

Securities Code: 5727

May 30, 2025

Date of commencement of electronic provision measures

May 23, 2025

To Our Shareholders with Voting Rights

Yasuji Yamao

President & Representative Director

**Toho Titanium Co., Ltd.**

1-1-1 Minamisaiwai, Nishi-ku, Yokohama, Kanagawa

## **NOTICE OF THE 94TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 94th Ordinary General Meeting of Shareholders of Toho Titanium Co., Ltd. (the “Company”) to be held as stated below.

When convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the following website for your review.

[The Company website]

<https://www.toho-titanium.co.jp/en/ir/stock/meeting/>

In addition to the website shown above, the Company also has posted this information on the following websites.

[The TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

Please input the issue name (“TOHO TITANIUM”) or securities code (5727), and click “Search,” and then click “Basic information,” and select “Documents for public inspection/PR information.”

[The Portal of Shareholders’ Meeting provided by Sumitomo Mitsui Trust Bank]

<https://www.soukai-portal.net>

The QR code is indicated on the Voting Rights Exercise Form.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or through the Internet. Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, and exercise your voting rights by 5:20 p.m., Wednesday, June 18, 2025 (JST). For your information, we will not be distributing gifts to shareholders attending the meeting.

## Description

- 1. Date and time:** Thursday, June 19, 2025 at 10 a.m. (JST)  
(The reception opens at 9:30 a.m.)
- 2. Place:** Yokohama Bay Sheraton Hotel & Towers, 5F “Nichirin”  
1-3-23 Kitasaiwai, Nishi-ku, Yokohama, Kanagawa

**3. Agenda:**

**Matters to be reported:**

1. Business report, consolidated financial statements and non-consolidated financial statements for the 94th fiscal term (from April 1, 2024 to March 31, 2025)
2. Results of audits by Accounting Auditor and the Audit and Supervisory Committee on the consolidated financial statements for the 94th fiscal term (from April 1, 2024 to March 31, 2025)

**Matters to be resolved:**

- Proposal No. 1:** Election of six (6) Directors who are not members of the Audit and Supervisory Committee
- Proposal No. 2:** Election of two (2) Directors who are members of the Audit and Supervisory Committee
- Proposal No. 3:** Determination of remuneration for the allotment of restricted stock to Directors (limited to Executive Directors) who are not members of the Audit and Supervisory Committee

1. For those attending the meeting in person, please present the Voting Rights Exercise Form enclosed herein to the receptionist on arrival at the meeting.
2. The following matters are not presented in the documents mailed to shareholders who made a request for delivery of documents, pursuant to applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company.
  - (i) Notes to Consolidated Financial Statements
  - (ii) Notes to Non-consolidated Financial Statements
3. If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the respective websites where the matters are posted.

## How to Exercise Your Voting Rights

### Exercise of voting rights in writing



Please indicate your vote in favor of or against each of the proposals on the enclosed Voting Rights Exercise Form and return the form for arrival by the following deadline. If neither approval nor disapproval of a proposal is indicated in the returned Voting Rights Exercise Form, it shall be deemed a vote of approval.

Deadline for Exercise of Voting Rights: 5:20 p.m., Wednesday, June 18, 2025

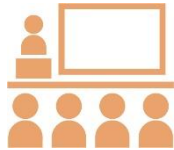
### Exercise of voting rights via the Internet



When exercising your voting rights via the Internet, please check the instructions on Page 4 and enter your vote for or against each of the proposals by the following deadline.

Deadline for Exercise of Voting Rights: 5:20 p.m., Wednesday, June 18, 2025

### If attending the General Meeting of Shareholders



Please bring the enclosed Voting Rights Exercise Form with you and submit it at the reception desk.

When exercising your voting rights by proxy, the proxy you may appoint is only one (1) person who must be a shareholder of the Company entitled to vote at this General Meeting of Shareholders.

#### Important Notes:

- (1) If you exercise your voting rights both in writing and via the Internet, only the vote via the Internet will be counted as valid. If you exercise your voting rights via the Internet multiple times, only the final vote will be counted as valid.
- (2) Any costs arising from accessing the website for exercising voting rights to be paid to the Internet provider or telecommunications operator shall be borne by you, the shareholder.
- (3) The password is important information through which we ascertain that the person voting is actually the shareholder. Please be careful with the password in the same way as you would be with a seal or PIN number.
- (4) If you enter the password incorrectly a certain number of times, you will no longer be able to access the website. Please follow the instructions on the screen to obtain a new password.
- (5) The voting right code listed on the Voting Rights Exercise Form is valid only for this General Meeting of Shareholders.

