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Securities code: 3201
February 1, 2023

To Our Shareholders

Yutaka Nagaoka
President and Chief Executive Officer
THE JAPAN WOOL TEXTILE CO., LTD.
47 Akashi-machi, Chuo-ku, Kobe, Hyogo
(Head Office: 3-10, 3-Chome, Kawara-machi, Chuo-ku, Osaka)

Notice of the 192nd Annual General Meeting of Shareholders

We are pleased to announce the 192nd Annual General Meeting of Shareholders of The Japan Wool Textile Co., Ltd. will be held as described below.
In order to prevent the spread of the novel coronavirus infection, we ask you to refrain from coming to the meeting if possible, regardless of your health condition, and exercise your voting rights in writing (by mail) or via the Internet, etc. by 5:55 pm on Tuesday, February 21, 2023, after reviewing the "Reference Documents for the General Meeting of Shareholders" provided below.

1 Date and time: Wednesday, February 22, 2023, at 10:00 am (Reception commences at 9:00 am.)

2 Venue: Conference Hall, 2nd Floor, Nikke Osaka Building,
3-10, 3-Chome, Kawara-machi, Chuo-ku, Osaka
(Please note that the venue is different from that of the last year. Please be sure to come to the right venue.)

3 Agenda of the Meeting:

Matters to be reported:
1 The Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 192nd Fiscal Year (from December 1, 2021 to November 30, 2022)
2 The Report on the Results of the Audit of the Consolidated Financial Statements for the 192nd Fiscal Year (from December 1, 2021 to November 30, 2022) by the Accounting Auditor and the Audit and Supervisory Board

Matters to be resolved:
Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Eight Directors
Proposal No. 4: Election of One Audit and Supervisory Board Member
Proposal No. 5: Election of One Substitute Member of the Audit and Supervisory Board

4 Notice regarding provision of documents attached to the Notice of Convocation via the Internet

Pursuant to the provisions of laws and regulations and Article 17 of the Articles of Incorporation of The Japan Wool Textile Co., Ltd., the "System for Ensuring the Appropriateness of Operations and the Status of Operation of the System," the "Basic Policy Regarding the Control of the Corporation," the "Consolidated Statement of Changes in Net Assets," the "Notes to the Consolidated Financial Statements," the "Statement of Changes in Net Assets," and the "Notes to the Non-Consolidated Financial Statements" are provided on the company's website (https://www.nikke.co.jp/). Therefore, the documents attached to this Notice of Convocation are part of the documents audited by the Audit and Supervisory Board Members and the Accounting Auditor in preparing the Audit Report.

*Please note that if it becomes necessary to revise the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements, or the Reference Documents for the General Meeting of Shareholders, the revised information will be posted on the company's website (https://www.nikke.co.jp/).

Reference Documents for the General Meeting of Shareholders

Agenda and reference matters

Proposal No. 1 Appropriation of Surplus

We, at The Japan Wool Textile Co., Ltd. (hereinafter referred to as Nikke), consider the return of profits to our shareholders to be a priority issue in our management.
In FY2022, the second year of the "Nikke Group RN 130 Second Medium-Term Management Plan (FY2021-2023)" (hereinafter referred to as the "Second Medium-Term Management Plan"), our sales target was not achieved, but we achieved our planned figures and targets for each profit category for the second year of the Second Medium-Term Management Plan.
Therefore, the year-end dividend for the fiscal year ended November 2022 will be 16 yen per share as announced. As we have paid an interim dividend of 14 yen per share, the annual dividend will be 30 yen per share, an increase of 2 yen per share from the previous fiscal year.

(1) Kind of asset distributed as dividend
Cash

(2) Matters concerning the allocation of the dividend property and the total amount thereof
16 yen per share of common stock of Nikke
Total amount of dividends: 1,131,115,456 yen
The annual dividend for the fiscal year under review, including the interim dividend (14 yen) paid earlier, will be 30 yen per share (total amount of dividends: 2,151,575,358 yen).

(3) Date on which the dividend of surplus becomes effective
Friday, February 24, 2023

[Reference] **Nikke's Policy on Determining Dividend of Surplus, Etc.**

We consider the return of profits to our shareholders to be a priority issue in our management.
Our basic policy of shareholder returns is to maintain a stable dividend policy including the following.

