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Securities Code: 8065

May 27, 2022

To our shareholders:

Kazuo Murata
Chairman
SATOSHOJI CORPORATION
1-8-1 Marunouchi, Chiyoda-ku, Tokyo

Notice of the 99th Annual General Meeting of Shareholders

It is our pleasure to inform you that the 99th Annual General Meeting of Shareholders of SATOSHOJI CORPORATION (the “Company”) will be held as described below.

In light of the COVID-19 infection situation, We have decided to implement appropriate measures to prevent the infection for this year’s meeting.

In order to prevent the spread of infection, **all shareholders are requested to consider exercising your voting rights prior to the meeting in writing or by using the Internet, etc., if at all possible, and refraining from traveling to the venue on the date of the meeting.** Please exercise voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

Please note that from the perspective of preventing the spread of COVID-19, **we will not be distributing gifts to attendees. The social get-together with shareholders usually held after the conclusion of the meeting will be cancelled, as it was last year.** We request your understanding in these matters.

1. Date and Time: Friday, June 17, 2022, at 10:00 a.m. (JST) (Reception opens at 9:00 a.m.)

2. Venue: Conference Room 911 on the 9th floor of TEKKO KAIKAN
3-2-10, Nihonbashi-Kayabacho, Chuo-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the Company’s 99th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the financial auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the Company’s 99th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

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|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 4 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 5 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |
| Proposal No. 6 | Setting the Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 7 | Setting the Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 8 | Determination of the Remuneration System for Directors (Excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members) Related to Stock Acquisition Rights as Share-Based Remuneration-Type Stock Options |

4. Guidance on the Exercise of Voting Rights, etc.

If exercising voting rights by attending the meeting in person:

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception.

If exercising voting rights in writing:

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return the form so that it is received by 5:30 p.m. on Thursday, June 16, 2022 (JST).

If exercising voting rights via the Internet, etc.:

Please follow the instructions on Page 6 (in Japanese only) and enter your votes for or against the proposals by 5:30 p.m. on Thursday, June 16, 2022 (JST).

- Pursuant to the relevant laws and regulations and Article 16 of the Company's Articles of Incorporation, the following items are posted on the Company's website (<https://www.satoshoji.co.jp/ja/ir/stock/meeting.html>; in Japanese only), and not provided with this notice.
 1. Status of share acquisition rights, etc.
 2. System to Ensure Proper Operations
 3. Overview of the Management of the System to Ensure Proper Operations
 4. Consolidated statement of changes in equity for the Consolidated Financial Statements
 5. Notes to the Consolidated Financial Statements
 6. Non-consolidated statement of changes in equity for the Non-consolidated Financial Statements
 7. Notes to the Non-consolidated Financial StatementsThe documents attached to this notice therefore comprise parts of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members and financial auditor in the preparation of the audit reports.
- If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements, such revisions will be posted on the Company's website (<https://www.satoshoji.co.jp/ja/ir/stock/meeting.html>; in Japanese only).
- Company staff will attend the meeting in casual business attire, and neckties will not be worn.

<Requests to Shareholders>

- To enable social distancing, the number of seats in the venue will be significantly reduced. As a result, it is possible that not everyone who comes to the meeting will be able to enter the venue. We appreciate your understanding.
- We will provide liquid hand disinfectant for our shareholders near the reception of the venue. We ask that shareholders attending the meeting bring and wear masks.
- We will take temperature near the entrance of the venue, and people who are found to have fevers and people who appear to be unwell may be refused entry and be asked to leave.
- Staff members at the General Meeting of Shareholders will also be wearing masks and have their temperature and health checked.
- We regret that we will not be distributing gifts to attendees due to our policy of keeping operations on the day of the meeting to a minimum. Furthermore, the social get-together with shareholders usually held after the conclusion of the meeting will be cancelled, as it was last year.
- We may revise the measures outlined above depending on the situation regarding the spread of the virus and announcements by the government or other institutions ahead of the General Meeting of Shareholders. We would therefore ask that you check for information regarding this on the Company's website (<https://www.satoshoji.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividend

Regarding distribution of profits, taking into consideration the future profit outlook, etc., and in order to endeavor to ensure continuous profits, the Company's policy is to provide continuous steady dividends with a consolidated dividend payout ratio of 30% or more, and at a minimum of ¥35 per share per year.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and the aggregate amount thereof
¥34 per common share of the Company
Total amount of dividend: ¥716,242,810
- (3) Effective date of dividend of surplus
June 20, 2022

The total annual dividends will be ¥58 per share, including the interim dividend of ¥24 per share already paid.

Common Reference for Proposals Nos. 2 through 8

The Company would like to transition from a Company with Audit & Supervisory Board to a Company with Audit and Supervisory Committee, in order to enhance its corporate governance.

Proposals Nos. 2 through 8 that are being submitted to this General Meeting of Shareholders are all relevant to this transition. Accordingly, while making these proposals, the Company would like to explain the features of a Company with Audit and Supervisory Committee.

- A Company with Audit and Supervisory Committee is a corporate organization system that was newly established for stock companies by the “Act Partially Amending the Companies Act” (Act No. 90 of 2014) (enforced on May 1, 2015).
- A Company with Audit and Supervisory Committee does not have Audit & Supervisory Board Members and an Audit & Supervisory Board, but rather has an Audit and Supervisory Committee, whose members comprise three or more Directors, the majority of whom are Outside Directors.
- A Director who is an Audit and Supervisory Committee Member has the right to vote at meetings of the Board of Directors as a Director, and an Audit and Supervisory Committee member appointed by the Audit and Supervisory Committee will have the authority to state opinions at the General Meeting of Shareholders regarding election, dismissal, etc., as well as remuneration of Directors who are not Audit and Supervisory Committee members.

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company will transition to a Company with Audit and Supervisory Committee in order to live up to the trust placed in the Company by our shareholders and other stakeholders, and to realize sustainable growth and a medium- to long-term increase in corporate value.
Accordingly, the Company proposes to make the necessary changes to its Articles of Incorporation, including the establishment of new provisions related to an Audit and Supervisory Committee and Audit and Supervisory Committee Members, as well as deletion of the provisions related to an Audit & Supervisory Board and Audit & Supervisory Board Members.
- (2) The Company intends to change Article 2 (Purpose) of the current Articles of Incorporation based upon the current situation of the Company's business, in order to clarify the description of its business, by updating the wording of its business purposes and deleting business purposes that are not currently being implemented.
- (3) In order to enable the Company to invite useful and diverse human resources, and to establish an environment where they can perform their expected functions, the Company proposes to change Article 29 (Exemption of Directors from Liability) of the current Articles of Incorporation, so that it can conclude contracts for limitation of liability with Directors who do not execute business.
The consent of each Audit & Supervisory Board Member has been obtained regarding this amendment to the Articles of Incorporation.
- (4) In order to enable the Company to pay dividends of surplus flexibly, the Company proposes to newly establish Article 36 (Organizational Body to Determine Dividends of Surplus, Etc.) so that it can determine dividends of surplus, etc. by resolution of the Board of Directors pursuant to the provisions of Article 459, paragraph (1) of the Companies Act, and also proposes to delete Article 7 (Repurchase of Treasury Stock) of the current Articles of Incorporation which partly overlaps with the new Article 36.
- (5) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.
 - 1) The proposed Article 15 (Measures, Etc. for Providing Information in Electronic Format), Paragraph (1) provides that the information contained in reference materials for General Meetings of Shareholders, etc. shall be provided electronically.
 - 2) The purpose of the proposed Article 15 (Measures, Etc. for Providing Information in Electronic Format), Paragraph (2) is to establish a provision to limit the scope of matters that are to be included in the paper copy to be sent to shareholders who have requested such issuance.
 - 3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
 - 4) In line with the above establishment and deletion of provisions, supplementary provisions related to the effective date, etc. shall be established.
- (6) In order to enable the flexible and agile operations of the Board of Directors, the Company proposes to delete the provisions of Article 26 (Convener and Chairmanship of Meeting of the Board of Directors) of the current Articles of Incorporation. The matters regarding the convener and chairmanship of meeting of the Board of Directors will be separately provided in the Regulations of the Board of Directors.
- (7) The Company has introduced the Executive Officer system, in order to separate the operation-execution functions based on the decision-making of management.
 - 1) In order to clarify the method of electing Executive Officers, the Company proposes to introduce the proposed Article 29 (Executive Officers).
 - 2) The positions of Senior Managing Director and Managing Director have been substantially abolished, and those positions shall therefore be deleted from the provisions of Article 23 (Representative Directors, Etc.) of the current Articles of Incorporation.