## **How to Exercise Your Voting Rights via the Internet**

### **1. Procedures for exercising voting rights by smartphones, etc.**

#### **Deadline for Exercise of Voting Rights via the Internet:**

**5:20 p.m., Wednesday, June 18, 2025**

- (1) Scan the Login QR Code listed on the Voting Exercise Rights Form.  
\*QR Code is a registered trademark of DENSO WAVE INCORPORATED.
- (2) Tap the “Exercise of Voting Rights” button on the top page of the soukai-portal.net.
- (3) The top page of the “Smart Exercise” is displayed. Please follow the on-screen instructions to indicate your votes of approval or disapproval for each proposal.

### **2. Procedures for exercising voting rights by computers.**

Access the following URL and enter the Login Code and password listed on the Voting Rights Exercise Form. Please follow the on-screen instructions to indicate your votes of approval or disapproval for each proposal.

▶<https://www.soukai-portal.net>

The following website for exercising voting rights continues to be available.

▶<https://www.web54.net>

#### **Important Notes:**

- (1) If you want to change your vote after exercising your voting rights, you need to enter the “Voting Rights Code” and “Password” listed on the Voting Rights Exercise Form.
- (2) If you exercise your voting rights both via the Internet and in writing, only the vote via the Internet will be counted as valid. If you exercise your voting rights via the Internet multiple times, only the final vote will be counted as valid.
- (3) For inquiries, please call the following number.  
Transfer Agency Web Support Desk, Sumitomo Mitsui Trust Bank, Limited  
Phone: 0120-652-031 (toll free within Japan; Business hours: 9:00 to 21:00 (JST))
- (4) The service is not available from 0:00 to 5:00 on the first Monday of January, April, July, and October due to maintenance.

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

**Proposal No. 1:** Election of six (6) Directors who are not members of the Audit and Supervisory Committee

The term of office for all the six (6) Directors who are not members of the Audit and Supervisory Committee will expire upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect six Directors who are not members of the Audit and Supervisory Committee.

The Audit and Supervisory Committee is of the opinion that it is appropriate to elect each of the candidates as a Director who is not a member of the Audit and Supervisory Committee from the viewpoint of enhancing the medium- to long-term corporate value of the Company.

The candidates for Directors who are not members of the Audit and Supervisory Committee are as follows:

Candidate No.	Name	Current Position and Responsibilities at the Company
1	Yasuji Yamao [Reappointment]	President & Representative Director President & Chief Executive Officer
2	Matsuhide Horikawa New appointment	Executive Managing Officer General Manager, Technology Strategy Headquarters Senior Executive Staff, New Materials Division
3	Akira Inokawa [Reappointment]	Director, Member of the Board Executive Managing Officer In charge of ESG Promotion Department, Corporate Planning Department, General Administration & Human Resources Department, Procurement Department, Logistics Department
4	Kazuhiko Iida [Reappointment]	Director, Member of the Board
5	Yasuhiko Ikubo [Reappointment] [Outside Director] [Independent Director]	Outside Director
6	Kimiharu Okura [Reappointment] [Outside Director] [Independent Director]	Outside Director

No.				
1	<b>Yasuji Yamao</b> (Born January 7, 1959)		Number of shares of the Company owned 3,709 shares	
Reappointment	<b>Career summary, title and area of responsibility in the Company:</b>			
	April 1981	Joined Nippon Mining Co., Ltd.	April 2017	Executive Managing Officer, Deputy
	October 2012	General Manager, Coordination Department, Metals Group, JX Nippon Mining & Metals Corporation		General Manager, Electronic Materials Group, JX Nippon Mining & Metals Corporation
		Executive Officer, Pan Pacific Copper Co., Ltd. (in charge of Administration Department and Planning & Coordination Department)	April 2018	Director and Executive Managing Officer, JX Nippon Mining & Metals Corporation
	April 2013	Executive Officer, JX Nippon Mining & Metals Corporation	April 2019	In charge of Accounting & Finance Department, Environment & Safety Department, Logistics Department, and Internal Auditing Department, JX Nippon Mining & Metals Corporation
	June 2013	Executive Officer, In charge of Planning & Coordination Department; General Manager, Coordination Department, Metals Group, JX Nippon Mining & Metals Corporation		Representative Director, Pan Pacific Copper Co., Ltd. (resigned in March 2020)
	June 2014	Executive Officer, In charge of Accounting & Finance Department; General Manager, Accounting & Finance Department, JX Nippon Mining & Metals Corporation	April 2020	Assistant to President (Special Assignment); In charge of Environment & Safety Department, JX Nippon Mining & Metals Corporation
			April 2021	Adviser, Toho Titanium Co., Ltd.
			June 2021	President & Representative Director, President & Chief Executive Officer, Toho Titanium Co., Ltd. (to present)
			<b>Significant concurrent positions outside the Company:</b> None	
<b>Reason for nomination as a candidate for Director who is not a member of the Audit and Supervisory Committee:</b>				
He served in the JX Advanced Metals Group as Director and Senior Executive Officer of JX Nippon Mining & Metals Corporation (currently JX Advanced Metals Corporation) and as Representative Director of Pan Pacific Copper Co., Ltd. Since he assumed the office of President & Representative Director of the Company, he has led the Company's management and contributed to the enhancement of corporate value through the deployment of various measures. He was nominated as a candidate for Director who is not a member of the Audit and Supervisory Committee, because the Company expects him to make appropriate management judgment with those experiences.				

