

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

(Securities Code: 7818)

November 5, 2025

To Our Shareholders

Satoshi Ishikawa,
Chairman and Representative Director
TRANSACTION Co., Ltd.
3-28-13 Shibuya, Shibuya-ku Tokyo

Notice of the 39th Annual General Meeting of Shareholders

Please be informed that the 39th Annual General Meeting of Shareholders of TRANSACTION Co., Ltd. (the “Company”) will be held as described below. In addition, the Company plans to disclose the securities report on Wednesday, November 26, 2025, prior to the General Meeting of Shareholders, so please review it as well.

Instead of attending the meeting in person on the day, you can exercise your voting rights via the Internet, etc. or in writing. Please review the reference documents for the general meeting of shareholders below, and exercise your voting rights by 7:00 p.m. on Wednesday, November 26, 2025.

1. Date and Time: 10:00 a.m. on Thursday, November 27, 2025 (Reception starts at 9:30 a.m.)

2. Place: SHIBUYA SOLASTA CONFERENCE (SHIBUYA SOLASTA 4th Floor)
1-21-1 Dogenzaka, Shibuya-ku Tokyo

3. Meeting Agenda

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 39th fiscal year (from September 1, 2024 to August 31, 2025), and the results of audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. Non-consolidated Financial Statements for the 39th fiscal year (from September 1, 2024 to August 31, 2025)

Proposals to be resolved:

Proposal No. 1: Amendments to the Articles of Incorporation

Proposal No. 2: Election of Four (4) Directors Who Are Not Audit & Supervisory Committee Members

Proposal No. 3: Election of One (1) Director Who Is an Audit & Supervisory Committee Member

Proposal No. 4: Revision of Remuneration Amount for Granting Restricted Shares to Directors, Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members

Items subject to measures for providing information in electronic format

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format, and has posted the information on the Company's website. Please access the following website to view the information.

The Company's website:

<https://www.trans-action.co.jp.e.zy.hp.transer.com/ir/meeting.html>

In addition to posting items subject to measures for electronic provision on the Company's website, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE). Please access the following website to view the information.

TSE website (Listed Company Search):

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

Access the TSE website by using the Internet address shown above, enter "TRANSACTION CO.,Ltd." in "Issue name (company name)" or the Company's securities code "7818" 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]."

Guidance relating to this General Meeting of Shareholders

- If you do not indicate your approval or disapproval for a proposal on the returned voting form, it will be treated as an indication of approval of the proposal.
- If you exercise your voting rights in duplicate both via the Internet, etc. and in writing, only the exercise of voting rights via the Internet, etc. shall be deemed effective.
- If you exercise your voting rights via the Internet, etc. multiple times, only the last vote shall be deemed effective. In addition, if you exercise your voting rights in duplicate through a personal computer or smartphone, also only the last vote shall be deemed effective.
- For this General Meeting of Shareholders, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.

Among items for which measures for providing information in electronic format are to be taken, the items stated below are not included in the documents sent out to shareholders and instead are posted on the Company's website and the TSE website on the Internet as "Notice of the 39th Annual General Meeting of Shareholders (Items omitted in the documents delivered from the items subject to measures for electronic provision)" in accordance with laws and regulations and Article 14 of the Company's Articles of Incorporation (in Japanese only).

(i) Part of Business Report

(ii) Consolidated Financial Statements and Non-consolidated Financial Statements

(iii) Audit Report

The Audit & Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the items listed above.

- If there are any changes necessary to the content of the items subject to measures for electronic provision, a notification to that effect, and the corrected and pre-corrected versions of these items will be made available on the Company's website and TSE website.
- Please note that we will post results of resolutions at this General Meeting of Shareholders on the Company's website instead of sending you a written resolution result notice.
- When attending the meeting on the day, please submit the enclosed voting rights exercise form sent with the notice of convocation at the reception desk. In addition, we ask that you bring the notice of convocation sent to you for the purpose of conserving resources.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Amendments to the Articles of Incorporation

1. Reasons for the proposal

In order to accommodate the diversification of future business activities, the Company proposes to add a business purpose to Article 2 (Purpose) of the current Articles of Incorporation.

In addition, in conjunction with the addition to the business purpose, the items will be renumbered.

