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 identification code: 5930
May 29, 2026

To Our Shareholders:

Toshihiko Shiozaki
Representative Director and Chairman of the Board of Directors
Bunka Shutter Co., Ltd.
1-17-3, Nishikata, Bunkyo-ku, Tokyo

NOTICE OF THE 80TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 80th Ordinary General Meeting of Shareholders of Bunka Shutter Co., Ltd. (the "Company"), which will be held as described 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. (matters to be provided in electronic format) in electronic format, and posts this information on the Company's website. Please access the website below by using the internet address shown below to review the information.

The Company's website:

https://www.bunka-s.co.jp/ir/individual/meeting/

In addition to the Company's website, the matters to be provided in electronic format are also posted on the website of the Tokyo Stock Exchange. Please review this information from the internet address shown below.

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 "Bunka Shutter" in "Issue name (company name)" or the Company's securities code "5930" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or the Internet, etc. Should you wish to do so, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Tuesday, June 16, 2026 (Japan Standard Time).

1. Date and Time: Wednesday, June 17, 2026 at 10 a.m. (Japan Standard Time)

2. Venue: 1-17-3, Nishikata, Bunkyo-ku, Tokyo

2F Hall, Head Office of the Company

(Please refer to the map of the General Meeting of Shareholders venue at the end of this document.)

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 80th Term (from April 1, 2025, to March 31, 2026), as well as the results of audit of the Consolidated Financial Statements by the financial auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 80th Term (from April 1, 2025, to March 31, 2026)

Items to be resolved:

<Company proposals (Proposals 1 to 4)>

Proposal 1:	Appropriation of Surplus
Proposal 2:	Election of nine (9) Directors (Excluding Those Who Concurrently Serve as Audit and Supervisory Committee Members)
Proposal 3:	Election of One (1) Director as Audit and Supervisory Committee Member
Proposal 4:	Approval of the Conditional Implementation of Countermeasures Taking into Consideration the (Emergency) Circumstances of a High Probability of a Large-scale Purchase, etc. of Company Share Certificates, etc. by Dalton Parties

<Shareholder proposal (Proposal 5)>

Proposal 5:	Election of two (2) Directors who are not Audit and Supervisory Committee Members

4. Guide to Exercising Voting Rights:

(1) Exercising voting rights in writing

Please indicate your approval or disapproval of the proposals on the voting form and return it by postal mail to reach us no later than 5:30 p.m. on Tuesday, June 16, 2026 (Japan Standard Time).

(2) Exercising voting rights via the Internet, etc.

If you wish to exercise your voting rights via the Internet, etc., please refer to the "Guidance for Exercising Voting Rights via the Internet, etc." on page X and exercise your voting rights by 5:30 p.m. on Tuesday, June 16, 2026.

(3) If you exercise your voting rights both in writing and via the Internet, etc., the votes made via the Internet, etc., shall prevail. If you exercise your voting rights multiple times via the Internet, etc., the vote submitted last shall prevail.

(4) Article 22 of the Company's Articles of Incorporation stipulates that the Company shall have no more than nine (9) Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members).
On the other hand, "<Company Proposal> Proposal 2" proposes the election of nine (9) Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) and "<Shareholder Proposal> Proposal 5" proposes the election of two (2) Directors to not concurrently serve as Audit and Supervisory Committee Members. If the candidates for both proposals are elected, the maximum number of Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) as stipulated in the Company's Articles of Incorporation will be exceeded. As such, the two proposals are incompatible.
Accordingly, shareholders are requested to vote to approve or disapprove of all eleven (11) candidates for Director (excluding those who concurrently serve as Audit and Supervisory Committee Members), including, in principle, voting rights exercised in writing and via the Internet. The Company shall elect the Director candidates who have received a majority of votes in approval. However, if, as a result of the voting, the number of candidates for Director (excluding those who concurrently serve as Audit and Supervisory Committee Members) exceeds nine (9), up to nine (9) Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) shall be elected in descending order of the number of votes in approval.

Please indicate your approval or disapproval of <Company Proposal> Proposal 2 and <Shareholder Proposal> Proposal 5 with respect to all eleven (11) candidates for Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members). Note that the Company will not treat the exercise of voting rights for approval or disapproval as limited to nine (9) Directors.

If attending the meeting in person, please submit the voting form at the reception desk.

Note that, when convening this General Meeting of Shareholders, paper-based documents (the "documents to be delivered") stating matters to be provided in electronic format will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents. Provided, however, that the system to ensure the properness of operations, overview of operational status of the system to ensure the properness of operations, basic policy on company control, consolidated statement of changes in shareholders' equity, notes to consolidated financial statements, non-consolidated statement of changes in shareholders' equity, and notes to non-consolidated financial statements are not provided in the documents to be delivered under laws and provisions of the Company's Articles of Incorporation. The Audit and Supervisory Committee Members and financial auditor have audited the documents to be audited, including the matters listed above.

In addition, if revisions to the matters to be provided in electronic format 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.

Guidance for the Exercise of Voting Rights

There are three methods to exercise your voting rights as indicated below.

Exercise of voting rights by attending the General Meeting of Shareholders

Please submit the voting form at the reception desk.
Date and Time: Wednesday, June 17, 2026 at 10 a.m. (Japan Standard Time)

Exercise of voting rights in writing (by postal mail)

Complete the voting form by indicating your approval or disapproval of the proposals and return it without affixing a stamp.
Exercise due date: To be received no later than 5:30 p.m. on Tuesday, June 16, 2026 (Japan Standard Time)

Exercise of voting rights via the Internet

Indicate your approval or disapproval of the proposals in accordance with the instructions on page 5.
Exercise due date: No later than 5:30 p.m. on Tuesday, June 16, 2026 (Japan Standard Time)

* In the case that voting rights are exercised in duplicate, via both in writing (via postal mail) and via the Internet, etc., the vote via the Internet, etc. shall be deemed valid.
* If you exercise your voting rights multiple times via the Internet, the last vote cast shall be considered valid.

Exercising voting rights in writing

Exercise due date: To be received no later than 5:30 p.m. on Tuesday, June 16, 2026 (Japan Standard Time)
Indicate your approval or disapproval on the voting form and return it to us.
If you agree with the opinion of the Board of Directors of the Company, please mark ○ in the disapproval box in the fields for approval or disapproval of shareholder proposals.

* If there is no indication of approval or disapproval for each proposal, it will be treated as an indication of approval for the Company proposals and disapproval for the shareholder proposals.

■How to fill out the voting form

Proposal 1 through 4 are proposals presented by the Board of Directors of the Company.
Proposal 5 is a proposal made by certain shareholders.
The Board of Directors is opposed to this proposal.
Please refer to page 32 for further details.

■How to fill out (sample)

▶ If “for”: please circle “For”
▶ If “against”: please circle “Against”

Guidance for the Exercise of Voting Rights via the Internet, etc.

Method 1: Scanning the QR Code "Smart Vote"

You can simply log in to the website for exercising voting rights without entering your voting right exercise code and password.

1 Please scan the QR Code located on the bottom right of the voting form.
   * "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

2 Indicate your approval or disapproval in accordance with the instructions to be shown on the screen.

Please note that exercising voting rights by using "Smart Vote" method is available only once.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computers and log in by entering your voting right exercise code and password as listed on the voting form, and exercise your voting rights again.

* You can access the website for personal computers by scanning the QR Code again.

Method 2: Entering the Voting Right Exercise Code and Password

Website for exercising voting rights: https://www.web54.net

1 Please access the website for exercising your voting rights.
2 Enter your voting right exercise code as listed on the voting form.
3 Enter the password printed on the voting form.
4 Please follow the on-screen guidance to enter your approval or disapproval.

If you have any questions about how to use a PC or smartphone to exercise your voting rights via the Internet, please contact us at the contact point on the right. Dedicated phone line for Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank Phone number: 0120-652-031 (toll-free within Japan only) (Business hours: 9 a.m.–9 p.m.)

Institutional investors may use the platform operated for institutional investors by ICJ, Inc. to electronically exercise the voting rights.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

<Company proposals> (Proposals 1 to 4)

Proposal 1: Appropriation of Surplus

For the appropriation of surplus, the Company proposes the following year-end dividends for the 80th term, taking into account the Company's operating results for the current fiscal year, with a view to maintaining a stable financial base by securing sustainable profits and continuing to pay stable dividends to shareholders.

Matters related to year-end dividends

(1) Type of dividend property

Cash

(2) Allocation of dividend property to shareholders and total amount thereof

37 yen per common share of the Company

Total amount of dividends: 2,613,617,174 yen

(The Company has already paid 37 yen per share as an interim dividend on December 1, 2025. The total dividend for the fiscal year will therefore amount to 74 yen per share.)

(3) Effective date of distribution of dividends of surplus

June 18, 2026

Proposal 2: Election of nine (9) Directors (Excluding Those Who Concurrently Serve as Audit and Supervisory Committee Members)

The terms of office of all nine (9) Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes that nine (9) Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) be elected.

This proposal has been deliberated by the Nomination/Remuneration Committee, which is chaired by an independent Outside Director and the majority of whose members are independent Outside Directors, in response to the inquiry of the Board of Directors. The Audit and Supervisory Committee of the Company has determined that all candidates are qualified.

The names of the Director candidates (excluding those who concurrently serve as Audit and Supervisory Committee Members) as well as the reasons for their nomination are shown below.

No.	Name	Gender	Current position and responsibilities in the Company	
1	Toshihiko Shiozaki	Male	Representative Director and Chairman of the Board of Directors	Reelection
2	Hiroyuki Ogura	Male	Representative Director and President, Executive President	Reelection
3	Mitsuru Mita	Male	Director-Managing Operating Officer and responsible for sales, design, and construction	Reelection
4	Haruhiko Ichikawa	Male	Director-Managing Operating Officer and responsible for management operations, Group and overseas	Reelection
5	Tadahito Ooka	Male	Director-Senior Operating Officer and responsible for manufacturing, new business, and product development	Reelection
6	Nobuki Goto	Male	Director	Reelection Outside Independent officer
7	Reiko Kusunose	Female	Director	Reelection Outside Independent officer
8	Sumie Morita	Female	Director	Reelection Outside Independent officer
9	Kayo Murakami	Female	Director	Reelection Outside Independent officer

Notes:

1. Nobuki Goto, Reiko Kusunose, Sumie Morita, and Kayo Murakami are candidates for Outside Directors, and the Company has registered the four of them as independent officers with the Tokyo Stock Exchange.

2. Both Nobuki Goto and Reiko Kusunose have been appointed as Outside Directors of the Company since June 2024, and their term of office will be two years at the conclusion of this Ordinary General Meeting of Shareholders. Additionally, both Sumie Morita and Kayo Murakami have been appointed as Outside Directors of the Company since June 2025, and their term of office will be one year at the conclusion of this Ordinary General Meeting of Shareholders.

3. The Company has entered into an agreement with Nobuki Goto, Reiko Kusunose, Sumie Morita, and Kayo Murakami pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit the liability of the four of them for damages under Article 423, paragraph (1) of the Companies Act. The upper limit on liability for damages under the agreements will be the total of the amounts prescribed in the items of Article 425, paragraph (1) of the Companies Act, and if their reappointments are approved, the Company plans to continue the agreement with the four individuals.

4. The Company has entered into a liability insurance contract for officers, etc. with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and such insurance contract will cover the insured, including the Company's Directors, in cases where liability for damages is borne by the insured. In addition, such insurance contract is expected to be renewed with the same contents at the next renewal.
5. On April 20, 2024, while Reiko Kusunose, a candidate for Outside Director, was serving as an Outside Director of NIPPO CORPORATION, the company publicly announced the fact that asphalt mixtures with specifications different from those in the design documents were used in some construction projects delivered by the subsidiary of NIPPO CORPORATION. And on April 11, 2025, NIPPO CORPORATION was suspended from bidding for up to four months by the Ministry of Land, Infrastructure, Transport and Tourism's Regional Development Bureaus and other organizations. As an Outside Director of the company, Reiko Kusunose has previously pointed out the importance of compliance with laws and regulations at NIPPO CORPORATION's Board of Directors meetings, and has been involved in overseeing the operation of the internal reporting system, supervising the operation of the risk management system, and suggesting improvements. Since coming into contact with this information, she has fulfilled her responsibility to ensure compliance and reduce the risk of damage to corporate value by communicating with management, establishing an external investigation committee, and supervising the appropriate implementation of internal initiatives.
6. The name of Reiko Kusunose on her family register is Reiko Ishii.
7. The name of Kayo Murakami on her family register is Kayo Kanazawa.

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="19">1</td><td rowspan="15">Toshihiko Shiozaki

December 13, 1947

Reelection</td><td>Mar. 1970</td><td>Joined the Company</td></tr>
<tr><td>Apr. 1984</td><td>Manager of Fukuoka Factory of the Company</td></tr>
<tr><td>Apr. 1987</td><td>Manager of Fukuoka Office of the Company</td></tr>
<tr><td>Apr. 1990</td><td>Manager of Chiba Office of the Company</td></tr>
<tr><td>Apr. 1993</td><td>Manager of Systems Department of the Company</td></tr>
<tr><td>Oct. 1998</td><td>Manager of Human Resources Department of the Company</td></tr>
<tr><td>Apr. 2006</td><td>Operating Officer and Manager of Human Resources Department of the Company</td></tr>
<tr><td>Apr. 2007</td><td>Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Jun. 2007</td><td>Director-Senior Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Apr. 2009</td><td>Director-Senior Operating Officer and General Manager of Planning Administration Division of the Company</td></tr>
<tr><td>Apr. 2011</td><td>Director-Managing Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Jun. 2012</td><td>Director-Senior Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Apr. 2016</td><td>Representative Director and President, Executive President of the Company</td></tr>
<tr><td>Apr. 2021</td><td>Chairman of the Board of Directors of the Company (present position)</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
Chairman of Japan Rolling Shutters & Doors Association</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
102,400</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since joining the Company in 1970, Toshihiko Shiozaki has been responsible for production, sales, and the management of the head office, which has given him wide-ranging experience in a vast area of operations in the Group. Since assuming office of Director of the Company in 2007, he has been supervising primarily the management department and business execution in Group companies, and contributing to the expansion of the Group’s business operations. Subsequently, in 2016, he assumed office of Representative Director and President, where he strongly led the implementation of the five-year Medium-Term Management Plan. Since assuming office of Representative Director and Chairman of the Board of Directors in 2021, he has discharged his directorial duties by chairing the Board of Directors and engaging in business management of the entire Group.
In addition to the above, at present, he also serves as Chairman of Japan Rolling Shutters & Doors Association, and works to promote and enhance social business activities related to safety and security, such as the spread and promotion of fire-protection facilities and projects.
On this basis, the Company believes that Toshihiko Shiozaki remains well-suited to the task of making decisions on the Group’s management policies and corporate strategy; therefore, the Company has nominated him once again for the position of Director.</td></tr>
</table>

No.	Name (Date of birth)	Brief history, position and responsibilities	
2	Hiroyuki Ogura March 24, 1955 Reelection	Jul. 1980	Joined the Company
		Apr. 2002	Manager of Minami Kyushu Office of the Company
		Apr. 2005	Manager of Kyushu Special Sales Office of the Company
		Apr. 2008	President of Chugoku-Shikoku Branch of the Company
		Apr. 2010	Operating Officer and Manager of Kyushu Branch of the Company
		Apr. 2011	Operating Officer and General Manager of West Japan Business Division of the Company
		Jun. 2011	Director-Senior Operating Officer and General Manager of West Japan Business Division of the Company
		Apr. 2016	Director-Senior Operating Officer and General Manager of Building Materials Business Division of the Company
		Apr. 2018	Director-Managing Operating Officer and responsible for sales of the Company
		Apr. 2021	Representative Director and President, and Executive President of the Company (present position)
	■Significant concurrent positions outside the Company None		
	■Special interest in the Company None		
	■Number of the Company's shares owned 36,500		
	■Reason for nomination as a candidate for Director Since joining the Company in 1980, Hiroyuki Ogura has gained wide-ranging business experience and specialized insight primarily in sales operations. Since assuming office of Director of the Company in 2011, he has served as a supervisor of sales in West Japan and operations for major general contractors, as well as chief supervisor of the sales operations, and since assuming office of Representative Director and President in 2021, he has discharged his directorial duties by strongly leading efforts to implement the three-year Medium-Term Management Plan, as well as working on the implementation of the new Medium-Term Management Plan from 2024, and contributed to the expansion of the Group's business operations. On this basis, the Company believes that Toshihiko Shiozaki remains well-suited to the task of making decisions on the Group's management policies and corporate strategy; therefore, the Company has nominated him once again for the position of Director.		

