

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6932

Date of sending by postal mail: June 10, 2025

Start date of measures for electronic provision: June 4, 2025

To Shareholders:

Kunihiko Endo, President

ENDO Lighting Corp.

1-6-19 Honmachi, Chuo-ku, Osaka-city, Osaka

NOTICE OF THE 54TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 54th Annual General Meeting of Shareholders of ENDO Lighting Corp. (the “Company”) will be held for the purposes described below.

In convening this general meeting of shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.endo-lighting.co.jp/> (in Japanese)

(From the above website, select “Investor Relations,” and then “General Meeting of Shareholders Information.”)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/6932/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the Internet address shown above, enter “ENDO Lighting” in “Issue name (company name)” or the Company’s securities code “6932” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet, etc. or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:30 p.m. on Tuesday, June 24, 2025.

- 1. Date and time** Wednesday, June 25, 2025, at 10:00 a.m. (JST)
- 2. Venue** 2F Conference Room, ENDO Sakaisuji Building
1-7-3 Bingomachi, Chuo-ku, Osaka-city, Osaka

3. Meeting agenda

Matters to be reported

1. Report on the content of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 54th Fiscal Year (April 1, 2024 to March 31, 2025)
2. Report on the results of audits of the Consolidated Financial Statements for the 54th Fiscal Year by the Financial Auditor and Audit & Supervisory Board

Matters to be resolved <Company Proposals>

- | | |
|-------------------|--|
| Proposal 1 | Appropriation of Surplus |
| Proposal 2 | Election of Five Directors |
| Proposal 3 | Election of Two Audit & Supervisory Board Members |
| Proposal 4 | Election of One Substitute Audit & Supervisory Board Member |
| Proposal 5 | Payment of Retirement Benefits and Condolence Money to Resigning Directors and Resigning Audit & Supervisory Board Members, and Final Payment of Accrued Retirement Benefits Associated with the Abolition of the Officers' Retirement Benefit System |
| Proposal 6 | Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors) |

<Shareholder Proposals>

- | | |
|-------------------|----------------------------------|
| Proposal 7 | Appropriation of Surplus |
| Proposal 8 | Acquisition of Own Shares |

4. Matters Decided for the Convocation

- If voting rights are exercised in duplicate via the Internet, etc. and by postal mail, the vote exercised via the Internet, etc. shall be treated as valid. In addition, if voting rights are exercised more than once via the Internet, etc., the last vote shall be treated as valid.
- If no indication of approval, disapproval or abstention for each proposal is made on the returned voting form, it shall be treated as an indication of approval for company proposals (from Proposal 1 to Proposal 6) and disapproval for shareholder proposals (Proposal 7 and Proposal 8).

- For those attending the meeting on the day, please submit the enclosed voting form at the venue reception desk.
- Paper-based documents stating items subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Company's Articles of Incorporation.

(i) "System and Policies of the Company" in the Business Report

(ii) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements

(iii) Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements

Accordingly, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included in the paper-based documents are part of the documents included in the scope of audits by the Financial Auditor in preparing the Financial Auditor's Report and by the Audit & Supervisory Board Members in preparing the Audit Report.

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the website of the Company, the website for posted informational materials for the general meeting of shareholders, and the TSE website noted above.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

<Company Proposals (from Proposal 1 to Proposal 6)>

(Company Proposal)

Proposal 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

After comprehensively taking into consideration factors such as business performance in the fiscal year under review, the internal reserves necessary for strengthening corporate foundations and future business development, and the future earnings outlook, the Company proposes to pay a year-end dividend for the fiscal year under review of ¥30.00 per share.

Accordingly, including the interim dividend (¥20.00 per share), the annual dividend will be ¥50.00 per share.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and their aggregate amount

¥30.00 per common share of the Company

Total dividends: ¥443,283,750

(3) Effective date of dividends of surplus

June 26, 2025

(Company Proposal)**Proposal 2 Election of Five Directors**

At the conclusion of this meeting, the terms of office of all four Directors will expire. In addition, Director Takaya Nagahata has retired due to passing away on April 5, 2025. Therefore, the Company proposes the election of five Directors.

The candidates for Director are as follows:

