May 14, 2026

Company name:	IWAKI CO., LTD.
Name of representative:	Shigeru Fujinaka, President (Code#: 6237; Tokyo Stock Exchange Prime market)
Inquiries:	Tomohiro Azuma, Senior General Manager of General Affairs Head Office (Telephone: (81) 3-3254-2931)

Notice Concerning the Board of Directors' Opinion Regarding Shareholder Proposals

IWAKI CO., LTD. (the "Company") has received a document dated April 20, 2026 from a shareholder stating its intention to submit shareholder proposals (the "Shareholder Proposals") at the Company's 71st Annual General Meeting of Shareholders scheduled to be held on June 26, 2026 (the "Annual General Meeting"). After careful consideration of the contents of the Shareholder Proposals, the Board of Directors resolved at a meeting held today to oppose the Shareholder Proposals, as described below.

Details

1. Proposing Shareholder
   Shareholder Name: DALTON KIZUNA (MASTER) FUND LP

2. Proposals Submitted in the Shareholder Proposals
   (i) Appropriation of Surplus
   (ii) Partial Amendment to the Articles of Incorporation Concerning the Record Date for Annual General Meetings of Shareholders

3. Summary and Reasons for the Proposals
   As described in the attached "Details of the Shareholder Proposals."
   The attached "Details of the Shareholder Proposals" reproduces the relevant portions of the Shareholder Proposal submitted by the proposing shareholder in the original text.

4. Opinion of the Company's Board of Directors on the Shareholder Proposals

Proposal No. 1: Appropriation of Surplus

(1) Opinion of the Board of Directors

The Board of Directors opposes the Shareholder Proposal.

(2) Reasons for Opposition

The Shareholder Proposal requests that additional dividends be paid on top of the dividend proposed by the Company until the dividend per share of the Company's common stock reaches an amount equivalent to 50% of actual EPS(rounding down to the nearest whole yen). Based on this, the dividend per share under the Shareholder Proposal would be 109.00 yen, and the total dividend payment would be approximately 2.4 billion yen.

In the Medium-term Management Plan 2027 announced on May 14, 2025 (the "Medium-term Management Plan"), the Company set targets for the fiscal year ending March 31, 2028 of consolidated net sales of 53.0 billion yen, a consolidated operating margin of 13%, and maintaining ROE of 12% or higher. In addition, the Company established a policy for shareholder returns during the period of the Medium-term Management Plan of maintaining a dividend payout ratio of 35% or higher and a minimum dividend of 70 yen per share. The Company intends to generate cash through sales growth driven by proactive expansion into markets and regions with growth potential and through profit improvements resulting from initiatives such as new product development and the promotion of global procurement, and to allocate such cash toward investments for future growth and business foundations as well as shareholder returns.

In addition, growth investments are not limited to those planned under normal business conditions. As a specialized manufacturer with a full lineup of chemical pumps, the Company has a wide range of contingent investment opportunities, including new development in response to market needs, acquisition of manufacturing technology know-how, equipment renewal, and responses to regulatory changes. The Company believes that maintaining liquidity on hand supports its ability to respond flexibly to these investment opportunities without relying solely on uncertain future cash flows. Consequently, the Company does not consider the current level of cash on hand or the level in the Medium-term Management Plan to be excessive.

The Shareholder Proposal also asserts that "the Company's ROE continues to remain below ROIC (operating profit after tax / net operating assets)." For the fiscal year ended March 31, 2026, the Company's ROE was 12.2% and ROIC[1] was 11.1%. While ROE, which directly reflects returns to shareholders, is easily evaluated from a shareholder perspective, it is also more susceptible to the effects of financial leverage and may be improved superficially in the short term. Therefore, the Company believes that ROE cannot be simply compared with ROIC, which is an indicator of the fundamental

[1] ROIC formula used by the Company = Operating profit after tax / invested capital

profitability of the business. However, the Company has positioned "maintaining ROE of 12% or higher" as one of the financial targets in the Medium-term Management Plan and believes that balancing the effective use of financial leverage with continuous and stable shareholder returns will contribute to delivering medium- to long-term benefits to shareholders.

On the other hand, for the fiscal year ended March 31, 2026, the Company's PBR was 1.3x and PER was 11.4x, which were below the averages for the machinery sector (PBR of 1.7x, PER of 22.1x)[2]. It is undeniable that a gap exists between the Company's intrinsic value and the market's valuation of the Company, and resolving this gap is one of the issues the Company should prioritize.

Improving business profitability is essential to narrowing this gap. However, as reflected in the long-term vision, IWAKI Group Vision NEXT10, and the six priority themes set forth in the Medium-term Management Plan, the path toward achieving this is multifaceted and requires initiatives based on a medium- to long-term perspective. The Company has qualitatively and quantitatively evaluated the progress of the Medium-term Management Plan and disclosed the results in the presentation materials for the financial results for the fiscal year ended March 31, 2026 released today. The Company will strive to strengthen its IR activities so that its intrinsic value will be appropriately understood and evaluated by the equity market, while steadily implementing the initiatives under the six priority themes to enhance business profitability over the medium to long term and maximize shareholder value without relying on short-term measures.

