

Security code 6373
June 10, 2024

To Shareholders

I-197 Kumasaka-machi, Kaga City, Ishikawa
Daido Kogyo Co., Ltd.
President Hirofumi Araya

Notice of Convocation of the 131st Ordinary General Meeting of Shareholders

We would like to express our sincere gratitude for your continued support.

We would also like to express our deepest sympathies to the victims and their families in the Noto Peninsula Earthquake, and our sincere wishes for an earliest recovery.

You are cordially invited to attend the 131st Annual General Meeting of Shareholders of DAIDO KOGYO CO., LTD. (the "Company"). The meeting will be held as described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing (by mail) or via the Internet, etc. Please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m., Monday, June 24, 2024 in reference to the "Information on the Exercise of Voting Rights" below.

In convening this General Meeting of Shareholders, we have taken the measure of providing electronic information for the contents of the reference documents for the General Meeting of Shareholders, etc. (items to be provided electronically), and posted the relevant information in our website on the Internet. Please access the following website for the information.

Our website: <https://www.did-daido.co.jp/>



(Please access the website above and select "Investor Relations" and then "General Meeting of Shareholders Information" from the menu.)

In addition to our website, the items to be provided electronically are also posted on the website of the Tokyo Stock Exchange (TSE), which can be found at the following link.

Tokyo Stock Exchange Website (TSE Company Announcements Service)
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(Access the TSE website above, enter "Daido Kogyo" in the "Issue name (Company name)" field or our securities code "6373" in the "Code" field, and search for "Daido Kogyo" or "6373" in the "Code" field. Then, select "Basic Information" and then "Documents for Public Inspection/PR Information" and confirm the "Notice of Convocation of the General Meeting of Shareholders/Materials for General Meeting of Shareholders" under "Documents for Public Inspection.")

1. Date and Time Tuesday, June 25, 2024, at 10:00 a.m. (Start of reception: 9:00 a.m.)
2. Place Main Hall, 1st floor of CHIENKAN
I-197 Kumasaka-machi, Kaga City, Ishikawa
(Please refer to the hall map at the end of this document.)
3. Agenda of the Meeting
Matter to be reported 1. Business Report, Consolidated Financial Statements, and the results of the audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Company Auditors for the 131st Fiscal Term (from April 1, 2023 to March 31, 2024)
2. Non-Consolidated Financial Statements for the 131st Fiscal Term (from April 1, 2023 to March 31, 2024)
- Proposals to be resolved
 Proposal No. 1 Appropriation of surplus
 Proposal No. 2 Partial amendment to the Articles of Association
 Proposal No. 3 Election of four Directors (except Directors serving the Audit and Supervisory Committee)
 Proposal No. 4 Election of five Directors serving the Audit and Supervisory Committee
 Proposal No. 5 Decision of remuneration for granting restricted stock to Directors (except Directors serving the Audit and Supervisory Committee)
4. Decisions in convening the General Meeting (Information on the Exercise of Voting Rights)
 - (1) If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of a proposal, we will treat it as if you indicated your approval.
 - (2) If you exercise your voting rights multiple times via the Internet, etc., we will treat the last vote as a valid exercise of voting rights.
 - (3) If you exercise your voting rights both in writing (by mail) and via the Internet, etc., we will treat the exercise of voting rights via the Internet, etc. as valid, regardless of the arrival date and time.