- No dividend cuts (excluding commemorative dividend)
- Increase dividends in line with our profits, targeting a payout ratio of 30% and a dividend on equity ratio (DOE)* of 2%
  *Dividend on equity ratio (DOE) = Dividends / Shareholders equity
- Enhance total shareholder returns including the acquisition of treasury shares

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1 Reasons for the proposal

(1) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) was enforced on September 1, 2022. Accordingly, we propose amending the Articles of Incorporation as follows.

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

(2) In order to allow Nikke to implement a flexible capital and dividend policy, we intend to add the proposed Article 41 (Organization for Determining Dividend of Surplus, Etc.) and Article 42 (Record Date for Dividend of Surplus) to enable Nikke to pay dividend of surplus, etc. by a resolution of the Board of Directors in addition to a resolution of the general meeting of shareholders and delete Article 41 (Year-end Dividend and Record Date) and Article 42 (Interim Dividend and Record Date) of the current Articles of Incorporation.

2 Details of the changes

Details of the changes are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER 3 General Meeting of Shareholders	CHAPTER 3 General Meeting of Shareholders
Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.	<Deleted>
<Newly added>	Article 17 (Measures for Electronic Provision, Etc.) The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically. 2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.

Current Articles of Incorporation	Proposed Amendments
CHAPTER 6 Calculation	CHAPTER 6 Calculation
Article 41 (Year-end Dividend and Record Date) The Company shall pay cash dividends of surplus (hereinafter referred to as the "year-end dividend") to shareholders or registered pledgees of shares by resolution of the Annual General Meeting of Shareholders, with November 30 of each year as the record date.	<Deleted>
Article 42 (Interim Dividend and Record Date) The Company may pay dividends of surplus as provided in the Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as the "interim dividend") to shareholders or registered pledgees of shares by resolution of the Board of Directors, with May 31 of each year as the record date.	<Deleted>
<Newly added>	Article 41 (Organization for Determining Dividend of Surplus, Etc.) The Company may determine matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, including dividend of surplus, by a resolution of the Board of Directors, unless otherwise provided by laws and regulations.
<Newly added>	Article 42 (Record Date for Dividend of Surplus) The record date for a year-end dividend of the Company shall be November 30 of each year. 2. The record date for an interim dividend of the Company shall be May 31 of each year. 3. In addition to the preceding two paragraphs, the Company may pay dividends of surplus by setting a record date.
<Newly added>	SUPPLEMENTARY PROVISIONS Article 1 (Transitional Measures) Article 17 of the Articles of Incorporation prior to the amendments (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement"). 2. These supplementary provisions shall be deleted after the lapse of six months from the Date of Enforcement or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.

Proposal No. 3 Election of Eight Directors

In accordance with the Articles of Incorporation, the term of office of Directors is set at one year in order to emphasize their management responsibility and to seek the confidence of shareholders in the Directors each year. In addition, in order to keep the Board of Directors small, the number of Directors is limited to eight in accordance with the Articles of Incorporation. In that regard, as the term of office of all eight Directors will expire at the conclusion of this general meeting of shareholders, the election of eight Directors, including three Outside Directors, is hereby proposed.

If this Proposal is approved as originally proposed, the ratio of Outside Directors to Nikke's Directors will be more than one third.

The candidates for Directors are as follows:

Candidate No.	Name	Current position and responsibilities, etc. in the Nikke Group	Candidate attributes
1	Kazuya Tomita	Chairman of the Board of Directors, Chairman Advisory Board Member (Chairman)	Reappointment
2	Yutaka Nagaoka	President and Chief Executive Officer Advisory Board Member	Reappointment
3	Kuniaki Hihara	Director and Managing Executive Officer General Manager of Industrial Machinery & Materials Division	Reappointment
4	Yoshirou Kawamura	Director and Managing Executive Officer General Manager of Human & Future Development Division	Reappointment
5	Takehiro Okamoto	Director and Managing Executive Officer Director of Corporate Strategy Center, Nikke	Reappointment
6	Yoshihiro Onishi	Outside Director Advisory Board Member	Reappointment Outside Independent
7	Yasuhiro Wakamatsu	Outside Director Advisory Board Member	Reappointment Outside Independent
8	Seishi Miyajima	Outside Director Advisory Board Member	Reappointment Outside Independent

Reappointment: Director candidate for reappointment

Outside: Outside Director candidate

Independent: Independent Officer pursuant to the provisions of the stock exchange