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="15">3</td><td rowspan="11">Mitsuru Mita

December 4, 1958

Reelection</td><td>Apr. 1982</td><td>Joined the Company</td></tr>
<tr><td>Apr. 2001</td><td>Manager of Tama Office of the Company</td></tr>
<tr><td>Apr. 2005</td><td>Manager of Kanagawa Office of the Company</td></tr>
<tr><td>Apr. 2009</td><td>Manager of Fukuoka Office of the Company</td></tr>
<tr><td>Apr. 2011</td><td>Manager of Chubu Office of the Company</td></tr>
<tr><td>Apr. 2013</td><td>Operating Officer and General Manager of Special Demand Division of the Company</td></tr>
<tr><td>Apr. 2014</td><td>Representative Director and President of Bunka Shutter Services Co., Ltd.</td></tr>
<tr><td>Apr. 2018</td><td>Managing Operating Officer and General Manager of Building Materials Business Division of the Company</td></tr>
<tr><td>Jun. 2018</td><td>Director-Senior Operating Officer and General Manager of Building Materials Business Division of the Company</td></tr>
<tr><td>Apr. 2021</td><td>Director-Managing Operating Officer and General Manager of East Japan Business Division of the Company</td></tr>
<tr><td>Apr. 2024</td><td>Director-Managing Operating Officer and responsible for sales, design, and construction of the Company (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
None</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
18,700</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since joining the Company in 1982, Mitsuru Mita has gained wide-ranging business experience and specialized insight primarily in sales operations. In recent years, he has contributed to the expansion of the Group’s business operations; since 2013, he has been responsible for new business, and since 2014, he has served as President of a subsidiary of the Group that provides after-sales support of the Company’s support. Since his appointment as Director of the Company in 2018, he has fulfilled the duties of Director, for example, he has been largely in charge of major general contractors and served as a supervisor of sales in East Japan, and since 2024, as a chief supervisor of the Company’s sales, design, and construction.
On this basis, the Company believes that Mitsuru Mita remains well-suited to the task of making decisions on the Group’s management policies and corporate strategy; therefore, the Company has nominated him once again for the position of Director.</td></tr>
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<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="13">4</td><td rowspan="9">Haruhiko Ichikawa

January 27, 1960

Reelection</td><td>Apr. 1983</td><td>Joined the Company</td></tr>
<tr><td>Apr. 2007</td><td>Manager of Human Resources Department of the Company</td></tr>
<tr><td>Apr. 2012</td><td>Manager of Human Resources & General Affairs Department of the Company</td></tr>
<tr><td>Apr. 2013</td><td>Operating Officer and Manager of Human Resources & General Affairs Department of the Company</td></tr>
<tr><td>Apr. 2016</td><td>Managing Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Jun. 2018</td><td>Director-Senior Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Apr. 2021</td><td>Director-Managing Operating Officer and responsible for management operations of the Company</td></tr>
<tr><td>Apr. 2024</td><td>Director-Managing Operating Officer and responsible for management operations and overseas of the Company</td></tr>
<tr><td>Apr. 2026</td><td>Director-Managing Operating Officer and responsible for management operations, Group and overseas of the Company (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
None</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
25,000</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since joining the Company in 1983, Haruhiko Ichikawa has gained specialized insight primarily in head office management—specifically, HR and general affairs—as well as wide-ranging business experience in sales promotion. Since 2016, he has discharged his directorial duties by contributing to the expansion of the Group’s business operations by supervising head office operations, including accounting, finance, and group management operations, and has continued to do so as chief supervisor of head office operations since his appointment as Director of the Company in 2018, as well as since 2026 additionally in the role of the supervisor of the Group.
On this basis, the Company believes that Mitsuru Mita remains well-suited to the task of making decisions on the Group’s management policies and corporate strategy; therefore, the Company has nominated him once again for the position of Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="11">5</td><td rowspan="7">Tadahito Ooka

April 5, 1960

Reelection</td><td>Apr. 1984</td><td>Joined the Company</td></tr>
<tr><td>Apr. 2013</td><td>Manager of Akita Factory of the Company</td></tr>
<tr><td>Apr. 2015</td><td>Manager of Manufacturing Planning Department of the Company</td></tr>
<tr><td>Apr. 2018</td><td>Operating Officer and Manager of Manufacturing Planning Department of the Company</td></tr>
<tr><td>Apr. 2020</td><td>Managing Operating Officer and responsible for manufacturing of the Company</td></tr>
<tr><td>Apr. 2024</td><td>Managing Operating Officer and responsible for manufacturing, new business, and product development of the Company</td></tr>
<tr><td>Jun. 2024</td><td>Director-Senior Operating Officer and responsible for manufacturing, new business, and product development of the Company (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
None</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
5,300</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since joining the Company in 1984, Tadahito Ooka has gained business experience and specialized insight primarily in manufacturing and technical operations. Since 2020, he has served as a chief supervisor of the Company’s manufacturing operations, including manufacturing, quality assurance, and purchasing, as well as since 2024 additionally in the role of the supervisor of new business and product development, and since becoming a Director of the Company in the same year, he has been fulfilling his responsibilities as a Director, including contributing to the expansion of the Group’s business.
On this basis, the Company believes that Mitsuru Mita remains well-suited to the task of making decisions on the Group’s management policies and corporate strategy; therefore, the Company has nominated him once again for the position of Director.</td></tr>
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No.	Name (Date of birth)	Brief history, position and responsibilities	
6	Nobuki Goto June 13, 1960 Reelection Outside Independent officer	Apr. 1983	Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
		Dec. 1990	Seconded to Tokio Marine MC Asset Management Co., Ltd. (currently Tokio Marine Asset Management Co., Ltd.)
		Jul. 1999	Manager of Investment Department I of Tokio Marine Asset Management Co., Ltd.
		Jul. 2003	Manager of Investment Investigation Department of Tokio Marine Asset Management Co., Ltd.
		Apr. 2006	Executive Officer, Head of Investment Trust Business Division of Tokio Marine Asset Management Co., Ltd.
		Jul. 2013	President & CEO of Tokio Marine Property Investment Management, Inc.(merged into Tokio Marine Asset Management Co., Ltd. in October 2016)
		Oct. 2016	Managing Director and Head of Property Investment Division of Tokio Marine Asset Management Co., Ltd.
		Apr. 2018	Managing Director and Head of Alternative Investment Division of Tokio Marine Asset Management Co., Ltd.
		Apr. 2020	Managing Executive Officer and Head of Administration Division of Tokio Marine Asset Management Co., Ltd.
		Apr. 2022	Managing Executive Officer and Head of Investment Division of Tokio Marine Asset Management Co., Ltd.
		Jun. 2024	Outside Director of the Company (present position)
	■Significant concurrent positions outside the Company None		
	■Special interest in the Company None		
	■Number of the Company's shares owned 900		
	■Reason for nomination as a candidate for Director Since assuming the position of Director of the Company in 2024, Nobuki Goto has been appropriately supervising the Company's Board of Directors and the Directors' business operations, including expressing his opinions at important meetings, including the Board of Directors' meetings. In addition, he has extensive insight gained from his involvement in the management of a major asset management company, as well as a high level of expertise from the perspective of investors and shareholders. We believe that he will be able to utilize these insights to enhance the supervisory function through discussions at Board of Directors meetings from an independent and objective standpoint, and therefore he has been nominated to continue as a candidate for Outside Director.		

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="16">7</td><td rowspan="12">Reiko Kusunose

October 2, 1965

Reelection
Outside
Independent officer</td><td>Apr. 1990</td><td>Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</td></tr>
<tr><td>Aug. 1998</td><td>Joined Hyperion K.K. (currently Oracle Corporation)</td></tr>
<tr><td>Oct. 2001</td><td>Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)</td></tr>
<tr><td>Oct. 2005</td><td>General Manager of Corporate Communications and Investor Relations Office of Fuji Heavy Industries Ltd.</td></tr>
<tr><td>Jul. 2011</td><td>Senior Manager of North America Business Planning Department, Subaru Overseas Sales & Marketing Division 1 of Fuji Heavy Industries Ltd.</td></tr>
<tr><td>Jun. 2013</td><td>CFO of Water Technology GBU of LIXIL Corporation</td></tr>
<tr><td>Apr. 2015</td><td>Executive Officer, CFO of LIXIL Water Technology Japan of LIXIL Corporation</td></tr>
<tr><td>Jul. 2019</td><td>Director, General Manager of Accounting Standardization Promotion Department, Accounting and Finance Division of LIXIL Corporation</td></tr>
<tr><td>Feb. 2020</td><td>Senior Corporate Officer and Assistant CFO of Nippon Sheet Glass Co., Ltd.</td></tr>
<tr><td>Jul. 2020</td><td>Senior Executive Officer and CFO of Nippon Sheet Glass Co., Ltd. (resigned in June 2023)</td></tr>
<tr><td>May 2022</td><td>Outside Director of NIPPO CORPORATION (present position)</td></tr>
<tr><td>Jun. 2024</td><td>Director (Outside Director) of the Company (present position)</td></tr>
<tr><td></td><td>Jun. 2024</td><td>Outside Director of TEIJIN LIMITED (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
Outside Director of NIPPO CORPORATION
Outside Director of TEIJIN LIMITED</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
900</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since assuming her position as a Director of the Company in 2024, Reiko Kusunose has been appropriately supervising the Company’s Board of Directors and the business operations of the directors, including expressing her opinions at important meetings, including the Board of Directors’ meetings.
In addition, she has extensive experience and expertise, including broad insight gained from her involvement in the management of a major manufacturer, as well as experience in overseas business, investor relations and as CFO at multiple manufacturers. We believe that she will be able to utilize these skills to enhance the supervisory function through discussions at Board of Directors meetings from an independent and objective standpoint, and therefore she has been nominated to continue as a candidate for Outside Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="17">8</td><td rowspan="13">Sumie Morita

May 8, 1960

Reelection
Outside
Independent officer</td><td>Apr. 1983</td><td>Joined Fujitsu Limited</td></tr>
<tr><td>Jul. 2005</td><td>Project Manager of SEI CMMI L3 Certified Project Promotion Department, Telecommunications Division, SEI of Fujitsu Limited</td></tr>
<tr><td>Sep. 2006</td><td>Manager of BT21CN project promotion for the next-generation network of Fujitsu Limited</td></tr>
<tr><td>Oct. 2008</td><td>Project Manager, Global Product Planning Division, Network Products of Fujitsu Limited</td></tr>
<tr><td>Oct. 2010</td><td>General Manager of the Network Products North American Transmission Equipment Software Development Division of Fujitsu Limited</td></tr>
<tr><td>Apr. 2014</td><td>Chief Researcher of Manufacturing Technology Research Laboratory of Fujitsu Laboratories Ltd. (currently Fujitsu Limited)</td></tr>
<tr><td>Apr. 2015</td><td>Senior Researcher of Software Research Laboratory of Fujitsu Limited; Senior Director of Common Software Development Technology Division of Fujitsu Limited</td></tr>
<tr><td>Jan. 2018</td><td>Chief Manager of Air Conditioning System Development Department
of Fujitsu General Limited (currently GENERAL Inc.)</td></tr>
<tr><td>Apr. 2019</td><td>Executive Officer (responsible for Air Conditioning System Development) of Fujitsu General Limited</td></tr>
<tr><td>Apr. 2022</td><td>Professor of Department of Information Engineering, Faculty of Systems Science and Technology, Akita Prefectural University (present position)</td></tr>
<tr><td>Mar. 2023</td><td>Outside Director, Sumitomo Heavy Industries, Ltd. (present position)</td></tr>
<tr><td>Jun. 2024</td><td>Outside Director, Nihon Kohden Corporation (present position)</td></tr>
<tr><td>Jun. 2025</td><td>Outside Director of the Company (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
Professor, Department of Information Engineering, Faculty of Systems Science and Technology, Akita Prefectural University
Outside Director, Sumitomo Heavy Industries, Ltd.
Outside Director, Nihon Kohden Corporation</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
300</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since assuming the position of Director of the Company in 2025, Sumie Morita has been appropriately supervising the Company’s Board of Directors and the Directors’ business operations, including expressing her opinions at important meetings, including the Board of Directors’ meetings.
Additionally, Sumie Morita has broad insight gained from her involvement in management from a global perspective at a major information and communications company, as well as ample practical experience as a product developer in the fields of information and communications and information networks. She also has a wealth of knowledge as an information engineering expert, including currently serving as a university professor. We believe that she will be able to utilize these skills to enhance the supervisory function through discussions at Board of Directors meetings from an independent and objective standpoint, and therefore she has been nominated to continue as a candidate for Outside Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="16">9</td><td rowspan="12">Kayo Murakami

September 16,1967

Reelection
Outside
Independent officer</td><td>Dec. 1996</td><td>Establishment of M.K.Connect, Ltd.</td></tr>
<tr><td>May 2001</td><td>Joined Netyear Group Corporation</td></tr>
<tr><td>Mar. 2007</td><td>Joined Culture Convenience Club Co., Ltd.
Marketing Manager of Tsutaya Online Media Division</td></tr>
<tr><td>Sep. 2012</td><td>Joined Rakuten, Inc. (currently Rakuten Group, Inc.)
Manager of Rakuten EMOBILE, Inc. (currently Rakuten Mobile, Inc.)</td></tr>
<tr><td>Sep. 2013</td><td>Joined P.G.C.D. JAPAN, Inc.
Manager of Listing Preparation Office</td></tr>
<tr><td>Oct. 2016</td><td>Joined as Consultant of SYNAPSE Co., Ltd.</td></tr>
<tr><td>Jun. 2020</td><td>Outside Director of en Japan Inc. (currently en Inc.)</td></tr>
<tr><td>Jul. 2020</td><td>Representative Partner and CEO of Kazu and Company LLC (present position)</td></tr>
<tr><td>Apr. 2023</td><td>Advisory Fellow at Okinawa IT Innovation Strategy Center of General Incorporated Foundation (present position)</td></tr>
<tr><td>Jun. 2023</td><td>Outside Director of SANYO SHOKAI LTD. (present position)</td></tr>
<tr><td>Jun. 2024</td><td>Outside Director and Audit Committee Member of Press Kogyo Co., Ltd. (present position)</td></tr>
<tr><td>Jun. 2025</td><td>Outside Director of the Company (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
Representative Partner and CEO of Kazu and Company LLC
Outside Director of SANYO SHOKAI LTD.
Outside Director and Audit Committee Member of Press Kogyo Co., Ltd.
Advisory Fellow at Okinawa IT Innovation Strategy Center of General Incorporated Foundation</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
300</td></tr>
<tr><td colspan="3">■Reason for nomination as a candidate for Director
Since assuming the position of Director of the Company in 2025, Kayo Murakami has been appropriately supervising the Company’s Board of Directors and the Directors’ business operations, including expressing her opinions at important meetings, including the Board of Directors’ meetings.
Kayo Murakami has broad insight as a corporate executive, knowledge of a systematic management theory as a Master of Business Administration (MBA), a specialized perspective on DX (digital transformation), and abundant practical experience. We believe that she will be able to utilize these skills to enhance the supervisory function through discussions at Board of Directors meetings from an independent and objective standpoint, and she has been nominated to continue as a candidate for Outside Director.</td></tr>
</table>

Proposal 3: Election of One (1) Director as Audit and Supervisory Committee Member

Director Kazue Shimamura, a member of the Audit and Supervisory Committee, will resign by stepping down at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes that one (1) Director be elected as Audit and Supervisory Committee Member.

This proposal has been deliberated by the Nomination/Remuneration Committee, which is chaired by an independent Outside Director and the majority of whose members are independent Outside Directors, in response to the inquiry of the Board of Directors. In addition, this proposal has been consented to by the Audit and Supervisory Committee Members.

The names of the Director candidates who concurrently serve as Audit and Supervisory Committee Members as well as the reasons for their nomination are shown below.

No.	Name	Gender	Current position and responsibilities in the Company	
1	Junko Taki	Female	-	New election Outside Independent officer

Notes:
1. Junko Taki is a candidate for Outside Directors, and the Company has registered her as an independent officer with the Tokyo Stock Exchange.
2. If the new appointment of Junko Taki is approved, the Company plans to enter into an agreement with her pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit her liability for damages under Article 423, paragraph (1) of the Companies Act. The upper limit on liability for damages under the agreements will be the total of the amounts prescribed in the items of Article 425, paragraph (1) of the Companies Act.
3. The Company has entered into a liability insurance contract for officers, etc. with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and such insurance contract will cover the insured, including the Company’s Directors, in cases where liability for damages is borne by the insured. In addition, such insurance contract is expected to be renewed with the same contents at the next renewal.

<table>
<tr><th>No.</th><th>Name (Date of birth)</th><th colspan="2">Brief history, position and responsibilities</th></tr>
<tr><td rowspan="15">1</td><td rowspan="11">Junko Taki

July 17, 1967

New election
Outside
Independent officer</td><td>Apr. 1990</td><td>Joined ORIX Corporation</td></tr>
<tr><td>Oct. 1997</td><td>Joined Asahi & Co. (currently KPMG AZSA LLC)</td></tr>
<tr><td>Mar. 2001</td><td>Registered as Certified Public Accountant</td></tr>
<tr><td>Nov. 2017</td><td>Joined Suminoe Textile Co., Ltd. (currently SUMINOE Co., Ltd.)</td></tr>
<tr><td>Aug. 2019</td><td>General Manager of the Global Strategies Department of the Administration Headquarters and General Manager of the Corporate Planning Department of SUMINOE Co., Ltd.</td></tr>
<tr><td>Feb. 2021</td><td>Representative of Taki CPA Office (present position)</td></tr>
<tr><td>May 2022</td><td>Outside Director of AEON MALL Co., Ltd.</td></tr>
<tr><td>Jun. 2022</td><td>Outside Audit & Supervisory Board Member of Nitta Gelatin Inc.</td></tr>
<tr><td>Jun. 2022</td><td>Outside Director of
NIHON KAGAKU SANGYO CO., LTD. (present position)</td></tr>
<tr><td>Jun. 2024</td><td>Outside Director Audit & Supervisory Committee Member of Odakyu Electric Railway Co., Ltd. (present position)</td></tr>
<tr><td>Jun. 2025</td><td>Substitute Independent Director and Audit and Supervisory Committee Member of TOA CORPORATION (present position)</td></tr>
<tr><td colspan="3">■Significant concurrent positions outside the Company
Representative of Taki CPA Office
Outside Director of NIHON KAGAKU SANGYO CO., LTD.
Outside Director Audit & Supervisory Committee Member of Odakyu Electric Railway Co., Ltd.
Substitute Independent Director and Audit and Supervisory Committee Member of TOA CORPORATION</td></tr>
<tr><td colspan="3">■Special interest in the Company
None</td></tr>
<tr><td colspan="3">■Number of the Company’s shares owned
0</td></tr>
<tr><td colspan="3">■Reasons for nomination as a candidate for Director who concurrently serves as an Audit and Supervisory Committee Member and outline of expected roles:
As a Certified Public Accountant, Junko Taki has extensive experience from engaging in auditing work for a major audit firm as well as broad insight and a high level of expertise largely from serving as General Manager of the Global Strategies Department and General Manager of the Corporate Planning Department at a manufacturer. We believe that she will be able to utilize these skills to review management from an objective and neutral standpoint, and therefore have nominated her as a new candidate for Director who concurrently serves as an Audit and Supervisory Committee Member.
Although Junko Taki is a former employee of KPMG AZSA LLC, which was the Company's former financial auditor, KPMG AZSA LLC was the Company's financial auditor until 2007, and nearly twenty years have passed since KPMG AZSA LLC ceased to be the Company's financial auditor. Additionally, the size of transactions between the Company and her current and past employers is less than 1% of the annual consolidated net sales of the Company and such employers. Furthermore, while she is a Certified Public Accountant who has opened her own CPA firm, the Company has never provided her or her CPA firm with a large amount of money or other assets, and is independent of it.</td></tr>
</table>

<Reference> Composition of the Board of Directors after this Ordinary General Meeting of Shareholders (Skill Matrix)

As a “Comfortable Environmental Solutions Group,” our mission is to contribute to social development and realize people’s happiness through human-, social-, and environment-friendly “diverse manufacturing” and their “services.”

