

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

Securities code: 5933

May 28, 2024

To our shareholders:

Nobuo Kobayashi
Representative Director and President
ALINCO INCORPORATED
1-1-1 Mishimae, Takatsuki City, Osaka Prefecture
(Osaka Head office: 4-4-9 Koraihashi, Chuo-ku, Osaka
City)

Notice of the 54th Annual General Meeting of Shareholders

We are pleased to announce the 54th Annual General Meeting of Shareholders of ALINCO INCORPORATED (the “Company”), which will be held as described below.

If you are not attending the meeting in person, you may exercise your voting rights either via the Internet, etc. or in writing (via postal mail) as follows. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by the respective voting deadlines.

[Exercising your voting rights via the Internet, etc.]

Please access the voting website designated by the Company (<https://www.web54.net>), log in with the voting code and password on the voting form, follow the guidance on the screen, and enter your approval or disapproval of the proposals by Tuesday, June 18, 2024, at 5:30 p.m. (JST).

[Exercising your voting rights in writing (via postal mail)]

Please indicate your approval or disapproval of the proposals in the voting form and then return the form to the Company so that your vote is received by Tuesday, June 18, 2024, at 5:30 p.m. (JST).

1. Date & Time Wednesday, June 19, 2024, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m. (JST))

2. Venue 20F, Naniwa Hall, Hotel Granvia Osaka
3-1-1 Umeda, Kita-ku, Osaka City

3. Purpose of the Meeting

Matters to be Reported

1. The Business Report and the Consolidated Financial Statements for the 54th fiscal year (from March 21, 2023 to March 20, 2024), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 54th fiscal year (from March 21, 2023 to March 20, 2024)

Matters to be Resolved

- Proposal No. 1** Election of seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 2** Election of three Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 3** Election of two substitute Directors Who Are Audit and Supervisory Committee Members

4. Matters Concerning the Exercise of Voting Rights

- If you exercise your voting rights via the Internet, etc. multiple times, only the last vote will be valid.
- Any voting right exercised in writing (via postal mail) without indicating approval or disapproval of a particular proposal on the voting form will be counted as a vote for approval of the proposal.
- If you exercise your voting rights in duplicate via the Internet, etc. and in writing (via postal mail), only the vote via the Internet, etc. will be valid regardless of the date and time of the arrival.

5. Matters Concerning Measures for Electronic Provision

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of the reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format will be taken) in electronic format, and posts this information on the following websites.

Note that, for this general meeting of shareholders, paper-based documents stating items for which measures for providing information in electronic format will be taken, excluding the items omitted in the delivered documents as stated below, are delivered to all shareholders without exception regardless of whether they have made a request for delivery of such documents.

- The Company's website

<https://www.alinco.co.jp/ir/meeting.html> (in Japanese)

- The Tokyo Stock Exchange's website (Listed Company Search)

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

Please enter "ALINCO" in "Issue name (company name)" or the Company's securities code "5933" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]."

- When attending the meeting in person, please submit the voting form at the reception of the meeting. In addition, to save resources, you are kindly requested to bring this notice and the Notice (the Japanese original) to the meeting.
- Items omitted in the delivered documents: Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 14, paragraph (2) of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.
In the Business Report, Principal Businesses, Principal Offices and Factories, Number of Employees, Principal Lenders, Matters Concerning Shares of the Company, Matters Concerning Stock Acquisition Rights, Matters Concerning Limited Liability Agreement, Matters Concerning Directors and Officers Liability Insurance Policy, Matters Concerning Outside Directors, Matters Concerning Financial Auditors, and System to Ensure the Appropriateness of Business Activities and the Outline of the Operating Status. In the Consolidated Financial Statements, Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements. In the Non-consolidated Financial Statements, Statements of Changes in Equity and Notes to Non-Consolidated Financial Statements.
These items are part of the documents audited by the Financial Auditor and the Audit and Supervisory Committee when they create their respective audit reports.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on websites stated in "5. Matters Concerning Measures for Electronic Provision."

