



May 18, 2023

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Notice of Transition to Company with Audit and Supervisory Committee and Partial Amendments to the Articles of Incorporation

NISSO CORPORATION (hereinafter, the "Company") hereby announces that it has resolved to transition from the current "Company with Audit and Supervisory Board" to a "Company with Audit and Supervisory Committee" subject to approval at the 43rd Ordinary General Meeting of Shareholders scheduled to be held on June 28, 2023, and to submit a proposal for "Partial Amendments to the Articles of Incorporation" to the Ordinary General Meeting of Shareholders, at the Board of Directors' Meeting held today, as follows.

Furthermore, the appointment of Corporate Officers associated with this matter is disclosed separately in the "Notice of Appointment of Corporate Officers after Transition to Company with Audit and Supervisory Committee" dated today.

1. Transition to a Company with an Audit and Supervisory Committee

(1) Purpose of transition

- ① By appointing Audit and Supervisory Committee Members, who are responsible for auditing the execution of duties by Managing Directors, as constituent members of the Board of Directors, the Company aims to strengthen the audit and supervisory functions of the Board of Directors, and further enhance corporate governance.
- ② By allowing the Board of Directors to delegate the decision-making authority for important business execution to Managing Directors, the Company aims to further accelerate management decision-making and business execution under the appropriate supervision of the Board of Directors.

(2) Timing of transition

The Company plans to obtain approval for the necessary amendments to the Articles of Corporation at the 43rd Ordinary General Meeting of Shareholders scheduled to be held on June 28, 2023, and is scheduled to transition to a company with an Audit and Supervisory Committee.

2. Partial Amendments to the Articles of Incorporation

(1) Purpose of changes

The Company will establish new provisions concerning the Audit & Supervisory Committee Members and the Audit and Supervisory Committee necessary for the transition to a company with an Audit and Supervisory Committee, delete provisions concerning the Audit & Supervisory Board Members and the Audit and Supervisory Board, and establish new provisions concerning the delegation of decisions on the execution of business.

In addition, amendments to the number of articles, additions and amendments to the provisions and wording, and other necessary changes will be made in accordance with the above.

(2) Details of changes

The details of the changes are as shown in the attachment.

(3) Schedule of changes

Date of General Meeting of Shareholders for Amendment of Articles of Incorporation

June 28, 2023 (Wed.) (Scheduled)

Effective Date of Amendments to Articles of Incorporation

June 28, 2023 (Wed.) (Scheduled)

Current Articles of Incorporation	Proposed Changes
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1~Article 3 (Articles omitted)	Article 1~Article 3 (Same as current)
(Organs)	(Organs)
Article 4 The Company shall have the following organs in addition to the General Meetings of Shareholders and Managing Directors: 1. Board of Directors 2. <u>Audit & Supervisory Board Members</u> 3. <u>Audit and Supervisory Board</u> 4. Accounting Auditor	Article 4 The Company shall have the following organs in addition to the General Meetings of Shareholders and Managing Directors: 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> (Deleted) 3. Accounting Auditor
Article 5 (Article omitted)	Article 5 (Same as current)
Chapter 2 Shares of the Company	Chapter 2 Shares of the Company
Article 6~Article 9 (Articles omitted)	Article 6~Article 9 (Same as current)
(Shareholder Register Administrator)	(Shareholder Register Administrator)
Article 10 The Company shall have a shareholder register administrator ② The shareholder register administrator and its place of business shall be determined by resolution of the Board of Directors. ③ The preparation and keeping of the Company's register of shareholders and share option register, and other administrative matters related to shares shall be handled by the shareholder register administrator, and shall not be handled by the Company.	Article 10 The Company shall have a shareholder register administrator ② The shareholder register administrator and its place of business shall be determined by <u>the Board of Directors</u> or by <u>a Managing Director delegated</u> by resolution of the Board of Directors. ③ The preparation and keeping of the Company's register of shareholders and share option register, and other administrative matters related to shares shall be handled by the shareholder register administrator, and shall not be handled by the Company.
(Share Handling Regulations)	(Share Handling Regulations)
Article 11 Matters involving the handling of the Company's shares and its fees, shall be governed by laws and regulations, these Articles of Incorporation, and also by the Share Handling Regulations prescribed by the Board of Directors.	Article 11 Matters involving the handling of the Company's shares and its fees, shall be governed by laws and regulations, these Articles of Incorporation, and also by the Share Handling Regulations prescribed by the Board of Directors <u>or a Managing Director delegated by resolution of the Board of Directors.</u>
Chapter 3 General Meetings of Shareholders	Chapter 3 General Meetings of Shareholders
Article 12 (Article omitted)	Article 12 (Same as current)
(Convener and Chairperson)	(Convener and Chairperson)
Article 13 The General Meeting of Shareholders shall be convened and presided over by the <u>President (& Managing Director)</u> , unless otherwise stipulated by laws and regulations.	Article 13 The General Meeting of Shareholders shall be convened and <u>chaired by a Managing Director designated in advance by the Board of</u>

