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Securities Code: 7246

June 4, 2025

Dear Shareholders,

Yuki Shimizu
Representative Director
PRESS KOGYO CO., LTD.
1-1-1 Shiohama, Kawasaki-ku,
Kawasaki-shi, Kanagawa

Notice of the 123rd Annual Shareholders' Meeting

We are pleased to announce that the 123rd Annual Shareholders' Meeting of Press Kogyo Co., Ltd. (the "Company") will be held on June 26, 2025 as detailed below.

When convening this Shareholders' Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts the information on the Company's website as "Notice of the 123rd Annual Shareholders' Meeting." Please access the following website to view the information.

[The Company's website]

<https://www.presskogyo.co.jp/en/ir/stockinfo/meeting.html>

Items for which measures for providing information in electronic format are to be taken are posted on the website for posted informational materials for the shareholders' meeting in addition to the Company's website. Please access the following website to view the items.

[Website for posted informational materials for the shareholders' meeting]

<https://d.sokai.jp/7246/teiji/> (in Japanese)

In the event you are unable to attend the meeting in person, you may vote either in writing or by electromagnetic means (via the Internet). We therefore ask you to review the reference documents for the Annual Shareholders' Meeting and exercise your voting rights in advance.

[Exercise of voting rights in writing]

Please indicate your approval or disapproval of each proposal in the voting form and return it so that it arrives no later than 5:00 p.m. on Wednesday, June 25, 2025 (JST).

We ask that you use the enclosed protective seal when returning votes by mail.

[Exercise of voting rights via the Internet]

<Information on exercise of voting rights via the Internet>

Please review the "Information on exercise of voting rights via the Internet" on page 3, access the voting website designated by the Company (<https://evote.tr.mufg.jp/>), and follow the on-screen instructions to record your votes for or against each proposal by no later than 5:00 p.m. on Wednesday, June 25, 2025 (JST).

Details

1. Date and time: Thursday, June 26, 2025, at 10:00 a.m. (JST)
2. Place: Banquet Room O, TKP Garden City PREMIUM Landmark Tower
25th Floor, Landmark Tower, 2-2-1, Minatomirai, Nishi-Ku, Yokohama-shi, Kanagawa
* Please be aware that the venue is different from the previous year.
3. Purpose of the Meeting
Matters to be reported: 1. Business Report, Consolidated Financial Statements and Audit Reports of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 123rd Fiscal Year (from April 1, 2024 to March 31, 2025)
2. Non-Consolidated Financial Statements for the 123rd Fiscal Year (from April 1, 2024 to March 31, 2025)
4. Information About Exercising Your Voting Rights
Please refer to "Information About Exercising Your Voting Rights" on page 3.

- Among the items subject to measures for electronic provision, in accordance with the provisions of relevant laws and regulations and Article 16 of the Company's Articles of Incorporation, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Audit & Supervisory Committee and the Accounting Auditor when they create their respective audit reports.
 - (i) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
 - (ii) Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements
- If any changes are made to items for which measures for providing information in electronic format are to be taken, a notice of the changes and the details of the items before and after the changes will be posted on the Company's website and the website for posted informational materials for the shareholders' meeting below.
The Company's website
<https://www.presskogyo.co.jp/en/ir/stockinfo/meeting.html>
Website for posted informational materials for the shareholders' meeting
<https://d.sokai.jp/7246/teiji/> (in Japanese)
- When attending the Meeting in person, please hand in the voting form at the reception desk at the meeting venue.

Information About Exercising Your Voting Rights

Exercise of voting rights at the Shareholders' Meeting is shareholders' important right. Please exercise your voting rights after reviewing the Reference Documents for the Shareholders' Meeting.

There are three methods to exercise your voting rights as indicated below.

Exercise of voting rights by attending the Meeting

When attending the Meeting in person, please hand in the voting form at the reception desk at the meeting venue.

Date and time of the Meeting: Thursday, June 26, 2025, at 10:00 a.m. (JST)
(The reception desk will open at 9:00 a.m.)

Exercise of voting rights in writing (via postal mail)

Please indicate your approval or disapproval for each proposal on the voting form and return it.

Deadline: To be received by Wednesday, June 25, 2025 at 5:00 p.m. (JST)

Exercise of voting rights via the Internet

Please indicate your approval or disapproval for each proposal following the instructions on the screen.

Deadline: No later than Wednesday, June 25, 2025 at 5:00 p.m. (JST)

If you exercise your voting rights multiple times, the vote exercised last will be recorded as the effective vote. If you exercise your voting rights in duplicate via the Internet, the vote exercised last will be recorded as the effective vote. Also, in case you exercise your voting rights in duplicate in writing and via the Internet, the vote exercised via the Internet will be recorded as the effective vote.

<Handling of enclosed voting forms indicating neither approval nor disapproval>

When neither approval nor disapproval for each proposal is indicated on the enclosed voting form, it will be treated as an approval vote for the Company's proposal.

<Electronic Voting Platform>

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

Reference Documents for the Shareholders' Meeting

Proposal 1: Appropriation of Surplus

Regarding the year-end dividends for the 123rd fiscal year, after taking into comprehensive consideration the performance for the current fiscal year and future capital demands among other factors, in accordance with the capital policy of the Company, we propose to pay as described below.

Additionally, on June 1, 2025, the Company celebrated its 100th anniversary. In order to express our gratitude to shareholders for their continued support and to create the future of the Press Kogyo Group, we propose an additional commemorative dividend of 5.0 yen per share.

(1) Type of dividend property:

We will pay in cash.

(2) Item concerning allocation of dividend property and its total amount:

We propose the year-end dividend of 19.0 yen per common share (ordinary dividend of 14.0 yen and commemorative dividend of 5.0 yen) of the Company (total amount of dividends: 1,886,069,124 yen).

(3) Effective date of dividend of surplus:

We propose the effective date of dividend to be June 27, 2025.

(Reference: 1) Capital policy of the Company

The fundamental policy of the Press Kogyo Group is to aim for sustainable growth and to increase corporate value over the medium- to long-term through business activities, while maintaining the necessary level of shareholders' equity and providing sustainable and stable returns to shareholders.

1. Maintenance of necessary shareholders' equity level

Financial soundness shall be ensured by comprehensively considering investment for growth, the ability to respond to operational risks, maintenance of ratings, etc.

2. Dividend policy

The dividend amount for each period is determined by comprehensively considering performance and capital demands, among other factors. The frequency of dividend payments shall be twice a year, in principle.

3. Acquisition of treasury shares, etc.

Changes in the business environment will be responded to flexibly, and financial measures leading to increased corporate value, such as the acquisition and cancellation of treasury shares, will be implemented.

<Capital policy targets and approach>

◆ Shareholder Returns

1. Total Return Ratio:

Maintain 60% or higher

2. Annual dividend (FY2024-FY2028):

Commit to 32 yen or higher per share.

3. DOE (FY2024-FY2028):

Aim for 3.0% or higher

◆ Capital Structure

1. Financial soundness

Aim to achieve credit rating of A- or higher and leverage interest-bearing debt as necessary, while maintaining financial discipline.

2. Shareholder's equity ratio

Maintain 50%~55%

3. Cash

Secure 1.2 worth of revenue

(Reference: 2) Change in dividends per share

(Unit: yen)

| | 120th fiscal year (Fiscal year ended March 31, 2022) | 121st fiscal year (Fiscal year ended March 31, 2023) | 122nd fiscal year (Fiscal year ended March 31, 2024) | 123rd fiscal year (current) (Fiscal year ended March 31, 2025) |
|---------------------------------------|--|--|--|---|
| Interim dividends per share | 9.50 | 10.50 | 13.00 | 13.00 |
| Year-end dividends per share | 10.50 | 10.50 | 13.00 | 19.00 (planned) |
| Annual dividends per share | 20.00 | 21.00 | 26.00 | 32.00 (planned) |
| Consolidated dividend payout ratio | 30.2% | 32.0% | 32.7% | 52.5% (planned) |
| Total return ratio | 46.9% | 46.6% | 45.0% | 76.9% (planned) |

Notes:

1. During the 120th fiscal year, the Company resolved to acquire and cancel treasury shares at the Board of Directors meeting held on November 5, 2021. Between November 8, 2021 and January 13, 2022, the Company acquired 2,994,700 treasury shares for 1,199,964,200 yen in total through market purchase on the Tokyo Stock Exchange and canceled 2,994,700 treasury shares on March 31, 2022.
2. During the 121st fiscal year, the Company resolved to acquire and cancel treasury shares at the Board of Directors meeting held on May 13, 2022. Between May 16, 2022 and July 27, 2022, the Company acquired 2,420,800 treasury shares for 999,989,800 yen in total through market purchase on the Tokyo Stock Exchange and canceled 2,420,800 treasury shares on September 30, 2022.
3. During the 122nd fiscal year, the Company resolved to acquire and cancel treasury shares at the Board of Directors meeting held on May 11, 2023. Between May 12, 2023 and June 12, 2023, the Company acquired 1,770,800 treasury shares for 999,973,300 yen in total through market purchase on the Tokyo Stock Exchange and canceled 1,770,800 treasury shares on September 29, 2023.
4. During the 123rd fiscal year (current fiscal year), the Company resolved to acquire and cancel treasury shares at the Board of Directors meeting held on May 13, 2024. Between May 14, 2024 and July 16, 2024, the Company acquired 2,261,000 treasury shares for 1,499,994,000 yen in total through market purchase on the Tokyo Stock Exchange and canceled 2,261,000 treasury shares on September 30, 2024. Furthermore, the Company resolved to cancel treasury shares at the Board of Directors meeting held on February 26, 2025 and canceled 4,562,470 treasury shares on March 14, 2025.

Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

All seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members, hereinafter referred to as “Director(s)”) will retire from office due to expiration of their terms of office at the conclusion of this Shareholders’ Meeting.

Accordingly, we propose the election of seven (7) Directors.

Decisions to select the Director candidates are made by the Board of Directors upon consulting with the Nomination & Remuneration Committee, in which the majority of the members are External Directors, and considering the Committee’s submission.

