

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 6210)

June 7, 2024

To Shareholders with Voting Rights:

Yoshiaki Tabata
President and Director
Toyo Machinery & Metal Co., Ltd.
523-1 Aza Nishinoyama, Fukusato,
Futami-cho, Akashi-shi, Hyogo, JAPAN

NOTICE OF THE 150TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 150th Annual General Meeting of Shareholders of Toyo Machinery & Metal Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 150th Annual General Meeting of Shareholders” on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

The Company’s website:

<https://www.toyo-mm.co.jp/fia/> (in Japanese)

(From the above website, select “Investor Relations,” and then “Information for General Meeting of Shareholders.”)

Regarding matters subject to measures for electronic provision, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Toyo Machinery & Metal” in “Issue name (company name)” or the Company’s securities code “6210” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

In addition to the above, the matters subject to measures for electronic provision are also available on the website for posted informational materials for the general meeting of shareholders. If you are unable to access matters subject to measures for electronic provision via aforementioned websites, please refer to the following website.

<https://d.sokai.jp/6210/teiji/> (in Japanese)

If you are unable to attend the meeting, we would like to ask you to exercise your voting rights either via the Internet, etc. or in writing as follows in lieu of attending the meeting. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 4:45 p.m. on Monday, June 24, 2024, Japan time.

[If exercising voting rights via the Internet, etc.]

Please read the “Guidance for exercising voting rights via the Internet, etc.” (in Japanese only), access the Website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/> (in Japanese)), and input your approval or disapproval of each of the proposals by the deadline mentioned above.

[If exercising voting rights in writing (by postal mail)]

Please indicate your approval or disapproval of each of the proposals on the Voting Rights Exercise Form, and return it so that it arrives by the deadline mentioned above.

1. **Date and Time:** Tuesday, June 25, 2024 at 10:00 a.m. Japan time
2. **Venue:** Banquet Hall “Shofuku” on the 3rd floor of Hotel Castle Plaza
2-2 Matsunouchi, Akashi-shi, Hyogo, Japan

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 150th Fiscal Year (April 1, 2023 – March 31, 2024)
2. Results of audits of the Consolidated Financial Statements for the Company’s 150th Fiscal Year (April 1, 2023 – March 31, 2024) by the Accounting Auditor and the Board of Corporate Auditors

Proposals to be resolved:

- | | |
|--------------------|---|
| Proposal 1: | Amendment to the Articles of Incorporation |
| Proposal 2: | Election of Six (6) Directors |
| Proposal 3: | Election of One (1) Corporate Auditor |
| Proposal 4: | Election of Two (2) Substitute Corporate Auditors |

4. Information on Exercise of Voting Rights

If you exercise your voting rights in writing (by mail) and you do not indicate an approval or disapproval for a proposal on the voting right exercise form, it will be considered an indication of approval.

5. Other Matters Related to This Notice

The matters below are not included in this notice because they are posted on the Company’s website, the TSE’s website, and the website for posted informational materials for the General Meeting of Shareholders, in accordance with laws and regulations and the Company’s Articles of Incorporation.

- (1) “Matters Related to Accounting Auditor” and “System to Ensure the Properness of Operations and the Status of Operation of the System” in the Business Report
- (2) “Notes to the Consolidated Financial Statements” from the Consolidated Financial Statements
- (3) “Notes to the Non-consolidated Financial Statements” from the Non-consolidated Financial Statements

The Business Report audited by the Corporate Auditors and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor are the matters set forth in (1), (2) and (3) above, in addition to the respective documents set forth in this notice.

- If you are attending the meeting, please submit the Voting Rights Exercise Form at the reception. To conserve resources, please bring this notice with you. The meeting will be held in light attire (“Cool Biz”).
- If you are attending the meeting by proxy, please have the proxy present your Voting Rights Exercise Form along with written proof of his/her right of proxy at the reception. The proxy must be another shareholder of the Company having voting rights.
- In the event of any corrections to matters subject to measures for electronic provision, a notification to that effect, and the corrected and pre-corrected versions of these matters will be made available on the Company’s aforementioned website, the TSE website and the website for posted informational materials for the general meeting of shareholders.

