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In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*

Securities code: 5482

June 3, 2025

Date of commencement of electronic provision measures: May 27, 2025

To our shareholders:

Naohide Goto

President

AICHI STEEL CORPORATION

1, Wanowari, Arao-machi, Tokai-shi, Aichi

NOTICE OF THE 121st GENERAL MEETING OF SHAREHOLDERS

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

We are pleased to inform you that the 121st General Meeting of Shareholders of AICHI STEEL CORPORATION (the “Company”) will be held as indicated 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 Company’s website as “Notice of Convocation Annual General Meeting 2025.”

The Company website: <https://www.aichi-steel.co.jp/ENGLISH/ir/library/meeting/>

In addition to the website shown above, the Company also has posted this information on the website of Tokyo Stock Exchange (TSE). If you are unable to access the Company website, please visit the TSE website below, input the issue name (AICHI STEEL CORPORATION) or securities code (5482), and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information” to find the information.

The TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you can exercise your voting rights in writing or via electromagnetic means. Please review the Reference Document for the General Meeting of Shareholders presented in the matters subject to the electronic provision measures and exercise your voting rights by 5:30 p.m. on Tuesday, June 17, 2025 (Japan standard time).

Meeting Details

- 1. Date and Time:** Wednesday, June 18, 2025, 10:00 a.m. (Reception opens at 9:00 a.m.)
(Japan Standard Time)
- 2. Venue:** **Main Conference Room, Main Building, AICHI STEEL CORPORATION**
220, Rinowari, Arao-machi, Tokai-shi, Aichi
- 3. Purposes:**
- Items to be reported;**
Business Report, Consolidated Financial Statements, Financial Statements and Audit Reports concerning Consolidated Financial Statements by the Financial Auditors and the Audit & Supervisory Board for the 121st Term (April 1, 2024 to March 31, 2025)
- Items to be resolved;**
- Proposal 1:** Election of Six (6) Directors
- Proposal 2:** Election of Two (2) Audit & Supervisory Board Members
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

Reference Document for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Election of Six (6) Directors

The terms of all current Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of six (6) Directors.

The candidates for the Directors are as follows.

No.	Name	Positions in the Company	Attendance at meetings of the Board of Directors (FY2024)	Term of office as Director
1	Takahiro Fujioka [Reelection]	Chairman and Director	15/15 (100%)	14 years
2	Naohide Goto [Reelection]	President and Director	15/15 (100%)	2 years
3	Motoshi Nakamura [Reelection]	Executive Vice President and Director	15/15 (100%)	7 years
4	Naoki Ishii [Reelection]	Director	12/12 (100%)	1 year
5	Koichi Yasui [Reelection] [Outside] [Independent]	Director	15/15 (100%)	10 years
6	Yuko Arai [Reelection] [Outside] [Independent]	Director	15/15 (100%)	9 years

- Notes:
- There are no special interests between the candidates and the Company.
 - Mr. Koichi Yasui and Ms. Yuko Arai are candidates for Outside Director.
 - The Company has designated Mr. Koichi Yasui and Ms. Yuko Arai as Independent Officer pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
 - Candidates are selected based on the proposal submitted to the Board of Directors by the optional officer remuneration and nomination committee, where the majority of members composed of Independent Outside Directors and chaired by an Independent Outside Director, and it assesses and deliberates each candidate's experience, knowledge, accomplishments, etc. The Enforcement Rules for Securities Listing Regulations stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange are used as a reference for the independence criteria for Outside Director candidates. Furthermore, various factors such as background, knowledge, character, etc. are holistically taken into consideration, with the most appropriate person becoming a candidate.
 - Toho Gas Co., Ltd., where Mr. Koichi Yasui served as a director until June 2021, received a warning from the Japan Fair Trade Commission (JFTC) in accordance with the Antimonopoly Act in March 2024 regarding the supply of residential city gas, etc., in previous years and electricity after the expiration of the purchase period under the feed-in tariff for renewable energy. In addition, JFTC found that Toho Gas Co., Ltd. had violated the Act with respect to the supply of city gas for large scale users in the previous years.
 - The Company has concluded agreements to limit the liability for damages with Mr. Koichi Yasui and Ms. Yuko Arai as prescribed in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, their liability shall be limited to the amount stipulated by Article 425, Paragraph 1 of the Companies Act. In the event that their reelection is approved, the aforementioned agreement is planned to continue.
 - The Company has entered into indemnity agreements with Messrs. Takahiro Fujioka, Naohide Goto, Motoshi Nakamura, Naoki Ishii, Koichi Yasui, and Ms. Yuko Arai pursuant to Article 430-2, Paragraph 1 of the Companies Act. Under the agreements, the Company shall indemnify them against the expenses under Item 1 and the losses under Item 2 of the same Paragraph to the extent specified by laws and regulations. In the event that their reelection is approved, the Company intends to continue the agreements.

