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Securities Code: 4973

Date of sending by postal mail: June 4, 2025

Start date of measures for electronic provision: May 29, 2025

To our shareholders:

Tomoyuki Kojima  
Representative Director and President  
**JAPAN PURE CHEMICAL CO., LTD.**  
3-10-18 Kitamachi, Nerima-ku, Tokyo

## Notice of the 54th Annual General Meeting of Shareholders

We are pleased to announce the 54th Annual General Meeting of Shareholders of JAPAN PURE CHEMICAL CO., LTD. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes 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 posts this information on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

The Company’s website: <https://www.netjpc.com/> (in Japanese)

(From the above website, select “IR Information,” “IR Library,” and then “Other Reference Materials.”)

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 “JAPAN PURE CHEMICAL” in “Issue name (company name)” or the Company’s securities code “4973” 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 will not attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing (by postal mail), so please study the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:45 p.m. on Thursday, June 19, 2025 (Japan Standard Time).

[Exercising your voting rights in writing (by postal mail)]

Please indicate your approval or disapproval of the proposals on the Voting Right Exercise Form, and return it by postal mail to reach us no later than 5:45 p.m. on Thursday, June 19, 2025 (Japan Standard Time).

[Exercising your voting rights via the Internet, etc.]

Please exercise your voting rights no later than 5:45 p.m. on Thursday, June 19, 2025 (Japan Standard Time).

[Disclosure on the Internet website]

For this General Meeting of Shareholders, the Company will uniformly send paper-based documents stating items for which measures for providing information in electronic format are to be taken, regardless of whether or not a request for delivery of the document has been made. Please note that, among the items for which measures for providing information in electronic format are to be taken, the following matters will not be included in the document to be sent in accordance with laws and regulations and the provisions of Article 14, paragraph (2) of the Company's Articles of Incorporation.

1. "Share acquisition rights, etc. of the Company" included in the Business Report
2. "Notes to the Non-consolidated Financial Statements" included in the Non-consolidated Financial Statements

The Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor and the Business Report audited by the Audit & Supervisory Board Members consist of each document mentioned in this Notice, and the "Share acquisition rights, etc. of the Company" and "Notes to the Non-consolidated Financial Statements" posted on the Company website.

The Company's website <https://www.netjpc.com/> (in Japanese)

1. **Date and Time:** Friday, June 20, 2025, at 10:00 a.m. (Japan Standard Time) (The reception will start at 9:20 a.m.)
2. **Venue:** Banquet Room Sakura, 4th floor, Hotel Metropolitan  
6-1 Nishi-Ikebukuro 1-chome, Toshima-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported:

The Business Report and the Non-consolidated Financial Statements for the 54th fiscal year (from April 1, 2024 to March 31, 2025)

#### Matters to be resolved:

##### [Company Proposals (Proposals No. 1 to No. 9)]

- Proposal No. 1** Partial Amendment to the Articles of Incorporation
- Proposal No. 2** Election of Seven Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 3** Election of Three Directors who are Audit & Supervisory Committee Members
- Proposal No. 4** Election of One Substitute Director who is Audit & Supervisory Committee Member
- Proposal No. 5** Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 6** Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members
- Proposal No. 7** Determination of the Amount and Details of Share-based Remuneration for Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors)
- Proposal No. 8** **Determination of the Amount and Details of Share-based Remuneration for Non-Executive Directors (excluding Directors who are Audit & Supervisory Committee Members)**
- Proposal No. 9** Authorization for the Board of Directors of the Company to Determine Offering Terms for Share Acquisition Rights Issued as Share Options to Directors (excluding outside Directors) and Employees on Particularly Favorable Terms

##### [Shareholder Proposals (Proposals No. 10 to No. 13)]

- Proposal No. 10** Revision of Remuneration for Directors to Grant Restricted Shares Thereto
- Proposal No. 11** Partial Amendment to the Articles of Incorporation (Decision-making Body for Dividends of Surplus, Etc.)
- Proposal No. 12** Shares Buy-Back
- Proposal No. 13** Dividend Policy for Retained Earnings

\* The outline of the proposal for the shareholder proposal above is listed in “Reference documents for the general meeting of shareholders” stated later. (from page 42 to page 49)

- If you have not indicated your approval or disapproval of each proposal in the returned voting form, the Company will assume that you have indicated approval for a Company’s proposal and disapproval for a shareholder’s proposal.
- When you attend the meeting, you are kindly requested to present the Voting Right Exercise Form at the reception.
- When attending by proxy, please submit a document authorizing the proxy with the Voting Right Exercise Form at the reception. As per Article 16 of the Company’s Articles of Incorporation, the proxy shall be limited to one other shareholder who has the voting right at this General Meeting of Shareholders.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website and the TSE website.

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Information

#### [Company Proposals (Proposals No. 1 to No. 9)]

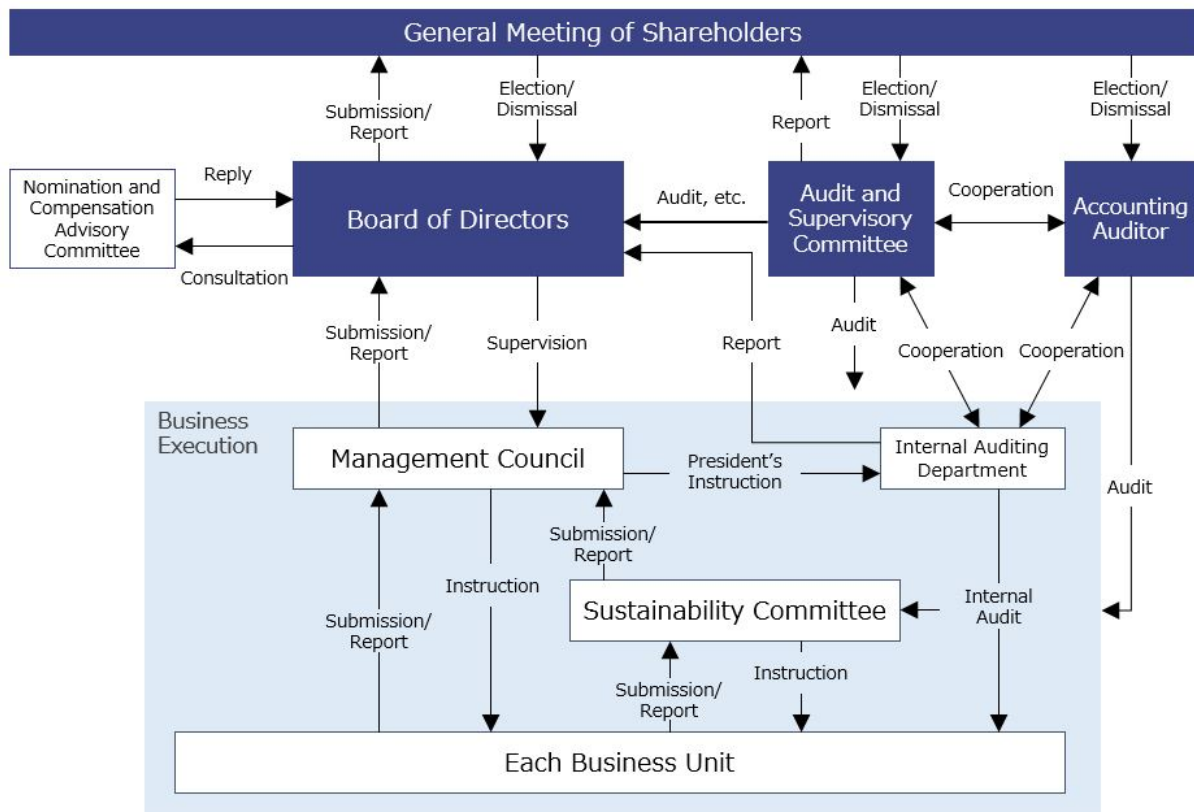
Reference: Transition to a Company with an Audit & Supervisory Committee

Contingent upon the approval and adoption of Proposal No. 1 “Partial Amendment to the Articles of Incorporation,” the Company will transition to a company with an Audit & Supervisory Committee. Each proposal from No. 1 through No. 8 is related to the transition. To make the proposals, we would like to explain the objective and outline of the transition to a Company with an Audit & Supervisory Committee.

#### ◆ Objective

By transitioning to a company with an Audit & Supervisory Committee, the Company will improve the speed and efficiency of decision-making by promoting the delegation of authority to executive directors regarding the determination on critical business execution, and strengthening supervision function by granting Directors who are Audit & Supervisory Committee Members (the majority is outside Directors) voting rights at the Board of Directors. Thus, we will fortify and enrich the corporate governance structure and the internal governance system, and aim for further improvement of the corporate value with the Medium-term Management Plan (phase 2), which will start in FY2025.

#### ◆ Corporate governance system after the transition



◆ Overview of the transition and the relationship with the proposals

	Company with an Audit & Supervisory Board (current system)		Company with an Audit & Supervisory Committee (after the transition)	Related proposal
Organization to be changed	Audit & Supervisory Board		Audit & Supervisory Committee	Proposal No. 1
Election of Officers	Election of Directors and Audit & Supervisory Board Members		Election of Directors who are Audit & Supervisory Committee Members and other Directors separately	
Term of office	Directors: 1 year		Directors (excluding Directors who are Audit & Supervisory Committee Members): 1 year	
	Audit & Supervisory Board Member: 4 years		Directors who are Audit & Supervisory Committee Members: 2 years	
Decision on critical business execution	Delegation to Directors is not allowed.		Except those stipulated by laws, all or part may be delegated to Directors (excluding Directors who are Audit & Supervisory Committee Members).	
Composition of officers			Directors: 10 (including 7 outside Directors)	
	Directors: 6 (including 3 outside Directors)		Directors (excluding Directors who are Audit & Supervisory Committee Members): 7 (including 4 outside Directors)	Proposal No. 2
	Audit & Supervisory Board Member: 3 (including 3 outside Audit & Supervisory Board Members)		Directors who are Audit & Supervisory Committee Members: 3 (including 3 outside Directors)	Proposal No. 3
Executive Remuneration	Cash remuneration	Directors (including outside Directors) Annual amount of up to 300 million yen (of which that for outside Directors is up to 30 million yen)	Directors (excluding Directors who are Audit & Supervisory Committee Members) Annual amount of up to 300 million yen (of which that for outside Directors is up to 50 million yen)	Proposal No. 5
		Audit & Supervisory Board Member: Annual amount of up to 30 million yen	Directors who are Audit & Supervisory Committee Members: Annual amount of up to 40 million yen	Proposal No. 6
	Share-based remuneration	Directors (excluding outside Directors)	Directors (excluding Directors who are Audit & Supervisory Committee Members)	
		Restricted share-based remuneration plan by position • Annual amount of up to 50 million yen • The Company's common stock: Up to 20,000 shares	Restricted share-based remuneration • Executive Directors: Up to 24,000 shares of common stock to be issued or disposed of per year, and up to 60 million yen in annual remuneration • Non-Executive Directors who are not Audit & Supervisory Committee Members: Up to 4,000 shares of common stock to be issued or disposed of per year, and up to 10 million yen in annual remuneration (per person, limited to 30% of their cash remuneration)	Proposal No. 7 Proposal No. 8 Proposal No. 9
			(It will be abolished after this issuance.)	
		Tax-qualified share options		

## Proposal No. 1 Partial amendment to the Articles of Incorporation

We would like to amend the following sections of the current Articles of Incorporation.

Please note that the amendments to the Articles of Incorporation in this proposal shall take effect upon the conclusion of this General Meeting.

### (1) Reason for amendments

(i) By transitioning to a company with an audit & supervisory committee, the Company aims to speed up and improve the efficiency of decision-making by delegating authority to executive directors to make important business decisions, and to strengthen the supervisory function of the Board of Directors by giving voting rights to directors who are members of the Audit & Supervisory Committee (the majority of whom are outside directors).

Along with this transition, the Company will make the necessary changes, including the establishment of new provisions regarding Audit & Supervisory Committee Members and the Audit & Supervisory Committee, the deletion of provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board, and the establishment of supplementary provision as a transitional measure in connection with the deletion of the provision on exemption from liability of Audit & Supervisory Board Members.

(ii) For the convenience of shareholders holding shares of less than one unit, the Company will introduce a system of additional purchase of shares of less than one unit as stipulated in Article 194 of the Companies Act, and will newly establish Article 11 (Additional Purchase of Shares of Less Than One Unit) and Article 12 (Rights Regarding Shares Less Than One Unit) to clarify the rights that may be exercised with respect to shares of less than one unit.

(iii) Other necessary changes will be made, such as revision of the names of articles and reorganization of wording and phrases.

### (2) Description of amendments

The details of the changes are as follows.