In line with the above proposed amendments, the Company proposes to make necessary amendments, including changes in the numbering of Articles and wording.

The amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

2. Details of the amendments

The details of the amendments are as follows:

(Underlined parts indicate changes.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 1. (Omitted)</p> <p>Article 2. (Purpose)</p> <p>The purposes of the Company shall be to engage in the following businesses in Japan and overseas:</p> <ol style="list-style-type: none"> 1. <u>Sale and processing of steel, iron materials, pig iron, other steel products, and secondary steel products;</u> 2. <u>Sale and processing of copper, brass, aluminum, nickel silver, tin, zinc, other non-ferrous metals, and ferroalloys;</u> (Newly established) (Newly established) 3. <u>Manufacture and sale of daily sundries, fixtures, interior decorations, and kitchenware, and sale of precious metals, precious metal products, and jewelry;</u> 4. <u>Manufacture and sale of industrial machinery, general tools, agricultural equipment, marine, railroad, and mining equipment, and civil engineering and construction equipment;</u> 5. <u>Construction of civil engineering and building projects, design by contract, and manufacture and sale of construction materials;</u> 6. <u>Sale of medical equipment, nursing care equipment, and nursing care products;</u> 7. <u>Sale of chemicals and industrial chemicals;</u> 8. <u>All businesses related to agency or brokerage, supervision, and appraisal of sale, exchange, and lease of real estates;</u> 9. <u>Sale of fuels;</u> 10. <u>Operation of sports, health, and accommodation facilities, and any other business incidental to the above, including food and beverage business;</u> 11. <u>Any business related to the manufacture, processing, and sale of food and beverage products;</u> 12. <u>Sale of organic fertilizers and other agricultural materials;</u> 13. <u>Import and export of the items set forth in each of the preceding paragraphs, and business and investment incidental to each of these paragraphs;</u> 14. <u>Insurance under the Act on Securing Compensation For Automobile Accidents and non-life insurance agency business; and</u> 	<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 1. (Unchanged)</p> <p>Article 2. (Purpose)</p> <p>The purposes of the Company shall be to engage in the following businesses in Japan and overseas:</p> <ol style="list-style-type: none"> 1. <u>Business related to steel materials, steel products, and processed steel products;</u> 2. <u>Business related to aluminum, copper, zinc, other non-ferrous metals, and ferroalloys;</u> 3. <u>Business related to resin materials, resin products and glass products;</u> 4. <u>Business related to electronic materials, electronic-related products such as electronic components, and semiconductors;</u> 5. <u>Business related to daily sundries, home appliances, fixtures, interior decorations, kitchenware, precious metals, precious metal products, and jewelry;</u> 6. <u>Business related to metalworking machinery, machinery and equipment, tools, industrial robots, measuring and surveying instruments, industrial furnaces, generators, and lighting fixtures;</u> 7. <u>Construction of civil engineering and building projects, design by contract, and business related to construction materials;</u> 8. <u>Business related to medical equipment, nursing care equipment, and nursing care products;</u> 9. <u>Business related to chemicals and industrial chemicals;</u> (Deleted) (Deleted) (Deleted) 10. <u>Business related to food and beverage products; and</u> (Deleted) (Deleted) 11. <u>Non-life insurance agency business and business related to solicitation for life insurance.</u>

