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(Stock Exchange Code 6140)

June 6, 2024

(Date of commencement of electronic provision measures: May 31, 2024)

**To Shareholders with Voting Rights:**

Kazuki Kataoka  
President and Representative Director  
Asahi Diamond Industrial Co., Ltd.  
4-1, Kioi-cho, Chiyoda-ku, Tokyo

**NOTICE OF  
THE 105th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We are pleased to inform you that the 105th Annual General Meeting of Shareholders of Asahi Diamond Industrial Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the following Company website as the “NOTICE OF THE 105th ANNUAL GENERAL MEETING OF SHAREHOLDERS” and “Other matters of the 105th annual general meeting of shareholders subject to the electronic provision measures (matters excluded from paper-based documents delivered).”

The Company website:

<https://www.asahidia.co.jp/eng/ir/>

In addition to the website shown above, the Company has posted this information on the website shown below.

The Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

To view the information, please access the TSE website (Listed Company Search) above, enter the issue name (company name) or stock exchange code, and click on “Search,” and then click on “Basic information” and select “Documents for public inspection/PR information.”

The Portal of Shareholders’ Meeting® (Sumitomo Mitsui Trust Bank, Limited)

<https://www.soukai-portal.net>

Read the QR code on the enclosed Voting Rights Exercise Form, or enter the login ID and password.

If you are unable to attend the meeting, we encourage you to exercise your voting rights in advance in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders contained in the matters subject to the electronic provision measures, and exercise your voting rights by 5:30 p.m. on Tuesday, June 25, 2024, Japan time.

- 1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. Japan time (Reception desk opens at 9:00 a.m.)
- 2. Place:** Conference room Orizuru Rei, The Main Bldg. Arcade Floor, Hotel New Otani at 4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:** The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company's 105th Fiscal Year (April 1, 2023–March 31, 2024) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Nine (9) Directors
- Proposal 3:** Election of Two (2) Audit & Supervisory Board Members

- ◎ Pursuant to laws and regulations as well as Article 19 of the Articles of Incorporation of the Company, the documents mailed to shareholders who made a request for delivery of paper-based documents do not contain the Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements related to the Consolidated Financial Statements, and the Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements related to the Non-consolidated Financial Statements. Please note that the Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements related to the Consolidated Financial Statements, and the Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements related to the Non-consolidated Financial Statements have been audited by the Accounting Auditor and Audit & Supervisory Board Members as part of the Consolidated Financial Statements and the Non-consolidated Financial Statements when preparing the Independent Auditor's Report and the Audit Report, respectively.
- ◎ If any amendments are made to the matters subject to the electronic provision measures, such amendments will be posted on the respective websites where these matters are posted.
- ◎ Any significant changes to the operation of the General Meeting of Shareholders will be posted on the Company's website (<https://www.asahidia.co.jp/eng/>).
- ◎ The respective websites stated above may be temporarily inaccessible due to scheduled maintenance or other reasons. If you are unable to view the website, please access other websites or try again later.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

#### **Matters concerning year-end dividends**

The Company intends to achieve future business development and improve corporate value by aiming to increase capital efficiency while securing financial stability.

The Company pays dividends pursuant to its dividend policy with the focus on distributing profits according to consolidated performance and maintaining a stable dividend.

The Company proposes a year-end dividend of ¥15 per share pursuant to its dividend policy, comprehensively taking into account its performance, financial situation, and other factors for the fiscal year under review.

As a result, the annual dividends for the year, including the interim dividend of ¥15, will amount to ¥30 per share.

1. Type of dividend property  
Cash
2. Allocation of dividend property to shareholders and total amount thereof  
¥15 per share of common stock of the Company  
Total amount of dividends: ¥778,121,820
3. Effective date of dividends from surplus  
June 27, 2024

**Proposal 2:** Election of Nine (9) Directors

The term of office of a Director of the Company is stipulated to be one (1) year. The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes the election of nine (9) Directors (of whom three (3) are External Directors).

Meanwhile, the Company intends to further revitalize the Board of Directors by nominating more than one female candidates for Director.

The candidates for Director are as below.

The Company has nominated the candidates after consulting with the Nomination and Remuneration Advisory Committee and receiving a report from said Committee.