8. The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance covers any damages that may arise when a claim for damages is made against the insured director or officer, etc. during the term of the policy due to duties performed by the insured person as a director or an officer, etc. The Company plans to renew the contract with the same contents at the next renewal. Each candidate will be insured under the said insurance contract. For the overview of the insurance contract, please refer to Matters related to Directors and Officers Liability Insurance Contract described in Business Report 3 (4) (in the Japanese version only).

Candidates for Director

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
1	<p>Takahiro Fujioka (August 31, 1954) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2024) 15/15 (100%)</p> <p>Term of office as Director 14 years</p>	<p>April 1979 Joined Toyota Motor Industrial Corporation (current Toyota Motor Corporation)</p> <p>June 2006 Managing Officer of Toyota Motor Corporation</p> <p>May 2011 Standing Corporate Advisor of the Company</p> <p>June 2011 President and Director of the Company</p> <p>June 2023 Chairman and Director of the Company (to present)</p> <p>[Notable Concurrent Position] Director (Outside) of NORITAKE CO., LIMITED</p>	43,723
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Takahiro Fujioka had contributed to the Group's steady tree-ring-like growth as Representative Director and President for 12 years since 2011 by building a business foundation that responds swiftly to intense environmental changes. Furthermore, he has assumed office as Chairman since 2023 and has provided accurate advice and oversight based on a wealth of business experience. Thus, the Company proposes his continued appointment as Director.</p>			
2	<p>Naohide Goto (March 22, 1966) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2024) 15/15 (100%)</p> <p>Term of office as Director 2 years</p>	<p>April 1989 Joined the Company</p> <p>January 2014 General Manager, Toyota Sales Division, Sales and Purchasing Headquarters of the Company</p> <p>April 2016 President and Director of Aichi Forge USA, INC.</p> <p>April 2018 Officer of the Company</p> <p>April 2021 President and Director of Aichi Forge USA, INC.</p> <p>April 2021 Executive Officer, Sales Planning Officer, Toyota Sales Officer of the Company</p> <p>January 2023 Managing Executive Officer of the Company</p> <p>June 2023 President and Director of the Company (to present)</p> <p>[Notable Concurrent Position] Vice Chairman of the Board of Shanghai Aichi Forging Co., Ltd.</p>	16,868
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Naohide Goto has been serving as President and Representative Director since 2023. While working to improve the Group's corporate value by building a structure that is resistant to changes in order to solve societal issues and strengthening earnings power, he has been aptly performing supervision on determining important matters and business execution. Furthermore, he held important positions in the sales division and also served as President of the Company's subsidiary in the United States, and possesses broad knowledge regarding overall management. Thus, the Company proposes his continued appointment as Director.</p>			
3	<p>Motoshi Nakamura (September 4, 1960) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2024) 15/15 (100%)</p> <p>Term of office as Director 7 years</p>	<p>April 1983 Joined Toyota Motor Corporation</p> <p>April 2014 Standing Director of Toyota Motor Corporation</p> <p>January 2018 Standing Corporate Advisor of the Company</p> <p>April 2018 Senior Managing Officer of the Company</p> <p>June 2018 Director and Senior Managing Officer of the Company</p> <p>April 2020 Executive Vice President and Director of the Company (to present)</p> <p>[Responsibility] Assist overall management Audit Department General Manager of Risk Management Headquarters/CRO</p> <p>[Notable Concurrent Position] Outside Audit & Supervisory Board Member of Chuo Spring Co., Ltd.</p>	27,403
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Motoshi Nakamura has been serving as Director since 2018. In addition to assisting in the overall management as Executive Vice President and Director, he has been working to improve the quality management system and strengthen production management functions to enhance manufacturing capabilities. Furthermore, he also possesses broad knowledge regarding overall production technology based on a wealth of business experience in both the Company and Toyota Motor Corporation. Thus, the Company proposes his continued appointment as Director.</p>			