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
Article 2 (Purpose) The purpose of the Company shall be to engage in the following business activities: <u>1.</u> Development, manufacturing and sales of metal plating solutions; <u>2.</u> Refining and sales of small lots of noble metal and noble metal plating chemicals; <u>3.</u> Sales of small lots of toxic and deleterious chemicals for noble metal plating chemicals; <u>4.</u> Sales of equipment and devices for noble metal plating; and <u>5.</u> All businesses relating or incidental to each of the preceding items.	Article 2 (Purpose) The purpose of the Company shall be to engage in the following business activities: <u>(1)</u> Development, manufacturing and sales of metal plating solutions; <u>(2)</u> Refining and sales of small lots of noble metal and noble metal plating chemicals; <u>(3)</u> Sales of small lots of toxic and deleterious chemicals for noble metal plating chemicals; <u>(4)</u> Sales of equipment and devices for noble metal plating; and <u>(5) All businesses relating or incidental to each of the preceding items.</u>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Article 4 (Organs) The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs: (1) Board of Directors; (2) <u>Audit &amp; Supervisory Board Members;</u> (3) <u>Audit &amp; Supervisory Board; and</u> (4) <u>Accounting Auditors</u></p> <p>Article 8 (Record Date of Annual General Meetings of Shareholders) 1 The Company shall deem shareholders whose name have been recorded in the last shareholder registry as at each year on March 31 as the shareholders exercising voting rights at the Annual General Meeting of Shareholders held with respect to the business year concerned. 2 In addition to the preceding paragraph, if necessary, an extraordinary record date may, by resolution of the Board of Directors, set with advance public notice.</p> <p>Article 9 (Transfer Agent) 1 The Company shall have a transfer agent. 2 The transfer agent and the location of business thereof shall be designated by resolution of the Board of Directors, and a public notice thereof shall be given.  3 The preparation and storage of the shareholder register and the share acquisition right register of the Company as well as other administrative services relating thereto shall be outsourced to the transfer agent. The Company shall not handle aforesaid administrations.</p> <p>Article 10 (Share Handling Regulations) Handling and fees related to the Company's shares shall be governed by the Share Handling Regulations established by the Board of Directors, as well as laws and regulations and these Articles of Incorporation.</p> <p>(Addition)</p>	<p>Article 4 (Organs) The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs: (1) Board of Directors; (2) <u>Audit &amp; Supervisory Committee; and</u> (Deleted) (3) Accounting Auditors</p> <p>Article 8 (Record Date of Annual General Meetings of Shareholders) 1 The Company shall deem shareholders whose name have been recorded in the last shareholder registry as at each year on March 31 as the shareholders exercising voting rights at the Annual General Meeting of Shareholders held with respect to the business year concerned. 2 In addition to the preceding paragraph, if necessary, an extraordinary record date may, by resolution of the Board of Directors, set with advance public notice. (Change in Japanese only; English unchanged)</p> <p>Article 9 (Transfer Agent) 1 The Company shall have a transfer agent. 2 The transfer agent and the location of business thereof shall be designated by decision of the Board of Directors <u>or a director delegated by resolution of the Board of Directors,</u> and a public notice thereof shall be given. 3 The preparation and storage of the shareholder register and the share acquisition right register of the Company as well as other administrative services relating thereto shall be outsourced to the transfer agent. The Company shall not handle aforesaid administrations.</p> <p>Article 10 (Share Handling Regulations) Handling and fees related to the Company's shares shall be governed by the Share Handling Regulations established by decision of the Board of Directors <u>or a director delegated by resolution of the Board of Directors,</u> as well as laws and regulations and these Articles of Incorporation.</p> <p><u>Article 11 (Additional Purchase of Shares Less Than One Unit)</u> <u>Shareholders of the Company may, pursuant to the Share Handling Regulations, demand the sale of a number of shares which, together with the number of shares less than one unit they hold, constitute one share unit.</u></p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
(Addition)	<p><u>Article 12 (Rights Regarding Shares Less Than One Unit)</u></p> <p><u>Shareholders of the Company may not exercise rights other than those listed below with respect to shares less than one unit they hold:</u></p> <p><u>(1) Rights listed in the items of Article 189, paragraph (2) of the Companies Act;</u></p> <p><u>(2) Right to make a demand under Article 166, paragraph (1) of the Companies Act;</u></p> <p><u>(3) Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholders; and</u></p> <p><u>(4) Right to make the request prescribed in the preceding article.</u></p>
Article 11～Article 12 (Article text omitted)	Article 13～Article 14 (Same as current)
<p>Article 13 (Convener and Chairperson of General Meetings of Shareholders)</p> <p>1 Unless otherwise provided for by laws and regulations or these Articles of Incorporation, the Representative Director shall convene a General Meeting of Shareholders and preside thereover.</p> <p>2 In cases where the post of the Convener and the Chairperson is vacant or prevented from convening and/or presiding over a General Meeting of Shareholders, another Director who is designated in accordance with the order predetermined by the Board of Directors shall convene the meeting and preside thereover.</p>	<p>Article 15 (Convener and Chairperson of General Meetings of Shareholders)</p> <p>1 Unless otherwise provided for by laws and regulations or these Articles of Incorporation, the Representative Director <u>predetermined by the Board of Directors</u> shall convene a General Meeting of Shareholders and preside thereover.</p> <p>2 In cases where the post of the Convener and the Chairperson is vacant or prevented from convening and/or presiding over a General Meeting of Shareholders, another Director who is designated in accordance with the order predetermined by the Board of Directors shall convene the meeting and preside thereover.</p>
<p>Article 14 (Measures for Electronic Provision)</p> <p>1 When convening a General Meeting of Shareholders, the Company shall provide the contents of the reference documents for the General Meeting of Shareholders in electronic form.</p> <p>2 Among the items to be provided in electronic form, the Company may exclude all or a part of those items designated by the Ministry of Justice Order from the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date for voting rights.</p>	<p>Article 16 (Measures for Electronic Provision)</p> <p>1 When convening a General Meeting of Shareholders, the Company shall provide the contents of the reference documents for the General Meeting of Shareholders in electronic form.</p> <p>2 Among the items to be provided in electronic form, the Company may exclude all or a part of those items designated by the Ministry of Justice Order from the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date for voting rights.</p> <p>(Change in Japanese only; English unchanged)</p>



(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Article <u>15</u> (Method of Resolutions)</p> <p>1 Unless otherwise provided for by laws and regulations or these Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be adopted by a majority of the votes of the shareholders present at the meeting who are entitled to exercise their voting rights.</p> <p>2 Resolutions of a General Meeting of Shareholders as prescribed in Article 309, paragraph (2) of the Companies Act shall be adopted by an affirmative vote of at least two-thirds (2/3) of the voting rights of the shareholders present at the meeting whereby the shareholders holding at least one-third (1/3) of the voting rights of the shareholders entitled to vote at such meeting are present.</p> <p>Article <u>16</u> (Exercise of Voting Rights by Proxy)</p> <p>1 Shareholders may exercise their voting rights at a General Meeting of Shareholders by appointing one (1) proxy who shall be another shareholder of the Company having voting rights.</p> <p>2 A shareholder or its proxy must submit to the Company a document evidencing the proxy's authority for each General Meeting of Shareholders.</p> <p>Article <u>17</u> (Article text omitted)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors</p> <p>Article <u>18</u> (Number of Directors)</p> <p>The Company shall have not more than <u>ten (10)</u> Directors.</p> <p>(Addition)</p>	<p>Article <u>17</u> (Method of Resolutions)</p> <p>1 Unless otherwise provided for by laws and regulations or these Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be adopted by a majority of the votes of the shareholders present at the meeting who are entitled to exercise their voting rights.</p> <p>2 Resolutions of a General Meeting of Shareholders as prescribed in Article 309, paragraph (2) of the Companies Act shall be adopted by an affirmative vote of at least two-thirds (2/3) of the voting rights of the shareholders present at the meeting whereby the shareholders holding at least one-third (1/3) of the voting rights of the shareholders entitled to vote at such meeting are present.</p> <p>(Change in Japanese only; English unchanged)</p> <p>Article <u>18</u> (Exercise of Voting Rights by Proxy)</p> <p>1 Shareholders may exercise their voting rights at a General Meeting of Shareholders by appointing one (1) proxy who shall be another shareholder of the Company having voting rights.</p> <p>2 A shareholder or its proxy must submit to the Company a document evidencing the proxy's authority for each General Meeting of Shareholders.</p> <p>(Change in Japanese only; English unchanged)</p> <p>Article <u>19</u> (Same as current)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors (Change in Japanese only; English unchanged)</p> <p>Article <u>20</u> (Number of Directors)</p> <p><u>1 The Company shall have not more than <u>eight (8)</u> Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p><u>2 The Company shall have not more than four (4) Directors who are Audit &amp; Supervisory Committee Members.</u></p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Article <u>19</u> (Method of Election)</p> <p>1 Directors shall be elected at a General Meeting of Shareholders.</p> <p>2 Resolutions for the election of Directors shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders present at a meeting whereby the shareholders holding at least one-third (1/3) of the voting rights of the shareholders entitled to vote at such meeting are present.</p> <p>3 Resolutions for the election of Directors shall not be conducted by cumulative vote.</p> <p>(Addition)</p>	<p>Article <u>21</u> (Method of Election)</p> <p>1 Directors shall be elected at a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>2 Resolutions for the election of Directors shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders present at a meeting whereby the shareholders holding at least one-third (1/3) of the voting rights of the shareholders entitled to vote at such meeting are present.</p> <p>3 Resolutions for the election of Directors shall not be conducted by cumulative vote.</p> <p>4 <u>The effective term of the resolution for election of Alternative Director who is an Audit &amp; Supervisory Committee Member shall expire at the beginning of the Annual General Meeting of Shareholders relating to the last business year that ends within two (2) years after their election.</u></p>
<p>Article <u>20</u> (Term of Office)</p> <p>The term of office of a Director shall expire at the end of the Annual General Meeting of Shareholders for the last business year ending within one (1) year after their election.</p> <p>(Addition)</p> <p>(Addition)</p>	<p>Article <u>22</u> (Term of Office)</p> <p><u>1 The term of office of a Director (excluding Directors who are Audit &amp; Supervisory Committee Member) shall expire at the end of the Annual General Meeting of Shareholders for the last business year ending within one (1) year after their election.</u></p> <p><u>2 The term of office of a Director who are Audit Supervisory Committee Member shall expire at the end of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after their election.</u></p> <p><u>3 The term of office of an Audit &amp; Supervisory Committee Member who is elected as the alternate for Audit &amp; Supervisory Committee Member who retired before the expiration of the term of office shall expire at the end of the term of office of retired Audit &amp; Supervisory Committee Member.</u></p>
<p>Article <u>21</u> (Convener and Chairperson of Board of Directors Meetings)</p> <p>1 Unless otherwise provided for by laws and regulations, the Representative Director shall convene a Board of Directors meeting and preside thereover.</p> <p>2 In cases where the post of the Convener and the Chairperson is vacant or prevented from convening and/or presiding a Board of Directors meeting, another Director who is designated in accordance with the order predetermined by the Board of Directors shall convene the meeting and preside thereover.</p>	<p>Article <u>23</u> (Convener and Chairperson of Board of Directors Meetings)</p> <p>1 Unless otherwise provided for by laws and regulations, the Representative Director shall convene a Board of Directors meeting and preside thereover.</p> <p>2 In cases where the post of the Convener and the Chairperson is vacant or prevented from convening and/or presiding a Board of Directors meeting, another Director who is designated in accordance with the order predetermined by the Board of Directors shall convene the meeting and preside thereover.</p> <p>(Change in Japanese only; English unchanged)</p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Article <u>22</u> (Convocation Notice of Board of Directors Meetings)</p> <p>1 The convocation notice of a Board of Directors meeting shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting thereof. However, this period may be shortened in case of urgency.</p> <p>2 With the consent of all Directors <u>and Audit &amp; Supervisory Board Members</u>, a Board of Directors meeting may be held without the convening procedures hereof.</p>	<p>Article <u>24</u> (Convocation Notice of Board of Directors Meetings)</p> <p>1 The convocation notice of a Board of Directors meeting shall be dispatched to each Director at least three (3) days prior to the date of the meeting thereof. However, this period may be shortened in case of urgency.</p> <p>2 With the consent of all Directors, a Board of Directors meeting may be held without the convening procedures hereof.</p>
<p>Article <u>23</u> (Method of Resolutions of Board of Directors Meetings)</p> <p>1 Resolutions of the Board of Directors Meeting shall be adopted by a majority of the votes of the directors present at a meeting where a majority of the directors who are entitled to exercise voting rights are present.</p> <p>2 The Company shall deem that resolutions to approve proposal have been adopted by Board of Directors for proposals subject to resolution by Board of Directors, when all Directors (limited to those who are entitled to participate in the vote on such matters) have given their consents to the proposal by writing or electromagnetic record. <u>However, this shall not apply if any of Audit &amp; Supervisory Board Member objects to such matters to be resolved.</u></p>	<p>Article <u>25</u> (Method of Resolutions of Board of Directors Meetings)</p> <p>1 Resolutions of the Board of Directors Meeting shall be adopted by a majority of the votes of the directors present at a meeting where a majority of the directors who are entitled to exercise voting rights are present.</p> <p>2 The Company shall deem that resolutions to approve proposal have been adopted by Board of Directors for proposals <u>submitted by Directors regarding matters</u> subject to resolution by Board of Directors, when all Directors (limited to those who are entitled to participate in the vote on such matters) have given their consents to the proposal by writing or electromagnetic record.</p>
<p>Article <u>24</u> (Minutes of Board of Directors Meetings)</p> <p>Minutes of the Board of Directors Meeting shall be prepared in writing or in electromagnetic records as required by laws and regulations, and the Directors <u>and Audit &amp; Supervisory Board Members</u> present at the meetings shall sign or affix their names and seals thereto or electronically sign.</p>	<p>Article <u>26</u> (Minutes of Board of Directors Meetings)</p> <p>Minutes of the Board of Directors Meeting shall be prepared in writing or in electromagnetic records as required by laws and regulations, and the Directors present at the meetings shall sign or affix their names and seals thereto or electronically sign.</p>
<p>Article <u>25</u> (Representative Directors and Directors with specific Titles)</p> <p>1 The Board of Directors shall appoint Representative Director(s) by its resolution.</p> <p>2 The Board of Directors may appoint one (1) Honorary Chairman of the Board of Directors, one (1) Chairman of the Board of Directors, one (1) Vice Chairman of the Board of Directors, one (1) President, a few Vice President, a few Executive Senior Director, a few Senior Director, and a few Directors with special titles.</p> <p>3 The Board of Directors shall appoint Representative Director as Convener and Chairperson of General Meetings of Shareholders by its resolution.</p>	<p>Article <u>27</u> (Representative Directors and Directors with specific Titles)</p> <p>1 The Board of Directors shall appoint Representative Director(s) <u>from Directors (excluding Directors who are Audit &amp; Supervisory Committee Members)</u> by its resolution.</p> <p>2 The Board of Directors may appoint one (1) Honorary Chairman of the Board of Directors, one (1) Chairman of the Board of Directors, one (1) Vice Chairman of the Board of Directors, one (1) President, a few Vice President, a few Executive Senior Director, a few Senior Director, and a few Directors with special titles <u>from Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>(Deleted)</p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Article <u>26</u> (Regulations of Board of Directors)            Unless otherwise provided for by laws and regulations or these Articles of Incorporation, matters concerning the Board of Directors shall be in accordance with the Regulations of the Board of Directors established by the Board of Directors.</p>	<p>Article <u>28</u> (Regulations of Board of Directors)            Unless otherwise provided for by laws and regulations or these Articles of Incorporation, matters concerning the Board of Directors shall be in accordance with the Regulations of the Board of Directors established by the Board of Directors.            (Change in Japanese only; English unchanged)</p>
<p>Article <u>27</u> (Article text omitted)</p>	<p>Article <u>29</u> (Same as current)</p>
<p>Article <u>28</u> (Remuneration)            Remuneration, bonuses, and other financial benefits of Directors given by the Company in consideration for the execution of their duties (hereinafter, the “Remuneration”) to Directors shall be determined by resolution of a General Meeting of Shareholders.</p>	<p>Article <u>30</u> (Remuneration)            Remuneration, bonuses, and other financial benefits of Directors given by the Company in consideration for the execution of their duties (hereinafter, the “Remuneration”) to Directors shall be determined by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>29</u> (Exemption of Directors from Liability)            1 Pursuant to Article 426, Paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt the liability for damages from Director (including a former Director) under Article 423, Paragraph 1 of the said Act to the extent permitted by laws and regulations.             2 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding an executive Director) to limit their liability for damages under Article 423, paragraph (1) of the said Act. However, the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</p>	<p>Article <u>31</u> (Exemption of Directors from Liability)            1 Pursuant to Article 426, Paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt the liability for damages from Director (including a former Director) under Article 423, Paragraph 1 of the said Act to the extent permitted by laws and regulations.            (Change in Japanese only; English unchanged)            2 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding an executive Director) to limit their liability for damages under Article 423, paragraph (1) of the said Act. However, the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.            (Change in Japanese only; English unchanged)</p>
<p>(Addition)</p>	<p><u>Article 32 (Delegation of decisions on the execution of important to Directors)</u>  <u>Pursuant to Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of the decisions on important business execution (excluding the matters listed in the items of paragraph (5) of said Article) to the Directors.</u></p>
<p style="text-align: center;">Chapter 5  <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p> <p>Article <u>30</u> (Number of Audit &amp; Supervisory Board Members)  <u>The Company shall have not more than five (5) Audit &amp; Supervisory Board Members.</u></p>	<p style="text-align: center;">Chapter 5  <u>Audit &amp; Supervisory Committee</u></p> <p>(Deleted)</p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 31 (Method of Election)</u></p> <p><u>1 Audit &amp; Supervisory Board Members shall be elected at a General Meeting of Shareholders.</u></p> <p><u>2 Resolutions for the election of Audit &amp; Supervisory Board Members shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders present at a meeting whereby the shareholders holding at least one-third (1/3) of the voting rights of the shareholders entitled to vote at such meeting are present.</u></p> <p><u>3 Pursuant to the provisions of Article 329, paragraph (3) of the Companies Act, to prepare for a case when the number of Audit &amp; Supervisory Board Members stipulated by laws and regulations might be insufficient, the Alternate Audit &amp; Supervisory Board Member shall be appointed at the General Meeting of Shareholders. However, the resolution for their election shall be adopted by preceding paragraph.</u></p> <p><u>4 The effective term of the resolution for election of Alternative Director who is an Audit &amp; Supervisory Board Member set forth in the preceding paragraph shall expire at the beginning of the Annual General Meeting of Shareholders relating to the last business year ending within four (4) years after their election.</u></p>	<p>(Deleted)</p>
<p><u>Article 32 (Term of Office)</u></p> <p><u>1 The term of office of an Audit &amp; Supervisory Board Member shall expire at the end of the Annual General Meeting of Shareholders for the last business year ending within four (4) years after their election.</u></p> <p><u>2 The term of office of an Audit &amp; Supervisory Board Member who is elected as the alternate for Audit &amp; Supervisory Board Member who retired before the expiration of the term of office shall expire at the end of the term of office of retired Audit &amp; Supervisory Board Member. However, if the Alternate Audit &amp; Supervisory Board Member who appointed in accordance with paragraph (3) of the preceding Article assumes office as an Audit &amp; Supervisory Board Member, that such term shall not exceed the end of the Annual General Meeting of Shareholders relating to the last business year ending within four (4) years after their election.</u></p>	<p>(Deleted)</p>
<p><u>Article 33 (Full-time Audit &amp; Supervisory Board Members)</u></p> <p><u>The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Member.</u></p>	<p><u>Article 33 (Full-time Audit &amp; Supervisory Committee Members)</u></p> <p><u>The Audit &amp; Supervisory Committee may appoint full-time Audit &amp; Supervisory Committee Member by its resolution.</u></p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Article 34 (Convocation Notice of <u>Audit &amp; Supervisory Board Meetings</u>)</p> <p>1 The convocation notice of an <u>Audit &amp; Supervisory Board Meeting</u> shall be dispatched to each <u>Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting thereof. However, this period may be shortened in case of urgency.</p> <p>2 With the consent of all <u>Audit &amp; Supervisory Board Members</u>, an <u>Audit &amp; Supervisory Board Meeting</u> may be held without the convening procedures hereof.</p>	<p>Article 34 (Convocation Notice of <u>Audit &amp; Supervisory Committee Meetings</u>)</p> <p>1 The convocation notice of an <u>Audit &amp; Supervisory Committee Meeting</u> shall be dispatched to each <u>Audit &amp; Supervisory Committee Member</u> at least three (3) days prior to the date of the meeting thereof. However, this period may be shortened in case of urgency.</p> <p>2 With the consent of all <u>Audit &amp; Supervisory Committee Members</u>, an <u>Audit &amp; Supervisory Committee Meeting</u> may be held without the convening procedures hereof.</p>
<p>Article 35 (Method of Resolutions of <u>Audit &amp; Supervisory Board Meetings</u>)</p> <p><u>Unless otherwise provided for by laws and regulations or these Articles of Incorporation, resolutions of Audit &amp; Supervisory Board Meeting shall be adopted by a majority of the votes of the Audit &amp; Supervisory Board Members.</u></p>	<p>Article 35 (Method of Resolutions of <u>Audit &amp; Supervisory Committee Meetings</u>)</p> <p><u>Resolutions of Audit &amp; Supervisory Committee Meeting shall be adopted by a majority of the votes of the Audit &amp; Supervisory Committee Members present at a meeting where a majority of the Audit &amp; Supervisory Committee Members who are entitled to exercise voting rights are present.</u></p>
<p>Article 36 (Minutes of <u>Audit &amp; Supervisory Board Meetings</u>)</p> <p>Minutes of the <u>Audit &amp; Supervisory Board Meeting</u> shall be prepared in writing or in electromagnetic records as required by laws and regulations, and the <u>Audit &amp; Supervisory Board Members</u> present at the meetings shall sign or affix their names and seals thereto or electronically sign.</p>	<p>Article 36 (Minutes of <u>Audit &amp; Supervisory Committee Meetings</u>)</p> <p>Minutes of the <u>Audit &amp; Supervisory Committee Meeting</u> shall be prepared in writing or in electromagnetic records as required by laws and regulations, and the <u>Audit &amp; Supervisory Committee Members</u> present at the meetings shall sign or affix their names and seals thereto or electronically sign.</p>
<p>Article 37 (<u>Regulations of Audit &amp; Supervisory Board</u>)</p> <p>Unless otherwise provided for by laws and regulations or these Articles of Incorporation, matters concerning the <u>Audit &amp; Supervisory Board</u> shall be in accordance with the Regulations of the <u>Audit &amp; Supervisory Board</u> established by the <u>Audit &amp; Supervisory Board</u>.</p>	<p>Article 37 (<u>Regulations of Audit &amp; Supervisory Committee</u>)</p> <p>Unless otherwise provided for by laws and regulations or these Articles of Incorporation, matters concerning the <u>Audit &amp; Supervisory Committee</u> shall be in accordance with the Regulations of the <u>Audit &amp; Supervisory Committee</u> established by the <u>Audit &amp; Supervisory Committee</u>.</p>
<p>Article 38 (Remuneration)</p> <p><u>The Remuneration for Audit &amp; Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>