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- ◎ If attending the Meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception.
 - ◎ In accordance with the revision of the Companies Act, the Company has decided that, in principle, shareholders should access the aforementioned Internet websites to confirm the items to be provided electronically, and that a document describing such items will be delivered to only shareholders who have made a request for document delivery by the record date. However, at this General Meeting of Shareholders, regardless of whether or not a request for document delivery is made, a written document describing the items to be provided electronically will be sent uniformly.
 - ◎ Of the items to be provided electronically, the following are excluded from the documents to be delivered pursuant to the provision of the applicable laws and regulations and the Articles of Association of the Company. Therefore, the business report, consolidated financial statements, and financial statements described in the document to be delivered are part of the business report, consolidated financial statements, and financial statements audited by the accounting auditors or the Audit and Supervisory Committee when they prepared the Accounting Audit Report or Audit Report.
 - "Status of accounting auditor," "Systems for ensuring the appropriateness of business and the status of operation of such systems," "Basic policy on corporate control," and "Policy on deciding dividends of surplus" in the Business Report
 - "Statement of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements" in the consolidated financial statements
 - "Balance Sheet," "Statement of Income," "Statement of Changes in Net Assets," and "Notes to Non-Consolidated Financial Statements" in the financial statements.
 - Report of Accounting Auditor on Consolidated Financial Statements
 - Report of Accounting Auditor on Financial Statements
 - Audit report of the Audit and Supervisory Committee
 - ◎ In the event of any modification to the items to be provided electronically, a notice of such modification, as well as the items before and after such modification, will be posted on the aforementioned Internet websites.
 - ◎ Please be advised that the results of resolutions in this General Meeting of Shareholders will be announced by posting them on the Company's website, instead of sending a written notice of resolution.
 - ◎ The "Year-End Report" (Shareholder Newsletter), which had been mailed with the notice of resolution, is also no longer issued to save paper resources, as its main information is disclosed on the Company's website and part of its contents is included in this document.



Information on the Exercise of Voting Rights

The right to vote at general meetings of shareholders is an important right of shareholders.
Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.
The following three methods are available for exercising voting rights.



If attending the General Meeting of Shareholders

Please present the Voting Rights Exercise Form at the reception desk.

Date and Time

10:00 a.m.
(Reception starts at 9:00 a.m.)
Tuesday, June 25, 2024



If exercising voting rights by mail (postal mail)

Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form in accordance with the following instructions and return it to us.

Exercise period

Arrival by Monday, June 24, 2024,
5:00 p.m.



If exercising voting rights through the Internet, etc.

Please follow the instructions on the next page to enter your approval or disapproval of the proposals.

Exercise period

Input by Monday, June 24, 2024,
5:00 p.m.

Information on how to fill out the Voting Rights Exercise Form

*The Voting Rights Exercise Form is a sample image.

Please enter your approval or disapproval for the proposals here.

Proposal No. 1, No. 2 and No. 5

- When you approve:
>> Put the mark "○" in the "Approval" column.
- When you disapprove:
>> Put the mark "○" in the "Disapproval" column.

Proposal No. 3 and No. 4

- When you approve all candidates:
>> Put the mark "○" in the "Approval" column.
- When you disapprove all candidates:
>> Put the mark "○" in the "Disapproval" column.
- When you disapprove some candidates:
>> Put the mark "○" in the "Approval" column and enter the numbers of candidates you disapprove.

Guide to voting right exercise over the Internet, etc.

How to read QR Code “Smart Exercise”

You can log in to the website for exercising voting rights without entering your voting code and password.

- 1 Scan the QR code on the bottom right corner of the Voting Rights Exercise Form.



* "QR Code" is a registered trademark of DENSO WAVE INC.

- 2 Follow the instructions on the screen to enter your approval or disapproval.



You may exercise your voting rights only once using the "Smart Exercise" function.

If you wish to change the content of your vote after you have exercised your voting rights, please access the website for PCs, log in with the "code for exercising voting rights" and "password" indicated on the Voting Rights Exercise Form, and exercise your voting rights again.

*If you scan the QR code again, you can go to the PC website.

How to enter the voting code and password

Website for exercising voting rights <https://www.web54.net>

- 1 Access the website for exercising voting rights.



Click "Continue."

- 2 Enter the "Voting Code" indicated on the Voting Rights Exercise Form.



Enter "Voting Code."

Click "Login."

- 3 Enter the "password" indicated on the Voting Rights Exercise Form



Enter "Password."

Please set a new password to be used for voting.

Click "Register."

- 4 Follow the instructions on the screen to enter your approval or disapproval.

* The operation screen is a sample image.

Sumitomo Mitsui Trust Bank Transfer Agency Web Support Dial-in Number

0120 - 652 - 031 (Toll-free)

(Inquiries accepted: 9:00 a.m. - 9:00 p.m.)