2. Contents of the amendments

Details of the amendments are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose) Article 2</p> <p>1. The purpose of the Company shall be to control and manage the business activities of companies engaged in the following businesses, as well as overseas companies engaged in equivalent businesses, by acquiring and owning shares or interests in such companies, and also to engage in the businesses and related businesses listed in the following items and sections.</p> <p style="text-align: center;">(1) to (21) (Omitted)</p> <p>2. Accounting and financial management, human resources and labor management, information processing system management, real estate management, and intellectual property rights management for group companies</p> <p>3. Holding and management of securities (Newly established)</p> <p><u>4.</u> Ownership and leasing of movable property and real estate, as well as real estate brokerage business</p> <p><u>5.</u> All operations incidental or related to each of the aforementioned items.</p>	<p>(Purpose) Article 2</p> <p>1. The purpose of the Company shall be to control and manage the business activities of companies engaged in the following businesses, as well as overseas companies engaged in equivalent businesses, by acquiring and owning shares or interests in such companies, and also to engage in the businesses and related businesses listed in the following items and sections.</p> <p style="text-align: center;">(1) to (21) (Unchanged)</p> <p>2. Accounting and financial management, human resources and labor management, information processing system management, real estate management, and intellectual property rights management for group companies</p> <p>3. Holding and management of securities</p> <p><u>4.</u> <u>Investment in limited liability partnerships and production committees, etc.</u></p> <p><u>5.</u> Ownership and leasing of movable property and real estate, as well as real estate brokerage business</p> <p><u>6.</u> All operations incidental or related to each of the aforementioned items.</p>

Proposal No. 2: Election of Four (4) Directors Who Are Not Audit & Supervisory Committee Members

The terms of office of all four (4) Directors who are not Audit & Supervisory Committee members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of four (4) Directors who are not Audit & Supervisory Committee members. The Audit & Supervisory Committee has determined, after taking into consideration the status of business execution by the following candidates and other aspects in the current fiscal year, that they are all qualified for the position.