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Election of seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all seven Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this meeting. Therefore, the Company proposes the election of seven Directors (excluding Directors who are Audit and Supervisory Committee Members).

The nomination of each candidate has been decided through deliberation by the Nomination and Compensation Committee, which is presided over by an Outside Director and a majority of whose members consist of Outside Directors. Note that the Audit and Supervisory Committee has expressed their opinion that there were no matters to be specifically noted concerning the proposal.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name		Current Position and Responsibilities
1	Yusaku Inoue	Reelection	Representative Director and Chairperson
2	Nobuo Kobayashi	Reelection	Representative Director, President and Chief Operating Officer
3	Masatoshi Okamoto	Reelection	Director and Senior Managing Executive Officer Responsible for Construction Materials Division and Construction Materials Rental Division
4	Takashi Sakaguchi	Reelection	Director and Managing Executive Officer General Manager of General Accounting and Control Division and Overseas Scaffolding Rental Division
5	Tomoaki Inoue	Reelection	Director and Executive Officer Sales Department Manager of Construction Materials Division and responsible for Manufacturing and Production Engineering Division
6	Koji Mizuno	Reelection Outside Independent	Outside Director
7	Akiko Hosokawa	Reelection Outside Independent	Outside Director

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Candidate for independent officer

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p data-bbox="331 297 539 360">Yusaku Inoue (December 20, 1943)</p> <p data-bbox="384 394 486 421">Reelection</p> <p data-bbox="288 454 582 551">Number of Board of Directors meetings attended 17/17</p>	<p data-bbox="612 259 1220 293">Apr. 1967 Joined Inoue Tekkousho Ltd.</p> <p data-bbox="612 297 1220 387">July 1970 Established Inoue Tekkou Co., Ltd. (currently ALINCO INCORPORATED) Senior Managing Director</p> <p data-bbox="612 392 1220 454">June 1993 Representative Director and President of the Company</p> <p data-bbox="612 459 1220 490">June 2009 Representative Director and Chairperson</p> <p data-bbox="612 495 1220 526">June 2019 Director and Chairperson</p> <p data-bbox="612 530 1220 584">Dec. 2019 Representative Director and Chairperson (current position)</p>	617,746 shares
<p data-bbox="277 595 756 622">Reasons for nomination as candidate for Director</p> <p data-bbox="277 627 1430 779">Yusaku Inoue has been serving as Director of the Company since its establishment. He has been involved in the management of the Company for many years, and has been performing his duties and responsibilities in an appropriate manner. He has abundant experience in the temporary construction material industry, and has served for many years as vice chairperson of Scaffolding and Construction Equipment Association of Japan and has contributed to prevent industrial accidents at construction sites.</p> <p data-bbox="277 784 1422 842">As the Company has deemed him as an individual who can continue to contribute to the management of the Company by utilizing this experience and insight as a Director, it has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Nobuo Kobayashi (January 20, 1957) Reelection Number of Board of Directors meetings attended 17/17	Apr. 1980 Joined Osaka Bank, Limited (currently Kansai Mirai Bank, Limited) Apr. 2008 Executive Officer of the Kinki Osaka Bank, Ltd. (currently Kansai Mirai Bank, Limited) June 2008 Director and Executive Officer Apr. 2010 Joined the Company Corporate Officer; Finance Department Manager June 2012 Director; Accounting Department Manager, Finance Department Manager June 2018 Managing Director; General Manager of Administration Division Dec. 2019 Representative Director and President Jan. 2020 Representative Director and Chairperson of SOFUKUKOKI CO., LTD. (current position) June 2021 Representative Director, President, and Chief Operating Officer (current position) Aug. 2021 Representative Director and Chairperson of HIGASHI ELECTRONICS INDUSTRY CO., LTD. (current position) Nov. 2021 Representative Director and Chairperson of UEKIN Co., Ltd. (current position)	46,148 shares