Candidate No. 1

Kazuya Tomita

Reappointment



Date of birth
April 3, 1959
Number of Nikke shares held
91,845
Years in office
10 years
Attendance at Board of Directors meetings
12/12 meetings

[Brief history, positions and responsibilities at Nikke]

April 1984	Joined Nikke
February 2007	Manager of Community Service Group, Nikke
December 2008	General Manager of Community Service Business, Nikke
February 2009	Executive Officer, General Manager of Community Service Business, Nikke
December 2011	Executive Officer, General Manager of Community Service Business & General Manager of Management Department & General Manager of Communication/New Service Department, Nikke
December 2012	Managing Executive Officer, General Manager of Human & Future Development Division & General Manager of Consumer Business Division & General Manager of Management Department & General Manager of Communication/New Service Department, Nikke
February 2013	Director, Managing Executive Officer, General Manager of Human & Future Development Division & General Manager of Consumer Business Division & General Manager of Management Department & General Manager of Communication/New Service Department, Nikke
June 2014	Director and Managing Executive Officer, Nikke Director of Corporate Strategy Center, Nikke
February 2016	President and Chief Executive Officer, Nikke
February 2022	Chairman of the Board of Directors, Chairman, Nikke (current position)

[Reasons for nomination as a Director candidate]

Mr. Kazuya Tomita has been supervising the management appropriately as Chairman of the Board of Directors and strived to effectively steer Board of Directors meetings from an independent standpoint as Chairman. In addition, he has extensive experience as he is as former President and Chief Executive Officer of Nikke and has been involved in all aspects of management for many years, promoting the medium- to long-term vision named “Nikke Group RN 130 Vision.” Based on these achievements, we believe that he is an appropriate person to realize the sustainable enhancement of the Nikke Group’s corporate value, and therefore we request your support for his continued appointment as a Director. In addition, there are no special interests between him and Nikke.

Candidate No. 2

Yutaka Nagaoka

Reappointment



Date of birth
September 7, 1961
Number of Nikke shares held
44,026
Years in office
3 years
Attendance at Board of Directors meetings
12/12 meetings

[Brief history, positions and responsibilities at Nikke]

April 1984	Joined Nikke
December 2008	Textile & Clothing Materials Division, General Manager of Gifu Mill, Nikke
December 2010	Textile & Clothing Materials Division, General Manager of Innami Mill, Nikke
February 2012	General Manager of Textile & Clothing Materials Division, Nikke (in charge of special missions for overseas business)
February 2014	Textile & Clothing Materials Division, General Manager of Gifu Mill, Nikke
September 2015	President and Chief Executive Officer, Nikke Machine Manufacturing Corp.
February 2018	Executive Officer, Nikke President and Chief Executive Officer, Nikke Machine Manufacturing Corp.
February 2020	Director and Managing Executive Officer General Manager of Human & Future Development Division, Nikke
February 2021	Director and Managing Executive Officer General Manager of Human & Future Development Division & General Manager of Development Division, Nikke
February 2022	President and Chief Executive Officer, Nikke (current position)

[Reasons for nomination as a Director candidate]

Mr. Yutaka Nagaoka has been supervising the management and making decisions on important matters appropriately as President and Chief Executive Officer. Furthermore, in order to realize the “Nikke Group RN 130 Vision,” he promoted the “Second Medium-Term Management Plan,” the second phase of the plan to achieve the vision, and set a new all-time record-high for operating income exceeding that achieved in FY2019, one of the goals of the Second Medium-Term Management Plan, ahead of schedule. Based on these achievements, we believe that he is an appropriate person to realize the sustainable enhancement of the Nikke Group’s corporate value, and therefore we request your support for his continued appointment as a Director. In addition, there are no special interests between him and Nikke.

Candidate No. 3 Kuniaki Hihara

Reappointment



Date of birth
May 7, 1957
Number of Nikke shares held
38,359
Years in office
5 years
Attendance at Board of Directors meetings
12/12 meetings

[Brief history, positions and responsibilities at Nikke]

April 2011	Joined Nikke
July 2012	General Manager of Sales Department III, Textile & Clothing Materials Division, Nikke
October 2013	President, Nikke (Thailand) Co., Ltd.
December 2014	General Manager of Nikke (Shanghai) Management Co., Ltd.
June 2015	President, Nankai Nikke (Malaysia) Sdn. Bhd.
February 2016	President and Chief Executive Officer, Ambic Co., Ltd.
February 2018	Director and Managing Executive Officer, Nikke General Manager of Industrial Machinery & Materials Division, Nikke (current position)
June 2018	Outside Director, Ashimori Industry, Co., Ltd.
June 2020	President and Chief Executive Officer, Fujico Co., Ltd. (current position)

[Material concurrent positions]

President and Chief Executive Officer, Fujico Co., Ltd.