No.		Name (gender)	Current positions and responsibilities	Attendance at Board of Directors' meetings	Attendance at Nomination and Remuneration Advisory Committee meetings
1	Reelection	Kazuki Kataoka (male)	President and Representative Director	10/10	8/8
2	Reelection	Tomohiko Hara (male)	Representative Managing Director; Production Director and Mie Factory General Manager	10/10	—
3	Reelection Non-Japanese	Ming-Shong Lan (male)	Managing Director	10/10	—
4	Reelection	Toshimasa Hagiwara (male)	Director; Marketing Division Director and East Japan Regional General Manager	10/10	—
5	Reelection	Hideo Abe (male)	Director; Engineering Director and Chiba Factory General Manager	10/10	—
6	Reelection	Junichi Matsuda (male)	Director; Group Companies Management Division Director	10/10	—
7	Reelection Candidate for External Director Independent Director	Osamu Koyama (male)	Director (External Director)	10/10	8/8
8	Reelection Candidate for External Director Independent Director	Yuko Ichikawa (female)	Director (External Director)	10/10	8/8
9	Reelection Candidate for External Director Independent Director	Eriko Kawajiri (female)	Director (External Director)	8/8	6/6

(Note)

The attendance applicable to Ms. Eriko Kawajiri is different from that for other candidates because she was newly elected as Director at the 104th Annual General Meeting of Shareholders held on June 27, 2023.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	<p>Kazuki Kataoka (March 5, 1952)</p> <p>Reelection</p> <p>No. of years served as Director: 16 years</p> <p>Attendance at Board of Directors' meetings: 10/10</p> <p>Attendance at Nomination and Remuneration Advisory Committee meetings: 8/8</p>	<p>April 1976</p> <p>July 2005</p> <p>June 2008</p> <p>June 2011</p> <p>June 2013</p> <p>June 2015</p> <p>July 2019</p> <p>[Significant concurrent positions]</p> <p>President, Industrial Diamond Association of Japan</p>	<p>Joined the Company</p> <p>General Manager, Engineering Department, Marketing Division</p> <p>Director; Marketing Division Deputy Director</p> <p>Managing Director; Business Planning Division Director and Marketing Division Deputy Director</p> <p>Representative Executive Managing Director; Marketing Division Director</p> <p>President and Representative Director (present)</p> <p>Nomination and Remuneration Advisory Committee Member (present)</p>	170,468
<p>[Reasons for nomination as a candidate for Director]</p> <p>After joining the Company, Mr. Kazuki Kataoka was involved in marketing, management strategy, R&amp;D, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.</p> <p>As the President and Representative Director since June 2015, Mr. Kataoka has been responsible for the Company's management and has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</p>				
2	<p>Tomohiko Hara (January 10, 1958)</p> <p>Reelection</p> <p>No. of years served as Director: 5 years</p> <p>Attendance at Board of Directors' meetings: 10/10</p>	<p>April 1980</p> <p>July 2010</p> <p>February 2013</p> <p>June 2013</p> <p>July 2017</p> <p>June 2019</p> <p>June 2021</p> <p>June 2022</p>	<p>Joined the Company</p> <p>General Manager, Manufacturing Department No. 2, Tamagawa Factory</p> <p>International Department General Manager (temporarily transferred to P.T. Asahi Diamond Industrial Indonesia)</p> <p>Executive Officer; President, P.T. Asahi Diamond Industrial Indonesia</p> <p>Executive Officer; International Division; Chief Officer for Regional Operations (ASEAN and Australia) (President, P.T. Asahi Diamond Industrial Indonesia)</p> <p>Director; Mie Factory General Manager</p> <p>Director; Production Director and Mie Factory General Manager</p> <p>Representative Managing Director; Production Director and Mie Factory General Manager (present)</p>	38,704
<p>[Reasons for nomination as a candidate for Director]</p> <p>After joining the Company, Mr. Tomohiko Hara was involved in production and engineering, etc., and served as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.</p> <p>As a Representative Managing Director of the Company since June 2022, Mr. Hara has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Ming-Shong Lan (March 4, 1953)  Reelection Non-Japanese  No. of years served as Director: 19 years  Attendance at Board of Directors' meetings: 10/10	September 1994    Joined the Company; Deputy General Manager Reporting to Managing Division Director (left the Company in July 1996) August 1996       President, Taiwan Asahi Diamond Industrial Co., Ltd. (present) June 2005         Director; International Department, the Company July 2017         Director; International Division Director June 2019         Managing Director; International Division Director November 2019    Managing Director; Global Business Management Division Director January 2021      Managing Director; Group Companies Management Division Director June 2022         Managing Director (present) [Significant concurrent positions] President, Taiwan Asahi Diamond Industrial Co., Ltd.	62,073
	[Reasons for nomination as a candidate for Director] After joining the Company, Mr. Ming-Shong Lan was involved in management strategy and serves as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company. As a non-Japanese Director of the Company since June 2005, Mr. Lan has been performing his duties appropriately. Thus, the Company judges that he satisfies the “Criteria for Appointing Directors” (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.		
	4	Toshimasa Hagiwara (November 10, 1959)  Reelection  No. of years served as Director: 10 years  Attendance at Board of Directors' meetings: 10/10	April 1982         Joined the Company December 2004    Nagoya Branch Deputy General Manager June 2009         Executive Officer; Nagoya Branch General Manager June 2014         Director; Nagoya Branch General Manager April 2015         Director; Representative of China Division (President, Shanghai Xu Hui Diamond Industrial Co., Ltd.) July 2017         Director; International Division; Chief Officer for Regional Operations (China and Taiwan) (President, Shanghai Xu Hui Diamond Industrial Co., Ltd.) November 2019    Director; Global Business Management Division; Chief Officer for Regional Operations (China and Taiwan) (President, Shanghai Xu Hui Diamond Industrial Co., Ltd.) January 2021      Director (President, Shanghai Xu Hui Diamond Industrial Co., Ltd.) June 2021         Director; Marketing Division Deputy Director and East Japan Regional General Manager June 2022         Director; Marketing Division Director and East Japan Regional General Manager (present)
