

OSAKA STEEL CO.,LTD.

Notice of the 44th General Meeting of Shareholders

OSAKA STEEL CO.,LTD.

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

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(Stock Exchange Code 5449)

June 2, 2022

To Shareholders with Voting Rights:

Taisuke Nomura
Representative Director and President
OSAKA STEEL CO., LTD.

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

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

NOTICE OF CONVOCATION OF THE 44TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

It is our pleasure to inform you of the 44th Annual General Meeting of Shareholders of OSAKA STEEL CO., LTD. (the “Company”). The meeting will be held as described below.

In view of the spread of COVID-19 infection, the Company has determined to hold this Annual General Meeting of Shareholders after implementing suitable measures to prevent infection.

Shareholders are requested to exercise their voting rights by post or via the Internet, and refrain from attending this Annual General Meeting of Shareholders in person, wherever possible, regardless of their state of health, in order to prevent the spread of infection.

Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form, and return it so that it is received by 5:20 p.m. (Japan time), the end of the Company’s business hours, on Thursday, June 23, 2022.

1. **Date and Time:** Friday, June 24, 2022 at 10:00 a.m. (Japan time)

2. **Place:** The Company's Meeting Room
1-9-3 Minami Okajima, Taisho-ku, Osaka

3. **Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 44th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 44th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of Two (2) Audit & Supervisory Board Member
- Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎ Of the documents to be provided with this Notice, Notes to Consolidated Financial Statements of the Consolidated Financial Statements and Notes to Non-consolidated Financial Statements of the Non-consolidated Financial Statements are posted on the Company's website in accordance with the provisions of laws and regulations as well as Article 17 of the Company's Articles of Incorporation, and therefore are not provided in the attachment to this Notice. Furthermore, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in the attachment to this Notice constitute a part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and Audit & Supervisory Board Members when preparing the Accounting Audit Report and Audit Report, respectively.
 - ◎ Should revisions arise to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements, the revised versions will be posted on the Company's website.

<Requests to prevent the spread of COVID-19 infection >

- Shareholders are kindly requested to cooperate in wearing masks, disinfecting hands and hands, and measuring the temperature with a non-contact thermometer when visiting the venue.
- Attendees who cannot cooperate in wearing mask, and those deemed to have a fever, those appear to be unwell may be refused entry, and requested to leave.
- Staff at the General Meeting of Shareholders will undergo body temperature measurement, confirm their health condition, and wear masks when attending.
- Fewer seats will be available, due to the necessity to widen the space between seats. For this reason, it may not be possible to admit all attendees to the venue. We ask for your kind understanding.
- The Company's countermeasures may change depending on the spread of infection and announcement made by the government and other authorities up until the day of the General Meeting of Shareholders. Shareholders are requested to check the Company's website for any updates.

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

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 17, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 17 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Description of the amendment

A comparison of the amendments between the current Articles of Incorporation and the amended Articles of Incorporation are as follows.

Amended parts are underlined.

Current Articles of Incorporation	Proposed amendment
<p><u>Article 17. (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Article 17. (Measures for Electronic Provision, Etc.)</u></p> <p><u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the</u></p>

Current Articles of Incorporation	Proposed amendment
	<u>paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>
(Newly established)	<p><u>(Supplementary provisions)</u></p> <ol style="list-style-type: none"> <li data-bbox="807 353 1410 607">1. <u>The deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 17 (Measures for Electronic Provision, Etc.) shall come into effect from on September 1,2022.</u> <li data-bbox="807 611 1410 801">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held until the end of February,2023.</u> <li data-bbox="807 806 1410 958">3. <u>These supplementary provisions shall be deleted on March 1,2023 or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 2: Election of Eight (8) Directors

The term of office of all nine (9) current Directors ends at the conclusion of the 44th General Meeting of Shareholders. The Board of Directors proposes that eight (8) Directors, including three (3) Outside Directors, be elected.

The candidates for Directors are set forth below.

