

To Our Shareholders

**Nichia Steel Works, Ltd.**  
19, Nakahama-cho, Amagasaki, Hyogo, Japan  
Toshinori Onishi  
Representative Director & President

**Notice of Convocation  
of  
the 70<sup>th</sup> Ordinary General Meeting of Shareholders**

You are cordially informed of the details of the 70th Ordinary General Meeting of Shareholders of Nichia Steel Works, Ltd. (hereinafter referred to as the “Company”) to be held as detailed below.

**To avoid the risk of Coronavirus (COVID-19) infections at the 70<sup>th</sup> Ordinary General Meeting of Shareholders, we strongly encourage our shareholders to refrain from attending the meeting in person, instead, we strongly recommend our shareholders to exercise your voting rights in writing. Please review the Reference Documents for the Ordinary General Meeting of Shareholders below and send us the completed Voting Rights Form to reach us no later than Tuesday, June 28, 2022 at 5:20 p.m. (local Japanese time). Please indicate your approval or disapproval on the form for each item on the agenda.**

To prevent the spread of Coronavirus, we would like to ask those shareholders who plan to attend the Ordinary General Meeting of Shareholders in person to please refer to the updated information of the pandemic, and assess your own health prior to your attendance. If you decide to attend after that, we will appreciate your efforts to prevent the spread of infection such as wearing a mask at all times. Please use the hand sanitizer provided, which will be located at the entrance door to the meeting room. In addition, we have cancelled the customary distribution of souvenirs to avoid the risk of contact infection. We very much appreciate your kind understanding.

1. **Date and Time:** Wednesday, June 29, 2022, starting at 10:00 a.m. (local Japanese time )
2. **Place:** Grand Hall of the Head Office of Nichia Steel Works, Ltd.  
19, Nakahama-cho, Amagasaki, Hyogo, Japan  
(Please refer to the venue guide map in the postscript)
3. **Purposes:**  
**Items to be reported:**
  1. Reports of the Business Report and Consolidated Financial Statements for the 70th Business Term (from April 1, 2021 to March 31, 2022) and on the Results of the Audits of the Consolidated Financial Statements by the Accounting Auditors and the Board of Statutory Auditors.
  2. Reports of the Financial Statements for the 70th Business Term (from April 1, 2021 to March 31, 2022).

**Items subject to resolutions:**

- Agenda Item 1:** Appropriation of Surplus  
**Agenda Item 2:** Partial Amendments to the Articles of Association  
**Agenda Item 3:** Election of One Board Member  
**Agenda Item 4:** Election of One Reserve Statutory Auditor  
**Agenda Item 5:** Grant of Resignation Bonus to Resigning Board Member

4. **Matters Determined for Convocation**

Any shareholder may attend and exercise his or her voting right via a proxy, provided that such a proxy shall be another shareholder of the Company holding a voting right. Please understand that a shareholder exercising his or her voting right by proxy, or such proxy, shall submit to the Company a written certificate of authority to such a voting right.

Concluded

- 
- When attending the meeting on this date, you are requested to present the Voting Rights Form enclosed herewith to the receptionist at the meeting.
  - Any amendment to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Financial Statements will be posted on our website on the internet (<http://www.nichiasteel.co.jp/>)

# Reference Documents for Ordinary General Meeting of Shareholders

## Items on Agenda and Reference Matters

### Agenda Item 1: Appropriation of Surplus

Matter relating to Term-End Dividends:

We consider the return of profits to our shareholders as an important management issue and we set the stable payment of dividends as our basic policy while comprehensively taking into account the business results, the dividend payout ratio and the state of the equity capital of our shareholders, etc. during each business term.

Regarding the term-end dividends for the 70th term, we would like to make the annual dividend 10 yen including the common dividend of six yen increased by two yen to the previous term and the interim dividend of four yen in consideration of the business results for the current term which are profit growth from the previous quarter and payout ratio, etc.