| Candidate No. | Name | | Position and responsibilities | Attendance at Board of Directors meetings |
|---------------|-------------------|--|--|---|
| 1 | Kunihiko Endo | Reelection | President | 18 / 18 |
| 2 | Kiyoshi Hishitani | Reelection | Managing Director In charge of Development, Quality, and Production | 18 / 18 |
| 3 | Masayuki Okumura | New appointment | Senior Executive Officer General Manager of Sales Division | — |
| 4 | Ikuko Tsuchiya | New appointment Independent officer Outside Director | — | — |
| 5 | Takahisa Yamaha | New appointment Independent officer Outside Director | — | — |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company | Number of the Company's shares owned |
|--|--|---|--------------------------------------|
| 1 | <p>Kunihiko Endo (April 8, 1974) [Reelection]</p> <p>Attendance at Board of Directors meetings 18 / 18</p> | <p>April 1997 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>January 2001 Joined the Company</p> <p>April 2006 General Manager of Management Strategy Office</p> <p>June 2006 Director, General Manager of Management Strategy Office, and in charge of Lighting Technology Research Laboratory</p> <p>April 2007 Director, Executive Officer, and General Manager of Management Strategy Office</p> <p>June 2007 Managing Director, Executive Officer, and General Manager of Management Strategy Office</p> <p>April 2009 Managing Director, General Manager of Lighting Business Department</p> <p>June 2010 Representative Director and Senior Managing Director, and General Manager of Lighting Business Department</p> <p>October 2011 Representative Director and Senior Managing Director</p> <p>November 2013 Representative Director and Senior Managing Director, and General Manager of LED Central Research Laboratory</p> <p>June 2014 President, and General Manager of LED Central Research Laboratory</p> <p>April 2016 President, and General Manager of Sales Division</p> <p>April 2022 President (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Chairman, ENDO Lighting (THAILAND) Public Co., Ltd.</p> | 140,000 shares |
| <p><u>Reasons for nomination as candidate for Director</u></p> <p>Kunihiko Endo has led management and worked on various management reforms since he was appointed President in June 2014. He is well versed in the Group's businesses including the lighting business, and possesses abundant operational experience and wide-ranging knowledge that enables him to appropriately manage the business of the Group. Accordingly, the Company has judged that he is a suitable person to drive the future enhancement of corporate value over the long term, and is also suitably qualified to strengthen corporate governance, and has therefore nominated him as a candidate for Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company | Number of the Company's shares owned |
|---|--|---|--------------------------------------|
| 2 | <p>Kiyoshi Hishitani (January 8, 1958) [Reelection]</p> <p>Attendance at Board of Directors meetings 18 / 18</p> | <p>April 1980 Joined Matsushita Refrigeration Company (currently Panasonic Holdings Corporation)</p> <p>April 2000 General Manager of Technology Department of Vending Machine Business Division</p> <p>April 2008 General Manager of Vending Machine Business Unit of Appliances Company of Panasonic Corporation</p> <p>April 2012 General Manager of Cold Chain Business Department of Appliances Company of Panasonic Corporation</p> <p>April 2015 Head Researcher of Energy Conservation Technology Department of New Energy and Industrial Technology Development Organization (seconded from Panasonic Corporation)</p> <p>May 2016 Joined the Company, Advisor, and in charge of Development, Quality, and Production</p> <p>June 2016 Director and in charge of Development, Quality, and Production</p> <p>April 2018 Director and Senior Executive Officer, and in charge of Development, Quality, and Production</p> <p>June 2018 Director and Managing Executive Officer, and in charge of Development, Quality, and Production</p> <p>June 2022 Managing Director, Managing Executive Officer, and in charge of Development, Quality, and Production</p> <p>April 2023 Managing Director and in charge of Development, Quality, and Production (current position)</p> <p>(Significant concurrent positions outside the Company) Chairman of Kunshan Endo Lighting Co., Ltd.</p> | 0 shares |
| <p><u>Reasons for nomination as candidate for Director</u></p> <p>Kiyoshi Hishitani possesses abundant operational experience, including serving as the person responsible for the management of a business department and the person responsible for technical development at the Appliances Company of Panasonic Corporation (the former Matsushita Refrigeration Company). He has also endeavored to enhance corporate value in the development, quality, and production departments of the Company from a medium- to long-term perspective. The Company has judged that he is suitably qualified as a person to continue to take responsibility for the development of the technical fields of the Company in the future. In addition, the Company has judged that he is also suitably qualified in the field of promoting environment protection, and has therefore nominated him as a candidate for Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 3 | Masayuki Okumura (October 15, 1963) [New appointment] Attendance at Board of Directors meetings - / - | March 1988 Joined the Company October 2005 General Manager of Tokyo Commercial Environment Development Department of Sales Division April 2007 Group Manager of Commercial Environment Group of Sales Division April 2013 General Manager of Solutions Department of Sales Division April 2016 Executive Officer, and General Manager of Architectural Environment Sales Department of Sales Division April 2020 Executive Officer, and General Manager of Environmental Solution Department of Sales Division April 2025 Senior Executive Officer and General Manager of Sales Division (current position) (Significant concurrent positions outside the Company) Masayuki Okumura has no significant concurrent positions outside the Company. | 12,500 shares |
| <u>Reasons for nomination as candidate for Director</u> Masayuki Okumura has served in important positions in the Sales Division and Solutions Department within the commercial and architectural environment sectors of the Lighting Business Division of ENDO Lighting. Since joining the Company, he has developed abundant operational experience in the lighting business. The Company has judged that he is suitably qualified to help establish the Group's position as the leading brand in the lighting control market and to contribute to the sustainable enhancement of corporate value, and has therefore nominated him as a candidate for Director. | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 4 | <p>Ikuko Tsuchiya (March 31, 1960) [New appointment] [Independent officer] [Outside Director]</p> <p>Attendance at Board of Directors meetings - / -</p> | <p>April 1983 Joined PLUS CORPORATION</p> <p>April 2000 Joined ASKUL Corporation</p> <p>August 2000 Legal Manager of General Affairs Department</p> <p>August 2008 General Manager of Legal & Security Department</p> <p>November 2010 Corporate Auditor of AlphaPurchase Corporation</p> <p>September 2012 Executive Officer of Legal & Security Unit of ASKUL Corporation</p> <p>May 2018 Executive Officer, and General Manager of CEO Assistant Office</p> <p>August 2022 Outside Audit & Supervisory Board Member of Hacobu, Inc. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Ikuko Tsuchiya has no significant concurrent positions outside the Company.</p> | 0 shares |
| <p><u>Reasons for nomination as candidate for outside Director and summary of expected roles</u></p> <p>Ikuko Tsuchiya has held important positions in the legal department of an operating company, and in addition to her advanced expert knowledge, she also has knowledge of corporate security. In addition, she has extensive experience as an audit & supervisory board member at other operating companies. Accordingly, the Company has judged that she will be able to supervise all aspects of management from an objective standpoint, and has therefore nominated her as a candidate for outside Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibility in the Company | Number of the Company's shares owned |
|--|--|---|--------------------------------------|
| 5 | <p>Takahisa Yamaha (December 14, 1959) [New appointment] [Independent officer] [Outside Director]</p> <p>Attendance at Board of Directors meetings - / -</p> | <p>April 1982 Joined Oki Electric Industry Co., Ltd. May 1987 Joined Yamaha Corporation October 1999 Joined ROHM Hamamatsu Co., Ltd. April 2010 Managing Director of ROHM Co., Ltd. October 2014 Director, and Managing Executive Officer of Samco Inc. June 2016 Director of PHENITEC SEMICONDUCTOR Corp. January 2020 Managing Executive Officer of New Japan Radio Co., Ltd. January 2022 Representative of Yamaha Labo. (current position) January 2023 Specially Appointed Professor of The Institute of Scientific and Industrial Research (current position)</p> <p>(Significant concurrent positions outside the Company) Representative of Yamaha Labo.</p> | 0 shares |
| <p><u>Reasons for nomination as candidate for outside Director and summary of expected roles</u></p> <p>Takahisa Yamaha possesses extensive experience and wide-ranging insight in operating companies in the electronic components industry, especially the semiconductor industry. Additionally, as a Managing Director of ROHM Co., Ltd., and having held important positions such as Director at various other operating companies over many years, he possesses deep insights into management. Accordingly, the Company has judged that he will be able to supervise all aspects of management from an objective standpoint, and has therefore nominated him as a candidate for outside Director.</p> | | | |

