(English Translation)
This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.

Stock code: 3036
June 6, 2019

To Our Shareholders:

Masato Takei, President and CEO
ALCONIX CORPORATION
2-11-1, Nagata-cho, Chiyoda-ku, Tokyo

Notice of Convocation of the 38th Ordinary General Meeting of Shareholders

I would like to take this opportunity to thank you for your support of ALCONIX CORPORATION ("ALCONIX" or the "Company"). We will hold the 38th Ordinary General Meeting of Shareholders and request your attendance. The meeting will be held as described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing or on the Internet website. Please review the following Reference Documents for the General Meeting of Shareholders and, as explained on the next page, submit your votes by no later than 5:30 p.m. on Thursday, June 20, 2019.

Details

1. Date and time Friday, June 21, 2019 at 10 a.m.

2. Place Orchard Room, Annex Building 2F, Hotel Okura Tokyo
2-10-4, Toranomon, Minato-ku, Tokyo

3. Meeting Agenda

Matters to be reported:

1. The Business Report, Consolidated Financial Statements and the results of audits conducted by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 38th Fiscal Year (April 1, 2018 - March 31, 2019)
2. Non-consolidated Financial Statements for the Company's 38th Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

Proposal No. 1:	Appropriation of Retained Earnings
Proposal No. 2:	Election of Seven Directors
Proposal No. 3:	Election of One Audit & Supervisory Board Member
Proposal No. 4:	Election of One Substitute Audit & Supervisory Board Member
Proposal No. 5:	Payment of Retirement Benefit to a Director
Proposal No. 6:	Final Payment of Retirement Benefits upon Termination of Retirement Benefit Plan for Directors and Audit & Supervisory Board Members
Proposal No. 7:	Revision of Compensation for Directors and Audit & Supervisory Board Members
Proposal No. 8:	Compensation for Granting Restricted Stock to the Directors (Excluding Outside Directors)
Proposal No. 9:	Issuance of Stock Options (Share Acquisition Rights)

For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

As the following information is posted on ALCONIX's website (http://www.alconix.com) on the Internet pursuant to the laws and regulations and the provisions in Article 15 of the Company's Articles of Incorporation, it is not included in the documents attached to this notice of convocation.

Notes to consolidated financial statements
Notes to non-consolidated financial statements

If any amendment is made to the Reference Documents for the General Meeting of Shareholders, the Business Report and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on ALCONIX's website.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Retained Earnings

ALCONIX's basic policy regarding dividends is to continuously provide stable dividends while securing adequate internal reserves for future business development and the bolstering of the management structure.

The year-end dividend for the fiscal year ended March 31, 2019 (FY3/19) is as follows.

(1) Type of dividend: Cash

(2) Dividend payment and total amount:

The Company proposes a dividend of 20 yen per common stock of the Company. Total amount of dividends will be 508,891,300 yen. Together with an interim dividend, the annual dividend will be 39 yen per share.

Note: Pursuant to Article 453 of the Companies Act, total dividends are calculated after deducting the 437,635 treasury shares from the number of shares outstanding.