With regard to the composition of the Board of Directors, in order to realize the above long-term vision and ensure diversity and expertise on the Board of Directors, we have appointed in-house personnel who are familiar with our business, as well as experts in digital technology development, DX promotion and accounting, as well as academic experts, etc. We have also identified the skills necessary for the management of our company after considering the balance of personnel who can demonstrate strengths in the management of each business field and personnel suitable for business management and maintaining and improving governance.

If Proposal 2 and Proposal 3 are approved in their original form at this Ordinary General Meeting of Shareholders, the composition and expertise of the Board of Directors will be as follows.

	Name	Outside	Gender	Business management	Industry knowledge / Insight	Governance Risk management Internal controls	Human resources / Labor relations Human resource development Social issues	Financial accounting Finance M&A Dialogue	Sales Marketing	Product development Quality control Manufacturing / Procurement	International experience Foreign business	Digital technology development DX promotion
Director	Toshihiko Shiozaki		Male	✓	✓	✓	✓	✓	✓	✓		
	Hiroyuki Ogura		Male	✓	✓	✓	✓	✓	✓			
	Mitsuru Mita		Male	✓	✓				✓			
	Haruhiko Ichikawa		Male	✓	✓	✓	✓	✓			✓	✓
	Tadahito Ooka		Male	✓	✓					✓		
	Nobuki Goto	✓	Male	✓				✓				
	Reiko Kusunose	✓	Female	✓	✓		✓	✓			✓	
	Sumie Morita	✓	Female	✓			✓			✓	✓	✓
	Kayo Murakami	✓	Female	✓			✓		✓	✓		✓
Director-Audit and Supervisory Committee Member	Motoi Uesaka		Male		✓	✓	✓					✓
	Shozo Fujita	✓	Male	✓		✓	✓				✓	
	Kazufumi Abe	✓	Male			✓	✓	✓		✓		
	Yoshihiko Hayasaka	✓	Male	✓	✓	✓			✓			
	Junko Taki	✓	Female			✓	✓	✓			✓	

Note: The table does not represent all the insight and experience possessed by each person.

For each skill

■Business management

Experience as an Executive Director of the Company, other companies, etc.

■Industry knowledge / insight

Persons from the shutter industry or construction/building-related industries

■Governance, risk management and internal control

Those responsible for governance, risk management, and internal control departments of the Company or other companies, etc., and those with considerable expertise in these areas.

■Human resources / labor relations, human resources development, social issues

Persons in charge of human resources, labor affairs, and human resource development departments of our company, other companies, etc., and persons with considerable expertise in these areas.
Social issues include environmental response and ensuring diversity, and are defined by the department heads of our company and other companies, etc., as well as persons with considerable knowledge.

■Financial accounting, finance, M&A, dialogue

Those who are responsible for or have considerable knowledge of financial accounting, finance, M&A, and capital market communication (IR/SR) in our company, other companies, etc.

■Sales and marketing

Fore sales, those who are in charge at the level of branch manager or above at our company or other companies, etc., and those who possess a considerable degree of knowledge.
For marketing (including advertising), those who are in charge of or have considerable knowledge of the Company or other companies, etc.

■Product development, quality control, manufacturing, procurement

Persons in charge of product development, quality control, manufacturing (factory), purchasing, quality-related divisions, etc. of our company, other companies, etc., and persons with considerable expertise in these areas.

■International experience, international business

Those who have international experience in our company or other companies, those who are in charge of overseas business divisions, and those who possess a considerable degree of knowledge.

■Digital technology development, DX promotion

Those who are in charge of digital technology development and DX promotion divisions in our company or other companies, etc., and those who have considerable expertise in these areas.

Proposal 4

Approval of the Conditional Implementation of Countermeasures Taking into Consideration the (Emergency) Circumstances of a High Probability of a Large-scale Purchase, etc. of Company Share Certificates, etc. by Dalton Parties

1 Summary of the proposal

Bunka Shutter Co., Ltd. (the "Company"), at its board of directors meeting held on September 3, 2025, introduced response measures for (i) the Share Buying Up of Company share certificates, etc. by Dalton Parties (Note 1), and (ii) any other Large-scale Purchase, etc.(Note 2) which may be contemplated under the circumstances where the Large-scale Purchase, etc. of Company share certificates, etc. by Dalton Parties continues (the "Response Policies") (Note 3).

For the reasons set forth below, the Company considers the circumstances in which it now finds itself to be an "emergency".

- As set forth in 2(1) below, it is assumed that there is a concrete possibility that going forward, Dalton Parties will carry out a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.
- As set forth in 2(2) below, if Dalton Parties carry out a Large-scale Purchase, etc., the possibility cannot be denied that the medium-to-long-term corporate value of the Company and the common interests of shareholders will be harmed.
- Also as set forth in 2(2) below, on April 14, 2026, Dalton Parties made a shareholder proposal to the Company for the election of Dalton Parties-related individuals as directors, and there is a strong possibility that Dalton Parties are trying to induce or compel the Company to carry out an MBO in order to pursue their own short-term profits.
- As set forth in 3 below, in dialogues with multiple institutional investors, concerns were expressed regarding a Large-scale Purchase, etc. by Dalton Parties, and concerns of a conflict of interests between the Company's general shareholders and Dalton Parties have deepened.

In light of the foregoing circumstances and giving maximum respect to the recommendations of the Independent Committee discussed in 4 below, from the perspective of the medium-to-long-term corporate value of the Company and securing the common interests of shareholders, this proposal is submitted to ask shareholders to approve the implementation of the countermeasures ("Countermeasures") based on the Response Policies, subject to the condition that it is found, going forward, that Dalton Parties have engaged in a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.

The resolution to put the Proposal on the agenda was unanimously approved by all directors (including the eight independent outside directors).

(Note 1) "Dalton Parties" means, collectively, Dalton Investments, Inc. ("Dalton"), Nippon Active Value Fund PLC ("NAVF"), NAVF Select (Master) Fund LP, Dalton Investments LLC, Dalton Advisory KK, Rosenwald Capital Management, Inc., Rising Sun Management Ltd. ("RSM"), Hikari Acquisition, Michael 1925, and JMBO Fund Limited.

(Note 2) This has the meaning defined in section III2(2) of the Company's September 3, 2025 press release, "Notice Concerning Introduction of Response Policy to Large-scale Purchase etc. of Company Share Certificates etc. in Preparation for Large-scale Purchase etc. of Company Share Certificates etc. by Dalton Parties" ("Response Policy Press Release"); hereinafter the same.

(Note 3) For details of the Response Policies, see the Response Policy Press Release.

It is noted that as discussed below in 2(1), under the Response Policies, in the event that a Large-scale Purchaser (defined in III2(2) of the Response Policy Press Release; hereinafter the same) does not comply with the Response Policies, the Company's board of directors, acting alone, can implement the Countermeasures, without holding a Shareholders' Intent Confirmation Meeting; the purpose of the Proposal is for the Company, **<u>from the perspective of respecting the intent of shareholders</u>**, to ask for the advance approval of shareholders regarding the implementation of the Countermeasures by the Company's board of directors (giving maximum respect to the advice of the Independent Committee as of such time), in the case where Dalton Parties commence a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.

2 Evaluation by the Board of Directors of Large-scale Purchase, etc. by Dalton Parties

(1) The Probability that a Large-scale Purchase etc. will be Made without Compliance with Procedures under the Response Policies

Under the Response Policies, in the case where a Large-scale Purchaser is complying with procedures under the Response Policies, if the board of directors opposes the Large-scale Purchase, etc. being made and believes that Countermeasures should be implemented in response, a Shareholders' Intent Confirmation Meeting is to be held, where the board of directors is to obtain the approval of shareholders regarding such implementation (see the Response Policy Press Release, III2(3)iv). Meanwhile, in the case where a Large-scale Purchaser is about to make a Large-scale Purchase, etc. without complying with the procedures under the Response Policies and there will not be sufficient time for shareholders to think carefully regarding whether to accept the Large-scale Purchase, etc. based on information disclosed by the Large-scale Purchaser and it will not be possible to ensure an opportunity to confirm the intent of shareholders, the board of directors is to implement the Countermeasures, unless there are special reasons not to do so, without holding a Shareholders' Intent Confirmation Meeting (see the Response Policy Press Release, III2(3)v).

<u>In light of the course of events and the circumstances set forth in (i) through (iii) below, it is specifically thought to be probable that going forward, Dalton Parties will carry out a Large-scale Purchase, etc. without complying with the procedures under the Response Policies.</u>

① Dalton Parties possess a large volume of Company share certificates, etc., but their purpose for doing so is unclear

As of June 10, 2025, which is prior to the implementation of the Response Policies, Dalton Parties possessed Company share certificates, etc. in a number representing a share certificate, etc. holding ratio of 19.69% (approximately, voting rights ratio of 19.93%); while no additional acquisition of Company share certificates, etc. by Dalton Parties following introduction of the Response Policies has been confirmed, as of April 1, 2026, Dalton Parties possessed Company share certificates, etc. in a number representing a share certificate etc. holding ratio of 20.55% (approximately, voting rights ratio of 21.01%); further, at a meeting with the Company on August 27, 2025 ("August 27 Meeting"), Dalton Parties requested that they be given the opportunity to further buy up Company share certificates, etc., and at a meeting with the Company on November 28, 2025 ("November 28 Meeting"), Dalton Parties stated that they had no intention of selling their Company shares. While Dalton Parties thus clearly indicated their intention to continue holding Company share certificates, etc. going forward and suggested that it was possible that they would continue buying up shares, in past dialogue, including the August 27 Meeting and November 28 Meeting, Dalton Parties have never specifically clarified what their purpose is in possessing Company share certificates, etc.

Further, on September 9, 2025, Dalton Parties issued a statement concerning their position on the Response Policies ("Statement"). Through the Statement, Dalton Parties unilaterally made statements that are contrary to fact and statements that are arbitrary and self-serving; the Statement distorts facts concerning the background leading to, and the purpose of the introduction of, the Response Policies by the Company and is likely to mislead Company shareholders. In particular, the assertions in the Statement—"We do not force or guide the management of the companies in which we have holdings toward any specific option" and "The terms of going private are determined by the board of directors. We do not participate in determining these terms, nor do we create conflicts of interest among shareholders"—are clearly contradicted by the fact that in the past, Dalton Parties have repeatedly requested that the Company consider a management buyout ("MBO") and have proposed appointing Dalton Parties-related individuals, including Dalton's

Chief Investment Officer, Mr. Rosenwald, as outside directors of the Company and the fact that Dalton Parties have made a shareholder's proposal ("Shareholder Proposal"), dated April 14, 2026, for the election of Dalton Parties-related individuals as directors, as a proposal to put before the Ordinary General Meeting of Shareholders (for details of the Company's opinion regarding the Statement, see the Company's September 22, 2025 press release, "Notice Concerning the Company's Views Regarding the Statement Published by Dalton Investment Inc. on September 11, 2025"; for the shareholder proposal and the opinion of the board of directors regarding such proposal, see the Company's May 14, 2026 press release, "Notice Concerning Opinion of the Company's Board of Directors on Proposal") and Proposal 5 and the opinion of Board of Directors of the Company thereon.

In addition, in Change Report No. 15, submitted on April 8, 2026, Dalton Parties wrote, "Depending on the circumstances, … in order to avoid potential conflicts of interest, a management system with greater transparency is required, and it is possible that important proposals, etc. will be made relating to … changes in officer composition, such as a proposal seeking the election of independent directors who would respect the opinions of minority shareholders, etc." However, there is no other mention of the possibility of a proposal relating to change of officer composition. If, as proposed in the Shareholder Proposal, Dalton Parties-related individuals are elected as Company directors, it is clear that a conflict-of-interest relationship will arise with the Company's general shareholders; notwithstanding this, the statement in the large-volume holding report, which suggests that no such conflict of interest would arise and that the opinions of minority shareholders would be respected, is likely to mislead the Company's general shareholders regarding the purpose of Dalton Parties in holding Company share certificates, etc., which at the present time can hardly be called clear.

Further, on April 22, 2026, the Company sent Dalton Parties a letter of inquiry regarding (1) their intentions regarding additional acquisition of, or disposal of, Company share certificates, etc.; (2) whether Dalton Parties believe that their continued possession of Company share certificates, etc. or an increase in their voting rights holding ratio would contribute to the enhancement of the Company's medium-to-long-term corporate value and the common interests of shareholders, as well as the specific managerial policy or corporate value enhancement policy that is the basis of such belief; and (3) the purpose, etc. behind Dalton Parties's acquisition of Company share certificates, etc. and the proposals they have made to the Company for implementation of an MBO and the dispatch of outside directors. In response to this, on April 28, the Company received from Dalton Parties (1) a response where they denied that they had at the present time any intention to acquire any additional or dispose of Company share certificates, etc., but at the same time refused to submit an undertaking that they would not acquire any additional Company shares; (2) a response to the effect that the holding of Company share certificates, etc. by Dalton Parties has no direct relation with the Company's medium-to-long-term corporate value or the common interests of shareholders, and that improvement of the Company's medium-to-long-term corporate value and looking after the common interests of shareholders were the role of the Company's management team; and (3) a response to the effect that the purpose of the proposals made to the Company in the past for implementation of an MBO and the dispatch of directors is explained in the Statement and the statement of December of last year ("December Statement"), which Dalton Parties publicly addressed to the board of directors of companies in which they have holdings ("April 28 Response"). In light of this April 28 Response, Dalton Parties intend to continue holding Company share certificates, etc. without having any specific strategies for enhancing the Company's corporate value, and given that Dalton Parties have refused to submit an undertaking not to acquire any additional Company shares, the possibility remains that in the future Dalton Parties will acquire additional Company share certificates, etc. Further, in light of the fact that the assertions that Dalton Parties made in the Statement as of September of last year have not changed as of now, and the specific purpose for holding Company share certificates etc. remains unclear, and that the December Statement suggests that Dalton Parties intend to propose MBOs to companies in which they have holdings, and the April 28 Response cites the December Statement, it is found that the situation remains unchanged, namely, that the concerns that Dalton Parties will propose an MBO or the like to the Company have not been dispelled.

In light of these circumstances, **there is a specific possibility that Dalton Parties will further buy up Company share certificates, etc. on and off the market and, as discussed in (2) below, are planning to promote an MBO by such means as dispatching directors to the Company; notwithstanding this, as of the current point in time, Dalton Parties have not clarified what their specific purpose is in possessing a large volume of Company share certificates, etc.**

② Recent investments in and proposals to other companies by Dalton Parties

Recently, in the same manner as the requests and proposals to the Company set forth in (2) below, regarding other companies in which they have holdings, Dalton Parties have, in parallel with the buying up of shares, proposed an MBO and the election of Dalton Parties-related individuals as directors.

Specifically, Dalton Parties continuously bought up shares of ASKA Pharmaceutical Holdings Co., Ltd. (listed on the Prime Market of Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange"); securities code: 4886, "ASKA Pharmaceutical Holdings") and in parallel proposed taking the company private through an MBO; in response to the emergency response policies introduced by ASKA Pharmaceutical Holdings on July 1, 2025 ("ASKA Pharmaceutical Holdings Response Policies"), Dalton Parties submitted a statement of intent regarding its Large-scale Purchase, etc., indicating that Dalton Parties intended to buy up ASKA Pharmaceutical Holdings shares in an amount equivalent to up to approximately 30% of its total voting rights. Dalton Parties did not comply with ASKA Pharmaceutical Holdings' repeated requests for responses to an "Information List" based on the ASKA Pharmaceutical Holdings Response Policies, unilaterally issued the Statement, and although on September 30, 2025, it submitted a letter retracting its statement of intent regarding its Large-scale Purchase, etc., in that same letter Dalton Parties unilaterally criticized the background behind the introduction of the ASKA Pharmaceutical Holdings Response Policies and the particulars of such policies and on October 6, 2025, Dalton Parties published the same assertions on their website. Further, regarding the responses to the "Information List", Mr. Rosenwald made such statements as, "This could be done using generative AI", displaying a disregard for the importance of sharing information with general shareholders and for the consideration of their interests (see the interview with Mr. Rosenwald published in the September 30, 2025 issue of Nikkei Business). Moreover, thereafter, Aska Pharmaceutical Holdings was, at a meeting with the Dalton Group on February 19, 2026, and in a letter received from RSM, presented with (i) a proposal from the Dalton Group that Aska Pharmaceutical Holdings accept two outside directors from the Dalton Group and enter into a Standstill Agreement with Aska Pharmaceutical Holdings, and (ii) a statement that, if Aska Pharmaceutical Holdings did not accept such proposal, subject to the withdrawal of the ASKA Pharmaceutical Holdings Response Policies, the Dalton Group was ready to conduct a tender offer for the purpose of acquiring up to 45% of ASKA Pharmaceutical Holdings' shares, including shares which the Dalton Group already owns, and ASKA Pharmaceutical Holdings received a draft of the tender offer statement pertaining to such tender offer.