- The system for providing informational materials for the general meeting of shareholders in electronic format was introduced in accordance with the Act Partially Amending the Companies Act (Act No. 70 of 2019) and enforced on September 1, 2022. Under this system, informational materials for the general meeting of shareholders are provided by posting them on a website, such as the company's own website, and notifying shareholders of the website address and so forth via a paper-based document. In principle, paper-based documents of the informational materials shall be sent only to shareholders who requested the delivery of paper-based documents in accordance using the prescribed method by the record date for the general meeting of shareholders.
- * Documents for the General Meeting of Shareholders: Reference documents for the General Meeting of Shareholders, Business Report, Audit Report, Non-consolidated Financial Statements and Consolidated Financial Statements
- Regardless of the aforementioned legal amendment, for this annual general meeting of shareholders, the notice will be sent in written format to all shareholders as before.

[Inquiries regarding the electronic provision system]

Osaka Stock Transfer Agency Department of Mitsubishi UFJ Trust and Banking Corporation

Telephone: 0120-696-505 (toll free)

Hours: 9:00 to 17:00 JST (excluding Saturdays, Sundays, and public holidays)

- * Please note that no souvenir will be prepared at the General Meeting of Shareholders. We ask for your kind understanding in advance.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Amendment to the Articles of Incorporation

1 Reasons for the proposal

The Company was founded in 1925 and will celebrate its 100th anniversary on May 16, 2025. Starting from the manufacture of textile machinery, the Company went on to manufacture casting and forging parts during the wartime and postwar periods. Today, it is a global precision machinery manufacturer with injection molding machines and die-casting machines as its main products. As we approach the Company’s 100th anniversary, we aim to carry forward the century-long legacy we have built and use it as the driving force for further growth and development over the next 100 years. For this reason, the Company proposes to make amendments to Article 1 (Trade Name) of the current Articles of Incorporation, changing its trade name from Toyo Machinery & Metal Co., Ltd. to TOYO INNOVEX Co., Ltd. The word “Innovex” is used in the new company name (trade name) to convey the sense of continually bringing about unprecedented innovation to the customer experience in the molding and casting fields using the technical capabilities we have cultivated as a specialized manufacturer. We have also included “Toyo” in the new company name (trade name) to convey the sense of carrying on the brand image of Toyo, a long-established brand that has penetrated both the Japanese and international markets as a molding machine manufacturer. The Company shall establish supplementary provisions for transitional measures for the change of trade name to take effect on April 1, 2025, and the supplementary provisions shall be deleted on the effective date.

2 Details of amendments

Details of amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
(Trade Name) Article 1. The name of the Company shall be <u>“Toyo Kikai Kinzoku Kabushiki Kaisha.”</u> Supplementary Provisions (Newly established)	(Trade Name) Article 1. The name of the Company shall be <u>“TOYO INNOVEX Kabushiki Kaisha”</u> and in English it shall be <u>“TOYO INNOVEX Co., Ltd.”</u> Supplementary Provisions <u>(Transitional Measures for the Effective Date of the Change of Trade Name)</u> <u>Article 2.</u> 1 <u>The change in Article 1 (Trade Name) of the Articles of Incorporation shall take effect on April 1, 2025.</u> 2 <u>This Article shall be deleted on the date when the amendment of Article 1 (Trade Name) of the Articles of Incorporation takes effect.</u>