The candidates for Directors who are not Audit & Supervisory Committee members are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	<p style="text-align: center;">Satoshi Ishikawa (October 13, 1961)</p> <p style="text-align: center;">Re-election Male</p>	<p>Apr. 1984 Joined Jun Co., Ltd.</p> <p>Jan. 1987 Established TRANS Co., Ltd. (currently TRANSACTION Co., Ltd.); President and Representative Director</p> <p>May 2008 Chairman of the Board of Directors of T3 DESIGN Co., Ltd. (current position)</p> <p>Nov. 2008 Chairman of the Board of Directors of TRANS Co., Ltd. (current position)</p> <p> Chairman of the Board of Directors of TRADE WORKS Co., Ltd. (current position)</p> <p>Apr. 2010 Chairman of the Board of Directors of KRAFTWERK Co., Ltd. (current position)</p> <p>Oct. 2019 Chairperson of the Remuneration Committee of the Company (current position)</p> <p>Nov. 2022 Chairman and Representative Director (current position)</p> <p>May 2023 Member of the Sustainability Committee (current position)</p> <p>Significant concurrent positions</p> <p>Chairman of the Board of Directors of TRANS Co., Ltd.</p> <p>Chairman of the Board of Directors of TRADE WORKS Co., Ltd.</p> <p>Chairman of the Board of Directors of KRAFTWERK Co., Ltd.</p> <p>Chairman of the Board of Directors of T3 DESIGN Co., Ltd.</p>	6,092,400
<p>Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member</p> <p>Mr. Satoshi Ishikawa, the founder of the Company, has served as the Representative Director since the establishment of the Company, and has led the Company and the Company Group with a futuristic vision. He has played a role that contributes to improving the corporate value of the entire Company Group, such as through decisions on important management matters and supervision of business execution. Accordingly, we have judged that he is qualified to continue to be a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	<p style="text-align: center;">Keiichi Chiba (October 24, 1965)</p> <p style="text-align: center;">Re-election Male</p>	<p>Oct. 1989 Joined Namco Limited (currently Bandai Namco Entertainment Inc.)</p> <p>Oct. 2001 Joined the Company; Manager of the Planning Section</p> <p>June 2003 Manager of the Sales department of TRADE WORKS Co., Ltd.</p> <p>Sept. 2005 Executive Officer, General Manager of the Sales Division of the said company</p> <p>July 2007 Director, General Manager of Operations Division of the said company</p> <p>Aug. 2007 Director of the Company Director of TRANS Co., Ltd. (current position)</p> <p>Jan. 2008 President and Representative Director of TRADE WORKS Co., Ltd. (current position)</p> <p>Sept. 2019 Director of KRAFTWERK Co., Ltd. (current position)</p> <p>Nov. 2019 Managing Director of the Company</p> <p>Nov. 2020 Senior Managing Director</p> <p>Nov. 2022 President and Representative Director (current position) Director of T3 DESIGN Co., Ltd. (current position)</p> <p>May 2023 Chairperson of the Sustainability Committee of the Company (current position)</p> <p>Significant concurrent positions President and Representative Director of TRADE WORKS Co., Ltd. Director of TRANS Co., Ltd. Director of KRAFTWERK Co., Ltd. Director of T3 DESIGN Co., Ltd.</p>	243,800
<p>Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member Mr. Keiichi Chiba assumed the position of Director in August 2007. In addition, he has led TRADE WORKS Co., Ltd., a major operating company of the Company Group, as the Representative Director while demonstrating his strong leadership. He has a wealth of knowledge and achievements in the management of group companies and operation of operating companies due to his long years of experience. Accordingly, we have judged that he is qualified to continue to be a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
3	Yoshinari Kitayama (April 9, 1965) Re-election Male	<p>Apr. 1988 Joined Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)</p> <p>June 2015 Joined the Company; Executive Officer, General Manager of Office of the President</p> <p>Nov. 2015 Director in charge of the Accounting Department, Corporate Planning Department, Finance Department, General Affairs Department, and System Department of the Company</p> <p>Sept. 2016 Director in charge of the Accounting Department, Corporate Planning Department, General Affairs Department, and System Department</p> <p>Nov. 2016 Director of KRAFTWERK Co., Ltd. (current position) Director of T3 DESIGN Co., Ltd. (current position)</p> <p>Sept. 2018 Director in charge of the Accounting Department, Corporate Planning Department, Human Resources Department, General Affairs Department, and System Department of the Company (current position)</p> <p>May 2023 Member of the Sustainability Committee (current position)</p> <p>Significant concurrent positions Director of KRAFTWERK Co., Ltd. Director of T3 DESIGN Co., Ltd.</p>	83,200
Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member Mr. Yoshinari Kitayama assumed the position of Director in November 2015, and since then, he has led the administrative divisions of the Company and its Group with his strong leadership. He has a wealth of knowledge and achievements in the supervision of these administrative divisions due to his long years of experience including his previous career. Accordingly, we have judged that he is qualified to continue to be a Director.			
4	Yukiko Iguchi (October 9, 1965) Re-election Female	<p>Apr. 1988 Joined Marui Co., Ltd. (currently Marui Group Co., Ltd.)</p> <p>May 2008 President and Representative Director of T3 DESIGN Co., Ltd.</p> <p>Nov. 2016 Director of TRANS Co., Ltd.</p> <p>Nov. 2018 Director of the Company (current position)</p> <p>Mar. 2019 President and Representative Director of TRANS Co., Ltd. (current position) Director of TRADE WORKS Co., Ltd. (current position) Director of T3 DESIGN Co., Ltd.</p> <p>May 2023 Member of the Sustainability Committee of the Company (current position)</p> <p>Sept. 2023 President and Representative Director of T3 DESIGN Co., Ltd. (current position)</p> <p>Significant concurrent positions President and Representative Director of TRANS Co., Ltd. President and Representative Director of T3 DESIGN Co., Ltd. Director of TRADE WORKS Co., Ltd.</p>	53,300
Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member Ms. Yukiko Iguchi has served as the Representative Director of TRANS Co., Ltd. and T3 DESIGN Co., Ltd., major operating companies of the Company Group. She has a wealth of knowledge and achievements in the management of group companies and operation of operating companies due to her wide range of experience. Accordingly, we have judged that she is qualified to continue to be a Director.			

- (Notes)
1. There is no special interest between each candidate and the Company.
 2. The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract covers all Directors who are not Audit & Supervisory Committee members and Directors who are Audit & Supervisory Committee members of the Company. Each Director bears an amount equivalent to 6.4% of the total insurance premium, proportionate to the total amount of remuneration, etc. for each Director. The insurance contract covers damages incurred by the insured in the event of a claim for damages arising from acts performed in the course of their duties, and it is renewed annually. If the election of candidates for Directors who are not Audit & Supervisory Committee members is approved, they will continue to be included as insured under the insurance contract. In addition, the Company intends to renew the insurance contract with the same terms and conditions at the time of the next renewal.