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions		Number of the Company's shares held
4	Naoki Ishii (September 25, 1963) [Reelection] Attendance at meetings of the Board of Directors (FY2024) 12/12 (100%)	April 1986 January 2018 September 2020 April 2021 June 2024	Joined Toyota Motor Corporation Managing Officer of Toyota Motor Corporation Operating Officer of the Company Managing Executive Officer of the Company Director and Managing Executive Officer of the Company (to present)	10,455
	[Responsibility]			
	Term of office as Director 1 year	General Manager of Corporate Planning Headquarters		
[Reasons for Election of the Candidate for Director] Mr. Naoki Ishii has served as Director since 2024. As General Manager of Corporate Planning Headquarters, he has promoted the Company's management strategy and the improvement of the human resources from a medium- to long-term perspective, making significant contributions to enhancing corporate value. Furthermore, he also possesses broad knowledge regarding overall management based on a wealth of business experience in both the Company and Toyota Motor Corporation. Thus, the Company proposes his continued appointment as Director.				
5	Koichi Yasui (January 8, 1952) [Reelection] [Outside] [Independent] Attendance at meetings of the Board of Directors (FY2024) 15/15 (100%)	April 1976 June 2006 June 2008 June 2010 June 2012 June 2015 June 2016 June 2021	Joined Toho Gas Co., Ltd. Operating Officer of Toho Gas Co., Ltd. Director and Managing Officer of Toho Gas Co., Ltd. Director and Senior Managing Officer of Toho Gas Co., Ltd. President and Director of Toho Gas Co., Ltd. Director of the Company (to present) Chairman and Director of Toho Gas Co., Ltd. Advisor of Toho Gas Co., Ltd. (to present)	4,300
	[Notable Concurrent Positions]			
	Term of office as Director 10 years	Advisor of Toho Gas Co., Ltd. Outside Director of Chubu-Nippon Broadcasting Co., Ltd.		
[Reasons for Election of the Candidate for Director and Expected Roles] Mr. Koichi Yasui possesses broad knowledge as a corporate manager in Toho Gas Co., Ltd., and an excellent and highly ethical character. Leveraging these assets, the Company expects, he will devote himself to strengthening supervision for overall management. Since 2015, as an Outside Director, he has given proactive opinions and proposals that come from his independent position, helping to strengthen corporate governance. Thus, the Company proposes his continued appointment as Outside Director. (Matters regarding independence) Although Toho Gas Co., Ltd., of which Mr. Yasui is an Advisor, has transactions with the Company to operate as a usual gas supplier, the transactions amount to less than 3% of the Company's sales and there are no special interests with the Company. The Company therefore judges that there would be no risk of conflicts of interest arising between Toho Gas Co., Ltd. and ordinary shareholders.				

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
6	<p>Yuko Arai (January 27, 1961) [Reelection] [Outside] [Independent]</p> <p>Attendance at meetings of the Board of Directors (FY2024) 15/15 (100%)</p> <p>Term of office as Director 9 years</p>	<p>April 1979 Joined All Nippon Airways Co., Ltd.</p> <p>April 2010 Assistant Branch Manager of Osaka Office of All Nippon Airways Co., Ltd.</p> <p>April 2011 Assistant Branch Manager of Tokyo Office of All Nippon Airways Co., Ltd.</p> <p>April 2014 Executive Officer, Branch Manager of Osaka Office, All Nippon Airways Co., Ltd.</p> <p>April 2016 Senior Executive Officer and Deputy Director of Business Center, General Manager of Kansai Branch, All Nippon Airways Co., Ltd. Executive Vice President and Director of ANA Sales Co., Ltd. (currently ANA Akindo Co., Ltd.)</p> <p>June 2016 Director of the Company (to present)</p> <p>March 2021 Retired from Senior Executive Officer of All Nippon Airways Co., Ltd.</p> <p>April 2022 Senior Advisor of ANA Akindo Co., Ltd. (to present)</p> <p>[Notable Concurrent Positions] Senior Advisor of ANA Akindo Co., Ltd. Member of the Board (external) of Daikin Industries, Ltd. Outside Director of Mizuno Corporation</p>	3,600
<p>[Reasons for Election of the Candidate for Director and Expected Roles]</p> <p>Ms. Yuko Arai possesses global knowledge, acquired through experience in important positions in the sales division of All Nippon Airways Co., Ltd. and ANA Akindo Co., Ltd., and an excellent and highly ethical character. Leveraging these assets, the Company expects, she will devote herself to strengthening supervision for overall management. Since 2016, as an Outside Director, she has given proactive opinions and proposals that come from her independent position, helping to strengthen corporate governance. Thus, the Company proposes her continued appointment as Outside Director.</p> <p>(Matters regarding independence)</p> <p>The Company has judged that there are no personal interests, capital interests, transactional interests, or other special interests between the candidate and the Company, and that there is no possibility of conflict of interest with general shareholders.</p>			

