

OSAKA STEEL CO., LTD.

Notice of the 45th General Meeting of Shareholders

OSAKA STEEL CO., LTD.

1-9-3 Minami Okajima, Taisho-ku, Osaka, Japan 541-0045

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(Stock Exchange Code 5449)

June 2, 2023

(Start Date of Measures for Electronic Provision: June 1, 2023)

To Shareholders with Voting Rights:

Taisuke Nomura

Representative Director and President

OSAKA STEEL CO., LTD.

Registered head office: 1-9-3 Minami Okajima, Taisho-ku, Osaka

Headquarters: 3-6-1 Doshomachi, Chuo-ku, Osaka

**NOTICE OF CONVOCATION OF
THE 45TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you of the 45th Annual General Meeting of Shareholders of OSAKA STEEL CO., LTD. (the “Company”). The meeting will be held as described below.

In convening this Meeting, the Company has taken measures for the electronic provision and posted the matters subject to measures for electronic provision on the following website as “Notice of the 45th General Meeting of Shareholders.”

The Company’s website

<https://www.osaka-seitetu.co.jp/en/ir/meeting.html>

Matters subject to measures for electronic provision are also posted on the following website, in addition to the above website.

Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?show=show>

Please access the website above, enter the Company name “OSAKA STEEL” in the issue name (company name) field, or the Company’s securities code “5449” in the code field, and press “Search.” Select “Basic information” and then “Documents for public inspection/PR information” in that order and see the relevant information.

Exercising voting rights in advance is also available via the Internet or in writing. **Please review the Reference Documents for the General Meeting of Shareholders posted in the Matters Subject to Measures for Electronic Provision, indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form, and return it so that it is received by 5:20 p.m. (Japan time), the end of the Company’s business hours, on**

Friday, June 23, 2023.

- 1. Date and Time:** Monday, June 26, 2023 at 10:00 a.m. (Japan time)
- 2. Place:** Meeting Room 401, 4F, Osaka Chamber of Commerce and Industry Building
2-8, Honmachibashi, Chuo-ku, Osaka

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 45th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 45th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Election of Eight (8) Directors
- Proposal 2:** Election of One (1) Substitute Audit & Supervisory Board Member

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎ Should revisions arise to the matters subject to measures for electronic provision, the revised versions will be posted on the respective websites where such matters are posted.

The company's website: <https://www.osaka-seitetsu.co.jp/en/index.html>

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Eight (8) Directors

The term of office of all eight (8) current Directors ends at the conclusion of the 45th General Meeting of Shareholders. The Board of Directors proposes that eight (8) Directors, including three (3) Outside Directors, be elected.

The candidates for Directors are set forth below.

No.	Name		Current status, responsibilities and material concurrent positions	Attendance at the Board of Directors' meetings
1	Taisuke Nomura	[Reappointment]	Representative Director and President	100% 13/13 meetings
2	Teruyuki Wakatsuki	[Reappointment]	Managing Director General Manager, Head of Product Planning Division	100% 13/13 meetings
3	Kazuo Imanaka	[Reappointment]	Director General Manager, Head of Osaka Unit, Head of Osaka Unit Sakai Works	100% 13/13 meetings
4	Fumiaki Osaki	[Reappointment]	Director Responsible for Matters related to Marketing & Logistics Planning Division Responsible for Matters related to Purchasing Division General Manager, Marketing & Logistics Planning Division	100% 13/13 meetings
5	Hiroshi Matsuda	[Reappointment]	Director Responsible for Matters related to Corporate Planning and General Administration and Accounting & Finance and Group Companies Planning	100% 13/13 meetings
6	Hironobu Ishikawa	[Reappointment] [Outside] [Independent]	Outside Director	92% 12/13 meetings
7	Shinya Matsuzawa	[Reappointment] [Outside] [Independent]	Outside Director	100% 13/13 meetings
8	Mitsuhiro Sato	[Reappointment] [Outside] [Independent]	Outside Director	100% 13/13 meetings