- (Notes)
1. There is no special interest between the candidates and the Company.
 2. Ikuko Tsuchiya and Takahisa Yamaha are candidates for outside Director.
 3. In addition, Ikuko Tsuchiya and Takahisa Yamaha satisfy the requirements for independent officers as defined by the Tokyo Stock Exchange, Inc., and if they are elected as Directors, the Company intends to submit notification to the aforementioned exchange concerning their designation as independent officers.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation of the Company, if the election of Ikuko Tsuchiya and Takahisa Yamaha is approved, the Company intends to enter into limited liability agreements with both individuals that limit their liability under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability pursuant to these agreements will be the amount provided for in laws and regulations.
 5. The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. This contract covers any statutory damages, legal expenses, etc., incurred by the insured parties due to claims for damages arising out of acts (including omissions) committed by the insured parties in the course of their duties as officers of the company. Each candidate will be included as an insured party under the contract and will be renewed under the same terms and conditions at the next renewal.

(Company Proposal)

Proposal 3 Election of Two Audit & Supervisory Board Members

In order to further strengthen the corporate governance of the Company, the Company proposes to increase the number of Audit & Supervisory Board Members by one and request your approval for this election. Additionally, at the conclusion of this meeting, outside Audit & Supervisory Board Member Yasuo Kouzaki will resign. Therefore, the Company proposes to elect one substitute outside Audit & Supervisory Board Member. Since Nozomu Okuzawa, a candidate for outside Audit & Supervisory Board Member, is elected as a substitute for outside Audit & Supervisory Board Member Yasuo Kouzaki, his term of office will be until the end of the term of office of Yasuo Kouzaki, as provided for by the Articles of Incorporation of the Company.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

| Candidate No. | Name (Date of birth) | Career summary and position in the Company | | Number of the Company's shares owned |
|--|--|--|---|--------------------------------------|
| 1 | Masashi Sugisaka (August 29, 1960) [New appointment] Attendance at Board of Directors meetings 18 / 18 Attendance at Audit & Supervisory Board meetings - / - | April 1984 April 2004 July 2005 April 2008 June 2018 April 2022 June 2022 June 2023 April 2025 | Joined the Company General Manager of West Japan Customer Solution Department Director of E-SEMS Corporation (secondment) President of E-SEMS Corporation Executive Officer of the Company and President of E-SEMS Corporation Managing Executive Officer and General Manager of Sales Division and General Manager of Corporate Administration Division Director, General Manager of Sales Division and General Manager of Corporate Administration Division Director, and General Manager of Sales Division Director and in charge of domestic sales business (current position) (Significant concurrent positions outside the Company) Masashi Sugisaka has no significant concurrent positions outside the Company. | 2,000 shares |
| <u>Reasons for nomination as candidate for Audit & Supervisory Board Member</u> Masashi Sugisaka possesses diverse experience from having served in important positions in the Lighting Business Division and environment-related division of ENDO Lighting, as well as serving as President of E-SEMS Corporation, a company to which he was seconded, where he shouldered heavy responsibilities as a manager. In addition to the knowledge obtained from these experiences, he has also made achievements as General Manager of Sales Division and General Manager of Corporate Administration Division of the Company, and is therefore deeply familiar with the Group's business. Accordingly, the Company has judged that he is suitably qualified to execute auditing duties related to overall management, and has therefore nominated him as a candidate for Audit & Supervisory Board Member. | | | | |

| Candidate No. | Name (Date of birth) | Career summary and position in the Company | | Number of the Company's shares owned |
|--|--|--|---|--------------------------------------|
| 2 | Nozomu Okuzawa (July 7, 1978) [New appointment] [Independent officer] [Outside Audit & Supervisory Board Member] Attendance at Board of Directors meetings - / - Attendance at Audit & Supervisory Board meetings - / - | April 2003 December 2007 September 2011 December 2011 July 2019 June 2021 March 2023 (Significant concurrent positions outside the Company) Senior Partner of Start me tax | Joined Sony Corporation (currently Sony Group Corporation) Joined Gyosei & Co. Registered as Certified Public Accountant Registered as certified public tax accountant Established LEAD ACCOUNTING Co., Ltd., Representative Director (current position) Executive Officer of Mitsuboshi Co., Ltd. (Audit and Supervisory Committee member) Established Start me tax, Senior Partner (current position) | 0 shares |
| <u>Reasons for nomination as candidate for outside Audit & Supervisory Board Member</u> After retiring from an operating company, Nozomu Okuzawa has accumulated abundant experience at an audit firm and is qualified as a Certified Public Accountant and certified public tax accountant, and is well versed in corporate accounting and taxation. In addition, the Company has judged that he is suitably qualified to execute his duties as an outside Audit & Supervisory Board Member without violating the independence standards set forth by Tokyo Stock Exchange, Inc., and has therefore nominated him as a candidate for outside Audit & Supervisory Board Member. | | | | |