Institutional investors can use the platform for electronic exercise of voting rights for institutional investors, which is operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal No.1: Appropriation of surplus

The Company considers return of profits to shareholders as an important management policy and takes a policy on dividends to distribute dividends considering comprehensively full-year performance, management environment, and medium- to long-term reinforcement of financial standing with focus on maintenance of stable dividends.

However, the business results for the term under review were severe and we expect the business environment to remain strict in the future due mainly to high raw material and energy prices, continued inflation, and rising international tensions. Taking all of these factors into consideration, we regret to announce that the year-end dividend for the term under review will be as follows. In addition, for stable and continuous payment of dividends to our shareholders, we would like to withdraw a part of the special reserve fund as follows.

1. Matters regarding year-end dividend

[1] Type of dividend property:	Cash
[2] Matters regarding allocation of dividend property and the amount thereof:	¥15 per common share Total amount: ¥155,443,845
[3] Effective date of surplus dividend:	June 26, 2024

2. Matters regarding appropriation of other surplus

- i) Item and amount of decreased surplus
Special reserve fund ¥700,000,000
- ii) Item and amount of increased surplus
Earned surplus carried forward ¥700,000,000

Proposal No. 2: Partial amendment to the Articles of Association

(1) Reasons for proposal

In order to strengthen and enhance the audit system, the number of directors who are members of the Audit and Supervisory Committee as stipulated in Article 18 (Number of Directors) of the current Articles of Association will be changed from 4 or less to 5 or less.

(2) Details of amendment

Details of intended amendment are as follows.

(Underlined parts represent amendment.)

Before Amendment	After Amendment
(Number of Directors) Article 18 The number of directors of the Company (excluding directors who are members of the Audit and Supervisory Committee) shall be nine or less. 2. The number of directors of the Company who are members of the Audit and Supervisory Committee shall be <u>four</u> or less.	(Number of Directors) Article 18 (Same as current) 2. The number of directors of the Company who are members of the Audit and Supervisory Committee shall be <u>five</u> or less.

Proposal No. 3: Election of four Directors (except Directors serving the Audit and Supervisory Committee)

The term of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

In this regard, in order to enable the Board of Directors to make decisions strategically and flexibly, the Company proposes to reduce the number of Directors by two and elect four Directors.

In addition, there was no particular opinion from the Audit and Supervisory Committee regarding this proposal. The candidates for Directors are as follows.

Candidate No.	Name	(References)	
		Responsibilities at the Company	Attendance to Board of Director's Meetings
1	Kozo Araya <div>Re-appointment</div>	Representative Director Chairman	14/14 (100%)
2	Hirofumi Araya <div>Re-appointment</div>	Representative Director President	14/14 (100%)
5	Masanori Sanada <div>Re-appointment</div>	Director Administration Div. Manager	14/14 (100%)
6	Toshio Ishimura <div>Re-appointment</div>	Director M&S Div. Manager	14/14 (100%)