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>1</p> <p>[Reappointment] Taisuke Nomura (November 8,1959)</p> <p>Years in office as Director: 3 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p>	<p>April 1982 Joined NIPPON STEEL CORPORATION (NSC)</p> <p>May 2003 General Manager, Head of Production Scheduling Division, Nagoya Works of NSC</p> <p>April 2011 President of NIPPON STEEL INDIA PRIVATE LIMITED</p> <p>October 2012 President of NIPPON STEEL & SUMITOMO METAL INDIA PRIVATE LIMITED</p> <p>July 2015 Executive Counselor, Global Business Development Sector, Head of Global Business Support Center of NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC)</p> <p>April 2017 Executive Officer, Vice Head of Global Business Development of NSSMC</p> <p>April 2019 Managing Executive Officer, Vice Head of Global Business Development of NIPPON STEEL CORPORATION</p> <p>April 2020 Executive Officer of NIPPON STEEL CORPORATION Executive Advisor of the Company</p> <p>June 2020 Representative Director and President of the Company To the present</p> <p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Taisuke Nomura as a Director because it has decided that he is well-qualified for the position with his deep knowledge of overseas business and strong leadership in corporate management, and with ample business knowledge and experience in the steel business.</p>	<p>18,800</p>

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned	
<p data-bbox="220 943 389 965">[Reappointment]</p> <p data-bbox="229 987 379 1066">Teruyuki Wakatsuki (March 2, 1959)</p> <p data-bbox="204 1088 405 1189">Years in office as Director: 6 years (at the end of this Meeting)</p> <p data-bbox="204 1211 405 1312">Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p> <p data-bbox="161 1115 177 1137">2</p>	<p data-bbox="427 297 1161 320">April 1983 Joined NIPPON STEEL CORPORATION (NSC)</p> <p data-bbox="427 331 1161 454">January 2007 General Manager, Head of Rail, Shape & Spiral pipe Technology Department, Construction Products Marketing Division, Construction Products Unit of NSC</p> <p data-bbox="427 465 1134 589">April 2012 Executive Counselor, General Manager, Production & Technical Control Division, International Business Development Division of the Company</p> <p data-bbox="427 600 1134 723">June 2012 Executive Officer, General Manager, Production & Technical Control Division, International Business Development Division of the Company</p> <p data-bbox="427 734 1134 857">November 2012 Executive Officer, General Manager, Head of Product Planning Division, International Business Development Division of the Company</p> <p data-bbox="427 869 1134 992">June 2014 Senior Executive Officer, General Manager, Head of Product Planning Division, International Business Development Division of the Company</p> <p data-bbox="427 1003 1134 1160">April 2016 Senior Executive Officer, General Manager, Head of Osaka Okajima Works, Head of Product Planning Division, International Business Development Division of the Company</p> <p data-bbox="427 1171 1134 1328">April 2017 Senior Executive Officer, General Manager, Head of Osaka Unit Okajima Works, Head of Product Planning Division, International Business Development Division of the Company</p> <p data-bbox="427 1339 1102 1462">June 2017 Director, General Manager, Head of Osaka Unit Okajima Works, Head of Product Planning Division of the Company</p> <p data-bbox="427 1473 1015 1574">June 2018 Director, General Manager, Head of Product Planning Division of the Company</p> <p data-bbox="427 1585 1054 1709">June 2020 Managing Director, General Manager, Head of Product Planning Division of the Company To the present</p>	<p data-bbox="1289 1010 1362 1032">16,600</p>	
	<p data-bbox="427 1756 943 1778"><u>Reasons for the election as Director Candidate</u></p> <p data-bbox="427 1789 1430 1935">The Board of Directors has proposed the re-election of Mr. Teruyuki Wakatsuki as a Director because it has decided that he is well-qualified for the position with his excellent performance in the field of planning products and supervising manufacturing plants since joining the Company, and with his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p style="text-align: center;">3</p> <p style="text-align: center;">[Reappointment] Kazuo Imanaka (August 4,1962)</p> <p style="text-align: center;">Years in office as Director: 3 years (at the end of this Meeting)</p> <p style="text-align: center;">Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p>	<p>April 1985 Joined NIPPON STEEL CORPORATION (NSC)</p> <p>July 2011 General Manager, Head of Electrical Steel Sheet Division, Hirohata Works of NSC</p> <p>October 2012 General Manager, Head of Electrical Steel Sheet Division, Hirohata Works of NIPPON STEEL & SUMITOMO METAL CORPORATION (NSSMC)</p> <p>April 2014 General Manager, Head of Tin Mill Products Division, Hirohata Works of NSSMC</p> <p>April 2017 Executive Vice President of JCAPCPL</p> <p>April 2020 Executive Officer, General Manager, Head of Production & Technical Control Division, Head of Purchasing Division of the Company</p> <p>June 2020 Director, General Manager, Head of Production & Technical Control Division, Head of Purchasing Division, responsible for Matters related to Safety & Environment, Plant Engineering of the Company</p> <p>April 2022 Director, General Manager, Head of Osaka Unit, Head of Osaka Unit Sakai Works of the Company To the present</p> <p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Kazuo Imanaka as a Director because it has decided that he is well-qualified for the position with his excellent performance in the field of production & technical control and supervising manufacturing plants since he has joined the Company, and with his ample business knowledge and experience in the steel business.</p>	6,200