Current Articles of Incorporation	Proposed Changes
<p>② In the event of an accident involving the President (& Managing Director), another Managing Director in the order previously determined by the Board of Directors shall take his or her place.</p> <p>Article 14~Article 17 (Articles omitted)</p> <p>Chapter 4 Managing Directors and Board of Directors</p> <p>(Number of Managing Directors)</p> <p>Article 18 The number of Managing Directors of the Company shall not exceed 10.</p> <p>(Newly established)</p> <p>(Method of Election)</p> <p>Article 19</p> <p>① Managing Directors shall be elected at a General Meeting of Shareholders.</p> <p>② Resolutions to elect Managing Directors shall be approved by a majority of the voting rights of shareholders who are in attendance and hold one-third (1/3) or more of the total voting rights of shareholders eligible to exercise their voting rights.</p> <p>③ The resolution for the election of Managing Directors shall not be decided by cumulative voting.</p> <p>(Newly established)</p> <p>(Term of Office)</p> <p>Article 20 The term of office of a Managing Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 1 year after his or her election.</p> <p>(Newly established)</p>	<p><u>Directors</u>, unless otherwise stipulated by laws and regulations.</p> <p>② In the event of an accident involving <u>a Managing Director referred to in the preceding paragraph</u>, another Managing Director in the order previously determined by the Board of Directors shall take his or her place.</p> <p>Article 14~Article 17 (Same as current)</p> <p>Chapter 4 Managing Directors and Board of Directors</p> <p>(Number of Managing Directors)</p> <p>Article 18 The number of Managing Directors (<u>excluding Managing Directors who are Audit & Supervisory Committee Members</u>) of the Company shall not exceed 10.</p> <p>② <u>The number of Managing Directors who are Audit & Supervisory Committee Members of the Company shall not exceed 4.</u></p> <p>(Method of Election)</p> <p>Article 19 Managing Directors shall be elected at a General Meeting of Shareholders. <u>However, Managing Directors who are Audit & Supervisory Committee Members shall be elected separately from other Managing Directors.</u></p> <p>② Resolutions to elect Managing Directors shall be approved by a majority of the voting rights of shareholders who are in attendance and hold one-third (1/3) or more of the total voting rights of shareholders eligible to exercise their voting rights.</p> <p>③ The resolution for the election of Managing Directors shall not be decided by cumulative voting.</p> <p>④ <u>The validity of the preliminary election for Managing Directors who are Substitute Audit & Supervisory Committee Members shall be effective until the start of the Ordinary General Meeting of Shareholders for the last business year ending within 2 years after his or her election.</u></p> <p>(Term of Office)</p> <p>Article 20 The term of office of a Managing Director (<u>excluding a Managing Director who is an Audit & Supervisory Committee Member</u>) shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 1 year after his or her election.</p> <p>② <u>The term of office of a Managing Director who</u></p>