Further, Dalton Parties, which had intermittently bought up shares of Hogy Medical Co., Ltd. (listed on the Prime Market of Tokyo Stock Exchange; securities code: 3593, "Hogy Medical") to the point where as of May 23, 2025, their holding ratio of share certificates, etc. had reached 26.38%, made a proposal at the annual general meeting of shareholders for Hogy Medical held on June 20, 2025, for the election of three directors, for the reason that all managerial policy options, including going private, should be considered; of these three, only Mr. Rosenwald was approved (however, it is estimated that the proposal to elect Mr. Rosenwald was opposed by roughly 67.05% of general shareholders other than Dalton Parties and he thus failed to win the trust of a majority of general shareholders other than Dalton Parties) and then, just a half year later, on December 17, Hogy Medical announced its delisting, and Dalton Parties agreed to reinvest indirectly in Hogy Medical (rollover investment) following its delisting.

In addition to the foregoing cases, on January 5, 2026, Dalton Parties sent a letter to Ezaki Glico Co., Ltd.(listed on the Prime Market of Tokyo Stock Exchange; securities code: 2206, "Ezaki Glico"), in which they stated their intention to make shareholder proposals at Ezaki Glico's ordinary general meeting of shareholders and presented, as measures to resolve the structural issues the company is facing, large-scale share buyback over the next five years or a delisting through an MBO in collaboration with Dalton Parties. Then, on January 16, Dalton Parties submitted shareholder proposals for the election as director of two Dalton Parties-related individuals, including Mr. Rosenwald, and for the implementation of a large-scale share buyback over a one-year period equivalent to approximately 10% of Ezaki Glico's issued shares (excluding treasury shares) (both of these shareholder proposals were rejected).

③ Conclusion

As discussed above, **(i) without clarifying the specific purpose, etc. behind their holding a large volume of Company share certificates, etc., Dalton Parties have not denied the possibility of their further acquisition of Company share certificates, etc., and circumstances continue where the specific possibility that Dalton Parties will further buy up Company share certificates, etc. both on and off the market cannot be denied and (ii) in their Statement, Dalton Parties distort the facts regarding the background to and the reasons for the Company's introduction of the Response Policies and make unilateral, arbitrary assertions and in the April 28 Response continue to repeat the Statement and the December Statement; recently, targeting other companies in which they have holdings, in parallel with buying up of shares, Dalton Parties have proposed MBOs and the dispatch of Dalton Parties-related individuals as directors, all the while displaying a bad-faith attitude that has little regard for procedures specified in response policies or for importance of providing information to general shareholders and the interests thereof; in light of the foregoing, it is believed that Dalton Parties will continue to not perform the procedures specified in the Response Policies and have a concrete intention to implement a Large-scale Purchase, etc. with the purpose, as discussed in (2) below, of applying pressure on the Company so that it will choose an option that will realize profits for Dalton Parties, through an MBO or that like, and that it is specifically probable that going forward, Dalton Parties will carry out a Large-scale Purchase, etc. without complying with the procedures specified in the Response Policies.**

(2) Damage to the Company's Medium-to-Long-Term Corporate Value and the Common Interests of Shareholders through the Large-scale Purchase, etc. by Dalton Parties

As discussed in **(1)** above, in the case where a Large-scale Purchaser does not comply with the procedures under the Response Policies and is about to make a Large-scale Purchase, etc., the Countermeasures are to be implemented, unless there is a special reason not to do so, without holding a Shareholders' Intent Confirmation Meeting. Since the Countermeasures are to be implemented in order to maximize the Company's medium-to-long-term corporate value and the common interests of shareholders (see **III1** in the Response Policy Press Release), "a case where there is a special reason not to do so" refers to a case where it is clear that the Large-scale Purchase, etc. that a Large-scale Purchaser is intending to make will not impede maximization of the Company's medium-to-long-term corporate value or the common interests of shareholders.

In light of the course of events and the circumstances set forth in (i) through (iii) below, the possibility cannot be denied that the Company's medium-to-long-term corporate value and the common interests of shareholders will be damaged if Dalton Parties carry out a Large-scale Purchase, etc. without following the procedures under the Response Policies going forward.

① MBOs and other proposals to pursue their own short-term profits for Dalton Parties

As discussed in the Response Policy Press Release, since filing a large-volume holding report regarding Company share certificates, etc. in October 2023, Dalton Parties have continued buying up Company share certificates, etc.; under these circumstances, since receiving a proposal from RSM, in a letter dated January 29, 2025, for taking the Company private through an MBO with RSM and its investor group as partners, **the Company has received repeated proposals for an MBO from Dalton Parties**.

In addition, in light of the fact that in the April 28 Response, the Dalton Parties continue to repeat the Statement and the December Statement, it is strongly suspected that the assertions of Dalton Parties in the Statement have not changed as of the present and there have been no changes to the intentions of Dalton Parties. Further, the December Statement suggests that Dalton Parties intend to propose MBOs going forward to companies in which they have holdings.

Moreover, companies in which the Dalton Parties have holdings, namely T&K TOKA Co.,Ltd., TRANCOM Co., Ltd., and Hogy Medical have come to implement MBOs or going private transactions as a result of the Dalton Parties' buying up of a large number of shares, and, in each of these cases, applications by the Dalton Parties to tender offers and subsequent rollover investments have been carried out or are scheduled to be carried out, and there are cases suspected to show that the Dalton Parties have effectively forced the companies in which the Dalton Parties have holdings to implement MBOs or going private transactions accompanied by applications by the Dalton Parties to tender offers and subsequent rollover investments, as well as cases from which it is observed that, after Dalton Parties-related individuals assumed positions as directors of the companies in which the Dalton Parties have holdings, such companies were led, within a short period of time, toward MBOs or going private transactions accompanied by applications by the Dalton Parties to tender offers and subsequent rollover investments, and such cases are seen repeatedly.

Further, NAVF, in its 2024 annual report, itself admitted the possibility of forcefully compelling an MBO, stating, "We have stepped up our engagement with several of our largest holdings and continue to urge capital allocation improvements, **even to the extent of calling for MBOs or threatening tender offers for controlling minorities of outstanding shares**" (emphasis added).

In light of the foregoing circumstances, **it is believed that if Dalton Parties implement a Large-scale Purchase, etc. of Company shares, there is a strong possibility that one of the primary purposes will be to realize an MBO**. Moreover, since even before introduction of the Response Policies Dalton Parties have been proposing to the Company an MBO led by a private equity fund ("PE Fund"), but, under the Company's corporate value enhancement measures, it is expected that shareholder return measures, capital investments for addressing changes in the business environment over the medium-to-long term, M&A investments, and R&D investments will require funds on the scale of tens of billions of yen; generally, **when an MBO is carried out led by a PE Fund, the target company has to bear a large debt from LBO loans having a high interest payment burden. As a result, the need to perform principal and interest payment obligations may constrain the target company's ability to make agile and large-scale growth investments, and may further result in a weakening of its financial position. For these reasons, the Company believes that in order to carry out agile growth investments from a stable financing position and attain enhancement of corporate value, it is essential for the Company to maintain its status as a listed company, rather than a delisting through an MBO**. Furthermore, regarding the MBO that Dalton Parties are believed to be envisioning, namely, an MBO premised on a rollover investment (a scheme whereby Dalton Parties, when implementing the MBO, temporarily sell their Company shares, and after the purchaser has come to possess all Company shares, Dalton Parties reinvest in the Company), generally, in the case where a rollover investment is planned after a tender offer, for the rollover investor (in this case, Dalton Parties), it is preferable not to have a high tender offer price in such tender offer, so that the amount it will have to invest subsequently is kept down. For this reason, the problem arises of a conflict of interests between the rollover investor and general shareholders of the target company. **Accordingly, it cannot be denied that an MBO premised on a rollover investment is likely to harm the common interests of general shareholders of the Company**.

In addition, at the meeting held with the Company on May 20, 2025, against the background of their Company share certificates, etc. holding ratio, Dalton Parties **proposed appointing Mr. Rosenwald and other Dalton Parties-related individuals as outside directors, and in fact, as of April 14, 2026, have made the Shareholder Proposal to the Company, for the election of Dalton Parties-related individuals as directors, to be put before the Ordinary General**

Meeting of Shareholders. Taking into account the Company share certificates, etc. holding ratio of Dalton Parties, the dialogue between Dalton Parties and the Company, and past investment cases of Dalton Parties, there are concerns that by proposing the dispatch of Dalton Parties-related individuals as directors in parallel with above MBO proposal, **Dalton Parties are planning to accelerate consideration of an MBO for the purpose of the pursuit of their own short-term profits.**

② Lack of specific strategies for enhancement of the Company's corporate value

As discussed in (1)(i) above, the specific purpose, etc. of Dalton Parties in possessing a large volume of Company share certificates, etc. is completely unclear, and as discussed in (2)(i) above, while Dalton Parties have repeatedly demanded the realization of options that would be to the benefit of Dalton Parties, such as consideration of an MBO with themselves as the investment entities and the appointment of Dalton Parties-related individuals as directors, they have, up to now, **not presented any specific strategies for enhancing the Company's corporate value**; further, the April 28 Response states that improvement of the Company's medium-to-long-term corporate value and looking after the common interests of shareholders are the jobs of the Company's management team and that the holding of Company share certificates, etc. by Dalton Parties has no direct relation with the Company's medium-to-long-term corporate value or the common interests of shareholders; in light of this, **it is believed that Dalton Parties do not in fact have any specific strategies for enhancing the Company's corporate value**. In addition, in the April 28 Response, it is repeated that the December Statement is the position of Dalton Parties; the December Statement includes proposals for the MBO or other delisting of companies in which they have holdings and proposals for the dispatch of Dalton Parties-related individuals as directors. The December Statement was not addressed to the Company but rather has general content directed generally to the companies in which Dalton Parties have holdings, and the April 28 Response continues to repeat the December Statement, including the MBO proposals and proposals for dispatching Dalton Parties-related individuals as directors that Dalton Parties have made in the past; in light of this, it is **difficult to believe that Dalton Parties are aiming for enhancement of corporate value and maximization of shareholder interests, taking into account the Company's particular circumstances**.

Moreover, it is clear that Dalton Parties have made proposals to portfolio companies of the Dalton Parties other than the Company which are similar to both the MBO proposal and the Shareholder Proposal. Taking these circumstances as well as the content of the Statement from Dalton Parties into account, it can be seen that Dalton Parties, with the sole purpose of accelerating consideration of an MBO for the purpose of seeking its own short-term profits, are taking a mechanical, one-size-fits-all approach to companies in which they have holdings, and **it is inconceivable that Dalton Parties are aiming to achieve the optimal method for enhancing the Company's intrinsic corporate value and shareholder value in light of the Company's individual and specific market environment and business activities**. Therefore, it is clear that Dalton Parties do not have a sufficient understanding of or interest in the business operations or managerial determinations of the Company, and it is possible that rather than for the purpose of enhancement of the Company's medium-to-long-term corporate value, **it is solely for the purpose of pursuit of their own short-term profits that Dalton Parties have bought up Company share certificates, etc. and have proposed an MBO and the dispatch of Dalton Parties-related individuals as directors**.

③ Conclusion

As discussed above in (i) and (ii), **if, going forward, Dalton Parties execute a Large-scale Purchase, etc. without complying with the procedures under the Response Policies, there is a strong possibility that Dalton Parties will induce or compel the Company to carry out an MBO, for the purpose of pursuit of their own short-term profit, and if an MBO is actually implemented, then it is expected that the Company will bear a large debt from LBO loans as a result of the MBO led by PE Funds, and for this reason it is expected that there will be a material adverse impact on the Company's corporate value. Moreover, there is the possibility that in the implementation of the MBO, Dalton Parties will demand the adoption of a scheme**

that includes a rollover investment by Dalton Parties or will plan to promote the MBO through the dispatch of Dalton Parties-related individuals as directors, thereby causing a structural and more serious conflict of interests between Dalton Parties and the Company's general shareholders. Therefore, in light of the fact that Dalton Parties are not sufficiently taking into account the specific circumstances of the Company, and that it is difficult to believe that Dalton Parties are aiming to achieve the optimal method for maximizing the Company's intrinsic corporate value and the common interests of shareholders, it cannot be denied that there is a risk that the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders will be harmed.

From the foregoing, **if Dalton Parties attempt to execute Large-scale Purchase, etc. without complying with the procedures under the Response Policies, the possibility cannot be denied that the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders will be harmed, and because it is not found that "there is a special reason not to do so", it will be necessary to implement the Countermeasures in accordance with the Response Policies in order to prevent harm to the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders.**

3 Concerns of Institutional Investor Shareholders

(1) Dialogue with Institutional Investor Shareholders

Even in normal times the Company actively engages in IR and SR activities; recently, following the announcement of second quarter earnings in November 2025, the Company held meetings with institutional investor shareholders.

In this process, the Company heard high praise from many institutional investor shareholders regarding the state of initiatives under its corporate value enhancement measures, and generally received the understanding of shareholders regarding the Company's position with the Response Policies. A summary of the dialogues follows.

① The Company's medium-to-long-term corporate value enhancement measures

As the Company steadily moves forward with the Medium-Term Management Plan and other corporate value enhancement measures, the Company, in dialogues with shareholders, has sincerely explained the particulars and the progress of the specific measures, and while some pointed out that there is room for improvement, for the most part the Company received the understanding of shareholders. Regarding the fact that Dalton Parties, as an alternative to this, has repeatedly requested consideration of an MBO in which they are included among the investment entities or appointing Dalton Parties-related individuals as directors, but make no specific proposal for enhancement of corporate value that takes into account the particulars of the Company's business, some institutional investors offered the opinion that from a medium-to-long-term perspective, "**it is impossible to determine what kind of impact acquisition of Company shares by Dalton Parties would have on the Company's corporate value**".

② The MBO proposal by Dalton Parties

As discussed in 1(2) above, the Company has repeatedly received MBO proposals from Dalton Parties; some institutional investors gave the opinion that "**since the Company's corporate value has steadily increased as a listed company, it is difficult to understand why the MBO asserted by Dalton Parties is necessary**; and regarding the MBO scheme premised on rollover investment , some institutional investors gave the opinion that "**there is a structural conflict of interests between Dalton Parties and minority shareholders**" and "**this will possibly end up not being a deal that maximizes the interests of minority shareholders**".

③ The proposal by Dalton Parties for dispatch of directors

As discussed in 1(2) above, the Company has received a proposal for the dispatch of Dalton Parties-related individuals as directors; some institutional investors gave the opinion that, if Dalton Parties-related individuals become director candidates, "**we are opposed, because they are not independent from Dalton Parties, who are major shareholders, and there are concerns about a conflict of interests with general shareholders**". In addition, it is possible that Dalton Parties are planning to have Dalton Parties-related individuals be appointed as directors in order to accelerate consideration of an MBO with the purpose of pursuit of their own profits; some institutional investors gave the opinion that, "**despite having no interest in management, they are planning to dispatch directors for the purpose of inducing an unnecessary MBO, for the purpose of the pursuit of their own profits; this sort of method will not gain the support of shareholders**". In addition, regarding the examples of other company where directors recommended by Dalton Parties were elected, some voiced the opinion that "if Dalton Parties-related individuals proposed by Dalton Parties become directors, **there are questions regarding how the sufficient measures are ensured to be taken to protect against insider trading and conflict of interests with general shareholders**".

(2) The Company's Opinion in Light of the Foregoing Dialogues

As discussed in (1) above, in view of the many voices of concern and opposition from institutional investor shareholders regarding the buying up of Company share certificates, etc. by Dalton Parties, the MBO proposal, and the proposal to dispatch Dalton Parties-related individuals as directors, the Company is concerned about the situation where multiple Company shareholders are unable to make an appropriate judgment, from the perspective of enhancement of corporate value, of the buying up of Company share certificates, etc. by Dalton Parties because Dalton Parties have not made appropriate disclosure of information in relation to any specific corporate value enhancement measures or their purpose in possessing Company share certificates, etc. Further, as discussed in 1 above, it is probable that going forward, Dalton Parties will make a Large-scale Purchase, etc. without complying with the procedures under the Response Policies, and in such case, **there will not be sufficient information or time to sufficiently judge the impact on the Company's corporate value or the common interests of shareholders, and it is possible that the Company's general shareholders will be exposed to coercion (being forced to sell Company shares against their will) and the maximization of their interests will be impeded.**

4 Inquiries to, and Advice from, the Independent Committee

As discussed in 1 above, the Company's board of directors has repeatedly evaluated and considered the impact of a Large-scale Purchase, etc. by Dalton Parties on the Company's medium-to-long-term corporate value and the common interests of Company shareholders, as well as the advisability of implementing the Countermeasures in the event that Dalton Parties commence a Large-scale Purchase, etc.