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>4</p> <p>[Reappointment] Fumiaki Osaki (March 8,1968)</p> <p>Years in office as Director: 2 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p>	<p>April 1990 Joined NIPPON STEEL CORPORATION</p> <p>April 2014 General Manager, Head of General Administration Division, Muroran Works of NIPPON STEEL & SUMITOMO METAL CORPORATION (NSSMC)</p> <p>April 2016 General Manager, Head of Bar & Wire Rod Marketing Division, Bar & Wire Rod Unit of NSSMC</p> <p>April 2019 General Manager, Head of Corporate Planning Division of NIPPON STEEL CORPORATION</p> <p>April 2021 Executive Officer, responsible for Matters related to Marketing, Head of Sales & Logistics Planning Division, Head of Oversea Sales Division, Head of Nagoya Marketing Branch of the Company</p> <p>June 2021 Director, responsible for Matters related to Marketing, Head of Sales & Logistics Planning Division</p> <p>September 2021 Director, responsible for Matters related to Sales & Logistics</p> <p>April 2022 Director, responsible for Matters related to Marketing & Logistics and Purchasing of the Company</p> <p>February 2023 Responsible for Matters related to Marketing & Logistics Planning Division, Responsible for Matters related to Purchasing Division, and General Manager, Marketing & Logistics Planning Division of the Company</p> <p>To the present</p> <p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Fumiaki Osaki as a Director because it has decided that he is well-qualified for the position with his excellent performance in the field of marketing, and with his ample business knowledge and experience in the steel business.</p>	<p>700</p>