<p>Reasons for nomination as candidate for Director</p> <p>Nobuo Kobayashi has a high level of insight and abundant experience in the overall management of a company. He has been involved in the management as a Director of the Company since June 2012. From June 2018, he conducts management of the overall business of the Company as Managing Director and General Manager of the Administration Division. Since December 2019, he has been performing his duties and responsibilities in an appropriate manner as Representative Director and President.</p> <p>As the Company has deemed him as an individual who can continue to contribute to the management of the Company by utilizing this insight and experience as a Director, it has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p data-bbox="336 555 536 613">Masatoshi Okamoto (October 5, 1958)</p> <p data-bbox="384 651 488 678">Reelection</p> <p data-bbox="288 714 584 804">Number of Board of Directors meetings attended 17/17</p>	<p data-bbox="612 262 975 291">Mar. 1982 Joined the Company</p> <p data-bbox="612 297 1118 387">June 2012 Corporate Officer; Kanto and Chubu Area Manager of Construction Materials Division</p> <p data-bbox="612 394 1150 483">Jan. 2014 Corporate Officer; Vice General Manager of Construction Materials Division</p> <p data-bbox="612 490 1150 580">June 2015 Director; Vice General Manager of Construction Materials Division</p> <p data-bbox="612 586 1193 654">Mar. 2018 Director; General Manager of Construction Materials Division</p> <p data-bbox="612 660 1209 813">June 2021 Director and Managing Executive Officer, responsible for Construction Materials Division, Construction Materials Rental Division, and Manufacturing and Production Engineering Division</p> <p data-bbox="612 819 1230 972">June 2023 Director and Senior Managing Executive Officer, responsible for Construction Materials Division, Construction Materials Rental Division, and Manufacturing and Production Engineering Division</p> <p data-bbox="612 978 1230 1099">Oct. 2023 Director and Senior Managing Executive Officer, responsible for Construction Materials Division and Construction Materials Rental Division (current position)</p>	24,925 shares
<p data-bbox="277 1113 756 1135">Reasons for nomination as candidate for Director</p> <p data-bbox="277 1142 1406 1261">Masatoshi Okamoto has been involved in the Company's Construction Materials Division for a long time and has abundant experience in the temporary construction material industry. Furthermore, he has been involved in the management as a Director since June 2015, and has been performing his duties and responsibilities in an appropriate manner.</p> <p data-bbox="277 1267 1422 1326">As the Company has deemed him as an individual who can continue to contribute to the management of the Company by utilizing this experience and insight as a Director, it has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Takashi Sakaguchi (September 5, 1961)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Number of Board of Directors meetings attended 17/17</p>	<p>Mar. 1984 Joined the Company</p> <p>June 2014 Corporate Officer; Finance Department Manager</p> <p>June 2017 Director; Finance Department Manager</p> <p>Sept. 2017 Director; General Manager of Overseas Scaffolding Rental Division and Finance Department Manager</p> <p>Mar. 2020 Director; General Manager of General Accounting and Control Division and Overseas Scaffolding Rental Division</p> <p>June 2021 Director and Managing Executive Officer; General Manager of General Accounting and Control Division and Overseas Scaffolding Rental Division</p> <p>Oct. 2021 Director and Managing Executive Officer; General Manager of General Accounting and Control Division and Overseas Scaffolding Rental Division, and responsible for Fitness Division</p> <p>Mar. 2023 Director and Managing Executive Officer; General Manager of General Accounting and Control Division and Overseas Scaffolding Rental Division (current position)</p>	25,183 shares
<p>Reasons for nomination as candidate for Director</p> <p>Takashi Sakaguchi has abundant business experience in the Company's Administration Division, and has a high level of insight in accounting and finance-related business. He has been involved in the management as a Director of the Company since June 2017. Since September 2017, he has been performing his duties and responsibilities as the person in charge of the overseas construction materials rental business.</p> <p>As the Company has deemed him as an individual who can continue to contribute to the management of the Company by utilizing this experience and insight as a Director, it has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Tomoaki Inoue (August 16, 1972)</p> <p>Reelection</p> <p>Number of Board of Directors meetings attended 13/13</p>	<p>Apr. 1996 Joined Hanwa Co., Ltd.</p> <p>Nov. 1999 Joined the Company</p> <p>Feb. 2016 Representative Director of PT. KAPURINDO SENTANA BAJA (currently PT. ALINCO SCAFFOLDING INDONESIA) Representative Director of PT. ALINCO RENTAL INDONESIA</p> <p>May 2021 Sales Department Manager of Construction Materials Division</p> <p>June 2021 Corporate Officer; Sales Department Manager of Construction Materials Division</p> <p>June 2023 Director and Executive Officer; Sales Department Manager of Construction Materials Division</p> <p>Oct. 2023 Director and Executive Officer; Sales Department Manager of Construction Materials Division, and responsible for Manufacturing and Production Engineering Division (current position)</p>	194,323 shares