Proposal 2: Election of Six (6) Directors

The current terms of office of all six (6) Directors are to expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
1	<p style="text-align: center;">Yoshiaki Tabata (October 30, 1961)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Attendance at Board of Directors meetings 15/15 (100%)</p>	<p>April 1985 Joined the Company</p> <p>April 2002 General Manager of China Department, Overseas Sales Division</p> <p>October 2003 General Manager of Asia Department, Overseas Sales Division</p> <p>June 2011 Executive Officer, Deputy General Manager of Sales Division, General Manager of South Asia Sales Department and General Manager of Europe & U.S. Sales Department</p> <p>January 2013 Executive Officer, Deputy General Manager of Sales Division</p> <p>June 2014 Director, General Manager of Overseas Sales Division</p> <p>January 2015 Director, General Manager of Sales Administrative Division and General Manager of Overseas Sales Division</p> <p>June 2018 Managing Director, General Manager of Sales Administrative Division</p> <p>June 2019 President and Representative Director (current position)</p>	25,200
<p>[Reasons for nomination as a candidate for Director]</p> <p>Since assuming the office of Representative Director in June 2019, Mr. Yoshiaki Tabata has been appropriately engaged in the supervision of management and determination of important matters based on his wealth of overseas experience and advanced insight accumulated through serving as the leader of the sales divisions for many years. The Company proposes his reelection as Director as it has judged that he is capable of contributing to improving corporate value by drawing on these experiences and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
2	<p data-bbox="363 510 517 568">Kenji Takatsuki (June 8, 1963)</p> <p data-bbox="384 607 496 629">Reelection</p> <p data-bbox="325 674 555 757">Attendance at Board of Directors meetings 15/15 (100%)</p>	<p data-bbox="612 264 975 286">April 1986 Joined the Company</p> <p data-bbox="612 297 1241 320">March 2010 General Manager of Manufacturing Department</p> <p data-bbox="612 331 1134 421">April 2016 General Manager of General Affairs Department and General Manager of Environment Management Center</p> <p data-bbox="612 432 1214 555">June 2016 General Manager of General Affairs Department, General Manager of CSR Office and General Manager of Environment Management Center</p> <p data-bbox="612 566 1225 712">June 2017 Executive Officer, General Manager of Export Management Division, General Manager of General Affairs Department, General Manager of CSR Office and General Manager of Environment Management Center</p> <p data-bbox="612 723 1161 779">May 2019 Executive Officer, General Manager of Manufacturing & Procurement Division</p> <p data-bbox="612 790 1235 846">June 2019 Director, General Manager of Manufacturing & Procurement Division</p> <p data-bbox="612 857 1193 913">April 2021 Director, General Manager of Management Division</p> <p data-bbox="612 925 1198 1003">June 2022 Director, General Manager of Management Division and in charge of Sustainability and Risk Management (current position)</p>	20,100
<p data-bbox="277 1016 788 1039">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="277 1050 1437 1191">Mr. Kenji Takatsuki has gained abundant experience in the manufacturing-related area, which is a core area of manufacturers, and he also has been cultivating experience as a leader of the general affairs division. The Company proposes his reelection as Director as it has judged that he is capable of contributing to the strengthening and enhancement of management structure, and the improvement of corporate value by drawing on broad perspective based on these experiences.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
3	<p style="text-align: center;">Hiroyuki Yamamoto (April 3, 1967)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Attendance at Board of Directors meetings 15/15 (100%)</p>	<p>April 1990 Joined the Company</p> <p>July 2009 General Manager of Marketing Department</p> <p>May 2012 General Manager of Overseas Die-Casting Machine Sales Promotion Department</p> <p>January 2013 General Manager of East Asia Sales Department and General Manager of Overseas Die-Casting Machine Sales Promotion Department</p> <p>April 2016 General Manager of Sales Planning Department and General Manager of East Asia Sales Department</p> <p>April 2018 General Manager of Sales Planning Department and General Manager of Sales Engineering Department</p> <p>June 2019 Executive Officer, General Manager of Sales Planning Department and General Manager of Sales Engineering Department</p> <p>April 2020 Executive Officer, General Manager of General Affairs Department</p> <p>June 2021 Director, General Manager of Sales Division</p> <p>August 2023 Director, General Manager of Sales Division and General Manager of Chinese Sales Department</p> <p>April 2024 Director, General Manager of Sales Division (current position)</p>	10,000
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiroyuki Yamamoto is from the sales division, and also possesses experience in marketing, sales planning, sales engineering, etc. in addition to customer service and thus has a wealth of knowledge on all areas in sales. He was also engaged in numerous kinds of operations in the general affairs division. The Company proposes his reelection as Director as it has judged that he is capable of contributing to decision-making on important management matters and improving corporate value by drawing on these extensive experiences and insight.</p>			
4	<p style="text-align: center;">Takao Nakamura (September 19, 1961)</p> <p style="text-align: center;">New election</p>	<p>April 1984 Joined the Company</p> <p>April 2009 General Manager of Die Cast Design Department and Head of Die Cast Group</p> <p>May 2010 General Manager of Die Cast Design Department</p> <p>October 2012 General Manager of Die Cast Technology Department</p> <p>April 2015 General Manager of Die Cast Technology Division</p> <p>June 2015 Executive Officer, General Manager of Die Cast Technology Division</p> <p>April 2021 Executive Officer, General Manager of Technology Division</p> <p>June 2021 Senior Executive Officer, General Manager of Technology Division (current position)</p>	11,400
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Takao Nakamura has long been involved in product and technology development operations and providing technical support to customers as a leader of the technology division, and has a wealth of knowledge related to the Company's technology-related fields. The Company proposes his election as Director as it has judged that he is capable of contributing to decision-making on important management matters and improving corporate value by drawing on this experience and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
5	<p>Mitsuo Yamada (January 11, 1956)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings 15/15 (100%)</p>	<p>April 1980 Joined Nippon Paint Co., Ltd.</p> <p>April 2009 General Manager of Electro-Deposition Paint Engineering Department, Automotive Coating Business Division</p> <p>April 2012 Executive Officer, Deputy General Manager of Automotive Coating Business Division</p> <p>April 2013 Senior Executive Officer, General Manager of Automotive Coating Business Division</p> <p>April 2015 Managing Executive Officer, Nippon Paint Holdings Co., Ltd., President and Representative Director of the Board, Nippon Paint Automotive Coatings Co., Ltd.</p> <p>January 2018 Senior Managing Executive Officer, Nippon Paint Holdings Co., Ltd., President and Representative Director of the Board, Nippon Paint Automotive Coatings Co., Ltd.</p> <p>January 2019 Standing Advisor, Nippon Paint Automotive Coatings Co., Ltd.</p> <p>June 2020 Outside Director of the Company (current position)</p> <p>July 2020 Senior Managing Director, Entrepot Inc. (current position)</p> <p>[Significant concurrent positions outside the Company] Senior Managing Director, Entrepot Inc.</p>	0
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles] The Company proposes the reelection of Mr. Mitsuo Yamada as Outside Director as it has judged that the enhancement of the Company's corporate value can be expected through his involvement in decision-making on important management matters on the basis of his broad knowledge fostered through his engineering and corporate management experience at manufacturers and his supervision on business execution from an external standpoint. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been four (4) years.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
6	Mari Iga (August 22, 1967) Reelection Outside Independent Attendance at Board of Directors meetings 13/13 (100%)	<p>April 1990 Joined Osaka Gas Co., Ltd.</p> <p>April 2002 President and Representative Director, Palette Co., Ltd. (Seconded from Osaka Gas Co., Ltd.)</p> <p>October 2006 Founded March Co., Ltd. President and Representative Director</p> <p>April 2009 Joined Osaka Prefectural Government (Fixed-term employee, Counselor of Public Relations Division, Citizens and Culture Department)</p> <p>April 2013 Joined March Co., Ltd.</p> <p>November 2014 President and Representative Director, March Co., Ltd. (current position)</p> <p>April 2016 Public Relations Advisor, Hirakata City</p> <p>April 2017 Public Relations Advisor, Hyuga City</p> <p>June 2022 Outside Director, Sumitomo Warehouse Co., Ltd. (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] President and Representative Director, March Co., Ltd. Outside Director, Sumitomo Warehouse Co., Ltd.</p>	0
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles] The Company proposes the reelection of Ms. Mari Iga as Outside Director as it has judged that she can make significant contributions in decision-making on important management matters and overseeing business execution based on the knowledge she acquired with her experience as the President and Representative Director of Palette Co., Ltd., a group company of Osaka Gas Co., Ltd. as well from establishing and managing a consulting firm specializing in marketing, human resources, and organizational revitalization. At the conclusion of this meeting, her tenure as Outside Director of the Company will have been one (1) year.</p>			