(1) Type of Property for Dividends:

Cash

(2) Allocation of Property for Dividends to Shareholders and Total Amount Thereof:

6 yen per one common share of the Company:

Total Amount: 290,375,964 yen

(3) Effective Date of Dividends from Surplus:

June 30, 2022

### Agenda Item 2: Partial amendments to the articles of association

1. Reason for the proposal

We propose amendments to our articles of association as follows to prepare for the establishment of a system for providing materials for the General Meeting of Shareholders in electronic format because the proviso to Article 1 of Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) prescribes that the enforcement date for the system is September 1, 2022.

Furthermore, we propose the deletion of the current provisions for disclosure on the Internet and deemed provision of reference documents for the General Meeting of Shareholders etc., which will become unnecessary, and we propose the establishment of supplementary provisions concerning the day when those amendments take effect, etc.



### Agenda Item 3: Election of One Board Member

We propose the addition of one External Board Member to further improve our corporate governance system and recommend the election of one Board Member. The term of office of the newly elected Board Member will expire when the term of office of other existing Board Members expires pursuant to the provision set forth in the articles of association of the Company.

The particular of the candidate for the position of Board Member is as follows:

Name (Date of birth)	Brief Personal Record, Position, Responsibility and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
[Newly elected] [External Officer] [Independent Officer] Miho Ishihara (Feb. 17, 1969)	Oct. 1996: Joined Asahi & Co. (currently KPMG AZSA LLC)	– shares
	Jan. 2002: Registered as certified public accountant	
	Jan. 2006: Resigned Asahi & Co. (currently KPMG AZSA LLC)	
	Feb. 2006: Joined Protiviti Japan (currently Protiviti LLC)	
	Mar. 2009: Resigned from above Company	
	Apr. 2009: Joined EY Advisory Co., Ltd. (currently EY Strategy and Consulting Co., Ltd.)	
	Apr. 2010: Resigned from above Company	
	May 2010: Representative of Ishihara Certified Public Accountant Office (currently Ishihara Certified Public Accountant & Certified Public Tax Accountant Office) (current)	
	May 2010: Joined Hibiki Audit Corporation	
	Dec. 2010: Registered as certified public tax accountant	
	Jul. 2014: Partner of Hibiki Audit Corporation	
	Jun. 2019: Audit & Supervisory Board Member of Yodogawa Steel Works, Ltd. (current)	
	Jul. 2019: Representative partner of Hibiki Audit Corporation (current)	

#### Notes:

1. Ms. Miho Ishihara has any special interest in the Company, and vice-versa.
2. Ms. Miho Ishihara is a candidate for the position of External Board Member.
3. Ms. Miho Ishihara has vast experience as a certified public accountant and a certified public tax accountant and also has experience in consulting services on internal control and risk management. We consider that she has served properly as the check function for the appropriateness of the Company Board's decision-making as well as the supervisory function for the execution of operations of Board Members, and that she would further improve the Company's corporate governance. For that reason, you are invited this time to elect her as an External Board Member.
4. When Ms. Miho Ishihara's election is approved, we plan to make and enter into an agreement under the provision set forth in Article 427.1 of the Companies Act with her for limiting the liability for damages set forth in Article 423.1 of the Act. The maximum amount of the liability for compensation for damages under such agreement shall be the minimum amount of the liability provided for in laws and regulations.
5. We have made and entered into an agreement of a Directors and Officers Liability Insurance Policy Contract under the provision set forth in Article 430.3.1 of the Companies Act with an insurance company to compensate for damages incurred as a result of corporate lawsuits, third-party lawsuits, derivative lawsuits, etc. which are covered by the insured person under this insurance contract. When the election of Ms. Miho Ishihara is approved, she will become the insured person under this insurance contract. During her tenure as the insured person, we will renew this insurance contract with the same contents.

- We have registered Ms. Miho Ishihara at Tokyo Stock Exchange, Inc. as an independent officer. When her election is approved, we plan her registration there as an independent officer.