No.

2

**Matsuhide Horikawa**  
 (Born May 30, 1965)

 Number of shares of the Company  
 owned 1,709 shares

 New  
 appointment

**Career summary, title and area of responsibility in the Company:**

April 1990	Joined Toho Titanium Co., Ltd.	April 2023	Executive Managing Officer, Toho Titanium Co., Ltd. (to present)
June 2013	General Manager, Process Development Department		Deputy General Manager, Technology Strategy Headquarters
April 2015	General Manager, R & D Department, Research & Development Division		General Manager, Technical Development Center, Technology Strategy Headquarters
April 2019	General Manager, R & D Department, Technical Development Center		Senior Executive Staff, New Materials Division (to present)
April 2020	Deputy General Manager, Technical Development Center, Technical Division	April 2024	General Manager, Technology Strategy Headquarters (to present)
April 2021	Executive Officer, Toho Titanium Co., Ltd.		General Manager, Technical Development Center, Technology Strategy Headquarters
	General Manager, Technical Development Center, Technical Division		
	Senior Executive Staff, Planning & Coordination Office, Technical Division		

**Significant concurrent positions outside the Company:**  
 None

**Reason for nomination as a candidate for Director who is not a member of the Audit and Supervisory Committee:**

He was engaged in R&D of process development etc. for many years. Since he assumed the office of Executive Officer of the Company, he has management experience, mainly in R&D and new business development. He was nominated as a candidate for Director who is not a member of the Audit and Supervisory Committee, because the Company expects him to make appropriate management judgment with those experiences.

No.

3

**Akira Inokawa**

(Born June 5, 1964)

Number of shares of the Company  
owned

3,418 shares

**Reappointment****Career summary, title and area of responsibility in the Company:**

April 1989	Joined Nippon Mining Co., Ltd.	April 2021	Executive Officer
October 2013	General Manager, Legal Department, Chile Office, Pan Pacific Copper Co., Ltd.		In charge of Internal Control Promotion Department
April 2017	Temporarily transferred to Toho Titanium Co., Ltd. General Manager, Corporate Planning Department	April 2022	Deputy General Manager, Corporate Management Division General Manager in charge of General Administration, General Administration & Human Resources Department, Corporate Management Division
March 2018	Permanently transferred to Toho Titanium Co., Ltd.		
April 2019	General Manager, General Administration & Human Resources Department, Corporate Management Division	June 2022	Director and Executive Officer
		April 2023	Director and Executive Managing Officer (to present)
		June 2023	General Manager, Corporate Management Division
		January 2024	In charge of ESG Promotion Department, Corporate Planning Department, General Administration & Human Resources Department, Procurement Department (to present)
		April 2025	In charge of Logistics Department (to present)

**Significant concurrent positions outside the Company:**  
None**Reason for nomination as a candidate for Director who is not a member of the Audit and Supervisory Committee:**

He was in charge of general administration, legal affairs, corporate planning, and other back-office functions for many years in the JX Advanced Metals Group at JX Nippon Mining & Metals Corporation (currently JX Advanced Metals Corporation) and other companies. Since he assumed the office of Executive Officer of the Company, he has experience in management, mainly in general administration and human resources. He was nominated as a candidate for Director who is not a member of the Audit and Supervisory Committee, because the Company expects him to make appropriate management judgment with those experiences.



No.

4

**Kazuhiko Iida**

(Born December 7, 1963)

Number of shares of the Company  
owned

0 shares

**Reappointment****Career summary, title and area of responsibility in the Company:**

April 1988	Joined Nippon Mining Co., Ltd.	April 2020	General Manager, Tantalum & Niobium Division, JX Nippon Mining & Metals Corporation
April 2008	General Manager in charge of Maquinas, Manufacturing Department, Shirogane Plant, Nippon Mining & Metals Co., Ltd.		Senior Executive Engineer, Technology Group, JX Nippon Mining & Metals Corporation (to present)
July 2009	Temporarily transferred from Nippon Mining & Metals Co., Ltd. to Nikko Metals Philippines, Inc.	April 2022	Senior Executive Officer, JX Nippon Mining & Metals Corporation (to present)
	Plant Manager, Nikko Metals Philippines, Inc.	June 2023	Director, Toho Titanium Co., Ltd. (to present)
April 2014	President, JX Nippon Mining & Metals Philippines, Inc. (currently JX Metals Philippines, Inc.)		Senior Executive Engineer, Corporate Planning Department, JX Nippon Mining & Metals Corporation (to present)
April 2016	Deputy General Manager, Hitachi Works, JX Nippon Mining & Metals Corporation	April 2025	General Manager, Advanced Materials Group, JX Advanced Metals Corporation (formerly JX Nippon Mining & Metals Corporation) (to present)
April 2019	Executive Officer, JX Nippon Mining & Metals Corporation		General Manager, Tantalum & Niobium Division, Advanced Materials Group, JX Advanced Metals Corporation (to present)
	Deputy General Manager, Tantalum & Niobium Division, JX Nippon Mining & Metals Corporation		

