its termination shall be processed as follows: the Company will acquire the Company's entire stock, if any, with no charge and cancel the said stock after being resolved at the Board of Directors meeting; and the Company will receive remaining cash, if any, excluding amounts paid to Directors as described in (9) above.

Reference:

### 1. Structure of the Compensation Plan



- The Company will establish the Policy on Directors' Stock Compensation within the framework of the approval of this proposal.
- The Company will entrust money within the scope of the approval of this proposal.
- The Trust will acquire the Company's stock using the money entrusted in (b) as the source of funds, either through the stock exchange market or by subscribing to the disposal of treasury shares.
- The Company grants points to Directors in accordance with the Policy.
- The Trust shall not exercise voting rights with respect to the Company's stock in the Trust Account in accordance with the instructions of the trust administrator, which is independent from the Company.
- The Trust will grant the Company's stock to those who meet the requirements for beneficiaries set forth in the Policy (hereinafter "beneficiaries") in accordance with the number of points granted to such beneficiaries. However, if a Director meets the requirements set forth in the Policy, a monetary amount equivalent to the market value of the Company's stock will be made for a certain percentage of the points.

### 2. Policy on Determining Remuneration, etc. for Directors and Audit & Supervisory Board Members

If this Proposal No. 4 is approved as proposed at this General Meeting of Shareholders, the policy regarding the determination of remuneration, etc. for Directors and Audit & Supervisory Board members as described in "2. Current

Status of the Company, (2) Corporate Executives (iv) Compensation for Directors and Audit & Supervisory Board Members” (Japanese version only) will be as follows.

a. Type and composition of remuneration, etc., and policy on basic remuneration

The Company has established the following policy regarding the determination of the amount of remuneration, etc., for Directors and Audit & Supervisory Board members and the method of calculation thereof. The remuneration for Directors, excluding Audit & Supervisory Board members and Outside Directors, consists of three elements: basic remuneration at a level appropriate to their position, annual performance-linked remuneration, and long-term incentives through the delivery of shares as non-monetary remuneration. The composition of remuneration, etc. for Outside Directors and Audit & Supervisory Board members is based on basic remuneration only from the viewpoint of ensuring their independence.

b. Matters concerning the ratio of remuneration, etc., performance-linked remuneration, and non-monetary remuneration

The level of remuneration for the Company’s Directors and the ratio of performance-linked remuneration are determined through deliberation by the Nomination and Remuneration Advisory Committee, which is entrusted by the ALCONIX Board of Directors, after referring to survey data, etc. from external research organizations and conducting objective comparative verification. Comparisons are made primarily with companies in Japan of similar size to the Company or with other companies in the same industry in Japan, and are designed to be comparable when performance targets are achieved. The ratio of the three elements of fixed remuneration, performance-linked remuneration (Stock Benefit Trust (BBT = Board Benefit Trust), etc.), and long-term incentive (delivery of restricted stock) to the total amount of remuneration is, in principle, designed to be approximately 50%, 37.5%, and 12.5%, respectively. The evaluation indices for performance-linked remuneration have been selected for use in the quantitative calculation of the three indices of “ordinary profit,” “return on equity,” and “capital cost,” taking into account the content and numerical values that the Company has traditionally set as management targets, the interconnectedness of the indices, and simplicity. In addition to these three indices, the Company also qualitatively evaluates the following items related to the improvement of corporate value that cannot be expressed as numerical indicators.

- Degree of decision-making regarding the appropriate allocation of management resources from a medium- to long-term perspective
- Degree of decision-making related to investment (M&A, capital investment, etc.) with appropriate risk-taking
- Degree of progress in the group’s overall medium-term management plan and the degree of responsibility for group management related to the medium-term management plan

Ordinary profit for the current fiscal year, which is used as a key indicator in determining performance-linked remuneration, was 5,718 million yen.

c. Matters concerning the timing and conditions of granting remuneration, etc., and delegation of decisions on remuneration, etc., and other matters concerning decisions on remuneration, etc.

At the 38th Ordinary General Meeting of Shareholders held on June 21, 2019, the maximum annual amount of remuneration for the Company’s Directors and Audit & Supervisory Board members was approved to be 500 million yen (of which the annual amount for Outside Directors not more than 50 million yen, excluding the salary for employees for Directors who are also employees) and 100 million yen, respectively. Remuneration for Directors and Audit & Supervisory Board members of the Company is determined by resolution of the Board of Directors and by consultation of Audit & Supervisory Board members, respectively, within the limit of the total amount of remuneration for all Directors and all Audit & Supervisory Board members determined by resolution of the General Meeting of Shareholders, based on deliberation by the Nomination and Remuneration Advisory Committee entrusted by the Board of Directors. The Nomination and Remuneration Advisory Committee consists of three members, one Inside Director (excluding Directors who are also employees) and two Outside Directors or Audit & Supervisory Board members, and is chaired by an Outside Director. In addition, two Inside Directors support the operation of the Nomination and Remuneration Advisory Committee as its secretariat. The above-mentioned remunerations are paid monthly for fixed remuneration, and at a certain time each year for performance-linked remuneration and long-term incentives.