Also, after a review by the Audit & Supervisory Committee, they have expressed the opinion that each candidate in this proposal is qualified.

The candidates for Director are as follows:

| No. | Name | Gender | Reelected/ Newly elected | Current position and areas of responsibility in the Company | Attendance at meetings of the Board of Directors |
|-----|------------------|--------|--------------------------------|---|---|
| 1 | Yuki Shimizu | Male | Reelected | Representative Director, President & COO In charge of Internal Audit Dept. | 17/17 (100.0%) |
| 2 | Noboru Masuda | Male | Reelected | Representative Director, Executive Vice President & CTO Overseeing of Engineering & Development Division and Manufacturing Division | 17/17 (100.0%) |
| 3 | Takekazu Karaki | Male | Reelected | Director, Senior Executive Managing Officer & CFO Overseeing of Management Planning Dept., Accounting Dept., 100-Year History Compilation Dept. and Overseas Operations In charge of Business Planning Dept. Chief IR Officer | 17/17 (100.0%) |
| 4 | Masahiko Sato | Male | Reelected | Director, Senior Executive Managing Officer In charge of Engineering & Development Division | 17/17 (100.0%) |
| 5 | Harumasa Nikkawa | Male | Reelected | Director, Executive Managing Officer In charge of Manufacturing Division | 17/17 (100.0%) |
| 6 | Kyoko Okada | Female | Newly elected | Executive Managing Officer Overseeing of General Affairs Dept., Personnel Dept. and Employee Relations Dept. General Manager of 100-Year History Compilation Dept. In charge of IR | |
| 7 | Kan Okugakiuchi | Male | Newly elected | Executive Managing Officer In charge of Business Development and Administration Division | |

Note: In addition to the number of meetings of the Board of Directors shown above, one resolution of the Board of Directors was made in writing pursuant to Article 370 of the Companies Act and Article 25 of the Company’s Articles of Incorporation.

| No. | Name (Date of birth) | Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---------------------------------|---|---|--------------------------------------|
| 1 1 Reelected Male | Yuki Shimizu (June 25, 1962) Attendance at meetings of the Board of Directors 17/17 (100.0%) | <p>April 1986 Joined the Company</p> <p>April 2016 Executive Officer of the Company</p> <p>April 2018 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2021 Director, Executive Managing Officer of the Company</p> <p>April 2024 Representative Director, President of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>In charge of Internal Audit Dept.</p> | 79,300 |
| 2 2 Reelected Male | Noboru Masuda (April 13, 1959) Attendance at meetings of the Board of Directors 17/17 (100.0%) | <p>April 1982 Joined the Company</p> <p>April 2015 Executive Officer of the Company</p> <p>April 2017 Senior Executive Officer of the Company</p> <p>April 2018 Executive Managing Officer of the Company</p> <p>June 2019 Director, Executive Managing Officer of the Company</p> <p>April 2022 Director, Senior Executive Managing Officer of the Company</p> <p>April 2023 Representative Director, Senior Executive Managing Director, Senior Executive Managing Officer of the Company</p> <p>April 2024 Representative Director, Executive Vice President of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>Overseeing of Engineering & Development Division and Manufacturing Division</p> | 99,500 |

| No. | Name (Date of birth) | Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---------------------------------|--|--|--------------------------------------|
| 3 3 Reelected Male | Takekazu Karaki (February 21, 1962) Attendance at meetings of the Board of Directors 17/17 (100.0%) | <p>April 1986 Joined the Company</p> <p>April 2016 Executive Officer of the Company</p> <p>April 2018 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2021 Director, Executive Managing Officer of the Company</p> <p>April 2024 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>Overseeing of Management Planning Dept., Accounting Dept., 100-Year History Compilation Dept. and Overseas Operations</p> <p>In charge of Business Planning Dept.</p> <p>Chief IR Officer</p> <p><i>Reasons for nomination as candidate for Director</i></p> <p>Mr. Karaki has experience mainly in the Overseas Operations and Accounting Departments of the Company and has deep knowledge and achievements in the Company's overseas business and accounting operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p> | 76,700 |
| 4 4 Reelected Male | Masahiko Sato (September 28, 1962) Attendance at meetings of the Board of Directors 17/17 (100.0%) | <p>April 1985 Joined the Company</p> <p>April 2017 Executive Officer of the Company</p> <p>April 2019 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2021 Director, Executive Managing Officer of the Company</p> <p>April 2024 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>In charge of Engineering & Development Division</p> <p><i>Reasons for nomination as candidate for Director</i></p> <p>Mr. Sato has experience mainly in the Production Engineering and Engineering Departments of the Company and has deep knowledge and achievements in the Company's engineering & development and manufacturing operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p> | 63,700 |

| No. | Name (Date of birth) | Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company | Number of the Company's shares owned |
|--|---|--|--------------------------------------|
| 5 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelected Male</div> | Harumasa Nikkawa (May 26, 1961) Attendance at meetings of the Board of Directors 17/17 (100.0%) | <p>April 1980 Joined the Company</p> <p>April 2016 Executive Officer of the Company</p> <p>April 2018 Senior Executive Officer of the Company</p> <p>April 2020 Executive Managing Officer of the Company</p> <p>June 2023 Director, Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>In charge of Manufacturing Division</p> <p><i>Reasons for nomination as candidate for Director</i></p> <p>Mr. Nikkawa has experience mainly in the Factory Department of the Company and has deep knowledge and achievements in the Company's manufacturing operation. Based on such experience and considerable insight, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as a candidate for Director.</p> | 58,600 |
| 6 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Newly elected Female</div> | Kyoko Okada (September 21, 1967) | <p>April 1990 Joined the Company</p> <p>April 2013 General Manager of Management Planning Dept. of the Company</p> <p>April 2018 Auditor of PM CABIN MANUFACTURING CO., LTD. Auditor of PK MANUFACTURING (SUZHOU) CO., LTD. Auditor of PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.</p> <p>March 2019 Retired as Auditor of PM CABIN MANUFACTURING CO., LTD. Retired as Auditor of PK MANUFACTURING (SUZHOU) CO., LTD. Retired as Auditor of PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.</p> <p>April 2019 Executive Officer of the Company Director of PRESS KOGYO SWEDEN AB (to the present)</p> <p>April 2021 Senior Executive Officer of the Company</p> <p>April 2023 Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>Overseeing of General Affairs Dept., Personnel Dept. and Employee Relations Dept. General Manager of 100-Year History Compilation Dept. In charge of IR</p> <p><i>Reasons for nomination as candidate for Director</i></p> <p>Ms. Okada has experience mainly in the Overseas Operations, Management Planning and Personnel Departments of the Company and has deep knowledge and achievements in the Company's overseas business, management planning and personnel operation. Based on such experience and considerable insight, the Company has judged that she is able to make decisions relating to execution of important business and supervise the management, and nominates her as a candidate for Director.</p> | 66,900 |

| No. | Name (Date of birth) | Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company | Number of the Company's shares owned |
|----------------------------|--|--|--------------------------------------|
| 7 Newly elected Male | Kan Okugakiuchi (November 11, 1966) | <p>March 1991 Joined the Company</p> <p>April 2011 General Manager of Business Development and Administration Dept. of Onomichi Plant of the Company</p> <p>April 2012 Director and President of ONOMICHI PRESS KOGYO CO., LTD.</p> <p>October 2016 General Manager of Construction Equipment Dept. and Sales Dept. 1 of the Company</p> <p>March 2017 Retired as Director and President of ONOMICHI PRESS KOGYO CO., LTD.</p> <p>October 2018 General Manager of Sales Dept. 3, Construction Equipment Dept., and Sales Dept. 1 of the Company</p> <p>April 2019 Executive Officer of the Company</p> <p>April 2021 Senior Executive Officer of the Company</p> <p>April 2023 Executive Managing Officer of the Company (to the present) Representative Director of PK MANUFACTURING (SUZHOU) CO., LTD. Representative Director of PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.</p> <p>March 2025 Retired as Representative Director of PK MANUFACTURING (SUZHOU) CO., LTD. Retired as Representative Director of PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.</p> <p><i>Responsibilities</i> In charge of Business Development and Administration Division</p> | 44,900 |

Notes:

1. There is no special interest between any of the candidates and the Company.
2. The Company has entered into a directors and officers liability insurance policy with an insurance company that classifies the Company's Directors, Executive Officers, and company officers of domestic and overseas subsidiaries and affiliates (excluding PK U.S.A., INC.) as the insureds, and the insureds are covered for losses that may arise from their assumption of liability incurred in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability.

However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality.