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
1	Kozo Araya (October 25, 1950) Male <div>Re- appointment</div>	April 1973 Joined Daido Kogyo Co., Ltd. April 1976 Purchasing Manager of Daido Kogyo Co., Ltd June 1977 Director, Daido Kogyo Co., Ltd Nov. 1978 First Manufacturing Dept. Manager of Daido Kogyo Co., Ltd. Aug. 2002 Representative Director & President of Daido Kogyo Co., Ltd. June 2006 Chairman, Kaga Chamber of Commerce and Industry June 2019 Representative Director & Chairman of Daido Kogyo Co., Ltd. (to date)	69,225 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Kozo Araya has been involved in the management of the Company over a long time since assumed office as a director of the Company in June 1977. Since August 2002, he has contributed to a great extent to the expansion of the Company's global operations as Representative Director of the Company, and considering that he has a great deal of work experience in the Company and the Group and knowledge on global business operations, etc., we determined that he is continuously appropriate as a candidate for a director.	
2	Hirofumi Araya (August 20, 1971) Male <div>Re- appointment</div>	April 2002 Joined Daido Kogyo Co., Ltd. Sep. 2004 Sales Dept. Manager, Sales Div. of Daido Kogyo Co., Ltd. June 2005 Automotive Technology and Sales Dept., Automotive Div. June 2007 Executive Officer of Daido Kogyo Co., Ltd. April 2008 Representative Director & President of Daido Sittipol Co., Ltd. April 2010 Representative Director & President of D.I.D Asia Co., Ltd. Sep. 2010 Representative Director & President of Daido India pvt. Ltd. June 2011 Director and Technical Development Div. Manager of Daido Kogyo Co., Ltd. June 2013 Managing Director In charge of Motorcycle / Automotive Div. Director & Vice Chairman of Daido Sittipol Co., Ltd June 2015 Representative Director & Vice President of Daido Kogyo Co., Ltd. In charge of Research & Development Div. of Daido Kogyo Co., Ltd. Director & Chairman of Daido Sittipol Co., Ltd. (to date) June 2017 In charge of Business Strategy Div. and, Research & Development Div. of Daido Kogyo Co., Ltd. June 2019 Representative Director & President of Daido Kogyo Co., Ltd. (to date) In charge of Internal Control Audit Office June 2021 Marketing Strategy Office Manager of Daido Kogyo Co., Ltd (Important concurrent position) Director & Chairman of Daido Sittipol Co. Ltd	11,830 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Hirofumi Araya has assumed various important posts including President and Representative Director of the Company's overseas subsidiaries in Asia, which is an important area for the Group. He has been engaging in the planning of business strategies at the Business Strategy Division, as well as actively leading the Development Division, toward development of growth markets/ growth areas and expansion of business areas/ technology areas of the Company. Thus, he has a great deal of work experience in the Company and the Group and knowledge on global business operations, etc., so we determined that he is continuously appropriate as a candidate for a director.	

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
5	Masanori Sanada (January 7, 1962) Male <div>Re- appointment</div>	April 1984 Joined Daido Kogyo Co., Ltd. June 2005 Administration Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd. June 2007 Corporate Planning Office Manager of Daido Kogyo Co., Ltd. June 2013 Executive Officer of Daido Kogyo Co., Ltd. Administration Div. Manager of Daido Kogyo Co., Ltd. June 2015 Representative Director & President of Daido Sittipol Co., Ltd. June 2019 Senior Executive Officer of Daido Kogyo Co., Ltd. Administration Div. Manager of Daido Kogyo Co., Ltd. June 2020 Director, Daido Kogyo Co., Ltd. (to date) June 2021 Business Administration Div. Manager of Daido Kogyo Co., Ltd. June 2022 Administration Division Manager (to date)	5,000 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Sanada has profound knowledge on finance and accounting based on his long-term experience of leading the administration and management planning departments. He also served the representative director of overseas subsidiaries and has extensive experiences and achieved results in management of the Company's Group. He currently serves, as Director, the Administration Division Manager, and we have determined that his experiences and results will be useful for management of the Company and decided that he is continuously appropriate as a candidate for director.	
6	Toshio Ishimura (October 15, 1961) Male <div>Re- appointment</div>	April 1984 Joined Daido Kogyo Co., Ltd. Dec. 2004 AS Business Dept. Manager of Daido Kogyo Co., Ltd. June 2005 Manager, Corporate Planning Office of Daido Kogyo Co., Ltd. Manager, Industrial Machinery Sales Dept. of D.I.D June 2009 Industrial Machinery Sales Dept. Manager of D.I.D Co., Ltd. June 2011 Director of D.I.D Co., Ltd. June 2017 Executive Officer of Daido Kogyo Co., Ltd. Industrial Products Div. Manager of Daido Kogyo Co., Ltd. June 2019 Senior Executive Officer of Daido Kogyo Co., Ltd. June 2020 Director, Daido Kogyo Co., Ltd. (to date) June 2022 M&S Division Manager of Daido Kogyo Co., Ltd. (to date)	4,200 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Ishimura has a great deal of business experience and knowledge based on his long term experience of leading the industrial machinery business as well as excellent capability and knowledge on corporate management through the experience of serving as a director of a domestic subsidiary, etc. He currently serves, as Director, the M&S Division Manager, and we have determined that his experiences and results will be useful for management of the Company and decided that he is continuously appropriate as a candidate for director.	