- (Notes)
1. There are no special interests between Masashi Sugisaka and Nozomu Okuzawa and the Company.
 2. There are no special interests between LEAD ACCOUNTING Co., Ltd. and Start me tax and the Company.
 3. Nozomu Okuzawa is a candidate for outside Audit & Supervisory Board Member and a candidate for independent officer as defined by Tokyo Stock Exchange, Inc.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation of the Company, if the election of Masashi Sugisaka and Nozomu Okuzawa is approved, the Company intends to enter into a limited liability agreement with both individuals that limit their liability under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability pursuant to these agreements will be the amount provided for in laws and regulations.
 5. The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. This contract covers any statutory damages, legal expenses, etc., incurred by the insured parties due to claims for damages arising out of acts (including omissions) committed by the insured parties in the course of their duties as officers of the company. Masashi Sugisaka and Nozomu Okuzawa will be included as insured parties under the contract and will be renewed under the same terms and conditions at the next renewal.

Reference

Criteria of ENDO Lighting on Independence of Outside Officers

ENDO Lighting Corp. (hereinafter, “the Company”) has established the following Criteria on Independence of Outside Officers of the Company. If any of the following items applies to an outside officer (including candidates; the same shall apply hereinafter), that outside officer shall be deemed as not being independent of the Company.

1. An outside officer who has been a person who executes business (Note 1) in the Group in any of the past ten fiscal years
2. A person who executes business who belongs to a corporation, association, or other organization whose amount of payment or receipt in transactions with the Group has accounted for 2% or more of that organization’s consolidated sales during the three most recent fiscal years
3. A person who executes business who belongs to a financial institution whose outstanding loans to the Group account for 2% or more of the Company’s consolidated total assets or the financial institution’s consolidated total assets during the three most recent fiscal years
4. A person who executes business who belongs to a corporation, association, or other organization that has received a large amount of donations from the Group (an average of ¥10 million or more per year during the three most recent fiscal years)
5. A Lawyer, certified public accountant, consultant, and other person who receives a large amount of money (an average of ¥10 million or more per year during the three most recent fiscal years) or other assets from the Group other than executive remuneration
6. A major shareholder of the Company (Note 2), or person who executes business who belongs to a corporation, association, or other organization that is a major shareholder
7. A person who executes business who belongs to a corporation, association, or other organization of which the Group is a major shareholder
8. A person who belongs to an audit firm that is a Financial Auditor of the Group
9. If the person to whom any of 1. to 8. above applies an important person (Note 3), the spouse, a relative within the second degree of kinship, a relative living together with said person, or a person sharing the same livelihood as said person
10. A person to whom any of 2. to 9. above has applied during the past three years
11. Any other person for whom there are circumstances that can reasonably be judged as making it impossible for that person to perform his/her duties as an outside officer, such as the possibility of a conflict of interest with the Company

Note 1: “Person who executes business” refers to a current executive director, managing executive, managing executive officer, or other similar person or employee.

Note 2: “Major shareholder” refers to a shareholder who owns or holds 10% or more of the voting rights under his/her name or the name of another person as of the end of the most recent fiscal year of the Company.

Note 3: “Important person” refers to a Director (excluding outside Director), Audit & Supervisory Board Member (excluding outside Audit & Supervisory Board Member), managing executive, managing executive officer, and senior manager at the rank of general manager or higher.

Reference: Skill matrix for Directors and Audit & Supervisory Board Members

If Proposal 2 and Proposal 3 are approved as proposed at this meeting, the composition of the Directors and Audit & Supervisory Board Members, and the experience and expertise specifically expected from each of them, are as follows.

Please note that the following list does not represent all of the knowledge, abilities, and experience possessed by each of the Directors and Audit & Supervisory Board Members.

| | Name | Gender | Corporate management/ Management strategy | Finance/ Accounting/ Taxation | Technical development | Manufacturing/ Supply | Business strategy/ Sales/ Marketing | Global business | Legal/ Compliance | Internal control/ Governance | IT/Digital | Sustainability/ ESG |
|-----------------------------------|-------------------|--------|---|-------------------------------|-----------------------|-----------------------|-------------------------------------|-----------------|-------------------|------------------------------|------------|---------------------|
| Directors | Kunihiko Endo | Male | ● | | ● | | ● | ● | | | | |
| | Kiyoshi Hishitani | Male | | | ● | ● | | ● | | | | ● |
| | Masayuki Okumura | Male | ● | | | | ● | | ● | | | |
| | Ikuko Tsuchiya | Female | | | | | | | ● | ● | | ● |
| | Takahisa Yamaha | Male | ● | | ● | ● | | | | | | |
| Audit & Supervisory Board Members | Akira Kubo | Male | | ● | | | | ● | | ● | | |
| | Masashi Sugisaka | Male | ● | ● | | | ● | | ● | | | |
| | Jun Murai | Male | | | | | | | ● | ● | | |
| | Nozomu Okuzawa | Male | | ● | | | | | | ● | ● | |

(Company Proposal)