Each candidate will be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

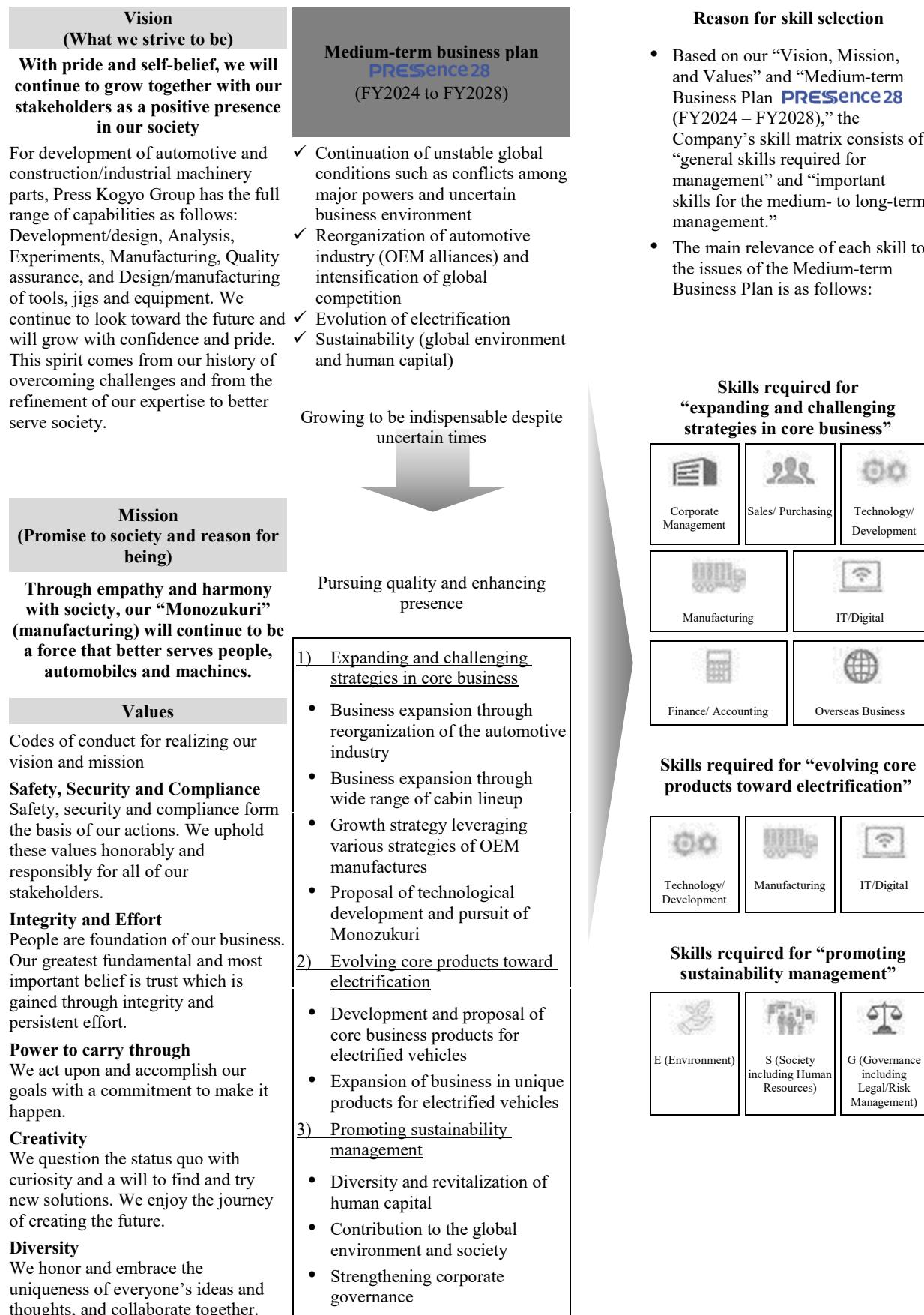
(Reference)

Directors' Skill Matrix

The Company's Board of Directors shall consist of persons who possess general skills required for the Company's management and important skills for the medium- to long-term management. If Proposal 2 is approved and adopted as proposed, the composition of the Company's Directors as well as expertise and experience they have are as follows.

| Name (Gender) | Expertise/Experience of Directors | | | | | | | | | |
|---------------------------------------|--|--|--|---|--|--|--|---|---|--|
| |  Corporate Management |  Sales/Purchasing |  Technology/Development |  Manufacturing |  IT/Digital |  Finance/Accounting |  Overseas Business |  E (Environment) |  S (Society including Human Resources) |  G (Governance including Legal/Risk Management) |
| Yuki Shimizu (Male) | ● | ● | | | | | | ● | | ● |
| Noboru Masuda (Male) | ● | | ● | ● | | | ● | ● | | ● |
| Takekazu Karaki (Male) | ● | | | | | ● | ● | | | ● |
| Masahiko Sato (Male) | ● | | ● | ● | ● | | ● | ● | | ● |
| Harumasa Nikkawa (Male) | ● | | ● | ● | | | | ● | | ● |
| Kyoko Okada (Female) | ● | | | | | | ● | ● | ● | ● |
| Kan Okugakiuchi (Male) | ● | ● | | | | | ● | | | ● |
| Masanori Sakano (Male) | | | | | | ● | | | | ● |
| Yasuo Yamane (Male) External | | | ● | | | | | | | ● |
| Kenji Furusato (Male) External | | | | | | | | | | ● |
| Yuki Okabe (Female) External | | | | | ● | ● | | | | ● |
| Kayo Murakami (Female) External | ● | ● | | | ● | | | ● | | ● |

■ Reason for skill selection



Business Report Summary

| | 122nd fiscal year (Fiscal year ended March 31, 2024) | 123rd fiscal year (Fiscal year ended March 31, 2025) | Difference | |
|---|--|--|------------|--------|
| Key business result (Millions of yen) | | | | |
| Net sales | 197,817 | 189,883 | -7,933 | -4.0% |
| Operating profit | 12,807 | 9,646 | -3,161 | -24.7% |
| Operating profit ratio | 6.5% | 5.1% | -1.4% | — |
| Ordinary profit | 13,461 | 10,279 | -3,181 | -23.6% |
| Profit attributable to owners of parent | 8,078 | 6,080 | -1,997 | -24.7% |
| ROE | 7.8% | 5.5% | -2.3% | — |
| Annual dividends | 26.0 yen/share | 32.0 yen/share | +6.0 yen | — |
| Consolidated dividend payout ratio | 32.7% | 52.5% | +19.8% | — |
| Total return ratio | 45.0% | 76.9% | +31.9% | — |
| Financial Indicator (Millions of yen) | | | | |
| Total assets | 191,742 | 197,764 | +6,021 | +3.1% |
| Net assets | 120,444 | 127,481 | +7,037 | +5.8% |
| Equity ratio | 56.2% | 57.6% | +1.5% | — |

About the business report, financial statements, etc.

The Company has taken measures for electronic provision of materials for this Annual Shareholders' Meeting. A full copy of the meeting materials is available on the following websites on the Internet:

Company's website

<https://www.presskogyo.co.jp/ir/stockinfo/meeting.html>

Website for posted informational materials for the shareholders' meeting

<https://d.sokai.jp/7246/teiji/>

Business Report

(From April 1, 2024 to March 31, 2025)

1 Status of the Corporate Group

(1) Business progress and results

In the business environment for trucks for the fiscal year ended March 31, 2025, the domestic market remained firm, but demand continued to decrease in Thailand and Indonesia, etc. In the fourth quarter, as for automotive production in the United States, production was halted due to inventory adjustments at US-affiliated manufacturers and a Japanese-affiliated manufacturer's recall.

In the business environment for construction machinery, shipments of machinery for rental decreased in Japan, while overseas demand decreased year on year due to impacts including persistent high interest rates due to fiscal policy tightening in major regions (North America, Europe, and ASEAN region).

Under these circumstances, the Group strived to secure revenues by promoting rationalization, flexible staffing system, and developing multiple skills to create production lines that are resilient to fluctuations. However, in the current fiscal year, the Company recorded net sales of 189,883 million yen (down 4.0% year on year), operating profit of 9,646 million yen (down 24.7% year on year), ordinary profit of 10,279 million yen (down 23.6% year on year) and profit attributable to owners of parent of 6,080 million yen (down 24.7% year on year).

| | 122nd fiscal year (Fiscal year ended March 31, 2024) | 123rd fiscal year (Fiscal year ended March 31, 2025) | Year-on-year change | |
|---|--|--|-----------------------------|------------|
| | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Percentage |
| Net sales | 197,817 | 189,883 | -7,933 | -4.0% |
| Operating profit | 12,807 | 9,646 | -3,161 | -24.7% |
| Ordinary profit | 13,461 | 10,279 | -3,181 | -23.6% |
| Profit attributable to owners of parent | 8,078 | 6,080 | -1,997 | -24.7% |

Business performance by segment is as follows.

Automotive-Related Business

Net sales
158,593 million yen
(Down 2.7% year on year)

(Automotive-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Domestic demand for heavy- and medium-duty trucks increased by 6,900 vehicles year on year, to 74,600 vehicles, and domestic demand for light-duty trucks increased by 9,300 vehicles year on year, to 85,300 vehicles. With respect to exports, heavy- and medium-duty trucks are at the same level as the previous fiscal year, while light-duty trucks increased year on year. Production of the Company for heavy- and medium-duty trucks decreased due to the impact of lower sales volumes at certain customers, while production for light-duty trucks increased. As a result, net sales increased year on year.

[Thailand]

Domestic demand for 1-ton pick-up trucks continued to be affected by stricter loan screening for car purchases, and production at the TSPK Group decreased year on year, with net sales also decreasing.

[U.S.A.]

Domestic demand remained level year on year. Production of PK U.S.A., INC. was affected by the closure of the Mississippi Plant following the withdrawal from the panel business and production halts due to inventory adjustments at US-affiliated manufacturers and a Japanese-affiliated manufacturer's recall; however, net sales remained level year on year due to a contribution from an increase in other ordered products.

[Indonesia]

Domestic demand for trucks continued to decrease due to sluggish sales affected by inflation and rising interest rates, and production at PT. PK Manufacturing Indonesia decreased year on year, with net sales also decreasing.

[Sweden]

Production decreased year on year at PRESS KOGYO SWEDEN AB, with net sales also decreasing, because demand for trucks decreased in Europe.

As a result of the above, net sales in this segment amounted to 158,593 million yen (down 2.7% year on year) and segment profit amounted to 13,167 million yen (down 18.1% year on year).

Construction Machinery-Related Business

Net sales
30,638 million yen
(Down 10.9% year on year)

(Construction Machinery-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Domestic demand for hydraulic excavators and exports mainly for North America, Europe and ASEAN region decreased year on year, with domestic production and net sales of cabins also decreasing.

[China]

Production and net sales at PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. decreased year on year, despite a recovery trend in domestic demand.

As a result of the above, net sales in this segment amounted to 30,638 million yen (down 10.9% year on year) and segment loss amounted to 415 million yen (segment profit of 367 million yen in the previous fiscal year).

(2) Status of financing

In order to make it possible to efficiently raise working capital, the Company entered into loan commitment contracts for a total amount of 11.5 billion yen with Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Resona Bank, Limited, and The Bank of Yokohama, Ltd.

With regard to affiliates, U.S. subsidiary PK U.S.A., INC. entered into loan commitment contracts for 32 million U.S. dollars with its main trading financial institutions.

(3) Status of capital investments, etc.