(Underlined parts are to be amended)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 39 (Exemption of Audit &amp; Supervisory Board Members from Liability)</u></p> <p><u>1 Pursuant to Article 426, Paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt the liability for damages from Audit &amp; Supervisory Board Members (including a former Audit &amp; Supervisory Board Members) under Article 423, Paragraph (1) of the said Act to the extent permitted by laws and regulations.</u></p> <p><u>2 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with an Audit &amp; Supervisory Board Members to limit their liability for damages under Article 423, paragraph (1) of the said Act. However, the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>Article <u>40</u>~Article <u>41</u> (Article text omitted)</p>	<p>Article <u>38</u>~Article <u>39</u> (Same as current)</p>
<p>Article <u>42</u> (Remuneration)</p> <p>The Remuneration for Accounting Auditors shall be determined by Representative Director with consent of <u>Audit &amp; Supervisory Board</u>.</p>	<p>Article <u>40</u> (Remuneration)</p> <p>The Remuneration for Accounting Auditors shall be determined by Representative Director with consent of <u>Audit &amp; Supervisory Committee</u>.</p>
<p>Article <u>43</u>~Article <u>44</u> (Article text omitted)</p>	<p>Article <u>40</u>~Article <u>41</u> (Same as current)</p>
<p>Article <u>45</u> (Record Dates for Dividends from Surplus)</p> <p>1 The record date for year-end dividends of the Company shall be March 31 every year.</p> <p>2 The record date for interim dividends of the Company shall be September 30 every year.</p> <p>3 In addition to the provisions of the preceding two paragraphs, the Company may distribute dividends from surplus upon setting a record date.</p>	<p>Article <u>43</u> (Record Dates for Dividends from Surplus)</p> <p>1 The record date for year-end dividends of the Company shall be March 31 every year.</p> <p>2 The record date for interim dividends of the Company shall be September 30 every year.</p> <p>3 In addition to the provisions of the preceding two paragraphs, the Company may distribute dividends from surplus upon setting a record date. (Change in Japanese only; English unchanged)</p>
<p>Article <u>46</u> (Article text omitted)</p>	<p>Article <u>44</u> (Same as current)</p>
<p>(Addition)</p>	<p><u>Supplementary Provision (Transitional Measures Relating to Liability Limitation Agreements with Audit &amp; Supervisory Board Members)</u></p> <p><u>Pursuant to Article 426, Paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt the liability for damages from acts by Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) prior to the end of the 54th Annual General Meeting of Shareholders held in June 20, 2025 to the extent permitted by laws and regulations.</u></p>

## Proposal No. 2 Election of Seven Directors (excluding Directors who are Audit & Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 1 “Partial Amendment to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee, and all six currently serving Directors will resign because their terms of office will expire at the conclusion of this meeting.

Therefore, the Company proposes an increase of membership by one outside Director to fortify the management system and the election of seven Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same applies to the proposal.).

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 become effective.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
1	<div>Reelection</div> <div>Tomoyuki Kojima (August 9, 1972)</div>	<div>Apr. 1996      Joined the Company</div> <div>Oct. 2014      Deputy General Manager of Corporate Planning Division and Deputy General Manager of Business Planning Division</div> <div>Apr. 2016      General Manager of Corporate Planning Division</div> <div>Aug. 2016      General Manager of Corporate Planning Division and General Manager of Manufacturing Division</div> <div>Apr. 2019      General Manager of Corporate Planning Division and General Manager of Quality Assurance Division</div> <div>June 2020      Director and General Manager of Corporate Planning Division and General Manager of Quality Assurance Division</div> <div>June 2021      Managing Director</div> <div>Apr. 2022      Representative Director and President (current position)</div>	34,400
<div>[Reasons for nomination as candidate for Director]</div> <div>Since joining the Company, Tomoyuki Kojima has been involved in the technical, quality assurance and corporate planning divisions, etc., and has contributed to the Company. The Company expects that he will contribute to the sustainable improvement of the Company's corporate value. Therefore, the Company proposes his election as Director.</div>			



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company		Number of the Company's shares owned by the candidate		
2	<div>Reelection</div> Motoki Watanabe (September 25, 1960)	Apr. 1983	Joined Fujitsu Limited	6,100		
		Oct. 2004	General Manager of Second Accounting Division, Product Business Promotion Headquarters			
		June 2008	Deputy General Manager of Management Audit Division			
		June 2010	General Manager of Management Audit Division			
		Apr. 2012	Director and CFO of Fujitsu Systems East Limited			
		June 2014	Director and Managing Executive Officer and CFO of Fujitsu Marketing Limited			
		Oct. 2020	Executive Officer and CFO of Fujitsu Japan Limited			
		Apr. 2021	Director, Executive Officer, Managing CFO			
		Apr. 2022	Senior Advisor of the Company			
		June 2022	Director			
		June 2024	Managing Director (current position)			
		<p>[Reasons for nomination as candidate for Director]</p> <p>Motoki Watanabe is expected to contribute to the sustainable improvement of the Company's corporate value by making use of the knowledge and experience in finance and accounting cultivated at other companies, as well as the knowledge of risk management and corporate governance in the Company's management. Therefore, the Company proposes his election as Director.</p>				
3	<div>Reelection</div> Masao Watanabe (January 26, 1940)	Apr. 1965	Joined Nihon Trading Co., Ltd.	51,800		
		Oct. 1977	Deputy General Manager of Machinery Construction Division			
		May 1986	Joined the Company; Director and President			
		May 1999	Representative Director and President			
		June 2009	Representative Director and Chairman			
		Apr. 2020	Representative Director, Chairman and President			
		Apr. 2022	Representative Director and Chairman			
		June 2023	Director and Executive Adviser (current position)			
		<p>[Reasons for nomination as candidate for Director]</p> <p>Masao Watanabe has contributed to the development of the Company by making use of his abundant experience as a corporate manager. The Company expects that he will continue to contribute to further vitalization of the Company based on his abundant experience, track record, strong leadership and decisiveness. Therefore, the Company proposes his election as Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company		Number of the Company's shares owned by the candidate
4	<div> <div>Reelection</div> <div>Outside Director</div> <div>Independent Officer</div> </div> <p>Yasutoshi Ohata (August 28, 1951)</p>	<p>Sept. 2006 Representative Director of Mizuho Capital Partners Co., Ltd.</p> <p>Apr. 2011 Representative Director of Avergence Incorporated</p> <p>Nov. 2011 Representative Director and President of West Holdings Corporation</p> <p>Apr. 2012 Audit &amp; Supervisory Board Member of Avergence Incorporated (current position)</p> <p>Sept. 2012 Director of Kawanishi Holdings Inc.</p> <p>Sept. 2015 Managing Director</p> <p>Jan. 2016 Representative Director and President of EXSOLA MEDICAL Inc.</p> <p>Sept. 2017 Senior Managing Director of Kawanishi Holdings Inc.</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>Sept. 2020 Senior Managing Executive Officer of OLBA HEALTHCARE HOLDINGS, Inc.</p>		4,600
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>The Company proposes Yasutoshi Ohata's election as outside Director in order to have him contribute to the management of the Company, by making use of his broad knowledge and abundant experience related to international business, financial business and corporate management.</p> <p>By continuing in his role as outside Director, he is expected to continue to make use of his broad knowledge and experience related to corporate management and management strategy to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>				
5	<div> <div>Reelection</div> <div>Outside Director</div> <div>Independent Officer</div> </div> <p>Isamu Kawashima (February 20, 1959)</p>	<p>Apr. 1981 Joined NEC Corporation</p> <p>Apr. 2009 General Manager of Accounting Division</p> <p>June 2011 Director, General Manager of Accounting Division, General Manager of Financial Internal Control Promotion Division</p> <p>July 2011 Senior Vice President, CFO and Member of the Board</p> <p>Apr. 2015 Director, Executive Officer, Managing CFO</p> <p>Apr. 2017 Executive Vice President (Representative Director), CFO and Member of the Board</p> <p>June 2018 Full-time Audit &amp; Supervisory Board Member</p> <p>Nov. 2020 Vice Chairperson of Japan Audit &amp; Supervisory Board Members Association, Accounting Committee Chairperson</p> <p>June 2022 Outside Director of the Company (current position)</p> <p>June 2022 Outside Director of Sansei Technologies, Inc. (current position)</p> <p>Mar. 2023 Audit &amp; Supervisory Board Member of AGC Inc. (current position)</p>		600
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>Isamu Kawashima has abundant knowledge and experience in finance and accounting in addition to abundant knowledge and experience in management as a manager of a business firm. The Company proposes his election as outside Director in order to have him contribute to the management of the Company.</p> <p>By continuing in his role as outside Director, he is expected to continue to make use of his broad knowledge and experience related to corporate management and management strategy to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
6	<div> <div>Reelection</div> <div>Outside Director</div> <div>Independent Officer</div> </div> <p>Momoe Kuromatsu (August 22, 1974)</p>	<p>Dec. 2001 Registered with the Daini Tokyo Bar Association</p> <p>Mar. 2004 Joined Tamura, Ohashi &amp; Yokoi Law Offices (currently Harumi-Kyowa Law Offices) (current position)</p> <p>July 2011 Member of the Dispute Resolution Committee of the Sonpo ADR Center (current position)</p> <p>Apr. 2014 Lecturer in Legal Affairs, Graduate School of Law, Rikkyo University</p> <p>Nov. 2015 Outside Audit &amp; Supervisory Board Member of Strike Co., Ltd.</p> <p>Dec. 2015 Member of the Harassment Prevention Committee of the University of Tokyo (current position)</p> <p>Apr. 2019 Part-time Lecturer of Graduate School of Law, Rikkyo University</p> <p>Apr. 2019 Chair of Children's Rights Committee, Daini Tokyo Bar Association</p> <p>Apr. 2021 Professor of Civil Defense at the Legal Training and Research Institute of the Supreme Court</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>Apr. 2024 Director of National Center of Neurology and Psychiatry (current position)</p>	0
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>Momoe Kuromatsu has abundant knowledge and experience in legal and risk management in addition to extensive supervisory and auditing experience and knowledge as an Audit &amp; Supervisory Board Member at other companies. The Company proposes her election as outside Director in order to have her contribute to the management of the Company.</p> <p>In her role as outside Director, she is expected to continuously make use of her broad knowledge and experience in legal affairs and risk management to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
7	<div>New election</div> <div>Outside Director</div> <div>Independent Officer</div> Hiroshi Hayashi (February 9, 1960)	Apr. 1983      Joined Fujitsu Limited June 2006      General Manager of Global Human Resources Division, General Affairs and Human Resources Division Apr. 2014      VP, Head of Human Resources Division Apr. 2015      SVP, Head of Human Resources Division Apr. 2016      Executive Officer SVP, Head of Human Resources Division Apr. 2018      Executive Officer SEVP, CHRO/CHO and Head of Human Resources Division June 2019      Senior Advisor June 2022      Outside Audit & Supervisory Board Member of the Company (current position)	600
[Reasons for nomination as candidate for outside Director and summary of expected roles] Hiroshi Hayashi has expert knowledge and experience in international business, life overseas and human resources development and has worked as Audit & Supervisory Board Member of the Company. The Company proposes his election as outside Director so he can leverage this knowledge and experience in the management of the Company. In his role as outside Director, he is expected to make use of his broad knowledge and experience in international business and human resources development to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.			