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Mitsuo Yamada is a candidate for Outside Director and the Company has registered him to the Tokyo Stock Exchange as an independent officer.
 3. Ms. Mari Iga is a candidate for Outside Director and the Company has registered her to the Tokyo Stock Exchange as an independent officer. The attendance at the Board of Directors meetings indicated for Ms. Mari Iga pertains to the Board of Directors meetings held following her assumption of the office as Outside Director on June 23, 2023.
 4. As stipulated in Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Mitsuo Yamada and Ms. Mari Iga, candidates for Outside Director, to limit their liabilities for damages under Article 423, paragraph (1) of the Companies Act. The liability amount prescribed under the agreement is a minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act. If the reelection of Mr. Mitsuo Yamada and Ms. Mari Iga is approved, the Company plans to continue the aforementioned liability limitation agreement with them.
 5. The Company has entered into a directors and officers liability insurance agreement as provided for under Article 430-3, paragraph (1) of the Companies Act (hereinafter the "D&O insurance agreement") with an insurance company. The insurance agreement provides compensation for damages of the insureds in the event that they are liable for compensation for damages arising from their duties. However, there are certain reasons for coverage exclusion, such as damages arising from actions knowingly taken by the insured in violation of laws and regulations. If each candidate is elected and assumes the office as a Director, each of them will become an insured under the insurance agreement. The agreement period for the insurance agreement is one year. Before the end of the period, the Company plans to review the insurance agreement and to renew it after a resolution of the Board of Directors.