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>1 Taisuke Nomura (November 8,1959)</p>	<p>April 1982 Joined NIPPON STEEL CORPORATION (NSC) May 2003 General Manager, Head of Production Scheduling Division, Nagoya Works of NSC April 2011 President of NIPPON STEEL INDIA PRIVATE LIMITED October 2012 President of NIPPON STEEL & SUMITOMO METAL INDIA PRIVATE LIMITED July 2015 Executive Counselor, Global Business Development Sector, Head of Global Business Support Center of NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC) April 2017 Executive Officer, Vice Head of Global Business Development of NSSMC April 2019 Managing Executive Officer, Vice Head of Global Business Development of NIPPON STEEL CORPORATION April 2020 Executive Officer of NIPPON STEEL CORPORATION Executive Advisor of the Company June 2020 Representative Director and President of the Company To the present</p>	<p>11,900</p>
<p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Taisuke Nomura as a Director because it decides that he is well-qualified for the position by his deep knowledge and strong leadership in corporate management, and ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p style="text-align: center;">2</p> <p style="text-align: center;">Teruyuki Wakatsuki (March 2, 1959)</p>	<p>April 1983 Joined NIPPON STEEL CORPORATION (NSC)</p> <p>January 2007 General Manager, Head of Rail, Shape & Spiral pipe Technology Department, Construction Products Marketing Division, Construction Products Unit of NSC</p> <p>April 2012 Executive Counselor, General Manager, Production & Technical Control Division, International Business Development Division of the Company</p> <p>June 2012 Executive Officer, General Manager, Production & Technical Control Division, International Business Development Division of the Company</p> <p>November 2012 Executive Officer, General Manager, Head of Product Planning Division, International Business Development Division of the Company</p> <p>June 2014 Senior Executive Officer, General Manager, Head of Product Planning Division, International Business Development Division of the Company</p> <p>April 2016 Senior Executive Officer, General Manager, Head of Osaka Okajima Works, Head of Product Planning Division, International Business Development Division of the Company</p> <p>April 2017 Senior Executive Officer, General Manager, Head of Osaka Unit Okajima Works, Head of Product Planning Division, International Business Development Division of the Company</p> <p>June 2017 Director, General Manager, Head of Osaka Unit Okajima Works, Head of Product Planning Division of the Company</p> <p>June 2018 Director, General Manager, Head of Product Planning Division of the Company</p> <p>June 2020 Managing Director, General Manager, Head of Product Planning Division of the Company</p> <p>To the present</p>	13,400
<p><u>Reasons for the election as Director Candidate</u></p> <p>The Board of Directors has proposed the re-election of Mr. Teruyuki Wakatsuki as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of planning products and supervising manufacturing plants since joining the Company, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
3 Kazuo Imanaka (August 4,1962)	<p> April 1985 Joined NIPPON STEEL CORPORATION (NSC) July 2011 General Manager, Head of Electrical Steel Sheet Division, Hirohata Works of NSC October 2012 General Manager, Head of Electrical Steel Sheet Division, Hirohata Works of NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC) April 2014 General Manager, Head of Tin Mill Products Division, Hirohata Works of NSSMC April 2017 Executive Vice President of JCAPCPL April 2020 Executive Officer, General Manager,Head of Production & Technical Control Division, Head of Purchasing Division of the Company June 2020 Director, General Manager,Head of Production & Technical Control Division, Head of Purchasing Division,responsible for Matters related to Safety & Environment,Plant Engineering of the Company To the present </p>	3,900
<p> <u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Kazuo Imanaka as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of supervising manufacturing plants, and by his ample business knowledge and experience in the steel business. </p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>4 Fumiaki Osaki (March 8,1968)</p>	<p>April 1990 Joined NIPPON STEEL CORPORATION April 2014 General Manager, Head of General Administration Division, Muroran Works of NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC) April 2016 General Manager, Head of Bar & Wire Rod Marketing Division, Bar & Wire Rod Unit of NSSMC April 2019 General Manager, Head of Corporate Planning Division of NIPPON STEEL CORPORATION April 2021 Executive Officer, responsible for Matters related to Marketing, Head of Sales & Logistics Planning Division, Head of Oversea Sales Division, Head of Marketing Branch of the Company June 2021 Director, responsible for Matters related to Marketing and Sales & Logistics Planning of the Company, General Manager, Head of Marketing & Logistics Planning Division September 2021 Director, responsible for Matters related to Sales & Logistics To the present</p>	<p>0</p>