- Notes:
- There is no special interest between any of the candidates and the Company.
  - Yasutoshi Ohata, Isamu Kawashima, Momoe Kuromatsu and Hiroshi Hayashi are candidates for outside Director.
  - Yasutoshi Ohata is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been six years.
  - Isamu Kawashima is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been three years.
  - Momoe Kuromatsu is currently an outside Director of the Company, and at the conclusion of this meeting, her tenure will have been two years.
  - Hiroshi Hayashi is currently an outside Audit & Supervisory Board Member of the Company, and at the conclusion of this meeting, his tenure will have been three years.
  - Although Momoe Kuromatsu has no experience of being involved in management other than being an outside officer, as stated in the above "Reasons for nomination as candidate for outside Director and summary of expected roles," the Company believes that she will be able to properly perform her duties as an outside Director.
  - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company entered into agreements with Yasutoshi Ohata, Isamu Kawashima and Momoe Kuromatsu to limit their liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If the election of each candidate is approved, the Company plans to continue the agreements with each.
  - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company entered into an agreement with Hiroshi Hayashi to limit his liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If the election of the candidate is approved, the Company plans to enter into a similar new agreement with him.
  - The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position including Director of the Company, or receipt of claims pertaining to the pursuit of such liability (however, there are certain reasons for coverage exclusion, such as losses incurred from claims for damages arising from performance of an illegal act with full knowledge of its illegality). If each candidate is elected and assumes the office, the Company will include every such Director as an insured in the insurance policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.
  - The Company has notified the Tokyo Stock Exchange that Yasutoshi Ohata, Isamu Kawashima, Momoe Kuromatsu and Hiroshi Hayashi are independent officers as defined by the Tokyo Stock Exchange. If the election of each candidate is approved, the Company plans to register each as an independent officer again.

### Proposal No. 3 Election of Three Directors who are Audit & Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 1 “Partial Amendment to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting.

Therefore, the Company proposes the appointment of three Directors who are Audit & Supervisory Committee Members. The consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 become effective.

The candidates for Director who is Audit & Supervisory Committee Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
1	<div>New election</div> <div>Outside Director</div> <div>Independent Officer</div> Shigeto Tomikuni (December 25, 1961)	<div>Apr. 1984      Joined NEC Corporation</div> <div>Apr. 2001      Manager, Management Innovation Promotion Office</div> <div>July 2006      General Manager, Accounting Division of NEC Electronics Vacuum Glass Co., Ltd.</div> <div>Apr. 2011      Senior Expert, Planning Office, Accounting Division of NEC Corporation</div> <div>Oct. 2016      Senior Manager, Administration Office, Accounting Headquarters</div> <div>June 2019      Executive Expert, Accounting and Financial Services Division, NEC Management Partner, Ltd.</div> <div>June 2021      Audit &amp; Supervisory Board Member (full-time) of NEC Facilities, Ltd.</div> <div>June 2023      Outside Standing Audit &amp; Supervisory Board Member of the Company (current position)</div>	300
<div>[Reasons for nomination as candidate for outside Director who is Audit &amp; Supervisory Committee Member and summary of expected roles]</div> <div>Shigeto Tomikuni has expert knowledge and experience in corporate management, management strategy, finance and accounting. The Company proposes his election as outside Director who is Audit &amp; Supervisory Board Member so he can leverage this knowledge and experience in the auditing of the Company.</div> <div>As outside Director, he is expected to make use of his broad knowledge and experience related to corporate management, management strategy, finance and accounting to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</div>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
2	<div>New election</div> <div>Outside Director</div> <div>Independent Officer</div> <p>Masanori Takano (April 1, 1961)</p>	<p>Apr. 1983      Joined The Yasuda Mutual Life Insurance Company (currently Meiji Yasuda Life Insurance Company)</p> <p>Sept. 2004      Group Manager, Human Resources System, Human Resources Department</p> <p>Apr. 2006      Group Manager, Corporation Sales Planning, Corporate Sales Planning Department</p> <p>Apr. 2007      General Manager, Corporation Sales Department, Corporation Sales Department 2, Chubu Public Corporation Department</p> <p>Apr. 2010      General Manager of Corporation Department, Shikoku Public Corporation Department</p> <p>Apr. 2012      General Manager of Corporation Department, General Corporation Department 2</p> <p>Apr. 2014      General Manager of Corporation Sales Planning Department</p> <p>Apr. 2015      Director, General Manager of Sales Planning Department</p> <p>Apr. 2017      Director, General Manager of Public Corporation Affairs Department</p> <p>Apr. 2018      Executive Officer, General Manager of Public Corporation Affairs Department</p> <p>Apr. 2021      Managing Executive Officer, Deputy Department Manager of Public Corporation Sales Department</p> <p>Apr. 2023      Representative Director and Chairman of Meiji Yasuda Insurance Service Co., Ltd. (current position)</p> <p>June 2023      Outside Audit &amp; Supervisory Board Member of the Company (current position)</p>	0
<p>[Reasons for nomination as candidate for outside Director who is Audit &amp; Supervisory Committee Member and summary of expected roles]</p> <p>Masanori Takano has expert knowledge and experience in corporate management, management strategy, human resources development, sales and marketing. The Company proposes his election as outside Director who is Audit &amp; Supervisory Committee Member so he can leverage this knowledge and experience in the auditing of the Company.</p> <p>As outside Director, he is expected to make use of his broad knowledge and experience related to corporate management, management strategy, human resources development, sales and marketing to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
3	<div>New election</div> <div>Outside Director</div> <div>Independent Officer</div> Yuko Otake (August 17, 1973)	Apr. 1996      Joined Odai Accounting Office June 1999      Registered as Certified Public Accountant July 2000      Joined Mizuho Corporate Advisory Co., Ltd. May 2006      Founder and Representative Director of Probitas Co., Ltd. (current position) July 2006      Registered as Certified Public Tax Accountant Yuko Otake Established Certified Public Accountant and Tax Accountant Office (current position) June 2015      Outside Director of SEED Co., Ltd. (current position) Mar. 2025      Outside Director of MCP Capital Co., Ltd (current position)	0
[Reasons for nomination as candidate for outside Director who is Audit & Supervisory Committee Member and summary of expected roles] Yuko Otake has abundant experience and expertise as a certified public accountant and certified public tax accountant, as well as experience and knowledge as a manager of a company and outside directors of other companies. The Company proposes her election as outside Director who is Audit & Supervisory Committee Member so she can leverage this knowledge and experience in the audit of the Company. In her role as outside Director, she is expected to make use of her broad knowledge and experience in finance, financial and capital markets and M&A to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.			

- Notes:
- There is no special interest between any of the candidates and the Company.
  - Shigeto Tomikuni and Masanori Takano are currently outside Audit & Supervisory Board Members of the Company, and at the conclusion of this meeting, their tenure will have been two years.
  - Shigeto Tomikuni, Masanori Takano and Yuko Otake are candidates for outside Director who is Audit & Supervisory Committee Member.
  - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company entered into agreements with Shigeto Tomikuni and Masanori Takano to limit their liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If the elections of Shigeto Tomikuni, Masanori Takano and Yuko Otake are approved, the Company plans to enter into similar new agreements with each of them.
  - The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position including Director of the Company, or receipt of claims pertaining to the pursuit of such liability (however, there are certain reasons for coverage exclusion, such as losses incurred from claims for damages arising from performance of an illegal act with full knowledge of its illegality). If each candidate is elected and assumes the office, the Company will include every such Director as an insured in the insurance policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.
  - The Company has notified the Tokyo Stock Exchange that Shigeto Tomikuni and Masanori Takano are independent officers as defined by the Tokyo Stock Exchange. If the election of each candidate is approved, the Company plans to register each as an independent officer again.
  - Yuko Otake satisfies the qualification as an independent officer as defined by the Tokyo Stock Exchange. If her election is approved, the Company plans to register her as an independent officer.

#### Proposal No. 4 Election of One Substitute Director who is Audit & Supervisory Committee Member

Subject to the approval and adoption of Proposal No. 1 “Partial Amendment to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this meeting.

Therefore, in preparation for a possible shortage in the number of Directors who are Audit & Supervisory Committee Members stipulated in laws and regulations, the Company proposes the election of one substitute Director who is Audit & Supervisory Committee Member. The consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 become effective. And it remains effective by the start of the Annual General Meeting of Shareholders for the last fiscal year within two years from this resolution, in accordance with the provisions of the Articles of Incorporation. The Company may make the effectiveness of this election invalid with the consent of the Audit & Supervisory Committee and the resolution of the Board of Directors, but only before the position is assumed.

The candidate for substitute Director who is Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
<div>New election</div> <div>Substitute Outside Director</div> <div>Independent Officer</div> Masafumi Tanabu (May 12, 1959)	Oct. 1985      Joined Eiwa Audit Corporation (currently KPMG AZSA LLC) Mar. 1989      Registered as Certified Public Accountant Oct. 1999      Partner of KPMG AZSA LLC June 2021      Senior Executive Director July 2022      Director of Tanabu Koninkaikeishi Jimusho. (current position)	1,000
<p>[Reasons for nomination as candidate for substitute outside Director who is Audit &amp; Supervisory Committee Member and summary of expected roles]</p> <p>Masafumi Tanabu has expert knowledge and extensive experience as a certified public accountant. The Company proposes his election as substitute outside Director who is Audit &amp; Supervisory Committee Member so he can leverage this knowledge and experience in the auditing of the Company.</p> <p>In his role as outside Director, he is expected to make use of his broad knowledge and experience related to finance and accounting to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>		

- Notes:
1. There is no special interest between Masafumi Tanabu and the Company.
  2. Masafumi Tanabu is a candidate for substitute outside Director who is Audit & Supervisory Committee Member.
  3. Although Masafumi Tanabu has no experience of being involved in management other than being an outside officer, as stated in the above “Reasons for nomination as candidate for substitute outside Director who is Audit & Supervisory Committee Member and summary of expected roles,” the Company believes that he will be able to properly perform his duties as an outside Director.
  4. If Masafumi Tanabu assumes the office as Director who is Audit & Supervisory Committee Member, the Company plans, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, to enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act.
  5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position including Director of the Company, or receipt of claims pertaining to the pursuit of such liability (however, there are certain reasons for coverage exclusion, such as losses incurred from claims for damages arising from performance of an illegal act with full knowledge of its illegality). If Masafumi Tanabu is elected and assumes the post, the Company will include him as an insured in the insurance policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.
  6. Masafumi Tanabu satisfies the qualification as an independent officer as defined by the Tokyo Stock Exchange. If he assumes the office as outside Director, the Company plans to register him as an independent officer.



Reference: Skills Matrix for Directors (if each candidate is elected at this General Meeting of Shareholders)

	Kojima	Watanabe, Mo.	Watanabe, Ma.	Ohata	Kawashima	Kuromatsu	Hayashi	Tomikuni	Takano	Otake
				Outside	Outside	Outside	Outside	Outside	Outside	Outside
	Male	Male	Male	Male	Male	Female	Male	Male	Male	Female
Corporate management, management strategy	○	○	○	○	○	○	○	○	○	○
Life overseas, global business	○	○	○	○	○		○			
Legal affairs, risk management		○			○	○				○
Finance, accounting		○		○	○			○		○
Financial and capital markets, M&A				○						○
Human resources development	○						○		○	
Sales, marketing	○		○						○	
Technology, development, manufacturing, quality	○		○							

The items on the skill matrix have been partially reviewed.

#### ■ Reasons for the selection of skills matrix

Skill	Reasons for selection
Corporate management, management strategy	The demonstration of strong leadership to uphold the corporate philosophy and develop and execute business strategies for the sustainable improvement of corporate value is particularly required.
Life overseas, global business	The knowledge and experience to understand the economic and cultural aspects of overseas customers, business partners, etc. and negotiate with them to establish and sustain cooperative relationships are required.
Legal affairs, risk management	Legal knowledge and experience for the proper risk management of business operations, compliance and the improvement of effectiveness of the Board of Directors are necessary.
Finance, accounting	Knowledge and experience in finance and accounting are required for the reinforcement of a financial base to support the foundation of management and the development of financial strategies to realize both growth investment, and shareholder return.
Financial and capital markets, M&A	Insight and experience in the financial and capital markets are essential to determine and execute capital allocation to realize management that is conscious of capital cost and share price.
Human resources development	Knowledge and insight for the arrangement of human resources measures and workplace environment are required to secure and develop human resources, which is the most crucial capital of the Company, and improve their engagement.