Current Articles of Incorporation	Proposed Amendments
<p><u>15. Business related to solicitation for life insurance.</u></p>	<p>(Deleted)</p>
<p>Article 3. (Omitted)</p>	<p>Article 3. (Unchanged)</p>
<p>Article 4. (Organs)</p>	<p>Article 4. (Organs)</p>
<p>The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs:</p>	<p>The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs:</p>
<p>1. Board of Directors;</p>	<p>1. Board of Directors;</p>
<p>2. <u>Audit & Supervisory Board Members;</u></p>	<p>2. <u>Audit and Supervisory Committee;</u></p>
<p>3. <u>Audit & Supervisory Board</u></p>	<p>(Deleted)</p>
<p>4. Financial Auditor.</p>	<p>3. Financial Auditor.</p>
<p>Article 5. (Omitted)</p>	<p>Article 5. (Unchanged)</p>
<p style="text-align: center;">Chapter II</p>	<p style="text-align: center;">Chapter II</p>
<p style="text-align: center;">Shares</p>	<p style="text-align: center;">Shares</p>
<p>Article 6. (Omitted)</p>	<p>Article 6. (Unchanged)</p>
<p><u>Article 7. (Repurchase of Treasury Stock)</u></p>	<p>(Deleted)</p>
<p><u>The Company may, by resolution of the Board of Directors, repurchase its shares through market transactions, etc., pursuant to the provisions of Article 165, paragraph (2) of the Companies Act.</u></p>	
<p>Article 8. to 12. (Omitted)</p>	<p>Article 7. to 11. (Unchanged)</p>
<p style="text-align: center;">Chapter III</p>	<p style="text-align: center;">Chapter III</p>
<p style="text-align: center;">General Meeting of Shareholders</p>	<p style="text-align: center;">General Meeting of Shareholders</p>
<p>Article 13. to 15. (Omitted)</p>	<p>Article 12. to 14. (Unchanged)</p>
<p><u>Article 16. (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u></p>	<p>(Deleted)</p>
<p><u>When the Company convenes a General Meeting of Shareholders, if it discloses information that is to be stated or presented in the reference documents for the General Meeting of Shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	
<p style="text-align: center;">(Newly established)</p>	
	<p><u>Article 15. (Measures, Etc. for Providing Information in Electronic Format)</u></p>
	<p><u>(1) When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>17.</u> to <u>19.</u> (Omitted)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>Article <u>20.</u> (Number of Directors) <u>The Company shall have no more than twelve Directors.</u></p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>21.</u> (Election)</p> <p>(1) <u>Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p> <p style="text-align: center;">(Newly established)</p> <p>(2) <u>Resolutions for the election of Directors shall not be conducted by cumulative voting.</u></p> <p>Article <u>22.</u> (Term of Office)</p> <p>(1) The term of office of a Director shall expire at the conclusion of the annual General Meeting of Shareholders for the last business year out of the business years terminating within <u>two</u> years after the election of the Director.</p> <p>(2) <u>The term of office of a Director who is elected as an additional Director or a substitute Director shall continue until the time the terms of office of the Directors in office are to expire.</u></p> <p style="text-align: center;">(Newly established)</p>	<p>(2) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Article <u>16.</u> to <u>18.</u> (Unchanged)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>Article <u>19.</u> (Number of Directors)</p> <p>(1) <u>The number of Directors (excluding Directors who are Audit and Supervisory Committee members) of the Company shall be no more than twelve.</u></p> <p>(2) <u>The number of Directors who are Audit and Supervisory Committee members (hereinafter, referred to as “Audit and Supervisory Committee Member(s)”) of the Company shall be no more than five.</u></p> <p>Article <u>20.</u> (Election)</p> <p>(1) <u>Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p> <p>(2) <u>The election of Directors provided for in the preceding paragraph shall be implemented by distinguishing the election of Audit and Supervisory Committee Members from that of other Directors.</u></p> <p>(3) <u>Resolutions for the election of Directors shall not be conducted by cumulative voting.</u></p> <p>Article <u>21.</u> (Term of Office)</p> <p>(1) The term of office of a Director shall expire at the conclusion of the annual General Meeting of Shareholders for the last business year out of the business years terminating within <u>one</u> year after the election of the Director.</p> <p style="text-align: center;">(Deleted)</p> <p>(2) <u>Notwithstanding the provision of the preceding paragraph, the term of office of an Audit and Supervisory Committee Member shall expire at the conclusion of the annual General Meeting of Shareholders for the last business year out of the business years terminating within two years after the election of that Member.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p> <p>Article <u>23</u>. (Representative Director, Etc.)</p> <p>(1) The Board of Directors shall appoint representative Director(s) by its resolution.</p> <p>(2) The Representative Director shall execute the operation of the Company, in accordance with the resolutions of the Board of Directors.</p> <p>(3) The Board of Directors may appoint, by its resolution, <u>one</u> Director and Chairman, <u>one</u> Director and Vice Chairman, <u>one</u> Director and President, <u>one or a small number of</u> Director and Vice Presidents, <u>one or a small number of Senior Managing Directors</u>, and <u>one or a small number of Managing Directors</u>.</p> <p>(4) The Board of Directors may appoint an Advisor and a Counselor, by its resolution.</p>	<p>(3) <u>The term of office of an Audit and Supervisory Committee Member who is elected as a substitute member shall continue until the time the term of office of the Audit and Supervisory Committee Member who retired from office is to expire.</u></p> <p>Article <u>22</u>. (Representative Director, Etc.)</p> <p>(1) The Board of Directors shall appoint representative Director(s) <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by its resolution.</p> <p>(2) The Representative Director shall execute the operation of the Company, in accordance with the resolutions of the Board of Directors.</p> <p>(3) The Board of Directors may appoint, by its resolution, a Director and Chairman, Director and Vice Chairman, Director and President, and Director and Vice President, <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>(4) The Board of Directors may appoint an Advisor and a Counselor, by its resolution.</p>
<p><u>Article 24. (Omission of Resolutions of the Board of Directors)</u></p> <p><u>The Company shall deem that a resolution of the Board of Directors has been made in cases where the requirements set forth in Article 370 of the Companies Act have been fulfilled.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p style="text-align: center;">(Newly established)</p> <p>Article <u>25</u>. (Regulations of the Board of Directors)</p> <p>(1) Unless otherwise provided for by laws and regulations, and these Articles of Incorporation, any matters regarding the Board of Directors shall be resolved by the Regulations of the Board of Directors established by <u>the Directors</u>.</p> <p>(2) <u>The Regulations of the Board of Directors shall be established by a majority of the Directors who are present, at a meeting at which a majority of the Directors are present.</u></p>	<p>Article <u>23</u>. <u>(Convocation of Meetings of the Board of Directors)</u></p> <p>(1) <u>When convening a meeting of the Board of Directors, the Board shall issue notice to each Director not later than two days before the meeting date. Provided, however, that if necessary due to an emergency, this period can be shortened.</u></p> <p>(2) <u>With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</u></p>
<p>Article <u>25</u>. (Regulations of the Board of Directors)</p> <p>(1) Unless otherwise provided for by laws and regulations, and these Articles of Incorporation, any matters regarding the Board of Directors shall be resolved by the Regulations of the Board of Directors established by <u>the Directors</u>.</p> <p>(2) <u>The Regulations of the Board of Directors shall be established by a majority of the Directors who are present, at a meeting at which a majority of the Directors are present.</u></p>	<p>Article <u>24</u>. (Regulations of the Board of Directors)</p> <p>Unless otherwise provided for by laws and regulations, and these Articles of Incorporation, any matters regarding the Board of Directors shall be resolved by the Regulations of the Board of Directors established by <u>the Board of Directors</u>.</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p> <p><u>Article 26. (Convener and Chairmanship of Meeting of the Board of Directors)</u></p> <p>(1) <u>The Director and Chairman shall convene meetings of the Board of Directors and chair the meetings.</u></p> <p>(2) <u>When the Director and Chairman is vacant or unable to act, meetings shall be convened and chaired by another Director according to the order of priority determined in advance by the Board of Directors.</u></p> <p><u>Article 27. (Convocation of Meetings of the Board of Directors)</u></p> <p>(1) <u>When convening a meeting of the Board of Directors, the Board shall issue notice to each of the Directors and Audit & Supervisory Board Members no later than two days before the meeting date. Provided, however, that if necessary due to an emergency, this period can be shortened.</u></p> <p>(2) <u>With the consent of all Directors and Audit & Supervisory Board Members, a meeting of the Board of Directors may be held without following the convening procedures.</u></p> <p style="text-align: center;">(Newly established)</p>	<p><u>Article 25. (Omission of Resolutions of the Board of Directors)</u></p> <p><u>The Company shall deem that a resolution of the Board of Directors has been made in cases where the requirements set forth in Article 370 of the Companies Act have been fulfilled.</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>
<p><u>Article 28. (Remuneration, Etc.)</u></p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, Etc.”) to Directors shall be determined by resolution of a General Meeting of Shareholders.</p> <p><u>Article 29. (Exemption of Directors from Liability)</u></p> <p>(1) Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.</p>	<p><u>Article 26. (Delegation of Decisions on the Execution of Important Operations)</u></p> <p><u>Pursuant to Article 399-13, paragraph (6) of the Companies Act, the Company may delegate to the Directors all or part of the decision-making on the execution of important operations (excluding the matters provided for in each item of Article 399-13, paragraph (5) of the Companies Act), by the resolution of the Board of Directors.</u></p> <p><u>Article 27. (Remuneration, Etc.)</u></p> <p>Remuneration, bonuses, and other economic benefits given by the Company in consideration for the execution of duties (hereinafter, referred to as the “Remuneration, Etc.”) to Directors shall be determined by a resolution of a General Meeting of Shareholders, <u>while distinguishing Audit and Supervisory Committee Members from the other Directors.</u></p> <p><u>Article 28. (Exemption of Directors from Liability)</u></p> <p>(1) Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(2) Pursuant to Article 427, paragraph (1) of the Companies Act, the Company may enter into a contract with each <u>Outside Director</u> to limit his/her liability for damages due to negligence of his/her duties. Provided, however, that the maximum amount of liability under the above agreement shall be the amount provided for by laws and regulations.</p> <p style="text-align: center;">(Newly established)</p>	<p>(2) Pursuant to Article 427, paragraph (1) of the Companies Act, the Company may enter into a contract with each <u>Director (excluding Executive Directors, etc.)</u> to limit his/her liability for damages due to negligence of his/her duties. Provided, however, that the maximum amount of liability under the above agreement shall be the amount provided for by laws and regulations.</p> <p><u>Article 29. (Executive Officers)</u></p> <p><u>The Board of Directors may appoint Executive Officers by resolution of the Board and divide up and have the Executive Officers execute the business of the Company.</u></p>
<p style="text-align: center;">Chapter V <u>Audit & Supervisory Board Members</u> and <u>Audit & Supervisory Board</u></p>	<p style="text-align: center;">Chapter V <u>Audit and Supervisory Committee</u></p>
<p><u>Article 30. (Number of Audit & Supervisory Board Members)</u></p> <p><u>The number of Audit & Supervisory Board Members shall be no less than three.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 31. (Election)</u></p> <p><u>Resolutions on the election of an Audit & Supervisory Board Member shall be made by a majority of the votes of the shareholders present at the meeting, at which shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 32. (Term of Office)</u></p> <p>(1) <u>The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual General Meeting of Shareholders for the last business year out of the business years terminating within four years from the election of that Member.</u></p> <p>(2) <u>The term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 33. (Full-Time Audit & Supervisory Board Members)</u></p> <p><u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p>	<p><u>Article 30. (Full-Time Audit and Supervisory Committee Members)</u></p> <p><u>The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Member(s) by its resolution.</u></p>
<p><u>Article 34. (Audit & Supervisory Board)</u></p> <p>(1) Unless otherwise provided for in laws and regulations and in the Articles of Incorporation, any matters regarding <u>Audit & Supervisory Board Members</u> shall be governed by the Regulations of the Audit & Supervisory Board, to be established by <u>the Audit & Supervisory Board</u>.</p>	<p><u>Article 31. (Regulations of the Audit and Supervisory Committee)</u></p> <p>Unless otherwise provided for in laws and regulations and in the Articles of Incorporation, any matters regarding <u>the Audit and Supervisory Committee</u> shall be governed by the Regulations of the Audit and Supervisory Committee, to be established by <u>the Audit and Supervisory Committee</u>.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(2) The Regulations of the Audit & Supervisory Board shall be established by a majority of the Audit & Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p>Article <u>35</u>. (Convocation)</p> <p>(1) When convening a meeting of <u>the Audit & Supervisory Board</u>, the Board shall issue notice to <u>each Audit & Supervisory Board Member</u> not later than two days before the meeting date. Provided, however, that if necessary due to an emergency, this period can be shortened.</p> <p>(2) With the consent of all <u>Audit & Supervisory Board Members</u>, a meeting of <u>the Audit & Supervisory Board</u> may be held without following the convening procedures.</p>	<p>Article <u>32</u>. (Convocation)</p> <p>(1) When convening a meeting of <u>the Audit and Supervisory Committee</u>, the Committee shall issue notice to <u>each Audit and Supervisory Committee Member</u> not later than two days before the meeting date. Provided, however, that if necessary due to an emergency, this period can be shortened.</p> <p>(2) With the consent of all <u>Audit and Supervisory Committee Members</u>, a meeting of <u>the Audit and Supervisory Committee</u> may be held without following the convening procedures.</p>
<p>Article <u>36</u>. (Remuneration, Etc.)</p> <p><u>The Remuneration, Etc. to Audit & Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p>Article <u>37</u>. (Exemption of Audit & Supervisory Board Members From Liability)</p> <p>(1) Pursuant to the provisions of Article 426, paragraph (1) of <u>the Companies Act</u>, the Company may, by resolution of <u>the Board of Directors</u>, exempt an <u>Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member)</u> from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.</p> <p>(2) Pursuant to Article 427, paragraph (1) of the <u>Companies Act</u>, the Company may enter into a contract with each <u>Outside Audit & Supervisory Board Member</u> to limit his/her liability for damages due to negligence of his/her duties. Provided, however, that the maximum amount of liability under the above agreement shall be the amount provided for by laws and regulations.</p>	<p>(Deleted)</p>
<p style="text-align: center;">Chapter VI Financial Auditor</p>	<p style="text-align: center;">Chapter VI Financial Auditor</p>
<p>Article <u>38</u>. (Omitted)</p>	<p>Article <u>33</u>. (Unchanged)</p>
<p style="text-align: center;">Chapter VII Accounts</p>	<p style="text-align: center;">Chapter VII Accounts</p>
<p>Article <u>39</u>, to <u>40</u>. (Omitted)</p>	<p>Article <u>34</u>, to <u>35</u>. (Unchanged)</p>
<p>Article <u>41</u>. (Interim Dividend)</p> <p><u>The Company may, by resolution of the Board of Directors, pay interim dividends with a record date of September 30 each year.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>Article 42. (Omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Article 36. (Organizational Body to Determine Dividends of Surplus, Etc.)</u></p> <p><u>Unless otherwise provided for, the Company may, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph (1) of the Companies Act.</u></p> <p>Article 37. (Unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>Article 1. (Transitional Measures Regarding the Exemption of Audit & Supervisory Board Members from Liability)</u></p> <p><u>(1) Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisor Board Member) from his/her liability for damages arising from neglecting his/her duties before the conclusion of the 99th annual General Meeting of Shareholders to the extent permitted by laws and regulations.</u></p> <p><u>(2) Contracts to limit liabilities for damages regarding acts of an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisor Board Member) conducted before the conclusion of the 99th annual General Meeting of Shareholders shall still be governed by the provisions of Article 37, paragraph (2) of the pre-amended Articles of Incorporation, before the amendments made by the resolution of the said annual General Meeting of Shareholders.</u></p> <p><u>Article 2. (Transitional Measures Regarding Measures, Etc. for Providing Information in Electronic Format)</u></p> <p><u>(1) Deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new introduction of Article 15 (Measures, Etc. for Providing Information in Electronic Format) of the proposed Amendment shall become effective as of September 1, 2022 (hereinafter, referred to as the “Effective Date”).</u></p> <p><u>(2) Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Effective Date.</u></p> <p><u>(3) This Article shall be deleted on the date when six months have elapsed from the Effective Date or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 2 “Partial Amendment to the Articles of Incorporation” in its original form, the Company will transition to a Company with Audit and Supervisory Committee, and the terms of office of all nine Directors will expire when the amendment to the Articles of Incorporation takes effect. Therefore, the Company proposes the election of nine Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal).