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<p>② The term of office of a Managing Director elected to fill a vacancy or to increase the number of Managing Directors shall be until the expiration of the terms of office of other incumbent Managing Directors.</p> <p>(Newly established)</p> <p>(Representative Director(s) and Managing Directors with Special Titles) Article 21 Representative Director(s) shall be selected by resolution of the Board of Directors.</p> <p>② The Board of Directors may, by its resolution, select a <u>President (& Managing Director)</u>, a <u>Chairman (& Managing Director)</u>, and as deemed necessary, a <u>Vice President (& Managing Director)</u>, an <u>Executive Managing Director</u> and a <u>Senior Managing Director</u>. In addition, the <u>President (& Managing Director)</u> shall represent the Company.</p> <p>③ <u>By resolution of the Board of Directors, a Representative Director, in addition to the President (& Managing Director), may be selected from among the Managing Directors with special titles set forth in the preceding paragraph.</u></p> <p>(Convener of Board of Directors' Meetings and Chairperson thereof) Article 22 Board of Directors' Meetings shall be convened and presided over by the <u>President (& Managing Director)</u> unless otherwise stipulated by laws and regulations.</p> <p>② In the event of an accident with the <u>President (& Managing Director)</u>, another Managing</p>	<p><u>is an Audit & Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 2 years after his or her election.</u></p> <p>③ The term of office of a Managing Director (excluding a Managing Director who is an <u>Audit & Supervisory Committee Member</u>) elected to fill a vacancy or to increase the number of Managing Directors shall be until the expiration of the terms of office of other incumbent Managing Directors (excluding <u>Managing Directors who are Audit & Supervisory Committee Members</u>).</p> <p>④ <u>The term of office of a Managing Director who is an Audit & Supervisory Committee Member who has been elected to fill a vacancy for a Managing Director who is an Audit & Supervisory Committee Member who has retired/resigned before the expiration of his or her term of office shall be until the expiration of the term of office of the Managing Director who is an Audit & Supervisory Committee Member who has retired/resigned.</u></p> <p>(Representative Director(s) and Managing Directors with Special Titles) Article 21 The Board of Directors shall, by resolution, select <u>Representative Director(s) from among the Managing Directors (excluding Managing Directors who are Audit and Supervisory Committee Members).</u></p> <p>② The Board of Directors may, by its resolution, select a <u>Chairman of the Board of Directors</u> and a <u>President from among the Managing Directors (excluding those who are Audit and Supervisory Committee Members).</u></p> <p>(Deleted)</p> <p>(Convener of Board of Directors' Meetings and Chairperson thereof) Article 22 Board of Directors' Meetings shall be convened and chaired by a <u>Managing Director designated in advance by the Board of Directors</u>, unless otherwise stipulated by laws and regulations.</p> <p>② In the event of an accident involving a <u>Managing Director referred to in the</u></p>

Current Articles of Incorporation	Proposed Changes
<p>Director in the order previously determined by the Board of Directors shall take his or her place.</p> <p>(Convocation Notice of Board of Directors' Meetings) Article 23 A convocation notice of a Board of Directors' Meeting shall be dispatched to each Managing Director <u>and each Audit & Supervisory Board Member</u> no later than 3 days prior to the date of such meeting; provided, however, that such period may be shortened in the event of an emergency or urgent necessity.</p> <p>② A meeting of the Board of Directors may be convened without the required convocation procedures with the consent of all Managing Directors <u>and Audit & Supervisory Board Members.</u></p> <p>(Newly established)</p>	<p><u>preceding paragraph</u>, another Managing Director in the order previously determined by the Board of Directors shall take his or her place.</p> <p>(Convocation Notice of Board of Directors' Meetings) Article 23 A convocation notice of a Board of Directors' Meeting shall be dispatched to each Managing Director no later than 3 days prior to the date of such meeting; provided, however, that such period may be shortened in the event of an emergency or urgent necessity.</p> <p>② A meeting of the Board of Directors may be convened without the required convocation procedures with the consent of all Managing Directors.</p> <p><u>(Delegation of Important Business Execution Decisions)</u> <u>Article 24</u> <u>Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of the decisions on important business execution (excluding matters listed in each item of paragraph 5 of the same Article) to Managing Directors.</u></p>
<p>Article <u>24</u> (Article omitted)</p> <p>(Minutes of the Board of Directors' Meetings) Article <u>25</u> The minutes of the Board of Directors' Meeting shall be prepared in writing or in electromagnetic form pursuant to laws and regulations, and the Managing Directors <u>and Audit & Supervisory Board Members</u> in attendance shall sign or affix their names and seals thereto or put their electronic signatures thereon.</p> <p>② The minutes of the resolution of the Board of Directors set forth in paragraph 2 of the preceding Article shall be prepared in writing or in electromagnetic form pursuant to laws and regulations.</p>	<p>Article <u>25</u> (Same as current)</p> <p>(Minutes of the Board of Directors' Meetings) Article <u>26</u> The minutes of the Board of Directors' Meeting shall be prepared in writing or in electromagnetic form pursuant to laws and regulations, and the Managing Directors in attendance shall sign or affix their names and seals thereto or put their electronic signatures thereon.</p> <p>② The minutes of the resolution of the Board of Directors set forth in paragraph 2 of the preceding Article shall be prepared in writing or in electromagnetic form pursuant to laws and regulations.</p>
<p>Article <u>26</u> (Article omitted)</p> <p>(Remuneration, etc.) Article <u>27</u> Remuneration, bonuses and other property benefits (hereinafter, referred to as "remuneration, etc.") received by Managing Directors from the Company as consideration for the execution of their duties shall be</p>	<p>Article <u>27</u> (Same as current)</p> <p>(Remuneration, etc.) Article <u>28</u> Remuneration, bonuses and other property benefits (hereinafter, referred to as "remuneration, etc.") received by Managing Directors from the Company as consideration</p>