Therefore, the Company's Board of Directors opposes the Shareholder Proposal.

Proposal No. 2: Partial Amendment to the Articles of Incorporation Concerning the Record Date for Annual General Meetings of Shareholders

(1) Opinion of the Board of Directors

The Board of Directors opposes the Shareholder Proposal.

(2) Reasons for Opposition

The Shareholder Proposal requests that the record date for the exercise of voting rights at annual general meetings of shareholders, which is currently specified in the Company's Articles of Incorporation as the last day of each fiscal year (March 31), be changed to May 15 of each year. As a result, the timing of the annual general meeting of shareholders would be postponed from the current late June schedule. The proposal is intended to provide shareholders with sufficient time to review the contents of the Annual Securities Report and related information disclosed in late June before making decisions regarding the exercise of voting rights. It is also intended to have the secondary effect of helping disperse the concentration of shareholder meetings held in late June and facilitating dialogue between shareholders and corporate management.

The Company believes that disclosing Annual Securities Reports with an appropriate amount of lead

[2] Japan Exchange Group, Other Statistical Data, "List of PER and PBR (Consolidated and Non-consolidated) by Company Size and Industry," March 2026

time so that investors can sufficiently analyze their contents and incorporate the results of that analysis into voting decisions is highly likely to contribute to improving the quality of dialogue with shareholders. The Company also recognizes that there are international calls for earlier disclosure of Annual Securities Reports.

On the other hand, changing the record date would result in a difference between the last trading day with rights attached for dividends and other entitlements and the record date for the exercise of voting rights at annual general meetings of shareholders, which could create confusion among shareholders and investors when making investment decisions.

In addition, the gap between the terms of office of directors elected at shareholder meetings and the Company's fiscal year (from April 1 of each year to March 31 of the following year) would widen, which could disrupt the management structure for the new fiscal year and hinder agile management decision-making.

Furthermore, if the annual general meeting of shareholders were to be held in or after July as proposed in the Shareholder Proposal, the timing would overlap with first-quarter financial closing operations, which could result in a temporary concentration of workload related to shareholder meeting responses and disclosure operations.

Therefore, the Company's Board of Directors opposes the Shareholder Proposal.

(Attachment: “Details of the Shareholder Proposals”)

*The relevant portions of the Shareholder Proposal submitted by the proposing shareholder are reproduced in the original text.

I. Proposed Agenda

1. Appropriation of Surplus

2. Partial Amendment to the Articles of Incorporation Concerning the Record Date for Annual General Meetings of Shareholders

II. Summary and Reasons for the Proposals

1. Appropriation of Surplus

(1) Summary of the Proposal

(i) Type of dividend assets

Cash

(ii) Allocation of dividend property and the total amount thereof

A dividend shall be paid in an amount equal to the amount obtained by deducting the Company-proposed dividend from 72 yen per share of the Company’s common stock, in addition to the Company-proposed dividend.

The “Company-proposed dividend” means the dividend per common stock of Iwaki based on the appropriation of surplus proposal proposed by the Company’s Board of Directors and approved at this Annual General Meeting of Shareholders. If the amount obtained by deducting the Company’s interim dividend of 35 yen from the amount obtained by multiplying earnings per share for the 71st fiscal year by 50% and rounding down to the nearest whole yen (hereinafter, the “Amount Equivalent to 50% of Actual EPS”) differs from 72 yen, the reference to 72 yen above shall be replaced with the amount obtained by deducting the interim dividend of 35 yen from the Amount Equivalent to 50% of Actual EPS.

The total amount of dividends shall be the amount obtained by multiplying the above dividend per common stock of Iwaki by the number of shares eligible for dividends as of March 31, 2026.

(iii) Effective date of distribution of retained earnings

The business day immediately following the date of this Annual General Meeting of Shareholders

This proposal is submitted as an additional proposal that is independent from and compatible with the Company’s proposal regarding appropriation of surplus, should such a proposal be submitted at this Annual General Meeting of Shareholders.

(2) Reasons for the Proposal

For the following reasons, we believe that the Company can implement the shareholder return measures outlined in this proposal (effectively a 50% dividend payout ratio) without impairing business opportunities, and that doing so would serve the interests of all shareholders.

First, even after taking into account the funds necessary for future business investment, the Company has sufficient surplus funds. The Company has a stable earnings base, and the funds required for future reinvestment can also be covered within future cash flows.