(3) Effective date of distribution of retained earnings: June 24, 2019

Proposal No. 2: Election of Seven Directors

The terms of office of all six Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of seven Directors, increasing the number of Directors by one to enhance the management system. The candidates for Directors are as follows:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions and responsibilities
(Significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td rowspan="5">Eiitsu Masaki
(July 16, 1941)</td><td>April 1965</td><td>Joined Iwai Sangyo Co. Ltd. (subsequently Nissho Iwai Corporation, currently Sojitz Corporation)</td><td rowspan="5">357,700</td></tr>
<tr><td>October 1995</td><td>Assistant General Manager, Osaka Steel Products Division, Nissho Iwai Corporation</td></tr>
<tr><td>October 1998</td><td>Indochina District Manager of Nissho Iwai Corporation and President and CEO of Nissho Iwai (Thailand) Limited Partnership</td></tr>
<tr><td>April 2000</td><td>President and CEO of ALCONIX</td></tr>
<tr><td>June 2018</td><td>Chairman of ALCONIX (current)</td></tr>
<tr><td colspan="4">Reasons for nomination as a candidate for Director
Mr. Eiitsu Masaki has contributed to building and expanding business operations by providing strategic leadership as the chief executive officer of ALCONIX since 2000. He is a candidate for reelection as a Director because of his outstanding knowledge and experience. If Mr. Masaki is reelected as a Director, he is to be named Chairman at the meeting of the Board of Directors that follows this Ordinary General Meeting of Shareholders.</td></tr>
<tr><td rowspan="2">2</td><td rowspan="7">Masato Takei
(May 18, 1953)</td><td>April 1977</td><td>Joined Nissho Iwai Corporation (currently Sojitz Corporation)</td><td rowspan="7">96,700</td></tr>
<tr><td>April 2003</td><td>Joined ALCONIX, Executive Officer and General Manager of Group 3 of ALCONIX</td></tr>
<tr><td>June 2006</td><td>Executive Officer and General Manager of Group 4 of ALCONIX</td></tr>
<tr><td>June 2009</td><td>Director, Managing Executive Officer and General Manager of Group 4 of ALCONIX</td></tr>
<tr><td>April 2010</td><td>Director, Managing Executive Officer and General Manager of Electronics & Advanced Materials Division of ALCONIX</td></tr>
<tr><td>June 2015</td><td>Director, Senior Managing Executive Officer and General Manager of Electronics & Advanced Materials Division of ALCONIX</td></tr>
<tr><td>June 2017</td><td>Director & Executive Vice President of ALCONIX</td></tr>
<tr><td>June 2018</td><td>President and CEO of ALCONIX (current)</td></tr>
<tr><td colspan="4">Reasons for nomination as a candidate for Director
Mr. Masato Takei has served in a variety of key positions involving aluminum, copper, electronic materials, titanium, business development since joining ALCONIX. Since his election as a Director in 2009, he played a central role in establishing a sound profit structure for the electronics and advanced materials business, which is a core profit centers of the ALCONIX Group. Mr. Takei was named Executive Vice President in 2017 and became a Representative Director in 2018. Due to his specialized knowledge and his experience, he is a candidate for reelection as a Director. If Mr. Takei is reelected as a Director, he is to be named President and CEO at the meeting of the Board of Directors that follows this Ordinary General Meeting of Shareholders.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)		Number of shares of the Company held
3	Yasushi Miyazaki (September 27, 1952)	April 1975	Joined Nissho Iwai Corporation (currently Sojitz Corporation)	71,000
		December 1997	President of Nissho Iwai International Finance Plc., London	
		October 2003	Joined ALCONIX, Manager and Assistant to General Manager of Administrative Headquarters	
		April 2004	Manager of Corporate Planning Department of ALCONIX	
		June 2005	Director and Manager of Corporate Planning Department of ALCONIX	
		June 2006	Director and General Manager of Finance & Accounting Division of ALCONIX	
		June 2010	Director, Managing Executive Officer and General Manager of Finance & Accounting Division of ALCONIX	
		April 2017	Director, Senior Managing Executive Officer and General Manager of Finance & Accounting Division of ALCONIX (current)	
	Reasons for nomination as a candidate for Director Mr. Yasushi Miyazaki was involved with corporate planning and accounting and finance with expertise in the field of finance and accounting. Since his election as a Director in 2005, he has used his substantial knowledge of accounting, finance, credit authorization and investor relations to oversee the Finance & Accounting Division. He is currently a Director, Senior Executive Officer and General Manager of the Finance & Accounting Division. Due to his specialized knowledge and his experience, Mr. Miyazaki is a candidate for reelection as a Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)		Number of shares of the Company held
4	Hiroshi Teshirogi (May 6, 1958)	April 1981	Joined Nissho Iwai Corporation (currently Sojitz Corporation)	86,800
		April 2003	Joined ALCONIX	
		June 2004	Executive Officer and General Manager of Group 1 of ALCONIX	
		April 2008	President and CEO of ALCONIX SANSHIN CORPORATION	
		June 2009	Managing Executive Officer and General Manager of Group 1 of ALCONIX	
		June 2010	Managing Executive Officer and General Manager of Aluminum & Copper Products Division of ALCONIX	
		June 2014	Director, Managing Executive Officer and General Manager of Aluminum & Copper Products Division of ALCONIX	