Skill	Reasons for selection
Sales, marketing	It is necessary to fully understand the business environment and how to build a relationship with stakeholders, including business partners, and have insight to develop new markets and prepare and execute product planning and sales strategies.
Technology, development, manufacturing, quality	The driving force of the growth of a research and development-type company is the technology and development areas to develop products, and the provision of high-quality products and technology support for customers is the lifeblood.

Reference: Policy for determining the content of individual directors' remuneration

At the 50th Annual General Meeting of Shareholders held on June 18, 2021, the Company resolved the policy for determining the content of individual directors' remuneration, etc. To transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee, the Company will amend it as follows: This policy for the determination, etc., shall take effect subject to the approval and adoption of all of the proposals from No. 5 through No. 8.

#### 1. Basic policy

With its executive remuneration system, the Company aims to accelerate the realization of sustainable growth through the initiatives set forth in the Medium-Term Management Plan and the enhancement of the motivation of Directors to contribute to the improvement of performance and the enhancement of medium- to long-term corporate value of the Company, and sets the basic policy as follows:

- 1) The plan emphasizes the linkage between short-term performance and the enhancement of medium- to long-term corporate value, and is designed to promote value sharing with shareholders.
- 2) The level of remuneration shall be sufficient to attract and retain outstanding human resources with a global perspective.
- 3) The remuneration determination process shall be objective and transparent.

#### 2. Policy on Remuneration Levels

Remuneration levels are determined to motivate the achievement of the Medium-Term Management Plan and to attract and retain talented individuals. To ensure this, benchmark companies are selected using objective remuneration survey data provided by external institutions. Based on this, fixed and variable remuneration levels are considered comprehensively.

#### 3. Remuneration Structure by Position

##### (i) Executive Directors

In addition to basic remuneration, the Company pays performance-linked remuneration as incentives for the execution of business and share-based remuneration to further enhance Executive Directors' motivation and morale to improve operating results and enhance corporate value in the medium to long term by sharing the benefits and risks of fluctuations in share price with shareholders.

##### (ii) Non-Executive Directors who are not Audit & Supervisory Committee Members

In addition to basic remuneration, non-performance-linked share-based remuneration is newly provided. This is designed to share perspectives with shareholders and serve as an incentive for sustainable corporate value enhancement.

##### (iii) Directors who are Audit & Supervisory Committee Members

Only basic remuneration is provided in light of their independence from business execution.

##### (Supplementary information)

- As for share-based remuneration for executive directors, the Company has been providing two types of remuneration, which are restricted share-based remuneration (hereinafter referred to as "RS") and tax-qualified share options. However, we will abolish tax-qualified share options and pay performance-linked RS, taking into account position and job responsibilities, etc., at a set time each year.
- Share-based remuneration for Non-Executive Directors who are not Audit & Supervisory Committee Members shall be RS that is not linked to performance.
- The amount of basic remuneration for each Director and the details of share-based remuneration shall be determined after the Board of Directors receives a report from the Nomination and Remuneration Committee.

#### 4. Composition of Remuneration

##### (i) Basic remuneration (cash)

Monthly cash remuneration based on position and responsibilities (fixed)

##### (ii) Performance-linked remuneration (cash)

- This is annual cash remuneration paid based on the performance and strategic initiatives of a single fiscal year.
- The amount is calculated by applying a coefficient—based on the achievement level of financial indicators (performance) and non-financial indicators (key initiatives) from the prior year—to the position-based basic remuneration.
- The remuneration framework is designed to maintain a 1:1 ratio between financial and non-financial performance indicators when targets are achieved. The performance targets are set by the Nomination and Remuneration Committee at the beginning of each fiscal year during the budget planning process.

##### (iii) Share-based remuneration for Executive Directors

- Share-based remuneration for executive directors shall be restricted shares (RS) that are paid in proportion to the achievement level of financial targets (ROE and TSR) under the Medium-Term Plan. The number of RS to be granted is determined by multiplying the pre-set allocation per role with a coefficient based on the achievement of annual targets and progress on initiatives during the applicable period.
- Allocations of restricted shares by role are reviewed periodically, and targets are set by the Nomination and Remuneration Committee at the time of formulating the Medium-Term Plan.

##### (iv) Share-based remuneration for Non-Executive Directors who are not Audit & Supervisory Committee Members

- Since Non-Executive Directors who are not Audit & Supervisory Committee Members play a role in making decisions on important matters with the viewpoint of a representative of minority shareholders and a role to supervise the management to prevent excessive risk-taking aiming at achieving performance targets, the Company pays RS that is not linked to performance as share-based remuneration to eligible Directors.

##### (Supplementary information)

- Transfer restrictions on RS are lifted when Director of the Company loses the position.
- The composition of remuneration is designed to be roughly 50% to 60% of basic remuneration, 20% to 30% of short-term performance-linked remuneration and 20% of share-based remuneration when the target achievement level of Executive Director is 100%.

## Remuneration system of executive director

Type of Remuneration	Content	Fixed/Variable
Basic remuneration	<ul style="list-style-type: none"> <li>Cash remuneration based on position and responsibilities.</li> </ul>	Fixed
Performance-linked Remuneration	<ul style="list-style-type: none"> <li>This is annual cash remuneration paid based on the performance and strategic initiatives of a single fiscal year.</li> <li>The amount is calculated by applying a coefficient—based on the achievement level of financial indicators (e.g. operating profit) and non-financial indicators (e.g., key initiatives) from the prior fiscal year—to the position-based basic remuneration.</li> <li>The remuneration framework is designed to maintain a 1:1 ratio between financial and non-financial performance indicators when targets are achieved. The performance targets are set by the Nomination and Remuneration Committee at the beginning of each fiscal year during the budget planning process.</li> </ul>	Variable
Share-based remuneration	<ul style="list-style-type: none"> <li>Restricted shares (RS) that are paid in proportion to the achievement level of financial targets (ROE and TSR) under the Medium-Term Plan</li> <li>The number of restricted shares to be granted is determined by multiplying the pre-set allocation per role with a coefficient based on the achievement of annual targets and progress on initiatives during the applicable period.</li> <li>Allocations of restricted shares by role are reviewed periodically, and targets are set by the Nomination and Remuneration Committee at the time of formulating the Medium-Term Plan.</li> <li>Transfer restrictions on RS are lifted when the Director loses their position.</li> </ul>	Variable

- As for the application of the share-based remuneration for executive directors stated above, the establishment and evaluation of goals shall start in the 55th fiscal year, which will be reflected in the remuneration of Directors in the 56th fiscal year (after July 2026).

## Remuneration compositions of executive director (design value)

Cash remuneration		Share-based remuneration
Fixed	Performance-linked	
Basic remuneration	Performance-linked remuneration	Restricted share-based remuneration
50 to 60%	20 to 30%	20%

## 5. Remuneration determination process

In order to ensure the objectivity and transparency of the executive remuneration determination process, the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, shall deliberate and make a report on basic executive remuneration policies, systems, calculation methods, and the content of individual remunerations, etc.

Regarding specific details of remuneration for Directors, the Nomination and Remuneration Committee deliberates on individual remuneration amounts within the scope of limits approved at the General Meeting of Shareholders, and the Board of Directors makes decisions based on the Committee's recommendations.

Remuneration for Directors who are Audit & Supervisory Committee Members is determined through discussions among those Directors.

**Proposal No. 5 Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The amount of basic remuneration for the Company's Directors was approved at the 42nd Annual General Meeting of Shareholders held on June 21, 2013, to be up to 300 million yen per year (including up to 30 million yen for outside Directors but excluding the portion of employee salaries of directors who concurrently serve as employees). Separately, at the 50th Annual General Meeting of Shareholders held on June 18, 2021, it was approved that the total number of shares of the Company's common stock to be issued or disposed of for the purpose of granting restricted shares to Directors (excluding outside Directors) shall be up to 20,000 shares per year, and the annual remuneration limit for such restricted shares shall be up to 50 million yen.

Subject to the approval and adoption of Proposal No. 1 "Partial Amendment to the Articles of Incorporation" as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Therefore, the current remuneration framework for Directors shall be abolished, and the total amount of basic remuneration and performance-linked remuneration, which is cash remuneration, for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be capped at 300 million yen per year (including 50 million yen for outside Directors). The amount of remuneration does not include the portion of employee salaries of directors who concurrently serve as employees.

Subject to the approval and adoption of Proposal No. 1 "Partial Amendment to the Articles of Incorporation," this proposal, Proposal No. 6 "Determination of the Amount of Remuneration, etc. for Directors who are Audit & Supervisory Committee Members," Proposal No. 7 "Determination of the Amount and Details of Share-based Remuneration, etc. for Directors (excluding Non-Executive Directors that include Directors who are Audit & Supervisory Committee Members and outside Directors)" and Proposal No. 8 "Determination of the Amount and Details of Share-based Remuneration, etc. for Non-Executive Directors (excluding Directors who are Audit & Supervisory Committee Members) as originally proposed at this meeting, at the Board of Directors of the Company held on April 25, 2025, the Company decided to revise "Policy for determining the content of individual directors' remuneration" [as listed on page 27 to page 29]. The content of this proposal is necessary and reasonable for the payment of the remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) in accordance with the policy on the determination. The content of this proposal was determined by the Board of Directors based on consultation with and a report from the Nomination and Remuneration Committee, which is chaired by an independent outside Director and composed of a majority of independent outside Directors. Therefore, the content of this proposal is deemed to be appropriate.

The number of Directors is currently six (including three outside Directors). Subject to the approval and adoption of Proposal No. 1 "Partial Amendment to the Articles of Incorporation" and Proposal No. 2 "Election of Seven Directors (excluding Directors who are Audit & Supervisory Committee Members)" as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be seven (of which four are outside Directors).

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 "Partial Amendment to the Articles of Incorporation" become effective.

#### **Proposal No. 6 Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members**

Subject to the approval and adoption of Proposal No. 1 “Partial Amendment to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee.

Therefore, the Company proposes that the amount of remuneration for Directors who are Audit & Supervisory Committee Members to be 40 million yen or less per year considering the Company’s business scale, executive remuneration system, the payment level, current number of officers, future trend, etc. comprehensively.

The content of this proposal is necessary and reasonable for the payment of the remuneration, etc. for Directors who are Audit & Supervisory Committee Members in accordance with the revised policy for determining the content of individual directors’ remuneration listed on [page 27 to page 29]. The content of this proposal was determined by the Board of Directors based on consultation with and a report from the Nomination and Remuneration Committee, which is chaired by an independent outside Director and composed of a majority of independent outside Directors. Therefore, the content of this proposal is deemed to be appropriate.

Subject to the approval and adoption of Proposal No. 1 “Partial Amendment to the Articles of Incorporation” and Proposal No. 3 “Election of Three Directors who are Audit & Supervisory Committee Members” as originally proposed, with these proposals, the number of Directors who are Audit & Supervisory Committee Members will be three.

The Company believes that this proposal is appropriate because it was determined considering the Company’s business scale, executive remuneration system, the payment level, current number of officers, future trend, etc. comprehensively.

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 “Partial Amendment to the Articles of Incorporation” become effective.

**Proposal No. 7 Determination of the Amount and Details of Share-based Remuneration for Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors)**

1. Reasons for the Proposal:

Regarding the total amount of remuneration for the Company's Directors, basic remuneration and performance-based remuneration, which are cash remuneration, were approved at the 42nd Annual General Meeting of Shareholders held on June 21, 2013, to be up to 300 million yen per year (including up to 30 million yen for outside Directors but excluding the portion of employee salaries of directors who concurrently serve as employees). At the 50th Annual General Meeting of Shareholders held on June 18, 2021, it was approved that the annual remuneration limit for restricted shares shall be up to 50 million yen for the purpose of granting restricted shares to Directors (excluding outside Directors).

Subject to the approval and adoption of Proposal No. 1 "Partial Amendment to the Articles of Incorporation" as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, the Company has decided to revise the executive remuneration system for Eligible Directors (defined below) with the aim of giving the Company's Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors; hereinafter referred to as "Eligible Directors" in this proposal) motivation for the sustainable improvement of the corporate value of the Company and promoting greater value sharing with its shareholders.

2. Details of the Revision

Regarding share-based remuneration for Directors (excluding outside Directors), the Company introduced a restricted share-based remuneration plan (hereinafter referred to as "RS" in this proposal) and tax-qualified share options. However, this time, we will abolish tax-qualified share options to provide only RS. In addition, the Company has been paying share-based remuneration according to the standard amount for each position. However, we will change it to the performance-linked type that is paid in proportion to the achievement level of financial targets under the Medium-Term Plan. The number of RS shares to be granted is determined by multiplying the pre-set allocation per role with a coefficient based on the achievement of annual targets and progress on initiatives during the applicable period. Allocations of RS by role are reviewed periodically, and targets are set by the Nomination and Remuneration Committee at the time of formulating the Medium-Term Plan.

Therefore, the Company requests approval to pay RS of the following content, treating the remuneration under this system separately from that whose approval is requested with Proposal No. 5 "Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)."

As for restricted share-based remuneration for Eligible Directors based on this proposal, the establishment and evaluation of goals shall start in the 55th fiscal year (FY2025), and payment should begin after July in the 56th fiscal year (FY2026). Therefore, on the condition that this proposal becomes effective, the Company will abolish the provision of tax-qualified share options for Directors (excluding outside Directors). After the execution of the allocation of share acquisition rights for tax-qualified share options based on the provision and Proposal No. 9 "Authorization for the Board of Directors of the Company to Determine Offering Terms for Share Acquisition Rights Issued as Share Options to Directors (excluding outside Directors) and Employees on Particularly Favorable Terms," we shall not execute the allocation of share acquisition rights for tax-qualified share options based on the provision.

There are currently six Directors (of which three are outside Directors), and if Proposal No. 1 is approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be seven (of which four are outside Directors) and that of Eligible Directors under this system will be two.

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 "Partial Amendment to the Articles of Incorporation" become effective.



Details of the Restricted Shares granted to the Eligible Directors are as follows:

(1) Number of Restricted Shares granted to Eligible Directors

The total number of ordinary shares to be issued or disposed of by the Company to grant the Restricted Shares shall be set at a number not exceeding 24,000 shares annually. The total amount of cash remuneration to be paid to the Eligible Directors for allotting the Restricted Shares shall be set at an amount not exceeding 60 million yen annually (excluding the employee salary portion paid to Directors who serve concurrently as employees).

However, the total number of such ordinary shares may, if the Company performs a share split of the Company's ordinary shares (including allotment of the Company's ordinary shares without contribution) or a consolidation of such shares with the effective date of the date of resolution at this General Meeting of Shareholders or later, be adjusted as necessary to the extent reasonable.

(2) Payments in conjunction with issuing Restricted Shares

The Eligible Directors shall pay, every business year, in principle, all cash remuneration claims to be provided in accordance with the resolution of the Board of Directors of the Company, in the form of property contributed in kind, and shall, in return, receive Restricted Shares that shall be issued or disposed of by the Company.