Proposal 3: Election of One (1) Corporate Auditor

Corporate Auditor Mr. Masaya Takahashi will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) substitute Corporate Auditor is proposed.

If candidate Mr. Amane Sawa is elected and assumes the office as Corporate Auditor, his term of office shall expire upon the expiration of the term of office of Corporate Auditor Mr. Masaya Takahashi (at the conclusion of the 152nd Annual General Meeting of Shareholders to be held in June 2026), who is resigning, as stipulated in the Company’s Articles of Incorporation. The Board of Corporate Auditors has given its prior consent to this proposal.

The candidates for Corporate Auditor are as follows.

Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the Company	Number of the Company’s shares owned
<p>Amane Sawa (August 8, 1976)</p> <p>New election Outside Independent</p>	<p>April 1999 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>April 2002 Registered as certified public accountant</p> <p>September 2009 Joined KPMG Tax Corporation Part-time Lecturer, Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University (current position)</p> <p>December 2009 Registered as certified tax accountant</p> <p>April 2011 Established Sawa CPA Office, Representative (current position)</p> <p>June 2023 Outside Audit & Supervisory Board Member of TOA Corporation (current position)</p>	<p>0</p>

[Reasons for nomination as candidate for Outside Corporate Auditor]

In addition to his perspective as a professional versed in corporate accounting as certified public accountant and certified tax accountant, Mr. Amane Sawa has advanced insight on overall management. The Company proposes his election as Outside Corporate Auditor as it has judged that he is capable of providing useful opinions on fair audits and Board of Directors. Mr. Sawa has no experience in corporate management in the past other than serving as an outside corporate officer. The Company, however, believes that he can appropriately fulfill the duties of Outside Corporate Auditor based on the aforementioned experience.