Each nominated Director has been determined by the Board of Directors, based on the recommendations by the Nominating & Remuneration Committee.

The resolution for this proposal can only take effect after the amendment to the Articles of Incorporation of Proposal No. 2 takes effect.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibilities, etc.	Attributes
1	Kazuo Murata	Chairman	Reelection
2	Tetsuo Nozawa	President	Reelection
3	Yoshiaki Taura	Director and Senior Managing Executive Officer in charge of Management Dept.	Reelection
4	Masami Urano	Director and Managing Executive Officer in control of Management Dept. (General Affairs Dept. and Management administration Dept.)	Reelection
5	Kazunori Suga	Director and Senior Corporate Officer in charge of Electronics Dept.	Reelection
6	Akihiko Ito	Senior Corporate Officer in charge of Non-ferrous metals Dept.	New election
7	Osamu Saito	Outside Director	Reelection Outside Independent
8	Ken Kotani	Outside Director	Reelection Outside Independent
9	Ikuo Oguri	Outside Director	Reelection Outside Independent

New election: Candidate for Director to be newly elected

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange, etc.

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
1	Kazuo Murata (October 17, 1941) Reelection Number of years in office as a Director 30 years	Apr. 1964 Joined the Company Oct. 1983 General Manager of Tochigi branch Feb. 1991 General Manager in control of a Department June 1992 Director June 2000 Managing Director Apr. 2003 President Apr. 2014 Chairman (current position) Significant concurrent positions outside the Company President of METAL ACT Co., Ltd.	156,410 shares
		<p>Reasons for nomination as candidate for Director Kazuo Murata has been nominated as a candidate for Director because he possesses abundant knowledge of strategy and management, a broad and thorough understanding of the entire SATOSHOJI Group, and an expansive personal network encompassing the entire industries of the Group's buyers and suppliers, acquired over many years of experience as Representative Director. The Company has judged that he will contribute to further expanding the Group's businesses in Japan and overseas, and enhancing the Group's corporate value.</p>	
2	Tetsuo Nozawa (January 23, 1957) Reelection Number of years in office as a Director 11 years	Dec. 1980 Joined the Company May 1995 General Manager of Shiga branch Apr. 2005 General Manager in control of a Department Apr. 2007 Executive Officer June 2011 Director in control of a Department Apr. 2014 Managing Director in control of a Department June 2014 Director and Managing Executive Officer in control of a Department Apr. 2019 Director and Managing Executive Officer in charge of a Department Apr. 2022 President (current position) Significant concurrent positions outside the Company None	15,500 shares
		<p>Reasons for nomination as candidate for Director Tetsuo Nozawa has been nominated as a candidate for Director because of his experience and abundant knowledge of strategy, acquired over many years of service in the iron and steel industry, the Company's main business, and since assuming the position of Representative Director in 2022. The Company has judged that he will contribute to further expanding the Group's businesses, and enhancing the Group's corporate value.</p>	