**Significant concurrent positions outside the Company:**

Senior Executive Officer, JX Advanced Metals Corporation

**Reason for nomination as a candidate for Director who is not a member of the Audit and Supervisory Committee:**

He has a wealth of experience and a proven track record in the JX Advanced Metals Group. He was in charge of important duties as an engineer for many years at the electro-deposited copper foil and other electronic materials business division of JX Advanced Metals Corporation and other group companies and then has served as Senior Executive Officer of JX Advanced Metals Corporation. He was nominated as a candidate for Director who is not a member of the Audit and Supervisory Committee, because the Company expects him to provide helpful opinions and advice as Director with those experiences. He is a candidate for Non-Executive Director.

No.

5

**Yasuhiko Ikubo**

(Born February 11, 1953)

Number of shares of the Company  
owned

0 shares

Period in Office.....

10 years

**Reappointment**Outside  
DirectorIndependent  
Director**Career summary, title and area of responsibility in the Company:**

April 1977	Registered as a lawyer (with the Dai-Ichi Tokyo Bar Association) (to present)	April 2009	Vice President, Kanto Federation of Bar Associations
January 1991	Senior Partner, Abe, Ikubo & Katayama (to present)	April 2014	Executive Director, Japan Federation of Bar Associations
April 1994	Professor, The Legal Training and Research Institute of Japan	June 2015	Outside Director, Toho Titanium Co., Ltd. (to present)
April 2007	Vice Chairman, Dai-Ichi Tokyo Bar Association	<b>Significant concurrent positions outside the Company:</b> Senior Partner, Abe, Ikubo & Katayama	

**Reason for nomination as a candidate for Outside Director who is not a member of the Audit and Supervisory Committee, and functions expected to be fulfilled:**

As a lawyer, he has been involved in a wide range of fields related to corporate legal affairs for many years. He provides the Company with helpful opinions and advice based on his knowledge and experience. He was nominated as a candidate for Outside Director who is not a member of the Audit and Supervisory Committee, because the Company expects him to continue to provide such opinions and advice and, from an objective standpoint independent of the execution of operations, make appropriate management judgment and provide highly effective supervision of the management team, notwithstanding the fact that he does not have any experience in corporate management other than by serving as an outside director or as an outside audit and supervisory board member.

No.			
6	<b>Kimiharu Okura</b> (Born May 14, 1953)	Number of shares of the Company owned Period in Office.....	0 shares 6 years

#### Reappointment

#### Outside Director

#### Independent Director

#### Career summary, title and area of responsibility in the Company:

April 1976	Joined Mitsui & Co., Ltd.	April 2016	Director, SANYO Techno Solutions Tottori Co., Ltd. (currently LIMNO Co., Ltd.)
May 2001	Vice Operating Officer of Americas Business Unit, Mitsui & Co., Ltd.		
September 2003	General Manager, Base Metal Unit, Mitsui & Co., Ltd.	July 2017	Representative, OKnits (to present)
April 2005	General Manager, Non-Ferrous Materials Unit, Mitsui & Co., Ltd.	June 2019	Outside Director, Toho Titanium Co., Ltd. (to present)
May 2008	President and Representative Director, Nippon Amazon Aluminium Co., Ltd.	<b>Significant concurrent positions outside the Company:</b> Representative, OKnits	
April 2015	Director and Chairman, MDR Co., Ltd.		

#### Reason for nomination as a candidate for Outside Director who is not a member of the Audit and Supervisory Committee, and functions expected to be fulfilled:

He served as a vice operating officer of US subsidiaries and general manager of metal business divisions in Mitsui & Co., Ltd., managed an investment company in the mineral resource sector partially owned by Mitsui & Co., Ltd., and has a lot of knowledge and experience in metal business and corporate management. He was nominated as a candidate for Outside Director who is not a member of the Audit and Supervisory Committee, because the Company expects him to continue to provide such opinions and advice and, from an objective standpoint independent of the execution of operations, make appropriate management judgment and provide highly effective supervision of the management team.

