

[Note]

This document is a summary translation of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

(Securities code: 7224)

June 4, 2025

(Date of commencement of measures for electronic provision: May 30, 2025)

ShinMaywa Industries, Ltd.

1-1, Shinmeiwa-cho,
Takarazuka-shi, Hyogo, Japan

Notice of the 101st Annual General Meeting of Shareholders

Dear Shareholders:

Please be informed that the 101st Annual General Meeting of Shareholders of ShinMaywa Industries, Ltd. (the “Company”) will be held as follows.

In convening this Annual General Meeting of Shareholders, the Company has taken measures for electronic provision of materials for the general meeting of shareholders and has posted the matters to be provided electronically on the websites indicated below.

[The Company’s website]

<https://www.shinmaywa.co.jp/ir/general-meeting.html> (in Japanese)

In addition to the above, materials are also posted on the website indicated below.

[Tokyo Stock Exchange website]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

*Enter the Company’s name “ShinMaywa” in the “Issue name (company name)” field or the Company’s securities code “7224” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and click “Click here for access” below [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].

If you are not attending the meeting, you may exercise your voting rights via the Internet or in writing. Please refer to the Reference Materials for General Meeting of Shareholders attached hereto and exercise your voting rights no later than 5:00 p.m. on Monday, June 23, 2025 (JST).

Very truly yours,
Tatsuyuki Isogawa
President and Chief Executive Officer

- 1. Date and Time** Tuesday, June 24, 2025 at 10:00 a.m. (JST)
- 2. Location** Main Conference Room, on the 5th floor of
ShinMaywa Industries, Ltd. Head Office
1-1, Shinmeiwa-cho, Takarazuka-shi, Hyogo
- 3. Agenda**
- Matters to Be Reported**
1. Report on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 101st Business Term (from April 1, 2024 to March 31, 2025)
 2. Report on the audit results of the Consolidated Financial Statements for the 101st Business Term (from April 1, 2024 to March 31, 2025) by the Accounting Auditors and the Audit & Supervisory Board
- Matters to Be Resolved**
- Item No. 1** Appropriation of Retained Earnings
- Item No. 2** Partial Amendments to the Articles of Incorporation
- Item No. 3** Election of Six (6) Directors (Excluding Directors Who are Audit & Supervisory Committee Members)
- Item No. 4** Election of Four (4) Directors Who are Audit & Supervisory Committee Members
- Item No. 5** Determination of Compensation Amounts for Directors (Excluding Directors Who are Audit & Supervisory Committee Members)
- Item No. 6** Determination of Compensation Amounts for Directors Who are Audit & Supervisory Committee Members
- Item No. 7** Determination of Compensation for Granting Shares with Restriction on Transfer to Directors (Excluding Directors Who are Audit & Supervisory Committee Members and Outside Directors)
- Item No. 8** Determination of Compensation regarding Performance-linked Stock Compensation for Directors (Excluding Directors Who are Audit & Supervisory Committee Members and Outside Directors)

-
- ◎ In the event the matters provided electronically need to be modified, the Company will post such modification on each website indicated above.
 - ◎ We have sent the Reference Materials for General Meeting of Shareholders along with this Notice to the shareholders who have not requested a paper copy.
 - ◎ In accordance with laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation, the documents sent to the shareholders who have requested the paper copy do not include the items below. Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to

audit including the items below.

- Principal Offices and Plants, Status of Employees, Principal Lenders and Amount of Loans, Matters Concerning the Company's Shares, Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members, Matters Concerning the Directors and Officers Liability Insurance Contract, Status of the Accounting Auditor, and Development of Systems Necessary to Ensure the Properness of Operations, which are in the Business Report
- Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements, which are part of the Consolidated Financial Statements
- Non-Consolidated Balance Sheets, Non-Consolidated Statements of Income, Non-Consolidated Statement of Changes in Equity and Notes to the Non-Consolidated Financial Statements, which are part of the Non-Consolidated Financial Statements
- Accounting Auditor's Audit Report on Non-Consolidated Financial Statements

Guidance on Methods for Exercise of Voting Rights

The following methods are available for exercising your voting rights. Please review the reference materials from page 5 before exercising your voting rights.

1. Methods for exercise of voting rights

If you are exercising your vote in writing

Please indicate your approval or disapproval for the proposals on the enclosed Form, and return it by postal mail.

If neither approval nor disapproval for a proposal is indicated on the Form, it shall be treated as approval.

Voting deadline: The Form must arrive by 5:00 p.m. on Monday, June 23, 2025 (JST)

If you are exercising your vote via the Internet

Please access the website for exercising your votes designated by the Company (<https://evote.tr.mufig.jp>), and enter your approval or disapproval for the proposals.

Voting deadline: No later than 5:00 p.m. on Monday, June 23, 2025 (JST)

If you are attending the meeting

Please present the enclosed Form to the receptionist.

Date and time of the meeting: 10:00 a.m. on Tuesday, June 24, 2025 (JST)

2. For institutional investors

In addition to exercising voting rights via the Internet as described above, institutional investors may also use the “Electronic Proxy Voting Platform” operated by ICJ, Inc., if they have applied in advance.

3. If voting rights are exercised redundantly

- (1) If you exercise your voting rights both in writing and via the Internet, only the vote submitted via the Internet shall be valid.
- (2) If you exercise your voting rights multiple times via the Internet, only the last vote shall be valid.

Reference Materials for General Meeting of Shareholders

Matters to be Resolved and References

Item No. 1: Appropriation of Retained Earnings

The proposed appropriation of retained earnings for the 101st Business Term is described as follows:

Year-end Dividend

To ensure stable dividends, the Company has adopted a dividend on equity (DOE) ratio and set approximately 3% as the target level of dividends during the period covered by the Medium-term Management Plan “Sustainable Growth with Vision 2030 Phase 2: Expansion.”

Based on this policy, performance in this fiscal year, and other factors, the year-end dividend for this fiscal year will be 27 yen per share.

Including the interim dividend (25 yen per share), the total annual dividend for this fiscal year will therefore be 52 yen per share.

(1) Allocation of the asset distributed as dividend to shareholders and the total amount thereof

Dividend per share of common stock: 27 yen

Total amount: 1,784,450,628 yen

(2) Dividend effective date

June 25, 2025

(Reference) Change of Dividend and DOE

	98th Fiscal year ended March 31, 2022	99th Fiscal year ended March 31, 2023	100th Fiscal year ended March 31, 2024	101st Fiscal year ended March 31, 2025
Dividend per share (Yen)	42	45	47	52
Interim (Yen)	19	21	22.5	25
Year-end (Yen)	23	24	24.5	27
DOE (%)	3.1	3.1	3.0	3.1

Item No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The necessary changes shall be made to Article 2 (Purpose) of the current Articles of Incorporation to reflect the current status of business of the Company and its subsidiaries and to respond to future business development and diversification of their business.
- (2) The Company wishes to transit from the current company with an audit and supervisory board to a company with an audit and supervisory committee. The objectives are to further improve the effectiveness of the supervisory function of the Board of Directors, to strengthen the audit system by promoting collaboration between the Audit & Supervisory Committee and the internal audit department, etc., by appointing Directors who are Audit & Supervisory Committee Members with voting rights at Board of Directors meetings and by establishing an Audit & Supervisory Committee with a majority of members consisting of Outside Directors, and also to expedite management decision-making and business execution under the appropriate supervision of the Board of Directors, by delegating the Board of Directors' authority to decide business execution to the Directors. Therefore, the Company proposes to make the necessary changes, including the establishment of new provisions concerning the Audit & Supervisory Committee and Audit & Supervisory Committee Members, and the deletion of provisions concerning Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (3) Article 23 (Advisors and Counselors) of the current Articles of Incorporation shall be deleted in connection with the abolition of the advisor system.

2. Details of amendments

The details of the amendments are as follows.

This Item shall take effect upon the close of this Annual General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 (Text omitted)	Article 1 (Unchanged)
(Purpose)	(Purpose)
Article 2 The purpose of the Company shall be to engage in the following businesses.	Article 2 The purpose of the Company shall be to engage in the following businesses.
(1)-(3) (Text omitted)	(1)-(3) (Unchanged)
(4) Sales, lease and rental of used automobiles	(4) Sales, lease and rental of <u>automobiles and used automobiles</u>
(5) Manufacture, sale and repair of electrical machinery and appliances, industrial machinery and appliances, automated machinery and appliances, construction machinery and appliances, hairdressing machinery and appliances, and other ironworking and aluminum products	(5) Manufacture, sale, <u>installation, lease, rental</u> and repair of electrical machinery and appliances, industrial machinery and appliances, automated machinery and appliances, construction machinery and appliances, hairdressing machinery and appliances, and other ironworking and aluminum products
(6) Manufacture, <u>installation</u> , sale and repair of food machinery and equipment, chemical machinery and equipment, textile machinery and	(6) Manufacture, sale, <u>installation, lease, rental</u> and repair of food machinery and equipment, chemical machinery and equipment, textile

equipment, environmental protection machinery and equipment, multilevel parking facilities and related machinery and equipment

(7)-(13) (Text omitted)

Article 3 (Text omitted)

(Organizations)

Article 4 The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors:

(1) Board of Directors

(2) Audit & Supervisory Board Members

(3) Audit & Supervisory Board

(4) Accounting Auditor

Article 5 (Text omitted)

Chapter II Shares

Article 6-Article 10 (Text omitted)

(Administrator of Shareholders' Register)

Article 11 The Company shall have an administrator of the shareholders' register.

2. The administrator of the shareholders' register and its place of business shall be determined by a resolution of the Board of Directors and public notice thereof shall be given.

3. The preparation and keeping of the register of shareholders and the register of share acquisition rights of the Company and other business relating to the register of shareholders and the register of share acquisition rights shall be entrusted to the administrator of the shareholders' register, and shall not be handled by the Company.

(Share Handling Regulations)

Article 12 The handling of shares of the Company and the fees thereof shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to laws and regulations or these Articles of Incorporation.

machinery and equipment, environmental protection machinery and equipment, multilevel parking facilities and related machinery and equipment

(7)-(13) (Unchanged)

Article 3 (Unchanged)

(Organizations)

Article 4 The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors:

(1) Board of Directors

(2) Audit & Supervisory Committee

(Deleted)

(3) Accounting Auditor

Article 5 (Unchanged)

Chapter II Shares

Article 6-Article 10 (Unchanged)

(Administrator of Shareholders' Register)

Article 11 The Company shall have an administrator of the shareholders' register.