<p>Reasons for nomination as candidate for Director</p> <p>Tomoaki Inoue has abundant business experience in the Company's Construction Materials Division, and is well versed in the temporary construction material-related business. Furthermore, he served as Representative Director of overseas subsidiaries from February 2016, has been involved in management as a Director of the Company since June 2023, and has been performing his duties and responsibilities in an appropriate manner. As the Company has deemed him as an individual who can contribute to the management of the Company by utilizing this experience and insight as a Director, it has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p>Koji Mizuno (June 29, 1968)</p> <p>Reelection Outside Independent</p> <p>Number of Board of Directors meetings attended 17/17</p>	<p>Apr. 1991 Joined The Nanto Bank, Ltd.</p> <p>Apr. 2006 Lecturer, Faculty of Management of Otomon Gakuin University</p> <p>Apr. 2010 Associate Professor, Faculty of Management</p> <p>June 2011 Outside Auditor of DAIKEN CORPORATION</p> <p>June 2015 Outside Director Chairperson of Corporate Governance Committee and Nomination and Compensation Committee</p> <p>Apr. 2016 Professor, Faculty of Management and Graduate School of Business Administration of Otomon Gakuin University</p> <p>Apr. 2018 Dean, Faculty of Management (current position) Professor, Faculty of Management and Graduate School of Business Administration and Economics of Otomon Gakuin University (current position)</p> <p>June 2020 Outside Administrative Officer of Kita Osaka Shinkin Bank (current position)</p> <p>July 2020 "Regional Revitalization Planning & Promotion Member" Advisor of Kinki Finance Bureau, Ministry of Finance Japan (current position)</p> <p>June 2022 Outside Director of the Company (current position)</p>	1,000 shares
<p>Reasons for nomination as candidate for outside Director and overview of expected roles</p> <p>Although Koji Mizuno has not been directly involved in the management of the company in the past, he has a high level of professional insight in finance-related laws as a university professor, and abundant experience as an outside officer at other companies. He has also served as an Outside Director of the Company since June 2022 and contributed to the sustainable improvement of our corporate value. As the Company has deemed him as an individual who can continue to contribute to the management of the Company, it has nominated him as a candidate for outside Director.</p> <p>He is expected to give advice and oversight to the management from an objective and neutral standpoint, and as a member of the Nomination and Compensation Committee, to contribute to the enhancement of the independence of functions of the Board of Directors and objectivity and transparency of its procedures with respect to the election and removal of executives and decisions on remunerations, etc.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Akiko Hosokawa (October 16, 1963) Reelection Outside Independent Number of Board of Directors meetings attended 12/13	<p>Mar. 1994 Registered as a certified public accountant</p> <p>Jan. 2001 Opened Hosokawa Certified Public Accountant Office</p> <p>Aug. 2002 Outside Corporate Auditor of Soiken Holdings Inc.</p> <p>Nov. 2012 Partner of Hosokawa Partners Tax Corporation (current position)</p> <p>June 2019 Audit Commissioner, City of Kobe (current position)</p> <p>June 2020 Outside Director (Audit & Supervisory Committee member) of Mizuno Corporation (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p>	– shares
<p>Reasons for nomination as candidate for outside Director and overview of expected roles</p> <p>Akiko Hosokawa has professional knowledge and broad experience as a certified public accountant. Although she has not been directly involved in the management of the company in the past, she has abundant experience as an outside officer at other companies. She has also served as an Outside Director of the Company since June 2023 and contributed to the sustainable improvement of our corporate value through advice and oversight leveraging the above insight and experience. As the Company has deemed her as an individual who can continue to contribute to the management of the Company, it has nominated her as a candidate for outside Director.</p> <p>She is expected to give advice and oversight to the management from an objective and neutral standpoint, and as a member of the Nomination and Compensation Committee, to contribute to the enhancement of the independence of functions of the Board of Directors and objectivity and transparency of its procedures with respect to the election and removal of executives and decisions on remunerations, etc.</p>			