Proposal No. 3: Election of One (1) Director Who Is an Audit & Supervisory Committee Member

Director who is an Audit & Supervisory Committee member Toshiro Sasaki will resign at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Director who is an Audit & Supervisory Committee member as his substitute.

In addition, the term of office of Director who is an Audit & Supervisory Committee member to be elected as a substitute will, in accordance with the provisions of the Company's Articles of Incorporation, last until at the conclusion of the 40th Annual General Meeting of Shareholders scheduled to be held in November 2026, when the term of office of the retiring Director who is an Audit & Supervisory Committee member expires.

This proposal has been accepted by the Audit & Supervisory Committee.

The candidate for Director who is an Audit & Supervisory Committee member is as follows.

Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
<p style="text-align: center;">Yuko Ito (June 2, 1962)</p> <p style="text-align: center;">New election Outside Independent Female</p>	<p>Mar. 1986 Joined Marui Co., Ltd. (currently Marui Group Co., Ltd.)</p> <p>Oct. 2007 General Manager of Architecture Department of the said company</p> <p>Apr. 2012 Director of AIM CREATE Co., Ltd.</p> <p>Apr. 2014 Executive Officer, General Manager of Architecture Department of Marui Group Co., Ltd.</p> <p>Apr. 2018 Executive Officer, General Manager of Group Design Center and General Manager of Architecture Department of the said company</p> <p>Apr. 2019 Managing Director of AIM CREATE Co., Ltd.</p> <p>June 2019 Director of Marui Group Co., Ltd.</p> <p>Apr. 2022 Director and President of AIM CREATE Co., Ltd.</p> <p>Apr. 2025 Director, Senior Advisor of the said company (current position)</p> <p>Significant concurrent positions Director, Senior Advisor of AIM CREATE Co., Ltd.</p>	0
<p>Reason for nomination as candidate for outside Director who is an Audit & Supervisory Committee member and overview of expected roles</p> <p>The reason why we have nominated Ms. Yuko Ito as a candidate for outside Director who is an Audit & Supervisory Committee member is that, because of her ample professional experience as a corporate executive, we expect her to contribute to ensuring the soundness and adequacy of the management of the Company through utilizing this knowledge to supervise the execution of duties by Directors, provide advice, etc.</p>		

- (Notes)
1. There is no special interest between the candidate Ms. Yuko Ito and the Company.
 2. The candidate Ms. Yuko Ito is a candidate for outside Director.
 3. The candidate Ms. Yuko Ito satisfies the requirements for an independent director as provided for by Tokyo Stock Exchange, Inc., and if her election is approved, the Company plans to designate her as an Independent Director and report the designation to the said exchange.
 4. Article 33, paragraph 2 of the Company's Articles of Incorporation sets forth that pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into contracts with Directors (excluding Executive Directors, etc.) that limit their liability for damages arising from neglecting their duties, and based on this, the Company plans to conclude such a liability limitation contract with the candidate Ms. Yuko Ito, if her election is approved. The amount of limit of her liabilities to compensate for damages under the said contract is the higher of ¥10 million or the minimum liability amount specified in Article 425, paragraph (1) of the Companies Act.
 5. The Company has concluded a directors and officers liability insurance contract as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract covers all Directors who are not Audit & Supervisory Committee members and Directors who are Audit & Supervisory Committee members of the Company. Each Director bears an amount equivalent to 6.4% of the total insurance premium, proportionate to the total amount of remuneration, etc. for each Director. The insurance contract covers damages incurred by the insured in the event of a claim for damages arising from acts performed in the course of their duties, and it is renewed annually. If the election of the

candidate Ms. Yuko Ito is approved, she will be included as insured under the insurance contract. In addition, the Company intends to renew the insurance contract with the same terms and conditions at the time of the next renewal.