2. The administrator of the shareholders' register and its place of business shall be determined by a resolution of the Board of Directors or by a decision of the Directors delegated by the Board of Directors, and public notice thereof shall be given.

3. The preparation and keeping of the register of shareholders and the register of share acquisition rights of the Company and other business relating to the register of shareholders and the register of share acquisition rights shall be entrusted to the administrator of the shareholders' register, and shall not be handled by the Company.

(Share Handling Regulations)

Article 12 The handling of shares of the Company and the fees thereof shall be governed by the Share Handling Regulations established by the Board of Directors or by Directors delegated by a resolution of the Board of Directors, in addition to laws and regulations or

	these Articles of Incorporation.
Chapter III General Meeting of Shareholders	Chapter III General Meeting of Shareholders
Article 13-Article 18 (Text omitted)	Article 13-Article 18 (Unchanged)
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
(Number of Directors) Article 19 The Company shall have no more than ten (10) Directors.	(Number of Directors) Article 19 The Company shall have no more than eight (8) Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> .
(Newly established)	<u>2. The Company shall have no more than five (5) Directors who are Audit & Supervisory Committee Members.</u>
(Method of Electing Directors) Article 20 Directors shall be elected by a resolution of the General Meeting of Shareholders.	(Method of Electing Directors) Article 20 Directors shall be elected by a resolution of the General Meeting of Shareholders, <u>making a distinction between Directors who are Audit & Supervisory Committee Members and other Directors.</u>
2. The resolution for the election of Directors shall be adopted by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.	2. The resolution for the election of Directors shall be adopted by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.
3. The resolution for the election of Directors shall not be by cumulative voting.	3. The resolution for the election of Directors shall not be by cumulative voting.
(Term of Office) Article 21 The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders for the final fiscal year that ends within one (1) year of such Directors' election.	(Term of Office) Article 21 The term of office of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire at the close of the Annual General Meeting of Shareholders for the final fiscal year that ends within one (1) year of such Directors' election.
(Newly established)	<u>2. The term of office of Audit & Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders for the final fiscal year that ends within two (2) years of such Directors' election.</u>
(Newly established)	<u>3. The term of office of an Audit & Supervisory Committee Member elected to fill a vacancy caused by the</u>

<p>(Representative Directors and Directors with Special Titles) Article 22 The Board of Directors shall, by its resolution, appoint the Representative Directors from among Directors.</p> <p>2. Representative Directors shall represent the Company and execute its business.</p> <p>3. The Board of Directors may, by its resolution, appoint one (1) Chairman of the Board, one (1) President, <u>and a few Executive Vice Presidents, Senior Managing Directors, and Managing Directors</u> from among the Directors.</p> <p><u>(Advisors and Counselors)</u> Article 23 The Board of Directors may, by its resolution, appoint advisors and counselors.</p> <p>(Convocation of Board of Directors Meetings and Notice of Convocation) Article 24 Except as otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened by the President.</p> <p>2. In the event of the absence or disability of the President, a meeting of the Board of Directors shall be convened by another Director in the order previously determined by the Board of Directors.</p> <p>3. The notice of convocation for Board of Directors meetings shall be delivered to each Director <u>and each Audit & Supervisory Board Member</u> at least three (3) days in advance; provided, however, that such period of advance notice may be shortened in the case of an emergency.</p> <p>4. Board of Directors meetings may be convened without the convocation procedures with the unanimous consent of the Directors <u>and Audit & Supervisory Board Members</u>.</p> <p>Article 25 (Text omitted)</p>	<p><u>retirement of an Audit & Supervisory Committee Member prior to the expiry of his/her term of office shall expire at the time the term of office of his/her predecessor would have expired.</u></p> <p>(Representative Directors and Directors with Special Titles) Article 22 The Board of Directors shall, by its resolution, appoint the Representative Directors from among Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>2. Representative Directors shall represent the Company and execute its business.</p> <p>3. The Board of Directors may, by its resolution, appoint one (1) Chairman of the Board <u>and one (1) President</u> from among the Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>(Deleted)</p> <p>(Convocation of Board of Directors Meetings and Notice of Convocation) Article 23 Except as otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened by the President.</p> <p>2. In the event of the absence or disability of the President, a meeting of the Board of Directors shall be convened by another Director in the order previously determined by the Board of Directors.</p> <p>3. The notice of convocation for Board of Directors meetings shall be delivered to each Director at least three (3) days in advance; provided, however, that such period of advance notice may be shortened in the case of an emergency.</p> <p>4. Board of Directors meetings may be convened without the convocation procedures with the unanimous consent of the Directors.</p> <p>Article 24 (Unchanged)</p>
---	---

<p>(Omission of Resolution by the Board of Directors)</p> <p>Article 26 The Company shall deem that a resolution of the Board of Directors to approve the matters to be resolved at a meeting of the Board of Directors has been adopted if all Directors have expressed their consent to such matters in writing or by electromagnetic record. <u>However, this provision shall not apply if an Audit & Supervisory Board Member objects.</u></p> <p>(Newly established)</p> <p>Article 27 (Text omitted)</p> <p>(Compensation, etc.)</p> <p>Article 28 Remuneration, bonuses and other property benefits to be received by Directors from the Company in consideration for the performance of their duties (<u>hereinafter referred to as "Compensation, etc."</u>) shall be determined by a resolution of the General Meeting of Shareholders.</p> <p>Article 29 (Text omitted)</p> <p><u>Chapter V Audit & Supervisory Board Members and Audit & Supervisory Board</u></p> <p>(<u>Number of Audit & Supervisory Board Members</u>)</p> <p>Article 30 The Company shall have no more than five (5) <u>Audit & Supervisory Board Members.</u></p> <p>(<u>Method of Electing Audit & Supervisory Board Members</u>)</p> <p>Article 31 <u>Audit & Supervisory Board Members shall be elected by a resolution of the General Meeting of Shareholders.</u></p> <p><u>2. The resolution for the election of</u></p>	<p>(Omission of Resolution by the Board of Directors)</p> <p>Article 25 The Company shall deem that a resolution of the Board of Directors to approve the matters to be resolved at a meeting of the Board of Directors has been adopted if all Directors have expressed their consent to such matters in writing or by electromagnetic record.</p> <p>(<u>Delegation of Decision-making on Important Business Execution</u>)</p> <p><u>Article 26 Pursuant to the provisions of laws and regulations, the Board of Directors may, by its resolution, delegate all or part of the authority of decision-making on important business execution to Directors.</u></p> <p>Article 27 (Unchanged)</p> <p>(Compensation, etc.)</p> <p>Article 28 Remuneration, bonuses and other property benefits to be received by Directors from the Company in consideration for the performance of their duties shall be determined by a resolution of the General Meeting of Shareholders, <u>making a distinction between Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p>Article 29 (Unchanged)</p> <p><u>Chapter V Audit & Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p>
---	--

Audit & Supervisory Board Members shall be adopted by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

(Term of Office)

Article 32 The term of office of Audit & Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the final fiscal year that ends within four (4) years of such Audit & Supervisory Board Members' election.

2. The term of office of an Audit & Supervisory Board Member elected as a substitute to fill a vacancy caused by the retirement of an Audit & Supervisory Board Member prior to the expiry of his/her term of office shall expire at the time the term of office of his/her predecessor would have expired.

(Full-time Audit & Supervisory Board Members)

Article 33 The Audit & Supervisory Board shall, by its resolution, select one or more Full-time Audit & Supervisory Board Members from among its members.

(Notice of Convocation of Audit & Supervisory Board Meetings)

Article 34 The notice of convocation for Audit & Supervisory Board meetings shall be delivered to each Audit & Supervisory Board Member at least three (3) days in advance; provided, however, that such period of advance notice may be shortened in the case of an emergency.

2. Audit & Supervisory Board meetings may be convened without the convocation procedures with the unanimous consent of the Audit & Supervisory Board Members.

(Audit & Supervisory Board Regulations)

Article 35 Matters concerning the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations established by the

(Deleted)

(Full-time Audit & Supervisory Committee Members)

Article 30 The Audit & Supervisory Committee may, by its resolution, select one or more Full-time Audit & Supervisory Committee Members from among its members.

(Notice of Convocation of Audit & Supervisory Board Committee)

Article 31 The notice of convocation for Audit & Supervisory Committee meetings shall be delivered to each Audit & Supervisory Committee Member at least three (3) days in advance; provided, however, that such period of advance notice may be shortened in the case of an emergency.

2. Audit & Supervisory Committee meetings may be convened without the convocation procedures with the unanimous consent of the Audit & Supervisory Committee Members.

(Audit & Supervisory Committee Regulations)

Article 32 Matters concerning the Audit & Supervisory Committee shall be governed by the Audit & Supervisory Committee Regulations established by

<p><u>Audit & Supervisory Board</u>, in addition to laws and regulations or these Articles of Incorporation.</p>	<p>the <u>Audit & Supervisory Committee</u>, in addition to laws and regulations or these Articles of Incorporation.</p>
<p><u>(Compensation, etc.)</u> <u>Article 36 Compensation for Audit & Supervisory Board Members shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Liability Limitation Agreement with Audit & Supervisory Board Members)</u> <u>Article 37 The Company may enter into agreements with Audit & Supervisory Board Members that limit their liability for damages due to their negligence in performing their duties. However, the maximum amount of liability under such agreement shall be the minimum liability amount provided for in laws and regulations.</u></p>	<p>(Deleted)</p>
<p>Chapter VI Accounting</p>	<p>Chapter VI Accounting</p>
<p>Article <u>38</u>-Article <u>41</u> (Text omitted)</p>	<p>Article <u>33</u>-Article <u>36</u> (Unchanged)</p>
<p>(Newly established)</p>	<p><u>Supplementary Provisions</u> <u>(Transitional Measures concerning Exemption of Audit & Supervisory Board Members from Liability)</u> <u>With respect to the agreements to limit liability under Article 423, Paragraph 1 of the Companies Act concerning the acts of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) prior to the close of the 101st Annual General Meeting, the provisions of Article 37 of the Articles of Incorporation before the amendments by the resolution of the said Annual General meeting of Shareholders shall remain applicable.</u></p>

Item No. 3: Election of Six (6) Directors (Excluding Directors Who are Audit & Supervisory Committee Members)

If Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transit to a company with an audit and supervisory committee and the terms of office of all Directors will expire. Accordingly, the Company proposes the election of six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members). This Item shall take effect on condition that the amendments to the Articles of Incorporation proposed in Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as indicated below. The detailed information of the candidates is as described on pages 15 to 23.

There are no special interests between each candidate and the Company.