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Koji Mizuno and Akiko Hosokawa are candidates for outside Director.
 - At the conclusion of this meeting, Koji Mizuno's tenure as outside Director of the Company will have been two years. At the conclusion of this meeting, Akiko Hosokawa's tenure as outside Director of the Company will have been one year.
 - The number of Board of Directors meetings attended by each candidate is the number of meetings attended during the 54th term.
 - The number of Board of Directors meetings attended by Tomoaki Inoue and Akiko Hosokawa refer to the number of meetings they attended during their terms of office in the 54th term.
 - The number of the Company's shares owned by each candidate is as of March 20, 2024.
 - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into limited liability agreements with Koji Mizuno and Akiko Hosokawa limiting their liability for damages under Article 423, paragraph (1) of the Companies Act to the amount stipulated by laws and regulations. The Company plans to continue such contracts with both candidates if they are elected.
 - Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company that includes the Directors of the Company as insured persons. The policy covers claims for damages and litigation expenses incurred due to actions carried out by insured persons based on their position (including in case of shareholder derivative lawsuit). If their elections are approved, the candidates will be included as insured persons in this policy. Note that the Company plans to renew the policy under the same term after the expiration of the insurance period.
 - The Company has submitted notification to the Tokyo Stock Exchange that Koji Mizuno and Akiko Hosokawa have been appointed as independent officers as provided for by the aforementioned exchange. If their elections are approved, the Company plans for their appointments as independent officers to continue.