The amount to be paid in per Restricted Share issued or disposed of to the Eligible Directors under the Plan shall be determined by the Board of Directors based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day immediately before the date of the Board of Directors where the offering terms for the ordinary shares is to be resolved (if there is no closing price on such date, the closing price on the closest preceding trading day) and as an amount within the extent that it will not be particularly advantageous to the Eligible Directors.

(3) Restricted Shares granted to the Eligible Directors

An agreement on allotment of Restricted Shares that includes the content outlined below (the "Allotment Agreement") shall be entered into between the Company and each Eligible Director.

(i) Restriction Period

An Eligible Director shall not transfer, create a security interest in, make an inter-vivos gift, or otherwise dispose of the Company's ordinary shares allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") during the period from the payment date of the Allotted Shares until the time that the Eligible Director retires from the position of Director of the Company (hereinafter referred to as the "Restriction Period"). The restriction described in the preceding sentence will hereinafter be referred to as the "Restriction."

(ii) Conditions for lifting the Restrictions

The Company shall lift the Restriction of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position of Director of the Company throughout the period from the payment date of the Allotted Shares until the conclusion of the first Company's Annual General Meeting of Shareholders to be next held. However, if the Board of Directors of the Company judges there is a reason deemed justifiable, the timing of lifting the Restriction shall be adjusted.

In addition, if the Eligible Director retires from the position of Director during the period from the payment date of Allotted Shares until the conclusion of the first Company's Annual General Meeting of Shareholders to be next held, due to a justifiable reason or death, the Company shall adjust the number of the Allotted Shares on which the Restriction is to be lifted, and the timing of lifting as necessary to the extent reasonable.

(iii) Reasons for acquisition of Allotted Shares without contribution

The Company shall automatically acquire the Allotted Shares without contribution if the Eligible Director retires from the position of Director during the period from the payment

date of Allotted Shares until the conclusion of the first Company's Annual General Meeting of Shareholders to be next held, for an unjustifiable reason.

The Company shall automatically acquire without contribution the Allotted Shares whose Restriction has not been lifted at the expiry of the Restriction Period stipulated in (2) above.

(iv) Treatment of reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other reorganization, etc., are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall rationally adjust the number of the Allotted Shares on which the Restriction is to be lifted, and the timing of lifting as necessary by resolution of the Company's Board of Directors. In this event, the Company shall automatically acquire without contribution the Allotted Shares whose Restriction has not been lifted as of the time immediately after the Restriction was lifted.

(v) Other matters

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

To ensure that the Eligible Directors will not be able to transfer, create a security interest in, make an inter-vivos gift, or otherwise dispose of the shares allotted to the Eligible Directors under the Plan during the Restriction Period, the shares will be managed, during the Restriction Period, in dedicated accounts that the Eligible Directors open with a securities company designated by the Company.

3. Reasons why the content of this proposal is appropriate

The content of this proposal is to link the remuneration of Eligible Directors and the Company's medium- to long-term performance and corporate value. It is necessary and reasonable for the payment of the remuneration, etc. for Eligible Directors in accordance with the revised policy for determining the content of individual directors' remuneration listed on [page 27 to page 29]. The content of this proposal was determined by the Board of Directors based on consultation with and a report from the Nomination and Remuneration Committee, which is chaired by an independent outside Director and composed of a majority of independent outside Directors. In addition, as the Restricted Shares amount to 0.39% of all issued shares (if the maximum number of Restricted Shares is issued over a 10-year period, it will amount to 3.95% of all issued shares), this dilution ratio is minimal. Therefore, the content of this proposal is deemed to be appropriate.

**Proposal No. 8 Determination of the Amount and Details of Share-based Remuneration for Non-Executive Directors (excluding Directors who are Audit & Supervisory Committee Members)**

1. Reasons for the Proposal:

Along with this revision of the executive remuneration system, with the aim of promoting greater value sharing with its shareholders, the Company requests approval to newly pay restricted share-based remuneration (hereinafter referred to as “RS” in this proposal) to the Company’s Non-Executive Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter referred to as “Eligible Directors” in this proposal) separately from that whose approval is requested with Proposal No. 5 “Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members).”

Regarding RS, the total amount of all cash remuneration claims paid to Eligible Directors shall be 10 million yen or less per year, and the total number of ordinary shares of the Company to be issued to Eligible Directors or disposed of with the payment of all cash remuneration claims as property contributed in kind shall be 4,000 or less per year. For the grant of RS, the amount of cash remuneration claims to be paid to Eligible Directors per person shall be 30% or less of the cash remuneration to be paid to the Eligible Directors.

Eligible Directors are expected to participate in important decision-making, such as the Company’s management policy and strategies, as representatives of minority shareholders, and to supervise management in a manner that prevents excessive risk-taking aimed at achieving performance targets. Accordingly, RS shall not be linked to performance, and the amount of cash remuneration claims to be paid to Eligible Directors per person shall be 30% or less of the cash remuneration to be paid to the Eligible Directors.

There are currently six Directors (of which three are outside Directors), and if Proposal No. 1 is approved and adopted as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be seven (of which four are outside Directors) and that of Eligible Directors under this system will be five.

This proposal shall take effect on the condition that the amendments to the articles of incorporation under Proposal No. 1 “Partial Amendment to the Articles of Incorporation” become effective.

2. Outline of RS for Eligible Directors

Details of the Restricted Shares granted to the Eligible Directors are as follows:

(1) Number of Restricted Shares granted to Eligible Directors

The total number of ordinary shares to be issued or disposed of to grant the Restricted Shares shall be set at a number not exceeding 4,000 shares annually. The total amount of cash remuneration to be paid for allotting the Restricted Shares shall be set at an amount not exceeding 10 million yen annually.

However, the total number of such ordinary shares may, if the Company performs a share split of the Company’s ordinary shares (including allotment of the Company’s ordinary shares without contribution) or a consolidation of such shares with the effective date of the date of resolution at this General Meeting of Shareholders or later, be adjusted as necessary to the extent reasonable.

(2) Payments in conjunction with issuing Restricted Shares

The Eligible Directors shall pay, every business year, in principle, all cash remuneration claims to be provided in accordance with the resolution of the Board of Directors of the Company, in the form of property contributed in kind, and shall, in return, receive Restricted Shares that shall be issued or disposed of by the Company.

The amount to be paid in per Restricted Share issued or disposed of to the Eligible Directors under the Plan shall be determined by the Board of Directors based on the closing price of the Company’s ordinary shares on the Tokyo Stock Exchange on the business day immediately before the date of the Board of Directors where the offering terms for the ordinary shares is to be resolved

(if there is no closing price on such date, the closing price on the closest preceding trading day) and as an amount within the extent that it will not be particularly advantageous to the Eligible Directors.

(3) Restricted Shares granted to the Eligible Directors

An agreement on allotment of Restricted Shares that includes the content outlined below (the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director.

(i) Restriction Period

An Eligible Director shall not transfer, create a security interest in, make an inter-vivos gift, or otherwise dispose of the Company’s ordinary shares allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) during the period from the payment date of the Allotted Shares until the time that the Eligible Director retires from the position of Director of the Company (hereinafter referred to as the “Restriction Period”). The restriction described in the preceding sentence will hereinafter be referred to as the “Restriction.”

(ii) Conditions for lifting the Restrictions

The Company shall lift the Restriction of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position of Director of the Company throughout the period from the payment date of the Allotted Shares until the conclusion of the first Company’s Annual General Meeting of Shareholders to be next held. However, if the Board of Directors of the Company judges there is a reason deemed justifiable, the timing of lifting the Restriction shall be adjusted.

In addition, if the Eligible Director retires from the position of Director during the period from the payment date of Allotted Shares until the conclusion of the first Company’s Annual General Meeting of Shareholders to be next held, due to a justifiable reason or death, the Company shall adjust the number of the Allotted Shares on which the Restriction is to be lifted, and the timing of lifting as necessary to the extent reasonable.

(iii) Reasons for acquisition of Allotted Shares without contribution

The Company shall automatically acquire the Allotted Shares without contribution if the Eligible Director retires from the position of Director during the period from the payment date of Allotted Shares until the conclusion of the first Company’s Annual General Meeting of Shareholders to be next held, for an unjustifiable reason.

The Company shall automatically acquire without contribution the Allotted Shares whose Restriction has not been lifted at the expiry of the Restriction Period stipulated in (2) above.

(iv) Treatment of reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company will be the disappearing company, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other reorganization, etc., are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall rationally adjust the number of the Allotted Shares on which the Restriction is to be lifted, and the timing of lifting as necessary by resolution of the Company’s Board of Directors. In this event, the Company shall automatically acquire without contribution the Allotted Shares whose Restriction has not been lifted as of the time immediately after the Restriction was lifted.

(v) Other matters

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

To ensure that the Eligible Directors will not be able to transfer, create a security interest in, make an inter-vivos gift, or otherwise dispose of the shares allotted to the Eligible Directors

under the Plan during the Restriction Period, the shares will be managed, during the Restriction Period, in dedicated accounts that the Eligible Directors open with a securities company designated by the Company.

3. Reasons why the content of this proposal is appropriate

The content of this proposal is necessary and reasonable for the payment of the remuneration, etc. for Eligible Directors in accordance with the revised policy for determining the content of individual directors' remuneration listed on [page 27 to page 29]. The content of this proposal was determined by the Board of Directors based on consultation with and a report from the Nomination and Remuneration Committee, which is chaired by an independent outside Director and composed of a majority of independent outside Directors. Also, as the Restricted Shares amount to 0.06% of all issued shares (if the maximum number of Restricted Shares is issued over a 10-year period, it will amount to 0.65% of all issued shares), this dilution ratio is minimal. Therefore, the content of this proposal is deemed to be appropriate.

**Proposal No. 9 Authorization for the Board of Directors of the Company to Determine Offering Terms for Share Acquisition Rights Issued as Share Options to Directors (excluding Outside Directors) and Employees on Particularly Favorable Terms**

The Company requests approval for share acquisition rights as share options to be issued without contribution to Directors (excluding outside Directors; “Eligible Directors”) and employees of the Company, pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, and for the authority to determine the offering terms to be delegated to the Company’s Board of Directors.

The issuance of share acquisition rights to Eligible Directors without contribution represents non-cash remuneration, etc. for Directors, and as the amount of said remuneration is not fixed, the Company also requests approval of the calculation method for the share acquisition rights to be allocated as remuneration.

As for restricted share-based remuneration for Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors) based on Proposal No. 7 “Determination of the Amount and Details of Share-based Remuneration, etc. for Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors),” the Company will start establishing and evaluating goals in the 55th fiscal year (FY2025), and pay after July in the 56th fiscal year (FY2026) as the remuneration for Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors.) Therefore, on the condition that Proposal No. 7 “Determination of the Amount and Details of Share-based Remuneration, etc. for Directors (excluding Non-Executive Directors including Directors who are Audit & Supervisory Committee Members and outside Directors)” becomes effective, the Company will abolish the provision of tax-qualified share options for Directors (excluding outside Directors). After the execution of the allocation of share acquisition rights for tax-qualified share options based on the provision and this proposal, we shall not execute the allocation of share acquisition rights for tax-qualified share options based on the provision.

1. Reason for the need to solicit subscribers for share acquisition rights on particularly favorable terms

The Company will issue share acquisition rights without contribution to Eligible Directors and employees with the intent of further promoting shareholder-focused management in addition to further enhancing motivation and morale to improve the operating results.

2. Terms of issuance of share acquisition rights

(1) Persons to receive allotment of share acquisition rights

Eligible Directors and employees

(2) Class and number of shares underlying the share acquisition rights

The upper limit of ordinary shares to be allotted is 30,000 shares.

In the event the Company performs a share split or consolidation of shares, the number of shares underlying the share acquisition rights shall be adjusted according to the following formula when the share split or consolidation of shares becomes effective. However, such adjustment shall be made with regard to the number of the shares underlying the share acquisition rights that have not been exercised at such time and that, if any fraction less than one share arises as a result of such adjustment, such fraction shall be discarded.

$$\begin{array}{ccccc} \text{Number of shares after} & & \text{Number of shares before} & & \text{Share split or consolidation} \\ \text{adjustment} & = & \text{adjustment} & \times & \text{ratio} \end{array}$$

(3) Total number of share acquisition rights to be issued

The upper limit is 300 share acquisition rights. (The number of ordinary shares per share acquisition right will be 100 shares. Provided, however, that if the Company has adjusted the shares set forth in (2) above, it will similarly adjust the number of shares per share acquisition right.)

(4) Cash payment in exchange for share acquisition rights

No cash payment required in exchange for share acquisition rights

(5) Amount of assets to be contributed upon exercise of the share acquisition rights (exercise amount)

Amount of assets to be contributed when share acquisition rights are exercised shall be the amount to be paid in per share that can be delivered by exercising each of the share acquisition rights (the “Exercise Amount”), multiplied by the anticipated number of shares granted upon exercise of the said share acquisition right.

The Exercise Amount will be the average closing price of the Company’s ordinary shares on the Tokyo Stock Exchange on each day of the month (excluding any date when the transaction was not concluded) prior to the month, to which the date when the share acquisition rights are issued belongs, multiplied by 1.03. Any fraction less than one yen shall be rounded up to the nearest one yen. Provided, however, that if such calculated price is lower than the closing price on the date of issuance of share acquisition rights (if no transactions are conducted on this date, it shall be the closing price of the immediately preceding date), then the Exercise Amount shall be equal to the amount of the closing price on the date of issuance of share acquisition rights.

In addition, after the Company issues share acquisition rights, if the Company issues new shares at a price lower than the market price at the time (excluding the case where the issuance of new shares is made pursuant to the exercise of the share acquisition rights) or disposes of its treasury shares, the Exercise Amount shall be adjusted in accordance with the formula shown below, and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.

$$\begin{array}{ccccccc} \text{Exercise} & & & & \text{Number of} & & \text{Number of} \\ \text{Amount after} & = & \text{Exercise} & \times & \text{shares already} & + & \text{newly issued} \\ \text{adjustment} & & \text{Amount before} & & \text{issued} & & \text{shares} \\ & & \text{adjustment} & & & & \times \text{Paid-in amount} \\ & & & & & & \text{per share} \\ & & & & & & \text{Fair value per share} \\ & & & & \text{Number of shares} & + & \text{Number of newly issued} \\ & & & & \text{already issued} & & \text{shares} \end{array}$$

In the numbers of shares listed above, “Number of shares already issued” refers to the total number of the Company’s issued shares minus the total number of treasury shares held by the Company, and if the Company disposes of treasury shares, “Number of newly issued shares” shall be read alternatively as “Number of treasury shares disposed.”