Proposal 4 Election of One Substitute Audit & Supervisory Board Member

The Company requests approval for the election of one substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations. The validity of the election of a substitute Audit & Supervisory Board Member can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

| Name (Date of birth) | Career summary and position in the Company | Number of the Company's shares owned |
|--|--|--|
| Hidetaka Sakata (November 29, 1959) [Independent officer] [Substitute outside Audit & Supervisory Board Member] Attendance at Board of Directors meetings - / - Attendance at Audit & Supervisory Board meetings - / - | April 1982 Joined Hidetaka Sakata Accounting Office September 1984 Retired from Hidetaka Sakata Accounting Office October 1984 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) March 1988 Registered as Certified Public Accountant June 1997 Transferred to Business Development Department, Deloitte Touche Tohmatsu (currently Deloitte Tohmatsu Financial Advisory LLC) and served as Senior Manager June 2000 Partner January 2019 Retired from Deloitte Tohmatsu Financial Advisory LLC January 2019 Representative Director of MAGIC Co., Ltd. (current position) June 2020 Representative Partner of dep.FAS LLC (current position) (Significant concurrent positions outside the Company) Representative Director of MAGIC Co., Ltd. Representative Partner of dep.FAS LLC | 0 shares |
| <u>Reasons for nomination as candidate for substitute outside Audit & Supervisory Board Member</u> Hidetaka Sakata is well versed in corporate accounting as a Certified Public Accountant, and possesses experience developed from his advanced expert knowledge and wide-ranging insight. Accordingly, the Company has judged that he is suitably qualified to execute duties related to audits of the Company, and has therefore nominated him as a candidate for substitute outside Audit & Supervisory Board Member. | | |

- (Notes)
1. There is no special interest between Hidetaka Sakata and the Company.
 2. Hidetaka Sakata is a candidate for substitute outside Audit & Supervisory Board Member.
 3. There are no special interests between MAGIC Co., Ltd. and dep.FAS LLC and the Company.
 4. Hidetaka Sakata satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and if he is appointed Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer.
 5. If Hidetaka Sakata is appointed Audit & Supervisory Board Member, the Company plans, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation of the Company, to enter into a limited liability agreement with him that limits his liability under Article 423, paragraph (1) of the Companies Act. Furthermore, the maximum amount of liability pursuant to the limited liability agreement will be the amount provided for in laws and regulations.
 6. The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. This contract covers the insured party's losses, legal expenses, etc., incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured party as an officer of the Company, and if Hidetaka Sakata is appointed Audit & Supervisory Board Member, he will be included in the insured parties under this insurance contract.

(Company Proposal)

Proposal 5 Payment of Retirement Benefits and Condolence Money to Resigning Directors and Resigning Audit & Supervisory Board Members, and Final Payment of Accrued Retirement Benefits Associated with the Abolition of the Officers' Retirement Benefit System

The Company proposes the payment of retirement benefits and condolence money within a reasonable amount, in accordance with the standards set forth by the Company, to Ritsue Miyashita, a Director who will resign at the conclusion of this meeting, to Takaya Nagahata who passed away on April 5, 2025, and to Yasuo Kouzaki who will resign as Audit & Supervisory Board Member, in order to reward them for their efforts during their tenures. The Company proposes that decisions concerning the specific amount, timing, method of payment, etc. be entrusted to the Board of Directors, with respect to the resigning Directors, and be entrusted to the Audit & Supervisory Board Members' consultation, with respect to the resigning Audit & Supervisory Board Member.

The Company considers it appropriate to pay officers' retirement benefit to the resigning Directors because of their efforts to improve the Company's business performance and corporate value as Directors. The Company determines that the amount is appropriate as it will be calculated and paid in accordance with the Company's internal regulations on officers' retirement benefit.

The career summaries of the resigning Directors and Audit & Supervisory Board Member are as follows:

| Name | Career summary | |
|------------------|-------------------------|--|
| Ritsue Miyashita | June 2022 | Director of the Company (outside) (current position) |
| Takaya Nagahata | June 2024 April 2025 | Director of the Company (outside) Deceased |
| Yasuo Kouzaki | June 2019 | Audit & Supervisory Board Member (outside) of the Company (current position) |

As part of the review of the officer remuneration system, at the Board of Directors meeting held on May 19, 2025, the Company resolved to abolish the officers' retirement benefit system for Directors and Audit & Supervisory Board Members at the conclusion of this meeting. Accordingly, on the condition that Proposal 2 "Election of Five Directors" and Proposal 3 "Election of Two Audit & Supervisory Board Members" are approved as proposed, the Company proposes to make a final payment of accrued retirement benefits to Kunihiro Endo and Kiyoshi Hishitani, who are scheduled to be reelected as Directors, Masashi Sugisaka, who is scheduled to be appointed as Audit & Supervisory Board Member, and Akira Kubo and Jun Murai, who are in office as Audit & Supervisory Board Members, within a reasonable amount, in accordance with the standards set forth by the Company to compensate them for their efforts during the period from their appointment to the conclusion of this meeting.

The Company proposes that the timing of payment shall be at the resignation of each Director and each Audit & Supervisory Board Member, and that the specific amount, method, etc. of payment be entrusted to the Board of Directors with respect to the Directors, and be entrusted to the Audit & Supervisory Board Members' consultation with respect to the Audit & Supervisory Board Members.

The Company considers it appropriate to make a final payment of accrued officers' retirement benefit to the Directors because of their efforts to improve the Company's business performance and corporate value as Directors. The Company determines that the amount is appropriate as it will be calculated and paid in accordance with the Company's internal regulations on officers' retirement benefit.

The career summary for Directors and Audit & Supervisory Board Members subject to the final payment of accrued retirement benefits following the abolition of the officers' retirement benefit system are as follows:

| Name | Career summary |
|-------------------|---|
| Kunihiko Endo | June 2006 Director of the Company June 2007 Managing Director June 2010 Representative Director and Senior Managing Director June 2014 President (current position) |
| Kiyoshi Hishitani | June 2016 Director of the Company June 2022 Managing Director (current position) |
| Masashi Sugisaka | June 2022 Director of the Company (current position) |
| Akira Kubo | June 2023 Full-time Audit & Supervisory Board Member of the Company (current position) |
| Jun Murai | June 2015 Audit & Supervisory Board Member (outside) of the Company (current position) |

(Company Proposal)

Proposal 6 Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

At the 19th Annual General Meeting of Shareholders held on June 28, 1990, it was approved that the amount of remuneration, etc. for the Company's Directors shall not exceed ¥200 million per year. In addition, at the 43rd Annual General Meeting of Shareholders held on June 27, 2014, it was approved that performance-linked remuneration for executive directors shall be paid within 1.5% of consolidated ordinary profit, and shall be no more than ¥100 million per year, separate from the amount of ¥200 million per year above.