[Reasons for nomination as a Director candidate]

As a Director, Mr. Kuniaki Hihara has supervised management and made decisions on important matters appropriately, and as a Managing Executive Officer, he has served as the General Manager of Industrial Machinery & Materials Division and focused on growth industries, such as automobile-related and environment-related industries, and worked to expand overseas business. He has also worked to expand our non-woven fabric business by strengthening collaboration with Fujico Co., Ltd., which joined the Nikke Group. In addition, he served as chairman of the Corporate Brand Strategy Committee to take concrete measures to establish a corporate brand strategy. Based on these achievements, we believe that he is an appropriate person to realize the sustainable enhancement of the Nikke Group's corporate value, and therefore we request your support for his continued appointment as a Director. In addition, there are no special interests between him and Nikke.

Candidate No. 4 Yoshirou Kawamura

Reappointment



Date of birth
November 15, 1960
Number of Nikke shares held
36,310
Years in office
4 years
Attendance at Board of Directors meetings
12/12 meetings

[Brief history, positions and responsibilities at Nikke]

April 1983	Joined Nikke
December 2005	General Manager of Jiangyin Nikke Worsted Spinning Co., Ltd. & General Manager of Jiangyin Nikke Dyeing Co., Ltd.
December 2008	General Manager of Research and Development Office II, Research and Development Center, Nikke
May 2010	General Manager of Engineering Division, Nikke
February 2013	President and Chief Executive Officer, Nikke Machine Manufacturing Corp.
September 2015	General Manager of Manufacturing Control Department, Textile & Clothing Materials Division, Nikke
February 2016	Executive Officer, General Manager of Manufacturing Control Department, Textile & Clothing Materials Division, Nikke
June 2017	Executive Officer, General Manager of Manufacturing Control Department, Textile & Clothing Materials Division & General Manager of Fabric Business, Nikke
February 2019	Director and Managing Executive Officer, Nikke General Manager of Textile & Clothing Materials Division, Nikke
February 2022	Director and Managing Executive Officer General Manager of Human & Future Development Division, Nikke (current position)

[Reasons for nomination as a Director candidate]

As a Director, Mr. Yoshirou Kawamura has supervised management and made decisions on important matters appropriately, and as a Managing Executive Officer, he has served as General Manager of the Human & Future Development Division, actively making investments including the renewal of commercial facilities and redevelopment of the Tokyo building and promoting the selection and concentration of unprofitable businesses and structural reforms. In addition, as chairman of the Nikke Group Global Environmental Committee, he recognized the importance of global environmental conservation and has been working to raise awareness throughout the Group. Based on these achievements, we believe that he is an appropriate person to realize the sustainable enhancement of the Nikke Group's corporate value, and therefore we request your support for his continued appointment as a Director. In addition, there are no special interests between him and Nikke.

Candidate No. 5

Takehiro Okamoto

Reappointment



Date of birth
June 9, 1961
Number of Nikke shares held
31,910
Years in office
1 year
Attendance at Board of Directors meetings
10/10 meetings

[Brief history, positions and responsibilities at Nikke]

August 2005	Joined Nikke
December 2008	Corporate Strategy Center, Head of the Finance & Accounting Department, Nikke
March 2013	General Manager of Management Department, Industrial Machinery & Materials Division, Nikke
December 2014	Corporate Strategy Center, Head of the Business Research & Planning Department, Nikke
February 2016	Executive Officer and Corporate Strategy Center, Head of the Business Research & Planning Department, Nikke
February 2019	Managing Executive Officer and Director of Corporate Strategy Center, Nikke
June 2021	Outside Director, Kawanishi Warehouse Co., Ltd. (current position)
February 2022	Director and Managing Executive Officer Director of Corporate Strategy Center, Nikke (current position)

[Material concurrent positions]

Outside Director, Kawanishi Warehouse Co., Ltd.