		June 2017	Director, Senior Managing Executive Officer and General Manager of Corporate Planning Division of ALCONIX (current)	
		Significant concurrent position		
		April 2017	Chairman of the Board of ALCONIX SANSHIN CORPORATION	
	Reasons for nomination as a candidate for Director Mr. Hiroshi Teshirogi was assigned to the aluminum and copper products business after joining ALCONIX. He was named an Executive Officer and General Manager of the aluminum and copper products section in 2004. After his election as a Director in 2014, Mr. Teshirogi has demonstrated his operational leadership skills to manage and supervise trade in Japan and overseas, trilateral transactions and the growth of overseas operations. As well as with his management experience as the President and CEO of ALCONIX SANSHIN CORPORATION, Mr. Teshirogi was named a Director and Senior Managing Executive Officer and General Manager of the Corporate Planning Division in 2017. Due to his specialized knowledge and his experience, Mr. Teshirogi is a candidate for reelection as a Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)		Number of shares of the Company held
5	* Takumi Suzuki (February 18, 1963)	April 1986	Joined Nissho Iwai Corporation (currently Sojitz Corporation)	3,600
		June 2009	Joined ALCONIX	
		July 2013	Manager of Corporate Planning Department of Corporate Planning Division of ALCONIX	
		June 2017	Executive Officer and Manager of Corporate Planning Department of Corporate Planning Division of ALCONIX	
		June 2018	Executive Officer, Deputy General Manager of Corporate Planning Division and General Manager of Corporate Planning Department of ALCONIX (current)	
	Reasons for nomination as a candidate for Director Since joining ALCONIX, Mr. Takumi Suzuki has been involved with corporate planning and has contributed to the growth of the ALCONIX Group and the formulation of management strategies. He has played a significant role in strengthening the consolidated profit structure by planning and overseeing M&A in the manufacturing sector. He has also demonstrated excellent leadership concerning the establishment and execution of business strategies for the entire ALCONIX Group. Mr. Suzuki is currently Deputy General Manager of the Corporate Planning Division and General Manager of the Corporate Planning Department. Due to his specialized knowledge and his experience, he is a candidate for election as a Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)		Number of shares of the Company held
6	Sakutaro Tanino (June 6, 1936)	April 1960	Joined Ministry of Foreign Affairs of Japan	-
		July 1980	Executive Secretary to the Prime Minister	
		June 1989	Director-General of Asian Affairs Bureau of Ministry of Foreign Affairs of Japan	
		September 1995	Ambassador of Japan to India and Ambassador of Japan to the Kingdom of Bhutan	
		April 1998	Ambassador of Japan to People's Republic of China	
		June 2001	Outside Director of TOSHIBA CORPORATION	
		April 2002	Visiting Professor at Waseda University Graduate School of Asia-Pacific Studies	
		June 2002	Vice president of Japan-China Friendship Center	
		June 2012	Outside Director of ALCONIX (current)	
			Outside Director of SUZUKI MOTOR CORPORATION (current)	
		June 2014	Outside Director of TOSHIBA CORPORATION	
		Significant concurrent position		
		June 2012	Outside Director of SUZUKI MOTOR CORPORATION	
	Reasons for nomination as a candidate for Outside Director Mr. Sakutaro Tanino has not directly been involved in company management in the past, but has a wide range of experience and insight as a diplomat including the ambassador of the overseas diplomatic mission, and is in an objective position independent from the management who operate the Company. In addition, the Company has designated him as an independent officer pursuant to the provisions of the Tokyo Stock Exchange since March 2014. For these reasons, ALCONIX believes that he will greatly contribute to the management of the Company, and has therefore nominated him as a candidate for an Outside Director. Mr. Tanino's term of office as an Outside Director will be seven years at the conclusion of this Ordinary General Meeting of Shareholders.			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)		Number of shares of the Company held
7	* Masao Hisada (December 16, 1948)	April 1972	Joined Hitachi, Ltd.	-
		April 2007	Vice President and Executive Officer of Hitachi, Ltd.	
		April 2010	Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi High-Technologies Corporation	
		April 2010	Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation	
		June 2015	Chairman of the Board of Hitachi High-Technologies Corporation	
		June 2017	Senior Advisor of Hitachi High-Technologies Corporation (current)	
	Reasons for nomination as a candidate for Outside Director Mr. Masao Hisada has many years of experience involving global business operations, procurement, marketing and other activities in his career at Hitachi. He has also demonstrated excellent leadership skills as a Vice President and Executive Officer of Hitachi and then as a President and Chairman of a Hitachi Group company. This experience gives him an extensive insight on company management. ALCONIX believes that Mr. Hisada can use his experience and knowledge to play a role in strengthening the oversight function of the Board of Directors. As a result, Mr. Hisada is a candidate for election as an Outside Director. If Mr. Hisada is elected, ALCONIX plans to designate him an independent director as defined by the Tokyo Stock Exchange.			