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>5</p> <p>[Reappointment] Hiroshi Matsuda (February 26,1969)</p> <p>Years in office as Director: 2 years (at the end of this Meeting)</p> <p>Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p>	<p>April 1992 Joined NIPPON STEEL CORPORATION</p> <p>April 2017 General Manager, Head of General Administration Division, Nagoya Works of NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC)</p> <p>April 2019 Chief Manager, General Administration Division, Business Process Innovation Division of NIPPON STEEL CORPORATION</p> <p>April 2020 General Manager, Group Companies Planning Division of NIPPON STEEL CORPORATION</p> <p>May 2021 Executive Officer, assistant to Director for Matters related to Corporate Planning and General Administration and Accounting & Finance and Group Companies Planning of the Company</p> <p>June 2021 Director, responsible for Matters related to Corporate Planning and General Administration and Accounting & Finance and Group Companies Planning of the Company</p> <p>To the present</p>	<p>1,100</p>
<p><u>Reasons for the election as Director Candidate</u></p> <p>The Board of Directors has proposed the re-election of Mr. Hiroshi Matsuda as a Director because it has decided that he is well-qualified for the position with his excellent performance in the field of general affairs, and with his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p data-bbox="161 913 177 943">6</p> <p data-bbox="199 728 411 808">[Reappointment] [Outside] [Independent]</p> <p data-bbox="199 824 411 882">Hironobu Ishikawa (December 4,1954)</p> <p data-bbox="199 902 411 1010">Years in office as Director: 5 years (at the end of this Meeting)</p> <p data-bbox="199 1025 411 1133">Attendance at the Board of Directors' meetings in FY2022: 12/13 (92%)</p>	<p data-bbox="427 277 1173 306">April 1979 Joined MITSUI & CO., LTD.</p> <p data-bbox="427 313 1173 371">April 2006 General Manager, Head of Energy Business Division of MITSUI & CO., LTD.</p> <p data-bbox="427 378 1173 472">April 2010 Executive Officer, General Manager, Head of Human Resources & General Administration Division of MITSUI & CO., LTD.</p> <p data-bbox="427 479 1173 611">April 2013 Managing Executive Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of MITSUI & CO., LTD. President of Mitsui & Co. Europe PLC</p> <p data-bbox="427 618 1173 750">April 2015 Senior Managing Executive Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of MITSUI & CO., LTD. President of Mitsui & Co. Europe PLC</p> <p data-bbox="427 757 1173 786">April 2016 Advisor of MITSUI & CO., LTD.</p> <p data-bbox="427 792 1173 851">May 2016 International Senior Advisor of Kream Worldwide AB</p> <p data-bbox="427 857 1173 887">June 2018 Outside Director of the Company</p> <p data-bbox="427 893 1173 922">December 2019 Advisor, Pasona Group Inc.</p> <p data-bbox="427 929 1173 1023">November 2021 Advisor, Kansai Biomass Recycling Network Co., Ltd.</p> <p data-bbox="427 1030 1173 1059">To the present</p> <p data-bbox="427 1093 1173 1151">[Material concurrent positions] Advisor, Kansai Biomass Recycling Network Co., Ltd.</p>	<p data-bbox="1316 719 1332 748">0</p>
<p data-bbox="427 1211 1442 1240"><u>Reasons for the election as Outside Director Candidate and an outline of his expected roles</u></p> <p data-bbox="427 1240 1442 1391">The Board of Directors has proposed the re-election of Mr. Hironobu Ishikawa as an Outside Director because it has decided that he is well-qualified for the position with his contribution to strengthening corporate governance of the Company, and with his ample business knowledge that he accumulated at other companies for many years and his experience in corporate management from his global viewpoint.</p> <p data-bbox="427 1391 1442 1485">In addition, if he is appointed, he will be appropriately involved in the selection of officer candidates and in the determination of officer compensation from an objective and neutral standpoint at the officer personnel and compensation meeting.</p> <p data-bbox="427 1485 1442 1579">Since his appointment as an Outside Director of the Company, Mr. Hironobu Ishikawa will have served in such position for Five (5) years at the conclusion of this General Meeting of Shareholders.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p data-bbox="229 528 400 607">[Reappointment] [Outside] [Independent]</p> <p data-bbox="204 629 421 680">Shinya Matsuzawa (February 27, 1956)</p> <p data-bbox="165 707 181 730">7</p> <p data-bbox="212 703 416 808">Years in office as Director: 4 years (at the end of this Meeting)</p> <p data-bbox="212 826 416 931">Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p>	<p data-bbox="432 282 1166 680"> April 1979 Joined SHIONOGI & CO., LTD. April 2005 General Manager, Head of Legal Affairs Division of SHIONOGI & CO., LTD. April 2013 Executive Officer, General Manager, Head of Legal Affairs Division of SHIONOGI & CO., LTD. April 2016 General Manager, Head of Legal Affairs Division of SHIONOGI & CO., LTD. April 2019 Advisor, Legal Affairs Division of SHIONOGI & CO., LTD. June 2019 Outside Director of the Company To the present </p> <p data-bbox="432 719 1107 779">[Material concurrent positions] Advisor, Legal Affairs Division, SHIONOGI & CO., LTD.</p> <p data-bbox="432 786 1445 1144"> <u>Reasons for the election as Outside Director Candidate and an outline of his expected roles</u> The Board of Directors has proposed the re-election of Mr. Shinya Matsuzawa as an Outside Director because it has decided that he is well-qualified for the position with his contribution to strengthening corporate governance of the Company, and with his ample business knowledge that he accumulated at other companies for many years and his experience in corporate legal affairs. In addition, if he is appointed, he will be appropriately involved in the selection of officer candidates and in the determination of officer compensation from an objective and neutral standpoint at the officer personnel and compensation meeting. Since his appointment as an Outside Director of the Company, Mr. Shinya Matsuzawa will have served in such position for Four (4) years at the conclusion of this General Meeting of Shareholders. </p>	<p data-bbox="1321 517 1337 539">0</p>