Proposal No. 2 Election of three Directors Who Are Audit and Supervisory Committee Members

The terms of office of all three Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

The nomination of each candidate has been decided through deliberation by the Nomination and Compensation Committee, which is presided over by an Outside Director and a majority of whose members consist of Outside Directors. In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for Director who is Audit and Supervisory Committee Member are as follows:

Candidate No.	Name		Current Position and Responsibilities
1	Toshinori Yoshii	Reelection	Director (Full-time Audit and Supervisory Committee Member)
2	Naruo Korome	New election Outside Independent	–
3	Shinpei Nomura	New election Outside Independent	–

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Candidate for independent officer

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Toshinori Yoshii (June 8, 1962) Reelection Number of Board of Directors meetings attended 17/17 Number of Audit and Supervisory Committee meetings attended 12/12	Apr. 1986 Apr. 1992 July 2008 Apr. 2018 July 2019 Feb. 2020 June 2022	Joined Omuron Tateishi Electronics Co. (currently Omron Corporation) Controller of Omron Malaysia SDN.BHD. Administration Department Manager of Hitachi Financial Equipment System (Shenzhen) Co., Ltd. Internal Audit Department Manager of Hitachi-Omron Terminal Solutions, Corp. (currently Hitachi Channel Solutions, Corp.), Joined the Company Internal Audit Department Manager Director (Full-time Audit and Supervisory Committee Member) (current position)	2,300 shares
Reasons for nomination as candidate for Director who is Audit and Supervisory Committee Member Toshinori Yoshii has extensive auditing experience from his previous positions and has been responsible for Internal Audit Department of the Company since February 2020. He has appropriately fulfilled his duties and responsibilities as a Director who is Audit and Supervisory Committee Member since June 2022. We believe that by utilizing such experience and knowledge as Director who is Audit and Supervisory Committee Member, the Company expects him to enhance transparency and strengthen the supervisory function of the Board of Directors, and therefore, he is nominated for reelection as a Director who is Audit and Supervisory Committee Member.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Naruo Korome (May 20, 1980)	Mar. 2010	Registered as a certified public accountant	100 shares
	New election Outside Independent	Jan. 2018	Representative of KOROME & CO. (Certified Public Accountant and Certified Public Tax Accountant) (current position)	
	Number of Board of Directors meetings attended	May 2018	Outside Corporate Auditor of KEC Co., Ltd.	
	–	May 2021	Representative of KOEKI KEIRI Office Center G.K. (current position)	
	Number of Audit and Supervisory Committee meetings attended	July 2021	Outside Corporate Auditor of Sanei Co., Ltd. (current position)	
	–	June 2023	Outside Corporate Auditor of PCA Corporation (current position)	
Reasons for nomination as candidate for outside Director who is Audit and Supervisory Committee Member and overview of expected roles Naruo Korome has professional knowledge and broad experience as a certified public accountant. Although he has not been directly involved in the management of the Company in the past, he has experience as an outside officer at other companies. We believe that he is an appropriate person to help the Company sustainably improve our corporate value, and have therefore nominated him as a candidate for outside Director. He is expected to give advice and oversight to the management from an objective and neutral standpoint, and as a member of the Nomination and Compensation Committee, to contribute to the enhancement of the independence of functions of the Board of Directors and objectivity and transparency of its procedures with respect to the election and removal of executives and decisions on remuneration, etc.				
3	Shinpei Nomura (October 3, 1982)	Dec. 2015	Registered as an attorney at law Joined Nomura Law Office	– shares
	New election Outside Independent	July 2020	Outside Corporate Auditor of Fuji kogyo co., Ltd. (current position)	
	Number of Board of Directors meetings attended	Jan. 2022	Outside Corporate Auditor of Fuji holdings co., Ltd. (current position)	
	–	June 2022	Outside Director of Rococo Co., Ltd. (current position)	
	Number of Audit and Supervisory Committee meetings attended			
	–			
Reasons for nomination as candidate for outside Director who is Audit and Supervisory Committee Member and overview of expected roles Shinpei Nomura has professional knowledge and broad experience as an attorney. Although he has not been directly involved in the management of the company in the past, he has experience as an outside officer at other companies. We believe that he is an appropriate person to help the Company sustainably improve our corporate value, and have therefore nominated him as a candidate for outside Director. He is expected to give advice and oversight to the management from an objective and neutral standpoint, and as a member of the Nomination and Compensation Committee, to contribute to the enhancement of the independence of functions of the Board of Directors and objectivity and transparency of its procedures with respect to the election and removal of executives and decisions on remuneration, etc.				

- (Notes)
1. Naruo Korome and Shinpei Nomura are new candidates for outside Directors who are Audit and Supervisory Committee Members.
 2. There is no special interest between any of the candidates and the Company.
 3. The number of Board of Directors meetings and Audit and Supervisory Committee meetings attended by Toshinori Yoshii refer to the number of meetings attended during the 54th term.
 4. The number of the Company's shares owned by each candidate is as of March 20, 2024.

5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a limited liability agreement with Toshinori Yoshii limiting his liability for damages under Article 423, paragraph (1) of the Companies Act to the amount stipulated by laws and regulations. The Company plans to continue such contract with him if he is elected. If the elections of Naruo Korome and Shinpei Nomura are approved, the Company plans to enter into limited liability agreements with both of them under the same terms and conditions.
6. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company that includes the Directors of the Company as insured persons. The policy covers claims for damages and litigation expenses incurred due to actions carried out by insured persons based on their position (including in case of shareholder derivative lawsuit). If their elections are approved, the candidates will be included as insured persons in this policy. Note that the Company plans to renew the policy under the same term after the expiration of the insurance period.
7. If the elections of Naruo Korome and Shinpei Nomura are approved, the Company plans to submit notification to the Tokyo Stock Exchange concerning their designation as an independent officer as provided for by the aforementioned exchange.