[Reasons for nomination as a candidate for Director] After joining the Company, Mr. Toshimasa Hagiwara was involved in marketing and served as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company. As a Director of the Company since June 2014, Mr. Hagiwara has been performing his duties appropriately. Thus, the Company judges that he satisfies the “Criteria for Appointing Directors” (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	Hideo Abe (July 15, 1957)	April 1980 July 2010	Joined the Company General Manager, Manufacturing Department No. 1, Tamagawa Factory	26,695
	Reelection  No. of years served as Director: 5 years  Attendance at Board of Directors' meetings: 10/10	June 2013 June 2019 January 2021 June 2021	Executive Officer; Tamagawa Factory General Manager Director; Tamagawa Factory General Manager Director; Tamagawa Factory General Manager; Engineering and Development Center Director Director; Engineering Director and Chiba Factory General Manager (present)	
[Reasons for nomination as a candidate for Director] After joining the Company, Mr. Hideo Abe was involved in production and engineering, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company. As a Director of the Company since June 2019, Mr. Abe has been performing his duties appropriately. Thus, the Company judges that he satisfies the “Criteria for Appointing Directors” (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.				
6	Junichi Matsuda (April 11, 1961)	April 1986 July 2009 June 2013	Joined the Company Research and Development Center Director Executive Officer; Research and Development Center Director	14,546
	Reelection  No. of years served as Director: 2 years  Attendance at Board of Directors' meetings: 10/10	June 2015 October 2018 November 2019 January 2021 June 2022	Executive Officer; Business Planning Division Director Executive Officer; Management Strategy Division Director and International Department General Manager Executive Officer; Management Strategy Division Director Executive Officer; Management Strategy Division Director and Group Companies Management Division Overseas Dept. Director Director; Group Companies Management Division Director and International Department General Manager (present)	
[Reasons for nomination as a candidate for Director] After joining the Company, Mr. Junichi Matsuda was involved in R&D, management strategy, overseas business, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company. As a Director of the Company since June 2022, Mr. Matsuda has been performing his duties appropriately. Thus, the Company judges that he satisfies the “Criteria for Appointing Directors” (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
	Osamu Koyama (August 8, 1948)	April 2005	Executive Officer, Mitsui & Co., Ltd. and Executive Vice President, Mitsui & Co. (U.S.A.), Inc.	0
	Reelection Candidate for External Director	April 2009	Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute (retired from these two companies in March 2012)	
	Independent Director	January 2013	Director, Keimei Gakuen (retired in March 2022)	
	No. of years served as Director: 10 years	June 2014	Director of the Company (External Director) (present)	
	Attendance at Board of Directors' meetings: 10/10	April 2017	Auditor, International University of Japan (present)	
	Attendance at Nomination and Remuneration Advisory Committee meetings: 8/8	July 2019	Member of Nomination and Remuneration Advisory Committee of the Company (present)	
7	<p>[Reasons for nomination as a candidate for External Director and expected roles]</p> <p>Having served as Executive Managing Officer, Mitsui &amp; Co., Ltd. and President &amp; CEO, Mitsui Global Strategic Studies Institute, Mr. Osamu Koyama has great experience and profound insight as a manager and is expected to fulfill the role and responsibilities of an External Director, including management oversight and provision of advice on overall management. Thus, the Company judges that he satisfies the “Criteria for Appointing Directors” and the “Criteria for Appointing External Directors” (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for External Director.</p> <p>[Matters concerning independence]</p> <p>Mr. Osamu Koyama has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Koyama and the Company other than Director remuneration. Mr. Koyama is a former Executive Managing Officer, Mitsui &amp; Co., Ltd. and President &amp; CEO, Mitsui Global Strategic Studies Institute, but has been retired from these positions for 12 years. The Company and the Mitsui &amp; Co. Group have no cross-shareholding. The Company has transactions for the procurement of raw materials, but the transaction volume is approximately 0.001% of the consolidated net sales of Mitsui &amp; Co., Ltd.</p> <p>Mr. Koyama previously served as a Director of Keimei Gakuen and currently serves as an Auditor of the International University of Japan. However, no special interest exists between these educational corporations and the Company. Therefore, Mr. Koyama satisfies the “Independence Criteria for External Directors and External Audit &amp; Supervisory Board Members” (see page 17) and is judged to be independent.</p> <p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Mr. Osamu Koyama to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.</p> <p>If his reelection is approved, the Company intends to renew the liability limitation agreement with him.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
	Yuko Ichikawa (December 26, 1970)	June 2016	General Manager, Investor Relations Department, Rakuten, Inc. (current Rakuten Group, Inc.) (left the company in June 2017)	0