No.	Name	Category of Candidates	Current position in the Company	Attendance at Meetings of the Board of Directors (Attendance Ratio)	Term of Office of Director, Member of the Board	Gender
1	Tatsuyuki Isogawa	Reappointment	Representative Director, President and Chief Executive Officer	13/13 (100%)	10 years	Male
2	Toshiki Kume	Reappointment	Director, Member of the Board, Managing Executive Officer	13/13 (100%)	6 years	Male
3	Takashi Kuniyama	Reappointment	Director, Member of the Board, Managing Executive Officer	13/13 (100%)	3 years	Male
4	Seiko Nagai	Reappointment Outside Independent	Outside Director, Member of the Board	13/13 (100%)	6 years	Female
5	Toshiyuki Umehara	Reappointment Outside Independent	Outside Director, Member of the Board	13/13 (100%)	3 years	Male
6	Akiko Asami	New Outside Independent	-	-	-	Female

Outside

Candidate for Outside Director

Independent

Candidate for Independent Director as prescribed by Tokyo Stock Exchange, Inc.

Note: The Company has entered into a directors and officers liability insurance contract (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. Each candidate for Director (excluding Directors who are Audit & Supervisory Committee Member) will become the insured under the D&O insurance, if they are elected as Director. The D&O insurance policy is outlined below and the Company intends to renew it in June 2025 with the same content.

1) Outline of insured events

Damages and litigation expenses up to 2 billion yen in the event that the insured is liable to the Company or a third party for damages arising from execution of their duties

2) Period of the policy

1 year

3) Ratio of the premium substantially borne by the insured

The insurance premiums for all the insured are fully borne by the Company.

4) Measures not to impair appropriateness of execution of duties by the insured

Under the contract with the insurance company, liability for damages to be assumed by the insured arising from wrongful execution of duties by the insured is exempt from the insurance coverage, such as a claim for damages arising from the insured receiving personal advantage or benefit illegally, a claim for damages arising from a criminal act of the insured, or a claim for damages arising from a decision or act by the insured that was outside the scope of the authority with which he or she was endowed by the Company, so as not to impair appropriateness of execution of duties by the insured.

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
1	Tatsuyuki Isogawa	Reappointment	Jul. 2, 1959 (65 years old)	Male
Number of Shares Owned		59,377		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		10 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1983 Joined the Company				
Apr. 2012 Executive Officer of the Company				
Senior Vice President, Parking Systems Div. of the Company				
Managing Director, TOKYO ENGINEERING SYSTEMS CORPORATION (currently ShinMaywa Parking Technologies, Ltd.)				
Apr. 2014 President, Parking Systems Div. of the Company				
Apr. 2015 Managing Executive Officer of the Company				
Jun. 2015 Director, Member of the Board of the Company				
Apr. 2016 Senior Managing Executive Officer of the Company				
Apr. 2017 Representative Director of the Company (up to present)				
President and Chief Executive Officer of the Company (up to present)				
Reasons for Selection as Candidate for Director				
Having held important posts in the Parking Systems divisions, etc., Mr. Tatsuyuki Isogawa has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a central role in the management of the Company as Representative Director as well as President and Chief Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors and strengthen supervisory functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
2	Toshiki Kume	Reappointment	Jan. 27, 1967 (58 years old)	Male
Number of Shares Owned		26,385		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		6 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1989 Joined the Company Apr. 2014 General Manager, Finance & Accounting Dept. of the Company (up to present) Apr. 2017 Executive Officer of the Company Apr. 2019 Managing Executive Officer of the Company (up to present) Jun. 2019 Director, Member of the Board of the Company (up to present)				
Reasons for Selection as Candidate for Director				
Having held important posts such as in the Finance & Accounting divisions, Mr. Toshiki Kume has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors and strengthen supervisory functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
3	Takashi Kunihara	Reappointment	Feb. 13, 1963 (62 years old)	Male
Number of Shares Owned		22,851		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		3 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1985 Joined the Company				
Apr. 2012 Executive Officer of the Company President, Fluid Div. of the Company				
Apr. 2016 Managing Executive Officer of the Company (up to present)				
Apr. 2022 Vice President, New Business Strategic Div. of the Company (up to present)				
Jun. 2022 Director, Member of the Board of the Company (up to present)				
[Responsibility at the Company] Monozukuri (Manufacturing / procurement / production technology / quality assurance)				
Reasons for Selection as Candidate for Director				
Having held important posts such as in the Fluid Div. and New Business Strategic Div., Mr. Takashi Kunihara has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors and strengthen decision-making functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
4	Seiko Nagai	Reappointment Outside Independent	Jun. 22, 1960 (64 years old)	Female
Number of Shares Owned		0		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		6 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1983 Joined Japan Airlines Co., Ltd.				
Apr. 1995 Cabin attendants training instructor, Japan Airlines Co., Ltd.				
Apr. 1997 Qualified as Senior cabin attendant for domestic routes, Japan Airlines Co., Ltd.				
Apr. 1998 Qualified as Senior cabin attendant (Chief Purser) for international routes, Japan Airlines Co., Ltd.				
Oct. 2002 Responsible for product planning for In-flight Sales Group, Japan Airlines Co., Ltd.				
Dec. 2006 Manager, Cabin Attendants, Japan Airlines Co., Ltd.				
Apr. 2008 Manager, In-flight Sales Group, Japan Airlines Co., Ltd.				
Apr. 2012 Manager, Passenger Cabin Dept., JAL Express Co., Ltd.				
Oct. 2014 Manager, Cabin Attendants Section 4, Haneda Airport, Japan Airlines Co., Ltd.				
Apr. 2015 Professor, College of Foreign Studies, Kansai Gaidai University (up to present)				
Jun. 2019 Outside Director, Member of the Board of the Company (up to present)				
Jun. 2021 Outside Director of the Board, Oji Holdings Corporation (up to present)				
[Important concurrent positions]				
Professor, College of Foreign Studies, Kansai Gaidai University				
Outside Director of the Board, Oji Holdings Corporation				

Reasons for Selection as Candidate for Outside Director and Expected Role

Following her career at Japan Airlines Co., Ltd., Ms. Seiko Nagai has been engaged in research and education as Professor at the College of Foreign Studies, Kansai Gaidai University, and also serves as Outside Director of the Board, Oji Holdings Corporation. Based on her diverse experience and as she introduces a gender perspective to the Board of Director, the Company believes that she will supervise the Company's management from an objective standpoint independent from the management team, and provide diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth. Therefore, the Company has nominated her as a candidate for Outside Director. The Company expects her to continue to fulfill these roles.

Although she has never been involved in corporate management other than serving as outside director, for the reasons given above, the Company believes that she will appropriately carry out her duties as Outside Director.

Independence of Outside Director

There are no special interests including business relationships between the Company and each of Kansai Gaidai University and Oji Holdings Corporation.

The Company has registered Ms. Seiko Nagai with Tokyo Stock Exchange, Inc. as an independent director. If she is re-appointed as Outside Director at this Annual General Meeting of Shareholders, the Company will continue to register her with the said exchange as an independent director.

Limited Liability Agreement

The Company has entered into an agreement with Ms. Seiko Nagai that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Ms. Seiko Nagai is re-appointed as Outside Director, the Company intends to maintain the limited liability agreement with her.

Other Special Matters

On March 25, 2025, the Company received a Cease and Desist Order and an Administrative Fine Payment Order from the Japan Fair Trade Commission for violation of the Antimonopoly Act for jointly consulting with other manufacturers and distributors of mechanical parking systems to determine successful bidder among them in advance and enable such bidder to be awarded the supply and installation work of mechanical parking systems. Although Ms. Seiko Nagai was unaware of this fact until the above incident came to light, she had been expressing her opinions regarding legal compliance at meetings of the Board of Directors and other meetings. After the above incident came to light, she proactively expressed her opinions at Board of Directors meetings regarding the importance of legal compliance and the prevention of recurrence of similar incidents and has been performing her duties appropriately.

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
5	Toshiyuki Umehara	Reappointment Outside Independent	Sep. 3, 1957 (67 years old)	Male
Number of Shares Owned		0		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		3 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1984 Joined Nitto Denko Corporation				
Jun. 2010 Vice President, Nitto Denko Corporation				
Jun. 2013 Senior Vice President, Nitto Denko Corporation				
Jun. 2015 Director, Executive Vice President, Nitto Denko Corporation				
Jun. 2017 Director, Senior Executive Vice President, Nitto Denko Corporation				
Jun. 2019 Representative Director, Senior Executive Vice President, Nitto Denko Corporation				
Jun. 2020 Retired from the position of Representative Director, Senior Executive Vice President, Nitto Denko Corporation				
Jun. 2021 Outside Director, FUJI OIL HOLDINGS INC. (currently FUJI OIL CO., LTD.) (up to present)				
Jun. 2022 Outside Director, DAIICHI KIGENSO KAGAKU KOGYO CO., LTD. (up to present)				
Outside Director of the Company (up to present)				
Sep. 2022 Outside Director, JCCL, Inc.				
Apr. 2023 Representative Director, JCCL, Inc. (up to present)				
[Important concurrent positions]				
Outside Director, FUJI OIL CO., LTD.				
Outside Director, DAIICHI KIGENSO KAGAKU KOGYO CO., LTD.				
Representative Director, JCCL, Inc.				

Reasons for Selection as Candidate for Outside Director and Expected Role

Mr. Toshiyuki Umehara has extensive practical experience in corporate management, including serving as Representative Director, Senior Executive Vice President, Nitto Denko Corporation. Based on his experience, the Company believes that he will supervise the Company's management, provide advice concerning management from an objective standpoint independent from the management team, and provide diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth. Therefore, the Company has nominated him as a candidate for Outside Director. The Company expects him to continue to fulfill these roles.

Independence of Outside Director

There are no special interests including business relationships between the Company and each of FUJI OIL CO., LTD., DAIICHI KIGENSO KAGAKU KOGYO CO., LTD., and JCCL, Inc. The Company has registered Mr. Toshiyuki Umehara with Tokyo Stock Exchange, Inc. as an independent director. If he is re-appointed as Outside Director at this Annual General Meeting of Shareholders, the Company will continue to register him with the said exchange as an independent director.

Limited Liability Agreement

The Company has entered into an agreement with Mr. Toshiyuki Umehara that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Toshiyuki Umehara is re-appointed as Outside Director, the Company intends to maintain the limited liability agreement with him.