In the current fiscal year, the Group made capital investments totaling 15,656 million yen. The main components of capital investments were as follows.

(i) Major facilities completed during the current fiscal year

| | |
|-------------------------------|--|
| Fujisawa Plant of the Company | Auxiliary press processing facility |
| Fujisawa Plant of the Company | Auxiliary frame production facility |
| Onomichi Plant of the Company | Auxiliary construction machinery cabin production facility |
| PK U.S.A., INC. | Door impact beam production facility |

(ii) Sale or removal of major non-current assets during the current fiscal year

| | |
|-----------------|---------------------------|
| PK U.S.A., INC. | Panel processing facility |
|-----------------|---------------------------|

(4) Status of assets and profit (loss) in the most recent three fiscal years

(i) Trends in the status of assets and profit (loss) of the corporate group

| | | 120th fiscal year (Fiscal year ended March 31, 2022) | 121st fiscal year (Fiscal year ended March 31, 2023) | 122nd fiscal year (Fiscal year ended March 31, 2024) | 123rd fiscal year (current) (Fiscal year ended March 31, 2025) |
|--|----------------------|--|--|--|---|
| Net sales | (Millions of yen) | 160,060 | 184,844 | 197,817 | 189,883 |
| Operating profit | (Millions of yen) | 12,424 | 13,110 | 12,807 | 9,646 |
| Operating profit ratio | (%) | 7.8 | 7.1 | 6.5 | 5.1 |
| Ordinary profit | (Millions of yen) | 12,673 | 13,714 | 13,461 | 10,279 |
| Profit attributable to owners of parent | (Millions of yen) | 7,107 | 6,793 | 8,078 | 6,080 |
| ROE | (%) | 7.7 | 7.0 | 7.8 | 5.5 |
| Basic earnings per share | (Yen) | 66.17 | 65.54 | 79.41 | 60.99 |
| Total assets | (Millions of yen) | 172,617 | 178,402 | 191,742 | 197,764 |
| Net assets | (Millions of yen) | 103,219 | 111,087 | 120,444 | 127,481 |

Notes: 1. Basic earnings per share is calculated based on the average total number of shares outstanding during period.
2. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 120th fiscal year.

(ii) Trends in the status of assets and profit (loss) of the Company

| | | 120th fiscal year (Fiscal year ended March 31, 2022) | 121st fiscal year (Fiscal year ended March 31, 2023) | 122nd fiscal year (Fiscal year ended March 31, 2024) | 123rd fiscal year (current) (Fiscal year ended March 31, 2025) |
|--------------------------|----------------------|--|--|--|---|
| Net sales | (Millions of yen) | 65,450 | 69,189 | 73,497 | 71,489 |
| Operating profit | (Millions of yen) | 5,400 | 5,451 | 5,085 | 4,579 |
| Ordinary profit | (Millions of yen) | 6,728 | 7,398 | 7,949 | 7,174 |
| Profit | (Millions of yen) | 3,834 | 5,336 | 6,155 | 5,400 |
| Basic earnings per share | (Yen) | 35.70 | 51.49 | 60.51 | 54.17 |
| Total assets | (Millions of yen) | 110,603 | 113,030 | 120,334 | 120,217 |
| Net assets | (Millions of yen) | 77,982 | 80,202 | 84,291 | 85,149 |

Notes: 1. Basic earnings per share is calculated based on the average total number of shares outstanding during period.
2. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 120th fiscal year.

(5) Issues to be addressed

Although the global economy is expected to maintain solid growth, the outlook appears increasingly uncertain due to factors such as the prolonged conflicts in Ukraine and the Middle East, the sluggish economic recovery in Europe and China, and changes in monetary policy in various countries. In the automotive industry, the business environment surrounding the Company continues to change reflecting various trends related to the slowdown in EVs and changes driven by corporate reorganization. In the U.S., a new tariff policy has been announced, and it is difficult to predict how this will impact the performance of our domestic and overseas business locations.

In our five-year medium-term business plan “**PRESence28**,” which began in FY2024, we have formulated a growth strategy to grow as an indispensable presence even in times of uncertainty and rapid change. Under a basic policy of “Pursuing quality and enhancing presence,” we are making steady progress in line with our three themes of 1) Expanding and challenging strategies in core business, 2) Evolving core products toward electrification, and 3) Promoting sustainability management. Through this, we will see changes in the business environment as opportunities and tackle management challenges, aiming to improve corporate value and contribute to solving social issues.

1) Expanding and challenging strategies in core business

In the Automotive-Related Business, we are working to increase production capacity to expand volume in line with the medium-term strategies of our major clients. In addition to increasing our export capabilities in Japan and ASEAN region, we are also reviewing options for local production. In addition, we view the changes resulting from the reorganization of domestic commercial vehicle manufacturers as an opportunity, and we will maintain our market position and expand our business by leveraging our strengths in technology development and proposal capabilities.

In the Construction Machinery-Related Business, we will work on a full lineup of cabins that target model changes by customers. Targets include mini/small cabins for hydraulic excavators, wheel loaders, and cabins for agricultural and industrial machinery. Against the backdrop of geopolitical risks and U.S. tariff policies, manufacturers are also changing their procurement strategies, so we are working to increase orders and maximize value.

In addition, we are pursuing technological development and proposal capabilities and Monozukuri to expand our business. We are also implementing various initiatives based on the themes of “enhancing our dominant presence in fundamental technologies,” “renewing press machines, optimizing configuration according to production processes, and reconstructing and renewing production lines” and “innovating toward enhanced DX.” Our finished goods made using the tailored blank process are highly regarded because they cut down on weight and are highly cost efficient, and we are striving for further improvement. We have built a new paint shop at our European site and installed heat treatment equipment at the U.S. site, and now preparing for full-fledged operation. In FY2025, we plan to renew our large axle line in Japan to achieve innovative productivity enhancement.

2) Evolving core products toward electrification

Our core products are also essential components in EVs, and we are developing products that are compatible with new powertrains. As development for electrification intensifies, we continue to develop multifunctional frames considering battery installation and axle development for EVs, and we have started mass production in Thailand of axles exclusively for EVs.

In specialty parts for EVs, we are developing battery protection components and shock absorbing parts that are necessary due to changes in vehicle structure. In Europe, where EV adoption has advanced, we have already received orders and started mass production, and are taking new inquiries. Leveraging insights from our achievements and newly developed technologies, we will work to increase orders in Japan in anticipation of future regulatory changes.

3) Promoting sustainability management

In FY2022, the Group identified materiality to address from a long-term perspective and is promoting sustainability management accordingly. For FY2024, we have organized and clarified our goals for our

materiality issues, and have set KPIs to measure achievement against these. To achieve each KPI, we will address the concrete actions related to materiality issues as we aim for the realization of a sustainable society and the enhancement of corporate value.

Diversity and revitalization of human capital is positioned as an important initiative supporting the future growth of the Group, and we are working on various measures under a human capital strategy based on the keywords of carrying through, creativity, diversity, and safety & security. Among these, our Group places great importance on “carrying through” and we are launching a training program specifically designed to develop this trait as part of our corporate culture. We are promoting human rights initiatives based on the Human Rights Policy that we formulated in March 2024, and we are gradually rolling out human rights due diligence.

In contributions to the global environment and society, we are promoting key initiatives based on our environmental policy, such as addressing climate change issues, conservation of biodiversity, efforts for water security, resources circulation, and coexisting with local communities. In response to the issue of climate change, we have set out targets for Scope 1, 2, and 3 emissions on a consolidated basis, and are working to achieve carbon neutrality by 2050. We have set interim targets for Scope 1 and 2 emissions for fiscal year 2025, and we are working toward achievement throughout the entire Group.

In terms of strengthening corporate governance, we established the Risk Management Committee in August 2024 with the aim of strengthening our risk management system. For FY2025 we identify “fires at our facilities,” “violation of laws and regulations/compliance,” and “information security” as the Group-wide major risks. By promoting initiatives across the entire Group, we will strive to ensure stability and business continuity and to further enhance corporate value.

The management targets for the medium-term business plan (**PRESence28**) are as follows.

| | FY2028 target |
|------------------------|-----------------|
| Net sales | 240 billion yen |
| Operating profit ratio | 8.0% or higher |
| ROE | 9.0% or higher |

We ask all shareholders for their continued understanding of the management of the Group, as well as their further support and encouragement going forward.

(6) Status of principal parent company and subsidiaries (As of March 31, 2025)

(i) Relationship with parent company

Not applicable.

(ii) Status of principal subsidiaries

| Company name | Share capital or investments in capital | Percentage of voting rights held by the Company (%) | Principal business |
|---|---|---|--|
| KYOWA MFG. CO., LTD. | 100 million yen | 100.00 | Manufacture of automotive parts and construction machinery parts |
| ONOMICHI PRESS KOGYO CO., LTD. | 15 million yen | 83.33 | Manufacture of automotive parts and construction machinery parts |
| BANKIN KOGYO CO., LTD. | 25 million yen | 100.00 | Manufacture of automotive parts |
| TECMO CO., LTD. | 20 million yen | 100.00 | Engineering of automotive parts |
| PK LOGISTICS CO., LTD. | 32 million yen | 100.00 | Transportation of automotive parts |
| PKC CO., LTD. | 50 million yen | 100.00 | Sale of materials |
| PK SERVICE CO., LTD. | 100 million yen | 100.00 | Welfare services |
| PK U.S.A., INC. | 49 thousand U.S. dollars | 100.00 | Manufacture of automotive parts |
| OCEAN STREAM ENTERPRISE, INC. | 400 thousand U.S. dollars | 100.00 | Welfare services |
| PRESS KOGYO SWEDEN AB | 45,000 thousand Swedish krona | 100.00 | Manufacture of automotive parts and agricultural machinery parts |
| THAI SUMMIT PKK CO., LTD. | 300,000 thousand Thai baht | 50.00 | Manufacture of automotive parts |
| THAI SUMMIT PKK ENGINEERING CO., LTD. | 50,000 thousand Thai baht | 50.00 | Manufacture of dies |
| THAI SUMMIT PKK BANGPAKONG CO., LTD. | 100,000 thousand Thai baht | 50.00 | Manufacture of automotive parts |
| THAI SUMMIT PK CORPORATION LTD. | 700,000 thousand Thai baht | 50.00 | Manufacture of automotive parts |
| PK MANUFACTURING (SUZHOU) CO., LTD. | 13,100 thousand U.S. dollars | 100.00 | Manufacture of construction machinery parts |
| PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. | 17,000 thousand U.S. dollars | 100.00 | Manufacture of construction machinery parts |
| PKC (SUZHOU) CO., LTD. | 2,100 thousand U.S. dollars | 100.00 | Sale of materials |
| PT. PK Manufacturing Indonesia | 30,000 thousand U.S. dollars | 65.00 | Manufacture of automotive parts and construction machinery parts |

Notes: 1. The percentage of voting rights held by the Company includes indirect holdings through subsidiaries.