- (Notes)
1. A director candidate Mr. Hirofumi Araya serves concurrently as Chairman and Director of Daido Sittipol Co., Ltd., which engages in the business falling under the same category as the Company's and has business (chains and other products) with the Company. Additionally, the Company provides a guarantee for its loan of the funds.
 2. There are no special interests between the other director candidates and the Company.
 3. D.I.D Co., Ltd. was a consolidated subsidiary of the Company but merged into the Company as of April 1, 2018.
 4. The Company has entered into a liability insurance contract with an insurance company as stipulated in Paragraph 1, Article 430-3, of the Companies Act. The summary of the contents of this insurance contract is described in "2.(3) Status of Company Officers" of the Business Report. When the election of the candidates for director is approved, they will continue to be covered as an insured person under the relevant insurance contract. Note that the insurance contract is going to be renewed next time with the same content.

Proposal No. 4: Election of five Directors serving the Audit and Supervisory Committee

The terms of office of all the four (4) Directors serving the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders.

In this regard, in order to strengthen and enhance the auditing system, the Company proposes to increase the number of Directors serving the Audit & Supervisory Committee by one and to elect five Directors serving the Audit & Supervisory Committee, subject to the Proposal No.2 “Partial amendment to the Articles of Association” is approved as originally proposed.

Please note that the Audit and Supervisory Committee has already given approval to this proposal.

The candidates for Directors serving the Audit and Supervisory Committee are as follows.

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
1	Kiyohiro Kajiya (February 4, 1961) Male <div>Re-appointment</div>	June 2009 Manager, Production System Dept., Business Support Div. of Daido Kogyo Co., Ltd.	2,500 shares
		June 2011 Manager, Industrial Machinery Business Dept. and Industrial Machinery Dept. of Daido Kogyo Co., Ltd.	
		June 2015 Manager, Industrial Machinery Business Dept. and Industrial Machinery Manufacturing Dept. of Daido Kogyo Co., Ltd.	
		June 2017 Executive Officer of Daido Kogyo Co., Ltd. Safety and Quality Div. of Daido Kogyo Co., Ltd.	
		June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)	
		[Reason for selecting him as a candidate for Director serving the Audit and Supervisory Committee, etc.] Mr. Kajiya has various business experiences in the Company's engineering, manufacturing, and quality departments and played a leading role in manufacturing. We have determined that his abundant experiences and knowledge will be useful for reinforcement of the Company's auditing and decided that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.	

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
2	<p>Seiji Sakashita (February 2, 1958) Male</p> <div> <div>Re- appoint ment</div> <div>Outside</div> <div>Indepen dent</div> </div>	<p>Oct. 1984 Joined Inoue Tatsuo Accounting Office (present KPMG Azsa & Co.)</p> <p>Mar. 1988 Registered as Certified Public Accountant.</p> <p>May 2003 Asahi & Co. (present KPMG Azsa & Co.)</p> <p>May 2007 Representative Partner, KPMG Azsa & Co. (present KPMG Azsa & Co.)</p> <p>Feb. 2014 Representative Partner, Hokuriku Auditing Office (to date)</p> <p>June 2016 Outside auditor, Komatsu Matere Co., Ltd. (to date)</p> <p>June 2019 Outside auditor, Takamatsu Machinery Co., Ltd. Chairman of the Hokuriku Association of the Japanese Institute of Certified Public Accountants (to date)</p> <p>June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)</p> <p>(Important concurrent position) Representative Partner of Hokuriku Auditing Office Outside auditor of Komatsu Matere Co., Ltd.</p>	0 shares
<p>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</p> <p>Mr. Sakashita has never directly participated in business management but has a great deal of knowledge and experience in finance and accounting and is familiar with corporate accounting as CPA. In addition, we have determined that reinforcement of the Company's audit system is expected from utilization of his wide-range performance and experience as repetitive director of auditing offices and outside director of other listed companies for management of the Company and decided that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.</p>			