Current Articles of Incorporation	Proposed Changes
determined by resolution of a General Meeting of Shareholders.	for the execution of their duties shall be determined by resolution of a General Meeting of Shareholders, <u>with distinction between Managing Directors who are Audit and Supervisory Committee Members and other Managing Directors.</u>
Article <u>28</u> (Article omitted)	Article <u>29</u> (Same as current)
(Executive Officers) Article <u>29</u>	(Executive Officers) Article <u>30</u>
The Board of Directors may, <u>by its resolution</u> , select Executive Officers and have them share the execution of duties of the Company. In addition, the selection, retirement/resignation, duties, terms of office, etc., of Executive Officers shall be governed by the Regulations of the Executive Officers prescribed by the Board of Directors.	The Board of Directors <u>or Managing Directors delegated by resolution of the Board of Directors</u> may select Executive Officers and have them share the execution of the duties of the Company. In addition, the selection, retirement/resignation, duties, terms of office, etc., of Executive Officers shall be governed by the Regulations of the Executive Officers prescribed by the Board of Directors <u>or Managing Directors delegated by resolution of the Board of Directors.</u>
Chapter 5 <u>Audit & Supervisory Board Members and Audit and Supervisory Board</u>	Chapter 5 <u>Audit and Supervisory Committee</u>
(Number of Audit & Supervisory Board Members) Article <u>30</u>	(Deleted)
The number of Audit & Supervisory Board Members of the Company shall not exceed 4.	
(Method of Election) Article <u>31</u>	(Deleted)
Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.	
② <u>Resolutions to elect Audit & Supervisory Board Members shall be approved by a majority of the voting rights of shareholders who are in attendance and hold one-third (1/3) or more of the total voting rights of shareholders eligible to exercise their voting rights.</u>	
(Term of Office) Article <u>32</u>	(Deleted)
The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 4 years after his or her election.	
② <u>The term of office of an Audit & Supervisory Board Member elected to fill a vacancy shall be until the expiration of the term of office of the retired Audit & Supervisory Board Member.</u>	
(Full-time Audit & Supervisory Board Member) Article <u>33</u>	(Deleted)