2. The dissolution of PM CABIN MANUFACTURING CO., LTD. was resolved at the Board of Directors meeting held on September 28, 2021, and the liquidation was completed on June 11, 2024.

(7) Principal business (As of March 31, 2025)

| Business | Principal products |
|---|---|
| Automotive-Related Business | Frames, axle housings, axle units, panels, stamping dies, automatic welding equipment, other automotive parts, etc. |
| Construction Machinery-Related Business | Construction machinery cabins and other construction machinery parts |
| Other | Construction-related parts, multi-layer decks parking systems, etc. |

(8) Major offices and plants (As of March 31, 2025)

| Company name | Major offices and plants |
|---|---|
| Press Kogyo Co., Ltd. (the Company) | Head Office & Kawasaki Plant (Kawasaki-ku, Kawasaki-shi, Kanagawa) Yokohama Office (Nishi-ku, Yokohama-shi, Kanagawa) Utsunomiya Plant (Shimotsuke-shi, Tochigi) Saitama Plant (Kawagoe-shi, Saitama) Fujisawa Plant (Fujisawa-shi, Kanagawa) Onomichi Plant (Onomichi-shi, Hiroshima) |
| KYOWA MFG. CO., LTD. | Head Office & Moka Plant (Moka-shi, Tochigi) Oyama Plant (Tochigi-shi, Tochigi) |
| ONOMICHI PRESS KOGYO CO., LTD. | Head Office & Plant (Onomichi-shi, Hiroshima) |
| BANKIN KOGYO CO., LTD. | Head Office & Plant (Fujisawa-shi, Kanagawa) |
| TECMO CO., LTD. | Head Office (Fujisawa-shi, Kanagawa) |
| PK LOGISTICS CO., LTD. | Head Office & Kawasaki Office (Kawasaki-ku, Kawasaki-shi, Kanagawa) Fujisawa Office (Fujisawa-shi, Kanagawa) Saitama Office (Kawagoe-shi, Saitama) Utsunomiya Office (Shimotsuke-shi, Tochigi) Tochigi Office (Moka-shi, Tochigi) |
| PKC CO., LTD. | Head Office & Sales Office (Fujisawa-shi, Kanagawa) Onomichi Office (Onomichi-shi, Hiroshima) |
| PK SERVICE CO., LTD. | Head Office & Fujisawa Office (Fujisawa-shi, Kanagawa) Kawasaki Office (Kawasaki-ku, Kawasaki-shi, Kanagawa) |
| PK U.S.A., INC. | Head Office & Indiana Plant (Shelbyville, Indiana, U.S.A.) Tennessee Plant (Gallatin, Tennessee, U.S.A.) |
| OCEAN STREAM ENTERPRISE, INC. | Head Office & Sales Office (Shelbyville, Indiana, U.S.A.) |
| PRESS KOGYO SWEDEN AB | Head Office & Plant (Oskarshamn, Sweden) |
| THAI SUMMIT PKK CO., LTD. | Head Office & Plant (Chonburi, Thailand) |
| THAI SUMMIT PKK ENGINEERING CO., LTD. | Head Office & Plant (Chonburi, Thailand) |
| THAI SUMMIT PKK BANGPAKONG CO., LTD. | Head Office & Plant (Chonburi, Thailand) |
| THAI SUMMIT PK CORPORATION LTD. | Head Office & Plant (Rayong, Thailand) |
| PK MANUFACTURING (SUZHOU) CO., LTD. | Head Office & Plant (Suzhou, Jiangsu, China) |
| PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. | Head Office & Plant (Suzhou, Jiangsu, China) |
| PKC (SUZHOU) CO., LTD. | Head Office (Suzhou, Jiangsu, China) |
| PT. PK Manufacturing Indonesia | Head Office & Plant (Karawang, Jawa Barat, Indonesia) |

Note: The dissolution of PM CABIN MANUFACTURING CO., LTD. was resolved at the Board of Directors meeting held on September 28, 2021, and the liquidation was completed on June 11, 2024.

(9) Status of employees (As of March 31, 2025)**(i) Status of employees of the corporate group**

| Business category | Number of employees | Change from the end of the previous fiscal year |
|---|---------------------|---|
| Automotive-Related Business | 4,462 | (147) |
| Construction Machinery-Related Business | 731 | (22) |
| Other | 27 | (3) |
| Corporate (shared) | 218 | 8 |
| Total | 5,438 | (164) |

Note: The number of employees does not include temporary employees and dispatch employees.

(ii) Status of employees of the Company

| Number of employees | Change from the end of the previous fiscal year | Average age | Average years of service |
|---------------------|---|-------------|--------------------------|
| 1,766 | (2) | 41.2 years | 19.2 years |

Note: The number of employees does not include temporary employees and dispatch employees.

(10) Status of principal lenders (As of March 31, 2025)

| Lender | Amount of borrowings (Millions of yen) |
|-------------------------------------|--|
| Sumitomo Mitsui Banking Corporation | 3,796 |
| Mizuho Bank, Ltd. | 3,551 |

(11) Other important matters regarding the current status of the corporate group

Not applicable.

2 Matters Regarding Shares of the Company (As of March 31, 2025)

- (1) Total number of shares to be issued 240,000,000 shares
- (2) Total number of issued shares 100,000,000 shares
- (3) Number of shareholders 25,662
- (4) Major shareholders (Top 10)

| Name of shareholder | Number of shares owned (Thousands of shares) | Shareholding ratio (%) |
|--|---|------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 11,270 | 11.35 |
| Isuzu Motors Limited | 10,151 | 10.23 |
| NIPPON STEEL TRADING CORPORATION | 5,020 | 5.06 |
| MURAKAMI TAKATERU | 3,636 | 3.66 |
| Custody Bank of Japan, Ltd. (Trust Account) | 3,477 | 3.50 |
| Marubeni-Itochu Steel Inc. | 3,300 | 3.32 |
| STATE STREET BANK AND TRUST COMPANY 505223 | 2,603 | 2.62 |
| Press Kogyo Employees' Shareholdings | 2,535 | 2.55 |
| Press Kogyo Suppliers' Shareholdings | 2,526 | 2.55 |
| RE FUND 107-CLIENT AC | 2,500 | 2.52 |

Note: The shareholding ratio has been calculated after deducting treasury shares (733,204 shares).

(5) Status of shares granted to Directors during the fiscal year as consideration for performance of duties

| | Number of shares | Number of persons granted shares |
|--|------------------|----------------------------------|
| Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors) | 54,100 shares | 7 |

Note: The details on the share-based remuneration of the Company are described in 4 (4) "Remuneration, etc. of Directors."

(6) Other important matters regarding shares of the Company

As part of the Company's efforts to return profits to shareholders, the Company acquired and cancelled treasury stock as follows.

(i) Acquisition of treasury stock (Resolution of the Board of Directors on May 13, 2024)

| | |
|---------------------------------|---|
| Type of shares to be acquired | Common stock |
| Total number of shares acquired | 2,261,000 shares |
| Acquisition price of shares | 1,499,994,000 yen |
| Period of acquisition of shares | From May 14, 2024 to July 16, 2024 |
| Method of acquisition | Market purchase on the Tokyo Stock Exchange |

(ii) Cancellation of treasury stock (Resolution of the Board of Directors on May 13, 2024)

| | |
|--|---|
| Type of shares cancelled | Common stock |
| Total number of shares cancelled | Total number of shares of treasury stock acquired as above (i) (2,261,000 shares) |
| Total number of issued shares after cancellation | 104,562,470 shares |
| Date of cancellation | September 30, 2024 |

The Company implemented a cancellation of treasury shares as explained below as a way to eliminate concerns about dilution of future stock and improving the free float ratio.

(iii) Cancellation of treasury stock (Resolution of the Board of Directors on February 26, 2025)

| | |
|--|--------------------|
| Type of shares cancelled | Common stock |
| Total number of shares cancelled | 4,562,470 shares |
| Total number of issued shares after cancellation | 100,000,000 shares |
| Date of cancellation | March 14, 2025 |

3 Matters Regarding Share Acquisition Rights, Etc., of the Company

Not applicable.

4 Matters Regarding Company Officers

(1) Status of Directors (As of March 31, 2025)

| Position | Name | Areas of responsibility and significant concurrent positions outside the Company |
|---|------------------|---|
| Representative Director & Chairperson | Tetsushi Mino | CEO |
| Representative Director & President | Yuki Shimizu | President & COO In charge of Internal Audit Dept. |
| Representative Director & Executive Vice President | Noboru Masuda | Executive Vice President & CTO Overseeing of Engineering & Development Division and Manufacturing Division |
| Director | Hiroshi Yahara | Senior Executive Managing Officer Management of Personnel Dept. and Employee Relations Dept., in charge of General Affairs Dept. |
| Director | Takekazu Karaki | Senior Executive Managing Officer & CFO Management of Management Planning Dept., overseeing of Accounting Dept., 100-Year History Compilation Dept., and Overseas Operations, in charge of Business Planning Dept., Chief IR Officer |
| Director | Masahiko Sato | Senior Executive Managing Officer In charge of Engineering & Development Division |
| Director | Harumasa Nikkawa | Executive Managing Officer In charge of Manufacturing Division |
| Director (Full-time Audit & Supervisory Committee Member) | Masanori Sakano | |
| Director (Audit & Supervisory Committee Member) | Yasuo Yamane | |
| Director (Audit & Supervisory Committee Member) | Kenji Furusato | (Significant concurrent positions outside the Company) Attorney of Tokyo Fuji Law Office Professor of Nihon University Law School |
| Director (Audit & Supervisory Committee Member) | Yuki Okabe | (Significant concurrent positions outside the Company) External Director (Audit & Supervisory Committee Member) of DIGITAL HOLDINGS, Inc. |
| Director (Audit & Supervisory Committee Member) | Kayo Murakami | (Significant concurrent positions outside the Company) Partner & CEO of Kazu and Company LLC External Director of SANYO SHOKAI LTD. Advisory Fellow of IT Innovation and Strategy Center Okinawa |

Notes: 1. Changes in Directors during the current fiscal year were as follows.