[Reasons for nomination as a Director candidate]

As a Director, Mr. Takehiro Okamoto has supervised management and made decisions on important matters appropriately, and as a Managing Executive Officer, he has served as the Director of Corporate Strategy Center, formulating and promoting management strategies, establishing corporate governance, advancing finance, human resources, investor relations and M&A strategies for the entire Group, and promoting the launch of medical related businesses. In addition, as chairman of the Sustainability Committee, he has been working on initiatives for the realization of a permanent growth of the Nikke Group and a sustainable society. Based on these achievements, we believe that he is an appropriate person to realize the sustainable enhancement of the Nikke Group's corporate value, and therefore we request your support for his continued appointment as a Director. In addition, there are no special interests between him and Nikke.

Candidate No. 6

Yoshihiro Onishi

Reappointment Outside Independent



Date of birth
January 26, 1946
Number of Nikke shares held
–
Years in office
5 years
Attendance at Board of Directors meetings
12/12 meetings

[Brief history, positions and responsibilities at Nikke]

April 1968	Joined ShinMaywa Industries, Ltd.
July 1996	General Manager of Industrial Machinery Systems Division, ShinMaywa Industries, Ltd.
June 1997	Director, ShinMaywa Industries, Ltd.
April 2003	Manager of Corporate Planning Office, ShinMaywa Industries, Ltd.
June 2003	Managing Director, ShinMaywa Industries, Ltd.
April 2006	Director, Senior Executive Officer, ShinMaywa Industries, Ltd.
October 2006	General Manager of Aircraft Division, ShinMaywa Industries, Ltd.
April 2010	General Manager of Quality Assurance Division, ShinMaywa Industries, Ltd.
January 2011	President and Chief Executive Officer, ShinMaywa Industries, Ltd.
June 2017	Advisor, ShinMaywa Industries, Ltd.
February 2018	Outside Director, Nikke (current position)

[Reasons for nomination as an Outside Director candidate and overview of expected roles]

Mr. Yoshihiro Onishi has management experience at another company, and has supervised the Board of Directors at Nikke from an independent standpoint based on his achievements and extensive experience in the machine manufacturing industry. In addition, as an Outside Member of the Advisory Board that provides advice on the nomination and remuneration of Officers and matters related to the foundation of corporate management that are presented by the Representative Director, he is also actively involved in improving the corporate governance of the Nikke Group. Based on these achievements and his extensive experience, we believe that he can help realize the sustainable enhancement of the corporate value of the Nikke Group and supervise the Group management, and therefore we request your support for his continued appointment as an Outside Director. In addition, there are no special interests between him and Nikke.

Candidate No. 7 Yasuhiro Wakamatsu

Reappointment | Outside | Independent



Date of birth
August 6, 1954
Number of Nikke shares held
—
Years in office
1 year
Attendance at Board of Directors meetings
10/10 meetings

[Brief history, positions and responsibilities at Nikke]

April 1977	Joined Kawanishi Warehouse Co., Ltd.
June 2006	Director and General Manager of Kobe Branch, Kawanishi Warehouse Co., Ltd.
April 2011	Director, Kawanishi Warehouse Co., Ltd.
June 2011	Director and General Manager of International Department, Kawanishi Warehouse Co., Ltd.
June 2011	Managing Director and Deputy General Manager of Sales Division & General Manager of International Department, Kawanishi Warehouse Co., Ltd.
April 2013	Managing Director and Deputy General Manager of Sales Division, Kawanishi Warehouse Co., Ltd.
June 2013	President and Chief Executive Officer and General Manager of Sales Division, Kawanishi Warehouse Co., Ltd.
September 2015	President and Chief Executive Officer, Kawanishi Warehouse Co., Ltd.
April 2021	Chairman, Kawanishi Warehouse Co., Ltd. (current position)
February 2022	Outside Director, Nikke (current position)

[Material concurrent positions]

Chairman, Kawanishi Warehouse Co., Ltd.

[Reasons for nomination as an Outside Director candidate and overview of expected roles]

Mr. Yasuhiro Wakamatsu has management experience at another company. He has been supervising the Board of Directors of Nikke from an independent standpoint based on his achievements and extensive experience in the warehousing industry. In addition, as an Outside Member of the Advisory Board that provides advice on the nomination and remuneration of Officers and matters related to the foundation of corporate management that are presented by the Representative Director, he is also actively involved in improving the corporate governance of the Nikke Group. Based on these achievements and his extensive experience, we believe that he can help realize the sustainable enhancement of the corporate value of the Nikke Group and supervise the Group management, and therefore we request your support for his continued appointment as an Outside Director. In addition, there are no special interests between him and Nikke.