- Notes: 1. There is no relationship involving a special interest or transactional relationship between the candidates for Directors and the Company.
2. JX Advanced Metals Corporation is a parent company of the Company, and JX Metals Philippines, Inc. is a subsidiary of JX Advanced Metals Corporation. The positions and responsibilities of candidates who are, or were in the past ten years, officers of these companies are as described above.
3. The Company has entered into an agreement with each of Messrs. Kazuhiko Iida, Yasuhiko Ikubo and Kimiharu Okura that limits their liabilities to the Company to an amount equal to the minimum amount set forth in Article 425, paragraph (1) of the Japanese Companies Act. If their reelection is approved in this General Meeting of Shareholders, the Company will maintain those agreements effective.
4. The Company has entered into a liability insurance policy for directors and officers with an insurance company, naming as the insured all directors, executive officers, and employees of the Company who have been appointed by the Company as a director or corporate auditor of an unlisted company in Japan. This insurance policy covers the insured's losses and damages, such as liability for damages and expenses incurred by them in connection with management decisions, execution of operations, etc. Each of the candidates, if their election is approved, will be covered as an insured under the insurance policy. All insurance premiums will be paid by the Company, and this insurance policy is to be renewed in September 2025.
5. Messrs. Yasuhiko Ikubo and Kimiharu Okura are, and after approval of their reelection, will continue to be, independent directors as stipulated in the relevant rules of the Tokyo Stock Exchange.
6. Figures set out in the part of "Number of shares of the Company owned" by candidates for Directors are those including shares held through the Shareholding Society of Directors, Officers and Audit and Supervisory Committee Members.

**Proposal No. 2:** Election of two (2) Directors who are members of the Audit and Supervisory Committee

The terms of office of Messrs. Takuo Kataoka and Naomi Harada, Directors who are members of the Audit and Supervisory Committee, will expire upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of two (2) Directors who are members of the Audit and Supervisory Committee.

The Audit and Supervisory Committee has consented to this proposal.

The candidates for Directors who are members of the Audit and Supervisory Committee are as follows:

No.					Number of shares of the Company owned
<b>1</b>	<b>Michiaki Adachi</b> (Born July 31, 1961)				103 shares
New appointment	<b>Career summary, title and area of responsibility in the Company:</b>				
	April 1986	Joined Nippon Oil Corporation	April 2020	Deputy General Manager, Catalyst Division	
	April 2001	Obtained a PhD in Engineering			
	April 2015	General Manager, Hitachi Works, JX Nippon Oil & Energy Corporation	July 2021	General Manager, ESG Promotion Department, Corporate Management Division	
	October 2018	Joined Toho Titanium Co., Ltd.			
	April 2019	General Manager (Product Development), Catalyst Development Department, Catalyst Division	April 2023	Executive Officer (to present) Deputy General Manager, Corporate Management Division	
	June 2019	General Manager, Catalyst Development Department, Catalyst Division	January 2024	General Manager, ESG Promotion Department (to present)	
<b>Significant concurrent positions outside the Company:</b>					None
<b>Reason for nomination as a candidate for Director who is a member of the Audit and Supervisory Committee:</b>					
He has been in charge of R&D and other works for many years in the ENEOS Group at an oil company. Since he assumed the office of Executive Officer of the Company, he has been responsible for ESG Promotion Department and promoted sustainability activities. He contributed to the improvement of the level of these initiatives from the standpoint of managing initiatives on overall ESG, including compliance, risk management, and others in each division of the Company. He was nominated as a candidate for Director who is a member of the Audit and Supervisory Committee, because the Company expects him to provide highly effective supervision of the management team from an objective standpoint independent of the execution of operations with those experiences.					

No.			
2	<b>Naomi Harada</b> (Born September 5, 1958)	Number of shares of the Company owned Period in Office.....	0 shares 4 years

Reappointment
Outside Director
Independent Director

**Career summary, title and area of responsibility in the Company:**

April 1981	Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)	August 2008	General Manager, Custody Client Management Department, Trust & Custody Services Bank, Ltd.
October 1989	Director, IBJ International plc		
October 2004	CEO & MD, Mizuho Trust & Banking (Luxembourg) S.A.	June 2011	Managing Director, Yurikamome Inc.
April 2006	Non-Executive Director, Euroclear plc	June 2021	Outside Director who is a member of the Audit and Supervisory Committee, Toho Titanium Co., Ltd. (to present)

**Significant concurrent positions outside the Company:**  
None

**Reason for nomination as a candidate for Outside Director who is a member of the Audit and Supervisory Committee, and functions expected to be fulfilled:**

He has a range of experience in financial operations in Japan and Europe. He also has a lot of experience in corporate management, serving as CEO of an overseas subsidiary of a Japanese bank, Non-Executive Director of a foreign financial institution, and Managing Director of a Japanese company. He has served as an Outside Director who is a member of the Audit and Supervisory Committee since June 2021, during which period he has audited the execution of duties of the management team. He was nominated as a candidate for Outside Director who is a member of the Audit and Supervisory Committee, because the Company expects him to provide helpful opinions and advice based on his knowledge and experience, appropriately fulfill his role as a member of the Audit and Supervisory Committee, and provide highly effective supervision of the management team from an objective standpoint independent of the execution of operations.