Other Special Matters

On March 25, 2025, the Company received a Cease and Desist Order and an Administrative Fine Payment Order from the Japan Fair Trade Commission for violation of the Antimonopoly Act by jointly consulting with other manufacturers and distributors of mechanical parking systems to determine successful bidder among them in advance and enable such bidder to be awarded the supply and installation work of mechanical parking systems. Although Mr. Toshiyuki Umehara was unaware of this fact until the above incident came to light, he had been expressing his opinions regarding legal compliance at meetings of the Board of Directors and other meetings. After the above incident came to light, he proactively expressed his opinions at Board of Directors meetings regarding the importance of legal compliance and the prevention of recurrence of similar incidents and has been performing his duties appropriately.

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
6	Akiko Asami	New Outside Independent	November 7, 1964 (60 years old)	Female
Number of Shares Owned		0		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		-		
Attendance at Meetings of the Board of Directors (attendance ratio)		-		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1987 Joined Eastman Kodak Co., Ltd.				
Jan.1997 Section Manager, Design Development Department, VAIO Business Division, Sony Corporation				
Apr.2003 Senior Manager, Product Planning Department, Walkman Strategy Division, Sony Corporation				
Oct. 2004 Senior Manager, Business Strategy Division, Research & Development Division, Sony Corporation				
Dec. 2007 Representative Director, OKLife Co., Ltd.				
Jun. 2011 Director, OKWave, Inc.				
Jun. 2017 Retired from the position of Representative Director of OKLife Co., Ltd. Retired from the position of Director of OKWave, Inc.				
Oct. 2017 Advisor, Tiger Corporation				
Oct. 2018 Executive Officer, Tiger Corporation				
Apr. 2019 Director, Tiger Corporation (up to present)				
[Important concurrent positions] Director, Tiger Corporation				

Reasons for Selection as Candidate for Outside Director and Expected Role

Ms. Akiko Asami has extensive practical experience in corporate management, including serving as Director of Tiger Corporation. Based on her experience and as she will introduce a gender perspective to the Board of Director, the Company believes that she will supervise the Company's management from an objective standpoint independent from the management team, and provide diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth. Therefore, the Company has nominated her as a candidate for Outside Director. The Company expects her to fulfill these roles.

Independence of Outside Director

There are no special interests including business relationships between the Company and Tiger Corporation.

If Ms. Akiko Asami is elected as Outside Director, the Company will register her with Tokyo Stock Exchange, Inc. as an independent director.

Limited Liability Agreement

If Ms. Akiko Asami is elected as Outside Director, the Company will enter into an agreement with her that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act.

Other Special Matters

On August 31, 2021, Tiger Corporation where Ms. Akiko Asami serves as a Director, received an order for action from the Consumer Affairs Agency for violation of the Act against Unjustifiable Premiums and Misleading Representations (misrepresentation of quality) with regard to the labeling of electric kettles manufactured by such company.

Item No. 4: Election of Four (4) Directors Who are Audit & Supervisory Committee Members

If Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transit to a company with an audit and supervisory committee. Accordingly, the Company proposes the election of four (4) Directors who are Audit & Supervisory Committee Members. As for the proposal, the consent of the Audit & Supervisory Board has been obtained. This Item shall take effect on condition that the amendments to the Articles of Incorporation proposed in Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors who are Audit & Supervisory Committee Members are as indicated below. The detailed information of the candidates is as described on pages 25 to 31.

There are no special interests between each candidate and the Company.

No.	Name	Category of Candidates	Current position in the Company	Attendance at Meetings of the Board of Directors (Attendance Ratio)	Attendance at Meetings of the Audit & Supervisory Board (Attendance Ratio)	Term of Office of Audit & Supervisory Board Member	Gender
1	Koji Nishida	New	Full-time Audit & Supervisory Board Member	13/13 (100%)	12/12 (100%)	6 years	Male
2	Eri Sugiyama	New Outside Independent	Outside Audit & Supervisory Board Member	13/13 (100%)	12/12 (100%)	7 years	Female
3	Fumihiko Kimura	New Outside Independent	Outside Audit & Supervisory Board Member	13/13 (100%)	12/12 (100%)	5 years	Male
4	Atsuko Suzuki	New Outside Independent	-	-	-	-	Female

Outside

Candidate for Outside Director

Independent

Candidate for Independent Director as prescribed by Tokyo Stock Exchange, Inc.

Note: The Company has entered into a directors and officers liability insurance contract (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. Each candidate for Director who is an Audit & Supervisory Committee Member will become the insured under the D&O insurance, if he/she is elected as Director who is an Audit & Supervisory Committee Member. The D&O insurance policy is outlined below and the Company intends to renew it in June 2025 with the same content.

1) Outline of insured events

Damages and litigation expenses up to 2 billion yen in the event that the insured is liable to the Company or a third party for damages arising from execution of their duties

2) Period of the policy

1 year

3) Ratio of the premium substantially borne by the insured

The insurance premiums for all the insured are fully borne by the Company.

4) Measures not to impair appropriateness of execution of duties by the insured

Under the contract with the insurance company, liability for damages to be assumed by the insured arising from wrongful execution of duties by the insured is exempt from the insurance coverage, such as a claim for damages arising from the insured receiving personal advantage or benefit illegally, a claim for damages arising from a criminal act of the insured, or a claim for damages arising from a decision or act by the insured that was outside the scope of the authority with which he or she was endowed by the Company, so as not to impair appropriateness of execution of duties by the insured.

Name	Category of Candidates	Date of Birth (Age)	Gender
1 Koji Nishida	New	Feb. 20, 1961 (64 years old)	Male
Number of Shares Owned		4,000	
Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders		6 years	
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)	
Attendance at Meetings of the Audit & Supervisory Board (attendance ratio)		12/12 (100%)	
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions			
Apr. 1984 Joined the Company			
Apr. 2003 General Manager, Credit Management Dept. of the Company			
Apr. 2006 General Manager, Accounting Dept. of the Company			
Jul. 2009 Deputy General Manager, Internal Audit Office of the Company			
Apr. 2013 General Manager, Internal Audit Office of the Company			
Aug. 2018 General Manager, Internal Audit Dept. of the Company			
Jun. 2019 Full-time Audit & Supervisory Board Member of the Company (up to present)			
Reasons for Selection as Candidate for Director who is an Audit & Supervisory Committee Member			
Mr. Koji Nishida has held various important posts in the Company's accounting, finance and internal audit divisions. He is familiar with the practice of accounting, finance and internal audit, as well as related laws and regulations, and also has a broad range of knowledge and experience in corporate management. He is currently engaged in auditing of execution of duties of Directors as a Full-time Audit & Supervisory Board Member. Therefore, the Company believes that he will contribute to the further improvement of the Company's audit functions and the corporate governance by fulfilling his duties as a Director who is an Audit & Supervisory Committee Member.			
Limited Liability Agreement			
The Company has entered into an agreement with Mr. Koji Nishida that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Koji Nishida is appointed as Director who is an Audit & Supervisory Committee Member at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with him.			
Other Special Matters			
None			

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
2	Eri Sugiyama	New Outside Independent	Jul. 10, 1975 (49 years old)	Female

Number of Shares Owned	0
Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders	7 years
Attendance at Meetings of the Board of Directors (attendance ratio)	13/13 (100%)
Attendance at Meetings of the Audit & Supervisory Board (attendance ratio)	12/12 (100%)
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions	
<p>Oct. 2001 Registered as Lawyer (Osaka Bar Association) Joined Habataki Law Office</p> <p>Nov. 2008 Joined Financial Services Agency (fixed term employee) Financial Securities Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency</p> <p>Jan. 2010 Expert Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency</p> <p>Jun. 2010 Expert Inspector, Inspection Coordination Division, Inspection Bureau and Assistant Manager, Policy and Legal Division, Planning and Coordination Bureau, Financial Services Agency</p> <p>Dec. 2010 Retired from Financial Services Agency</p> <p>Jul. 2013 Partner, Habataki Law Office (up to present)</p> <p>Jun. 2018 Outside Audit & Supervisory Board Member of the Company (up to present)</p> <p>Apr. 2022 Professor, Legal Practice, Kobe University Graduate School of Law (up to present)</p> <p>Jun. 2023 Outside Executive Director, Linical Co., Ltd. (up to present)</p> <p>Jun. 2024 External Auditor, ROHTO PHARMACEUTICAL CO., LTD. (up to present)</p> <p>Mar. 2025 Retired from the position of Professor, Legal Practice, Kobe University Graduate School of Law</p> <p>[Important concurrent positions] Partner, Habataki Law Office Outside Executive Director, Linical Co., Ltd. External Auditor, ROHTO PHARMACEUTICAL CO., LTD.</p>	
Reasons for Selection as Candidate for Outside Director who is an Audit & Supervisory Committee Member	
<p>As a lawyer, Ms. Eri Sugiyama has a high level of knowledge and extensive experience concerning various issues related to laws and regulations relevant to corporate activities, including compliance. In addition, she has been involved in management supervision and auditing at other companies as an Outside Director or Outside Audit & Supervisory Board Member. Based on her experience and as she will introduce a gender perspective to the Board of Director, the Company believes that she will supervise the Company's management from an objective standpoint independent from the management team, and provide diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth. Therefore, the Company has nominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member. The Company expects her to fulfill these roles.</p> <p>Although she has never been involved in corporate management other than serving as Outside Director or Outside Audit & Supervisory Board Member, for the reasons given above, the Company expects her to appropriately carry out her duties as Outside Director who is an Audit & Supervisory Committee Member.</p>	

Independence of Outside Director

There are no special interests including business relationships between the Company and each of Habataki Law Office, Linical Co., Ltd., and ROHTO PHARMACEUTICAL CO., LTD.

The Company has registered Ms. Eri Sugiyama with Tokyo Stock Exchange, Inc. as an independent auditor. If she is elected as Outside Director who is an Audit & Supervisory Committee Member, the Company will continue to register her with the said exchange as an independent director.

Limited Liability Agreement

The Company has entered into an agreement with Ms. Eri Sugiyama that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Ms. Eri Sugiyama is elected as Outside Director who is an Audit & Supervisory Committee Member, the Company intends to maintain the limited liability agreement with her.