Skill Matrix of Candidates for Director

The expertise and knowledge of the candidates for Director are as follows.

Name	Position	Corporate management	Risk management	Contribution to a sustainable global environment (E)		Creation of a prosperous society through business reform (S)		Employee happiness and corporate development (G)		Production and Quality	Sales and Procurement	Finance	Overseas
				Environment	Energy	Technology and Development	IT and Digital	Legal affairs and Compliance	Human resources development and Diversity				
Takahiro Fujioka	Chairman and Director	○	○			○	○	○	○	○		○	○
Naohide Goto	President and Director	○	○				○	○	○	○	○	○	○
Motoshi Nakamura	Executive Vice President and Director	○	○	○	○	○			○	○			
Naoki Ishii	Director	○	○	○			○	○	○			○	
Koichi Yasui	Director Outside Independent	○	○	○	○		○	○	○		○	○	
Yuko Arai	Director Outside Independent	○	○						○		○		○

(Reference)

The expertise and experience of Managing Executive Officers not concurrently serving as Directors in the officer system upon the close of this General Meeting of Shareholders will be as follows.

Name	Position	Corporate management	Risk management	Contribution to a sustainable global environment (E)		Creation of a prosperous society through business reform (S)		Employee happiness and corporate development (G)		Production and Quality	Sales and Procurement	Finance	Overseas
				Environment	Energy	Technology and Development	IT and Digital	Legal affairs and Compliance	Human resources development and Diversity				
Toshio Ito	Managing Executive Officer	○		○						○			○
Kazuya Fukatsu	Managing Executive Officer	○								○	○		
Kazuma Kihara	Managing Executive Officer	○		○	○	○	○			○			

Proposal 2: Election of Two (2) Audit & Supervisory Board Members

At the close of this General Meeting of Shareholders, Mr. Hirofumi Yokota's term of office as Audit & Supervisory Board Member will expire and Mr. Katsuyuki Ogura will resign as Audit & Supervisory Board Member. Accordingly, we would like to propose the election of two (2) Audit & Supervisory Board Members. The candidates for the Audit & Supervisory Board Members are as follows. This Proposal has already been approved by the Audit & Supervisory Board.

No.	Name	Positions in the Company	Attendance at meetings of the Board of Directors (FY2024)	Attendance at meetings of the Audit & Supervisory Board (FY2024)	Term of office as Audit & Supervisory Board Member
1	Hirofumi Yokota [Reelection]	Standing Audit & Supervisory Board Member	15/15 (100%)	13/13 (100%)	4 years
2	Koichi Miki [New appointment] [Outside] [Independent]	—	—	—	—