Notes: 1. The asterisk mark (*) indicates a candidate to be newly elected as Director.

2. No material conflict of interest exists between ALCONIX and any of the above candidates for Directors.
3. Mr. Sakutaro Tanino is candidate for Outside Director. ALCONIX has entered into an agreement with Mr. Tanino in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to ALCONIX to the minimum liability amount as stipulated in laws and regulations. If this individual is reelected, ALCONIX plans to extend the agreement.
4. Mr. Masao Hisada is candidate for Outside Director. If Mr. Hisada is elected, ALCONIX plans to enter into an agreement with him in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to ALCONIX as stated in Paragraph 1, Article 423 of the same Act. ALCONIX intends to limit the liabilities under the agreement to the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act.

Proposal No. 3: Election of One Audit & Supervisory Board Member

The terms of office of Mr. Akira Teranishi will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one Audit & Supervisory Board member is proposed.

The candidate for Audit & Supervisory Board member is as follows:

Name (Date of birth)	Past experience and positions (Significant concurrent positions)		Number of shares of the Company held
Akira Teranishi (August 14, 1943)	September 1970	Passed the National Bar Examination	17,600
	April 1973	Joined Shinohara Law & Accounting Office	
	April 1978	Opened Teranishi Law Firm (current Commons Law Office)	
	May 2000	Outside Audit & Supervisory Board Member of TOYO Corporation	
	May 2002	Outside Audit & Supervisory Board Member of Taka-Q Co., Ltd.	
	June 2011	Outside Audit & Supervisory Board Member of ALCONIX (current)	
	June 2018	Outside Audit & Supervisory Board Member of FRUTA FRUTA Inc.	
	Significant concurrent position		
	May 2002	Outside Audit & Supervisory Board Member of Taka-Q Co., Ltd.	
	June 2018	Outside Audit & Supervisory Board Member of FRUTA FRUTA Inc.	
	Reasons for nomination as a candidate for outside Audit & Supervisory Board member Mr. Akira Teranishi has specialized knowledge as an attorney and a keen insight on company management. He also has expertise involving corporate law. ALCONIX believes he can use this knowledge to strengthen the oversight function of the Board of Directors. In addition, ALCONIX has designated Mr. Teranishi as an independent officer pursuant to the provisions of the Tokyo Stock Exchange. He is a candidate for reelection as an outside Audit & Supervisory Board member so that audits at ALCONIX can benefit from his knowledge and experience.		

Notes: 1. No material conflict of interest exists between ALCONIX and the above candidate for Audit & Supervisory Board member.

2. Although Mr. Akira Teranishi has no direct experience in corporate management, he has considerable specialized skills and knowledge of management as an attorney. He is a candidate for reelection as an outside Audit & Supervisory Board member because ALCONIX believes he can strengthen the oversight function of the Board of Directors. In addition, ALCONIX plans to designate him as an independent officer pursuant to the provisions of the Tokyo Stock Exchange. As an outside Audit & Supervisory Board member, Mr. Teranishi's term of office is eight years beginning with this Ordinary General Meeting of Shareholders.

3. ALCONIX has an agreement with Mr. Teranishi in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to ALCONIX to the minimum liability amount as stipulated in laws and regulations. If this individual is reelected, ALCONIX plans to extend the agreement.

Proposal No. 4: Election of One Substitute Audit & Supervisory Board Member

To be prepared for an insufficient number of Audit & Supervisory Board members as prescribed by laws and regulations, the Company asks shareholders to elect the following candidate for Substitute Audit & Supervisory Board member. This proposal has received the consent of the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board member is as follows:

Name (Date of birth)	Past experience and positions (Significant concurrent positions)		Number of shares of the Company held
Shuji Ota (December 16, 1951)	April 1975	Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)	-
	March 1981	Registered as a Certified Public Accountant	
	July 2000	Representative of Ernst & Young ShinNihon LLC	
	January 2006	Examiner of Certified Tax Accountant Examination	
	July 2013	Representative of Shuji Ota Certified Public Accounting Office (current)	
	Significant concurrent positions		
	July 2013	Representative of Shuji Ota Certified Public Accounting Office (current)	
	April 2014	Outside Director of Tri Chemical Laboratories Inc.	
	June 2017	Outside Audit & Supervisory Board Member of Japan International Broadcasting Inc.	
	Reasons for nomination as a candidate for Substitute Outside Audit & Supervisory Board member Mr. Shuji Ota is a candidate for Substitute Outside Audit & Supervisory Board member. He has not directly been involved in company management in the past. However, we have designated him as a candidate for Substitute Outside Audit & Supervisory Board member in order to use his highly specialized knowledge as a Certified Public Accountant and significant management insight in the auditing activities of ALCONIX. Mr. Ota has experience as an auditor when he worked at Ernst & Young ShinNihon LLC. which is the Accounting Auditor of ALCONIX. During that time, he was not involved with auditing the Company and he resigned from Ernst & Young ShinNihon more than six years ago. This ensures his independence as an Audit & Supervisory Board member.		

Notes: 1. No material conflict of interest exists between ALCONIX and the above candidate for Substitute Audit & Supervisory Board member.

2. If Mr. Shuji Ota assumes a position as an Audit & Supervisory Board member, ALCONIX will enter into an agreement with him in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to the Company as stated in Paragraph 1, Article 423 of the same Act. ALCONIX intends to limit the liabilities under the agreement to the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act.