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
3	<p>Shoji Takechi (February 14, 1967) Male</p> <div> <div>Re- appoint- ment</div> <div>Outside</div> <div>Indepen- dent</div> </div>	<p>Nov. 1996 Graduate School of Engineering, the University of Tokyo Assistant specialized in Naval Architecture and Ocean Engineering</p> <p>Mar. 1997 Joined Sumitomo Heavy Industries, Ltd.</p> <p>April 2000 Graduate School of Engineering, the University of Tokyo Assistant specialized in Environment and Ocean Engineering</p> <p>Nov. 2003 Assistant Professor, same major, same school, same University</p> <p>April 2006 Assistant Professor, specialized in Technology Management and Strategy, same school, same University</p> <p>April 2007 Associate Professor, same major, same school, same University</p> <p>April 2009 Associate Professor, Academic Foundations Programs, Kanazawa Institute of Technology</p> <p>April 2010 Associate Professor, Department of Management Systems, Faculty of Information Science, Kanazawa Institute of Technology</p> <p>April 2012 Professor, Department of Management Systems, Faculty of Information Frontier, Kanazawa Institute of Technology (to date)</p> <p>June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)</p> <p>(Important concurrent position) Professor, Department of Management Systems, Faculty of Information Frontier, Kanazawa Institute of Technology</p>	0 shares
<p>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</p> <p>Mr. Takechi has never directly participated in business management but has high-level expertise in knowledge and engineering through his long-term service as a professor of the university's engineering department. In addition, the field of his expertise has a high affinity for the Company's business field, so we have determined that he is expected to give appropriate advice and conduct an audit on management of the Company based on his experience and performance and that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.</p>			

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
4	<p>Miho Yamamoto</p> <p>(Maiden name: Miho Tanaka) (November 5, 1973)</p> <p>Female</p> <div> <div>New</div> <div>Outside</div> <div>Independent</div> </div>	<p>March 1999 Graduated from the master's course in the Graphic Design Course of Royal College of Art</p> <p>April 2000 Joined Three White Ltd. as art director</p> <p>April 2011 Established COCOROE Inc., Representative Director (to date)</p> <p>April 2015 Part-time lecturer, Social Design, Tama Art University (to date)</p> <p>April 2020 Part-time lecturer, YCCS Social Design, Yokohama National University</p> <p>April 2022 Part-time lecturer, Engineering Design Project, Tokyo Institute of Technology (to date)</p> <p>(Important concurrent position) Representative director of COCOROE Inc.</p>	0 shares
	<p>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</p> <p>Ms. Yamamoto is a pioneer in the field of social design. She studied social contribution and sustainability at a graduate university in the UK, and is expected to make a significant contribution to deepening social value creation and sustainability strategies as an expert with an international perspective. Therefore, we have nominated her as a candidate because she is expected to provide appropriate advice and supervision for the Company's management, which aims to enhance corporate value through the resolution of social issues, as a director serving the Audit and Supervisory Committee.</p>		

5	<p>Jun Akimoto (August 23, 1971) Male</p> <div> <div>New</div> <div>Outside</div> <div>Independent</div> </div>	<p>April 1994 Joined Ishikawajima-Harima Heavy Industries, Co., Ltd. (currently IHI Corporation)</p> <p>April 2013 Manager, Human Resource Development Group, HR Department, IHI</p> <p>April 2016 Manager, Human Resource Group, HR Department, IHI</p> <p>April 2020 General Manager, Planning & Administration Department, Industrial Systems & General Machinery Business Domain, IHI</p> <p>April 2021 Deputy General Manager, Industrial Systems & General Machinery Business Domain</p> <p>April 2022 Chairman and Representative Director of IHI Ionbond AG/IHI Hauzer Techno Coating B.V./IHI VTN GmbH (secondment from IHI)</p> <p>April 2023 General Manager, Corporate Planning Department, IHI</p> <p>April 2024 General Manager, Planning & Administration Department, Aerospace & Defense Business Domain, IHI (to date)</p> <p>(Important concurrent position) General Manager, Planning & Administration Department, Aerospace & Defense Business Domain, IHI</p>	0 shares
		<p>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</p> <p>Mr. Akimoto has extensive global management experience through serving the human resource and corporate planning departments of heavy industries at IHI Corporation, and his experience and knowledge are expected to make a valuable contribution to the Company's global business development and strengthening of its management base. Therefore, we have nominated him as a candidate because he is expected to provide appropriate advice and supervision of the Company's management as a director serving the Audit and Supervisory Committee.</p>	