Candidate No. 8 Seishi Miyajima

Reappointment | Outside | Independent



Date of birth
January 11, 1960
Number of Nikke shares held
—
Years in office
1 year
Attendance at Board of Directors meetings
10/10 meetings

[Brief history, positions and responsibilities at Nikke]

April 1983	Joined Nomura Real Estate Development Co., Ltd.
June 2001	General Manager of Corporate Sales Department, Nomura Real Estate Development Co., Ltd.
June 2006	Director and Deputy General Manager of Corporate Company, Nomura Real Estate Development Co., Ltd.
April 2009	Director and Managing Executive Officer General Manager of Corporate Company, Nomura Real Estate Development Co., Ltd.
April 2012	Representative Director and Senior Executive Officer General Manager of Corporate Company, Nomura Real Estate Development Co., Ltd.
May 2012	Executive Officer and Head of Property Brokerage & CRE Business Unit, Nomura Real Estate Holdings, Inc.
April 2013	President and Chief Executive Officer, Nomura Real Estate Urban Net Co., Ltd.
April 2016	Chairman, Nomura Real Estate Urban Net Co., Ltd.
June 2018	Director Executive Vice President and Executive Officer, Shinnihon Corporation
February 2022	Outside Director, Nikke (current position)

[Reasons for nomination as an Outside Director candidate and overview of expected roles]

Mr. Seishi Miyajima has management experience at another company. He has been supervising the Board of Directors at Nikke from an independent standpoint based on his achievements and extensive experience in the real estate industry. In addition, as an Outside Member of the Advisory Board that provides advice on the nomination and remuneration of Officers and matters related to the foundation of corporate management that are presented by the Representative Director, he is also actively involved in improving the corporate governance of the Nikke Group. Based on these achievements and his extensive experience, we believe that he can help realize the sustainable enhancement of the corporate value of the Nikke Group and supervise the Group management, and therefore we request your support for his continued appointment as an Outside Director. In addition, there are no special interests between him and Nikke.

Notes 1. In order to enhance objectivity in the decision of candidates for Directors, Nikke has established an "Advisory Board" that functions as a Nomination and Remuneration Committee, and the Board of Directors decides on candidates based on the results of deliberations by the Advisory Board.

2. Mr. Yoshihiro Onishi, Mr. Yasuhiro Wakamatsu, and Mr. Seishi Miyajima are candidates for Outside Directors who meet the requirements for Outside Directors.
Mr. Yoshihiro Onishi, Mr. Yasuhiro Wakamatsu and Mr. Seishi Miyajima have been designated as Independent Officers in accordance with the provisions of the Tokyo Stock Exchange and will continue to be so upon approval of their reappointment.

3. Conclusion of liability limitation agreement
Nikke has entered into an agreement with Mr. Yoshihiro Onishi, Mr. Yasuhiro Wakamatsu, and Mr. Seishi Miyajima, candidates for Outside Directors, to limit their liability as outlined below, pursuant to Article 427, Paragraph 1 of the Companies Act. If their reappointment is approved, Nikke plans to continue the said liability limitation agreement with them. The outline of the agreement is as follows:
   - In the event that an Outside Director is liable to Nikke for damages as provided for in Article 423, Paragraph 1 of the Companies Act due to negligence of his duties, he shall be liable up to the minimum liability amount as provided for in Article 425, Paragraph 1 of the Companies Act.
   - The aforementioned limitation of liability shall be applied only when the Outside Director concerned has performed his duties that caused the liability in good faith and without gross negligence.

4. Nikke has concluded a liability insurance agreement for directors and officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the said insurance agreement is outlined in "(3) Outline of Directors and Officers Liability Insurance Agreement, etc." (page 32). If the Director candidates are elected and take office, they will be included in the insured of the said insurance. Nikke plans to renew the policy with the same terms and conditions at the next renewal.

[Reference] Nikke's views on Independent Outside Officers

Independent Outside Directors shall provide advice that contributes to the enhancement of medium- to long-term corporate value, supervise management, monitor conflicts of interest, and reflect the opinions of stakeholders in the Board of Directors. Independent Outside Members of the Audit and Supervisory Board shall conduct audits from their independent standpoint and express their opinions as appropriate.