Proposal No. 5: Payment of Retirement Benefit to a Director

Mr. Shunji Tanefusa will retire as a Director at the conclusion of this General Meeting of Shareholders. To recognize his contributions during his terms as a Director, the Company plans to pay retirement benefits within an amount specified by the Company's standards. If shareholders approve this payment, the Board of Directors will determine the amounts, timing, method and other associated items.

A brief history of the retiring Director is as follows:

Name	Brief career history
Shunji Tanefusa	March 2001 Outside Director of ALCONIX (current)

Proposal No. 6: Final Payment of Retirement Benefits upon Termination of Retirement Benefit Plan for Directors and Audit & Supervisory Board Members

The Company's Board of Directors, at its meeting held on May 17, 2019, approved a resolution to terminate the Retirement Benefit Plan at the conclusion of this year's Ordinary General Meeting of Shareholders. In conjunction with the end of this plan, ALCONIX intends to make a final payment within a suitable limit and in accordance with rules established by ALCONIX as a retirement payment for the terms served up to the end of this year's Ordinary General Meeting of Shareholders. If approved by shareholders, this payment will be made to the five Directors and one Audit & Supervisory Board member who are to be reelected in proposals 2 and 3, assuming they receive the approval of shareholders, and the three Audit & Supervisory Board members whose terms of office have not ended. These payments will be made when each Director or Audit & Supervisory Board member retires. The amounts to be paid and other matters concerning these payments are to be determined at the discretion of the Board of Directors for Directors and the Audit & Supervisory Board for the Audit & Supervisory Board members.

Brief histories of the Directors and Audit & Supervisory Board members eligible for the final payment are as follows:

Name	Brief career history	
Eiitsu Masaki	April 2000 June 2018	President and CEO of ALCONIX Chairman of ALCONIX (current)
Masato Takei	June 2009 June 2017 June 2018	Director of ALCONIX Director & Executive Vice President of ALCONIX President and CEO of ALCONIX (current)
Yasushi Miyazaki	June 2005	Director of ALCONIX (current)
Hiroshi Teshirogi	June 2014	Director of ALCONIX (current)
Sakutaro Tanino	June 2012	Outside Director of ALCONIX (current)
Shiro Hattori	June 2008	Full-time Audit & Supervisory Board Member of ALCONIX (current)
Masahiko Nishimura	June 2018	Full-time Audit & Supervisory Board Member of ALCONIX (current)
Kyo Komita	June 2006	Outside Audit & Supervisory Board Member of ALCONIX (current)
Akira Teranishi	June 2011	Outside Audit & Supervisory Board Member of ALCONIX (current)

Proposal No. 7: Revision of Compensation for Directors and Audit & Supervisory Board Members

At the 35th Ordinary General Meeting of Shareholders held on June 23, 2016, shareholders approved a resolution to limit annual compensation for Directors to 300 million yen (including a 25 million yen limit for Outside Directors) and at an Extraordinary Shareholders Meeting held on February 22, 2005, shareholders approved a resolution to limit annual compensation for Audit & Supervisory Board members to 50 million yen. There have been no subsequent revisions to these limits. Due to revisions to the compensation plan for Directors and Audit & Supervisory Board members and the termination of the retirement benefit plan for Directors and Audit & Supervisory Board members, ALCONIX is asking shareholders to approve new annual limits of 500 million yen for Directors (including a 50 million yen limit for Outside Directors) and 100 million yen for Audit & Supervisory Board members. These limits do not include the employee salary for Directors who concurrently serve as ALCONIX employees.

There are currently six Directors (including two Outside Directors). Please note that should the accompanying Proposal No. 2: Election of Seven Directors be approved and adopted in accordance with the original proposal, the number of Directors subject to this revision of the amount of remuneration shall be changed to seven (including two Outside Directors).

Proposal No. 8: Compensation for Granting Restricted Stock to the Directors (Excluding Outside Directors)

At the 35th Ordinary General Meeting of Shareholders held on June 23, 2016, shareholders approved a resolution to limit annual compensation for Directors to 300 million yen (including a 25 million yen limit for Outside Directors and not including employee salaries for Directors who serve concurrently as employees). At the 37th Ordinary General Meeting of Shareholders held on June 20, 2018, shareholders approved a resolution for the annual compensation to eligible Directors of restricted stock with an aggregate value of up to 40 million yen (not including the employee salary for Directors who concurrently serve as ALCONIX employees). The purposes are to provide an incentive for Directors (other than Outside Directors) to achieve the sustained growth of corporate value and align the interests of these eligible Directors with those of shareholders.