Outside : Candidates for outside director

Independent : Candidate for director who meets the requirements for independent officers provided by the Tokyo Stock Exchange

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Seiji Sakashita, Mr. Shoji Takechi, Ms. Miho Yamamoto, and Mr. Jun Akimoto are candidates for outside director.
 3. Ms. Miho Yamamoto uses her maiden name, Miho Tanaka, as her professional name.
 4. The term of office of Mr. Seiji Sakashita and Mr. Shoji Takechi as outside directors of the Company will have been four years upon the conclusion of this General Meeting.
 5. Mr. Seiji Sakashita previously worked for KPMG AZSA LLC, the Company's accounting auditor, but retired from the firm in June 2013.
 6. The Company has entered into a contract with Mr. Kiyohiro Kajiya, Mr. Seiji Sakashita, and Mr. Shoji Takechi pursuant to Paragraph 1, Article 427 of the Companies Act to limit their liability for damage as set forth in Paragraph 1, Article 423 of the same Act. The limit of the liability for damage under the contract is the amount limited by laws and regulations. The Company plans to continue the contract with Mr. Kiyohiro Kajiya, Mr. Seiji Sakashita, and Mr. Shoji Takechi if their re-appointment is approved. If the election of Ms. Miho Yamamoto and Mr. Jun Akimoto is approved, the Company will enter into a liability limitation agreement with the content stated above.
 7. The Company has entered into a liability insurance contract with an insurance company as stipulated in Paragraph 1, Article 430-3, of the Companies Act. The summary of the contents of this insurance contract is described in "2.(3) Status of Company Officers" of the Business Report. When the election of the candidates for director serving the Audit and Supervisory Committee Member is approved, they will continue to be covered as an insured person under the relevant insurance contract. Note that the insurance contract is going to be renewed next time with the same content.
 8. The Company has designated Mr. Seiji Sakashita and Mr. Shoji Takechi as independent directors as stipulated by the Tokyo Stock Exchange, and has notified their designation to the Exchange, and intends to continue to appoint them as independent officers if their re-appointment is approved. Ms. Miho Yamamoto and Mr. Jun Akimoto also meet the requirements for independent directors as stipulated by the Tokyo Stock Exchange and will be designated as independent directors if their election is approved.

[Reference] Skill matrix of the Board of Directors after the General Meeting of Shareholders
 (Note) The skill matrix of the Board of Directors will be as follows if the candidates listed in this Notice of Convocation are elected as proposed.

Name		Corporate management Business strategy	Marketing and sales	Technology, IT, R&D	Finance	Legal affairs and risk management	Personnel and labor affairs and human-resource development	Global experience	ESG, sustainability
Director	Kozo Araya	●		●	●	●			
	Hirofumi Araya	●	●	●	●	●		●	●
	Masanori Sanada	●			●	●	●	●	●
	Toshio Ishimura		●	●					
Audit and Supervisory Committee Member	Kiyohiro Kajiya			●		●			●
	Seiji Sakashita	Outside (Independent)			●	●			●
	Shoji Takechi	Outside (Independent)		●					
	Miho Yamamoto	Outside (Independent)	●				●	●	●
	Jun Akimoto	Outside (Independent)	●		●	●	●	●	

Proposal No.5: Determination of remuneration for granting restricted stock to Directors (excluding Directors serving the Audit & Supervisory Committee)