As part of the review of the officer remuneration system, the Company proposes to pay new remuneration for the granting of restricted shares to eligible Directors separate from the above remuneration framework in order to incentivize the Company's Directors (excluding outside Directors; hereinafter referred to as "eligible Directors") to sustainably improve the Company's corporate value and further promote value sharing with shareholders.

Pursuant to this proposal, the remuneration to be paid to eligible Directors for granting restricted shares shall be a monetary claim, and the total amount shall be no more than ¥100 million per year (however, not including the salaries of Directors who are also employees). The specific timing of payment and allocation for each eligible Director shall be determined by the Board of Directors.

Currently, there are four Directors (including one outside Director), but if Proposal 2 "Election of Five Directors" is approved as proposed, the number of Directors will be five (including two outside Directors).

Based on a resolution by the Board of Directors of the Company, eligible Directors shall contribute all monetary claims payable under this proposal as contributions in kind. In return, they shall be issued common shares of the Company, or dispose of such shares, such that the total number of common shares issued or disposed of shall not exceed 75,000 shares per year. However, in the event that, after the approval of this proposal, a stock split (including a gratis allotment of common shares) or a reverse stock split occurs, or any other event necessitating an adjustment arises, the total number of common shares to be issued or disposed of as restricted shares shall be adjusted within a reasonable scope.

The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day preceding the date of each resolution of the Board of Directors (if trading is not completed on the said day, the closing price of the most recent trading day prior to it) to the extent that the amount is not particularly advantageous to eligible Directors who subscribe for the said common share. The issuing or disposing of common shares of the Company pursuant to this and the payment of monetary claims as property contributed in kind are conditional on the Company entering into a restricted share allotment agreement (hereinafter referred to as "Allotment Agreement") with the eligible Directors, which contains the following details. The upper limit of the remuneration amount in this proposal, the total number of common shares of the Company to be issued or disposed of, and other conditions for granting restricted shares to eligible Directors based on this proposal are determined by taking into account the above objectives, the business conditions of the Company, the policy for the content of remuneration for individual Directors of the Company (if this proposal is approved, the policy will be changed to the content described in the [Reference] section later to be consistent with the content approved), and various other circumstances, and the Company considers them appropriate.

[Summary of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors must not transfer, use as security, or otherwise dispose of common shares of the Company (hereinafter referred to as "transfer restrictions") allotted under this Allotment Agreement (hereinafter referred to as "allotted shares") from the date they are allocated under this Allotment Agreement until the time immediately after they resign or retire from positions as officers or employees of the Company or its subsidiaries determined in advance by the Board of Directors of the Company (hereinafter referred to as "transfer restriction period").

(2) Treatment Upon Resignation or Retirement

If an eligible Director resigns or retires from a position as an officer or employee of the Company or its subsidiaries that is determined in advance by the Board of Directors of the Company prior to the expiration of a period determined in advance by the Board of Directors of the Company (hereinafter referred to as “service provision period”), the Company shall automatically acquire the allotted shares without contribution except for cases where the term of office expires, the death of the eligible Director, or there are other justifiable grounds for such resignation or retirement.

(3) Lifting of transfer restrictions

The Company shall lift the transfer restrictions on all allotted shares upon expiration of the transfer restriction period on the condition that the eligible Director continues to be in a position determined in advance by the Board of Directors of the Company out of the positions of officers and employees of the Company or its subsidiaries during the service provision period. However, in the event that (1) the eligible Director resigns from a position as an officer or employee of the Company or its subsidiaries that is determined in advance by the Board of Directors of the Company due to a justifiable reason before the expiration of the service provision period, or (2) the eligible Director resigns from a position as an officer or employee of the Company or its subsidiaries that is determined in advance by the Board of Directors of the Company due to a reason other than justifiable grounds after the expiration of the service provision period but before the end of the transfer restriction period, the Company shall rationally adjust the number of the allotted shares on which the transfer restrictions are to be lifted and the timing of lifting as necessary. In addition, the Company shall automatically acquire without contribution the allotted shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted in accordance with the provisions above.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions in the above (1), if, during the restriction period, a merger agreement in which the Company is the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or some other matter related to reorganization, etc. is approved at a General Meeting of Shareholders of the Company (however, in cases where the reorganization, etc. does not require approval at an Annual General Meeting of Shareholders, the Board of Directors of the Company) based on a resolution by the Board of Directors of the Company, the transfer restrictions shall be lifted for the allotted shares with the number of shares that is reasonably determined considering the period from the commencement date of the restriction period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective. In addition, in the case stipulated above, the Company shall automatically acquire without contribution the allotted shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(5) Other matters

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

[Reference] Policy for the Content of Remuneration for Individual Directors

At the Board of Directors meeting held on May 19, 2025, the Company made a resolution on the “Policy for the content of remuneration for individual Directors.” The details are as follows:

(i) Basic policy

The Company’s basic policy is to determine the remuneration of Directors in a comprehensive manner, taking into consideration the duties and achievements of individual Directors, management content, and economic conditions, in order to increase motivation to sustainably enhance corporate value and to ensure that the remuneration system aligns with shareholder interests, functioning effectively as an incentive. Specifically, remuneration for executive directors shall consist of base remuneration as fixed remuneration, performance-linked remuneration, and restricted share-based remuneration introduced on the condition that it is approved at

this annual general meeting of shareholders. Outside Directors who perform supervisory functions shall be paid base remuneration only, in consideration of their duties.