Under such circumstances, the Company's board of directors requested, for the purpose of preventing arbitrary decision-making by the board of directors and further enhancing the fairness and objectivity of the operation of the Response Policies, the Independent Committee consisting of five independent outside directors of the Company independent of the management team that executes the Company's business (for the details of the committee, please refer to the Company's September 3, 2025 press release, "Notice Concerning the Establishment of Independent Committee and Appointment of Independent Committee Members") to consider the impact of Large-scale Purchase, etc. by Dalton Parties on the Company's medium-to-long-term corporate value and the common interests of Company shareholders, and the advisability of implementing the Countermeasures.

On May 13, 2026, the Company's board of directors received from the Independent Committee an advisory report dated the same date and supported by all members of the Independent Committee, stating that on the assumption that the Proposal will be approved, **in the event that going forward, Dalton Parties are found to have commenced a Large-scale Purchase, etc. without complying with the procedures set forth in the Response Policies, it would be appropriate for the Company's board of directors, giving**

full respect for the advice of the Independent Committee as of that point in time, to implement the Countermeasures.

5 Putting the Proposal on the Agenda

As discussed in **2(1)** above, it is specifically thought to be probable that following Ordinary General Meeting of Shareholders, Dalton Parties will implement a Large-scale Purchase, etc. without complying with the procedures set forth in the Response Policies; as discussed in **2(2)** above, if Dalton Parties implement a Large-scale Purchase, etc., it will be judged that the possibility cannot be denied that the Company's medium-to-long-term corporate value and the common interests of shareholder will be impaired; as discussed in **3** above, in dialogues with multiple institutional investor shareholders, specific concerns were expressed in relation to Large-scale Purchase, etc. by Dalton Parties; and as discussed in **4** above, the advisory report was received from the Independent Committee; in light of the foregoing and from the perspective of respecting the intent of shareholders, the Company would like to ask shareholders for advance approval of the implementation of the Countermeasures by the Company's board of directors (with full respect for advice from the Independent Committee as of the relevant time) in the event that Dalton Parties are found to have commenced a Large-scale Purchase, etc. without complying with the procedures under the Response Policies going forward.

It should be noted that the number of shares underlying one share option allotted pursuant to the Countermeasures shall be one share. For other details of the Countermeasures, please refer to III3 of the Response Policy Press Release. If the Proposal is approved, the Response Policies will continue to apply only to the extent necessary for the implementation of the countermeasures as approved by the shareholders (however, at the longest, this shall be until the conclusion of the first meeting of the Company's board of directors held after the Company's ordinary general meeting of shareholders to be convened in 2027). If the Proposal is rejected, the Countermeasures will not be implemented, and in accordance with the initial policy set forth in the Response Policies, the Response Policies will be repealed as of the conclusion of the first board of directors meeting held after the Ordinary General Meeting of Shareholders.

<Shareholder Proposal (Proposal 5)> Election of two (2) Directors who are not Audit and Supervisory Committee Members

Proposal 5 is proposed by shareholders.

The headings, subjects, details and grounds for the proposals have been written as the original of the proposals submitted by the shareholders.

<Shareholder proposals>

(1) Summary of proposal

The Company shall elect the following two (2) individuals as Directors to not concurrently serve as Audit and Supervisory Committee Members.

1. Masumi Nishida

2. Kazutaka Mizuochi

(2) Grounds for proposal

Since acquiring the Company's shares, the proposer has engaged in constructive and ongoing dialogue with the Company through engagement efforts as a long-term investor. In the process, they have highly evaluated the competitive advantage of our shutter-related business and its growth potential, including that of overseas operations.

On the other hand, with respect to the "Notice Concerning Introduction of Response Policy to Large-scale Purchase etc. of Company Share Certificates etc. in Preparation for Large-scale Purchase etc. of Company Share Certificates etc. by Dalton Parties" ("Takeover Defense Measures") introduced by the Company, the proposer has taken a position against it from the standpoint of the factual understanding and reasonableness that form the premise of introducing such policy. The Takeover Defense Measures are extremely exceptional measures that could have a significant impact on the exercise of rights by shareholders and the functioning of the stock market. In introducing such measures, it is essential that the Board of Directors exercise sufficient review and check-and-balance functions from an independent standpoint and make rational and highly transparent decisions from the standpoint of the common interests of shareholders.

The proposals made by the proposer to date are intended to enhance corporate value and the common interests of shareholders. There is no intention to force or induce any particular management option, including going private. Moreover, the decision to go private and the terms and conditions thereof are subject to the exclusive authority of the Company's Board of Directors, and the proposer's involvement in such a decision will not create a conflict of interest among shareholders.

The proposer is concerned that since the principles of free trading of shares and equality of shareholders form the basis of capital markets, these Takeover Defense Measures are not limited to issues specific to the Company, and may undermine the purport and results of capital market reforms that have been promoted in Japan to date. As a shareholder, the proposer believes that at such a critical juncture, it should be carefully verified whether the Board of Directors is making decisions that contribute to the common interests of shareholders after giving thorough consideration from a truly independent standpoint.

Additionally, while the Company's Shutter Business is highly competitive and profitable, its Construction-Related Materials Business continues to be low-profit. In particular, its Refurbishment Business has posted losses three times in the past five years, and ROA has been well below its cost of capital. Although the Company has been adopting measures to improve these businesses as its focus, there has been no visible improvement in profitability or capital efficiency. This lack of sufficient consideration and judgment by the Board of Directors regarding a fundamental review of the Company's business portfolio despite the fact that the businesses continue to operate below its cost of capital raises serious concerns about the adequacy of the Board of Directors' judgment regarding the allocation of management resources. The proposer believes that the Company is at a stage where it needs to restructure its system to address structural issues rather than just maintaining the status quo.

Based on the above, it is the judgment of the proposer that further strengthening the independence, objectivity and supervisory function of the Company's Board of Directors and ensuring decision-making that appropriately reflects the viewpoints of shareholders will contribute to improving the corporate value of the Company over the medium to long term.

Based on this standpoint, the proposer proposes the election of the following two individuals as Outside Directors of the Company: Masumi Nishida, who has numerous years of investment and engagement experience in Japanese companies and has a track record of enhancing corporate value through constructive dialogue between shareholders and companies, and Kazutaka Mizuochi, who has extensive experience as an international lawyer and a track record of promoting management reforms at a large number of Japanese companies through capital markets.

The above two individuals are expected to provide objective and constructive perspectives to the Board of Directors from a standpoint independent of the Company's management and fulfill an appropriate supervisory function over the management team while simultaneously contributing to improving the quality of decision-making that serves to maximize the common interests of shareholders. It is also the belief of the proposer that their advanced knowledge of capital policy, governance and strategy will make it possible to deepen discussions on the Company's sustainable growth and the enhancement of its corporate value.

For the above reasons, the proposer proposes the election of the above two Outside Directors for the purpose of strengthening the Company's governance structure and enhancing shareholder value.

(3) Candidate no., name (date of birth), brief history, etc.

1. Masumi Nishida (January 31, 1985)	
■Brief history, position, responsibilities, and significant concurrent positions outside the Company	
Nov. 2008	Credit Trading Department, Nikko Citigroup Limited (currently Citigroup Inc.)
Dec. 2014	Distressed Debt Trading, Citigroup Global Markets Inc (New York)
May 2021	Dalton Advisory K.K.
Oct. 2022	Representative Director, Hikari Acquisition (present position)
Jan. 2023	Managing Director, Dalton Advisory K.K. (present position)
Jan. 2023	Partner, Dalton Investments, Inc.(present position)
Aug. 2023	Partner and Head of Research, Rising Sun Management Ltd. (present position)
Jun. 2025	Director, Helios Techno Holding K.K.(present position)
Jul. 2025	President and Representative Director, Helios Techno Investments Co., Ltd. (present position)
Apr. 2026	Director, K.K. HONDA, Inc. (present position)
	<Significant concurrent positions outside the Company> Partner, Dalton Investments, Inc. Managing Director, Dalton Advisory K.K. Partner and Head of Research, Rising Sun Management Ltd. Director, Helios Techno Holding K.K.
■Number of the Company's shares owned: 0	
■Reasons for nomination as a candidate for Director, outline of expected roles, etc.: The reasons are the same as the above grounds for the proposal.	
■ Special interests Not applicable	

2. Kazutaka Mizuochi (March 15, 1970)	
Brief history, position, responsibilities, and significant concurrent positions outside the Company	
Apr. 1997	Tokyo Aoyama Law Office (now Baker & McKenzie)
Aug. 2002	Baler & McKenzie Chicago
Jan. 2006	Partner, Baker & McKenzie
Jul. 2018	Partner, Hibiya-Nakata (present position)
Feb. 2020	President, Rising Sun Management Ltd. (present position)
Jun. 2025	Director, Helios Techno Holding K.K.(present position)
Jul. 2025	Vice President and Representative Director, Helios Techno Investments Co., Ltd. (present position)
Apr. 2026	Representative Director, K.K. HONDA, Inc. (present position)
	<Significant concurrent positions outside the Company> President, Rising Sun Management Ltd. Partner, Hibiya-Nakata Director, Helios Techno Holding K.K.
■Number of the Company’s shares owned: 0	
■Reasons for nomination as a candidate for Director, outline of expected roles, etc.: The reasons are the same as the above grounds for the proposal.	
■ Special interests Not applicable	

Notes:
(1) Masumi Nishida and Kazutaka Mizuochi are candidates for Outside Director.
(2) If Masumi Nishida and Kazutaka Mizuochi are elected as Outside Directors, the Company plans to enter into liability limitation agreements with them. The maximum amount of liability based on such agreement shall be the minimum liability amount stipulated by laws and regulations.

[Opinion of the Company’s Board of Directors on Proposal 5]

The Company’s Board of Directors is **opposed to this Proposal 5.**

1. The Board of Directors of the Company, composed of director candidates proposed by the Company’s Board of Directors, maintains an appropriate level of independence, diversity, and expertise, and represents an optimal board composition in light of the Company’s management environment and business characteristics.

   As a “Comfortable Environmental Solutions Group,” which constitutes our long-term vision, our mission is to contribute to social development and realize people’s happiness through human-, social-, and environment-friendly “diverse manufacturing” and their “services.”

   With respect to the composition of the Board of Directors of the Company, in order to realize the long-term vision above and ensure the diversity and expertise of the Board of Directors, the Company has identified the skills necessary for its management and decided on the candidates for the Board of Directors to ensure an optimal composition. In selecting candidates for Directors, the Company has decided on such candidates after deliberations by the Nomination/Remuneration Committee, which is chaired by an independent Outside Director and comprised of a majority of independent Outside Directors, upon the request of the Board of Directors. All Director candidates proposed by the Board of Directors have been decided through such deliberations.

   Of the nine (9) candidates proposed at the Ordinary General Meeting of Shareholders for the election of Director (excluding those who concurrently serve as Audit and Supervisory Committee Members) nominated by the Board of Directors, the five (5) internal Director candidates are well-versed in the Company’s business due to having abundant and wide-ranging knowledge and a high level of expertise based on their work experience in various divisions of the Company. In addition, of the four (4) candidates for Outside Director, one has management experience at a major asset management company, one was in charge of investor relations and served as a CFO (Chief Financial Officer) at a major manufacturing company, one has experience in DX management consulting for a major company, and one has experience in product development in the information and communications and information network fields of a major information and communications company. All of these candidates for Independent Outside Director have broad insight, abundant experience in their respective fields, and a high level of expertise.

In addition, the four (4) Directors and one (1) candidate proposed at the Ordinary General Meeting of Shareholders for the election of Director who serve as Audit and Supervisory Committee Members include a lawyer, a certified public accountant, and individuals with management experience at other companies. Each of them possesses a broad range of knowledge and insight supported by extensive experience. Of these individuals, three (3) are independent Outside Directors. If the proposal for election of one (1) Director as Audit and Supervisory Committee Member is approved as proposed at the Ordinary General Meeting of Shareholders, the Company plans to designate and notify one (1) of the candidates as an Independent Officer as defined by the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange").

If the appointment of the nine (9) Director candidates (excluding Directors who will concurrently serve as Audit and Supervisory Committee Members) and the one (1) Director candidate who will concurrently serve as an Audit and Supervisory Committee Member is approved at the Ordinary General Meeting of Shareholders (for a total of fourteen (14) Directors when other Directors who concurrently serve as Audit and Supervisory Committee Members are included), the Board of Directors will include four (4) female Directors (28.5%), and Independent Outside Directors will constitute a majority (57.1%). The Board of Directors will have an appropriate composition in terms of number, taking into account a balance of individuals, etc., who can demonstrate strengths in managing various business domains and those who are able to maintain and improve business administration and compliance.

The Company believes that the Board of Directors, which consists of candidates for Director proposed by the Board of Directors of the Company, not only maintains sufficient independence, diversity, and expertise, but also has an optimal composition in accordance with the Company's business environment and business characteristics at this time, and is expected to have active discussions from various perspectives based on the skills of each of the Directors in relation to supervising management operations for the sustainable growth of the Company's Group and the enhancement of its corporate value over the medium to long term.

2. It is difficult for the candidates for Outside Director proposed under the Shareholder Proposal to appropriately supervise management operations as Directors of the Company.

In contrast, with respect to the candidates for Outside Directors in the Shareholder Proposal (the "Proposed Candidates"), the Nomination/Remuneration Committee interviewed the Proposed Candidates and rigorously deliberated in regard to their eligibility to serve as Directors of the Company. As a result, and based on the report of the Nomination/Remuneration Committee, the Company has determined that it would be difficult for the candidates to appropriately supervise management operations as Directors of the Company for the following reasons.

(1) With respect to the Proposed Candidates, their independence cannot be sufficiently ensured, and conflicts of interest with the Company's general shareholders may arise.

The Proposed Candidates, Masumi Nishida ("Mr. Nishida") and Kazutaka Mizuochi ("Mr. Mizuochi"), are officers or employees of Dalton Investments Inc. ("Dalton") or its affiliated entities (collectively, "Dalton Parties"), which holds approximately 21.0% of the Company's shares (ownership percentage is calculated based on the total number of issued shares, excluding treasury shares), making it a major shareholder of the Company. Accordingly, if the Proposed Candidates were to be appointed as Outside Directors of the Company, such Outside Directors would simultaneously be subject to obligations arising from delegation agreements, employment contracts, or compensation arrangements with the Dalton Parties, as well as the duty of due care as Outside Directors owed to the Company.

As a result, ongoing conflicts of interest would arise within the Company's Board of Directors, impairing the independence of the Board and the effectiveness of its corporate governance. Consequently, conflicts of interest would unavoidably arise with the Company's general shareholders, and therefore, the Company considers it inappropriate to appoint these Proposed Candidates as Directors of the Company.

With respect to this matter, in considering the appointment of Mr. Nishida and Mr. Mizuochi as Directors, the Nomination/Remuneration Committee (which is chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors) conducted interviews with Mr. Nishida on May 1, 2026, and with Mr. Mizuochi on May 7, 2026. During Mr. Nishida's interview, he was asked questions regarding concerns over his independence resulting from his position as an officer or employee of the Dalton Parties, which collectively constitute a major shareholder of the Company. However, Mr. Nishida did not provide a clear response to these quesitons. Similarly, Mr. Mizuochi was asked the same questions in his interview and he responded that there was a possibility that he could not be considered indepnedent.

(2) It is doubtful whether the Proposed Candidates have a sufficient understanding of, or interest in, the Company's business operations and management decision-making, and therefore they cannot be expected to fulfill their roles as Directors of the Company in contributing to the enhancement of the Company's sustainable corporate value.

In the Shareholder Proposal, the Proposing Shareholder states that the Company's construction-related materials business and refurbishment business have continued to recognize low profits, that no improvements have been made to the profitability or capital efficiency of these businesses, and that the fact that the Board of Directors of the Company has not made sufficient considerations or appropriate judgments in regard to conducting a fundamental review of the Company's business portfolio gives rise to serious concerns regarding the appropriateness of the judgments of the Board of Directors of the Company concerning the allocation of management resources. However, such assertions are inconsistent with the actual circumstances.

As described above, with an optimal board composition, in order to strengthen business portfolio management of the Company with an awareness of capital costs, the Board of Directors of the Company constructs portfolios for each business based on revenue growth potential and ROIC, and seeks to achieve both the "identification of businesses with an awareness of capital profitability" and the "optimization of the allocation of management resources." With respect to both the construction-related materials business and the refurbishment business, the Board of Directors of the Company continuously holds discussions (including discussions regarding structural reforms of the Company's business portfolio) and makes investment decisions with an awareness of capital costs.

In the construction-related materials business, under a policy aimed at improving profit margins, efforts to expand sales of high value-added products specializing in disaster prevention, disaster mitigation, and environmental applications have contributed to improvements in the Company's profitability. In addition, beyond the restructuring of internal organizations, six (6) door manufacturing-related group companies were consolidated into two (2) companies, which yielded tangible results, such as productivity improvements via procurement and other measures that leverage scale advantages arising from synergistic effects. Going forward, the Company seeks to further improve its management efficiency.

In the refurbishment business, under a policy of advancing a review of its business structure, although a contraction of the market is anticipated to occur, the Company is promoting diversification of its sales channels. In addition to its existing B-to-C business, which focuses primarily on individual customers, the Company is strengthening collaboration with major developers as a new B-to-B initiative, through which earnings stability associated with increased order opportunities and strengthened brand power is expected to be achieved. While advancing initiatives aimed at improving such earnings structure, the Company will also continue holding discussions (including discussions concerning further structural reforms of its business portfolio) in order to optimize the allocation of its management resources.