If the Company performs a share split or consolidation of shares after the issuance of the share acquisition rights, the Exercise Amount will be adjusted according to the following formula when the share split or consolidation of shares becomes effective, and any fraction of less than one yen resulting from the adjustment will be rounded up to the nearest one yen.

$$\begin{array}{ccccccc} \text{Exercise Amount after} & = & \text{Exercise Amount before} & \times & \frac{1}{\text{Share split or consolidation}} \\ \text{adjustment} & & \text{adjustment} & & \text{ratio} \end{array}$$

(6) Exercise period for share acquisition rights

From July 1, 2027 to June 30, 2030

(7) Exercise conditions of share acquisition rights

- (i) Individuals receiving an allotment of share acquisition rights (“share acquisition right holders”) must have standing as a Director, Audit & Supervisory Board Member, or employee of the Company at the time of exercise of their rights. However, in the event of retirement due to expiry of term, mandatory retirement, or other justifiable grounds, this provision will not apply for a period of one year after the loss of that position.
- (ii) Share acquisition rights may not be transferred by succession.
- (iii) Share acquisition rights may not be offered for pledge or disposed of in any other way.

(8) Reasons and terms for acquisition of share acquisition rights

- (i) If a merger agreement in which the Company will be the disappearing company has been approved, or in the event of a proposal for approval of a company split agreement by which the Company will become a splitting company, or a proposal for share exchange agreement approval and a proposal for share transfer agreement by which the Company will become a wholly owned subsidiary has been approved at a General Meeting of Shareholders, the Company may obtain the share acquisition rights without contribution.
- (ii) If the share acquisition rights could not be exercised because the conditions stipulated in (7) (i) are not applicable prior to the exercise of the rights by the share acquisition right holder, the Company may acquire the said share acquisition rights held by the allottee without contribution.

(9) Restrictions on the transfer of share acquisition rights

Any acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company.

(10) Item of share capital and legal capital surplus to increase when shares are issued upon exercise of share acquisition rights

- (i) The amount of share capital to increase when shares are issued upon exercise of the share acquisition rights shall be one half of the maximum amount of increases in share capital, etc. calculated according to Article 17, paragraph (1) of the Regulations on Corporate Accounting, and when any fraction less than one yen arises from such calculation, that amount shall be rounded up.
- (ii) The amount of legal capital surplus to increase when shares are issued upon exercise of the share acquisition rights shall be the amount obtained by deducting the amount of share capital to increase set forth in (i) above from the maximum amount of increases in share capital, etc. described in (i).

(11) Handling of share acquisition rights in the event that the Company conducts reorganization

In the event that a contract or plan document prepared at the time of reorganization stipulates that share acquisition rights of the reorganized stock company as specified below are delivered, the share acquisition rights of the reorganized stock company as specified below shall be delivered in accordance with the ratio of the reorganization.

- (i) Merger (limited to cases in which the Company is to become extinct)  
Stock company that survives the merger or the stock company incorporated as a result of the merger
- (ii) Absorption-type company split  
Stock company whose rights and obligations in part or all held related to the absorbed business is succeeded by a company conducting absorption-type company split
- (iii) Incorporation-type company split  
Newly established stock company through incorporation-type company split
- (iv) Share exchange  
Stock company that acquires all of the issued shares of a stock company with which the stock company exchanges shares
- (v) Share transfer  
Stock company that is established through share transfer

(12) Handling of fractions

Any fraction less than one share shall be discarded if the number of shares to be delivered to a share acquisition right holder who has exercised the share acquisition rights includes such fractions.



(13) Method of measuring the fair value of share acquisition rights

The Black-Scholes model shall be used to measure the fair value of the share acquisition rights based on the various conditions on the allotment date.

(14) Other conditions shall be established by resolution of a Board of Directors' meeting scheduled to be held after this General Meeting of Shareholders.

3. Specific method of calculating remuneration, etc. of Directors

The monetary amount of the share acquisition rights to be issued as remuneration, etc. paid to Directors of the Company shall be calculated by multiplying the fair value of one share acquisition right for the allotment date calculated using the Black-Scholes model by the number of share acquisition rights to be allocated. If Proposal No. 2 "Election of Seven Directors (excluding Directors who are Audit & Supervisory Committee Members)" is approved, the number of Directors who receive the allotment will be three. The number of share acquisition rights the Company allots to Eligible Directors will be up to 120, and the remuneration for the Directors including the total fair value of the share acquisition rights shall be "an annual amount of up to 300 million yen (of which that for outside Directors is up to 50 million yen)" if Proposal No. 5 "Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)" is approved.

4. Reasons why the content of this proposal is appropriate

For the purpose and other details concerning the Company's issuance of share acquisition rights, refer to "1. Reason for the need to solicit subscribers for share acquisition rights on particularly favorable terms" above.

At the Board of Directors meeting held on February 19, 2021, the Company established a policy for determining the content of individual directors' remuneration. An overview of the policy is provided in the Business Report "3. Matters Concerning Company Officers, (4) Compensation, etc. of Directors and Audit & Supervisory Board Members, (iv) Matters Concerning Delegation in Determining Individual Compensation, etc. of Directors." The granting of share acquisition rights based on this proposal is in line with the policy. In addition, the shares issued by the exercise of the share acquisition rights amount to 0.49% of all issued shares, and this dilution ratio is minimal. Moreover, the content of this proposal was determined by the Board of Directors based on consultation with and a report from the Nomination and Remuneration Committee, which is chaired by an independent outside Director and composed of a majority of independent outside Directors. Therefore, the content of this proposal is deemed to be appropriate.

<Proposal of shareholders (Agenda Items No. 10 through No. 13) >

Agenda Items No. 10 through No. 13 are proposals submitted by a shareholder.

The summaries and stated reasons for these proposals are presented exactly as submitted, including any typographical errors or factual inaccuracies.

As noted below, the Company's Board of Directors opposes all of these shareholder proposals.

### **Proposal No. 10 Revision of Remuneration, etc. for the Granting of Restricted Stock to Directors**

#### **Outline of the Proposal**

At the 50th Annual General Meeting of Shareholders held on June 18, 2021, a proposal (hereinafter "Proposal No. 3 of the 50th Annual General Meeting") was approved to grant restricted stock to directors (excluding outside directors) as part of their compensation. This approval was made under the conditions that the total number of common shares issued or disposed of per year shall not exceed 20,000 shares, and the total amount of monetary compensation shall not exceed ¥50 million annually. The restricted stock compensation is separate from the existing annual director remuneration limit of ¥300 million (including up to ¥30 million for outside directors).

The current proposal seeks to revise the conditions for the grant of restricted stock by increasing the annual maximum number of shares to 108,000 and revising the total amount of monetary compensation to be paid to ¥270 million or less per year (hereinafter referred to as the "Proposed Terms").

The specific timing and allocation of the grants shall be determined by the Board of Directors. However, the restricted stock compensation plan is intended to function as a performance-linked incentive system, designed around key indicators such as the level of ROE, which serves as a foundation for shareholder value creation, and TSR, which reflects the total return to shareholders. The plan is to be structured such that stock-based compensation accounts for at least 50% of the total compensation granted each year. To prevent excessive incentive payouts due to unduly low performance targets, no stock-based compensation will be granted if ROE falls below 8%.

If the proposal regarding the granting of restricted stock to directors (excluding directors who are Audit and Supervisory Committee Members, etc.) is approved at this Annual General Meeting of Shareholders, the conditions for the restricted stock described therein shall be amended in accordance with the Proposed Terms.

#### **Reason for the proposal**

The Company's 53rd Annual Securities Report states the following regarding directors' remuneration:

"In order to further strengthen directors' motivation and awareness to contribute to sustainable improvement of performance and corporate value over the medium to long term by sharing the benefits and risks of stock price fluctuations with shareholders, approximately 80–90% of total remuneration is structured as monetary compensation (with 50–60% as basic compensation based on position and role, and approximately 30% as short-term performance-based bonuses determined by prior-year performance and individual evaluation), and 10–20% as stock-based compensation serving as a medium- to long-term incentive."

However, we believe that the current situation falls short of achieving the intended objective of enhancing directors' motivation and awareness to contribute to sustained improvement in performance and corporate value over the medium to long term through the sharing of stock price-related benefits and risks with shareholders.

According to the figures disclosed in the Securities Report, the average monetary compensation per director (excluding outside directors) increased significantly, from approximately ¥23.534 million in the 50th fiscal year to approximately ¥32.872 million in the 53rd fiscal year. During the same period, however, the Company's performance declined: operating profit dropped from ¥955 million to ¥354 million, and ROE (as stated in the Securities Report) fell from 6.7% to 3.9%. In other words, despite the decline in business performance, compensation per director increased. Performance-based compensation, which is part of monetary compensation, followed a similar trend: the average per director in the 51st fiscal year—the year the current performance-based system was introduced—was approximately ¥7.679 million, rising to approximately ¥10.641 million in the 53rd fiscal year. While the Company states that this portion is calculated based on

prior-year performance and individual evaluations, operating profit in the previous fiscal years declined from approximately ¥955 million to ¥567 million, and ROE fell from 6.7% to 4.1%.

This suggests another disconnect between actual performance and the compensation awarded.

Accordingly, it appears that the current director remuneration structure does not lead to enough commitment to improving business performance or enhancing corporate value. To address this situation and establish a framework in which directors can genuinely “share the benefits and risks of stock price fluctuations with shareholders”, we believe it would be effective to structure more than half of total compensation as stock-based remuneration that directly reflects business performance and stock price movements.

This revision to the compensation system would result in annual dilution of up to 108,000 shares. However, based on the number of issued and outstanding shares (excluding treasury shares) as stated in the Company’s financial results for the third quarter of the 54th fiscal year, the dilution rate would be approximately 1.87%, which we believe is not excessive.

## The Board of Directors’ Opinion Regarding Proposal No. 10

### The Board of Directors of the Company is against this proposal.

#### (a) The process for determining the remuneration, etc. of the Company’s directors

To enhance the objectivity and transparency of the procedures for determining executive compensation, the Company has established the Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors. This committee is chaired by an independent outside director and consists of a majority of independent outside directors.

The Board of Directors consults the Nomination and Compensation Advisory Committee on matters including the basic policy for executive compensation, the overall compensation structure, calculation methods, and individual compensation details. Decisions are made by the Board based on the committee’s recommendations.

Furthermore, specific details of individual compensation for directors are determined by the Board of Directors within the scope of the total compensation amount approved by the General Meeting of Shareholders. These details are deliberated by the Nomination and Compensation Advisory Committee, and the Board makes final decisions based on the committee’s report.

#### (b) Review of the executive compensation system

The Company formulated and announced its Medium-Term Management Plan (<https://ssl4.eir-parts.net/doc/4973/tdnet/2599113/00.pdf>) (hereinafter, the “Medium-Term Management Plan”) on April 28, 2025, covering the three fiscal years from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028.

Prior to this, at the Board of Directors meeting held on April 25, 2025, the Company resolved to revise its executive compensation system (hereinafter, the “Revised Executive Compensation Plan”) based on the report of the Nomination and Remuneration Advisory Committee. The objective of this revision is to realize sustainable growth through the implementation of the initiatives set forth in the Medium-Term Management Plan, and to further enhance directors’ motivation to contribute to the Company’s performance and the enhancement of medium- to long-term corporate value.

The Revised Executive Compensation Plan is designed with the following fundamental principles: (i) to emphasize the alignment between the Company’s short-term performance and medium- to long-term enhancement of corporate value, ensuring that value can be shared with shareholders, (ii) to set compensation levels at a level that enables the Company to secure and retain talented individuals with a global perspective, and (iii) to establish a decision-making process for compensation that is objective and transparent.

Additionally, the compensation levels under the Revised Executive Compensation Plan will be determined using objective executive compensation survey data from external agencies to select a benchmark group of companies. This will ensure that the levels of fixed and variable

compensation are set at a level that motivates the achievement of the goals in the Medium-Term Management Plan and enables the retention of talented individuals.

In addition, to motivate the Company to achieve the goals of this medium-term management plan and secure excellent human resources, the Company will select a group of benchmark companies using objective executive compensation survey data from an external organization. The level of compensation under this executive compensation system will be determined by comprehensively considering the fixed and variable compensation levels, among other factors.

In addition to "base remuneration," the executive remuneration system for executive directors includes "performance-linked remuneration" as an incentive for business execution and "stock-based remuneration" to further increase their motivation and morale. The stock-based remuneration aims to align their interests with those of shareholders by sharing the benefits and risks of stock price fluctuations, contributing to the improvement of medium- to long-term performance and corporate value.

Under the Revised Executive Compensation Plan, the compensation structure for executive directors includes a "basic salary," as well as "performance-based compensation" as an incentive for business execution, and "stock compensation" designed to enhance the motivation and morale for contributing to the improvement of long-term performance and corporate value by sharing the benefits and risks of stock price fluctuations with shareholders. The plan is designed such that, when the executive director achieves 100% of the set goals, the compensation will generally be structured as follows: 50–60% for the basic salary, 20–30% for short-term performance-based compensation, and 20% for stock compensation.

The "stock compensation" will be provided in the form of restricted stock that is linked to the achievement of financial targets (ROE, TSR) set in the Medium-Term Management Plan. The total number of the Company's common shares issued or disposed of for the purpose of granting restricted stock will be a maximum of 24,000 shares per year, and the total compensation limit for restricted stock allocation will be capped at 60 million yen annually.

The Company believes that this balanced compensation structure, which emphasizes the alignment between short-term performance and medium- to long-term enhancement of corporate value, will serve as a foundation for securing and retaining talented individuals with a global perspective and will ultimately contribute to the sustained improvement of the Company's corporate value.

For further details regarding the Revised Executive Compensation Plan, please refer to the "Notice Regarding the Revision of Executive Compensation System" published by the Company on April 25, 2025. (<https://ssl4.eir-parts.net/doc/4973/tdnet/2598931/00.pdf>)

(c) No need to introduce stock-based compensation in relation to this proposal

This is the Company's proposal No. 7: "To determine the amount and details of stock-based compensation for directors (excluding directors who are members of the Audit and Supervisory Committee and non-executive directors, including outside directors). The total number of common shares to be issued or disposed of will be up to 108,000 shares per year, with the maximum amount of compensation for allotment set at up to ¥270,000 thousand per year. The performance-linked compensation, including ROE and TSR, will be designed so that the stock-based compensation constitutes 50% or more of the total compensation.

As described in (a) above, the Company has designed the compensation structure for executive directors so that, if they achieve 100% of their targets, they will generally receive 50% to 60% of their base salary, 20% to 30% of short-term performance-linked remuneration, and 20% of stock-based remuneration. The Company believes this proposal is inappropriate, as it represents an excessive stock-based compensation plan that lacks balance between these elements.

In addition, if the compensation structure for executive directors is designed so that 50% or more of total compensation is based on performance-linked remuneration, including ROE and TSR, as proposed in this proposition, the structure will be excessively tilted toward performance-linked compensation. This may create a strong incentive for short-term improvements in ROE and TSR through temporary measures such as large dividend increases

and share buybacks. As a result, we believe this proposal could lead to outcomes that are inconsistent with the intent of a remuneration system aimed at improving corporate value over the medium to long term, which we currently consider appropriate.

(d) Summary

For the above reasons, the Board of Directors of the Company is against this proposal.

The Nomination and Remuneration Advisory Committee deliberated on the content of this proposal before the Board of Directors' resolution and submitted a report to the Board. The Board of Directors then resolved the Board's opinion based on the report from the Nomination and Remuneration Advisory Committee.