Current Articles of Incorporation	Proposed Changes
<p><u>The Audit and Supervisory Board shall, by its resolution, select Full-time Audit & Supervisory Board Member(s).</u></p> <p><u>(Convocation Notice of Audit and Supervisory Board Meetings)</u> <u>Article 34</u> <u>A convocation notice of an Audit and Supervisory Board Meeting shall be dispatched to each Audit & Supervisory Board Member no later than 3 days prior to the date of such meeting; provided, however, that such period may be shortened in the event of an emergency or urgent necessity.</u></p> <p><u>② A meeting of the Audit and Supervisory Board may be convened without the required convocation procedures with the consent of all Audit & Supervisory Board Members.</u></p> <p><u>(Method for Resolutions of Audit and Supervisory Board)</u> <u>Article 35</u> <u>Resolutions of the Audit and Supervisory Board Meetings shall be approved by a majority of Audit & Supervisory Board Members, except as otherwise stipulated by laws and regulations.</u></p> <p><u>(Minutes of the Audit and Supervisory Board Meetings)</u> <u>Article 36</u> <u>The minutes of the Audit and Supervisory Board Meeting shall be prepared in writing or in electromagnetic form pursuant to laws and regulations, and the Audit & Supervisory Board Members in attendance shall sign or affix their names and seals thereto or put their electronic signatures thereon.</u></p> <p><u>(Regulations of the Audit and Supervisory Board)</u> <u>Article 37</u> <u>Matters concerning the Audit and Supervisory Board, in addition to laws and regulations and these Articles of Incorporation, shall be governed by the Regulations of the Audit and Supervisory Board prescribed by the Audit and Supervisory Board.</u></p> <p><u>(Remuneration, etc.)</u> <u>Article 38</u> <u>Remuneration, etc., of Audit & Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p> <p><u>(Exemption from Liability of Audit & Supervisory Board Members)</u> <u>Article 39</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Changes
<p><u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability for damages arising from their failure to perform their duties to the extent prescribed by laws and regulations.</u></p> <p>② <u>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board Members to limit their liability for damages arising from their failure to perform their duties; provided, however that the maximum amount of liability under such agreements shall be the amount prescribed by laws and regulations.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Full-time Audit & Supervisory Committee Member)</u> <u>Article 31</u> <u>The Audit and Supervisory Committee may, by its resolution, select Full-time Audit & Supervisory Committee Member(s) from among the Audit & Supervisory Committee Members.</u></p> <p><u>(Convocation Notice of Audit and Supervisory Committee Meetings)</u> <u>Article 32</u> <u>A convocation notice of an Audit and Supervisory Committee Meeting shall be dispatched to each Audit & Supervisory Committee Member no later than 3 days prior to the date of such meeting; provided, however, that such period may be shortened in the event of an emergency or urgent necessity.</u></p> <p>② <u>A meeting of the Audit and Supervisory Committee may be convened without the required convocation procedures with the consent of all Audit & Supervisory Committee Members.</u></p> <p><u>(Method for Resolutions of Audit and Supervisory Committee)</u> <u>Article 33</u> <u>Resolutions of the Audit and Supervisory Committee shall be made by a majority of the Audit & Supervisory Committee Members in attendance, with a majority of the Audit & Supervisory Committee Members in attendance, except as otherwise stipulated by laws and regulations.</u></p> <p><u>(Minutes of the Audit and Supervisory Committee Meetings)</u> <u>Article 34</u></p>

Current Articles of Incorporation	Proposed Changes
<p>(Newly established)</p> <p>Chapter 6 Accounting Auditor</p> <p>Article 40 and Article 41 (Articles omitted)</p> <p>(Remuneration, etc., of Accounting Auditor)</p> <p>Article 42 Remuneration, etc., of the Accounting Auditor shall be determined by the Representative Director(s) with consent of the <u>Audit and Supervisory Board</u>.</p> <p>Article 43 (Article omitted)</p> <p>Chapter 7 Accounts</p> <p>Article 44~Article 47 (Articles omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>The minutes of the Audit and Supervisory Committee Meeting shall be prepared in writing or in electromagnetic form pursuant to laws and regulations, and the Audit & Supervisory Committee Members in attendance shall sign or affix their names and seals thereto or put their electronic signatures thereon.</u></p> <p><u>(Regulations of the Audit and Supervisory Committee)</u></p> <p><u>Article 35</u> <u>Matters concerning the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation, shall be governed by the Regulations of the Audit and Supervisory Committee prescribed by the Audit and Supervisory Committee.</u></p> <p>Chapter 6 Accounting Auditor</p> <p>Article 36 and Article 37 (Same as current)</p> <p>(Remuneration, etc., of Accounting Auditor)</p> <p>Article 38 Remuneration, etc., of the Accounting Auditor shall be determined by the Representative Director(s) with consent of the <u>Audit and Supervisory Committee</u>.</p> <p>Article 39 (Same as current)</p> <p>Chapter 7 Accounts</p> <p>Article 40~Article 43 (Same as current)</p> <p><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures for Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p><u>Article 1</u> <u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, to the extent permitted by laws and regulations, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages arising from their failure to perform their duties prior to the effective date of the partial amendments to the Articles of Incorporation resolved at the 43rd Ordinary General Meeting of Shareholders.</u></p>