	Reelection Candidate for External Director Independent Director	March 2018	Outside Director, Allied Architects, Inc.	
		May 2019	Founded Market River Corporation; Representative Director, Market River Corporation (present)	
		June 2019	Outside Director, Stroly, Inc. (present)	
	No. of years served as Director: 3 years	March 2020	Outside Director (Audit & Supervisory Board Member), Allied Architects, Inc. (retired in March 2022)	
		October 2020	Outside Director (Audit and Supervisory Committee Member), Kurashicom Inc. (present)	
	Attendance at Board of Directors’ meetings: 10/10	June 2021	Outside Corporate Auditor, Yourmy Star Inc. (present) Director of the Company (External Director) (present) Member of Nomination and Remuneration Advisory Committee of the Company (present)	
Attendance at Nomination and Remuneration Advisory Committee meetings: 8/8				
8	<p>[Reasons for nomination as a candidate for External Director and expected roles]</p> <p>Ms. Yuko Ichikawa, as General Manager of the Investor Relations Department at Rakuten, Inc., established an IR team and prepared for the listing on the first section of the Tokyo Stock Exchange. She also has experience of having served as a member of the Study Group on Long-term Investment (Investment evaluating ESG Factors and Intangible Assets) toward Sustainable Growth (Ito Report 2.0) of the Ministry of Economy, Trade and Industry, and thus she has extensive knowledge about investor relations and corporate governance. She is expected to fulfill the role and responsibilities expected of an External Director, including management oversight and provision of advice on overall management. The Company judges that she satisfies the “Criteria for Appointing Directors” and “Criteria for Appointing External Directors” (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated her as a candidate for External Director.</p> <p>[Matters concerning independence]</p> <p>Ms. Yuko Ichikawa has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Ms. Ichikawa and the Company other than Director remuneration. Ms. Ichikawa previously served as General Manager of the Investor Relations Department at Rakuten, Inc. and Outside Director (Audit &amp; Supervisory Board Member) of Allied Architects, Inc., and currently serves as Representative Director of Market River Corporation, Outside Director (Audit and Supervisory Committee Member) of Kurashicom Inc., and Outside Corporate Auditor of Yourmy Star Inc. However, no special interest exists between these companies and the Company.</p> <p>Therefore, Ms. Ichikawa satisfies the “Independence Criteria for External Directors and External Audit &amp; Supervisory Board Members” (see page 17) of the Company and is judged to be independent.</p> <p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Ms. Yuko Ichikawa to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act so that she can fulfill her expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.</p> <p>If her reelection is approved, the Company intends to renew the liability limitation agreement with her.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Eriko Kawajiri (August 18, 1975)</p> <p>Reelection Candidate for External Director Independent Director</p> <p>No. of years served as Director: 1 year</p> <p>Attendance at Board of Directors' meetings: 8/8</p> <p>Attendance at Nomination and Remuneration Advisory Committee meetings: 6/6</p>	<p>October 2003 Assistant Judge, Tokyo District Court</p> <p>April 2008 Public Prosecutor</p> <p>July 2011 Assistant Judge, Tokyo District Court; Judge, Tokyo Summary Court</p> <p>April 2012 Assistant Judge, Morioka District/Family Court; Chief of Branch, Miyako Branch of Morioka District/Family Court; Judge, Morioka Summary Court</p> <p>October 2013 Judge, Morioka District/Family Court; Chief of Branch, Miyako Branch of Morioka District/Family Court; Judge, Morioka Summary Court</p> <p>May 2015 Registered as Lawyer and joined HARRO Law Office (present)</p> <p>July 2019 External Director, GiG Works AddValue Inc. (present)</p> <p>June 2020 External Director, HCS HOLDINGS CO., LTD. (current Hibiya Computer System Co., Ltd.) (retired in December 2023)</p> <p>June 2023 Outside Director, RASA CORPORATION (present) Director of the Company (External Director) (present) Member of Nomination and Remuneration Advisory Committee of the Company (present)</p> <p>April 2024 External Director, Kyutech ARISE Co., Ltd. (present)</p>	0
<p>[Reasons for nomination as a candidate for External Director and expected roles]</p> <p>Ms. Eriko Kawajiri has experience as a judge and an external director of other companies, as well as high-level legal expertise as a lawyer, and is expected to fulfill the role and responsibilities of an External Director including management oversight and provision of advice on overall management. Thus, the Company judges that she satisfies the "Criteria for Appointing Directors" and "Criteria for Appointing External Directors" (see page 16) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated her as a candidate for External Director.</p>			
<p>[Matters concerning independence]</p> <p>Ms. Eriko Kawajiri has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Ms. Kawajiri and the Company other than Director remuneration.</p> <p>Ms. Kawajiri served as External Director of HCS HOLDINGS CO., LTD., and currently serves as a lawyer of HARRO Law Office, External Director of GiG Works AddValue Inc., Outside Director of RASA CORPORATION, and External Director of Kyutech ARISE Co., Ltd. However, no special interest exists between these five organizations and the Company.</p> <p>Therefore, Ms. Kawajiri satisfies the "Independence Criteria for External Directors and External Audit &amp; Supervisory Board Members" (see page 17) of the Company and is judged to be independent.</p>			
<p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Ms. Eriko Kawajiri to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act so that she can fulfill her expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.</p> <p>If her reelection is approved, the Company intends to renew the liability limitation agreement with her.</p>			