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p data-bbox="165 703 185 730">8</p> <p data-bbox="229 517 405 595">[Reappointment] [Outside] [Independent]</p> <p data-bbox="229 613 405 672">Mitsuhiro Sato (March 16, 1956)</p> <p data-bbox="229 689 405 792">Years in office as Director: 2 years (at the end of this Meeting)</p> <p data-bbox="229 810 405 913">Attendance at the Board of Directors' meetings in FY2022: 13/13 (100%)</p>	<p data-bbox="434 300 555 327">April 1978</p> <p data-bbox="434 331 555 358">April 2002</p> <p data-bbox="434 398 555 425">March 2006</p> <p data-bbox="434 465 555 492">March 2008</p> <p data-bbox="434 533 555 560">March 2012</p> <p data-bbox="434 600 555 627">March 2014</p> <p data-bbox="434 631 555 658">March 2021</p> <p data-bbox="434 663 555 689">June 2021</p> <p data-bbox="632 300 1050 327">Joined TAKENAKA CORPORATION</p> <p data-bbox="632 331 1187 389">Head of Construction Engineering Department of TAKENAKA CORPORATION</p> <p data-bbox="632 394 1123 452">Head of Quality Supervision Department of TAKENAKA CORPORATION</p> <p data-bbox="632 456 1139 515">Manager, Head of Supervision Department of TAKENAKA CORPORATION</p> <p data-bbox="632 519 1075 577">Manager, Head of Audit Department of TAKENAKA CORPORATION</p> <p data-bbox="632 582 1091 609">Auditor of TAKENAKA CORPORATION</p> <p data-bbox="632 613 715 640">Retired</p> <p data-bbox="632 645 995 672">Outside Director of the Company</p> <p data-bbox="632 676 794 703">To the present</p>	<p data-bbox="1327 501 1343 528">0</p>
	<p data-bbox="434 743 1442 770"><u>Reasons for the election as Outside Director Candidate and an outline of his expected roles</u></p> <p data-bbox="434 775 1426 918">The Board of Directors has proposed the re-election of Mr. Mitsuhiro Sato as an Outside Director because it has decided that he is well-qualified for the position with his contribution to strengthening corporate governance of the Company, and with his ample business knowledge that he accumulated at another company for many years and his engineering expertise in the construction field.</p> <p data-bbox="434 922 1442 1008">In addition, if he is appointed, he will be appropriately involved in the selection of officer candidates and in the determination of officer compensation from an objective and neutral standpoint at the officer personnel and compensation meeting.</p> <p data-bbox="434 1012 1442 1097">Since his appointment as an Outside Director of the Company, Mr. Mitsuhiro Sato will have served in such position for Two (2) years at the conclusion of this General Meeting of Shareholders.</p>	

(Notes)

1. There is no special interest between each of these candidates and the Company.
2. Hironobu Ishikawa, Shinya Matsuzawa, and Mitsuhiro Sato are candidates for outside directors. The Company has registered them as independent officers with the Tokyo Stock Exchange.
3. The Company has entered into a contract with Hironobu Ishikawa, Shinya Matsuzawa, and Mitsuhiro Sato that limits their liability for damage caused by their failure to perform their duties, in accordance with Article 427, Paragraph 1 of the Companies Act and Article 27, Paragraph 2 of the Articles of Incorporation of the Company. The maximum amount of liability under said contract is the amount stipulated by law. If Proposal No. 1 is approved as originally proposed, the contract with each of them will be continued.
4. The Company has entered into a contract with each candidate for director that compensates for the costs as set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for the loss as set forth in Item 2 of the same paragraph to the extent stipulated by law. If Proposal No. 1 is approved as originally proposed, the contract with each of them will be continued.

Proposal 2: Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations, the Board of Directors proposes that one (1) Substitute Audit & Supervisory Board Member be elected.

The effectiveness of the election under this Proposal may be cancelled based on resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Audit & Supervisory Board.

The submission of this proposal has been consented to by the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is set forth below.