Proposal No. 3 Election of two substitute Directors Who Are Audit and Supervisory Committee Members

The Company requests approval for the election of two substitute Directors who are Audit and Supervisory Committee Members 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.

Regarding the order in which substitute Directors who are Audit and Supervisory Committee Members will assume office, Naho Takeda shall be first in line and Takaaki Narasaki shall be second in line. However, since Naho Takeda does not meet the requirements for outside Director, Takaaki Narasaki shall fill in any absence of outside Director who is Audit and Supervisory Committee Member.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal. The validity of an election can be nullified by resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that it is done before the candidate assumes office.

Candidates for substitute Directors who are Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Current Position and Responsibilities
1	Naho Takeda	Legal Affairs Section Manager, Legal Department, General Affairs and Human Resources Division
2	Takaaki Narasaki	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Naho Takeda (October 26, 1978)	<p>Apr. 2003 Joined Shionogi & Co., Ltd.</p> <p>Apr. 2018 Lecturer, Department of Business Law, Faculty of Business Administration of Osaka University of Economics</p> <p>Mar. 2019 Registered as an attorney at law</p> <p>Apr. 2020 Joined the Company, Legal Affairs Section, Legal Department, General Affairs and Human Resources Division</p> <p>June 2021 Legal Affairs Section Manager, Legal Department, and Compliance Control Department, General Affairs and Human Resources Division</p> <p>Sept. 2023 Legal Affairs Section Manager, Legal Department, General Affairs and Human Resources Division (current position)</p>	– shares
<p>Reasons for nomination as candidate for substitute Director who is Audit and Supervisory Committee Member</p> <p>Naho Takeda has specialized knowledge and experience as an attorney and extensive professional knowledge of business-related laws. Since joining the Company in 2020, she has worked in the Legal Department, where she has appropriately fulfilled her duties and responsibilities.</p> <p>She is nominated as a candidate for substitute Director who is Audit and Supervisory Committee Member because we believe that she is capable of applying her experience and knowledge to the Company's audit system as Director who is Audit and Supervisory Committee Member.</p>			
2	Takaaki Narasaki (February 10, 1952)	<p>Apr. 1978 Joined the Osaka Regional Taxation Bureau</p> <p>July 2006 District Director of Ikuno Tax Office</p> <p>July 2007 Director, Planning Division, Management and Co-ordination Department, Osaka Regional Taxation Bureau</p> <p>July 2008 Director, Corporation Taxation Division, Second Taxation Department</p> <p>July 2009 Deputy Regional Commissioner, Revenue Management and Collection Department</p> <p>July 2011 District Director of Higashi Tax Office</p> <p>Aug. 2012 Registered as tax accountant</p> <p>Sept. 2012 Opened Takaaki Narasaki Tax Accountant Office</p> <p>June 2023 Outside Corporate Auditor, Fuso Pharmaceutical Industries, Ltd.</p>	– shares
<p>Reasons for nomination as candidate for substitute outside Director who is Audit and Supervisory Committee Member and overview of expected roles</p> <p>Although Takaaki Narasaki has no experience of being directly involved in corporate management, the Company expects him to provide advice in order to increase medium to long-term corporate value by promoting the Company's sustainable growth, and supervise management by making important decisions at the Board of Directors meetings, such as the appointment and dismissal of the senior management, utilizing knowledge and experience he has gained through many years of tax practice in the Company's auditing system, if appointed as an outside Director who is Audit and Supervisory Committee Member.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Takaaki Narasaki is a candidate for substitute outside Director who is Audit and Supervisory Committee Member. If he assumes the office of outside Director who is Audit and Supervisory Committee Member, the Company plans to submit notification to the Tokyo Stock Exchange concerning his designation as an independent officer as provided for by the aforementioned exchange.
 3. If each candidate assumes the office of Director who is Audit and Supervisory Committee Member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into a limited liability agreement with each of them to limit their liability for damages under Article 423, paragraph (1) of the same act to the amount stipulated by laws and regulations.

4. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company that includes the Directors of the Company as insured persons. The policy covers claims for damages and litigation expenses incurred due to actions carried out by insured persons based on their position (including in case of shareholder derivative lawsuit). Each candidate will, upon appointment, be included as insured persons in this policy. Note that the Company plans to renew the policy under the same term after the expiration of the insurance period.

Reference

Skills of Directors

If Proposals No. 1 and No. 2 are approved as proposed at this meeting, the skills, etc. of each Director shall be as follows.

Position in the Company	Name	Corporate management Management strategy	Core business experience	Development, Technology & Manufacturing	IT digital	Finance & Accounting	Legal Affairs & Risk Management	ESG	Global experience	Nomination and Compensation Committee
Representative Director and Chairperson	Yusaku Inoue	•	•	•					•	○
Representative Director and President	Nobuo Kobayashi	•			•	•	•	•		○
Director	Masatoshi Okamoto	•	•	•						
Director	Takashi Sakaguchi	•	•		•	•			•	
Director	Tomoaki Inoue	•	•	•					•	
Director (Outside)	Koji Mizuno	•			•	•	•	•		○
Director (Outside)	Akiko Hosokawa					•		•		○
Director Audit and Supervisory Committee Member (Full-Time)	Toshinori Yoshii					•	•		•	
Director Audit and Supervisory Committee Member (Outside)	Naruo Korome				•	•		•		○
Director Audit and Supervisory Committee Member (Outside)	Shinpei Nomura						•	•		○

* It does not represent the entirety of Directors' background and experience.

Reference

Standard for independence of Outside Directors

The Company deems an outside Director or candidate for outside Director as having independence if they do not fall under any of the items listed below as a result of the Company having investigated his or her background to reasonable extent.

1. A business executive (*1) of the Company or the Company's subsidiaries (hereinafter, the "Group"), or person who has been a business executive of the Group at any time in the past ten years (or for a period of ten years before appointment to that post if the person has, at any time within the past ten years, served as a non-executive Director (Directors who do not fall under executive Director), Auditor or Accounting Advisor of the Group);
 2. Shareholders who hold 10% or more of the voting rights of the Company, or directors, etc. of such companies (*2);
 3. Directors, etc. of companies in which the Company holds 10% or more of the voting rights;
 4. A business executive of a business partner, with which the Group does business for an amount equivalent to 2% or more of the total consolidated net sales for either of the companies;
 5. Directors, etc. of financial institutions, etc., from which the Group borrows an amount equivalent to 2% or more of its total consolidated assets;
 6. A person who is currently a certified public accountant (or certified tax accountant) serving as a Financial Auditor or Accounting Advisor of the Group, or a person who is currently a member, partner, or employee of an audit firm (or tax accountancy corporation) serving as a Financial Auditor or Accounting Advisor of the Group;
 7. An attorney at law, certified public accountant, certified tax accountant or any other consultant who received an average of ¥10 million or more per year over the past three years in the form of money or other financial benefits, other than remuneration as an executive of the Group;
 8. A person whose spouse, relative within the second degree of kinship, or cohabiting relative falls under any of 1 to 7 above;
 9. A person who has fallen under any item of 2 to 8 above in the past five years
 10. A business executive of a company at which a business executive of the Group assumes the position of an officer;
 11. A person who currently holds the position of independent Director of the Company and whose tenure, if reappointed, will exceed eight years;
- *1 "Business executive" refers to an executive Director, Executive (or Corporate) Officer, manager or other employee.
- *2 Directors, etc. refers to Directors, Auditors, Accounting Advisors, Executive Officers (Shikkoyaku), Administrative Officers, Executive (or Corporate) Officers, managers and other employees.