- (ii) Policy for determining the amount of individual base remuneration, etc. (including policy for determining the timing of and conditions for remuneration, etc.)

The base remuneration for Directors shall be paid as a fixed monthly remuneration (monetary form) and is determined by considering management content and economic conditions. It also takes into account remuneration levels at other companies, the Company's business performance, remuneration for Executive Officers, and employee salary levels, while taking into account the position, duties, and tenure.

- (iii) Policy for determining the content and calculation method of the amount of performance-linked remuneration, etc. (including policy for determining the timing of and conditions for remuneration, etc.)

Performance-linked remuneration is paid annually in monetary form at a fixed time, based on a reference amount set for each position, which is calculated using indicators designed to raise awareness of value enhancement for each business year, with an emphasis on ordinary profit and the progress of sustainability management, reflecting the belief that maximizing profits and ensuring corporate sustainability contribute to enhancing shareholder value. The final remuneration amount is determined by multiplying the reference amount by factors such as the degree of achievement of individual plans.

- (iv) Policy for determining the content and calculation method of the amount of non-monetary remuneration, etc. (including policy for determining the timing of and conditions for remuneration, etc.)

Non-monetary remuneration shall be restricted shares to be paid at a fixed time each year, and the number of shares granted to each Director shall be determined based on a comprehensive consideration of the base remuneration amount, etc. according to the position and duties of each Director.

- (v) Policy for determining the percentage of base remuneration, performance-linked remuneration, etc., and restricted share-based remuneration relative to remuneration for individual Directors

The Company shall pay performance-linked remuneration separately from base remuneration based on ordinary profit, etc., and it is our policy that the percentage of base remuneration, performance-linked remuneration, and restricted share-based remuneration be the most appropriate percentages to share the interests of shareholders and management and contribute to sustainable enhancement of corporate value.

- (vi) Matters related to decisions regarding the content of remuneration for individual Directors

As for the remuneration amount for individual Directors, the Board of Directors consults with the Nomination and Remuneration Advisory Committee with the original proposal. After obtaining a report, the decision on the specific details is delegated to Kunihiko Endo, the President.

The delegated President shall determine the amount of remuneration by evaluating the base remuneration for each Director and the performance-linked remuneration for each Director (excluding outside Directors) in consideration of the content of the report.

- * The Company plans to change the policy for the remuneration for individual Directors upon approval of this proposal.

<Shareholder Proposals (Proposal 7 and Proposal 8)>

Proposal 7 and Proposal 8 were made by one (1) shareholder.

The Board of Directors is against both shareholder proposals for the reasons shown below.

A summary of the proposal and reasons for the proposal are presented with the original text as submitted by the proposing shareholder, except for formal adjustments.

(Shareholder Proposal)

Proposal 7 Appropriation of Surplus

(i) Summary of the Proposal

The appropriation of surplus shall be as follows. If the Board of Directors of the Company proposes the appropriation of surplus at this annual general meeting of shareholders, this proposal shall be proposed in addition to and independently from the said proposal.

(a) Type of dividend property

Cash

(b) The amount of dividend per share

The amount corresponds to ¥80 subtracted by the amount of the interim dividend of ¥20 for the 54th fiscal year and the amount equivalent to the appropriation amount of surplus per share of the Company's stock proposed by the Board of Directors of the Company at this annual general meeting of shareholders and approved at this annual general meeting of shareholders (if the Board of Directors of the Company does not propose an appropriation of surplus at this annual general meeting of shareholders, the amount shall be ¥60).

(c) Allotment of dividend property and its aggregate amount

The amount of dividend per share of Company stock as described in (b) above (the total amount of dividend is calculated by multiplying the amount of dividend per share by the total number of the Company's issued shares (excluding own shares) as of March 31, 2025).

(d) Effective date of dividends of surplus

Date of this annual general meeting of shareholders

(e) Starting date of dividend payments

The date three weeks after the next business day following this annual general meeting of shareholders

(ii) Reasons for the Proposal

Over the past five years, the Company's operating cash flow has been consistently well into the positive range, with an average value of ¥5.54 billion, a maximum value of ¥10.15 billion, and a minimum value of ¥2.78 billion. During this period, investment cash flow averaged only a deficit of ¥2.70 billion, so free cash flow over the past five years of the Company has been consistently well into the positive range, with an average value of ¥2.84 billion, a maximum value of ¥7.25 billion, and a minimum value of ¥530 million. As a result, the Company's net interest-bearing debt balance declined sharply from ¥11.03 billion as of March 31, 2019 to - ¥3.96 billion as of March 31, 2024, resulting in net cash.

In the lighting equipment sales industry, which is the main business of the Company, the steady market environment, supported by replacement demand for LED lighting equipment introduced in the 2010s, more sophisticated power consumption management in response to worsening environmental issues, and a market shift to high-value-added products that meet the demand for improvements in office environments has continued. Therefore, free cash flow is expected to remain stable and profitable in the future.

The Company's annual dividend over the past five years have been ¥30, ¥15, ¥22.5, ¥30, and ¥40. The average dividend payout ratio for the past five years was 15.6%, with a maximum of 23.1%, and a minimum of 10.0%, which is significantly below the average dividend payout ratio of 32.6% for listed companies for the fiscal year ended March 31, 2024. Continuing to maintain a low dividend payout ratio in the future in the midst of large profits in free cash flow will lead to excessive cash reserves, which could result in a decline in ROE, a decrease in asset value due to inflation, and investment losses due to unnecessary fund management. In addition, the Company's Corporate Governance Policy, "Capital Policy and Shareholder Returns," states, "The Company's basic policy is to distribute one-third of all profits earned by the Company to shareholders, employees, and retained earnings, respectively." Failure to comply with this basic policy that the Company established and declared to external parties over a long period of time without any specific reason is an act that may give the impression to all parties concerned that the Company is neglecting corporate governance. Therefore, it is believed that there is an urgent need to adjust the dividend payout ratio to an appropriate level.