- (i) At the 122nd Annual Shareholders' Meeting held on June 27, 2024, Yuki Okabe and Kayo Murakami were newly elected as Directors who are Audit & Supervisory Committee Members, and assumed their respective positions.
- (ii) At the conclusion of the 122nd Annual Shareholders' Meeting held on June 27, 2024, Directors who are Audit & Supervisory Committee Members Osamu Nakagawa and Tomoko Ando retired from office due to the expiration of their terms of office.
2. Kayo Murakami is scheduled to assume the position of Outside Director of Bunka Shutter Co., Ltd. in June 2025.
3. Directors who are Audit & Supervisory Committee Members Yasuo Yamane, Kenji Furusato, Yuki Okabe, and Kayo Murakami are External Directors.
4. Director who is an Audit & Supervisory Committee Member Yuki Okabe is a Certified Public Accountant, and has considerable knowledge regarding finance and accounting.
5. Director who is an Audit & Supervisory Committee Member Kenji Furusato is qualified as an attorney, and has considerable knowledge regarding laws.
6. Director who is an Audit & Supervisory Committee Member Kayo Murakami has a Master of Business Administration (MBA) degree, and has systematic knowledge regarding management, finance, marketing and organizations.
7. To enhance the practicality of information gathering and other aspects of audits, and strengthen audit and supervisory functions, Masanori Sakano has been appointed as Full-time Audit & Supervisory Committee Member. Masanori Sakano has many years of experience at financial institutions in Japan and overseas, and also has experience of participating as General Manager of Financial Dept. of the Company, particularly in financial and accounting departments. As such, he has considerable knowledge regarding finance and accounting.
8. The Company has designated all External Directors as Independent Officers as specified in the regulations of the Tokyo Stock Exchange and notified the Exchange of their designation.

(2) Outline of the contents of liability limitation contracts

Each Director who is an Audit & Supervisory Committee Member has entered into a contract with the Company to limit their liabilities for damages under Paragraph 1 of Article 423 of the Companies Act, pursuant to Paragraph 1 of Article 427 of the said Act. Under the said contract, the maximum amount of liability for damages shall be set at the minimum liability amount provided for by the relevant laws and regulations.

(3) Outline of the contents of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company. Under this insurance policy, the insureds are covered for losses that may arise from their assumption of liability incurred in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality.

Furthermore, this insurance policy includes the deductible clause, whereby losses within the deductible are not covered by the insurance policy.

The scope of the insureds under this insurance policy are the Company's Directors, the Company's Executive Officers, and company officers of domestic and overseas affiliates (excluding PK U.S.A., INC.), and all insurance premiums are paid by the Company.

(4) Remuneration, etc. of Directors

(i) Total amount, etc., of remuneration, etc., for the current fiscal year

| Category | Total amount of remuneration, etc. (Millions of yen) | Total amount by type of remuneration, etc. (Millions of yen) | | | Number of eligible officers (Persons) |
|--|--|--|---|--------------------------------|---------------------------------------|
| | | Basic compensation (Fixed compensation) | Performance-based compensation (Bonuses for Officers) | Non-monetary remuneration etc. | |
| Directors (Excluding Directors who are Audit & Supervisory Committee Members) | 419 | 283 | 103 | 33 | 7 |
| Directors who are Audit & Supervisory Committee Members (Of which External Directors) | 52 (30) | 52 (30) | – (–) | – (–) | 7 (6) |
| Total (Of which External Directors) | 472 (30) | 336 (30) | 103 (–) | 33 (–) | 14 (6) |

Notes: 1. The above amounts paid to Directors do not include the employee salary portion for Directors serving concurrently as employees.

2. The performance indicators selected as the basis for calculating the amounts of performance-based compensation, etc., include profit attributable to owners of parent and annual dividends per share, and the reason for selecting these performance indicators is to provide an incentive to conduct business in a way that is conscious of the Company's share price and to improve corporate value. With regard to the method of calculating the amount of performance-based compensation, etc., decisions concerning the allocation of payment are entrusted to Representative Director and President to decide after consideration of position and personal level of contribution, based on consultation with and reports from the Nomination & Remuneration Committee. Furthermore, information concerning trends in profit attributable to owners of parent, including the current fiscal year, is provided in "1 (4) Status of assets and profit (loss) in the most recent three fiscal years" of the Business Report, and information concerning trends in annual dividends per share, including the current fiscal year, is provided in "Proposal 1: Appropriation of Surplus" of the Reference Documents for the Shareholders' Meeting.

*At the meeting of the Board of Directors held on March 11, 2025, it has resolved to make the following changes. The performance indicators selected as the basis for calculating the amounts of performance-based compensation, etc., include profit attributable to owners of parent and total return ratio. The financial indicators are net sales, operating profit ratio, and ROE, while the non-financial indicators of CO2 emissions reduction and initiative target of human capital strategies are also taken into account.

The reason for selecting these performance indicators is to conduct business in a way that is conscious of the Company's share price, with consideration given to the medium-term business plan, and to provide an incentive to improve corporate value. With regard to the method of calculating the amount of performance-based compensation, etc., decisions concerning the allocation of payment are determined by resolution of the Board of Directors after consideration of position and personal level of contribution, based on consultations with and reports from the Nomination & Remuneration Committee.

Furthermore, information concerning trends in profit attributable to owners of parent, net sales, operating profit ratio, and ROE, including the current fiscal year, is provided in "1 (4) Status of assets and profit (loss) in the most recent three fiscal years" of the Business Report, and information concerning trends in total return ratio, including the current fiscal year, is provided in "Proposal 1: Appropriation of Surplus" of the Reference Documents for the Shareholders' Meeting.

3. The amounts in "Non-monetary remuneration etc." represent remuneration for granting restricted shares of the Company. The allocation conditions and other details are described in "(iii) Policy for determining Directors' remuneration, etc." The status of granted shares is described in "2 (5) Status of shares granted to Directors during the fiscal year as consideration for performance of duties." The figures represent the amounts charged for remuneration for granting restricted shares to seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members).

(ii) Matters regarding Shareholders' Meeting resolutions pertaining to remuneration, etc. of Directors

A resolution that monetary remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be composed of fixed compensation as well as bonuses for Officers as performance-based compensation, with a maximum amount of 500 million yen per year (However, monetary remuneration for Non-executive Directors and External Directors shall only be fixed compensation from the viewpoint of securing independence and exclude bonuses for Officers. The amounts of remuneration for Directors [excluding Directors who are Audit & Supervisory Committee Members] do not include the employee salary portion for Directors serving concurrently as employees.) was resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of the 120th Annual Shareholders' Meeting was seven (7).

Additionally, a resolution that remuneration for granting restricted shares is provided to Directors (excluding Directors who are Audit & Supervisory Committee Members, Non-executive Directors and External Directors) in addition to the aforementioned monetary remuneration scheme, with a maximum amount of 60 million yen per year and a maximum number of shares of 300,000 per year, was resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of the 120th Annual Shareholders' Meeting was seven (7).

A resolution that the maximum amount of remuneration for Directors who are Audit & Supervisory Committee Members should not exceed 60 million yen per year was resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016. The number of Directors who are Audit & Supervisory Committee Members at the conclusion of the 114th Annual Shareholders' Meeting was five (5).

(iii) Policy for determining Directors' remuneration, etc.

a. Method of determining the policy for determining remuneration, etc. of Directors

At a meeting of the Board of Directors, the Board of Directors passed a resolution concerning the policy for determining remuneration, etc. of Directors ("determination policy"), based on consultation with and reports from the Nomination & Remuneration Committee, in which a majority of the members are External Directors.

b. Outline of the contents of the determination policy

<Matters pertaining to policy regarding the determination of officer remuneration, etc. and its calculation method>

The Company will determine the policy for remuneration, etc. for Executive Directors, Non-executive Directors and Directors who are Audit & Supervisory Committee Members as follows.

Directors' (excluding Directors who are Audit & Supervisory Committee Members) remuneration, etc. is determined upon ensuring objectivity and transparency through deliberation with the Nomination & Remuneration Committee, in which majority of the members are External Directors, and opinions from the Audit & Supervisory Committee each fiscal year.

<Remuneration, etc., for Executive Directors>

1 Remuneration, etc., for executive directors, from among the Company's Directors (excluding Directors Who Are Audit & Supervisory Committee Members), shall be determined taking into consideration the ratio of fixed compensation and performance-based compensation (bonuses for Officers as a short-term incentive) and non-monetary remuneration (restricted share-based remuneration as a medium- to long-term incentive). The ratio of fixed compensation, performance-based compensation and non-monetary remuneration shall be properly determined to allow them to function as sound incentives, while being based on policies for determining each type of remuneration.

2 The allocation of remuneration, etc., for individual Executive Directors, fixed compensation and performance-based compensation (bonuses for Officers) are entrusted to Representative Director, President by the Board of Directors and determined within the limits of the aggregate amount resolved at the Shareholders' meetings. For non-monetary remuneration (restricted share-based remuneration), each number of shares to be allotted is determined by the Board of Directors within the limits of the aggregate amount and the number of shares resolved at the Shareholders' Meeting.