- Notes: 1. There is no relationship involving a special interest or transactional relationship between the Company and the candidates for Directors who are members of the Audit and Supervisory Committee.
2. The Company has entered into an agreement with Mr. Naomi Harada that limits his liabilities to the Company to an amount equal to the minimum amount set forth in Article 425, paragraph (1) of the Japanese Companies Act. If his reelection is approved in this General Meeting of Shareholders, the Company will maintain this agreement effective. In addition, if the election of Mr. Michiaki Adachi is approved, the Company intends to enter into a liability limitation agreement with him that limits his liability to the Company to an amount equal to the minimum amount set forth in the Article 425, paragraph (1) of the Japanese Companies Act.
3. The Company has entered into a liability insurance policy for directors and officers with an insurance company, naming as the insured all directors, executive officers, and employees of the Company who have been appointed by the Company as a director or corporate auditor of an unlisted company in Japan. This insurance policy covers the insured's losses and damages, such as liability for damages and expenses incurred by them in connection with management decisions, execution of operations, etc. Each of the candidates, if their election is approved, will be covered as an insured under the insurance policy. All insurance premiums will be paid by the Company, and this insurance policy is to be renewed in September 2025.
4. Mr. Naomi Harada is, and after approval of his reelection, will continue to be, an independent director as stipulated in the relevant rules of the Tokyo Stock Exchange.
5. Figures set out in the part of "Number of shares of the Company owned" by candidates for Directors are those including shares held through the Shareholding Society of Directors, Officers and Audit and Supervisory Committee Members.

**[Reference]**

Expertise and experience of the Directors (including Directors who are members of the Audit and Supervisory Committee) (after approval of election or reelection of the candidates for Directors and the conclusion of this General Meeting of Shareholders)

	Gender	Corporate Management Corporate Strategy	Marketing Sales	Manufacturing/Technology/R &D	Sustainability Risk Management	Internal Control Governance	Personnel/Labor HR Development	Legal Compliance	Finance & Accounting Tax	IT/Digital	Global Experience
Yasuji Yamao	Male	○			○	○			○		○
Matsuhide Horikawa	Male			○	○					○	
Akira Inokawa	Male	○			○	○	○	○			○
Kazuhiko Iida	Male	○		○						○	○
Yasuhiko Ikubo	Male				○	○		○			
Kimiharu Okura	Male	○	○		○						○
Michiaki Adachi	Male			○	○			○			○
Shigeko Senzaki	Female				○	○			○	○	○
Naomi Harada	Male	○	○		○	○			○	○	○
Akio Kobayashi	Male				○	○			○		○

**Proposal No.3:** Determination of remuneration for the allotment of restricted stock to Directors (limited to Executive Directors) who are not members of the Audit and Supervisory Committee

At the 89th Ordinary General Meeting of Shareholders held on June 18, 2020, it was approved that the maximum amount of remuneration for the Company's Directors who are not members of the Audit and Supervisory Committee was set at 320 million yen (including remuneration for Outside Directors who are not members of the Audit and Supervisory Committee in an amount not to exceed 50 million yen, excluding the salaries of Directors who are also employees) per year.

The Company intends to allot common shares that are subject to a certain period of transfer restrictions and to provisions such as grounds for the Company to acquire the shares without contribution ("Restricted Stock") to the Company's Directors who are not members of the Audit and Supervisory Committee (limited to Executive Directors; hereinafter referred to as the "Eligible Directors") as described below, in order to provide Eligible Directors with incentives to continually enhance the corporate value of the Company and further promote shared value with shareholders.

Taking various matters into consideration comprehensively, such as the extent to which Eligible Directors contribute to the Company, we would like to propose setting the total amount of monetary remuneration claims to be paid to Eligible Directors as remuneration, etc., for Restricted Stock, separately from the above-stated amount of remuneration for Directors, at an amount not exceeding 10 million yen per year. We determined the allotment of Restricted Stock based on a comprehensive assessment of various factors, including the extent to which the Eligible Directors contribute to the Company. Furthermore, given that the maximum number of shares of Restricted Stock to be allotted in each fiscal year set forth in 2. below is approximately 0.04% of the total number of shares issued (the ratio of the maximum number of shares of Restricted Stock to the total number of shares issued is approximately 0.42% if such maximum number of shares of Restricted Stock is issued over a 10-year period), and that the dilution ratio is minimal, we believe that the details of this proposal are reasonable.

If this proposal is approved, the Company plans, at a meeting of the Board of Directors to be held after the conclusion of this General Meeting of Shareholders, to revise the policy on determining the content of individual remuneration, etc. for Directors (excluding Directors who are members of the Audit and Supervisory Committee) as described in the "Reference" section of this proposal, in order to ensure consistency with the approved content. The Company believes that the content of this proposal complies with the revised policy and is therefore considered reasonable.

Currently, the Company has six Directors who are not members of the Audit and Supervisory Committee (including three Non-Executive Directors, two of whom are Outside Directors). If Proposal No. 1 is approved, this number will remain unchanged and the number of Eligible Directors will be three.