As described above, under the current circumstances in which the business environment is changing rapidly, the Board of Directors of the Company continuously conducts strategic examinations of its business portfolio through management decisions that are adapted to the circumstances surrounding the Company in order to continue enhancing corporate value and sustainable growth, and appropriately supervises management operations. Despite the fact that the Company has appropriately disclosed and explained these initiatives and achievements to its shareholders, in light of the assertions concerning the Company's businesses set forth in the Shareholder Proposal, the Company believes that the Proposing Shareholder lacks sufficient understanding of, or interest in, the Company's business operations and management decisions.

Furthermore, the Shareholder Proposal states that Mr. Nishida, who is described as "having long-standing experience in investment and engagement with Japanese companies and a proven track record of enhancing corporate value through constructive dialogues between shareholders and companies," and Mr. Mizuochi, who is described as "having extensive experience as an international attorney and a track record of promoting management reforms at many Japanese companies through capital markets," would, as the Proposed Candidates for Directors of the Company, be "able to advance discussions toward the Company's sustainable growth and enhancement of corporate value."

With respect to this point, taking into account the abovementioned discrepancies in their recognition of facts concerning the Company's businesses, in considering the Shareholder Proposal, the Board of Directors of the Company submitted written questions to the Dalton Parties on April 22, 2026, asking, among other matters, specifically how Mr. Nishida and Mr. Mizuochi, as Directors of the Company, would contribute to enhancing the Company's corporate value and securing the common interests of the Company's shareholders, as well as requesting clarification of the concrete management policies and corporate value enhancement measures of the Company sought by the Dalton Parties.

In response, on April 28, 2026, the Dalton Parties provided responses that were limited to stating that, with respect to the questions mentioned above concerning Mr. Nishida and Mr. Mizuochi, the matters were as set forth in the Shareholder Proposal. In addition, they responded as follows: (i) while denying any current intention to acquire or dispose of additional shares or other securities of the Company, they nevertheless refused to provide a written undertaking not to acquire additional shares of the Company; (ii) ownership by the Dalton Parties of the Company's shares and other securities is not directly related to the enhancement of the Company's corporate value or the common interests of the Company's shareholders, and that pursuing the medium- to long-term enhancement of the Company's corporate value and the common interests of the Company's shareholders is the responsibility of the Company's management; and (iii) they reiterated their prior assertions and provided responses suggesting that they continue to intend to propose management buyouts ("MBOs") to their portfolio companies (the "April 28 Response").

In light of the April 28 Response, the Company recognizes that the Dalton Parties do not possess any concrete measures for enhancing the Company's corporate value. Furthermore, Mr. Nishida and Mr. Mizuochi, who are officers or employees of the Dalton Parties, merely repeated the contents of the Shareholder Proposal, giving rise to doubts as to whether they possess sufficient understanding of, or interest in, the Company's business operations and management decisions. Accordingly, the Company believes that it cannot expect them, as Directors of the Company, to fulfill roles contributing to the sustainable enhancement of the Company's corporate value. Furthermore, in considering the appointment of Mr. Nishida and Mr. Mizuochi as Directors, the Nomination/Remuneration Committee, as described in (1) above, conducted interviews with each of Mr. Nishida and Mr. Mizuochi. However, in his interview, Mr. Nishida offered no concrete measures for enhancing the Company's corporate value other than the review of the Company's business portfolio described in the Shareholder Proposal. In addition, in his interview, Mr. Mizuochi offered no specific measures for enhancing the Company's corporate value on the basis that the Company's business operations do not fall within Mr. Mizuochi's area of expertise.

(3) There is a possibility that the Shareholder Proposal was made by the Dalton Parties with the intention of realizing an MBO or the like with the goal of pursuing their own short-term profits and increasing their influence over the management decisions of the Company's Board of Directors. Therefore, if the Proposed Candidates were appointed as Directors of the Company,

there is a risk of the maximization of the Company’s corporate value and the common interests of the Company’s shareholders being harmed.

Since January 2025, the Dalton Parties have repeatedly requested that the Company consider an MBO proposal in which the Dalton Parties would be included as one of the investing parties. In parallel, the Company has also received proposals from the Dalton Parties to appoint certain individuals related to the Dalton Parties, including Mr. Rosenwald, who is the Chief Investment Officer of Dalton, as Outside Directors of the Company. Furthermore, in the April 28 Response, the specific purpose of the Dalton Parties’ holding of the Company’s shares remains unclear, while also providing a response that suggests that their continuing intention to propose MBOs to the companies in which the Dalton Parties have holdings. Accordingly, concerns regarding the possibility of MBO proposals or the like by the Dalton Parties to the Company have not been dispelled yet.

In light of these circumstances, the Company cannot rule out that the Shareholder Proposal was submitted by the Dalton Parties with the goal of ultimately realizing an MBO or the like to pursue their own short-term profits and increase their influence over the management decisions of the Company’s Board of Directors.

In this regard, Eiken Chemical Co., Ltd. (listed on the Prime Market of the Tokyo Stock Exchange; Securities Code: 4549, “Eiken Chemical”), in which the Dalton Parties have holdings, explained in a press release issued on April 28, 2025, that a shareholder proposal by the Dalton Parties to appoint six (6) Director candidates was made under the following circumstances: “Since last year, [Eiken Chemical] had intermittently received proposals from Dalton, asking [Eiken Chemical] to consider being taken private···and Dalton asked [Eiken Chemical] to increase the speed of its consideration.” Furthermore, according to a press release issued by Eiken Chemical on May 12, 2026, the Dalton Parties stated that the goal of their shareholder proposal to nominate Mr. Nishida and Mr. Mizuochi as candidates for Directors was to “improve the effectiveness and speed of [Eiken Chemical]’s consideration process for the delisting proposal.” In addition, the Company is aware of other cases in which the Dalton Parties have simultaneously proposed MBOs and the appointment of Directors at other companies in which they have holdings, as well as cases in which going-private transactions structured to include reinvestment by the Dalton Parties were executed after Director candidates recommended by the Dalton Parties were appointed.

Taking into account such past investment activities and the engagement track records of the Dalton Parties with respect to other companies, the Company considers that the Dalton Parties may intend to promote an MBO through the dispatch of Director candidates and other measures.

As described above, in light of the shareholding ratio of the Dalton Parties in the Company, the history of the dialogue between the Dalton Parties and the Company, and past cases of investment by the Dalton Parties, there are concerns that if the Proposed Candidates are elected as Directors of the Company, a conflict of interest between the Proposing Shareholder (or its affiliates, as Dalton Parties) and general shareholders of the Company will arise. Accordingly, the Company recognizes that there is a risk of this harming the maximization of its corporate value and the common interests of its shareholders.

Therefore, **the Company’s Board of Directors opposes this Shareholder Proposal.**

Business Report

(From April 1, 2025 to March 31, 2026)

1. Business Progress and Achievements of the Corporate Group

(1) Overview of business during the fiscal year

1) Business activities and results

During the consolidated fiscal year under review, the Japanese economy continued to show a moderate recovery trend due to an improved employment and income environment resulting from wage increases and other factors backed by a solid improvement in corporate earnings, as well as an expansion of capital investment.

At the same time, the future outlook remains uncertain due to soaring energy and raw material prices, labor shortages, and instability in the international affairs.

In the areas of the construction and housing industries in which the Bunka Shutter Group operates, although private capital expenditure is recovering and construction demand remains firm, the number of new housing starts has weakened amid soaring construction costs, resulting in an uncertain outlook.

Under these circumstances, during the consolidated fiscal year under review, the Bunka Shutter Group posted orders received of ¥246,463 million (up 4.5% year-over-year) and net sales of ¥236,282 million (up 3.4% year-over-year). As a result of all Group segments exerting the utmost effort to secure profits by increasing sales, cutting costs, and other measures, operating income increased 5.7% year-over-year to ¥15,569 million. Ordinary income increased 19.3% year-over-year to ¥17,626 million due to foreign exchange gains recorded in non-operating income as a result of revaluation of intra-group loans to overseas subsidiaries, etc. However, due largely to the recording of a gain on sales of investment securities and compensation for damages received in the previous fiscal year, profit attributable to owners of parent decreased 3.9% year-over-year to ¥12,639 million.

An overview of business segments is provided below:

(Shutter Business)

In the Shutter Business, the robust performance of products such as steel shutters for factories and warehouses led to an increase in net sales of 1.1% year-over-year to ¥94,193 million as well as an increase in operating income of 4.2% year-over-year to ¥10,117 million.

(Construction-Related Materials Business)

In the Construction-Related Materials Business, the robust performance of products such as steel doors for factories, warehouses and office buildings led to an increase in net sales of 3.9% year-over-year to ¥93,511 million as well as an increase in operating income of 5.4% year-over-year to ¥3,605 million.

(Service Business)

The Service Business saw strong performance in emergency repairs, periodic maintenance services and so forth. As a result, net sales increased 5.2% year-over-year to ¥32,596 million, and operating income also increased 5.0% year-over-year to ¥5,713 million.

(Refurbishment Business)

In the Refurbishment Business, as a result of focusing on renovation operations, which handles the likes of building renovations, and residential remodeling operations, net sales increased 6.7% year-over-year to ¥6,940 million and operating income increased 141.2% to ¥115 million yen.

(Other Business)

In Other Business, due to the Company's focus on the water-sealing business, which handles water-sealing equipment for dealing with the social problems of torrential rain, etc., and the heat shielding business, which handles the likes of indoor heat shielding sheets to combat the summer heat caused by global warming due to climate change, net sales increased 16.8% year-over-year to ¥9,040 million and operating income rose 6.7% year-over-year to ¥1,560 million.

2) Capital investments

Capital investments during the fiscal year under review totaled ¥4,687 million, and the main costs were for the renewal and maintenance of buildings and equipment at the factories of the Company and its subsidiaries.

3) Financing

For the three years from October 2023 to October 2026, the Company entered into commitment line agreements with financial institutions with a lending limit of ¥7.0 billion in order to raise funds efficiently and stabilize its financial base.

4) Business transfer, and absorption-type split or incorporation-type split

Not applicable.

5) Acquisition of business of other companies

Not applicable.

6) Succession of rights and obligations concerning business of other juridical persons, etc. by absorption-type merger or absorption-type split

The Company merged three consolidated subsidiaries, BX TR Corporation, BX Tetsuya Corporation, and BX Tohoku Tetsuya Corporation, as well as three consolidated subsidiaries, BX Rootes Corporation, BX Kensei Corporation, and BX Bunka Panel Corporation, as follows, effective April 1, 2025.

Surviving companies	BX TR Co., Ltd.	BX Rootes Co., Ltd.
Absorbed companies	BX Tetsuya Co., Ltd. BX Tohoku Tetsuya Co., Ltd.	BX Kensei Co., Ltd. BX Bunka Panel Co., Ltd.

7) Acquisition or disposal of shares or other equity interests of other companies or share acquisition rights, etc.

Not applicable.

(2) Issues to be addressed

The Japanese economy is expected to continue its gradual recovery, with domestic demand such as consumer spending and capital investment remaining strong. However, the outlook remains unclear due to growing uncertainty in the overseas economy caused largely by geopolitical risks and U.S. trade policy as well as trends in commodity and resource prices.

[About the Medium-Term Management Plan]

The Group launched a new three-year Medium-term Management Plan in fiscal year 2024 with a basic theme of “Aiming to Create Permanent Corporate Value.” We will prioritize the visualization of tasks as we work to create a mechanism for creating permanent profits and developing human resources for the next generation.

To address the issues hindering productivity and growth that emerged with efforts for "Thorough Visualization of Business Processes," a theme in the initial year of the plan, in fiscal 2025, the plan's second year, we rebuilt our profit-generating mechanisms with new awareness, ideas and perspectives under the core theme of “Building Efficient Business Processes."

In fiscal 2026, the final year of the plan, we will proceed to implement a new mechanism for generating profits to address issues emerging over the past two years that hinder productivity and growth, under the underlying basic theme of "Implementing Structural Reforms Aimed at Making Profits Visible."

We will continue to evolve as a "Comfortable Environmental Solution Group" by creating a corporate culture that achieves sustainable results by steadily implementing the growth strategies developed in all divisions and turning these strategies into a habit.

[Business strategy to improve corporate value: "Over 3,000"]

As a business strategy for enhancing corporate value over the medium to long term to follow its current Medium-term Management Plan, the Group has announced a new growth strategy to improve corporate value, "Over 3,000," through which it will aim to achieve net sales of over ¥300 billion, an operating income margin of over 10%, and a share price of over ¥3,000 per share in five years by 2030. To achieve this, it will pursue "further growth strategy," "the improvement of capital efficiency," "portfolio restructuring," "the further enhancement of shareholder returns," and "the liquidation of non-business assets." Under the catchphrase "Over 3,000 to Improve Corporate Value," the Group will vigorously pursue its growth strategy with a view to 2030.

[Advancing Sustainability]

1) Responding to climate change risks

The Group considers responding to climate change to be an important issue that should be resolved immediately. We have announced the “BX Group 2050 Declaration of Decarbonization,” and are promoting full-fledged initiatives aimed at decarbonization.

As a “mitigation” aspect of our efforts to reduce greenhouse gas emissions, we obtained SBT certificate (science-based greenhouse gas emission reduction target for private companies). We are procuring electricity from renewable energy sources at our operating sites, and enhancing loading efficiency with the introduction of “new logistics systems.”

In addition, in the field of product development, we have set “heat insulation” as a new key phrase for future growth. In the product development field, we have further expanded our lineup of environmentally friendly products, such as “Haru Cool,” a heat-shielding sheet that is effective in preventing heat stroke and improving cooling efficiency by controlling the rise in indoor temperature in extremely hot weather, and “SGD,” an environmentally friendly steel door that reduces material weight by using thinner sheets and an adhesive construction method, thereby reducing CO_2 emissions.

At the same time, in terms of adaptations to avoid and reduce the impact of the changing climate in the future, we will continue to make timely and accurate proposals to customers and users. For example, we will expand our lineup of water-stopping products that can be used in a variety of locations and applications as disaster prevention solutions for buildings and other structures affected by sudden downpours and torrential rain, and shutters that ensure high wind pressure resistance to protect against strong winds from typhoons, which have caused major disasters in recent years.

2) Developing human capital

For any company, human resources are a vital asset. With this in mind, we pursue various investments (measures) in human resources aimed at increasing employee satisfaction, fulfillment, and engagement. We will also maximize human resource value through enhancements in areas such as productivity and creativity, in our bid to achieve sustainable corporate growth, and in turn, increase our corporate value.

As concrete measures for maximizing the value of our human resources, for efforts to reform education, we have created career (skill) maps for each department and made career paths visible, allowing superiors and subordinates to foresee their careers with a common understanding and providing support that allows employees to understand their present position and their growth. In particular, we are promoting measures aimed at the growth of young employees.

Furthermore, we have introduced an engagement survey to quantitatively measure employees' feelings and attachment to the company and their willingness to contribute, and to visualize the current status of the organization and its challenges. Going forward, through resolving the issues facing the Bunka Shutter Group, we intend to engineer the further improvement of engagement by enhancing productivity, preventing turnover, improving our workplace environment, revamping our human resource development system, and so forth.

3) Respecting human rights

The Bunka Shutter Group has established the "Human Rights Due Diligence Implementation Guidelines" based on the "Bunka Shutter Group Human Rights Policy."

As for details on the current implementation of the two, in order to identify and analyze risks in our value chain, we are exposing and evaluating human rights risks that are projected to occur in the future and mapping them out based on their severity and likelihood of occurrence, thereby engaging in "prevention" to prevent human rights issues before they occur.

Going forward, we will continue to promote human rights initiatives in order to practice the culture of being a “company that values people” that has been passed down by our Group.

4) Promoting CSR

The Group is constantly aware of its “Corporate Motto (Honesty, Hard work, and Service),” which is the starting point of its business activities, as well as its “Management Philosophy” and “CSR Charter.” We are committed to conducting our business activities in compliance with all laws and regulations. We are strongly aware to pursuit of profit in a fair business environment. We understand that contribution to society at large through our business activities is the key to building a relationship of trust with society, and we are constantly working to improve our compliance system.

The Group will emphasize ESG (Environment, Society, Governance), which is an important topic for sustainable company growth and development, and SDGs (Sustainable Development Goals) while improving the corporate value of the Group and strengthening initiatives directed at the development of a sustainable society by actively promoting CSR (Corporate Social Responsibility) even further.

As noted above, the Group is committed to carrying out businesses geared to the resolution of constantly changing social challenges by evolving continually as a “Comfortable Environment Solutions Group.”

We remain grateful to all of our stakeholders for their ongoing assistance, advice, and support.

(3) Policy on decisions on dividends and other appropriation of surplus

The Company’s basic dividend policy is to determine the amount of dividends in consideration of the business performance of the fiscal year, with a view to maintaining a stable financial base by securing sustainable profits and continuing to pay stable dividends to shareholders.

As part of the Company’s efforts to develop a more flexible dividend policy, the Company amended its Articles of Incorporation at the 71st Ordinary General Meeting of Shareholders of the Company held in June 2017 and, pursuant to the provisions of Article 459, paragraph (1) of the Companies

Act, the Company has stipulated that dividends of surplus may be paid by resolution of the Board of Directors. With regard to dividends of surplus for the fiscal year under review (year-end dividend), the Company will submit a proposal to the General Meeting of Shareholders in accordance with the above basic policy as before and will consult with shareholders and the interim dividend will be decided at the Board of Directors Meeting.