As part of the review of the compensation plan for Officers, if shareholders approve Proposal No. 6: Final Payment of Retirement Benefits upon Termination of Retirement Benefit Plan for Directors and Audit & Supervisory Board Members and Proposal No. 7: Revision of Compensation for Directors and Audit & Supervisory Board Members, ALCONIX asks shareholders to approve an annual limit of 80 million yen for restricted stock distributed to eligible Directors (not including the employee salary for Directors who concurrently serve as ALCONIX employees). Furthermore, ALCONIX asks shareholders to approve an increase in the annual limit on the number of shares of ALCONIX common stock that can be distributed as restricted stock compensation from 25,000 shares to 50,000 shares, with all payments of monetary compensation claims based on this proposal made using assets other than cash and eligible Directors receiving ALCONIX common stock that is newly issued or provided from treasury shares in accordance with resolutions of the Board of Directors.

There are currently six Directors (including two Outside Directors). Please note that should the accompanying Proposal No. 2: Election of Seven Directors be approved and adopted in accordance with the original proposal, the number of Directors subject to this revision of the amount of remuneration shall be changed to seven (including two Outside Directors).

Proposal No. 9: Issuance of Stock Options (Share Acquisition Rights)

In accordance with the provisions of Articles 236, 238 and 239 of the Companies Act, or the reasons explained below, shareholders are asked to approve the issuance of stock options (share acquisition rights) to the Company's Directors (excluding Outside Directors), Executive Officers and employees and to give the Board of Directors the authority to determine the offering terms of the stock options.

The implementation of this proposal requires that Proposal No. 7: Revision of Compensation for Directors and Audit & Supervisory Board Members is approved and adopted in accordance with the original proposal, thereby raising the annual compensation limit from 300 million yen to 500 million yen (within 50 million yen for Outside Directors). For only the one year period beginning on the day of this Ordinary General Meeting of Shareholders, shareholders are therefore also asked to approve a separate Director compensation of up to 10 million yen for the allocation of these stock options.

Currently there are four Directors (excluding Outside Directors). If Proposal No. 2 is approved as proposed, there will be five Directors (excluding Outside Directors).

1. Reason for need to grant share acquisition rights as stock option at favorable terms

The purpose to grant share acquisition rights is to achieve more growth in corporate value by further motivating Directors (excluding Outside Directors), Executive Officers and employees to improve the Company's performance.

2. Maximum number of share acquisition rights

854 units

This maximum number of share acquisition rights includes a maximum of 30 units to be granted to the Company's Directors within one year of this Ordinary General Meeting of Shareholders. The above number is the number of planned allotment; if the total number of share acquisition rights to be allotted is less than the number described above because not all of the share acquisition rights were subscribed to or for any other reasons, the total number of share acquisition rights to be issued shall be the total number of share acquisition rights to be allotted.

3. Exercise period of the share acquisition rights

From June 22, 2021 to June 21, 2029

4. Class and number of shares to be issued upon exercise of share acquisition rights

The class of the shares underlying the share acquisition rights shall be common stock of the Company, and the number of shares underlying the share acquisition rights (the "Number of Shares Granted") shall be 100 shares for each right. After the allocation of the share acquisition rights, if there is a split, gratis allotment or consolidation of the Company's common stock, the Number of Shares Granted will be adjusted by using the following formula. Any fraction of one share resulting from this adjustment is discarded.

Number of Shares Granted after adjustment =
Number of Shares Granted before adjustment x Ratio of the split or gratis allotment or consolidation

If there is a stock split or gratis allotment, the Number of Shares Granted after adjustment becomes effective on the day after the record date of the split or allotment. If there is a stock consolidation, the Number of Shares Granted after adjustment becomes effective on the consolidation date. However, if shareholders approve a proposal to reduce retained earnings and transfer the amount to capital or the capital surplus, then in the event of a stock split or gratis allotment with a record date for the split or allotment that is on or before the date of the shareholders meeting where this proposal was approved, the Number of Shares Granted after adjustment will be effective starting on the day after this shareholders meeting ends.

In the event of an absorption-type merger or a merger that results in the establishment of a new merged company and the share acquisition rights are passed on to the post-merger company, or in the event of an exchange of stock or transfer of stock resulting in the Company becoming a wholly owned subsidiary and the share acquisition rights are transferred to another company, the Company will adjust the Number of Shares Granted as needed based on the merger or other ratio.

When the Number of Shares Granted is adjusted, the Company must notify each holder of the share acquisition rights registered in the Share Acquisition Rights Register (the "Rights Holder(s)"), or make a public announcement, of the required items by no later than the day before the Number of Shares Granted after adjustment becomes effective. However, if the Company is unable to perform this notification or public announcement by this day, a notice or public announcement must be conducted promptly afterward.