Second, a decline in capital efficiency attributable to excessive retained earnings is evident. The Company's ROE continues to remain below ROIC (operating profit after tax / net operating assets), indicating issues from the perspective of effective capital utilization. Furthermore, the share price continues to trade below intrinsic value per share, and the Company's response to the Tokyo Stock Exchange's request for "management conscious of capital costs and share price" remains insufficient. In fact, the Company's price-to-book ratio has generally remained in the 1x range, and the value of intangible assets such as the Company's technologies is significantly undervalued in the share price. Furthermore, compared with competitors in the same industry, the Company is valued at relatively lower levels across key indicators such as price-to-book ratio, price-to-earnings ratio, and EV/EBITDA multiples.

Third, there are constraints on stock liquidity. Due to these constraints, the Company appears to be finding it difficult to adopt agile share repurchases as a shareholder return measure. Generally, when a share price is undervalued, share repurchases are an effective means of increasing per-share value (earnings, net assets, and dividends). However, if liquidity constraints prevent sufficient use of such measures, strengthening shareholder returns through dividends is considered a reasonable and appropriate method of returning profits to shareholders.

Based on the foregoing, we believe that implementing this proposed dividend increase, while continuing agile share repurchases to the extent possible so long as the share price remains undervalued, represents the best shareholder return policy for rewarding shareholders.

2. Partial Amendment to the Articles of Incorporation Concerning the Record Date for Annual General Meetings of Shareholders

(1) Summary of the Proposal

Article 12 of the Company's Articles of Incorporation will be amended as follows. In the event that approval of any other proposal at the Annual General Meeting of Shareholders (including proposals submitted by the Company) necessitates formal adjustments to the provisions set forth in this proposal (including, but not limited to, revisions to article numbering), the provisions relating to this proposal shall be deemed replaced by the provisions after such necessary adjustments have been made.

(Amendments are underlined)

Before change	After change
(Record Date) Article 12 1.The Company shall deem shareholders with voting rights who are entered or recorded in the final shareholder register as of the last day of each fiscal year to be shareholders entitled to exercise their rights at the Annual General Meeting of Shareholders relating to such fiscal year. 2. In addition to paragraph 1, when necessary, the Company may, by resolution of the Board of Directors and upon prior public notice, deem shareholders or registered pledgees of shares entered or recorded in the shareholder register on a certain date to be shareholders or registered pledgees of shares entitled to exercise their rights.	(Record Date) Article 12 1. The Company shall deem shareholders with voting rights who are entered or recorded in the shareholder register as of <u>May 15 of each year</u> to be shareholders entitled to exercise their rights at the Annual General Meeting of Shareholders relating to such fiscal year. 2. In addition to paragraph 1, when necessary, the Company may, by resolution of the Board of Directors and upon prior public notice, deem shareholders or registered pledgees of shares entered or recorded in the shareholder register on a certain date to be shareholders or registered pledgees of shares entitled to exercise their rights.

(2) Reason for Proposal

Currently, the record date for voting rights at annual general meetings of shareholders is March 31, and in accordance with the Companies Act, shareholder meetings are therefore held at the end of June. At the same time, in practice, Annual Securities Reports containing important information for shareholders in deciding how to exercise voting rights can only be disclosed at timings extremely close to the meeting date, such as on the day before the shareholders meeting or after the meeting. As a result, it is difficult in practice for investors to sufficiently analyze the contents and incorporate that analysis into voting decisions, and investors are not afforded a meaningful review period.

Annual Securities Reports are statutory disclosure documents containing comprehensive information essential for evaluating important shareholder meeting proposals, including business risks, management strategies, governance frameworks, compensation amounts and related determination policies, and capital policy. We believe that disclosure of such information with an appropriate lead time, rather than immediately before shareholder meetings, is a prerequisite for the responsible exercising of voting rights.

By changing the voting rights record date to mid-May, the Company will be able to establish a schedule allowing Annual Securities Reports and related information to be disclosed sufficiently in advance of shareholder meetings. This would create an environment in which investors, proxy advisory firms, and analysts could thoroughly review the information and appropriately reflect their analysis in decisions on whether to approve or reject each proposal. This proposal does not merely seek superficial changes to the disclosure schedule, but

rather it aims to establish an institutional framework for enhancing substantive information disclosure.

In addition, this amendment is expected to have the secondary effect of encouraging the dispersion of shareholder meeting dates, which have historically been excessively concentrated in late June. The concentration of meeting dates has made it virtually impossible for many shareholders to attend multiple shareholder meetings. Greater dispersion of shareholder meeting schedules would provide shareholders with more opportunities to attend shareholder meetings and engage directly in dialogue and discussions with management. We believe this would promote active shareholder engagement and contribute to the realization of the “shareholder democracy” advocated by DALTON KIZUNA.

This proposal does not involve any change to the fiscal year-end and would not affect business operations or accounting procedures. We believe that rationalizing the disclosure schedule will enhance the quality of information disclosure and the effectiveness of dialogue with the market, thereby contributing to improvements in corporate value and the credibility of capital markets.

For the foregoing reasons, we hereby propose this amendment to the Articles of Incorporation.