The Personnel and Compensation Advisory Committee, which was established voluntarily, deliberated on whether the details of this proposal were appropriate in light of the roles and responsibilities of the Eligible Directors, and whether they provided suitable incentives for improving business performance and corporate value. After obtaining the committee's approval, the proposal was approved by the Board of Directors. Based on the results of the committee's deliberations, the Audit and Supervisory Committee considers that the decision-making procedures are properly conducted and that the content of this proposal is reasonable.

## Description

### Specific details and maximum number of shares of Restricted Stock for Eligible Directors

#### 1. Allotment and payment of Restricted Stock

The Company will pay monetary remuneration claims to Eligible Directors within the scope of the above-stated annual amount, as remuneration, etc., for Restricted Stock, based on a resolution of the Board of Directors. Each Eligible Director will be allotted Restricted Stock by providing the entire monetary remuneration claims as payment in kind.

The Board of Directors of the Company shall determine the amount to be paid for Restricted Stock within an amount that is not particularly favorable to Eligible Directors who receive Restricted Stock, on the basis of the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors on the issuance or disposal of Restricted Stock (if the transaction is not executed on the date, the closing price on the most recent trading date immediately preceding the date).

In addition, the above monetary remuneration claims will be paid if Eligible Directors agree to the contribution in kind described above and has entered into an agreement on the Allotment of Restricted Stock that includes the details set forth in 3. below.

#### 2. Total number of shares of Restricted Stock

The total number of shares of Restricted Stock to be allotted to Eligible Directors shall be 30,000, which is the maximum number of Restricted Stock to be allotted in each fiscal year.

However, if a stock split or a stock consolidation of the Company's common shares (including gratis allotment of the Company's common shares) is conducted after the date of the resolution for this proposal, or if the total number of shares of Restricted Stock to be allotted in accordance with such situations needs to be adjusted, the total number of shares of such Restricted Stock will be adjusted in a reasonable manner.

#### 3. Details of the agreement on the allotment of Restricted Stock

When allotting Restricted Stock, agreements on the allotment of Restricted Stock to be entered into between the Company and the Eligible Directors who are allotted Restricted Stock based on a resolution of the Board of Directors of the Company shall include the following.

##### (1) Details of Transfer Restrictions

Eligible Directors who have been allotted Restricted Stock may not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or engage in any other act of disposal ("Transfer Restrictions") with regard to the Restricted Stock allotted to them ("Allotted Shares") during the period from the grant date of the Restricted Stock until the date on which they lose their positions as Executive Directors of the Company or any other positions as determined by the Board of Directors of the Company ("Transfer Restriction Period").

##### (2) Acquisition of Restricted Stock without contribution

If an Eligible Director who has been allotted Restricted Stock loses his or her position as an Executive Director of the Company or any other position as determined by the Board of Directors of the Company



during the period on or after the date of commencement of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders thereafter, the Company shall automatically acquire the Allotted Shares without contribution, unless there are grounds deemed justifiable by the Board of Directors.

The Company will also automatically acquire the Allotted Shares without contribution if there are any Allotted Shares for which Transfer Restrictions have not been lifted pursuant to the provisions of the grounds for lifting Transfer Restrictions in (3) below at the time the Transfer Restriction Period in (1) above expires.

### (3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions for all the Allotted Shares when the Restriction Transfer Period expires, provided that an Eligible Director who was allotted Restricted Stock has continuously held the position of an Executive Director of the Company or any other position as determined by the Board of Directors of the Company until the date of the first Ordinary General Meeting of Shareholders of the Company held after the date of commencement of the Transfer Restriction Period.

However, if the said Eligible Director loses his or her position as an Executive Director of the Company or any other position as determined by the Board of Directors of the Company before the day of the first Ordinary General Meeting of Shareholders held after the date of commencement of the Transfer Restriction Period due to a reason deemed justifiable by the Board of Directors of the Company, the number of Allotted Shares for which the Transfer Restrictions are to be lifted and the timing for lifting the Transfer Restrictions shall be reasonably adjusted as necessary.

### (4) Malus Clause

The Company will acquire without contribution all of the Allotted Shares held by an Eligible Director, in cases in which the Board of Directors recognizes that the said Eligible Director has violated laws, regulations, or internal rules, etc. in any material respect during the Transfer Restriction Period and when certain circumstances determined by the Board of Directors have occurred.

### (5) Handling of organizational restructuring, etc.

In the event that a proposal concerning a merger agreement under which the Company will cease to exist, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary, or any other matters related to organizational restructuring, etc. is approved at the Company's General Meeting of Shareholders (however, in cases where approval by a General Meeting of Shareholders of the Company is not required for such organizational restructuring, etc., the Board of Directors of the Company shall approve the organizational restructuring, etc.) during the Transfer Restriction Period (only if the effective date of such organizational reorganization, etc. occurs before the expiration of the Transfer Restriction Period; hereinafter referred to as the "Time of Approval of Reorganization, etc."), and an Eligible Director who has been allotted Restricted Stock in tandem with the said organizational restructuring, etc., loses his or her position as an Executive Director of the Company or any other position as determined by the Board of Directors of the Company, the Transfer Restrictions shall be lifted with respect to the number of Allotted Shares reasonably determined based on the period from the commencement of the Transfer Restriction Period to the approval date of the said organizational restructuring, etc., by a resolution of the Board of Directors of the Company, prior to the effective date of the said organizational restructuring, etc.