- Notes:
- There are no special interests between the candidates and the Company.
 - Mr. Koichi Miki is a candidate for Outside Audit & Supervisory Board Member.
 - If the election of Mr. Koichi Miki is approved, the Company plans to designate him as Independent Officer pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
 - Candidates are selected based on the proposal submitted to the Board of Directors by the optional officer remuneration and nomination committee, where the majority of members are composed of Independent Outside Directors and chaired by an Independent Outside Director, and it assesses and deliberates each candidate's experience, knowledge, accomplishments, etc. The Enforcement Rules for Securities Listing Regulations stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange are used as a reference for the independence criteria for Outside Audit & Supervisory Board Member candidates. Furthermore, various factors such as background, knowledge, character, etc. are holistically taken into consideration, with the most appropriate person becoming a candidate.
 - The Company has concluded agreements to limit the liability for damages with Mr. Hirofumi Yokota as prescribed in Article 423, Paragraph 1 of the Companies Act. Based on these agreements, his liability shall be limited to the amount stipulated by Article 425, Paragraph 1 of the Companies Act. In the event that his reelection is approved, the aforementioned agreement is planned to continue.
 - If the election of Mr. Koichi Miki is approved, the Company plans to conclude an agreement to limit the liability for damages with him as prescribed in Article 423, Paragraph 1 of the Companies Act. Based on this agreement, his liability shall be limited to the amount stipulated by Article 425, Paragraph 1 of the Companies Act.
 - The Company has entered into indemnity agreements with Mr. Hirofumi Yokota pursuant to Article 430-2, Paragraph 1 of the Companies Act. Under the agreements, the Company shall indemnify him against the expenses under Item 1 and the losses under Item 2 of the same Paragraph to the extent specified by laws and regulations. In the event that his reelection is approved, the Company intends to continue the agreements.
 - If the election of Mr. Koichi Miki is approved, the Company plans to conclude an indemnity agreement with him under Article 430-2, Paragraph 1 of the Companies Act. Under this indemnity agreement, the Company shall indemnify him against the expenses under Item 1 and the losses under Item 2 of the same Paragraph to the extent specified by laws and regulations.
 - The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance covers any damages that may arise when a claim for damages is made against the insured director or officer, etc. during the term of the policy due to duties performed by the insured person as a director or an officer, etc. The Company plans to renew the contract with the same contents at the next renewal. The candidates will be insured under the said insurance contract. For the overview of the insurance contract, please refer to Matters related to Directors and Officers Liability Insurance Contract described in Business Report 3 (4) (in the Japanese version only).

Candidates for Audit & Supervisory Board Member

No.	Name	Career summary and positions		Number of the Company's shares held
1	<p>Hirofumi Yokota (March 29, 1962) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2024) 15/15 (100%)</p> <p>Attendance at meetings of the Audit & Supervisory Board (FY2024) 13/13 (100%)</p> <p>Term of office as Audit & Supervisory Board Member 4 years</p>	<p>April 1984 January 2011</p> <p>January 2015</p> <p>June 2021</p>	<p>Joined the Company</p> <p>Representative Manager, Quality Control Department (General Manager level), Electro-Magnetic Products Business Headquarters of the Company</p> <p>General Manager, Quality Assurance Division of the Company</p> <p>Standing Audit & Supervisory Board Member of the Company (to present)</p>	2,000
<p>[Reasons for Election of the Candidate for Audit & Supervisory Board Member]</p> <p>Mr. Hirofumi Yokota has contributed to increasing the Company's corporate value for many years, particularly in the quality assurance field, and possesses broad knowledge that comes from a wealth of business experience. Thus, the Company proposes his continued appointment as Audit & Supervisory Board Member.</p>				
2	<p>Koichi Miki (January 2, 1958) [New appointment] [Outside] [Independent]</p>	<p>April 1986</p> <p>April 2023</p> <p>April 2023</p>	<p>Registered as an attorney-at-law (under the Tokyo Bar Association)</p> <p>Joined Abe, Ikubo & Katayama (to present)</p> <p>Professor Emeritus of Keio University (to present)</p>	0
<p>[Notable Concurrent Position]</p> <p>Attorney-at-law, Professor Emeritus of Keio University</p>				
<p>[Reasons for Election of the Candidate for Audit & Supervisory Board Member]</p> <p>Although Mr. Koichi Miki has not directly been involved in corporate management, he possesses specialized and broad insight as an attorney-at-law and university professor, as well as an excellent and highly ethical character. Furthermore, as he can give useful opinions and advice on the Company's management that come from his independent position, he is deemed as being able to contribute to the strengthening of corporate governance. Thus, the Company proposes his appointment as Outside Audit & Supervisory Board Member.</p> <p>(Matters regarding independence)</p> <p>The Company has judged that there are no personal interests, capital interests, transactional interests, or other special interests between the candidate and the Company, and that there is no possibility of conflict of interest with general shareholders.</p>				