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	<p>Yoshiaki Taura (May 9, 1954)</p> <p>Reelection</p> <p>Number of years in office as a Director 13 years</p>	<p>Apr. 1977 Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited.)</p> <p>June 2003 Executive Officer, in charge of Human Resources Division of Resona Bank, Limited.</p> <p>June 2005 Managing Executive Officer, Tokyo Central Area CEO and Capitol Minato Area CEO of Resona Bank, Limited.</p> <p>Apr. 2008 Managing Executive Officer, in charge of Internal Audit Division of Resona Bank, Limited.</p> <p>June 2009 Advisor of the Company</p> <p>June 2009 Director</p> <p>Mar. 2010 Director in charge of a Department</p> <p>Apr. 2011 Managing Director in control of a Department</p> <p>Apr. 2013 Senior Managing Director in control of a Department</p> <p>June 2014 Director and Senior Managing Executive Officer in control of a Department</p> <p>June 2019 Director and Senior Managing Executive Officer in charge of Management Dept. (current position)</p> <p>Significant concurrent positions outside the Company None</p>	12,200 shares
		<p>Reasons for nomination as candidate for Director</p> <p>Yoshiaki Taura has been nominated as a candidate for Director because he possesses abundant knowledge of strategy and management, acquired through his experience as a corporate officer at another company, and as a Director of the Company since 2009. His knowledge of finance and all aspects of management administration in particular is outstanding. The Company has judged that he will contribute to further expanding the Group's businesses in Japan and overseas, and enhancing the Group's corporate value.</p>	
4	<p>Masami Urano (January 16, 1958)</p> <p>Reelection</p> <p>Number of years in office as a Director 3 years</p>	<p>Apr. 1981 Joined the Company</p> <p>Feb. 1995 Manager of Accounting Section, Accounting Dept.</p> <p>June 2001 General Manager of Audit Dept.</p> <p>Apr. 2007 Deputy General Manager in control of a Department</p> <p>Apr. 2008 Executive Officer</p> <p>Apr. 2015 Senior Corporate Officer</p> <p>June 2018 Managing Executive Officer in control of a Department</p> <p>June 2019 Director and Managing Executive Officer in control of Management Dept. (General Affairs Dept. and Management Administration Dept.) (current position)</p> <p>Significant concurrent positions outside the Company None</p>	6,600 shares
		<p>Reasons for nomination as candidate for Director</p> <p>Masami Urano has been nominated as a candidate for Director because of his outstanding knowledge of human resources, finance, and all aspects of management administration, acquired over many years of experience in administrative departments. The Company has judged that he will contribute to further expanding the Group's businesses in Japan and overseas, and enhancing the Group's corporate value.</p>	

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
5	Kazunori Suga (July 30, 1965) Reelection Number of years in office as a Director 3 years	Apr. 1991 Apr. 2004 Apr. 2008 Apr. 2010 June 2014 June 2018 Apr. 2019 June 2019 Significant concurrent positions outside the Company None	15,500 shares
		<p>Reasons for nomination as candidate for Director Kazunori Suga has been nominated as a candidate for Director because of his abundant knowledge of strategy and management, particularly overseas, acquired over many years of experience in the Electronics Dept. The Company has judged that he will contribute to further expanding the Group's businesses in Japan and overseas, and enhancing the Group's corporate value.</p>	
6	Akihiko Ito (April 13, 1961) New election	Apr. 1985 Apr. 2001 Oct. 2001 Apr. 2008 Apr. 2009 Apr. 2010 June 2019 Significant concurrent positions outside the Company None	20,900 shares
		<p>Reasons for nomination as candidate for Director Akihiko Ito has been nominated as a candidate for Director because of his abundant knowledge of strategy and management, particularly overseas, acquired over many years of experience in the Iron and Steel Dept. and the Non-ferrous metals Dept. The Company has judged that he will contribute to further expanding the Group's businesses in Japan and overseas, and enhancing the Group's corporate value.</p>	

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
7	Osamu Saito (September 14, 1947) Reelection Outside Independent Number of years in office as an Outside Director 7 years	Apr. 1970 Joined Nippon Kokan K.K. June 1999 Director and General Manager of General Planning Department of Nippon Kokan K.K. Apr. 2000 Managing Corporate Officer and General Manager of General Planning Department of Nippon Kokan K.K. Apr. 2001 Senior Managing Corporate Officer and General Manager of General Planning Department of Nippon Kokan K.K. Sep. 2002 Senior Managing Corporate Officer of JFE Holdings, Inc. Apr. 2005 President and CEO of JFE Engineering Corporation June 2005 Director of JFE Holdings, Inc. June 2008 Director of Tokyo Leasing Co., Ltd. Apr. 2009 Corporate Auditor of Century Tokyo Leasing Corporation (currently Tokyo Century Corporation) June 2011 Outside Audit & Supervisory Board Member of the Company June 2015 Outside Director of the Company (current position) Significant concurrent positions outside the Company None	13,900 shares
<p>Reason for nomination as candidate for Outside Director and outline of expected role The Company nominates Osamu Saito as a candidate for Outside Director again, expecting him to provide advice on management decisions and supervise the execution of business operations from a practical and expert viewpoint, based on his extensive knowledge and wealth of experience cultivated through his experience in the general planning department and in management at a steel manufacturer, and as a corporate auditor at other company.</p>			
8	Ken Kotani (September 12, 1946) Reelection Outside Independent Number of years in office as an Outside Director 5 years	Apr. 1969 Joined TOPY ENTERPRISES, LIMITED Apr. 1994 General Manager of Project Sales Department, Metal Construction Materials Division of TOPY ENTERPRISES, LIMITED June 1998 Director of TOPY ENTERPRISES, LIMITED June 2000 Managing Director of TOPY ENTERPRISES, LIMITED Apr. 2003 Senior Managing Director of TOPY ENTERPRISES, LIMITED Apr. 2006 Director and Vice President of TOPY ENTERPRISES, LIMITED Apr. 2010 President of TOPY ENTERPRISES, LIMITED Apr. 2013 Director and Counselor of TOPY ENTERPRISES, LIMITED June 2015 Counselor of TOPY ENTERPRISES, LIMITED June 2017 Outside Director of the Company (current position) Significant concurrent positions outside the Company Outside Director of Advanex Inc.	4,700 shares
<p>Reason for nomination as candidate for Outside Director and outline of expected role The Company nominates Ken Kotani as a candidate for Outside Director again, expecting him to provide advice on management decisions and supervise the execution of business operations from a practical and expert viewpoint, based on his extensive knowledge and wealth of experience cultivated through his experience in the new business department and in management at a trading company that mainly trades steel and as an outside director at other company.</p>			

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
9	<p>Ikuo Oguri (May 11, 1950)</p> <p>Reelection Outside Independent</p> <p>Number of years in office as an Outside Director 1 year</p>	<p>Mar. 1974 Joined HASEKO Corporation</p> <p>Oct. 1989 Manager, Urban Environment Design Office, Engineering Division of HASEKO Corporation</p> <p>Apr. 2001 General Manager, Engineering Division of HASEKO Corporation</p> <p>June 2001 Director of HASEKO Corporation</p> <p>June 2004 Managing Director of HASEKO Corporation</p> <p>July 2006 Representative Director and Executive Operating Officer, In Charge of Engineering of HASEKO Corporation</p> <p>Apr. 2010 President and Representative Director of HASEKO Corporation</p> <p>Apr. 2014 Chairman and Representative Director of HASEKO Corporation</p> <p>Apr. 2020 Director and Executive Advisor of HASEKO Corporation</p> <p>June 2020 Executive Advisor of HASEKO Corporation (current position)</p> <p>June 2021 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Executive Advisor of HASEKO Corporation Outside Director of OKK Corporation</p>	200 shares
<p>Reason for nomination as candidate for Outside Director and outline of expected role</p> <p>The Company nominates Ikuo Oguri as a candidate for Outside Director again, expecting him to provide advice on management decisions and supervise the execution of business operations from a practical and expert viewpoint, based on his extensive knowledge and wealth of experience cultivated through his experience in the engineering department at a general contractor and as an outside director at other companies.</p>			