5. Values of assets to be contributed upon the exercise of share acquisition rights

Values of assets to be contributed upon the exercise of share acquisition rights per unit shall be the amount calculated by multiplying the amount to be paid per share granted upon the exercise of share acquisition rights (the "Exercise Price") by the Number of Shares Granted. The Exercise Price shall be an amount obtained by multiplying the average closing price of the Company's common stock in regular transactions on the Tokyo Stock Exchange for each day (excluding days on which no trading was reported) of the month preceding the month to which the allotment date of the share acquisition rights belongs, by 1.05 (with any fraction of one yen rounded up). However, if the Exercise Price is lower than the closing price (if there is no closing price, the most recent closing price prior to this date) of the Company's common stock in regular transactions on the Tokyo Stock Exchange on the allotment date, the closing price on the allotment date shall apply. However, in the event of any of the following i, ii or iii, the value of the assets shall be the amount calculated by multiplying adjusted Exercise Price determined using the respective formula by the number of shares to be acquired upon exercise of each of share acquisition right. Fractions less than one yen of the adjusted Exercise Price are to be rounded up.

i. If the Company conducts a stock split or consolidation

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split/ consolidation}}$$

ii. If the Company issues shares to be offered or disposes of treasury shares at a price below market price (including issuance of shares and delivery of treasury shares by the gratis allotment of shares, and excluding the cases of exercising share acquisition rights (including bonds with share acquisition rights) and converting securities that are convertible to the Company's common stock)

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of new shares to be issued} \times \text{Amount to be paid per share}}{\text{Share price before issuance of shares to be offered}}}{\text{Number of issued shares} + \text{Number of new shares to be issued}}$$

The number of issued shares in the formula above shall be the number of shares calculated by deducting the number of treasury shares held by the Company from the total number of outstanding shares at the date before the effective date of abovementioned share issuance. When disposing of treasury shares, the number of new shares to be issued shall be replaced by the number of treasury shares to be disposed of and the share price before issuance of shares to be offered shall be replaced by the share price before disposal of treasury shares. Share price before issuance of shares to be offered in the formula above shall be the Exercise Price before adjustment if there is no market price for the Company's stock. If there is a market price, share price before issuance of shares to be offered shall be the last transaction price at the prioritized market of the Company.

iii. In the event of an absorption-type merger in which the Company is the surviving company, an absorption-type company split in which the Company becomes a succeeding company, an exchange of stock in which the Company becomes a wholly owning parent, or reasons equivalent to the foregoing, the Company shall adjust the Exercise Price as it deems necessary.

6. Amount of increase in capital stock or capital surplus out of the issue price when shares are issued upon exercise of share acquisition rights

(1) The amount of increase in capital stock as a result of the issuance of shares upon the exercise of share acquisition rights shall be the maximum amount of increase in capital, etc. to be calculated in accordance with Paragraph 1, Article 17 of the Corporate Accounting Rules multiplied by 0.5. Fraction less than one yen resulting from the calculation shall be rounded up.

(2) In the case that shares are issued due to the exercise of share acquisition rights, the amount added to the capital surplus shall be the maximum increase in capital stock in item (1) above less the amount added to capital stock

described in item (1) above.

7. Restriction on the acquisition of the share acquisition rights by transfer

Any transfer of ownership of the share acquisition rights must be approved by the Board of Directors of the Company.

8. Provisions regarding the acquisition of the share acquisition rights

(1) The Company may acquire the share acquisition rights without compensation on a date determined by the Board of Directors of the Company in the event any of the following proposals i, ii, iii, iv or v is approved by a resolution of a shareholders meeting of the Company (in case resolution of a shareholders meeting is not required, by a resolution of the Board of Directors of the Company).

i. A proposal for an approval of a merger agreement under which the Company shall be the dissolving company.

ii. A proposal for an approval of a company split agreement or an incorporation-type company split plan under which the Company shall be the splitting company.

iii. A proposal for an approval of a stock exchange agreement or a stock transfer plan under which the Company shall be the wholly owned subsidiary.

iv. A proposal for an approval of an amendment to the Articles of Incorporation to establish new provisions by which any acquisition by way of transfer of shares to be issued by the Company will be subject to the Company's approval.

v. A proposal for an approval of amendments to the Articles of Incorporation to establish new provisions by which any acquisition by way of transfer of any shares to be issued upon exercise of share acquisition rights to be offered will be subject to the Company's approval or the Company may acquire all of the shares in the relevant class (if any) to be issued upon exercise of share acquisition rights following the resolution made by a shareholders meeting.