- Nikke shall hold liaison meetings between Independent Outside Directors and Audit and Supervisory Board Members as needed so that Independent Outside Officers can actively participate in the discussions of the Board of Directors, in order to exchange information and share understanding from an objective standpoint.
- Nikke shall select candidates for Independent Outside Officers by setting its own criteria for independence as follows, in order to substantially ensure the compliance with the independence criteria set forth in the Financial Instruments and Exchange Act.
  Candidates shall
  (a) Not be a major shareholder of Nikke or its business executor.
  A major shareholder is defined as an entity who holds 10% or more of the total voting rights.
  (b) Not be a major business partner of the Nikke Group or its business executor.
  A major business partner is defined as an entity whose payments or receipts for transactions with the Nikke Group in the immediately preceding fiscal year exceed 2% of the consolidated net sales of the Nikke Group or the group to which the entity belongs.
  (c) Not be a consultant, accounting expert or legal expert who receives a large amount of money or other property from the Nikke Group other than remuneration as an officer.
  A large amount of money is defined as an amount equal to the higher of 10 million yen or 2% of the person's net sales or total income in the immediately preceding fiscal year, and not exceeding the amount of the person's remuneration as an officer.

In addition, the Advisory Board shall be consulted by the Representative Director and verify the candidate's independence.

Excerpt from the "Nikke Corporate Governance Guidelines"

Proposal No. 4 Election of One Audit and Supervisory Board Member

As the term of office of Audit and Supervisory Board Member Mr. Junichi Komiya will expire at the conclusion of this general meeting of shareholders, the election of one Audit and Supervisory Board Member is hereby proposed. Please note that the submission of this Proposal has been approved by the Audit and Supervisory Board in advance. The candidate for Audit and Supervisory Board Member is as follows:

Candidate Kazuhiro Ohashi

New appointment



Date of birth
February 18, 1958

Number of Nikke shares held
26,152

[Brief history, positions and material concurrent positions]

April 1982	Joined Nikke
December 2008	General Manager of Research and Development Office I, Research and Development Center, Nikke
February 2012	Textile & Clothing Materials Division, General Manager of Innami Mill, Nikke
December 2013	Director and Managing Executive Officer, Gosen Co., Ltd.
February 2017	Executive Officer, Director of Research and Development Center, Nikke
April 2018	Executive Officer, Director of Research and Development Center and Head of Textile & Clothing Materials Development Offices I and II, Nikke
December 2018	Executive Officer, Director of Research and Development Center and Materials & Technology Development Office, Nikke and President and Chief Executive Officer, Nikke Medical Co., Ltd.
April 2019	Executive Officer, Nikke President and Chief Executive Officer, Kyoto Medical Planning Co., Ltd. and President and Chief Executive Officer, Nikke Medical Co., Ltd. (current position)

[Reasons for nomination as Audit and Supervisory Board Member candidate]

Mr. Kazuhiro Ohashi focused on launching medical-related businesses as Executive Officer and has extensive experience in production and R&D areas of the Nikke Group and therefore possesses considerable knowledge of business of the Nikke Group. In addition, he has a proven track record of managing group companies of Nikke. We believe that he is an appropriate person to conduct the audit to ensure the soundness of the company and therefore we request your support for his appointment as a new Member of the Audit and Supervisory Board. In addition, there are no special interests between him and Nikke.

Note Nikke has concluded a liability insurance agreement for directors and officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the said insurance agreement is outlined in “(3) Outline of Directors and Officers Liability Insurance Agreement, etc.” (page 32). If the Audit and Supervisory Board Member candidate is elected and takes office, he will be included in the insured of the said insurance. Nikke plans to renew the policy with the same terms and conditions at the next renewal.

[Reference] Skills matrix of Officers after the conclusion of this general meeting of shareholders

The following skills matrix shows the skills of each Officer, provided that the candidates are appointed as proposed in Proposal No. 3 and Proposal No. 4.