**Proposal No. 11 Partial Amendment to Articles of Incorporation (Decision-Making Body for Determination of Surplus Distribution, etc.)**

Outline of the Proposal

To amend Article 44 of its Articles of Incorporation as follows. In the event that the approval of other proposals at the annual general meeting of shareholders (including proposals submitted by the Company) necessitates formal adjustments to this proposal, such as the renumbering of provisions or other formatting revisions, this proposal shall be deemed to refer to the amended version incorporating such necessary adjustments.

This proposal shall be resolved prior to Item 3 ("Share Repurchase") and Item 4 ("Appropriation of Surplus"), and it shall take effect at the time it is approved during the annual general meeting of shareholders.

(Underlined sections highlight the modifications.)

Current Articles of Incorporation	Proposed Revisions
<p>Article 44 (Decision-Making Body for Dividends of Surplus)</p> <p>Unless otherwise provided by laws and regulations, matters specified in each item of Article 459, Paragraph 1 of the Companies Act, including dividends of surplus, shall be determined by a resolution of the Board of Directors and <u>shall not be subject to a resolution of the General Meeting of Shareholders.</u></p>	<p>Article 44 (Decision-Making Body for Dividends of Surplus)</p> <p>Unless otherwise provided by laws and regulations, the Company may determine, by a resolution of the Board of Directors, matters set forth in each item of Article 459, Paragraph 1 of the Companies Act, including dividends of surplus.</p>

Reasons for the Proposal

Article 459, Paragraph 1 of the Companies Act stipulates that matters such as the distribution of surplus shall, in principle, be resolved at the general meeting of shareholders. However, the company, under Article 44 of its Articles of Incorporation, has conferred such authority on the Board of Directors, thereby excluding the authority originally vested in the general meeting of shareholders.

We believe it is important to reaffirm the principle that shareholders are the owners of the company, and that matters which the Companies Act designates as requiring resolution by the general meeting should, as a rule, be decided by the shareholders themselves.

It should be noted that even under the proposed amendment, the Board of Directors would remain able to resolve on matters such as the distribution of surplus. The institutional framework would continue to ensure the Board's ability to respond flexibly and in a timely manner.

Therefore, in comparison with the proposed amendment, the current Articles of Incorporation appear to have the intent of excluding the authority of the general meeting of shareholders. We find no reasonable justification for such exclusion, and for that reason, we hereby submit this proposal.

The Board of Directors of the Company is against this proposal.

In the business strategy outlined in the Medium-Term Management Plan, the Company has made "business expansion through investments" a key theme and plans to make various growth investments aimed at enhancing long-term corporate value (for details on specific growth investments, please refer to the reasons for the Board of Directors' opposition to agenda item (iii), "Share Buyback"). Regarding the distribution of surplus funds, the Company believes that establishing a shareholder return policy based on a comprehensive cash allocation strategy, which takes into account growth investment strategies to strengthen the management foundation, as well as capital efficiency, financial soundness, and the business environment surrounding the Company, will lead to long-term corporate value enhancement and contribute to the joint interests of shareholders. The purpose of the Board of Directors being the decision-making body for the distribution of surplus funds is as stated above, and it was not done with the intent to restrict shareholder returns.

In fact, since the change to the Articles of Incorporation, the Company has implemented flexible shareholder returns through decisions made by the Board of Directors, such as the additional commemorative dividend for the fiscal year ending March 2022, the buyback of treasury shares for a maximum of 360 million yen in October 2022, and from the fiscal year ending March 2024, the application of a new shareholder return policy with a minimum dividend on equity (DOE) of 5% as a prime market-listed company, with the aim of maintaining a certain level of shareholder return that is not greatly influenced by short-term performance. Additionally, in the Medium-Term Management Plan, the Company plans to continue shareholder returns with a focus on a payout ratio of 50%, taking into account the sale of policy-held shares, and will consider implementing a buyback of treasury shares flexibly depending on the situation.

While the Company's track record and plans for shareholder returns are as described above, this proposal is a prerequisite for agenda items "(3) Share Buyback" and "(4) Disposal of Surplus Funds." If all of these proposals are approved, they will impair the Company's financial soundness and hinder the flexibility of growth investments, leading to a situation where the improvement of long-term corporate value is obstructed. For the above reasons, the Board of Directors of the Company is against this proposal.

**Proposal No. 12: Share Repurchase**

**Outline of the Proposal**

The Company shall conduct a share repurchase as outlined below. This proposal is subject to the approval of Item 2, "Partial Amendment to the Articles of Incorporation (Decision-Making Body for Dividends of Surplus, etc.)" (hereinafter, the "Articles Amendment Proposal") or the approval of a company-submitted proposal equivalent to the Articles Amendment Proposal.

In accordance with Article 156, Paragraph 1 of the Companies Act, the Company shall acquire its common shares within one year from the conclusion of this Annual General Meeting of Shareholders, by means of monetary consideration, up to a maximum of 610,000 shares and a total amount of ¥2.1 billion. Provided, however, that if the total acquisition amount permitted under the Companies Act, namely, the distributable amount as defined in Article 461—is less than the above amount, the acquisition shall be limited to the maximum amount permitted under the Companies Act.

**Reason for the proposal**

The Company has announced its intention to reduce the proportion of strategic shareholdings to below 20% of net assets within the next one to two years. However, as of December 31, 2024 (based on the third quarter financial results for the 54th fiscal year), investment securities remained at approximately ¥7.109 billion, which is 50.2% of total net assets of about ¥14.149

billion. While the acceleration of disposals is warranted, what truly matters is how the Company chooses to act after such sales are completed.

The Company has set a medium- to long-term ROE target of 10% as of March 31, 2025. Achieving this target will require proactive shareholder returns—both through share buybacks and dividend payments—in order to efficiently reduce net assets.

As a first step, we respectfully request that the Company demonstrate its commitment to shareholder value by conducting a share repurchase equivalent to 10% of its outstanding shares.

Assuming the repurchase is executed at ¥3,500 per share, the total amount would be approximately ¥2.124 billion, equivalent to around 15% of net assets at the same time. Even when combined with the dividend proposed under Item 4, the total shareholder return would amount to approximately ¥4.76 billion—roughly 34% of net assets—indicating that the proposal would remain well within the distributable amount and is unlikely to negatively affect the Company's financial stability.

For further details regarding the rationale behind this proposal, please refer to the explanatory materials separately published by Hibiki Path Advisors.

Furthermore, in order to eliminate any concerns that the repurchased shares may be reissued into the market in the future, we believe that, in principle, such treasury shares should be cancelled.

#### The Board of Directors' Opinion Regarding Proposal No. 12

#### The Board of Directors of the Company is against this proposal.

The Company has introduced a dividend on equity (DOE) ratio of 5% as a lower limit for shareholder return, with the aim of balancing capital efficiency and financial soundness while proactively providing a certain level of shareholder return as a prime market listed company, not greatly influenced by immediate business performance. The DOE will be applied starting with the year-end dividend for the fiscal year ending March 31, 2024.

The Company also believes that shareholder return policies, such as share buybacks and dividends, should be decisions made based on a comprehensive consideration of business strategies and financial targets aimed at increasing corporate value over the medium to long term.

In this medium-term management plan, the Company has set "business expansion through investment" as the keynote theme. The strategy focuses on (i) expanding the business through strategic investments and (ii) strengthening the business through investment. (i) Expanding the business through strategic investments will include accelerating M&As, with the aim of maximizing the scope of the business through collaboration with multiple companies, actively entering into technology alliances and capital participation. The Company also aims to enter consortiums investing in intellectual property and intangible assets to strengthen its intellectual property portfolio. Additionally, the Company plans to acquire technologies related to pre- and post-plating processes, "gold" non-plating and non-gold technologies, as well as expand both overseas and domestic bases, develop customers in the semiconductor field, and accelerate its battery business. (ii) Strengthening the business through investment will include upgrading and expanding development facilities, enhancing development functions, including the use of AI to make R&D more advanced and efficient, reforming the sales strategy by introducing a CRM system to improve customer engagement, and developing the JPC brand. The Company will also improve advertising and publicity efforts, as well as enhance employee wellbeing. Through these measures, the Company aims to accelerate development in the semiconductor area, strengthen its sales function, enhance total process proposals, foster customer engagement, and improve employee performance. The Company believes that the steady implementation of these business strategies will lead to the long-term improvement of its corporate value.

Therefore, in line with the business strategies outlined in this medium-term management plan, the Company intends to make medium- to long-term growth investments. These investments will be funded not only by operating cash flow generated during the period of the medium-term management plan, but also by cash on hand and funds obtained through the liquidation of strategic shareholdings.

In addition, the basic policy for shareholder returns under this medium-term management plan is to balance capital efficiency and financial soundness, with the goal of achieving long-term growth, based on the business strategies and financial targets described above.

As described above, we believe that the best way to enhance our medium- to long-term corporate value is to steadily implement the business strategies outlined in this medium-term management plan. The funds currently on hand, along with the funds to be obtained through the liquidation of our strategic shareholdings, are best used to support the implementation of these strategies.

On the other hand, this proposal calls for a large-scale share buyback of 610,000 shares—equivalent to approximately 10% of the outstanding shares—for a total amount of 2.1 billion yen, to be executed within one year from the conclusion of this General Meeting of Shareholders. If approved, we believe the Company's ability to make growth investments based on the business strategies outlined in the medium-term management plan will be impaired, thereby hindering the improvement of the Company's medium- to long-term corporate value.

In addition, while we recognize that realizing growth investments and optimizing the capital structure are important to achieving a 10% ROE in the fiscal year ending March 31, 2028, we believe that measures such as this proposal—which aim to temporarily boost ROE through short-term, large-scale shareholder returns—may undermine the Company's financial soundness and constrain its ability to execute growth investments. Therefore, we do not believe such measures will necessarily lead to a sustainable improvement in ROE.

For the above reasons, the Board of Directors of the Company is against this proposal.

### **Proposal No. 13: Appropriation of Surplus**

#### **Outline of the Proposal**

The appropriation of surplus shall be as follows. This proposal is subject to the approval of Item 2, "Partial Amendment to the Articles of Incorporation (Decision-Making Body for Dividends of Surplus, etc.)" (hereinafter, the "Articles Amendment Proposal") or the approval of a company-submitted proposal equivalent to the Articles Amendment Proposal. It should be noted that this proposal is being submitted independently and additionally, separate from any proposal regarding the appropriation of surplus that may be submitted by the Company's Board of Directors at this Annual General Meeting of Shareholders.

#### **(a) Type of Dividend Assets**

Cash

#### **(b) Dividend per Share**

An amount obtained by deducting, from ¥170, both (i) ¥63, which is the interim dividend for the second quarter of the fiscal year ending March 2025, and (ii) any surplus dividend per share of the Company's common stock that may be determined as the year-end dividend for March 2025 by resolution of the Company's Board of Directors.

#### **(c) Matters Concerning the Allocation of Dividend Assets and the Total Amount of Such Allocation**

An amount per share of the Company's common stock equal to the dividend per share described in item (b) above (The total dividend amount shall be calculated by multiplying the dividend per share by the number of issued shares of the Company's common stock, excluding treasury shares, as of March 31, 2025.)

#### **(d) Effective Date of the Dividend of Surplus**

The date of this Annual General Meeting of Shareholders

#### **Reasons for the Proposal :**

The Company has announced its intention to reduce the proportion of strategic shareholdings to below 20% of net assets within the next one to two years. However, as of December 31, 2024 (based on the third quarter financial results for the 54th fiscal year), investment securities remained at approximately ¥7.109 billion, which is 50.2% of total net assets of about ¥14.149 billion. While the acceleration of disposals is warranted, what truly matters is how the Company chooses to act after such sales are completed.



The Company has set a medium- to long-term ROE target of 10% as of March 31, 2025. Achieving this target will require proactive shareholder returns, both through share buybacks and dividend payments, in order to efficiently reduce net assets.

If this proposal is approved, we respectfully request that, alongside the share repurchase described in Item 3, the Company commit to a medium-term shareholder return policy by maintaining a fixed annual dividend of ¥170 for at least three years. This would send a clear signal of the Company's ongoing commitment to shareholder value.

Assuming a fixed annual dividend of ¥170 per share is paid for three consecutive years following the execution of the share buyback under Item 3, the total dividend amount over that period would be approximately ¥2.639 billion, equivalent to around 19% of net assets. When combined with the expected amount of the share repurchase, the total distribution would be approximately ¥4.76 billion, which is about 34% of net assets. This remains well within the distributable amount and poses minimal risk to the Company's financial stability. Furthermore, the proposed fixed dividend does not conflict with the Company's existing a dividend policy with a minimum DOE of 5%.

The Company's underlying challenge lies in its failure to achieve corporate growth or value creation over the past decade. At the root of this issue are two structural problems: □ Executive compensation is not structured to align with shareholder interests through a true "pay-for-performance" framework, and, □ as a result, the Company's approach to capital allocation, including shareholder returns, has failed to keep pace with the rapidly evolving expectations of the capital markets, leading to overly conservative management. This, in turn, has hindered improvements in profitability and capital efficiency.

In light of these two structural issues, we respectfully submit this proposal. For further details regarding the background of this proposal, please refer to the explanatory materials on the shareholder proposal published separately by Hibiki Path Advisors.

#### The Board of Directors' Opinion Regarding Proposal No. 13

##### The Board of Directors of the Company is against this proposal.

Based on the Company's traditional basic policy of returning profits to shareholders in line with earnings conditions, the Company intends to continue paying stable dividends, considering its business performance and the internal reserves necessary for future business development and strengthening its management base. In addition, starting with the year-end dividend for the fiscal year ending March 31, 2024, the Company has introduced a new shareholder return policy called the dividend on equity (DOE), with a minimum limit of 5%, and has set the dividend for the fiscal year ending March 31, 2025, at 126 yen per share (DOE: 5.2%).

As stated in the reasons for the Board of Directors' opposition to agenda item (iii), "Share Buyback," the Company believes that the best way to enhance its medium- to long-term corporate value is to steadily implement the business strategies in this medium-term management plan. The funds currently on hand, as well as funds obtained through the liquidation of shares held under this policy, should first be used to steadily implement these business strategies.

In contrast, this proposal calls for a dividend of ¥170 per share, which corresponds to a DOE of 7.0%, a level we believe is excessive given the appropriate DOE that should be maintained by the Company at this time. The proposal also requires maintaining this dividend at the same level for at least three years, which is significantly different from the shareholder return policy aimed at enhancing our corporate value. If this proposal is approved, we believe it will impair the flexibility of the Company's growth investments based on the business strategies outlined in this medium-term management plan, thus hindering the improvement of the Company's medium- to long-term corporate value.

Furthermore, we believe that achieving 10% ROE by the fiscal year ending March 31, 2028, requires realizing growth investments and optimizing the capital structure. However, we believe that measures such as this proposal, which temporarily improve ROE by providing short-term and large-scale shareholder returns, may damage the Company's financial soundness and constrain the execution of investments for growth. For the above reasons, the Board of Directors of the Company is against this proposal.