(Notes)

- Special interest between candidates for Director and the Company
  - Mr. Ming-Shong Lan, a candidate for Director, also serves as the president of Taiwan Asahi Diamond Industrial Co., Ltd., a subsidiary of the Company, with which the Company has a business relationship, including sales of products.
  - No special interest exists between the other candidates for Director and the Company.
- Mr. Osamu Koyama and Ms. Yuko Ichikawa and Eriko Kawajiri are candidates for External Director, and the Company has designated them as independent directors/auditors prescribed by Tokyo Stock Exchange, Inc.
- The Company has entered into a directors and officers liability insurance agreement as prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damage that may arise as a result of the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, there are exemptions, such as no compensation to be paid for any damage caused intentionally or by gross negligence. The insurance premiums are borne in their entirety by the Company. At the time of renewal, the Company intends to renew the insurance agreement through the resolution of the Board of Directors. If these candidates become Directors, they will be insured under this insurance agreement.
- The number of years served as a Director is the number of years that will have been served at the conclusion of this Annual General Meeting of Shareholders.
- The number of shares of the Company held by each candidate for Director is the number held as of March 31, 2024, and

includes the number of shares held through the Executive Shareholding Association.

**Proposal 3:** Election of two (2) Audit & Supervisory Board Members

The term of office of three (3) Audit & Supervisory Board Members, Messrs. Morio Kayama, Yukio Otaka, and Masahito Kawashima, will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of two (2) External Audit & Supervisory Board Members, Messrs. Yukio Otaka and Masahito Kawashima, is proposed. Together with Mr. Takemi Matsuzaki, who is currently in the term of office, the Audit & Supervisory Board will have three members.

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

The candidates for Audit & Supervisory Board Member are as below.

The Company has nominated the candidates after consulting with the Nomination and Remuneration Advisory Committee and receiving a report from said Committee.

No.		Name (gender)	Current positions	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings	Attendance at Nomination and Remuneration Advisory Committee meetings
1	Reelection Candidate for External Audit & Supervisory Board Member Independent Director	Yukio Otaka (male)	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	10/10	8/8	6/6
2	Reelection Candidate for External Audit & Supervisory Board Member Independent Director	Masahito Kawashima (male)	Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	10/10	8/8	6/6