<p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposes the re-election of Mr. Fumiaki Osaki as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of marketing, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
5 Hiroshi Matsuda (February 26,1969)	<p>April 1992 Joined NIPPON STEEL CORPORATION</p> <p>April 2017 General Manager, Head of General Administration Division, Nagoya Works of NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC)</p> <p>April 2019 Chief Manager, General Administration Division, Business Process Innovation Division of NIPPON STEEL CORPORATION</p> <p>April 2020 General Manager, Group Companies Planning Division of NIPPON STEEL CORPORATION</p> <p>May 2021 Executive Officer, assistant to Director for Matters related to Corporate Planning and General Administration and Accounting & Finance and Group Companies Planning of the Company</p> <p>June 2021 Director, responsible for Matters related to Corporate Planning and General Administration and Accounting & Finance and Group Companies Planning of the Company</p> <p>To the present</p>	0
<p><u>Reasons for the election as Director Candidate</u></p> <p>The Board of Directors has proposes the re-election of Mr. Hiroshi Matsuda as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of general affairs, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>6 Hironobu Ishikawa (December 4,1954)</p>	<p>April 1979 Joined MITSUI & CO., LTD. April 2006 General Manager, Head of Energy Business Division of MITSUI & CO., LTD. April 2010 Executive Officer, General Manager, Head of Human Resources & General Administration Division of MITSUI & CO., LTD. April 2013 Managing Executive Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of MITSUI & CO., LTD. President of Mitsui & Co. Europe PLC April 2015 Senior Managing Executive Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of MITSUI & CO., LTD. President of Mitsui & Co. Europe PLC April 2016 Advisor of MITSUI & CO., LTD. May 2016 International Senior Advisor of Kream Worldwide AB June 2018 Outside Director of the Company December 2019 Advisor, Pasona Group Inc. November 2021 Advisor, Kansai Biomass Recycling Network Co.,Ltd To the present</p> <p>[Significant concurrent positions] Advisor, Pasona Group Inc. Advisor, Kansai Biomass Recycling Network Co.,Ltd</p>	<p>0</p>
<p><u>Reasons for the election as Outside Director Candidate and an outline of his expected roles</u> The Board of Directors has proposed the re-election of Mr. Hironobu Ishikawa as an Outside Director because it decides that he is well-qualified for the position by his contributing to strengthening corporate governance of the Company, and by his ample business knowledge that he accumulated at other company for many years and his experience in corporate management from his global viewpoint. In addition, if he is appointed, he will be appropriately involved in the selection of officer candidates and officer compensation from an objective and neutral standpoint at the officer personnel and compensation meeting. Since his appointment as an Outside Director of the Company, Mr. Hironobu Ishikawa will have served in such position for Four (4) years at the conclusion of this General Meeting of Shareholders.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned	
7	Shinya Matsuzawa (February 27,1956)	<p>April 1979 Joined SHIONOGI & CO., LTD.</p> <p>April 2005 General Manager, Head of Legal Affairs Division of SHIONOGI & CO., LTD.</p> <p>April 2013 Executive Officer, General Manager, Head of Legal Affairs Division of SHIONOGI & CO., LTD.</p> <p>April 2016 General Manager, Head of Legal Affairs Division of SHIONOGI & CO., LTD.</p> <p>April 2019 Advisor, Legal Affairs Division of SHIONOGI & CO., LTD.</p> <p>June 2019 Outside Director of the Company To the present</p> <p>[Significant concurrent positions] Advisor, Legal Affairs Division, SHIONOGI & CO., LTD.</p>	0
		<p><u>Reasons for the election as Outside Director Candidate and an outline of his expected roles</u></p> <p>The Board of Directors has proposed the re-election of Mr. Shinya Matsuzawa as an Outside Director because it decides that he is well-qualified for the position by his contributing to strengthening corporate governance of the Company, and by his ample business knowledge that he accumulated at other companies for many years and his experience in corporate legal affairs.</p> <p>In addition, if he is appointed, he will be appropriately involved in the selection of officer candidates and officer compensation from an objective and neutral standpoint at the officer personnel and compensation meeting.</p> <p>Since his appointment as an Outside Director of the Company, Mr. Shinya Matsuzawa will have served in such position for Three (3) years at the conclusion of this General Meeting of Shareholders.</p>	