Other Special Matters

- 1) On March 25, 2025, the Company received a Cease and Desist Order and an Administrative Fine Payment Order from the Japan Fair Trade Commission for violation of the Antimonopoly Act by jointly consulting with other manufacturers and distributors of mechanical parking systems to determine successful bidder among them in advance and enable such bidder to be awarded the supply and installation work of mechanical parking systems. Although Ms. Eri Sugiyama was unaware of this fact until the above incident came to light, she had been expressing her opinions regarding legal compliance at meetings of the Board of Directors and other meetings. After the above incident came to light, she proactively expressed her opinions at Board of Directors meetings regarding the importance of legal compliance and the prevention of recurrence of similar incidents and has been performing his duties appropriately.
- 2) On March 25, 2025, ROHTO PHARMACEUTICAL CO., LTD. where she serves as External Auditor received an order for action from the Consumer Affairs Agency for violation of the Act against Unjustifiable Premiums and Misleading Representations (stealth marketing notice) with respect to the labeling of supplements manufactured by such company. Although she was unaware of this fact until the above incident came to light, she had been expressing her opinions from the viewpoint of compliance with laws and regulations and risk management at meetings of the Board of Directors and other meetings. After the above incident came to light, she proactively made suggestions regarding investigation of the causes and prevention of recurrence and has been performing her duties appropriately.
- 3) She is a candidate for Outside Audit & Supervisory Board Member of ZENHOREN CO., LTD. and will assume office if elected as Outside Audit & Supervisory Board Member at its annual general meeting of shareholders scheduled to be held on June 26, 2025. There are no special interests including business relationships between the Company and ZENHOREN CO., LTD.
- 4) Her name registered in the family register is Eri Shingu.

Name	Category of Candidates	Date of Birth (Age)	Gender
3 Fumihiko Kimura	New Outside Independent	Nov. 3, 1953 (73 years old)	Male
Number of Shares Owned		0	
Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders		5 years	
Attendance at Meetings of the Board of Directors (attendance ratio)		13/13 (100%)	
Attendance at Meetings of the Audit & Supervisory Board (attendance ratio)		12/12 (100%)	
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions			
Nov. 1976 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Mar. 1980 Registered as certified public accountant May 1992 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Jun. 2015 Auditor, The Kyoto University Foundation (up to present) Dec. 2018 Retired from Deloitte Touche Tohmatsu LLC Jan. 2019 Director, Fumihiko Kimura Certified Public Accountant Office (up to present) Jun. 2019 Outside Audit & Supervisory Board Member, KATSUYAMA KIKAI, LTD. (up to present) Jun. 2020 Outside Audit & Supervisory Board Member of the Company (up to present) [Important concurrent positions] Auditor, The Kyoto University Foundation Outside Audit & Supervisory Board Member, KATSUYAMA KIKAI, LTD. Director, Fumihiko Kimura Certified Public Accountant Office			
Reasons for Selection as Candidate for Outside Director who is an Audit & Supervisory Committee Member			
As a certified public accountant Mr. Fumihiko Kimura has a high level of knowledge and extensive experience and is well versed in the practice of accounting auditing at companies. Based on his experience, the Company believes that he will supervise the Company's management from an objective standpoint independent from the management team, and provide diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth. Therefore, the Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member. The Company expects him to continue to fulfill these roles. Although he has never been involved in corporate management other than serving as Outside Audit & Supervisory Board Member, for the reasons given above, the Company expects him to appropriately carry out his duties as Outside Director who is an Audit & Supervisory Committee Member.			
Independence of Outside Director			
The Company has a business relationship with KATSUYAMA KIKAI, LTD. pertaining to procurement of materials, but the ratio of the annual transaction amount to sales of the Company and KATSUYAMA KIKAI, LTD. is less than 1%, and there are no special interests that may affect the independence of Mr. Fumihiko Kimura as Outside Director. There are no special interests including business relationships between the Company and The Kyoto University Foundation and Fumihiko Kimura Certified Public Accountant Office. The Company has registered Mr. Fumihiko Kimura with Tokyo Stock Exchange, Inc. as an independent auditor. If he is elected as Outside Director who is an Audit & Supervisory Committee Member, the Company will continue to register him with the said exchange as an independent director.			

Limited Liability Agreement

The Company has entered into an agreement with Mr. Fumihiko Kimura that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Fumihiko Kimura is elected as Outside Director who is an Audit & Supervisory Committee Member, the Company intends to maintain the limited liability agreement with him.

Other Special Matters

On March 25, 2025, the Company received a Cease and Desist Order and an Administrative Fine Payment Order from the Japan Fair Trade Commission for violation of the Antimonopoly Act by jointly consulting with other manufacturers and distributors of mechanical parking systems to determine successful bidder among them in advance and enable such bidder to be awarded the supply and installation work of mechanical parking systems. Although Mr. Fumihiko Kimura was unaware of this fact until the above incident came to light, he had been expressing his opinions regarding legal compliance at meetings of the Board of Directors and other meetings. After the above incident came to light, he proactively expressed his opinions at Board of Directors meetings regarding the importance of legal compliance and the prevention of recurrence of similar incidents and has been performing his duties appropriately.

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
4	Atsuko Suzuki	New Outside Independent	Sep. 9, 1962 (62 years old)	Female

Number of Shares Owned	0
Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders	-
Attendance at Meetings of the Board of Directors (attendance ratio)	-
Attendance at Meetings of the Audit & Supervisory Board (attendance ratio)	-
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions Apr. 1986 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) Apr. 2008 Director and Manager, CSR Office, Matsushita Electric Industrial Co., Ltd. Oct. 2011 Director and Manager, Corporate Brand Planning Office, Matsushita Electric Industrial Co., Ltd. Apr. 2015 Manager, Social Environment Department, ASAHI BREWERIES, LTD. Apr. 2017 Director, ASAHI BREWERIES, LTD. General Manager, CSR Division, Asahi Group Holdings, Ltd. May 2020 Outside Director, ASAHI CO., LTD. Jun. 2020 Outside Director, YAMAZEN CORPORATION Mar. 2021 External Audit & Supervisory Board Member, Lion Corporation May 2021 Outside Director (Audit & Supervisory Committee Member), ASAHI CO., LTD. (up to present) Jun. 2024 Retired from the position of Outside Director of YAMAZEN CORPORATION Mar. 2025 Retired from the position of External Audit & Supervisory Board Member of Lion Corporation [Important concurrent positions] Outside Director (Audit & Supervisory Committee Member), ASAHI CO., LTD.	
Reasons for Selection as Candidate for Outside Director who is an Audit & Supervisory Committee Member After working at Panasonic Corporation and several companies, Ms. Atsuko Suzuki has served as an Outside Director and External Audit & Supervisory Board Member of ASAHI CO., LTD. and other several companies. Based on her diverse experience and as she will introduce a gender perspective to the Board of Directors, the Company believes that she will supervise the Company's management from an objective standpoint independent from the management team, and provide diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth. Therefore, the Company has nominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member. The Company expects her to fulfill these roles. Although she has never been involved in corporate management other than serving as Outside Director or External Audit & Supervisory Board Member, for the reasons given above, the Company expects her to appropriately carry out her duties as Outside Director who is an Audit & Supervisory Committee Member.	
Independence of Outside Director There are no special interests including business relationships between the Company and ASAHI CO., LTD. If she is elected as Outside Director who is an Audit & Supervisory Committee Member, the Company will register her with Tokyo Stock Exchange, Inc. as an independent director.	

Limited Liability Agreement

If Ms. Atsuko Suzuki is elected as Outside Director who is an Audit & Supervisory Committee Member, the Company will enter into an agreement with her that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act.

Other Special Matters

None

[Reference] Directors' Experience, Skills, and Specialty

If proposals Item No. 3 and Item No. 4 are approved, the composition of the Board of Directors and experience, skills, and specialty of each Director will be as presented in the table below.

	Director						Directors who are Audit & Supervisory Committee Members			
	Isogawa	Kume	Kunihara	Outside Director			Nishida	Outside Director		
				Nagai	Umebara	Asami		Sugiyama	Kimura	Suzuki
Management experience	●	●	●		●	●				
Experience of multiple businesses	●	●			●	●				●
Finance (Accounting / Capital policy)		●					●		●	
Legal affairs (Compliance / Risk management)							●	●	●	
Corporate strategy (Corporate planning)	●	●			●	●				
Global			●	●	●					●
Sustainability (ESG)			●	●						●

Reasons why the Company emphasizes the above experience, skills, and specialty

Management experience	The Company believes that having management experience is beneficial for effective supervision of management (business execution).
Experience of multiple businesses	The Company is engaged in a diverse range of businesses, and believes that having experience in multiple businesses is beneficial for effective supervision of the Company's management.
Finance (Accounting / Capital policy)	The Company believes that strengthening the financial base and making strategic investments, etc. will be beneficial in achieving sustainable growth and enhancing corporate value over the medium to long term.
Legal affairs (Compliance / Risk management)	The Company believes that establishing and strengthening a fair compliance system and an appropriate risk management system will be beneficial in realizing sustainable growth and enhancing corporate value over the medium to long term.
Corporate strategy (Corporate planning)	The Company believes that accurate corporate strategy planning and flexible changes in corporate strategy in response to changing circumstances will be beneficial in realizing sustainable growth and enhancing corporate value over the medium to long term.
Global	The Company believes that strengthening the overseas business is important for achieving the goals of its medium- to long-term management plan.
Sustainability (ESG)	The Company believes that addressing and resolving ESG and other various sustainability issues will be beneficial in realizing sustainable growth and enhancing corporate value over the medium to long term.

**Item No. 5: Determination of Compensation Amounts for Directors
(Excluding Directors Who are Audit & Supervisory Committee
Members)**

The total amount of monetary compensation (monthly compensation (fixed compensation) and bonus (performance-linked compensation)) for Directors of the Company, which is no more than 520 million yen per year (including up to 60 million yen per year for Outside Directors, Members of the Board, to whom bonuses (performance-linked compensation) shall not be paid, but not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees), was approved at the 96th Annual General Meeting of Shareholders held on June 29, 2020 and has been unchanged to date. If Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transit to a company with an audit and supervisory committee.

Accordingly, it is proposed that the current provisions regarding the compensation amount for Directors be abolished and the total amount of monetary compensation (monthly compensation (fixed compensation) and bonuses (performance-linked compensation)) for Directors (excluding Directors who are Audit & Supervisory Committee Members) be newly determined to be no more than 520 million yen per year (including up to 120 million yen per year for Outside Directors to whom bonuses shall not be paid). The amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall not include the amount of compensation received in the capacity of employee by Directors concurrently serving as employees.

If this Item is approved, the Company intends to revise its policy regarding determination of the content of compensation, etc. for individual Directors at a meeting of the Board of Directors following the close of this General Meeting of Shareholders so that the policy will be consistent with the content approved. Please refer to [Reference: Policy regarding determination of the content of compensation, etc. for individual Directors, Members of the Board] on pages 43-47. The Company believes that the content of this Item is appropriate because it is consistent with the said policy to be revised; it is to determine the remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) within a reasonable range, taking into consideration the Company's business scale, the level at other companies, and various other circumstances; and it was decided by the Board of Directors after prior deliberation by the Nomination and Compensation Committee, which is chaired by an Outside Director and the majority of its members are Outside Directors.