- Notes:
1. Mr. Ito is a new candidate for Director.
 2. There is no special interest between any of the candidates and the Company.
 3. Mr. Oguri is scheduled to retire as a Director of OKK Corporation on June 20, 2022.
 4. Mr. Saito, Mr. Kotani and Mr. Oguri are candidates for Outside Director.
 5. The number of years in office shown for each candidate for Director refers to the number of years as of the conclusion of this Annual General Meeting of Shareholders.
 6. In accordance with Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with Outside Directors to limit their liability for damages pursuant to Article 423, paragraph (1) of the same act. Liability for damages under this agreement is limited to the amount provided for in laws and regulations.
The Company has entered into a liability limitation agreement with Mr. Saito, Mr. Kotani and Mr. Oguri and intends to continue the agreement if this proposal is approved and passed.
 7. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages that may arise when the insured are held liable for the performance of their duties or are subject to claims related to the pursuit of such liability (however, certain exemptions apply, such as when an act is committed with the knowledge that it violates laws and regulations). The candidates shall be included in the insured parties in the insurance agreement if this proposal is approved and passed. The Company plans to renew the insurance agreement according to the same details at the time of renewal.
 8. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Saito, Mr. Kotani and Mr. Oguri have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of Mr. Saito, Mr. Kotani and Mr. Oguri is approved, the Company plans for their designation as independent officers to continue.
Mr. Saito previously served at JFE Holdings, Inc., the parent company of JFE Steel Corporation, one of the Company's suppliers. However, 13 years have elapsed since he retired from JFE Holdings, Inc. in June 2008, and he is no longer in a position to be influenced by that company's interests. Moreover, the JFE Holdings, Inc. group holds only 1.2% of the Company's shares. Therefore, its influence on the Company is considered insignificant. The Company has therefore judged that there is no risk of a conflict of interests between Mr. Saito and general shareholders.
Five years have elapsed since Mr. Kotani retired from TOPY ENTERPRISES, LIMITED in June 2016, and he is no longer in a position to be influenced by that company's interests. The Company purchases only a negligible proportion of supplies from TOPY ENTERPRISES, LIMITED or its Group companies, and there is no significant dependence. Moreover, that

company does not hold any of the Company's shares. Therefore, its influence on the Company is considered insignificant. The Company has therefore judged that there is no risk of a conflict of interests between Mr. Kotani and general shareholders.

There is no special interest between Mr. Oguri and the Company. The Company has therefore judged that there is no risk of a conflict of interests between Mr. Oguri and general shareholders.

9. OKK Corporation made disclosures in violation of the listing rules that were deemed to be false in its summary of accounts and other documents from the fiscal year ended March 31, 2017 to the third quarter of the fiscal year ended March 31, 2021. Mr. Oguri served as an Outside Director of OKK Corporation from June 2019, but he was not aware of the violation until it was discovered. Mr. Oguri regularly reminded the Board of Directors of the need to comply with laws and regulations, and after confirming the facts surrounding this violation, he fulfilled his responsibilities by making recommendations to thoroughly address the violation and measures to prevent recurrence.

Proposal No. 4 Election of Three Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendment to the Articles of Incorporation” in its original form, the Company will transition to a Company with Audit and Supervisory Committee. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

Each nominated Director who is an Audit and Supervisory Committee Member has been determined by the Board of Directors, based on the recommendations by the Nominating & Remuneration Committee. In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The resolution for this proposal can only take effect after the amendment to the Articles of Incorporation of Proposal No. 2 takes effect. The candidates for Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Current position and responsibilities, etc.	Attributes
1	Yoshio Hara	Outside Audit & Supervisory Board Member	New election Outside Independent
2	Mikio Akaishi	Outside Audit & Supervisory Board Member	New election Outside Independent
3	Takahiro Mori	-	New election Outside Independent

New election: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange, etc.

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
1	<p>Yoshio Hara (February 9, 1941)</p> <p>New election Outside Independent</p> <p>Number of years in office as a Director 0 years</p> <p>Number of years in office as an Audit & Supervisory Board Member 7 years</p>	<p>Aug. 1963</p> <p>May 1988</p> <p>June 1993</p> <p>Apr. 1997</p> <p>Apr. 2001</p> <p>June 2007</p> <p>June 2009</p> <p>June 2015</p> <p>Significant concurrent positions outside the Company None</p>	<p>Joined Tokyo Buhin Kogyo Co., Ltd. (currently TBK Co., Ltd.)</p> <p>General Manager of Accounting Division of Tokyo Buhin Kogyo Co., Ltd.</p> <p>Director, General Manager of Planning Division of Tokyo Buhin Kogyo Co., Ltd</p> <p>Director, General Manager of Sales Division of Tokyo Buhin Kogyo Co., Ltd</p> <p>President of Tokyo Buhin Kogyo Co., Ltd</p> <p>Chairman of TBK Co., Ltd.</p> <p>Counselor of TBK Co., Ltd.</p> <p>Outside Audit & Supervisory Board Member of the Company (current position)</p>	4,100 shares
<p>Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role</p> <p>The Company nominates Yoshio Hara as a candidate for Outside Director who is an Audit and Supervisory Committee Member, expecting him to provide advice on management decisions and supervise the execution of business operations from a practical and expert viewpoint, based on his extensive knowledge and wealth of experience cultivated through his experience in the accounting and planning department, manufacturing department and in management at a parts manufacturer.</p>				
2	<p>Mikio Akaishi (January 18, 1955)</p> <p>New election Outside Independent</p> <p>Number of years in office as a Director 0 years</p> <p>Number of years in office as an Audit & Supervisory Board Member 4 years</p>	<p>Apr. 1979</p> <p>Jan. 2006</p> <p>Apr. 2009</p> <p>June 2009</p> <p>June 2013</p> <p>June 2018</p> <p>Significant concurrent positions outside the Company None</p>	<p>Joined Nippon Kokan K.K.</p> <p>General Manager, General Administration Department, West Japan Works (Fukuyama) of JFE Steel Corporation</p> <p>General Manager, Office of Audit & Supervisory Board of JFE Steel Corporation</p> <p>Part-time Audit & Supervisory Board Member of GECOSS CORPORATION</p> <p>Full-time Audit & Supervisory Board Member of Tokyo Electron Ltd.</p> <p>Outside Audit & Supervisory Board Member of the Company (current position)</p>	6,400 shares
<p>Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role</p> <p>The Company nominates Mikio Akaishi as a candidate for Outside Director who is an Audit and Supervisory Committee Member, expecting him to provide advice on management decisions and supervise the execution of business operations from a practical and expert viewpoint, based on his extensive knowledge and wealth of experience cultivated through his experience in the general affairs, audit, and sales departments (including overseas) at a steel manufacturer, and as a corporate auditor at other companies.</p>				

Candidate No.	Name (date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	Takahiro Mori (August 17, 1961) New election Outside Independent Number of years in office as a Director 0 years-	Apr. 1986 Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited.) Feb. 2005 General Manager, Kashiwa Branch of Resona Bank, Limited. Apr. 2013 General Manager, Management Division of Resona Bank, Limited. Apr. 2014 Executive Officer of Resona Bank, Limited. Apr. 2018 Senior Managing Director of Resona Card Co., Ltd. Apr. 2022 Advisor of Resona Card Co., Ltd. (current position) Significant concurrent positions outside the Company None	0 shares
<p>Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and outline of expected role</p> <p>The Company nominates Takahiro Mori as a candidate for Outside Director who is an Audit and Supervisory Committee Member, expecting him to provide advice on management decisions and supervise the execution of business operations from a practical and expert viewpoint, based on his extensive knowledge and wealth of experience cultivated through his experience in the sales department, management, and credit management at a financial institution.</p>			