**Agenda Item 4: Election of One Reserve Statutory Auditor**

The effect of the election of Mr. Shoji Kitabatake who is the Reserve Statutory Auditor elected at the 69<sup>th</sup> Ordinary General Meeting of Shareholders held on June 29, 2021 will expire at the time of opening of this General Meeting of Shareholders. Therefore, you are requested to elect one Reserve Statutory Auditor to prevent the number of Auditors from falling below the statutory requirement.

This item on the agenda has been approved by the Board of Statutory Auditors.

The particular of the candidate for the Reserve Statutory Auditor is as follows:

Name (Date of Birth)	Brief Personal Record, Position and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
[Outside Officer] Shoji Kitabatake (Feb. 14, 1947)	Apr. 1969: Joined Osaka Regional Taxation Bureau	— shares
	Jul. 1995: National Tax Lawsuit Officer of First Taxation Dept. of Above Bureau	
	Jul. 1999: Controlling National Tax Investigator of Second Investigation Dept. of Above Bureau	
	Jul. 2002: Superintendent of Nagata Taxation Office	
	Jul. 2003: Director of Investigation and Examination Section of First Investigation Dept. of Osaka Regional Taxation Bureau	
	Jul. 2004: Superintendent of Akashi Taxation Office	
	Jul. 2006: Retired from Osaka Regional Taxation Bureau	
	Aug. 2006: Registered as Licensed Tax Accountant	
	Aug. 2006: Became established as Kitabatake Licensed Tax Accountancy Firm (current)	
	Jul. 2007: Advisory Licensed Tax Accountant of Company (current)	

Notes:

- Mr. Shoji Kitabatake has no special interest in the Company, and vice-versa.
- Mr. Shoji Kitabatake is a candidate for the position of External Reserve Statutory Auditor.
- We have made and entered into a corporate licensed tax accountancy agreement with the Kitabatake Licensed Tax Accountancy Firm which is represented by Mr. Shoji Kitabatake. The value of the transactions therewith during the current business term is about 0.02% of Company's consolidated sales expenses and general administrative expenses, which is unlikely to cause any conflict of interests with our shareholders. In addition, we have judged that such an amount will not influence of the External Statutory Auditor or the governance system.
- Mr. Shoji Kitabatake has no experience of participating in any corporate management. However, he held increasingly important posts in the Taxation Bureau for many years and has expertise and practical experience as a licensed tax accountant. We have judged that, after assuming the office of Statutory Auditor, he will make good use of his rich store of knowledge in the audit of the Company. Therefore, you are invited to elect him as the External Reserve Statutory Auditor.
- When Mr. Shoji Kitabatake's election is approved, we plan to make and enter into an agreement under the provision set forth in Article 427.1 of the Companies Act with him

for limiting the liability for damages set forth in Article 423.1 of the Act. The maximum amount of the liability for compensation for damages under such agreement shall be the minimum amount of the liability provided for in laws and regulations.

6. We have made and entered into an agreement of a Directors and Officers Liability Insurance Policy Contract under the provision set forth in Article 430.3.1 of the Companies Act with an insurance company to compensate for damages incurred as a result of corporate lawsuits, third-party lawsuits, derivative lawsuits, etc., which are covered by the insured person under this insurance contract. When the election of Mr. Shoji Kitabatake is approved, he will become the insured person under this insurance contract. During the insured person's term of office, we will renew this insurance contract with the same contents.

**Agenda Item 5: Grant of Resignation Bonus to Resigning Board Member**

We would like to grant a resignation bonus to Mr. Jun Kunimine, who resigns as a Board Member, at the time of the close of this General Meeting of Shareholders to reward him for the distinguished services he has rendered during his term of office; such bonus to be within appropriate extent in accordance with the standards of the Company.

You are requested to entrust the resolution of the Board of Directors for the concrete details of the amount, time, method, etc. of the grant of such bonus.

Brief personal records of resigning Board Member is as follows:

Name	Brief Personal Record	
Jun Kunimine	Jun. 2014: Apr. 2021:	Representative Director & President of Company Board Member and Advisor to Company (current)

Concluded