*At its meeting on March 11, 2025, the Board of Directors passed a resolution with the following changes.

2 The allocation of remuneration, etc., for individual Executive Directors, fixed compensation and performance-based compensation (bonuses for Officers) is determined by the Board of Directors, within the limits of the aggregate amount resolved at the Shareholders' Meeting. For non-monetary remuneration (restricted share-based remuneration), each number of shares to be allotted is determined by the Board of Directors within the limits of the aggregate amount and the number of shares resolved at the Shareholders' Meeting.

<Remuneration, etc., for Non-executive Directors>

1 Remuneration, etc., for Non-executive Directors who will advise and supervise the management of the Company from an independent standpoint, from among the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members), shall only be fixed compensation from the viewpoint of securing independence.

2 The allocation of remuneration, etc., for individual Non-executive Directors is entrusted to Representative Director, President by the Board of Directors and determined within the limits of the aggregate amount resolved at the Shareholders' Meeting.

*At its meeting on March 11, 2025, the Board of Directors passed a resolution with the following changes.

2 The allocation of remuneration, etc., for individual Non-executive Directors is determined by the Board of Directors, within the limits of the aggregate amount resolved at the Shareholders' Meeting.

<Remuneration, etc., for Directors who are Audit & Supervisory Committee Members>

1 Remuneration, etc., for Directors who are Audit & Supervisory Committee Members shall only be fixed compensation from the viewpoint of securing the appropriateness of their duties including conducting audits and supervising the execution of business.

2 The allocation of remuneration, etc., for individual Directors who are Audit & Supervisory Committee Members shall be determined by consultation of Audit & Supervisory Committee Members, within the limits of the aggregate amount resolved at the Shareholders' Meeting.

<Policy regarding the determination of the amount of personal compensation, etc. for fixed compensation>

Fixed compensation is based on the basic compensation decided by position, and is paid monthly upon its resolution within the scope of the maximum amount of monetary remuneration (including fixed compensation and bonuses for Officers) of 500 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022), and 60 million yen per year for Directors who are Audit & Supervisory Committee Members (resolved at the 114th Annual Shareholders' Meeting held on June 29, 2016).

<Policy regarding the determination of the calculation method for performance-based compensation, etc. and policy regarding the determination of the amount of their personal compensation, etc. for performance-based compensation>

The payment of bonuses for Officers as performance-based compensation (short-term incentive) for executive directors is considered each fiscal year, and if they are paid, they will be paid at a certain period of time every fiscal year upon a resolution within the scope of the maximum amount of monetary remuneration (including fixed compensation and bonuses for Officers) of 500 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022).

The total amount of bonuses for Officers takes performance and other factors for each fiscal year into consideration. However, the main reference indicators pertaining to bonuses for Officers include profit attributable to owners of parent and annual dividends per share. Furthermore, bonuses will be paid to eligible Directors upon consideration of position and personal level of contribution.

*At its meeting on March 11, 2025, the Board of Directors passed a resolution with the following changes.

The payment of bonuses for Officers as performance-based compensation (short-term incentive) for Executive Directors is considered each fiscal year, and if they are paid, they will be paid at a certain period of time every fiscal year upon a resolution within the scope of the maximum amount of monetary remuneration (including fixed compensation and bonuses for Officers) of 500 million yen per year for Directors (excluding Directors who are Audit & Supervisory Committee Members) (resolved at the 120th Annual Shareholders' Meeting held on June 29, 2022).

The total amount of bonuses for Officers takes performance and other factors for each fiscal year into consideration. However, the main reference indicators pertaining to bonuses for Officers include financial indicators (net sales, operating profit ratio, and ROE) and non-financial indicators (CO2 emission reduction and initiative target of human capital strategies) and the total amount of bonuses for Officers is determined based on factor such as profit attributable to owners of parent and total return ratio. Furthermore, bonuses will be paid to eligible Directors upon consideration of position and personal level of contribution.

<Policy regarding the determination of the calculation method for non-monetary remuneration, and policy regarding the determination of the amount of personal remuneration, etc. for non-monetary remuneration>

Restricted share-based remuneration shall be provided as non-monetary remuneration (medium-to long-term incentive) for Executive Directors for each fiscal year.

Restricted share-based remuneration shall be based on the standard amount decided by position and provided at a certain period of time every fiscal year upon the resolution of each number of shares to be allotted within the scope of the amount of 60 million yen and 300,000 shares per year (to be resolved at the 120th Annual Shareholders' Meeting scheduled for June 29, 2022).

c. Reasons the Board of Directors has judged that the content of personal remuneration, etc., for each Director in the current fiscal year is consistent with the determination policy

When determining the content of personal remuneration, etc., for each Director, the Board of Directors consulted the Nomination & Remuneration Committee about the determination policy for remuneration, etc., for Directors. The Board of Directors has therefore judged that the content thereof is consistent with the determination policy, based on the fact that the content of personal remuneration, etc., for Directors has been determined after following these procedures.

(iv) Matters regarding the delegation of the determination of personal remuneration, etc., for each Director

Pursuant to a resolution concerning delegation passed by the Board of Directors, Representative Director and President Yuki Shimizu determines the specific amount of personal remuneration for each Director (excluding Directors who are Audit & Supervisory Committee Members). The scope of this authority covers the amount of fixed compensation for each Director and the allocation of bonuses for Officers to each Director. The reason for delegating this authority is because Representative Director and President is the most suitable person to assess each Director's level of contribution while also maintaining an overall view of the business performance of the Company as a whole. To ensure that this authority is appropriately exercised by Representative Director and President, the Board of Directors consults the Nomination & Remuneration Committee concerning the policy for determining remuneration, etc., for Directors, and the content of personal remuneration, etc., for each Director is determined after following these procedures.

* Pursuant to a resolution passed by the Board of Directors on March 11, 2025, the method of determination for individual remuneration amounts for Directors (excluding Directors who are Audit & Supervisory Committee Members) is changed from "entrusted to the Representative Director" to "decision by the Board of Directors." The allocation of remuneration for individual Directors is determined by resolution of the Board of Directors, within the limits of the aggregate amount resolved at the Shareholders' Meeting, based on consultation with and the results of discussions and report from the Nomination & Remuneration Committee.

(1) The amount of fixed compensation for each Director, which is shown in the chart of total amount, etc., of remuneration, etc., for the current fiscal year, was entrusted to and determined by the Representative Director in accordance with the resolution by the Board of Directors on June 27, 2024. The allocation of bonuses for Officers to each Director is scheduled to be determined by the Board of Directors on June 26, 2025.

(5) Matters regarding external officers

(i) Status of significant concurrent positions as executives of other corporations, etc., and relationships between the Company and these other corporations, etc.

Director who is an Audit & Supervisory Committee Member Kenji Furusato serves as an attorney of Tokyo Fuji Law Office and Professor of Nihon University Law School. There are no special interests between the Company and these corporations.

Director who is an Audit & Supervisory Committee Member Kayo Murakami is the Partner & CEO of Kazu and Company LLC and the Advisory Fellow of IT Innovation and Strategy Center Okinawa. There are no special interests between the Company and these corporations.

(ii) Status of significant concurrent positions as external officers, etc., of other corporations, etc., and relationships between the Company and these other corporations, etc.

Director who is an Audit & Supervisory Committee Member Yuki Okabe serves concurrently as External Director (Audit & Supervisory Committee Member) of DIGITAL HOLDINGS, Inc. There are no special interests between the Company and the corporation.

Director who is an Audit & Supervisory Board Member Kayo Murakami serves concurrently as External Director of SANYO SHOKAI LTD. There are no special interests between the Company and the corporation.

(iii) Status of main activities in the current fiscal year

- Attendance at meetings of the Board of Directors and the Audit & Supervisory Committee

| | Board of Directors | | Audit & Supervisory Committee | |
|--|------------------------|-----------------|-------------------------------|-----------------|
| | Attendance at meetings | Attendance rate | Attendance at meetings | Attendance rate |
| Director who is an Audit & Supervisory Committee Member Yasuo Yamane | 17/17 | 100% | 11/12 | 91.6% |
| Director who is an Audit & Supervisory Committee Member Kenji Furusato | 17/17 | 100% | 12/12 | 100% |
| Director who is an Audit & Supervisory Committee Member Yuki Okabe | 14/14 | 100% | 10/10 | 100% |
| Director who is an Audit & Supervisory Committee Member Kayo Murakami | 14/14 | 100% | 10/10 | 100% |

Notes: 1. In addition to the number of meetings of the Board of Directors shown above, one resolution of the Board of Directors was made in writing pursuant to Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.

2. As Yuki Okabe and Kayo Murakami, Directors who are Audit & Supervisory Committee Members, were elected at the 122nd Annual Shareholders' Meeting held on June 27, 2024, the total number of meetings shown in their attendance at meetings of Board of Directors and Audit & Supervisory Committee reflects the number of meetings held after their election.

- Status of remarks at meetings of the Board of Directors and the Audit & Supervisory Committee and outline of duties performed in relation to the role expected of External Directors

Director who is an Audit & Supervisory Committee Member Yasuo Yamane fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing his views based on his experience and abundant insights as a university professor. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, he attended all (five) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

Director who is an Audit & Supervisory Committee Member Kenji Furusato fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing his views mainly on laws and regulations and the Articles of Incorporation from his perspective as an attorney. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, he attended all (five) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

Director who is an Audit & Supervisory Committee Member Yuki Okabe fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing her views on finance, accounting, and other matters, from an expert perspective as a Certified Public Accountant. In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, she attended all (five) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

Director who is an Audit & Supervisory Committee Member Kayo Murakami fulfilled an appropriate role in ensuring the validity and appropriateness of decision-making at meetings of the Board of Directors and the Audit & Supervisory Committee, including providing views based on her expert perspective on and abundant experience in corporate management, as well as her experience and knowledge as an expert on digital transformation (DX). In addition, as a member of the Nomination & Remuneration Committee, in which a majority of the members are External Directors, she attended all (five) meetings of the committee held during the current fiscal year, and performed a supervisory function in relation to the selection of candidates for Directors of the Company and processes for determining remuneration, etc. of Directors, from an objective and neutral standpoint.