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>Tatsuji Kishimoto (June 16,1960)</p>	<p>April 1987 Registered as attorney (Osaka Bar Association) Joined Norio Kodama Legal Office (current Shinsei Sougou Law Office)</p> <p>April 1998 Partner, Shinsei Sougou Law Office</p> <p>April 2007 Member of Conciliation Committee, Osaka Family Court</p> <p>April 2009 Specially Appointed Professor, Graduate school of Kansai University, School of Accountancy Mediator, Non-Profit Organization, Financial Instruments Mediation Assistance Center</p> <p>June 2011 Outside Audit & Supervisory Board Member, CHARLE CO., LTD.</p> <p>April 2012 Part-time Lecturer, Graduate School of Kansai University, School of Accountancy</p> <p>April 2020 Representative, Shinsei Sougou Law Office</p> <p>June 2021 Outside Director, CHARLE CO., LTD. (audit and supervisory committee member)</p> <p>Outside Audit & Supervisory Board Member, Daiwa House Industry Co., Ltd.</p> <p>To the present</p> <p>[Material concurrent positions] Representative, Shinsei Sougou Law Office Outside Director, CHARLE CO., LTD. (audit and supervisory committee member) Outside Audit & Supervisory Board Member, Daiwa House Industry Co., Ltd.</p>	<p>0</p>
	<p><u>Reasons for the election as Substitute Outside Audit & Supervisory Board Member Candidate</u></p> <p>The Board of Directors has proposed the election of Mr. Tatsuji Kishimoto as an Outside Audit & Supervisory Board Member because it has decided that he is well-qualified for the position with his capability to perform his duties by appropriate action from objective viewpoint, and with his ample experience and expert knowledge as a lawyer, notwithstanding the fact that he does not have experience participating corporate management other than as an Outside Audit & Supervisory Board Member.</p>	

(Notes)

1. There is no special interest between Mr. Tatsuji Kishimoto and the Company.
2. Mr. Tatsuji Kishimoto is a candidate for a Substitute Outside Audit & Supervisory Board Member. Mr. Tatsuji Kishimoto fulfills the requirements for an “independent director/auditor” stipulated by Tokyo Stock Exchange, Inc.
3. If Proposal No. 2 is approved as originally proposed and if Tatsuji Kishimoto is appointed as an Audit & Supervisory Board member, the Company will enter into a contract with him that limits his liability for damage caused by his failure to perform his duties, in accordance with Article 427, Paragraph 1 of the Companies Act and Article 37, Paragraph 2 of the Articles of Incorporation of the Company. The maximum amount of liability under said contract is the amount stipulated by law.
4. If Proposal No. 2 is approved as originally proposed and if Tatsuji Kishimoto is appointed as an Audit & Supervisory Board member, the Company will enter into a contract that compensates for the costs as set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for the loss as set forth in Item 2 of the same paragraph to the extent stipulated by law.

[Reference] Management structure after Proposals 1 and 2 are approved (planned)

The Company's Board of Directors is composed of members from the perspectives of maintaining an appropriate number of members to enable effective discussions at Board of Directors meetings, demonstrating the functions of the Board of Directors, and maintaining transparency and soundness of the Board. Each member of the Board of Directors should bring his/her knowledge, experience, and abilities to the Board and complement each other out of a diversity of values. The following table shows the relationship between the expertise and experience of each member and the skills required to promote the Company's medium- and long-term strategies.

Name	Proposed title	Independency (Only for Outside Directors)	Corporate management	Finance/ Accounting	HR/ Human resource development	Legal affairs/ Compliance	Manufacturing/ Technical/ QA	Marketing/ Sales	Global experience
Taisuke Nomura	Representative Director and President		•	•	•			•	•
Teruyuki Wakatsuki	Managing Director						•		
Kazuo Imanaka	Director						•		•
Fumiaki Osaki	Director			•		•		•	
Hiroshi Matsuda	Director			•	•	•		•	
Hironobu Ishikawa	Outside Director	•	•		•	•		•	•
Shinya Matsuzawa	Outside Director	•				•		•	•
Mitsuhiro Sato	Outside Director	•				•	•		
Hiroshi Shiraishi	Senior Audit & Supervisory Board Member		•		•		•		•
Shuichi Takami	Outside Audit & Supervisory Board Member	•				•			
Shigeji Sugimoto	Outside Audit & Supervisory Board Member	•		•		•			
Takaki Goto	Audit & Supervisory Board Member			•		•		•	

(Notes)

1. A Senior Audit & Supervisory Board Member will be decided at the Audit & Supervisory Board Member meeting after this General Meeting of Shareholders and Directors with special titles will be decided at the following Board of Directors meeting.
2. The above list does not represent all the expertise and experience of Directors and Audit & Supervisory Board Members.