- (Notes)
1. There is no special interest between the candidate and the Company.
 2. Mr. Amane Sawa is a candidate for Outside Corporate Auditor.
 3. If Mr. Amane Sawa assumes the position of Outside Corporate Auditor, the Company plans to register him to the Tokyo Stock Exchange as an independent officer.
 4. If Mr. Amane Sawa assumes the position of Outside Corporate Auditor, the Company plans, as stipulated in Article 427, paragraph (1) of the Companies Act, to enter into a liability limitation agreement with him to limit his liability for damages under Article 423, paragraph (1) of the same Act. The liability amount prescribed under the agreement is to be a minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
 5. The Company has entered into a D&O insurance agreement with an insurance company. The insurance agreement provides compensation for damages of the insureds in the event that they are liable for compensation for damages arising from their duties. However, there are certain reasons for coverage exclusion, such as damages arising from actions knowingly taken by the insured in violation of laws and regulations. If the candidate is elected and assumes the office as Corporate Auditor, the Company plans to include him as an insured in the policy. The agreement period for the insurance agreement is one year. Before the end of the period, the Company plans to review the insurance agreement and to renew it after a resolution of the Board of Directors.

[Criteria for judgment of independence]

The Company has established the Standards for Selecting Independent Outside Officers to ensure independence of Outside Directors and Outside Corporate Auditors.

1. A candidate is not and has never been involved in business execution of the Company and its Group companies.
2. A candidate is neither a major shareholder of the Company with 10% or more of the total voting rights, nor its important executive (Director, Executive, and Executive Officer).
3. A candidate is not an important executive of the Company's major trading partner (amount of consideration paid to the Company during transactions with the Company exceeding 2% of consolidated net sales of the Company in the most recent business year).
4. A candidate is not an executive of a person for whom the Company is a major trading partner (amount of consideration paid by the Company during transactions with the Company exceeding 2% of consolidated net sales of the said person in the most recent business year).
5. A candidate is not an important executive of the Company's main financial institution (from which the Company is borrowing the amount exceeding 2% of its consolidated net assets in the past three years).
6. A candidate is not a consultant, accounting professional, or legal professional that has received more than ¥10 million annually in the most recent business year from the Company in forms other than executive compensation.
7. A candidate is not a relative (within the third degree of kinship) of an executive of the Company or its Group companies.
8. A candidate is not a person who falls under any of the items above (2 to 7) in the last three years.

Reference

If the Proposals 2 and 3 are approved as proposed, the composition of the Board and Directors and the expertise and experience (skill matrix) of each Director would be as follows.

Candidates	Gender	Expertise and experience									Previous organizations and qualifications of outside officers
		Management experience	Technology/R&D/Manufacturing/DX	Sales/Marketing	International outlook	Sustainability/ESG	Risk Management/Compliance/Legal affairs	Finance/Accounting	Human resource development		
Directors	Yoshiaki Tabata	Male	●		●	●		●			
	Kenji Takatsuki	Male	●	●			●	●	●	●	
	Hiroyuki Yamamoto	Male	●		●		●	●			
	Takao Nakamura	Male		●							
	Mitsuo Yamada	Male	●	●			●				Manufacturing company
	Mari Iga	Female	●		●					●	Consultant
Corporate Auditors	Takayuki Fujimoto	Male		●							
	Yuka Shimokobe	Female					●				Lawyer
	Amane Sawa	Male				●		●			Certified public accountant

<Reasons for selecting skills>

- Management experience:
This skill is considered necessary in order to supervise the business execution of Directors and hold effective discussions at the Board of Directors meetings.
- Technology/R&D, Manufacturing/DX, Sales/Marketing:
These form the framework of the Company's business and are the source of added value. Furthermore, these skills are considered necessary for product development, cost reductions, etc. that meet the needs of growth markets, and in order to implement the sales, market, product, development and production strategies of the medium-term management plan.
- International outlook:
The overseas sales target is set high, mid-70% and the Company considers knowledge related to international business to be necessary in promoting this plan.
- Sustainability/ESG:
The Company believes that these skills represent important perspectives that need to be considered in order for the Company to achieve sustainable growth based on future changes in society and the environment in ten years and 20 years.
- Risk Management/Compliance/Legal affairs:
Internal control is a fundamental responsibility of the Company's management, and the Company considers knowledge related to this skill to be necessary for its enhancement.
- Finance/Accounting:
The Company believes that these skills represent important perspectives that need to be considered in order for the Company to achieve management efficiency that is appropriate for a listed company and to ensure the reliability of financial reporting.
- Human resource development:
The Company believes that human resource development is a crucial element for the sustainable growth of the Company and considers knowledge related to this skill to be necessary for its enhancement.