5 Status of Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Outline of the contents of liability limitation contracts

Not applicable.

(3) Amount of remuneration, etc.

| | Amount paid (Millions of yen) |
|---|-------------------------------|
| Amount of remuneration, etc., for the Accounting Auditor for the current fiscal year | 102 |
| Total amount of money or other economic benefits to be paid to the Accounting Auditor by the Company and its subsidiaries | 102 |

Notes: 1. KPMG AZSA LLC is a member firm of the KPMG global organization of independent member firms, and other member firms conduct accounting audits of some principal consolidated subsidiaries of the Company overseas.
2. Under the audit agreement between the Company and the Accounting Auditor, the amounts of remuneration, etc., for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not clearly separated, and it is not practically possible to separate. Consequently, the total amount of remuneration, etc., for these audits has been provided as the amount of remuneration, etc., for the Accounting Auditor for the current fiscal year.
3. The Audit & Supervisory Committee of the Company has agreed upon the amount of remuneration, etc., for the Accounting Auditor, after verifying the appropriateness of the content of the Accounting Auditor's audit plans, the status of the execution of duties related to accounting audits, the calculation basis for the remuneration estimate, etc.

(4) Content of non-audit services

Not applicable.

(5) Policies related to decisions concerning the dismissal or non-reappointment of the Accounting Auditor

If it is judged necessary by the Audit & Supervisory Committee, such as cases when there are obstacles to the execution of duties by the Accounting Auditor, the Audit & Supervisory Committee will make a decision concerning a proposal related to the dismissal or non-reappointment of the Accounting Auditor. Based on this decision, the Board of Directors will make this a purpose to be resolved at the Shareholders' Meeting.

In addition, if the Accounting Auditor is recognized as falling under any the categories set forth in each item of Paragraph 1 of Article 340 of the Companies Act, or is subject to any disciplinary action as a result of violations of the Companies Act, the Certified Public Accountants Act, or other laws and regulations, or other actions from supervisory government agencies, the Audit & Supervisory Committee will dismiss the Accounting Auditor, pursuant to the unanimous approval of all Audit & Supervisory Committee Members. In this case, a selected Audit & Supervisory Committee Member will provide a report concerning the fact that the Accounting Auditor has been dismissed and the reasons for dismissal, at the first Shareholders' Meeting convened after the dismissal.

6 System to Ensure the Appropriateness of Operations and Outline of Its Operational Status

In order to maintain the soundness of management and enhance corporate value as a corporate group, the Company has formulated the Press Kogyo Group Vision.

Press Kogyo Group Vision

With pride and self-belief, we will continue to grow together with our stakeholders as a positive presence in our society

The Company has established basic policies and is implementing the necessary measures as follows, based on the understanding that the development of a system to ensure the appropriateness of operations (“internal controls”) is an important issue for achieving the Press Kogyo Group Vision.

(1) System to ensure that the execution of duties by Directors and employees complies with laws, regulations, and with the Company’s Articles of Incorporation

- (i) The Company ensures that Directors and employees are kept informed of the Press Kogyo Group’s Vision and Code of Ethics.
- (ii) The Internal Audit Department audits the execution of operations for conformance with laws and regulations and with the Company’s Articles of Incorporation. In addition, this department monitors the progress of setting up the internal control system and delivers reports to the Internal Control Committee, made up of all Directors.
- (iii) The Internal Control Committee receives reports on the operation of the internal control system and monitors the execution of operations for conformance with laws and regulations and with the Company’s Articles of Incorporation.
- (iv) The Company works to prevent scandals by using the Hotline (whistleblower) System, deterring illegal or unethical acts in the Company. The Hotline System enables Group employees to communicate with, and receive advice directly from, those designated to deal with these situations.

(2) System to ensure that Directors’ duties are executed efficiently

- (i) The Company will continue to promote more efficient management and accelerated execution of operations by improving the Executive Officer system that is now in use.
- (ii) The execution of important operations is deliberated on at the Management Meeting, made up of full-time Executive Officers and Full-time Audit & Supervisory Committee Members. Matters to be resolved by meetings of the Board of Directors are deliberated on and actions decided at meetings of the Board of Directors.
- (iii) The Company works to efficiently use management resources by drawing up a medium-term business plan to clearly define the goals to be achieved.

(3) Regulations covering management of risk of loss and other systems

- (i) Risk Management Regulations stipulate the appointment of a manager responsible for Group risk management and the promotion of risk management activities.
- (ii) The Risk Management Committee has been established to identify, analyze, and assess the Group-wide risks, as well as review risk management activities and provide feedback to organizations.
- (iii) The Risk Management Committee regularly reports on the Group’s risk management activities to the Management Meeting and the Board of Directors.

(4) System for the storage and management of information related to the execution of Directors' duties

In accordance with laws, regulations, and the Company's own regulations, the Company stores and manages documents related to important reports and decisions made in relation to the execution of Directors' duties.

(5) System to ensure the appropriateness of operations in the corporate group (the Company and subsidiaries)

- (i) Every department in the Company and all subsidiaries establish an internal control system based on the formulation plan prescribed by the Internal Control Committee. The Internal Audit Department regularly audits the internal control systems of every department of the Company and all subsidiaries, and then delivers reports of the status to the Internal Control Committee.
- (ii) The department in charge of managing subsidiaries works in concert with various other departments and is guided by Regulations on Management of Affiliates to manage the Company's subsidiaries.
- (iii) The Company receives reports on the significant concerns of subsidiaries, and may discuss these concerns, as appropriate, while respecting the individual initiative and independence of the subsidiaries.
- (iv) Each subsidiary implements risk management activities and reports on the status of those activities to the Risk Management Committee.
- (v) In addition to the supervisory departments managing and guiding the operations of subsidiaries, the Directors or the Audit & Supervisory Board Members of the subsidiaries, as a rule, are dispatched from the Company to ensure that all operations are being handled appropriately.

(6) Matters related to Directors and employees who support the duties of the Audit & Supervisory Committee; matters related to the independence of these employees from Directors (excluding Directors who are Audit & Supervisory Committee Members); and matters related to ensuring the effectiveness of instructions to these employees

- (i) Employees are assigned to support the duties of the Audit & Supervisory Committee, and related HR issues are determined by consulting with Representative Directors and the Audit & Supervisory Committee. Note that Directors are not assigned to support the duties of the Audit & Supervisory Committee.
- (ii) Employees who support the duties of the Audit & Supervisory Committee must obey instructions and orders from the Audit & Supervisory Committee in relation to the support operations.

(7) System whereby Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees report to the Audit & Supervisory Committee; other system related to the report to the Audit & Supervisory Committee; and the system to ensure that Directors and employees are not unfavorably treated for making reports

- (i) Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees of the Company and subsidiaries report to the Audit & Supervisory Committee if there is an incident, or the risk of an incident, that could seriously harm the Group. Specific matters to be reported are subject to discussion between Representative Directors and the Audit & Supervisory Committee.
- (ii) Unfavorable treatment of anyone who has made a report to the Audit & Supervisory Committee is prohibited.
- (iii) The Internal Audit Department regularly reports on the results of audits to the Full-time Audit & Supervisory Committee Member.

(8) Matters related to the policy for processing expenses or debts resulting from the execution of duties by Audit & Supervisory Committee Members (limited to matters related to the execution of the duties of the Audit & Supervisory Committee)

When, in relation to the execution of duties by Audit & Supervisory Committee Members, any committee member requests the Company to pay expenses in advance, etc. or requests advice from an external expert, etc., any expenses or debts resulting from the requests are promptly processed and borne by the Company, except in cases where they are not recognized as necessary for the duties of Audit & Supervisory Committee Members.

(9) Other systems to ensure that audits by the Audit & Supervisory Committee are executed effectively

- (i) Full-time Audit & Supervisory Committee Members may attend important meetings, including Management Meetings, and can express their opinions.
- (ii) Audit & Supervisory Committee Members perform effective audit operations in cooperation with the Internal Audit Department and the Accounting Auditors.

(10) Outline of operational status of system to ensure the appropriateness of operations

Regarding the system to ensure the appropriateness of operations at the Company, the Internal Audit Department confirms the status of the development of internal controls, the status of compliance with laws and regulations and the Articles of Incorporation of the execution of business operations, and the status of risk management in each department and subsidiary, and makes reports to the Internal Control Committee. In addition, measures for rectification and improvement are conducted in relation to any issues discovered as a result of this process, as part of the Company's endeavor to create and operate more appropriate internal control systems.

An outline of the operational status of this system in the current fiscal year is as follows.

- (i) The Internal Control Committee met four (4) times and engaged in deliberations related to fiscal year plans for internal controls, as well as the status of progress thereof, etc. In regard to risk management, the Risk Management Committee was established on August 9, 2024. Prior to that, the Internal Audit Department confirmed the status of risk management in each department and subsidiary, and made reports to the Internal Control Committee for discussions (at the first two of the four committee meetings).
- (ii) The Risk Management Committee was launched on August 9, 2024 with the aim of strengthening the previous risk management implemented under the Internal Control Committee by reinforcing the system to manage risks affecting the entire Group, thereby ensuring stable business continuity and enhancing corporate value. The administrative function of the risk management was transferred to the Management Planning Department. The Risk Management Committee's members are full-time Executive Officers holding positions of Executive Managing Officer and higher. They have met six times since the committee's launch to create risk management plans and discuss progress status. The results of the meetings have been reported to the Management Meeting and the Board of Directors.
- (iii) Regarding the Hotline (whistleblower) system, the Company established contact points both within and outside the Company. In the current fiscal year, the Company also worked to spread awareness of this system among employees by featuring it in the Group internal magazine regularly. In addition, the Company also responded to content about which there were consultations and reports, based on the "Hotline Regulations."
- (iv) The Full-time Audit & Supervisory Committee Member attended the Management Meeting, and also shared information related to the details of the Management Meeting with other Audit & Supervisory Committee Members at meetings of the Audit & Supervisory Committee.