If Item No. 2 “Partial Amendments to the Articles of Incorporation” and Item No. 3 “Election of Six (6) Directors (Excluding Directors Who are Audit & Supervisory Committee Members)” are approved and passed as originally proposed, there will be six (6) Directors (including three (3) Outside Directors) (excluding Directors who are Audit & Supervisory Committee Members) who are subject to this Item.

This Item shall take effect on condition that the amendments to the Articles of Incorporation proposed in Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

Item No. 6: Determination of Compensation Amounts for Directors Who are Audit & Supervisory Committee Members

If Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transit to a company with an audit and supervisory committee.

Accordingly, it is proposed that the total amount of compensation for Directors who are Audit & Supervisory Committee Members be determined to be no more than 120 million yen per year (monthly compensation (fixed compensation) only; no bonuses (performance-linked compensation) shall be paid).

If this Item is approved, the Company intends to revise its policy regarding determination of the content of compensation, etc. for individual Directors at a meeting of the Board of Directors following the close of this General Meeting of Shareholders so that the policy will be consistent with the content approved. Please refer to [Reference: Policy regarding determination of the content of compensation, etc. for individual Directors, Members of the Board] on pages 43-47. The Company believes that the content of this Item is appropriate because it was decided by the Board of Directors comprehensively taking into consideration the responsibilities to be fulfilled by Directors who are Audit & Supervisory Committee Members, the Company’s business scale, the level at other companies, and various other circumstances.

If Item No. 2 “Partial Amendments to the Articles of Incorporation” and Item No. 4 “Election of Four (4) Directors Who are Audit & Supervisory Committee Members” are approved and passed as originally proposed, there will be four (4) Directors who are Audit & Supervisory Committee Members (including three (3) Outside Directors) to who are subject to this Item.

This Item shall take effect on condition that the amendments to the Articles of Incorporation proposed in Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

Item No. 7: Determination of Compensation for Granting Shares with Restriction on Transfer to Directors (Excluding Directors Who are Audit & Supervisory Committee Members and Outside Directors)

With regard to the amount of compensation for granting shares with restriction on transfer to Directors of the Company (excluding Outside Directors), it was approved at the 96th Annual General Meeting of Shareholders held on June 29, 2020 that a yearly amount up to 50 million yen (not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees) is to be paid and this has been unchanged to date. If Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transit to a company with an audit and supervisory committee.

In line with this transition, it is proposed that the current provisions regarding compensation for granting shares with restriction on transfer described above be abolished, and as compensation for granting shares with restriction on transfer to Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter “Eligible Directors”), monetary claims (hereinafter the “Monetary Compensation Claims”) be provided to Eligible Directors, with the aim of providing Eligible Directors with incentives for achieving sustainable enhancement of the Company’s corporate value, as well as promoting further sharing of value with all shareholders.

If Item No. 5 “Determination of Compensation Amounts for Directors (Excluding Directors Who are Audit & Supervisory Committee Members)” is approved and passed as originally proposed, the maximum total amount of monetary compensation of Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members) will be 520 million yen per year and if Item No. 8 “Determination of Compensation regarding Performance-linked Stock Compensation for Directors (Excluding Directors Who are Audit & Supervisory Committee Members and Outside Directors)” is approved and passed as originally proposed, the maximum total amount of monetary compensation of Eligible Directors will be 400 million yen per year. Monetary Compensation Claims based on this Item shall be separate from these compensation frameworks and the total amount of the Monetary Compensation Claims shall be no more than 50 million yen per year (not including compensation received in the capacity of employee by Directors concurrently serving as employees), which is deemed an appropriate amount in view of the purposes described above.

If this Item is approved, the Company intends to revise its policy regarding determination of the content of compensation, etc. for individual Directors at a meeting of the Board of Directors following the close of this General Meeting of Shareholders so that the policy will be consistent with the content approved. Please refer to [Reference: Policy regarding determination of the content of compensation, etc. for individual Directors, Members of the Board] on pages 43-47.

The Company believes that the content of this Item is appropriate because it is consistent with the said policy to be revised and because it was decided by the Board of Directors after prior deliberation by the Nomination and Compensation Committee, which is chaired by an Outside Director and the majority of its members are Outside Directors.

The Board of Directors shall determine the specific timing and allocation of compensation to each Eligible Director after consulting with the Nomination and Compensation Committee, which will deliberate on the level of payment with reference to the prevailing standards for each position, and based on the report of the Nomination and Compensation Committee.

If Item No. 2 “Partial Amendments to the Articles of Incorporation” and Item No. 3 “Election of Six (6) Directors (Excluding Directors Who are Audit & Supervisory Committee Members)” are approved and passed as originally proposed, there will be

three (3) Eligible Directors.

Eligible Directors will pay in the whole amount of the Monetary Compensation Claims to be provided under this Item, based on a resolution of the Board of Directors, as property contributed in kind and receive common shares of the Company to be issued or disposed of by the Company. The total number of common shares issued or disposed of by the Company in this way will be up to 75,000 shares per year. However, should the Company's common shares undergo a share split (including allotment of the Company's common shares without contribution), consolidation of shares, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of as shares with restriction on transfer, on or after the date of the approval and passing of this Item, the total number of common shares shall be adjusted as necessary within a reasonable range.

The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors (if trading is not effected on that date, the closing price on the last trading day of the Company's shares preceding that date) within a range that is not particularly favorable to the Eligible Directors receiving the common shares. When issuing or disposing of the Company's common shares under this arrangement, an agreement for allotment of shares with restriction on transfer (hereinafter the "Allotment Agreement") that includes the content below, shall be concluded between the Company and the Eligible Directors.

[Overview of the Allotment Agreement]

(1) Transfer restriction period

An Eligible Director shall not transfer, pledge or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (hereinafter the "Allotted Shares"), for the period (hereinafter the "Transfer Restriction Period") beginning from the day when the shares were allotted under the Allotment Agreement, and concluding immediately after the Eligible Director retires or resigns from the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies. These restrictions are hereinafter referred to as the "Transfer Restrictions".

(2) Treatment at the time of retirement or resignation

Where an Eligible Director retires or resigns from the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies, except where due to the expiration of the Eligible Director's term of office or other proper cause, the Company shall rightfully acquire the Allotted Shares free of charge.

(3) Removal of the Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall remove the Transfer Restrictions on all of the Allotted Shares at the conclusion of the Transfer Restriction Period, conditional upon the Eligible Director having served continuously in the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies, for the entire duration of the Transfer Restriction Period. However, where the Eligible Director retires or resigns with proper cause from the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies, after the commencement

of the Transfer Restriction Period and before the expiration of the period prescribed by the Company's Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be removed, and the timing of this removal, shall be reasonably adjusted, as necessary. The Company shall rightfully acquire, free of charge, the remaining Allotted Shares for which the Transfer Restrictions have not been removed, immediately subsequent to the removal of the Transfer Restrictions in accordance with the provisions above.

(4) Treatment of organizational restructuring etc.

Notwithstanding the provisions in (1) above, where a merger agreement with the Company as the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly-owned subsidiary, or another matter concerning an organizational restructuring etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the Transfer Restrictions may be removed before the effective date of the organizational restructuring etc. by resolution of the Board of Directors, for a number of the Allotted Shares to be determined reasonably based upon the length of the period from the day when the Transfer Restriction Period commenced to the day when the organizational restructuring etc. was approved. The Company shall rightfully acquire, free of charge, the remaining Allotted Shares for which the Transfer Restrictions have not been removed immediately subsequent to the removal of the Transfer Restrictions in accordance with the provisions above.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.

This Item shall take effect on condition that the amendments to the Articles of Incorporation proposed in Item No. 2 "Partial Amendments to the Articles of Incorporation" take effect.

If this Item is approved and passed as originally proposed, a system similar to the System for Eligible Directors will be introduced for the Company's Executive Officers, Executives and some of the directors of the ShinMaywa Group companies who are not concurrently serving as Directors of the Company by resolutions of the Board of Directors of the Company or of the relevant Group companies.

Item No. 8: Determination of Compensation regarding Performance-linked Stock Compensation for Directors (Excluding Directors Who are Audit & Supervisory Committee Members and Outside Directors)

It was approved at the 98th Annual General Meeting of Shareholders held on June 24, 2022 that the amount of compensation for granting the Company's common shares to be paid linked to performance shall be up to 400 million yen per year (not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees) and this has been unchanged to date. If Item No. 2 "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transit to a company with an audit and supervisory committee.

In line with this transition, it is proposed that the current provisions regarding performance-linked stock compensation described above shall be abolished and a new system be introduced for Directors excluding Directors who are Audit & Supervisory Committee Members and Outside Directors (hereinafter referred to as "Eligible Directors"). For the purposes of further clarifying the link between compensation for Eligible Directors and the Company's performance and stock value, incentivizing the Eligible Directors to promote the sustainable enhancement of corporate value by achievement of the performance targets set forth in the Company's Medium-term Management Plan and medium- to long-term performance improvement, and promoting the further sharing of the corporate value with all its shareholders, the Company wishes to introduce a performance-linked stock compensation system (hereinafter the "System"), under which common shares of the Company will be delivered to the Eligible Directors in accordance with the number of years in office and the degree of achievement of performance targets, and to provide monetary claims to the Eligible Directors for delivery of common shares of the Company.

If Item No. 5 "Determination of Compensation Amounts for Directors (Excluding Directors Who are Audit & Supervisory Committee Members)" is approved and passed as originally proposed, the maximum total amount of monetary compensation of Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members) will be 520 million yen per year and if Item No. 7 "Determination of Compensation for Granting Shares with Restriction on Transfer to Directors (Excluding Directors Who are Audit & Supervisory Committee Members and Outside Directors)" is approved and passed as originally proposed, the maximum total amount of Monetary Compensation Claims for Eligible Directors will be 50 million yen per year. Monetary compensation based on this Item shall be separate from these compensation frameworks.

The total amount of monetary claims provided to the Eligible Directors under the System will be up to 400 million yen per year (not including compensation received in the capacity of employee by Directors concurrently serving as employees). The said total amount has been determined based on the assumption that it will be provided in a lump sum as the consideration for duties executed over several fiscal years corresponding to the period subject to performance evaluation determined in advance by the Board of Directors (hereinafter the "Performance Evaluation Period") and it will be provided after Performance Evaluation Period. The initial Performance Evaluation Period will be the three fiscal years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027 in accordance with the Medium-term Management Plan announced on May 7, 2024, and in principle, a subsequent Performance Evaluation Period after the end of the initial Performance Evaluation Period will be the subsequent four fiscal years after the end of the Performance Evaluation Period. It is assumed that a Performance Evaluation Period will be up to four fiscal years. Thus, the actual amount of monetary claims to be provided to the Eligible Directors based on the System is estimated at up to 100 million yen per fiscal year.