Proposal 4: Election of Two (2) Substitute Corporate Auditors

To prepare for cases where the number of Corporate Auditors falls below statutory requirements, the election of two (2) substitute Corporate Auditors is proposed. Mr. Noriaki Furutani is proposed to be nominated as a candidate for Corporate Auditor who will substitute for Corporate Auditors other than Outside Corporate Auditors, and Mr. Hironori Igawa is proposed to be nominated as a candidate for Corporate Auditor who will substitute for Outside Corporate Auditors. The Board of Corporate Auditors has given its prior consent to this proposal.

The candidates for substitute Corporate Auditor are as follows.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of the Company's shares owned
1	Noriaki Furutani (November 28, 1961)	<p>April 1984 Joined the Company</p> <p>May 2001 Chief Engineer of Quality Assurance Section, Quality Assurance Department</p> <p>November 2010 General Manager of Quality Assurance Department</p> <p>April 2015 Chief Expert of Audit Office</p> <p>April 2016 General Manager of Audit Office</p> <p>May 2022 Member of Audit Office (current position)</p>	2,440
<p>[Reasons for nomination as candidate for substitute Corporate Auditor]</p> <p>Mr. Noriaki Furutani, since joining the Company, has been engaged in a broad range of business operations, including quality assurance and audit. The Company has judged that he can appropriately perform the duties of Corporate Auditor based on his wealth of knowledge and experience.</p>			
2	Hironori Igawa (May 20, 1975) Outside Independent	<p>November 1999 Joined Osaka Office of Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>September 2003 Registered as certified public accountant</p> <p>January 2006 Established Hironori Igawa Certified Public Accountant Office (current position)</p> <p>October 2006 Registered as certified tax accountant</p> <p>August 2018 Partner, Seiyu Audit Corporation (current position)</p>	0
<p>[Reasons for nomination as candidate for substitute Outside Corporate Auditor]</p> <p>Mr. Hironori Igawa has specialized knowledge and experience, etc., as a certified public accountant and certified tax accountant. The Company proposes his election as substitute Outside Corporate Auditor as it has judged that he can draw on these knowledge and experience in the audit system of the Company. Mr. Igawa has no experience in corporate management in the past other than serving as an outside corporate officer. The Company, however, believes that he can appropriately fulfill the duties of Outside Corporate Auditor based on the aforementioned experience.</p>			

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Hironori Igawa is a candidate for substitute Outside Corporate Auditor.
 3. If Mr. Hironori Igawa assumes the position of Outside Corporate Auditor, the Company plans to register him to the Tokyo Stock Exchange as an independent officer.
 4. If Mr. Noriaki Furutani assumes the position of Corporate Auditor and if Mr. Hironori Igawa assumes the position of Outside Corporate Auditor, the Company plans, as stipulated in Article 427, paragraph (1) of the Companies Act, to enter into liability limitation agreements with them to limit their liability for damages under Article 423, paragraph 1 of the same Act. The liability amount prescribed under the agreement is to be a minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
 5. The Company has entered into a D&O insurance agreement with an insurance company. The insurance agreement provides compensation for damages of the insureds in the event that they are liable for compensation for damages arising from their duties. However, there are certain reasons for coverage exclusion, such as damages arising from actions knowingly taken by the insured in violation of laws and regulations. If Mr. Noriaki Furutani assumes the position of Corporate Auditor and if Mr. Hironori Igawa assumes the position of Outside Corporate Auditor, both of them will become insureds under the insurance agreement. The agreement period for the insurance agreement is one year. Before the end of the period, the Company plans to review the insurance agreement and to renew it after a resolution of the Board of Directors.