The Company's target for future shareholder dividends is a consolidated dividend payout ratio of 40%.

(4) Assets and profit and loss

1) Changes in assets and profit and loss of the corporate group

(Millions of yen, unless otherwise noted)

Item \ By fiscal year	77th term FY2022	78th term FY2023	79th term FY2024	80th term FY2025 (Fiscal year under review)
Net sales	199,179	221,076	228,419	236,282
Ordinary income	9,992	15,941	14,777	17,626
Profit attributable to owners of parent	7,899	10,582	13,158	12,639
Profit (loss) per share (yen)	121.66	157.11	184.95	179.09
Total assets	177,246	206,879	204,982	205,651
Net assets	82,776	103,924	113,450	120,009
Net assets per share (yen)	1,348.39	1,458.84	1,592.13	1,703.84

Notes:
1. Profit (loss) per share is calculated based on the average total number of shares outstanding during the period, excluding treasury shares.
2. Net assets per share is calculated based on the total number of shares outstanding at the end of the period, excluding treasury shares.
3. In calculating the amount of "Profit (loss) per share," the Company's shares held by the trust for the share-based remuneration for Directors are included in the number of treasury shares deducted from the average number of shares outstanding during the period. They are also included in the number of treasury shares deducted from the total number of issued shares at the end of the period in calculating the amount of "net assets per share."

2) Changes in assets and profit and loss of the Company

(Millions of yen, unless otherwise noted)

Item / By fiscal year	77th term FY2022	78th term FY2023	79th term FY2024	80th term FY2025 (Fiscal year under review)
Net sales	128,366	141,603	142,810	149,564
Ordinary income	9,618	9,917	10,486	12,825
Profit (loss)	9,532	7,223	11,357	10,229
Profit (loss) per share (yen)	146.76	107.21	159.58	144.90
Total assets	134,546	155,748	152,356	150,129
Net assets	66,247	82,189	88,054	92,052
Net assets per share (yen)	1,081.00	1,155.08	1,237.09	1,308.26

Notes:
1. Profit (loss) per share is calculated based on the average total number of shares outstanding during the period, excluding treasury shares.
2. Net assets per share is calculated based on the total number of shares outstanding at the end of the period, excluding treasury shares.
3. In calculating the amount of "Profit (loss) per share," the Company's shares held by the trust for the share-based remuneration for Directors are included in the number of treasury shares deducted from the average number of shares outstanding during the period. They are also included in the number of treasury shares deducted from the total number of issued shares at the end of the period in calculating the amount of "net assets per share."

(5) Significant parent company and subsidiaries

1) Parent company

Not applicable.

2) Significant subsidiaries

Name	Share capital	Shareholding ratio of the Company	Principal lines of business
BX Shinsei Seiki Co., Ltd.	200 million yen	100.0%	Manufacture and sale of electric switches, various elevators, and measuring instruments
Bunka Shutter Services Co., Ltd.	110 million yen	100.0%	Repair and inspection of various shutters, etc.
BX Yutoriform Co., Ltd.	90 million yen	100.0%	Design, construction, and contracting of refurbishment and related businesses
BX Tenpal Co., Ltd.	30 million yen	100.0%	Manufacture and sale of awnings, etc. for commercial facilities and housing
BX Nishiyama Tetsumou Co., Ltd.	10 million yen	100.0%	Manufacture and sale of foundation reinforcement units, welded wire mesh, lathes, etc. for residential use
BX BUNKA AUSTRALIA PTY LTD	110 million AUD	100.0%	Manufacture and sale of garage doors and various shutters
BX BUNKA NEW ZEALAND LIMITED	50 million NZD	100.0%	Manufacture and sale of garage doors and various shutters

Notes: BX BUNKA AUSTRALIA PTY LTD and BX BUNKA NEW ZEALAND LIMITED are categorized as specified subsidiaries.

(6) Principal lines of business (as of March 31, 2026)

The Group manufactures and sells various shutters, housing materials, building materials, construction hardware, etc., and conducts maintenance, inspection, and repair thereof, as well as the insurance agency business, and home refurbishment business.

(7) Major offices and factories (as of March 31, 2026)

1) The Company's offices

Name	Location	Name	Location
Hokkaido Branch	Hokkaido	Door/Partition Business Department	Tokyo Prefecture
Tohoku Branch	Miyagi Prefecture	Shutter Business Department	Tokyo Prefecture
Kanetsu Branch	Gunma Prefecture	Environmental Business Department	Tokyo Prefecture
Higashi Kanto Branch	Chiba Prefecture	Maintenance Business Department	Tokyo Prefecture
Metropolitan Area Branch	Tokyo Prefecture	Overseas Business Department	Aichi Prefecture
Renovation Branch	Tokyo Prefecture	Kansai Branch	Osaka Prefecture
East Japan Design and Construction Management Department	Tokyo Prefecture	House Construction Materials West Japan Branch	Osaka Prefecture
Door Management Department	Tokyo Prefecture	West Japan Design and Construction Management Department	Osaka Prefecture
East Japan Door/Partition Management Department	Tokyo Prefecture	West Japan Door/Partition Management Department	Osaka Prefecture
Sales Promotion Department	Tokyo Prefecture	Chugoku-Shikoku Branch	Hiroshima Prefecture
House Construction Materials Design and Construction Management Department	Tokyo Prefecture	Kyushu Branch	Fukuoka Prefecture
Sales Promotion Department	Tokyo Prefecture		

2) Factories of the Company

Name	Location	Name	Location
Chitose Factory	Hokkaido	Himeji Factory	Hyogo Prefecture
Akita Factory	Akita Prefecture	Gochaku Factory	Hyogo Prefecture
Oyama Factory	Tochigi Prefecture	Fukuoka Factory	Fukuoka Prefecture
Kakegawa Factory	Shizuoka Prefecture		

3) Major business offices of subsidiaries

Name	Location	Main lines of business
Bunka Shutter Services Co., Ltd.	Tokyo Prefecture	Repair and inspection of various shutters, etc.
BX Shinsei Seiki Co., Ltd.	Hyogo Prefecture	Manufacture and sale of electric switches, various elevators, and measuring instruments
BX Tenpal Co., Ltd.	Tokyo Prefecture	Manufacture and sale of awnings, etc. for commercial facilities and housing
BX Aiwa Co., Ltd.	Tokyo Prefecture	Insurance agency, lease introduction and brokerage, and travel business
BX Okinawa Bunka Shutter Co., Ltd.	Okinawa Prefecture	Manufacture and sale of various shutters and related products
BX TR Co., Ltd.	Saitama Prefecture	Manufacture and sale of metal doors, partitions, etc. for entrances of detached houses, apartments, etc.
BX Yutoriform Co., Ltd.	Tokyo Prefecture	Design, construction, and contracting of refurbishment and related businesses
BX Koun Co., Ltd.	Aichi Prefecture	Manufacture and sale of stainless steel building materials, stainless steel specified fire protection equipment, etc.
BX Asahi Kenzai Co., Ltd.	Tokushima Prefecture	Manufacture and sale of steel building materials and steel doors
BX Nishiyama Tetsumou Co., Ltd.	Tokyo Prefecture	Manufacture and sale of foundation reinforcement units, welded wire mesh, lathes, etc. for residential use
BX Kaneshin Co., Ltd.	Tokyo Prefecture	Manufacture and sale of various types of hardware for construction
BX Rootes Co., Ltd.	Osaka Prefecture	Manufacturing and sale of steel doors, etc.
ECOWOOD Co., Ltd.	Fukuoka Prefecture	Manufacture and sale of recycled wood and plastic composites
BX BUNKA VIETNAM CO., LTD.	Socialist Republic of Viet Nam	Manufacture and sale of various shutters and doors
BX BUNKA AUSTRALIA PTY LTD	Commonwealth of Australia	Manufacture and sale of garage doors and various shutters
BX BUNKA NEW ZEALAND LIMITED	New Zealand	Manufacture and sale of garage doors and various shutters

(8) Employees (as of March 31, 2026)

1) Employees of the corporate group

Business category	Number of employees
Shutter Business	2,508 (538)
Construction-Related Materials Business	1,569 (427)
Service Business	1,055 (131)
Refurbishment Business	152 (44)
Other	163 (28)
Company-wide (common)	99 (9)
Total	5,546 (1,177)

Notes: 1. The number of employees is the number of full-time employees (excluding employees seconded from the Group to outside the Group and including employees seconded from outside the Group to the Group), and the number of temporary employees (including contract employees, part-time employees, and employees on temporary contracts, excluding dispatched employees) is indicated separately in parentheses by the average number of employees per year.

2. The number of employees listed as company-wide (common) is the number of employees belonging to administrative divisions that cannot be categorized into specific segments.

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
2,374	Increase of 149	42.7 years old	15.5 years

Business category	Number of employees
Shutter Business	1,526 (438)
Construction-Related Materials Business	726 (237)
Service Business	7 (2)
Refurbishment Business	3 (7)
Other	13 (4)
Company-wide (common)	99 (9)
Total	2,374 (697)

Notes: 1. The number of employees is the number of full-time employees (excluding employees seconded from the Company to outside the Company and including employees seconded from outside the Company to the Company), and the number of temporary employees (including contract employees, part-time employees, and employees on temporary contracts, excluding dispatched employees) is indicated in parentheses by the average number of employees per year.

2. The number of employees listed as company-wide (common) is the number of employees belonging to administrative divisions that cannot be categorized into specific segments.

(9) Major creditors (as of March 31, 2026)

(Millions of yen)

Creditors	Loan balance
Mizuho Bank, Ltd.	1,110
Mailing address	890
Sumitomo Mitsui Banking Corporation	750
MUFG Bank, Ltd.	590

(10) Other important matters concerning the current status of the corporate group

On June 9, 2010, the Company received a cease and desist order and surcharge payment order from the Japan Fair Trade Commission for alleged acts violating the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (“nationwide price cartel”). Subsequently, the Company submitted a request for an appeal to the Japan Fair Trade Commission, and had been fighting the above orders through the appeal procedures since 2010.

In the appeal verdict on September 1, 2020, the Company’s assertions were not recognized, and the Company therefore filed a lawsuit seeking to overturn the appeal verdict on September 30, 2020, and was disputing the verdict at the Tokyo High Court. In response to the above, on April 7, 2023, the Tokyo High Court rendered a judgment that all the Company’s claims were to be dismissed, and on April 20, 2023, in objection to this judgment, the Company filed a final appeal and petitioned for the acceptance of the final appeal at the Supreme Court. However, on February 26, 2025, the Supreme Court decided to dismiss the appeal and not to accept the petition for appeal. As a result, the Company has lost the lawsuit. In response, on September 17, 2025, the Japan Fair Trade Commission officially issued a cease and desist order (No. 15 of 2010 (Measures)), the enforcement of which had been under suspension. To prevent similar incidents from occurring in the future, the Company will strive to further ensure compliance within the Group.

All surcharges ordered by the surcharge payment order were paid by September 10, 2010, the deadline for payment of surcharges, and were recorded as an extraordinary loss in the financial statements for the fiscal year ended March 31, 2011.

2. Current Status of the Company

(1) Shares (as of March 31, 2026)

1)	Total number of authorized shares	288,000,000
2)	Total number of issued shares	72,196,487 (including 1,558,185 treasury shares)
3)	Number of shares per unit	100
4)	Number of shareholders	11,721

5) Major shareholders (top 10 shareholders)

Shareholder Name	Ownership of the Company's shares	
	Number of shares held	Shareholding ratio
	Shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,363,800	10.42
Bunka Shutter Affiliate Companies Holdings Association	5,339,577	7.55
State Street Bank and Trust Company 505103	2,951,584	4.17
Bunka Shutter Employee Holdings Association	2,941,681	4.16
The Dai-ichi Life Insurance Company, Limited	2,771,878	3.92
Mizuho Bank, Ltd.	2,534,873	3.58
NIPPON ACTIVE VALUE FUND PLC	2,500,000	3.53
Custody Bank of Japan, Ltd. (Trust Account)	2,009,500	2.84
The Bank of New York - Jasdic Treaty Account	1,762,800	2.49
YODOKO, Ltd.	1,669,000	2.36

Notes: Treasury shares (1,558,185 shares) are excluded when calculating shareholder ratios. Furthermore, treasury shares do not include 276,000 of the Company's shares held by Custody Bank of Japan, Ltd. (trust account) as trust assets for the "Officer Share Delivery Trust."

6) Other important matters concerning the shares

Pursuant to a resolution at the 76th Ordinary General Meeting of Shareholders held on June 21, 2022, the Company introduced a performance-linked and share-based remuneration plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company. As of March 31, 2026, the trust account for the trust for delivering shares with the eligible persons as beneficiaries held a total of 276,000 of the Company's shares.

(2) Share acquisition rights, etc. (as of March 31, 2026)

Not applicable.

(3) Directors and Audit and Supervisory Committee Members of the Company

1) Directors (as of March 31, 2026)

Position	Name	Gender	Responsibilities in the Company and significant concurrent positions outside the Company, etc.
Representative Director and Chairman of the Board of Directors	Toshihiko Shiozaki	Male	Chairman of Japan Rolling Shutters & Doors Association
Representative Director and President	Hiroyuki Ogura	Male	Executive President
Director	Mitsuru Mita	Male	Managing Operating Officer of Sales, Design, and Construction
Director	Haruhiko Ichikawa	Male	Managing Operating Officer and Responsible for Management Operation, and Overseas
Director	Tadahito Ooka	Male	Senior Operating Officer of Manufacturing and Responsible for New Business, Product Development
Director (Outside)	Nobuki Goto	Male	
Director (Outside)	Reiko Kusunose	Female	Outside Director of NIPPO CORPORATION Outside Director of TEIJIN LIMITED
Director (Outside)	Sumie Morita	Female	Professor, Department of Information Engineering, Faculty of Systems Science and Technology, Akita Prefectural University Outside Director, Sumitomo Heavy Industries, Ltd. Outside Director, Nihon Kohden Corporation
Director (Outside)	Kayo Murakami	Female	Representative Partner and CEO of Kazu and Company LLC Outside Director of SANYO SHOKAI LTD. Outside Director and Audit Committee Member of Press Kogyo Co., Ltd. Advisory Fellow at Okinawa IT Innovation Strategy Center of General Incorporated Foundation
Director-Audit and Supervisory Committee Member (full-time)	Motoi Uesaka	Male	
Director-Audit and Supervisory Committee Member (Outside)	Shozo Fujita	Male	Attorney at Shozo Fujita Law Office Outside Director of Eco’s Co., Ltd. Outside Corporate Auditor of SANKI ENGINEERING CO., LTD.
Director-Audit and Supervisory Committee Member (Outside)	Kazufumi Abe	Male	
Director-Audit and Supervisory Committee Member (Outside)	Yoshihiko Hayasaka	Male	
Director-Audit and Supervisory Committee Member (Outside)	Kazue Shimamura	Female	Professor of School of Commerce, Waseda University

Notes:
1. Nobuki Goto, Reiko Kusunose, Sumie Morita, Kayo Murakami, Shozo Fujita, Kazushi Abe, Yoshihiko Hayasaka, and Kazue Shimamura are Outside Directors.
2. The Company has designated Nobuki Goto, Reiko Kusunose, Sumie Morita, Kayo Murakami, Shozo Fujita, Kazufumi Abe, Yoshihiko Hayasaka and Kazue Shimamura as Independent Directors pursuant to the provisions of the Tokyo Stock Exchange and has registered them with the exchange.
3. In order to strengthen the audit and supervisory functions of the Audit and Supervisory Committee, Director Motoi Uesaka has been elected as a full-time Audit and Supervisory Committee Member in order to attend important internal meetings, collect information from Executive Directors, employees, etc., and collaborate with the Internal Audit Department.

(Reference)

Operating Officers (excluding those who concurrently serve as Directors) as of April 1, 2026, are as follows.

Managing Operating Officer	Sadayuki Shindo	Manager of Safety and Environment Department
Managing Operating Officer	Yukio Hasumi	Assistant responsible for manufacturing and Manager of Manufacturing Planning Department of the Company
Managing Operating Officer	Koji Takahashi	General Manager of West Japan Business Division
Managing Operating Officer	Akifumi Takahashi	Manager of Corporate Planning Department
Managing Operating Officer	Satoshi Onose	Manager of East Japan Business Division
Managing Operating Officer	Takahiro Goto	General Manager of Door/Partition Business Department
Operating Officer	Osamu Amano	Manager of Shutter Business Department
Operating Officer	Koichi Nishimura	Manager of Accounting Department
Operating Officer	Takashi Shimizu	Manager of Product Development Department
Operating Officer	Tadashi Takahashi	Manager of House Construction Materials East Japan Branch
Operating Officer	Norifumi Yamada	Manager of Metropolitan Area Branch
Operating Officer	Shuzo Murai	Manager of Kansai Branch
Operating Officer	Takahisa Terashima	Manager of Oyama Factory
Operating Officer	Shuichi Ouchi	Manager of Environmental Business Department
Operating Officer	Shinichi Uchida	Manager of Sales Promotion Department
Operating Officer	Tetsuro Yoshida	Manager of Kanetsu Branch
Operating Officer	Hiroshi Takahashi	Manager of Fukuoka Factory
Operating Officer	Koji Nomura	Manager of Tohoku Branch
Operating Officer	Atsushi Mori	General Manager of CSR Department

2) Outline of the contents of the liability limitation agreement

The Company may enter into an agreement with Directors (excluding those who are Executive Directors, etc.) to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company. The maximum amount of liability for damages under such contracts is the amount stipulated by law.