If this Item is approved, the Company intends to revise its policy regarding determination of the content of compensation, etc. for individual Directors at a meeting of the Board of Directors following the close of this General Meeting of Shareholders so that the policy will be consistent with the content approved. Please refer to [Reference: Policy regarding determination of the content of compensation, etc. for individual Directors, Members of the Board] on pages 43-47.

The Company believes that the content of this Item is appropriate because it is consistent with the said policy to be revised and because it was decided by the Board of Directors after prior deliberation by the Nomination and Compensation Committee, which is chaired by an Outside Director and the majority of its members are Outside Directors.

The Board of Directors shall determine the specific timing and allocation of compensation to each Eligible Director after consulting with the Nomination and Compensation Committee, which will deliberate on the level of payment with reference to the prevailing standards for each position, and based on the report of the Nomination and Compensation Committee.

If Item No. 2 “Partial Amendments to the Articles of Incorporation” and Item No. 3 “Election of Six (6) Directors (Excluding Directors Who are Audit & Supervisory Committee Members)” are approved and passed as originally proposed, there will be three (3) Eligible Directors.

With regard to the number of common shares of the Company to be delivered to the Eligible Directors under the System, the Board of Directors will determine the base number of shares to be delivered according to roles in advance (hereinafter, the “Base Number of Shares to be Delivered”) as described in “Overview of the System” below, and the number of common shares of the Company to be delivered to the Eligible Directors will be determined based on this Base Number of Shares to be Delivered and in accordance with the number of years in office and the degree of achievement of performance targets. The Eligible Directors will pay in the whole amount of the monetary claims to be provided by the Company under the System as property contributed in kind and will receive common shares of the Company to be issued or disposed of by the Company. The total number of common shares issued or disposed of by the Company will be up to 600,000 shares per year. (However, in the event of a share split (including allotment of the Company’s common shares without contribution), consolidation of shares of the Company’s common shares or any other event that requires an adjustment in the total number of the common shares of the Company to be issued or disposed of under the System on or after the date of the approval and passing of this Item, such total number will be adjusted to the extent reasonable.) However, as mentioned above, it is assumed that the monetary claims under the System will be provided in a lump sum as the consideration for duties executed over several fiscal years corresponding to the Performance Evaluation Period determined in advance by the Board of Directors, after the end of the Performance Evaluation Period. It is assumed that a Performance Evaluation Period will be up to four fiscal years. The said total number of shares has been determined based on such assumptions. Thus, the number of shares to be delivered to the Eligible Directors based on the System is estimated at up to 150,000 shares per fiscal year.

The amount to be paid in per share under the System will be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the last business day before the date of the resolutions of the Board of Directors (if trading is not effected on that date, the closing price on the last trading day of the Company’s shares preceding that date) within a range that is not particularly advantageous to the Eligible Directors receiving the common shares.

This Item shall take effect on condition that the amendments to the Articles of Incorporation proposed in Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

If this Item is approved and passed as originally proposed, a system similar to the

System for Eligible Directors will be introduced for the Company's Executive Officers, Executives and some of the directors of the ShinMaywa Group companies who are not concurrently serving as Directors of the Company by resolutions of the Board of Directors of the Company or of the relevant Group companies.

[Overview of the System]

Under the System, the Company's common shares are to be delivered to Eligible Directors as compensation for the period from the date of the first Annual General Meeting of Shareholders to be held after the beginning of the Performance Evaluation Period to the date of the first Annual General Meeting of Shareholders to be held after the end of the performance evaluation period (hereinafter referred to as the "Period Covered") after the end of the Performance Evaluation Period in accordance with the status of the Company's performance during the Performance Evaluation Period.

The Company's Board of Directors shall determine in advance the specific Performance Evaluation Period within a range of three to four years and one or more performance indicators such as consolidated operating profit and consolidated ROE (hereinafter the "Performance Evaluation Indicators").

The initial Performance Evaluation Period and Performance Evaluation Indicators are planned to be as shown in the table below; however, the implementation of the System may be continued even after the end of the initial Performance Evaluation Period to the extent approved under this Item.

[Reference: Initial Performance Evaluation Period and Performance Evaluation Indicators]

Performance Evaluation Period	Three fiscal years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027 (the applicable period of the Medium-term Management Plan "Sustainable Growth with Vision 2030 Phase 2: Expansion")
Performance Evaluation Indicators	3-year cumulative consolidated operating profit and 3-year simple average consolidated ROE

(1) Method of calculating the number of shares to be delivered and the amount of monetary claims

The Company will determine the Base Number of Shares to be Delivered based on the formula in (i) below, calculate the number of the Company's common shares to be delivered to each of the Eligible Directors (hereinafter, the "Final Number of Shares to be Delivered") based on the formula in (ii) below, and calculate the amount of monetary claims to be paid to each Eligible Director based on the formula in (iii) below.

(i) Base Number of Shares to be Delivered (*1)

Base amount of stock compensation according to role of Eligible Directors (*2)
/ Reference stock price (*3)

(ii) Final Number of Shares to be Delivered (*1)

Base Number of Shares to be Delivered x Tenure x Degree of achievement of performance targets (*4)

(iii) Amount of monetary claims to be provided to each Eligible Director

Final Number of Shares to be Delivered × Market value at time of delivery (*5)

(*1) Any fraction of a share resulting from the calculation shall be rounded down. However, if the number of shares to be delivered or the amount of monetary claims to be provided to each of the Eligible Directors based on the results calculated in (i) and (ii) above is likely to exceed the maximum number of common shares to be delivered or the maximum amount of monetary claims to be provided under the System, the number of shares to be issued or disposed of to each

Eligible Director will be reduced by a reasonable method such as pro rata distribution to the extent not exceeding such upper limits.

- (*2) The base amount per fiscal year. It shall be determined in advance by the Company's Board of Directors.
- (*3) The closing price of the Company's common shares on the Tokyo Stock Exchange on the first date of the Performance Evaluation Period (April 1, 2024 for the initial Performance Evaluation Period) (if trading is not effected on that date, the closing price of the immediately following trading day).
- (*4) To be determined in advance by the Company's Board of Directors within the range from 0% to 200%, according to the degree of achievement of each Performance Evaluation Indicator during the Performance Evaluation Period.
- (*5) To be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors regarding the issuance or disposal of the Company's common shares to be conducted after the end of the Performance Evaluation Period within a range that is not particularly advantageous to the Eligible Directors receiving the common shares.

(2) Conditions for delivery of the Company's common shares to the Eligible Directors

In principle, the Company will deliver to the Eligible Director the number of the Company's common shares calculated in accordance with (1) above after the end of the Performance Evaluation Period if the Eligible Director satisfies the following requirements:

- (i) The Eligible Director has continuously held the position of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies during the Period Covered.
- (ii) The absence of certain acts of misconduct as determined by the Company's Board of Directors.
- (iii) Satisfying other requirements deemed necessary by the Company's Board of Directors to achieve the purpose of the System.

If during the Period Covered, there is a newly appointed Director, Member of the Board, or there is a change in the role of a Director, Member of the Board, the Company shall deliver a number of the Company's common shares reasonably adjusted according to the tenure of such Director.

In addition, in the event that an Eligible Director resigns or retires with proper cause during the Period Covered (excluding resignation or retirement due to death), in lieu of the delivery of the Company's common shares under the System, only cash will be paid in the amount calculated by multiplying the number of the Company's common shares reasonably adjusted in accordance with the tenure and the degree of achievement of performance targets by the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the Annual General Meeting of Shareholders to be held immediately after the date of resignation or retirement of such Director (provided, however, that if the Eligible Director retires due to the expiration of his/her term of office at the conclusion of the Annual General Meeting of Shareholders, the date of such Annual General Meeting of Shareholders to be held) (provided further, however, that if the date of such resignation or retirement is during the last fiscal year of the Performance Evaluation Period or during the period up to the first Annual General Meeting of Shareholders after the end of such fiscal year, the market price at the time of delivery). In the event that the Eligible Director retires or resigns due to death during the Period Covered, in lieu of the delivery of the Company's common shares under the System, only cash will be paid in the amount calculated by multiplying the number of the Company's common shares

reasonably adjusted in accordance with the tenure and the degree of achievement of performance targets by the closing price of the Company's common shares on the Tokyo Stock Exchange on the date of resignation or retirement of such Director.

(3) Treatment of organizational restructuring, etc.

In the event that a merger agreement with the Company as the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly-owned subsidiary, or another matter concerning an organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring, etc. that does not require the approval of the General Meeting of Shareholders) during the Period Covered (provided, however, this is limited to cases where the effective date of such organizational restructuring, etc. is scheduled to come before the date of issuance or disposal of the Company's common shares under the System), in lieu of the delivery of the Company's common shares under the System, only cash will be paid in the amount calculated by multiplying the number of the Company's common shares reasonably adjusted in accordance with the tenure and the degree of achievement of performance targets by the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of approval of such organizational restructuring, etc. (if trading is not effected on that date, the closing price on the last trading day of the Company's shares preceding that date).

[Reference: Policy regarding determination of the content of compensation, etc. for individual Directors]

If Item No. 5 through Item No. 8 are approved as originally proposed, the Company intends to revise its policy regarding determination of the content of compensation, etc. for individual Directors at a meeting of the Board of Directors following the close of this General Meeting of Shareholders as described below.

(i) Basic policy on compensation, etc. for officers

- The compensation system shall be designed to motivate “medium- to long-term performance improvement” and “sustainable enhancement of corporate value” based on the management philosophy and the long-term vision.
- The compensation level shall be such as to incentivize, attract and retain talented managerial human resources in order to realize the long-term vision.
- The compensation system shall be “objective” and “transparent” to ensure accountability to stakeholders, and shall be determined “fairly” by resolution of the Board of Directors, based on deliberations by the Nomination and Compensation Committee, which consists only of Outside Directors.