Position (Note 1)	Name	Principal specialized area of experience							Business experience at Nikke			
		Corporate management	Sales	R&D of technology	Finance/ Accounting	HR/Labor	Legal/Risk management	M&A	Global experience	Textile & Clothing Materials	Industrial Machinery & Materials	Human & Future Development	Consumer Goods & Services
Director	Kazuya Tomita	●	●		●	●	●	●		●		●	●
	Yutaka Nagaoka	●		●		●			●	●	●	●	●
	Kuniaki Hihara	●	●						●	●	●		
	Yoshirou Kawamura	●		●					●	●	●	●	●
	Takehiro Okamoto		●		●	●	●	●			●	●	
	Yoshihiro Onishi	●		●									
	Yasuhiro Wakamatsu	●	●				●		●				
	Seishi Miyajima	●	●			●							
Audit and Supervisory Board Member	Shogo Ueno	●	●							●		●	●
	Kazuhiro Ohashi	●		●						●	●		
	Takeshi Katayama	●			●		●						
	Michiko Uehara						●						

Notes 1. Mr. Yoshihiro Onishi, Mr. Yasuhiro Wakamatsu and Mr. Seishi Miyajima are Outside Directors as defined in Article 2, Item 15 of the Companies Act. Mr. Takeshi Katayama and Ms. Michiko Uehara are Outside Audit and Supervisory Board Members as defined in Article 2, Item 16 of the Companies Act.

2. The above list does not represent all the knowledge and experience possessed by each Officer.

Proposal No. 5

Election of One Substitute Member of the Audit and Supervisory Board

We request the appointment of one substitute Member of the Audit and Supervisory Board in the event that the number of Audit and Supervisory Board Members falls short of the number stipulated in laws and regulations.
The pre-election of the substitute Audit and Supervisory Board Member will be effective until the beginning of the next annual general meeting of shareholders.
Please note that the submission of this Proposal has been approved by the Audit and Supervisory Board in advance.
The candidate for substitute Audit and Supervisory Board Member is as follows:

Candidate **Junichi Kato**

Substitute | Outside | Independent



Date of birth
January 26, 1962

Number of Nikke shares held
—

[Brief history]

October 1994	Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC)
January 1998	Joined Setsuo Hashimoto Certified Public Accountant Office (currently Junichi Kato Certified Public Accountant Office) (current position)
April 1999	Registered as a Certified Public Accountant
July 1999	Registered as a Licensed Tax Accountant
June 2005	Established Tax Corporation Sincere/Representative Partner (current position)

[Material concurrent positions]

Certified Public Accountant (Junichi Kato Certified Public Accountant Office)
Licensed Tax Accountant (Representative Partner of Tax Corporation Sincere)

[Reasons for nomination as a candidate for substitute Outside Member of the Audit and Supervisory Board]

Although Mr. Junichi Kato has not been involved in the management of a company in the past, we would like him to perform appropriate audits from an independent standpoint by utilizing his experience as a certified public accountant familiar with financial, accounting and tax matters, and therefore we request your support for his appointment as a candidate for substitute Outside Member of the Audit and Supervisory Board. In addition, there are no special interests between him and Nikke.

Notes 1. Mr. Junichi Kato is a candidate for substitute Outside Member of the Audit and Supervisory Board who meets the requirements for Outside Members of the Audit and Supervisory Board.

2. In the event that the number of Audit and Supervisory Board Members falls short of the number stipulated in laws and regulations and Mr. Junichi Kato takes office as an Outside Member of the Audit and Supervisory Board, he will be designated as an Independent Officer as he meets the requirements for Independent Officers as stipulated by the Tokyo Stock Exchange.

3. In the event that the number of Audit and Supervisory Board Members falls short of the number stipulated in laws and regulations and Mr. Junichi Kato takes office as an Outside Member of the Audit and Supervisory Board, Nikke plans to enter into a liability limitation agreement with him in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The outline of the agreement is as follows:
   - In the event that an Outside Member of the Audit and Supervisory Board is liable to Nikke for damages as provided for in Article 423, Paragraph 1 of the Companies Act due to negligence of his duties, he shall be liable up to the minimum liability amount as provided for in Article 425, Paragraph 1 of the Companies Act.
   - The aforementioned limitation of liability shall be applied only when the Outside Member of the Audit and Supervisory Board concerned has performed his duties that caused the liability in good faith and without gross negligence.

4. Nikke has concluded a liability insurance agreement for directors and officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the said insurance agreement is outlined in "(3) Outline of Directors and Officers Liability Insurance Agreement, etc." (page 32). In the event that the number of Audit and Supervisory Board Members falls short of the number stipulated in laws and regulations and Mr. Junichi Kato takes office as an Outside Member of the Audit and Supervisory Board, he will be included in the insured of the said insurance.