(Reference) Skills Matrix of Directors upon approval of Proposal No. 2 and Proposal No. 3

		Directors who are not Audit & Supervisory Committee members				Directors who are Audit & Supervisory Committee members			
Position		Chairman and Representative Director	President and Representative Director	Director	Director	Outside Director (full-time)	Outside Director	Outside Director	Outside Director
Name		Satoshi Ishikawa	Keiichi Chiba	Yoshinari Kitayama	Yukiko Iguchi	Kazuyuki Omori	Takeo Tochimoto	Yumiko Matsuo	Yuko Ito
Gender		Male	Male	Male	Female	Male	Male	Female	Female
Outside Director/ Independent Officer						Outside Independent	Outside Independent	Outside Independent	Outside Independent
Structure of meetings and committees	Board of Directors meeting (★ indicates chairperson)	★	●	●	●	●	●	●	●
	Audit & Supervisory Committee (★ indicates chairperson)					★	●	●	●
	Remuneration Committee (★ indicates chairperson)	★				●	●		
	Sustainability Committee (★ indicates chairperson)	●	★	●	●	●			

Knowledge and experience held by Directors	Management (President)	●	●		●		●		●
	Sales/marketing	●	●		●	●			●
	E-commerce	●	●		●				
	New business development	●	●						
	Product planning/development	●	●						
	Production, procurement, logistics	●	●						
	ESG, sustainability, diversity	●	●	●	●	●		●	●
	Risk management	●	●	●	●		●	●	
	Law/compliance			●				●	
	Finance/accounting			●		●	●		
Professional licenses and others							Certified public accountant	Lawyer/ attorney-at-Law in New York State, USA	

(Note) The above list uses a dot “●” to show the major types of knowledge and experience held by each Director, but does not show all of their knowledge and experience.

Details of knowledge and experience

Management (President)	Experience of corporate management (President)
Sales/marketing	Knowledge and experience concerning sales/marketing
E-commerce	Knowledge and experience concerning E-commerce
New business development	Ability to respond to changes and skills of developing new business
Product planning/development	Ability to respond to changes and skills of planning and developing new products
Production, procurement, logistics	Knowledge and experience concerning production/production management, processing, and overseas procurement such as logistics
ESG, sustainability, diversity	Understanding of ESG, sustainability, and diversity
Risk management	Knowledge and experience concerning risk management
Law/compliance	Knowledge of laws, and knowledge and experience concerning compliance
Finance/accounting	Knowledge and experience concerning finance/accounting, etc.

Proposal No. 4: Revision of Remuneration Amount for Granting Restricted Shares to Directors, Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members

This proposal seeks your approval for partial amendments to the restricted share-based remuneration plan (“Plan”) for Directors excluding outside Directors and Directors who are Audit & Supervisory Committee members (“Eligible Directors”), which was approved at the 33rd Annual General Meeting of Shareholders of the Company held on November 28, 2019.

The amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee members) of the Company was approved at the 30th Annual General Meeting of Shareholders held on November 29, 2016, that the annual remuneration, etc. shall be not more than ¥200 million per year (including a maximum of ¥20 million per year for outside Directors). In addition, at the 33rd Annual General Meeting of Shareholders of the Company held on November 28, 2019, separate from the above remuneration, approval was obtained to pay monetary claims to Eligible Directors for granting restricted shares, as compensation for their duties performed over multiple fiscal years, in an amount not more than ¥60 million per year (up to 80,000 common shares of the Company to be delivered through in-kind contribution of such monetary claims), and in substance, not exceeding ¥20 million per fiscal year (up to 25,000 common shares of the Company).

The Company hereby proposes to revise the upper limit of share-based remuneration and the maximum number of common shares of the Company to be granted. The purpose of this revision is to further motivate Directors to proactively work toward achieving the targets set in the Group’s medium-term management plan and to additionally contribute to the sustainable enhancement of the Group’s medium- to long-term corporate value and shareholder value. In addition, in response to the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019), the Company proposes to make necessary revisions to enable the granting of restricted shares without requiring the payment of money or the provision of monetary claims as property contributed in kind. Accordingly, the Company seeks your approval for these revisions.

The number of Directors who are not Audit & Supervisory Committee members is currently four (4). Subject to the approval and adoption of Proposal 2, “Election of Four (4) Directors Who Are Not Audit & Supervisory Committee Members” as originally proposed, the number of Directors will be four (4).

1. Method of issuance or disposal of restricted shares

The issuance or disposal of restricted shares to be granted to Eligible Directors under the revised Plan shall be conducted based on a resolution of the Board of Directors concerning such issuance or disposal, by either of the following methods.

- (i) A method under which the Company issues or disposes of its common shares without requiring the payment of money or the provision of monetary claims as property contributed in kind as remuneration, etc. for Eligible Directors (“Gratuitous Grant”);
- (ii) A method under which monetary claims are granted to Eligible Directors as remuneration, and the Eligible Directors pay in all of such monetary claims as property contributed in kind to receive the issuance or disposal of common shares of the Company (“In-Kind Contribution”).