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
8 Mitsuhiro Sato (March 16, 1956)	April 1978	0
	April 2002	0
	March 2006	0
	March 2008	0
	March 2012	0
	March 2014	0
	March 2021	0
	June 2021	0
<p><u>Reasons for the election as Outside Director Candidate and an outline of his expected roles</u></p> <p>The Board of Directors has proposed the re-election of Mr. Mitsuhiro Sato as an Outside Director because it decides that he is well-qualified for the position by his contributing to strengthening corporate governance of the Company, and by his ample business knowledge that he accumulated at other companies for many years and his experience in corporate management from a global perspective.</p> <p>In addition, if he is appointed, he will be appropriately involved in the selection of officer candidates and officer compensation from an objective and neutral standpoint at the officer personnel and compensation meeting.</p> <p>Since his appointment as an Outside Director of the Company, Mr. Mitsuhiro Sato will have served in such position for One (1) year at the conclusion of this General Meeting of Shareholders.</p>		

(Notes)

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

Proposal 3: Election of Two (2) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Shuichi Takami and Audit & Supervisory Board Member Mr. Masanori Ando ends at the conclusion of the 44th General Meeting of Shareholders. The Board of Directors proposes that Two (2) Audit & Supervisory Board Member be elected.

The submission of this proposal has been consented to by the Audit & Supervisory Board.
The candidate for Audit & Supervisory Board Member is set forth below.

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>1</p> <p>Shuichi Takami (November 19, 1959)</p>	<p>April 1988 Appointed Assistant Judge, Osaka District Court</p> <p>May 1990 Registered with Osaka Bar Association Joined Oka Myouga Legal Office</p> <p>April 2004 Specially Appointed Professor in Professional Judicial Studies, Osaka City University, Graduate School of Law</p> <p>April 2005 Established Human Legal Office</p> <p>June 2014 Outside Audit & Supervisory Board Member of the Company To the present</p> <p>[Significant concurrent positions] Attorney, Human Legal Office</p> <p><u>Reasons for the election as Outside Audit & Supervisory Board Member Candidate</u> The Board of Directors has proposed the re-election of Mr. Shuichi Takami as an Outside Audit & Supervisory Board Member because it decides that he is well-qualified for the position by his appropriate action from his objective viewpoint as an Outside Audit & Supervisory Board Member of the Company, and by his ample experience and expert knowledge as a lawyer, notwithstanding the fact that he does not have experience participating corporate management other than as an Outside Audit & Supervisory Board Member. Since his appointment as an Outside Audit & Supervisory Board Member of the Company, Mr. Shuichi Takami will have served in such position for eight (8) years at the conclusion of this General Meeting of Shareholders.</p>	<p>0</p>

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>2</p> <p>Takaki Goto (September 28, 1969)</p>	<p>April 1992 Joined NIPPON STEEL CORPORATION</p> <p>April 2019 General Manager, Head of Corporate Planning Division of NIPPON STEEL CORPORATION</p> <p>April 2021 General Manager, Group Companies Planning Division of NIPPON STEEL CORPORATION</p> <p>April 2022 Head of General Manager, Group Companies Planning Division of NIPPON STEEL CORPORATION</p> <p>To the present</p> <p>[Significant Concurrent Positions]</p> <p>Outside Audit & Supervisory Board Member, Nippon Coke & Engineering Co., Ltd.</p> <p><u>Reasons for the election as Audit & Supervisory member Candidate</u></p> <p>The Board of Directors has proposes the new election of Mr. Takaki Goto as an Audit & Supervisory Board Member because it decides that he is well-qualified for the position by performing his duties for Audit & Supervisory Board System of the Company, and by his ample business knowledge and experience in the steel business.</p>	<p>0</p>

(Notes)

1. There is no special interest between each of these candidates and the Company.
2. Shuichi Takami is a candidate for outside Audit & Supervisory Board member. The Company has registered him as an independent officer with the Tokyo Stock Exchange.
3. The Company has entered into a contract with him that limits his liability for damage caused by his failure to perform his duties, in accordance with Article 427, Paragraph 1 of the Companies Act and Article 37, Paragraph 2 of the Articles of Incorporation of the Company. The maximum amount of liability under said contract is the amount stipulated by law. If Proposal No. 3 is approved as originally proposed, the contract with him will be continued.
4. The Company has entered into a contract with him that compensates for the costs as set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for the loss as set forth in Item 2 of the same paragraph to the extent stipulated by law. If Proposal No. 3 is approved as originally proposed, the contract with him will be continued.
5. Takaki Goto is currently, and has been for the past 10 years, an executive of Nippon Steel Corporation, the parent company of the Company. As an executive, he holds the position of and assumes responsibility thereof a general manager at an affiliated company of Nippon Steel Corporation.

6. If Proposal No. 3 is approved as originally proposed, the Company will enter into a contract with him that limits his liability for damage caused by his failure to perform his duties, in accordance with Article 427, Paragraph 1 of the Companies Act and Article 37, Paragraph 2 of the Articles of Incorporation of the Company. The maximum amount of liability under said contract is the amount stipulated by law.
7. If Proposal No. 3 is approved as originally proposed, the Company will enter into a contract with him that compensates for the costs as set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for the loss as set forth in Item 2 of the same paragraph to the extent stipulated by law.

Proposal 4: Election One (1) Substitute Audit & Supervisory Board Member

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

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

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

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

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

(Notes)

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