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

To prevent the situation where the number of Audit & Supervisory Board Members of the Company is less than the number required by law, the Company proposes to appoint one (1) Substitute Audit & Supervisory Board Member in advance. In this proposal, the Company proposes the election of a substitute for the Outside Audit & Supervisory Board Member. If the Substitute Audit & Supervisory Board Member assumes office as an Audit & Supervisory Board Member, his term of office will be the remaining term of the person he succeeds. The effectiveness of this proposal expires at the start of the 122nd General Meeting of Shareholders. However, limited to the period before the candidate has assumed office, conditional upon approval by the Audit & Supervisory Board, this proposal may be cancelled via a Board of Directors resolution. This Proposal has already been approved by the Audit & Supervisory Board.

Candidate for Substitute Audit & Supervisory Board Member

Candidate for Substitute Audit & Supervisory Board Member			
Name	Career summary, positions and notable concurrent positions		Number of the Company's shares held
Yu Munakata (January 10, 1968) [Reelection] [Outside] [Independent]	April 1997	Registered as an attorney-at-law (under the Tokyo Bar Association)	0
	April 1997	Joined Sekiya Law Office (currently Sekiya Munakata Law Office) (to present)	
	[Notable Concurrent Position] Attorney-at-law		
[Reasons for Election of the Candidate for Substitute Audit & Supervisory Board Member] Although Mr. Yu Munakata has not directly been involved in corporate management, he possesses specialized and broad insight as an attorney-at-law, as well as an excellent and highly ethical character. Furthermore, as he can give useful opinions and advice on the Company's management that come from his independent position, he is deemed as being able to contribute to the strengthening of corporate governance. Thus, the Company proposes his appointment as Substitute Outside Audit & Supervisory Board Member. (Matters regarding independence) The Company has judged that there are no personal interests, capital interests, transactional interests, or other special interests between the candidate and the Company, and that there is no possibility of conflict of interest with general shareholders			

- Notes:
1. There are no special interests between the candidate and the Company.
 2. Mr. Yu Munakata is a candidate for Substitute Outside Audit & Supervisory Board Member.
 3. If this proposal is approved as originally proposed, and Mr. Yu Munakata assumes office as an Audit & Supervisory Board Member, the Company plans to designate him as Independent Officer pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
 4. Candidate is selected based on the proposal submitted to the Board of Directors by the optional officer remuneration and nomination committee, where the majority of members composed of Independent Outside Directors and chaired by an Independent Outside Director, and it assesses and deliberates each candidate's experience, knowledge, accomplishments, etc. The Enforcement Rules for Securities Listing Regulations stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange are used as a reference for the independence criteria for Substitute Outside Audit & Supervisory Board Member candidates. Furthermore, various factors such as background, knowledge, character, etc. are holistically taken into consideration, with the most appropriate person becoming a candidate.
 5. If this proposal is approved as originally proposed, and Mr. Yu Munakata assumes office as an Audit & Supervisory Board Member, the Company plans to conclude an agreement to limit the liability for damages with him as prescribed in Article 423, Paragraph 1 of the Companies Act. Based on this agreement, his liability shall be limited to the amount stipulated by Article 425, Paragraph 1 of the Companies Act.
 6. If this proposal is approved as originally proposed, and Mr. Yu Munakata assumes office as an Audit & Supervisory Board Member, the Company plans to conclude an indemnity agreement with him under Article 430-2, Paragraph 1 of the Companies Act. Under this indemnity agreement, the Company shall indemnify him against the expenses under Item 1 and the losses under Item 2 of the same Paragraph to the extent specified by laws and regulations.
 7. The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance covers any damages that may arise when a claim for damages is made against the insured director or officer, etc. during the term of the policy due to duties performed by the insured person as a director or an officer, etc. The Company plans to renew the contract with the same contents at the next renewal. If he assumes office as Audit & Supervisory Board Member, he will be insured under the said insurance contract. For the overview of the insurance contract, please refer to Matters related to Directors

and Officers Liability Insurance Contract described in Business Report 3 (4) (in the Japanese version only).