2. Maximum number and value of restricted shares to be granted to Eligible Directors

The total amount of remuneration in the form of common shares of the Company or monetary claims to be granted under this proposal shall not exceed ¥150 million per year. However, in principle, it is anticipated that the remuneration may be paid in a lump sum, considering factors such as the target period of the medium-term management plan and other elements, corresponding to the value of duties performed over multiple fiscal years. Nonetheless, in substance, the amount is considered to be equivalent to up to ¥30 million per fiscal year.

In addition, the total number of common shares of the Company to be issued or disposed of to Eligible Directors shall be at most 135,000 shares per year (however, if, on or after the date of approval and resolution of this proposal, the Company conducts share splits of common shares of the Company (including allotment of common shares of the Company without contribution), consolidation of such shares, or in any other event in which the total number of common shares of the Company to be issued or disposed of as restricted shares requires adjustment, said total number shall be adjusted within a reasonable range). However, as mentioned above, in principle, it is anticipated that the remuneration under the restricted share-based remuneration plan may be paid in a lump sum, considering factors such as the target period of the medium-term management plan and other

elements, corresponding to the value of duties performed over multiple fiscal years. Nonetheless, in substance, the allotment is considered to be not more than 27,000 shares per fiscal year.

When the Company grants its common shares to Eligible Directors by way of a Gratuitous Grant as remuneration under this proposal, such common shares shall be issued or disposed of as remuneration to the Eligible Directors, and no payment of monetary claims as property contributed in kind shall be required in exchange for such shares. The amount per common share of the Company to be granted to Eligible Directors shall be calculated based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day), and used as the amount per share for the issuance or disposal of such common shares.

On the other hand, when Eligible Directors receive the issuance or disposal of the Company's common shares by way of an In-Kind Contribution as remuneration under this proposal, the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day), within the extent that such amount will not be particularly advantageous to the Eligible Directors who subscribe to the Company's common shares.

The specific timing and allocation of such remuneration to each Eligible Director shall be resolved by the Board of Directors based on the decisions of the Remuneration Committee, which serves as an advisory body to the Board of Directors.

The issuance or disposal of the Company's common shares to Eligible Directors under this proposal, as well as the provision of monetary claims as property contributed in kind, shall be conditional upon the execution of an agreement on allotment of restricted shares that includes the provisions below ("Allotment Agreement") between the Company and each Eligible Director. In addition, the maximum amount of remuneration under this proposal, the total number of the Company's common shares to be issued or disposed of, and other conditions for the grant of restricted shares to Eligible Directors under this proposal have been determined in consideration of the above purposes, the business performance of the Company, the Company's policy on the determination of the amount of remuneration, etc. for Directors or the method for calculating such amounts (for details of this policy, please refer to pages 24 and 25 of the Business Report (in Japanese only)), and other relevant circumstances, and are considered to be reasonable.

3. Overview of the contents of the Allotment Agreement

(1) Restriction period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the "Allotted Shares") for the period from the date of allotment under the Allotment Agreement until immediately after the Director resigns from the position of Director or Audit & Supervisory Board Member of the Company or its subsidiaries (the "Restriction Period"). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the "Transfer Restrictions."

(2) Lifting of the Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restrictions on all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained continuously in the position of Director of the Company throughout the period predetermined by the Board of Directors of the Company, taking into account factors such as the target period of the medium-term management plan (the "Service Provision Period"). However, if deemed necessary, the Board of Directors of the Company may set performance targets, such as consolidated net profit (hereinafter referred to as "Performance Targets"), and specify them in the Allotment Agreement. In such cases, the Transfer Restrictions on all of the Allotted Shares will be lifted upon expiration of the Restriction Period, on the condition that the performance targets are achieved. However, if the Eligible Director retires from the position of Director of the Company before the expiration of the Service Provision Period due to the expiration of their term, death, or other justifiable reasons, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted and the timing of lifting, taking into account the degree of achievement of Performance Targets if such Performance Targets have

been set. In accordance with the above provisions, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(3) Treatment during reorganization

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes 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 lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. (and, if Performance Targets have been set, considering the degree of achievement of those Performance Targets) prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(4) Other matters

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