(ii) Framework of officer compensation

- Compensation, etc. for officers is composed of monthly compensation (fixed compensation), bonus (performance-linked compensation), restricted stock compensation (non-monetary compensation), and performance-linked stock compensation (non-monetary compensation). However, Outside Directors, in light of their role of supervising the Company’s business execution from an independent and objective standpoint, and Directors who are Audit & Supervisory Committee Members, in light of their role of auditing the Company’s business execution from an objective standpoint, shall receive only monthly compensation (fixed compensation).
- Monthly compensation (fixed compensation) shall be determined within the scope approved by the General Meeting of Shareholders, taking into consideration the responsibilities. Monthly compensation shall be paid monthly during the term of office of Directors (until the close of the Annual General Meeting of Shareholders for the last fiscal year ending within one year after their election).
- Bonuses (performance-linked compensation) shall be determined within the scope approved by the General Meeting of Shareholders, based on profit attributable to owners of parent for the relevant fiscal year, taking into account consolidated operating profit, consolidated ROIC, and medium- to long-term factors addressed during the fiscal year toward “realization of medium- to long-term strategies,” and considering all of these factors in a comprehensive manner. The timing for granting bonuses (performance-linked compensation) shall be in July following the close of the Annual General Meeting of Shareholders.
- Restricted stock compensation (non-monetary compensation) shall be determined in accordance with the position within the scope approved by the General Meeting of Shareholders. Restricted stock compensation (non-monetary compensation) shall be provided in July of each year in a lump-sum annual payment.
- Performance-linked stock compensation (non-monetary compensation) shall be determined within the scope approved by the General Meeting of Shareholders, in accordance with the position, tenure, and the degree of achievement of performance targets during the period of a medium-term management plan. Performance-linked stock compensation (non-monetary compensation) shall be provided in July of the following fiscal year after the end of the period covered by a medium-term management plan (three or four

fiscal years), which is the Performance Evaluation Period, in a lump-sum payment for the period covered by the medium-term management plan.

(iii) Policy regarding the method of determination of officer compensation

- In order to enhance the transparency and appropriateness of the procedures for determining the compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members), the Nomination and Compensation Committee shall be consulted in advance when determining the compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members).
- The Board of Directors shall have the authority to determine the policy regarding the determination of the amount of compensation, etc. or the method of calculation of the amount of compensation, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members), and the Board of Directors shall make a resolution based on the content of deliberation and report by the “Nomination and Compensation Committee.”
- The Board of Directors has resolved to entrust Tatsuyuki Isogawa, Representative Director, President and Chief Executive Officer, with the decision on the amount of compensation, etc. for each individual Director. The reason for delegating such authority to the Representative Director is that the Representative Director is in a position to grasp in detail and from a bird's-eye view the nature of the operations for which each Director is responsible and the specific actions taken by each Director in response to those operations, and it is deemed suitable for the Representative Director to evaluate the execution of duties by each Director. In addition, in order to ensure that the authority delegated to the Representative Director is properly exercised, when the Board of Directors passes a resolution of delegation, the Representative Director should determine the specific amount of compensation based on the results of deliberations by the Nomination and Compensation Committee.

(iv) Policy regarding determination of the amount of monthly compensation (fixed compensation) and bonus (performance-linked compensation) or the calculation method thereof

- With respect to monthly compensation (fixed compensation) and bonus (performance-linked compensation) for Directors (excluding Directors who are Audit & Supervisory Committee Members), it was approved at the Annual General Meeting of Shareholders to be held on June 24, 2025 that the total amount of the said compensation, etc. shall be no more than 520 million yen per year (including up to 120 million yen per year for Outside Directors to whom bonuses shall not be paid, but not including compensation received in the capacity of employee by Directors (excluding Directors who are Audit & Supervisory Committee Members) concurrently serving as employees). At the close of the said Annual General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (including three (3) Outside Directors).
With respect to monthly compensation (fixed compensation) for Directors who are Audit & Supervisory Committee Members, it was approved at the Annual General Meeting of Shareholders to be held on June 24, 2025 that the total amount of the said compensation, etc. (monthly compensation) shall be no more than 120 million yen per year. At the close of the said Annual General Meeting of Shareholders, the number of Directors who are Audit & Supervisory Committee Members will be four (4) (including three (3) Outside Directors).
- Monthly compensation (fixed compensation) of Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of supervisory compensation (uniform amount), advisory compensation (applicable to

Outside Directors, uniform amount), representative compensation (applicable to Representative Directors, uniform amount) and executive compensation (not applicable to Outside Directors, uniform amount for each position).

- In determining the amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members), the Nomination and Compensation Committee shall be consulted in advance. The Nomination and Compensation Committee shall deliberate on the level of monthly compensation (fixed compensation) by position with reference to the general level, and the appropriateness of the level of bonus (performance-linked compensation) for each position, based on profit attributable to owners of parent.
- The indicators concerning bonus (performance-linked compensation) shall be profit attributable to owners of parent, consolidated operating profit, and consolidated ROIC. The Company selected these indicators because the Company attaches importance to profit attributable to owners of parent, which is the source of dividends to shareholders, consolidated operating profit, which is generated by business activities, and the ratio of consolidated operating profit after income taxes to invested capital. With respect to the method of determination of the amount of bonus (performance-linked compensation), the bonus level for the President and CEO shall first be calculated based on profit attributable to owners of parent. Then, the bonus level for the other Directors shall be calculated by multiplying the bonus level for the President and CEO by the coefficient for each position. Then, the amount of bonus for each Director shall be determined by taking into account consolidated operating profit and consolidated ROIC of the division of which he/she is in charge, as well as medium- and long-term factors he/she worked on during the fiscal year to “realize medium- and long-term strategies,”.
- The amount of compensation for Directors who are Audit & Supervisory Committee Members shall be determined by consultation among the Directors who are Audit & Supervisory Committee Members within the above maximum amount of compensation approved at the General Meeting of Shareholders.

(v) Policy regarding determination of the amount of restricted stock compensation (non-monetary compensation) or the calculation method thereof

- The amount of restricted stock compensation (non-monetary compensation) shall be determined by the Board of Directors, separately from monthly compensation (fixed compensation), bonuses (performance-linked compensation) and performance-linked stock compensation (non-monetary compensation), within the maximum total amount of monetary compensation claims (no more than 50 million yen per year) approved by the Annual General Meeting of Shareholders to be held on June 24, 2025, and within the maximum number of the Company's common shares (no more than 75,000 shares per fiscal year) to be issued or disposed of by paying in the whole amount of the monetary compensation claims as property contributed in kind.
- Restricted stock compensation (non-monetary compensation) consists of supervisory compensation (uniform amount) and executive compensation (uniform amount for each position).
- In determining the amount of restricted stock compensation, the Nomination and Compensation Committee shall be consulted in advance. The Nomination and Compensation Committee shall deliberate and report on the level of restricted stock compensation to be granted for each position, with reference to the general level, etc., and then, the Board of Directors shall pass a resolution in light of the content of such deliberations and report.

(vi) Policy regarding determination of the amount of performance-linked compensation (non-monetary compensation) or the calculation method thereof

- The amount of performance-linked compensation (non-monetary compensation) shall be determined by the Board of Directors, separately from monthly compensation (fixed compensation), bonuses (performance-linked compensation) and restricted stock compensation (non-monetary compensation), within the maximum total amount of monetary compensation claims (no more than 400 million yen per year) approved by the Annual General Meeting of Shareholders to be held on June 24, 2025, and within the maximum number of the Company's common shares (no more than 600,000 shares per fiscal year) to be issued or disposed of by paying in the whole amount of the monetary compensation claims as property contributed in kind. It is assumed that the Performance Evaluation Period will be a maximum of four fiscal years, in which case, these figures correspond to no more than 100 million yen per year and no more than 150,000 shares per fiscal year.
- In determining the amount of performance-linked stock compensation, the Nomination and Compensation Committee shall be consulted. The Nomination and Compensation Committee shall deliberate and report on the level of performance-linked stock to be granted to each position based on the degree of achievement of performance targets, and the Board of Directors shall pass a resolution in light of the content of such deliberations and report.
- The number of shares to be delivered to individual Eligible Directors under the System shall be calculated as described below.

Final Number of Shares to be Delivered =

Base Number of Shares to be Delivered × Tenure × Degree of achievement of performance targets

■Base Number of Shares to be Delivered

Base Number of Shares to be Delivered =
$$\frac{\text{Base amount of stock compensation according to role of Eligible Directors}}{\text{Reference stock price}}$$

■Reference stock price

The closing price of the Company's common shares on the Tokyo Stock Exchange on the first date of the Performance Evaluation Period (if trading is not effected on that date, the closing price of the immediately following trading day)

■Tenure

Tenure =
$$\frac{\text{Months in office}}{12}$$

■ Degree of achievement of performance targets

(A) Performance Evaluation Period and Performance Evaluation Indicators

Performance Evaluation Period	Three fiscal years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027
Performance Evaluation Indicators	3-year cumulative consolidated operating profit and 3-year simple average consolidated ROE

(B) Specific calculation method

The degree of achievement of performance targets shall be calculated based on the three-year cumulative consolidated operating profit and three-year simple average consolidated ROE figures calculated from the finalized consolidated balance sheet and consolidated income statement for each fiscal year corresponding to the Company's Performance Evaluation Period, in accordance with the following table.

			Consolidated ROE (3-year simple average)						
Rank			S	A	B	C	D	E	F
More than			11.5%	10.5%	9.5%	8.5%	7.5%	6.5%	
less than				11.5%	10.5%	9.5%	8.5%	7.5%	6.5%
Consolidated operating profit (3-year cumulative total)	S	54 billion yen (18 billion yen/year)	200%	180%	160%	140%	120%	100%	0%
	A	50 billion yen (16.7 billion yen/year)	180%	160%	140%	120%	100%	80%	0%
	B	46 billion yen (15.3 billion yen/year)	160%	140%	120%	100%	80%	60%	0%
	C	42 billion yen (14 billion yen/year)	140%	120%	100%	80%	60%	40%	0%
	D	38 billion yen (12.7 billion yen/year)	120%	100%	80%	60%	40%	20%	0%
	E	34 billion yen (11.3 billion yen/year)	100%	80%	60%	40%	20%	0%	0%
	F	34 billion yen (11.3 billion yen/year)	0%	0%	0%	0%	0%	0%	0%

(vii) Policy regarding determination of the ratios of monthly compensation, performance-linked compensation, and non-monetary compensation

The Company's officer compensation consists of monthly compensation (fixed compensation), bonuses (performance-linked compensation), restricted stock compensation (non-monetary compensation), and performance-linked stock compensation (non-monetary compensation). Their ratios will vary from year to year because the amount of bonus (performance-linked compensation) varies from year to year and the amount of performance-linked stock compensation (non-monetary compensation) varies with each medium-term management plan.