- Notes:
- Each candidate is a new candidate for Outside Director who is an Audit and Supervisory Committee Member.
 - There is no special interest between any of the candidates and the Company.
 - The number of years in office as an Audit & Supervisory Board Member shown for Mr. Hara and Mr. Akaishi refers to the number of years as of the conclusion of this Annual General Meeting of Shareholders.
 - In accordance with Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with Outside Directors to limit their liability for damages pursuant to Article 423, paragraph (1) of the same act. Liability for damages under this agreement is limited to the amount provided for in laws and regulations.
If the appointment of Mr. Hara, Mr. Akaishi, and Mr. Mori is approved and adopted, the Company plans to enter into a similar limitation of liability agreement with the three Outside Directors.
 - The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages that may arise when the insured are held liable for the performance of their duties or are subject to claims related to the pursuit of such liability (however, certain exemptions apply, such as when an act is committed with the knowledge that it violates laws and regulations). The candidates shall be included in the insured parties in the insurance agreement if this proposal is approved and passed. The Company plans to renew the insurance agreement according to the same details at the time of renewal.
 - The Company has submitted notification to the Tokyo Stock Exchange that Mr. Hara and Mr. Akaishi have been designated as independent officers as provided for by the aforementioned exchange. If the election of Mr. Hara and Mr. Akaishi is approved, the Company plans for their designation as independent officers to continue. Mr. Mori satisfies the requirements for an independent officer as defined for the Tokyo Stock Exchange. If the election of Mr. Mori is approved, the Company intends to register him as an independent officer with the aforementioned exchange.
Eight years have elapsed since Mr. Hara retired from TBK Co., Ltd. in July 2013, and he is no longer in a position to be influenced by that company's interests. TBK Co., Ltd. is not a shareholder of the Company and therefore its influence on the Company is considered insignificant. The Company has therefore judged that there is no risk of a conflict of interests between Mr. Hara and general shareholders.
Nine years have elapsed since Mr. Akaishi retired from JFE Steel Corporation in March 2013, and he is no longer in a position to be influenced by that company's interests. Moreover, the JFE Steel Corporation holds only 1.2% of the Company's shares. Therefore, its influence on the Company is considered insignificant. The Company has therefore judged that there is no risk of a conflict of interests between Mr. Akaishi and general shareholders.
Mr. Mori previously worked at Resona Bank, Limited which is the Company's main bank. However, Resona Bank, Limited holds only 2.6% of the Company's shares and therefore, its influence on the Company is considered insignificant. The Company has therefore judged that there is no risk of a conflict of interests between Mr. Mori and general shareholders.

<Reference> Main areas of experience and expertise of the candidates for Director

Name	Corporate Management	Financial Accounting	Legal and Compliance	Business Investment	Sales and Marketing	Global	Manufacturing and Technology
Kazuo Murata	●			●	●		
Tetsuo Nozawa	●			●	●		
Yoshiaki Taura		●	●	●			
Masami Urano		●	●	●			
Kazunori Suga				●	●	●	
Akihiko Ito				●	●	●	
Osamu Saito	●		●		●		
Ken Kotani	●		●		●		
Ikuo Oguri	●			●			●
Yoshio Hara	●	●					●
Mikio Akaishi			●		●	●	
Takahiro Mori		●	●		●		

* The above list does not represent all the knowledge and experience possessed by each individual.

Proposal No. 5 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

Subject to the approval and adoption of Proposal No. 2 “Partial Amendment to the Articles of Incorporation” in its original form, the Company will transition to a Company with Audit and Supervisory Committee. Therefore, the Company proposes to elect one substitute Director who is an Audit and Supervisory Committee Member, to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The resolution of this proposal can only take effect after the amendment to the Articles of Incorporation regarding the Company’s transition to a Company with Audit and Supervisory Committee becomes effective, based upon the resolution of Proposal No. 2 “Partial Amendment to the Articles of Incorporation.”

The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (date of birth)	Career summary	Number of the Company’s shares owned
Eiji Sakao (March 12, 1965)	Apr. 1987 Joined NAKAMURAYA CO., LTD. Oct. 1992 Joined Inoue Saito Eiwa Audit Corporation (currently KPMG AZSA LLC) Mar. 1996 Established Sakao CPA Office Oct. 1996 Joined BUSINESS BANK CONSULTING CO., LTD. (currently Gexeed Co., Ltd.) Aug. 2004 President of App-Right Ltd. (currently App-Right CO., LTD.) (current position) Significant concurrent positions outside the Company Representative Director of ITCPA (Information Technology Certified Public Accountant) (NPO)	0 shares
Reason for nomination as candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and outline of expected role Eiji Sakao has been nominated because he possesses knowledge of accounting and finance acquired over many years as a certified public accountant. The Company has judged that, should he assume office as a Director who is an Audit and Supervisory Committee Member, he would be able to utilize this knowledge to provide effective advice for the Company’s audit system. After his appointment, the Company expects him to use his expertise as an accountant to strengthen the supervisory function.		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. It is proposed to elect Mr. Sakao as a substitute Director who is an Audit and Supervisory Committee Member.
 3. In accordance with Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Outside Directors to limit their liability for damages pursuant to Article 423, paragraph (1) of the same act. Liability for damages under this agreement is limited to the amount provided for in laws and regulations. If this proposal is approved and passed, and Mr. Sakao assumes office as a Director who is an Audit & Supervisory Board Member, the Company intends to enter into this liability limitation agreement with him as an Outside Director.
 4. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages that may arise when the insured are held liable for the performance of their duties or are subject to claims related to the pursuit of such liability (however, certain exemptions apply, such as when an act is committed with the knowledge that it violates laws and regulations). If this proposal is approved and passed, and Mr. Sakao assumes office as a Director who is an Audit and Supervisory Committee Member, he shall be included in the insured parties in the insurance agreement.
 5. Mr. Sakao satisfies the requirements for an independent officer as defined for the Tokyo Stock Exchange. If he assumes office as a Director who is an Audit and Supervisory Committee Member, the Company intends to register him as an independent officer with the aforementioned exchange.

Proposal No. 6 Setting the Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The maximum amount of remuneration for Directors was resolved to be not more than ¥480 million (including not more than ¥40 million for Outside Directors) per year (this amount does not include the portion of salaries for Directors who also serve as employees), at the 95th Annual General Meeting of Shareholders held on June 22, 2018.

Subject to the approval and adoption of Proposal No. 2 “Partial Amendment to the Articles of Incorporation” in its original form, the Company will transition to a Company with Audit and Supervisory Committee. Accordingly, the Company proposes to obtain the shareholders’ approval regarding the annual remuneration limit for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same is applied hereinafter).

The Company proposes to revise this amount to up to ¥650 million (including not more than ¥50 million for Outside Directors) per year for the purpose of making a remuneration system to motivate Directors of the Company to work to realize the Company’s vision and strategies and to contribute to the sustainable growth and medium- to long-term enhancement of corporate value. Furthermore, the Company proposes that this amount will not include the portion of salaries for Directors who also serve as employees same as before. (Currently, there are no Directors who also serve as employees.)

If this proposal is approved, the Company plans to change the part that states “Directors” being the persons eligible to “Directors (excluding Directors who are Audit and Supervisory Committee Members)” at a meeting of the Board of Directors after the conclusion of this General Meeting of Shareholders with respect to our Policy for Determining Remuneration, etc. for Individual Directors described on Page 45 to 46 of the Business Report (in Japanese only). The Company believes that this proposal is reasonable taking into consideration the number of Directors stated in the Articles of Incorporation, the economic conditions, market trends, the business performance, and other factors, and that it is on a level that is necessary and appropriate for securing and retaining talented human resources, and that the details are reasonable in light of the basic policy. The Company has also received a recommendation to that effect from the Nominating & Remuneration Committee.