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
	<p>Yukio Otaka (October 23, 1955)</p> <p>Reelection Candidate for External Audit &amp; Supervisory Board Member Independent Director</p> <p>No. of years served as Audit &amp; Supervisory Board Member: 9 years</p> <p>Attendance at Board of Directors' meetings: 10/10</p> <p>Attendance at Audit &amp; Supervisory Board meetings: 8/8</p> <p>Attendance at Nomination and Remuneration Advisory Committee meetings: 6/6</p>	<p>May 2004 Chief Representative, Bahrain Representative Office, Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)</p> <p>June 2007 General Manager, Dubai Branch; Chief Representative, Bahrain Representative Office, Europe Structured Finance Department, Mizuho Corporate Bank, Ltd. (left the bank in March 2008)</p> <p>June 2008 General Manager, Treasury Division, Daiwa Can Company (left the company in January 2010)</p> <p>March 2010 Executive General Manager, Overseas Business Division, Zebra Co., Ltd. (left the company in March 2015)</p> <p>June 2015 Director (External Director), Kinugawa Rubber Industrial Co., Ltd. (retired in October 2016)</p> <p>June 2015 Audit &amp; Supervisory Board Member (External Audit &amp; Supervisory Board Member) of the Company (present)</p> <p>June 2017 Audit and Supervisory Board Member (External Audit and Supervisory Board Member), CMK Corporation (retired in June 2021)</p> <p>June 2023 Member of Nomination and Remuneration Advisory Committee of the Company (present)</p>	0
1	<p>[Reasons for nomination as a candidate for External Audit &amp; Supervisory Board Member]</p> <p>Mr. Yukio Otaka has abundant business experience overseas, profound insight, and extensive knowledge of finance and accounting gained through his career as a banker and is expected to fulfill the role and responsibilities of an External Audit &amp; Supervisory Board Member. Thus, the Company judges that he satisfies the "Criteria for Appointing Audit &amp; Supervisory Board Members" and "Criteria for Appointing External Audit &amp; Supervisory Board Members" (see page 17) and is a suitable person to serve as an Audit &amp; Supervisory Board Member of the Company. We, therefore, have renominated him as a candidate for External Audit &amp; Supervisory Board Member.</p> <p>[Matters concerning independence]</p> <p>Mr. Yukio Otaka has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Otaka and the Company other than Audit &amp; Supervisory Board Member remuneration.</p> <p>Mr. Otaka previously worked for Mizuho Bank, Ltd., which is one of the financial institutions the Company has transactions with, but 16 years have passed since he left the bank. The Company and the Mizuho Financial Group have no cross-shareholding. Loans payable to the said bank amount to only 345 million yen pertaining to an overseas subsidiary of the Company, and the said bank is not a major financial institution for the Company.</p> <p>Mr. Otaka previously worked for Daiwa Can Company as General Manager, Zebra Co., Ltd. as Executive General Manager, Kinugawa Rubber Industrial Co., Ltd. as External Director, and CMK Corporation as External Audit and Supervisory Board Member. However, no special interests exist between each company and the Company. Therefore, Mr. Otaka satisfies the "Independence Criteria for External Directors and External Audit &amp; Supervisory Board Members" (see page 17) and is judged to be independent.</p> <p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Mr. Yukio Otaka to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act so that he can fulfill her expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.</p> <p>If his reelection is approved, the Company intends to renew the liability limitation agreement with him.</p>		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
2	Masahito Kawashima (August 5, 1953)	May 2004	Deputy General Manager, Osaka Office, The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.) (left the bank in January 2006)	0
	Reelection Candidate for External Audit & Supervisory Board Member Independent Director	February 2006	Managing Executive Officer, Mitsubishi UFJ Capital Co., Ltd.	
		June 2006	Representative Director, Managing Director, Mitsubishi UFJ Capital Co., Ltd. (retired in June 2009)	
		June 2009	Representative Director, Executive Vice President, MU Frontier Servicer Co., Ltd. (retired in October 2010)	
	No. of years served as Audit & Supervisory Board Member: 7 years	April 2011	Executive Vice President, CFO, Chiyoda Corporation	
		June 2011	Representative Director and Executive Vice President, CFO, Chiyoda Corporation (retired in June 2017)	
	Attendance at Board of Directors' meetings: 10/10	June 2017	Audit & Supervisory Board Member (External Audit & Supervisory Board Member) of the Company (present)	
	Attendance at Audit & Supervisory Board meetings: 8/8	June 2023	Member of Nomination and Remuneration Advisory Committee of the Company (present)	
	Attendance at Nomination and Remuneration Advisory Committee meetings: 6/6			
[Reasons for nomination as a candidate for External Audit & Supervisory Board Member] Mr. Masahito Kawashima has abundant business experience, profound insight, and extensive knowledge about finance and accounting gained through his career at financial institutions. He served as Representative Director and Executive Vice President, CFO, responsible for risk management, at Chiyoda Corporation. He is expected to fulfill the role and responsibilities of an External Audit & Supervisory Board Member. Thus, the Company judges that he satisfies the "Criteria for Appointing Audit & Supervisory Board Members" and the "Criteria for Appointing External Audit & Supervisory Board Members" (see page 17) and is a suitable person to serve as an Audit & Supervisory Board Member of the Company. We, therefore, have renominated him as a candidate for External Audit & Supervisory Board Member.				
[Matters concerning independence] Mr. Masahito Kawashima has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Kawashima and the Company other than Audit & Supervisory Board Member remuneration. Mr. Kawashima previously worked for MUFG Bank, Ltd., which is one of the financial institutions the Company has transactions with, but 18 years have passed since he left the bank. While Mr. Kawashima previously served as a Representative Director, Managing Director of Mitsubishi UFJ Capital Co., Ltd., Representative Director, Executive Vice President of MU Frontier Servicer Co., Ltd., and Representative Director and Executive Vice President, CFO of Chiyoda Corporation, no special interest exists between these companies and the Company. Therefore, Mr. Kawashima satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 17) and is judged to be independent.				
[Liability limitation agreement] The Company has entered into an agreement with Mr. Masahito Kawashima to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to renew the liability limitation agreement with him.				