The maximum amount of remuneration for the Company's Directors was approved at the 127th Ordinary General Meeting of Shareholders held on June 26, 2020 as an annual amount not exceeding 300 million yen (not including the portion of salaries as employees). With regard to this, in order to provide Directors with incentives to sustainably enhance corporate value and to promote further value sharing between Directors and shareholders, we would like to ask for your approval to the introduction of a remuneration system for granting restricted stock to the Directors of the Company (hereinafter "Eligible Directors", excluding Directors serving the Audit & Supervisory Committee). Accordingly, the total amount of monetary remuneration payable to Eligible Directors for the grant of restricted stock, which is considered reasonable in light of the above purposes, shall be limited to 60 million yen per year, which is separate from the current monetary remuneration limit for Directors, and the total number of the Company's common shares to be issued or disposed of under this system shall be limited to 50,000 shares per year (however, if, after the date of approval of this proposal, a stock split (including gratis allotment of common shares of the Company) or reverse stock split of common shares of the Company is conducted, or any other event requiring adjustment of the total number of common shares of the Company to be issued or disposed of as restricted stock occurs, the total number of shares above shall be adjusted to a reasonable extent). The specific allotment to each Eligible Director will be determined by the Board of Directors.

The current number of Eligible Directors is six, but if Proposal No. 3 is approved as originally proposed, the number of Eligible Directors will be four.

Eligible Directors shall pay all of the monetary remuneration claims arising from this proposal as assets contributed in kind and receive the issuance or disposal of common shares of the Company, in accordance with the resolution of the Board of Directors. The amount to be paid for each of the shares above shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors (or the closing price of the immediately preceding trading day if no trading was effected on that date), to the extent not particularly favorable to Eligible Directors. Upon the issuance or disposal of common shares of the Company under this plan, the Company and Eligible Directors shall enter into a restricted stock allotment agreement (the "Allotment Agreement") that includes, in summary, the following details.

- (1) During the period from the date of delivery of the restricted stock to the date of loss of his/her position as a director of the Company or other position determined by the Board of Director (the "Restricted Period"), Eligible Directors shall not transfer, grant a security interest in, or otherwise dispose of the common shares of the Company (the "Allotted Shares") allotted under the Allotment Agreement (hereinafter, "transfer restriction").

- (2) If an Eligible Director loses any of the positions described in (1) above before the expiration of the period separately determined by the Board of Directors ("Service Period"), the Company shall naturally acquire the Allotted Shares without consideration, unless there is a reason that the Board of Directors deems justifiable.
- (3) The Company shall release the transfer restriction on all of the Allotted Shares upon the expiration of the Restricted Period, provided that the Eligible Director has continuously served as a director of the Company or in any other position determined by the Board of Directors during the Service Period. However, if the Eligible Director loses any of the positions set forth in (1) above before the expiration of the Service Period for reasons deemed justifiable by the Board of Directors of the Company as set forth in (2) above, the number of the Allotted Shares to be released from the transfer restriction and the timing of the release of the transfer restriction shall be reasonably adjusted as necessary.
- (4) The Company will naturally acquire without consideration the Allotted Shares for which the transfer restriction has not been released in accordance with (3) above upon expiration of the Restricted Period.
- (5) If, during the Restricted Period, a merger agreement under which the Company shall become a defunct company, a share exchange agreement or share transfer plan under which the Company shall become a wholly owned subsidiary, or any other matters relating to reorganization, etc. are approved at a general meeting of shareholders of the Company (or the Board of Directors if approval by a general meeting of the Company's shareholders is not required for such reorganization, etc.), the Company may, by a resolution of the Board of Directors, release the transfer restriction for a reasonably determined number of the Allotted Shares in advance of the effective date of such reorganization, etc.
- (6) In the case stipulated in (5) above, the Company shall naturally acquire without consideration the Allotted Shares for which the transfer restriction has not yet been released as of the time immediately following the release of the transfer restriction pursuant to (5) above.
- (7) The method of manifestation of intention and notification in the Allotment Agreement, the method of revising the Allotment Agreement, and other matters to be determined by the Board of Directors shall be the contents of the Allotment Agreement.

The Company's Board of Directors has established a policy regarding the determination of the content of remuneration, etc., for Directors, and plans to change this policy according to this proposal, subject to approval of this proposal. In addition, as stated above, the amount to be paid for the Allotted Shares is within the range that is not particularly favorable and the dilution ratio is minimal, the Company has determined that the grant of the Allotted Shares is reasonable.