The remuneration of Directors is determined by the Board of Directors after consultation with, and receiving recommendations from, the Nominating & Remuneration Committee, every year, within the extent approved by the General Meeting of Shareholders. Each Director’s basic remuneration, as well as his/her performance and target achievement ratio for each business year as a standard of performance-linked remuneration, are reviewed by the Nominating & Remuneration Committee, the majority of the members of which are Outside Officers. Regarding the assessment of the performance of each Director, a determination is made by the Nominating & Remuneration Committee under the delegation of the Board of Directors, after a verification of its reasonableness and the appropriateness of the decision-making process. The Nominating & Remuneration Committee comprises six members, including four Outside Officers.

The number of Directors is currently nine (including three Outside Directors). If Proposal No. 2 “Partial Amendment to the Articles of Incorporation” and Proposal No. 3 “Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and adopted in their original forms, the number of Directors under this proposal will be nine (including three Outside Directors), the same as at present.

The resolution for this proposal can only take effect after the amendment to the Articles of Incorporation of Proposal No. 2 takes effect.

Proposal No. 7 Setting the Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendment to the Articles of Incorporation” in its original form, the Company will transition to a Company with Audit and Supervisory Committee.

Accordingly, the Company proposes that the maximum amount of remuneration of Directors who are Audit and Supervisory Committee be set at ¥100 million per year, in light of the duties and responsibilities of the Directors who are Audit and Supervisory Committee Members, market trends, and other factors. The Company believes that this remuneration amount is reasonable in comparison to the number of Directors who are Audit and Supervisory Committee Members stated in the Articles of Incorporation after the amendment, the economic environment, market trends, and other factors, and that it is on a level that is necessary and appropriate for securing and retaining talented human resources and is reasonable.

If Proposal No. 2 “Partial Amendment to Articles of Incorporation” and Proposal No. 4 “Election of Three Directors Who Are Audit and Supervisory Committee Members” are approved and adopted in their original forms, the number of Directors who are Audit and Supervisory Committee Members under this proposal will be three.

The resolution for this proposal can only take effect after the amendment to the Articles of Incorporation of Proposal No. 2 takes effect.

Proposal No. 8 Determination of the Remuneration System for Directors (Excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members) Related to Stock Acquisition Rights as Share-Based Remuneration-Type Stock Options

The amount of share-based remuneration-type stock options for Directors was resolved to be not more than ¥55 million (including not more than ¥5 million for Outside Directors) per year separately from the amount of remuneration for Directors, at the 95th Annual General Meeting of Shareholders held on June 22, 2018.

The Company is transitioning to a Company with Audit and Supervisory Committee, and therefore proposes to determine a remuneration system for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; the same is applied hereinafter) related to stock acquisition rights as share-based remuneration-type stock options.

The purpose of this system is to further motivate Directors to contribute to an increase in stock price and improvement in business performance by sharing the benefits and risks of stock price fluctuations with the shareholders, and we propose to revise the amount to be not more than ¥60 million per year separately from the amount of remuneration for Directors.

If this proposal is approved, the Company plans to exclude Outside Directors from the persons eligible for share-based remuneration at a meeting of the Board of Directors after the conclusion of this General Meeting of Shareholders with respect to our Policy for Determining Remuneration, etc. for Individual Directors described on Page 45 to 46 of the Business Report (in Japanese only).

The Company believes that this proposal is reasonable taking into consideration the number of Directors stated in the Articles of Incorporation, the economic conditions, market trends, the business performance, and other factors, and that it is on a level that is necessary and appropriate for securing and retaining talented human resources, and that the details are reasonable in light of the basic policy. The Company has also received a recommendation to that effect from the Nominating & Remuneration Committee.

The remuneration of Directors is determined by the Board of Directors after consultation with, and receiving recommendations from, the Nominating & Remuneration Committee, every year, within the extent approved by the General Meeting of Shareholders. Each Director's basic remuneration, as well as his/her performance and target achievement ratio for each business year as a standard of performance-linked remuneration, are reviewed by the Nominating & Remuneration Committee, the majority of the members of which are Outside Officers. Regarding the assessment of the performance of each Director, a determination is made by the Nominating & Remuneration Committee under the delegation of the Board of Directors, after a verification of its reasonableness and the appropriateness of the decision-making process. The Nominating & Remuneration Committee comprises six members, including four Outside Officers.

The maximum amount of remuneration for Directors was resolved to be not more than ¥480 million (including not more than ¥40 million for Outside Directors) per year (this amount does not include the portion of salaries for Directors who also serve as employees), at the 95th Annual General Meeting of Shareholders held on June 22, 2018. However, if Proposal No. 6 is approved and adopted, the maximum amount of remuneration will be not more than ¥650 million (including not more than ¥50 million for Outside Directors) per year (this amount does not include the portion of salaries for Directors who also serve as employees).

In addition, the number of Directors is currently nine (including three Outside Directors). If Proposal No. 2 "Partial Amendment to the Articles of Incorporation" and Proposal No. 3 "Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" are approved and adopted in their original forms, the number of Directors (excluding Directors who Audit and Supervisory Committee Members) under this proposal will be nine (including three Outside Directors), the same as at present.

The resolution for this proposal can only take effect after the amendment to the Articles of Incorporation of Proposal No. 2 takes effect.

The details of these stock acquisition rights are as follows:

1) Type and numbers of shares subject to the stock acquisition rights

The type of shares subject to the stock acquisition rights shall be common shares of the Company.

The maximum number of shares subject to the stock acquisition rights to be granted by the exercise of the stock acquisition rights that are allotted to the Directors within one year from the date of the annual General Meeting of Shareholders for each business year shall be 100,000 shares, in total. The number of shares subject to each stock acquisition right (hereinafter, referred to as the “Number of Granted Shares”) shall be 100 shares. If the Number of Granted Shares is adjusted, the maximum number of the total of the shares to be issued to the Directors shall be the adjusted Number of Granted Shares, multiplied by the maximum number of the stock acquisition rights set forth in 2) below.

In the case where the Company carries out a stock split (including a gratis allotment of common shares of the Company; the same applies hereinafter with respect to references to the stock split) or stock consolidation after the date of the resolution of this proposal (hereinafter, referred to as the “Resolution Date”), the Number of Granted Shares shall be adjusted by using the formula below. Fractions of less than one share resulting from this adjustment shall be rounded down to the nearest whole share.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment x Ratio of the stock split or stock consolidation

Furthermore, in the case where the Company carries out a merger or company split, or other similar action that makes it necessary to adjust the Number of Granted Shares after the Resolution Date, the Company may make appropriate adjustments to the Number of Granted Shares, within a reasonable range.

2) The total number of stock acquisition rights

The maximum number of stock acquisition rights to be allotted within one year from the date of the annual General Meeting of Shareholders for each business year shall be 1,000, in total.

3) Amount to be paid for the stock acquisition rights

The amount paid per stock acquisition right shall be the price determined by the Board of Directors when the acquisition rights are allocated, based on the fair price of the stock acquisition right calculated using a fair calculation method, such as the Black-Scholes Model.

4) Amount of assets to be contributed upon exercise of the stock acquisition rights

The amount of assets to be contributed upon exercise of the stock acquisition rights shall be the amount obtained by multiplying the exercise price, which is ¥1 as the exercise amount for each share which can be granted by the exercise of each stock acquisition right by the Number of Granted Shares.

5) Period during which the stock acquisition rights may be exercised

The period during which the stock acquisition rights may be exercised shall be determined by the Board of Directors, and shall be a period within 30 years from the day following the day of allotment of the stock acquisition rights.

6) Restrictions on the acquisition of the stock acquisition rights by transfer

Acquisitions of the stock acquisition rights by transfer shall require the approval of the Board of Directors, by its resolution.

7) Conditions for the exercise of the stock acquisition rights

The Board of Directors will determine the conditions for the exercise of the stock acquisition rights, such as the provision that holders may exercise their stock acquisition rights from the day following the date on which they lose their position as Director within the period provided for in the above 5).

8) Other details regarding the stock acquisition rights

Other details regarding the stock acquisition rights, which are not described in any of items 1) through 7) above, shall be determined by the Board of Directors.