In addition, at the Time of Approval of Reorganization, etc., the Company shall automatically acquire

without contribution all of the Allotted Shares for which the Transfer Restrictions have not been lifted as of the business day immediately preceding the effective date of such reorganization, etc.

[Reference]

If this proposal is approved at this General Meeting of Shareholders, the Company plans to allot the same Restricted Stock as the above-stated Restricted Stock to Executive Officers of the Company, etc. after the conclusion of this General Meeting of Shareholders.

## Policy on determining the details of remuneration, etc. for individual Directors

The Company's policy on determining the details of remuneration, etc. for individual Directors (excluding Directors who are members of the Audit and Supervisory Committee) is as follows.

### 1. Basic policy

The basic policy is to set Directors' remuneration at an appropriate level commensurate with the responsibilities of each Director and the Company's performance. The remuneration for Directors consists of fixed basic remuneration, performance-linked remuneration as an incentive for increasing corporate value, and stock remuneration as non-monetary remuneration for the purpose of further promoting shared value with shareholders. However, Non-Executive Directors shall receive only basic remuneration in consideration of their duties.

The structure and specific details of remuneration for Directors shall be determined by the Board of Directors based on the recommendations made following prior deliberation by the Personnel and Compensation Advisory Committee, which is composed mainly of Independent Outside Directors.

### 2. Policy on determining the amount of individual basic remuneration, etc. (including the policy on determining the timing or conditions for granting remuneration, etc.)

The basic remuneration for Directors is paid as a fixed monthly monetary remuneration, and the specific amount for each position is determined by the Board of Directors based on a comprehensive assessment of the required abilities and responsibilities. However, the amount of basic remuneration for Non-Executive Directors is determined by the President & Representative Director, based on delegation from the Board of Directors, taking into consideration general standards and other relevant factors.

### 3. Policy on determining the details and amount of performance-linked remuneration, etc. (including the policy on determining the timing or conditions for granting remuneration, etc.)

As performance-linked remuneration for Directors (excluding Non-Executive Directors), a bonus (monetary remuneration) linked to the Company's consolidated business performance for each fiscal year shall be paid in a lump sum after the end of the fiscal year.

The details of the calculation method for Directors' bonuses and other related matters are determined by the Board of Directors based on the recommendations following prior deliberation by the Personnel and Compensation Advisory Committee. However, as described in 6. below, the President & Representative Director may, within a certain range based on delegation from the Board of Directors, adjust the amount of bonuses for individual Directors.

In addition, a cap is set on Directors' bonuses to ensure that performance-linked remuneration does not become excessive.

### 4. Policy on determining the details and amount of stock remuneration (including the policy on determining the timing or conditions for granting remuneration, etc.)

The Company shall grant to Directors (excluding Non-Executive Directors) at a fixed time annually Restricted Stock not linked to performance whose Transfer Restrictions are lifted, in principle, on retirement, in order to provide incentives to continually enhance the corporate value of the Company and further promote shared value with shareholders.

Within the upper limit of remuneration approved at a General Meeting of Shareholders separately from monetary remuneration, the Company shall grant, based on a resolution of the Board of Directors, monetary remuneration claims to Directors (excluding Non-Executive Directors). The Directors who receive such monetary remuneration claims shall receive an allotment of shares by providing the entire amount of such claims as payment in kind. The amount of monetary remuneration claims to be granted is determined based on each Director's position and responsibilities.

The Board of Directors shall determine the amount to be paid for Restricted Stock within an amount that is not particularly favorable to Directors who receive Restricted Stock, on the basis of the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors on the issuance or disposal of Restricted Stock (if the transaction is not executed on the date, the closing price on the most recent trading date immediately preceding the date).

5. Policy on determining the ratio of monetary remuneration, performance-linked remuneration, etc., and stock remuneration in the total remuneration, etc. for individual Directors

The ratio of each type of remuneration for Directors shall be determined based on their positions and responsibilities.

6. Matters concerning the determination of the details of remuneration, etc. for individual Directors

The President & Representative Director, based on delegation from the Board of Directors, may adjust the amount of each Director's bonus, calculated according to the method determined by the Board of Directors, within a certain range specified by the Board of Directors and in accordance with each Director's performance in executing his or her duties, without increasing the total amount of remuneration paid to all Eligible Directors. However, the number of shares to be allotted to each Director as stock remuneration shall be determined by a resolution of the Board of Directors, respecting the recommendations of the Personnel and Compensation Advisory Committee.