(Notes)

1. No special interest exists between each candidate for Director and the Company.
2. Messrs. Yukio Otaka and Masahito Kawashima are candidates for External Audit & Supervisory Board Member, and the Company has designated them as independent directors/auditors prescribed by Tokyo Stock Exchange, Inc.
3. Messrs. Yukio Otaka and Masahito Kawashima are Nomination and Remuneration Advisory Committee Members, whose term of office will expire at the conclusion of this General Meeting of Shareholders.
4. The Company has entered into a directors and officers liability insurance agreement as prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damage that may arise as a result of the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, there are exemptions, such as no compensation to be paid for any damage caused intentionally or by gross negligence. The insurance premiums are borne in their entirety by the Company. At the time of renewal, the Company intends to renew the insurance

agreement through the resolution of the Board of Directors. If these candidates become Audit & Supervisory Board Members, they will be insured under this insurance agreement.

5. The number of years served as an Audit & Supervisory Board Member is the number of years that will have been served at the conclusion of this Annual General Meeting of Shareholders.
6. The number of shares of the Company held by each candidate for Audit & Supervisory Board Member is the number held as of March 31, 2024.

**(Reference)**

**Policies and Procedures for Nominating Candidates for Director  
and Audit & Supervisory Board Member**

The Company has established the “Nomination and Remuneration Advisory Committee” as a voluntary advisory body to the Board of Directors on July 31, 2019 in order to ensure transparency and objectivity in the procedures concerning the nominations and remuneration, as well as to further enhance the corporate governance system.

The Nomination and Remuneration Advisory Committee consists of three or more Directors appointed by the Board of Directors, and the majority of them are independent External Directors. The chairman is appointed from the committee members who are independent External Directors through the resolution of the “Nomination and Remuneration Advisory Committee.”

This committee deliberates on matters concerning nominations and remuneration in response to requests from the Board of Directors, submit reports to the Board of Directors, and has set the “Criteria for Appointing and Dismissing Directors and Audit & Supervisory Board Members.”

The committee attaches the greatest importance to the independence in the election of External Directors and External Audit & Supervisory Board Members, and has set forth its own “Independence Criteria” as follows.

**Criteria for Appointing and Dismissing Directors**

1. Criteria for Appointing Directors
  - 1) There is no significant impediment to the execution of duties as a Director, including mental and physical health.
  - 2) There is no violation of laws and regulations, the Articles of Incorporations, etc.
  - 3) A person who possesses knowledge, capabilities, ethical standards required as a Director.
  - 4) A person who has experience required for a Director and maintain a high level of foresight.
  - 5) A person who can contribute to improvement in the Company’s business performance and corporate value through the creation of a management plan, execution of duties in the area under their supervision or the division in charge.
2. Criteria for Appointing External Directors
  - 1) A person who satisfies the independence criteria stipulated by the Company.
  - 2) A person who can provide fair and highly transparent advice and recommendations for decision-making by the Board of Directors from an independent and objective standpoint.
  - 3) A person who can supervise the Company’s management through the appointment and dismissal of management executives as well as other important decision-making by the Board of Directors from an independent and objective standpoint.
  - 4) A person who can oversee conflicts of interests among the Company, management executives, and controlling shareholders from an independent and objective standpoint.
  - 5) A person who can reflect opinions of stakeholders including non-controlling shareholders to the Board of Directors from an independent and objective standpoint.
3. Criteria for Dismissing Directors
  - 1) In the case where the Director has committed an act that offends against public order and decency
  - 2) In the case where the Director has violated laws and regulations, the Articles of Incorporation or any other rules of the Group, causing significant losses or business interruption to the Group
  - 3) In the case where the Director has significant difficulties in performing duties