(2) In the event that a Rights Holder is no longer able to exercise the rights because he or she no longer fulfills the conditions for exercising the rights prescribed in (1) or (2) in item 11, or in the event that a Rights Holder dies, the Company may acquire that Rights Holder's share acquisition rights without compensation.

9. Treatment of the share acquisition rights in the event of a merger, absorption-type company split, incorporation-type company split, exchange of stock or transfer of stock

If the Company conducts a merger (only those through which the Company becomes a dissolving company), absorption-type or incorporation-type company split (in either type, only those through which the Company becomes a splitting company), or a stock exchange or transfer (in either case, only those through which the Company becomes a wholly owned subsidiary) (collectively, the "Corporate Reorganization"), the Company shall grant the share acquisition rights of the stock company described in Item 8 (a) to (e), Paragraph 1, Article 236 of the Companies Act (the "Restructured Company"), as appropriate, to any Rights Holders who hold the remaining share acquisition rights (the "Remaining Share Acquisition Rights") immediately before the date of the implementation of the Corporate Reorganization (the effective date of the absorption-type merger in the case of an absorption-type merger, the date of establishment of the company established by a consolidation-type merger in the case of a consolidation-type merger, the effective date of the absorption-type company split in the case of an absorption-type company split, the date of establishment of the splitting company in the case of an incorporation-type company split, the effective date of the stock exchange in the case of a stock exchange, or the date of establishment of the wholly-owning parent company upon the stock transfer in the case of a stock transfer), as appropriate, only to the extent that the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, stock exchange agreement, or stock transfer agreement provided for the issuance of the share acquisition rights of the Restructured Company according to the provisions of the respective items below:

(1) Number of share acquisition rights of the Restructured Company to be issued

The same number as the Remaining Share Acquisition Rights held by the Rights Holders.

(2) Class of shares of the Restructured Company underlying the share acquisition rights of the Restructured Company

Common stock of the Restructured Company.

(3) Number of shares of the Restructured Company underlying the share acquisition rights of the Restructured Company

Shall be determined in accordance with the provisions of 4 above, taking into consideration the conditions for the Corporate Reorganization and any other related matters.

(4) Value of assets to be contributed upon the exercise of the share acquisition rights

i. The value of assets to be contributed upon the exercise of share acquisition rights per unit shall be the amount obtained by multiplying the amount paid in after the restructuring by the number of shares of the Restructured Company underlying the share acquisition rights of the Restructured Company, which shall be determined according to (3) above.

ii The amount paid after the restructuring is the amount obtained by using the Exercise Price adjustment provided in 5 above while also taking into consideration the conditions for the Corporate Reorganization.

(5) Period for the exercise of the share acquisition rights

The period shall start from either the first date of the period for the exercise of the share acquisition rights provided in 3 above or the effective date of the Corporate Reorganization, whichever comes later, and expire upon the date of expiration of the period for the exercise of the share acquisition rights provided in 3 above.

(6) Matters regarding the amount of capital and capital surplus to be increased as a result of the issuance of shares upon the exercise of the share acquisition rights

Shall be determined in accordance with the provisions of 6 above.

(7) Restriction on the acquisition of the share acquisition rights by transfer

Acquisition of the share acquisition rights by transfer shall be subject to approval by a resolution of the Board of Directors of the Restructured Company.

(8) Provisions regarding the acquisition of the share acquisition rights

Shall be determined in accordance with the provisions of 8 above.

(9) Other conditions for the exercise of the share acquisition rights

Shall be determined in accordance with the provisions of 11.

10. Agreement on fractions of less than one share arising upon the exercise of share acquisition rights

Any fractions of less than one share included in the shares issued to the Rights Holders who exercise their share acquisition rights shall be discarded.

11. Other conditions for the exercise of the share acquisition rights

(1) Rights Holder must still be a Director, Audit & Supervisory Board member, Executive Officer or employee of the Company or its subsidiaries and affiliates when exercising the rights. However, Right Holder can exercise the rights for two years (but not after the end of the exercise period) following a resignation or retirement if the Right Holder has resigned following completion of a term of office, upon reaching the mandatory retirement age or for any other legitimate reason which is approved by the Board of Directors.

(2) In the event that Rights Holder violates a law, Company regulation or other rule or behaves in a manner that is inconsistent with social and corporate standards, the rights held by that Rights Holder will be immediately cancelled and the Rights Holder will no longer be able to exercise share acquisition rights.

(3) The share acquisition rights may not be inherited.

12. Amount to be paid upon allocation of the share acquisition rights

No payment is required to receive the share acquisition rights.