Based on the above, it is believed that paying an annual dividend of ¥80 based on the consolidated earnings forecast for the Company's 54th fiscal year will contribute to improved medium- to long-term corporate value based on appropriate returns to shareholders, who are important stakeholders, improved financial risk management, and increased market confidence in the Company's financial management policies. Therefore, this proposal has been made.

[Opinion of the Board of Directors of the Company on Proposal 7]

The Board of Directors of the Company is against Proposal 7.

Our basic policy on capital policy and shareholder returns is to set maximum profit as a management objective, and to use the profits earned to strengthen our financial position and management base, while maintaining stable dividends and providing appropriate return of profit to shareholders.

The Company's dividends per share over the last five years have been ¥30.00 for the 49th fiscal year (the fiscal year ended March 31, 2020), ¥15.00 for the 50th fiscal year (the fiscal year ended March 31, 2021), ¥22.50 for the 51st fiscal year (the fiscal year ended March 31, 2022), ¥30.00 for the 52nd fiscal year (the fiscal year ended March 31, 2023), and ¥40.00 for the 53rd fiscal year (the fiscal year ended March 31, 2024). Although the Company reduced the dividend in the 50th fiscal year due to a temporary decline in business performance as a result of the COVID-19 pandemic, we have been steadily strengthening profit return since then. In the 54th fiscal year (the fiscal year ended March 31, 2025), non-consolidated business performance was higher than initially forecasted. Therefore, the Company's proposal is to increase the annual dividend from ¥40.00 forecasted at the beginning of the term to ¥50.00.

This proposal proposes a dividend equivalent to one-third of the Group's consolidated net income. In an economic environment surrounding the Company that includes the risk of rising prices and exchange rate fluctuations, the Board of Directors of the Company is against this proposal, based on the view that it is our intention to provide stable shareholder returns to shareholders into the future, taking into consideration the balance between investments required to strengthen future corporate competitiveness and the stable and appropriate return of profits to shareholders.

The Company is considering local growth investments and reinvestment in overseas business expansion where there are opportunities for high growth. Kunshan Endo Lighting Co., Ltd., which is a manufacturing subsidiary in China, has been in operation for 20 years and is now in a period of reinvestment, and we have started to consider investment for growth to increase production capacity. We are also considering investment for growth to further expand sales within Europe for Ansell in the UK.

As for surplus, in accordance with the new medium-term management plan (covering the 55th to 57th fiscal years) announced on April 30, 2025, the Company's basic policy is to make investments necessary to strengthen future corporate competitiveness and to provide stable and appropriate profit returns to shareholders, while comprehensively taking into account trends in the business environment and financial position. With a target consolidated dividend payout ratio of 30%, we will strive to steadily and continuously increase the amount of dividends.

(Shareholder Proposal)

Proposal 8 Acquisition of Own Shares

(i) Summary of the Proposal

Pursuant to Article 156, paragraph (1) of the Companies Act, within one year of the conclusion of this annual general meeting of shareholders, the Company shall acquire 735,000 shares of its common stock (approximately 5% of the total number of issued shares) at a total acquisition cost of up to ¥1,900 million by means of cash payment.

(ii) Reasons for the Proposal

Needless to say, enhancing capital adequacy contributes to improved corporate value through enhanced financial stability. However, an excessively conservative capital policy that places the highest priority on internal reserves and securing excessive capital adequacy effectively lowers corporate value by increasing the weighted average cost of capital (hereinafter referred to as “WACC”), which is taught in corporate finance theory.

Our capital adequacy ratio has steadily increased from 44.4% to 61.5% over the five-year period from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2024. The average growth rate over the past five years has been 5.4% for net sales and 13.5% for operating profit, and business has been highly stable, never falling into an operating deficit despite the intervening years of the COVID-19 pandemic. Regarding free cash flow, as described above in (1) Appropriation of Surplus, it is expected to remain stable and profitable in the future. Therefore, implementing a capital policy with a target capital adequacy ratio of 50% is believed to constitute sufficiently conservative financial management.

This proposal is based on the belief that maintaining an appropriate capital adequacy ratio and keeping WACC at a reasonable level will enable both effective financial risk management and medium- to long-term improvement in corporate value. More specifically, the intention is to improve corporate value over the medium- to long-term through stable capital policy management with a medium- to long-term capital adequacy ratio target of 50%. This proposal was made based on the belief that continuous acquisition of own shares based on a clear capital policy will contribute to improving the Company’s corporate value over the medium- to long-term, rather than a one-off acquisition of own shares.

[Opinion of the Board of Directors of the Company on Proposal 8]

The Board of Directors of the Company is against Proposal 8.

The Company recognizes that the acquisition of own shares is effective for improving capital efficiency and shareholder returns, as well as for implementing a flexible capital policy in response to changes in the business environment. While taking into account the trading conditions and stock price of the Company's shares and balancing such acquisitions with investments for future growth, we announced on April 30, 2025, the acquisition of own shares with an upper limit of ¥100 million for the total acquisition price. The appropriation, etc. of own shares acquired shall be used for the share-based remuneration plan in the event that Proposal 5 and Proposal 6 of this meeting are approved.

The Company believes that the acquisition of own shares of approximately 5% of the total number of issued shares, which is called for in the shareholder proposal, would undermine financial resources for growth investment being considered in the new medium-term management plan announced on April 30, 2025 (covering the 55th to 57th fiscal years), and could stagnate our medium- to long-term growth and improvement in corporate value, and as a result, could damage the interests of our shareholders. Therefore, the Board of Directors of the Company is against this proposal.