## **Criteria for Appointing and Dismissing Audit & Supervisory Board Members**

1. Criteria for Appointing Audit & Supervisory Board Members
  - 1) There is no significant impediment to the execution of duties as an Audit & Supervisory Board Member, including mental and physical health.
  - 2) There is no violation of laws and regulations, the Articles of Incorporations, etc.
  - 3) A person who possesses knowledge, capabilities, ethical standards required as an Audit & Supervisory Board Member.
  - 4) At least one Audit & Supervisory Board Member in the Audit & Supervisory Board must possess extensive knowledge about finance and accounting.
2. Criteria for Appointing External Audit & Supervisory Board Members
  - 1) A person who satisfies the independence criteria stipulated by the Company.
  - 2) A person who can audit and make recommendations on reasonableness and appropriateness of the Board of Directors from an independent and objective standpoint.
3. Criteria for Dismissing Audit & Supervisory Board Members
  - 1) In the case where the Audit & Supervisory Board Member has committed an act that offends against public order and decency
  - 2) In the case where the Audit & Supervisory Board Member has violated laws and regulations, the Articles of Incorporation or any other rules of the Group, causing significant losses or business interruption to the Group
  - 3) In the case where the Audit & Supervisory Board Member has significant difficulties in performing duties

## **Independence Criteria for External Directors and External Audit & Supervisory Board Members**

If none of the following attributes applies to an External Director or External Audit & Supervisory Board Member, the Company judges that such person is independent from the Company.

- (1) A person affiliated with a major shareholder that substantially holds 10% or more of the voting rights of the Company
- (2) A person affiliated with an entity that substantially holds 10% or more of the voting rights of the Company
- (3) A person affiliated with a business partner whose purchases from the Company accounted for 3% or more of the Company's consolidated net sales for the previous year
- (4) A person affiliated with a business partner whose annual sales to the Company accounted for 3% or more of the business partner's consolidated net sales for the previous year
- (5) A person affiliated with a financial institution that is indispensable for the Company's financing and on whom the Company is dependent to the extent that it is irreplaceable
- (6) A consultant, an accounting professional or a legal professional who received money or other assets amounting to 10 million yen or more from the Company in the previous year other than the Director's or Audit & Supervisory Board Member's remuneration (If the person receiving money, etc. is an organization such as a legal entity, a person affiliated with such organization)
- (7) A person affiliated with a legal entity that received donations amounting to 10 million yen or more from the Company in the previous year
- (8) A person to whom any of (1) to (7) above applied in the past three years
- (9) The spouse or relative in the second degree of kinship of a person to whom any of (1) to (8) above apply

**Skills Matrix of the Expertise and Experience of the Directors and Audit & Supervisory Board Members, Subject to Approval of Proposals 2 & 3**

Name		Major Expertise and Experience of Directors and Audit & Supervisory Board Members							
		Management & strategy	Production & engineering	Research & development	Sales & marketing	Global	Finance & accounting	Legal & risk management	ESG
Director	Kazuki Kataoka	○		○	○				○
	Tomohiko Hara	○	○	○		○			○
	Ming-Shong Lan	○	○			○			○
	Toshimasa Hagiwara	○			○	○			
	Hideo Abe		○	○					○
	Junichi Matsuda			○					○
	Osamu Koyama	○			○	○			
	Yuko Ichikawa	○					○		○
	Eriko Kawajiri							○	
Audit & Supervisory Board Member	Takemi Matsuzaki						○	○	○
	Yukio Otaka				○	○	○	○	
	Masahito Kawashima	○				○	○	○	

(Notes)

Representative skills of each Director or Audit & Supervisory Board Member are shown, and not all knowledge and experience are listed.

Skill Items	Reasons for selection
Management & strategy	We believe it is important to have the skills to respond to changes in the business environment and build management strategies to improve corporate value.
Production & engineering	In light of our management philosophy of “Manufacturing excitement through innovation,” we believe that skills for evolving manufacturing are critical.
Research & development	We believe that the skills to “make the impossible possible” by creating advanced technologies and solutions are crucial.
Sales & marketing	We believe that meeting our clients’ expectations and being the most reliable company, as well as the ability to predict and understand market trends, are critical skills.
Global	We believe that the skills to understand different values and cultures and apply that insight to management are critical for global business development.
Finance & accounting	We believe that the skills to increase capital efficiency while maintaining financial stability are critical for developing future business and improving corporate value.
Legal & risk management	We believe it is critical to have the skills to understand, analyze, evaluate, and respond to potential business risks.
ESG	We believe that the skills to address ESG issues surrounding our company are critical for our long-term growth.