3) Outline of the contents of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which Directors (including Directors who concurrently serve as Audit and Supervisory Committee Members) of the Company are included as insured persons. The insurance policy shall cover compensation for damages and litigation costs incurred by the insured person in case where a claim for damages is made to the insured person due to an act (including omission) based on the position of director or officer of the Company. However, to ensure that the appropriateness of the insured’s performance of duties is not impaired, measures are taken so that the policy does not cover damages arising in cases caused by actions taken in the knowledge that the action violated laws or regulations. In principle, the Company pays the insurance premium.

4) Total amount of remuneration, etc. for Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) and Directors who concurrently serve as Audit and Supervisory Committee Members

Category of Officers	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)			Number of eligible officers (persons)
		Fixed remuneration	Performance-linked remuneration		
			Bonuses	Share-based remuneration	
Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) (External Outside Directors)	397 (40)	292 (40)	80 (—)	25 (—)	9 (4)
Directors (who concurrently serve as Audit and Supervisory Committee Members) (External Outside Directors)	72 (50)	72 (50)	— (—)	— (—)	6 (4)
Total (External Outside Directors)	470 (91)	365 (91)	80 (—)	25 (—)	15 (8)

Notes:
1. The main performance indicators for executive bonuses, which are performance-linked remuneration, are as follows:
Net sales: ¥236,282 million, operating income: ¥15,569 million, profit attributable to owners of parent: ¥12,639 million
2. The main performance indicators for share-based remuneration, which are performance-linked remuneration, are as follows:
Profit attributable to owners of parent: ¥12,639 million, ROE: 10.9%, ROIC: 8.3%
3. The amount paid to Directors does not include the portion of employee salaries of Directors concurrently serving as employees.
4. The amount of remuneration for Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) of the Company was approved at the 79th Ordinary General Meeting of Shareholders held on June 17, 2025, as 600 million yen or less per year (of which, up to 80 million yen per year is for Outside Directors). (However, this does not include salaries for employees.) The number of Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) as of the end of the 79th Ordinary General Meeting of Shareholders is nine (9) (including four (4) outside directors).
5. In addition, separately to the amount of monetary remuneration, an amount of share-based remuneration of 600 million yen or less and a maximum number of shares of 60,000 points or less per five (5) fiscal years were approved at the 76th Ordinary General Meeting of Shareholders held on June 21, 2022. The number of Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members) as of the conclusion of the General Meeting of Shareholders was seven (7).
6. The maximum amount of remuneration for Directors who concurrently serve as Audit and Supervisory Committee Members was approved at the 71st Ordinary General Meeting of Shareholders held on June 27, 2017, as 100 million yen or less per year. The number of Directors who concurrently serve as Audit and Supervisory Committee Members as of the conclusion of the General Meeting of Shareholders was five (5).

5) Matters pertaining to the policy on the determination of the amount of remuneration, etc. for officers or the calculation method thereof

At a meeting of the Board of Directors held on May 12, 2022, the Company passed a resolution concerning the policy for determining the content of remuneration for individual Directors (excluding Directors who concurrently serve as Audit and Supervisory Committee Members) of the Company as follows. When making this Board of Directors' resolution, the Board of Directors consulted with and received a report from the Nomination/Remuneration Committee concerning the content of the resolution in advance. In addition, at the 76th Ordinary General Meeting of Shareholders held on June 21, 2022, the introduction of a performance-linked and share-based remuneration plan was approved, with the aim of increasing Directors' awareness of enhancing performance in the medium to long term and contributing to growing enterprise value, by clarifying the link between Directors' remuneration and the Company's performance and stock value, and allowing them to share with all shareholders the risks and rewards of stock price fluctuations. In addition, at the 79th Ordinary General Meeting of Shareholders held on June 17, 2025, a revision to the amount of compensation for Directors, including Outside Directors (excluding those who concurrently serve as Audit and Supervisory Committee Members), was approved.

The Company's basic policy regarding the remuneration, etc., for Directors of the Company is to determine appropriate levels of remunerations, etc., for each individual Director based on his/her role and responsibilities, etc., within the limit of the total amount of remuneration, etc. for each monetary and share-based remuneration determined by the General Meeting of Shareholders, in order to realize the Company's management policy and ongoing medium- to long-term improvement of the Company's corporate value. Directors' remuneration consists of "monthly remuneration," "executive bonus," and "share-based remuneration." However, Directors who concurrently serve as Audit and Supervisory Committee Members are paid only monthly remuneration in view of their duties.

In addition, with regard to remuneration, etc. for each individual Director for the current fiscal year, the Board of Directors has confirmed that the method of determining the details of remuneration, etc. and the resulting details of remuneration, etc. are consistent with the decision-making policy approved by the Board of Directors, and judged that they are in line with such decision-making policy.

The policy for determining the content of remuneration, etc. for individual Directors are as follows.

A. Policy on base remuneration

Monthly remuneration shall be in cash, and the amount of remuneration shall be set in consideration of the position, responsibility, level of contribution, and balance with the salary of the employees.

B. Policy on performance-linked remuneration

Executive bonuses, which are performance-linked remuneration, shall be monetary remuneration. With regard to the total amount of executive bonuses, a base amount for the total amount of bonuses to executives is set based on the following item E., with reference to the executive compensation survey data from an external specialist institution, and a target achievement rate multiplier (0–140%) is calculated based on the achievement rate of the three indicators of sales, operating profit, and net income (allocation ratio 2:4:4). The total amount of bonuses to executives is calculated by multiplying the base amount for the total amount of bonuses by the target achievement rate.

"Total amount of executive bonuses = Base amount for total amount of bonuses to executives x Target achievement rate multiplier (0-140%)"

Note that share-based remuneration is performance-linked remuneration, the details of which are described in C. below.

C. Policy on non-monetary remuneration, etc.

Non-monetary remuneration shall be performance-linked share-based remuneration. Share-based remuneration is aimed at increasing Directors' awareness of enhancing performance in the medium to long term and contributing to growing enterprise value, by clarifying the link between Directors' remuneration and the Company's performance and stock value, and allowing them to share with all shareholders the risks and rewards of stock price fluctuations. Of the total amount of executive bonus, for each Director, the target achievement rate multiplier (0–80%) is calculated based on the fixed points for each position and the achievement rate of the three indicators of profit, ROE, and ROIC (allocation ratio 2:4:4) in consideration of the following item E. with reference to the executive compensation survey data of an external specialist institution, and the stock compensation grant points are calculated by multiplying the basic points for each position by the target achievement rate multiplier.

Points for which share-based remuneration is granted = fixed points per position + (base points per position × target achievement ratio multiplier (0–80%))

D. The ratio of "monthly remuneration," "executive bonus" (when 100% of the target is achieved), and "share-based remuneration" (when 100% of the target is achieved) is determined at a ratio of 6:3:1, with reference to the data, etc. from an external professional organization's survey on Directors' remuneration.

Monthly remuneration 60%	Performance-linked remuneration 30%	Performance-linked share-based compensation 10%

E. Policy on the timing and conditions for granting remuneration, etc.

Monthly remuneration shall be paid as one-twelfth of the annual amount for the current month in accordance with the date of payment of employee salaries, and in the case of payment of executive bonuses, such bonuses shall be paid in accordance with a. above by a resolution of the Board of Directors and paid promptly thereafter. In addition, with respect to share-based remuneration, the Company's shares shall be paid in accordance with the prescribed procedures upon retirement of a Director in proportion to the number of points granted, pursuant to the internal regulations separately stipulated in C above.

F. Matters concerning delegation of decisions on remuneration, etc.

In order to strengthen objectivity and accountability in relation to the remuneration of Directors, the Nomination/Remuneration Committee, a majority of whose members are independent Outside Directors, deliberates individual remuneration amounts and the total amount in advance, in response to the inquiry of the Board of Directors, and submits a report concerning the total amount of remuneration, then the Board of Directors makes a decision. The specific monthly amounts of remuneration for each Director and executive bonuses are determined for each Director based on the results of deliberation by the Nomination/Remuneration Committee, while taking into consideration the Company's business performance and other factors, and the determination is therefore delegated to Representative Director and Chairman of the Board of Directors Toshihiko Shiozaki and Representative Director and President, and Executive President Hiroyuki Ogura. The reason for the delegation is that the Company has determined that the Representative Director is suitable to determine the individual amounts for each Director based on the results of deliberation by the Nomination/Remuneration Committee, while taking into consideration the Company's overall business performance and other factors.

6) Matters concerning Outside Directors and Outside Audit and Supervisory Committee Members

A. Significant concurrent positions outside the Company

- Director Reiko Kusunose is also an Outside Director of NIPPO Corporation and Teijin Limited.
  There is no special relationship between the Company and NIPPO Corporation or Teijin Limited.
- Director Sumie Morita is a professor in the Department of Information and Computer Science, Faculty of Systems Science and Technology, Akita Prefectural University, a public university corporation, and an Outside Director of Sumitomo Heavy Industries, Ltd. and NIHON KOHDEN CORPORATION.
  There is no special relationship between the Company and Akita Prefectural University, Sumitomo Heavy Industries, Ltd. and NIHON KOHDEN CORPORATION.
- Director Kayo Murakami is the CEO of Kazu and Company LLC, Outside Director of SANYO SHOKAI LTD., External Director (Audit & Supervisory Committee Member) of PRESS KOGYO CO., LTD. and Advisory Fellow of IT Innovation and Strategy Center Okinawa.
  There is no special relationship between the Company and Kazu and Company LLC, SANYO SHOKAI LTD., PRESS KOGYO CO., LTD, and IT Innovation and Strategy Center Okinawa.
- Shozo Fujita, a Director-Audit and Supervisory Committee Member, is an attorney at Law Office of Shozo Fujita, is an Outside Director of Eco's Co., Ltd., and an Outside Audit & Supervisory Board Member of SANKI ENGINEERING CO., LTD.
  There is no special relationship between the Company and Law Office of Shozo Fujita, ECOS Corporation, and SANKI ENGINEERING CO., LTD.
- Kazue Shimamura, a Director and Audit and Supervisory Committee Member, is a Professor of School of Commerce, Waseda University.
  There is no special relationship between the Company and Faculty of Commerce of Waseda University.

B. Activities of Outside Directors and Outside Audit and Supervisory Committee Members at Board of Directors meetings and Audit and Supervisory Committee meetings during the fiscal year

a. Attendance at Board of Directors Meetings and Audit and Supervisory Committee meetings held in the fiscal year

Category	Board of Directors (held nine times)		Audit and Supervisory Committee (held 12 times)	
	Number of times of attendance	Attendance rate	Number of times of attendance	Attendance rate
Nobuki Goto, Director	Eight times	88.8%	-	-
Reiko Kusunose, Director	Nine times	100.0%	-	-
Sumie Morita, Director	Eight times	100.0%	-	-
Kayo Murakami, Director	Eight times	100.0%	-	-
Shozo Fujita, Director	Nine times	100.0%	Twelve times	100.0%
Kazufumi Abe, Director	Nine times	100.0%	Twelve times	100.0%
Yoshihiko Hayasaka, Director	Nine times	100.0%	Twelve times	100.0%
Kazue Shimamura, Director	Nine times	100.0%	Twelve times	100.0%

Notes: Since Directors Sumie Morita and Kayo Murakami were newly appointed at the Ordinary General Meeting of Shareholders held on June 17, 2025, the numbers of Board of Directors meetings and Audit and Supervisory Committee meetings differ from those for other Outside Directors. The numbers of Board of Directors meetings and Audit and Supervisory Committee meetings after their appointment as Director of the Company is eight times.

b. Outline of the major activities during the fiscal year and duties performed in relation to the role expected to be fulfilled

- Goto Nobuki has broad insight and a high level of expertise from the perspective of investors and shareholders, which he has gained through his involvement in the management of a major asset management company. He utilizes such knowledge and skills to provide advice on our company’s business activities and suggestions for strengthening corporate governance, including by expressing opinions at the Board of Directors meetings and other important internal meetings from an independent and objective standpoint.
- Reiko Kusunose has extensive experience and expertise, including broad insight gained from her involvement in the management of a major manufacturer, as well as experience in overseas business, investor relations and CFO at multiple manufacturers. She utilizes such expertise and knowledge to provide advice on our business activities and suggestions for strengthening corporate governance, among other things, by expressing opinions at the Board of Directors meetings and other important internal meetings from an independent and objective standpoint.
- Sumie Morita has broad insight gained from her involvement in management from a global perspective at a major information and communications company, as well as ample practical experience as a product developer in the fields of information and communications and information networks. She also has a wealth of knowledge as an information engineering expert, including currently serving as a university professor. She is utilizing these skills to provide advice on the Company's business activities and recommendations for strengthening corporate governance by expressing her opinions at meetings of the Board of Directors and other important internal meetings from an independent and objective standpoint.
- Kayo Murakami has broad insight as a corporate executive, knowledge of a systematic management theory as a Master of Business Administration (MBA), a specialized perspective on DX (digital transformation), and abundant practical experience. She is utilizing these skills to provide advice on the Company's business activities and recommendations for strengthening corporate governance by expressing her opinions at meetings of the Board of Directors and other important internal meetings from an independent and objective standpoint.
- Shozo Fujita, as a former public prosecutor and lawyer, has extensive knowledge and deep insight in the legal field. He has provided advice on the Company’s business activities and otherwise made proposals for strengthening corporate governance by, for example, expressing opinions at the Board of Directors meetings and other important internal meetings.
  In addition, he contributes to ensuring the validity and appropriateness of the decision-making of the Company’s Board of Directors and the Audit and Supervisory Committee by, for example, expressing opinions on the election of candidates for Director, and the amount of individual remuneration, etc. for each Director at the Nomination/Remuneration Committee.
- Kazufumi Abe, who has abundant practical experience at a metal materials manufacturer and deep insight gained through his work experience as an Audit & Supervisory Board Member, has provided advice on the Company’s business activities and otherwise made proposals for strengthening corporate governance by, for example, expressing opinions at the Board of Directors meetings and other important internal meetings.
  In addition, he contributes to ensuring the validity and appropriateness of the decision-making of the Company’s Board of Directors and the Audit and Supervisory Committee by, for example, expressing opinions on the election of candidates for Director, and the amount of individual remuneration, etc. for each Director at the Nomination/Remuneration Committee.

- Yoshihiko Hayasaka has wide-ranging insight from his involvement in the management of a major construction company, as well as abundant practical experience in the construction industry. He has provided advice on the Company's business activities and otherwise made proposals for the strengthening of corporate governance by, for example, expressing opinions at the Board of Directors meetings and other important internal meetings and contributed to ensuring the adequacy and appropriateness of decision-making by the Company's Board of Directors and the Audit and Supervisory Committee. In addition, he contributes to ensuring the validity and appropriateness of the decision-making of the Company's Board of Directors and the Audit and Supervisory Committee by, for example, expressing opinions on the election of candidates for Director, and the amount of individual remuneration, etc. for each Director at the Nomination/Remuneration Committee.
- Kazue Shimamura, who is Professor of the Faculty of Commerce at Waseda University, has extensive knowledge and wide-ranging insight as an expert in the field of commerce, mainly in academia. She has provided advice on the Company's business activities and otherwise made proposals for the strengthening of corporate governance by, for example, expressing opinions at the Board of Directors meetings and other important internal meetings.
  In addition, he contributes to ensuring the validity and appropriateness of the decision-making of the Company's Board of Directors and the Audit and Supervisory Committee by, for example, expressing opinions on the election of candidates for Director, and the amount of individual remuneration, etc. for each Director at the Nomination/Remuneration Committee.

(4) Financial auditor

1) Name Crowe Toyo & Co.

2) Amount of remuneration, etc.

	Amount paid
1) Amount of remuneration, etc. for financial auditor for the fiscal year	60 million yen
2) Total amount of money and other economic benefits that the Company and subsidiaries should pay to the financial auditor	60 million yen

Notes: 1. Under the audit agreement between the Company and the financial auditor, the amount of audit fees, etc. for audits based on the Companies Act and those based on the Financial Instruments and Exchange Act are not categorized, and it is practically impossible to categorize them. Therefore, the amount in 1) above indicates the total amount of these fees, etc.

2. The Company's Audit and Supervisory Committee has agreed on the amount of remuneration, etc. for the financial auditor after conducting necessary verification of the content of the financial auditor's audit plan, evaluation and analysis of the audit results for the previous fiscal year, the status of the execution of accounting audit duties, and the appropriateness of the grounds for calculating the remuneration estimates.

3) Contents of non-audit services

Not applicable

4) Policy on decisions of dismissal or non-reappointment of financial auditor

If the Company's Audit and Supervisory Committee deems it necessary for such cases as due to the Company's reasons, due to matters stipulated in the Company's Regulations on Audit and Supervisory Committee and other regulations, or if the execution of duties by a financial auditor is hindered, the Company's Audit and Supervisory Committee shall make a decision on a proposal for dismissal or refusal of reappointment, and the Company's Board of Directors shall submit such proposal to the General Meeting of Shareholders based on such proposal.

In addition, if the Company's Audit and Supervisory Committee finds that the financial auditor falls under any of the items set forth in each item of Article 340, paragraph (1) of the Companies Act, the Company's Audit and Supervisory Committee shall dismiss the financial auditor based on a resolution of the Audit and Supervisory Committee. In this case, the Director who concurrently serves as an Audit and Supervisory Committee Member elected by the Company's Audit and Supervisory Committee shall report the fact of the dismissal of the financial auditor and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

Notes: The amounts and the number of shares shown in this business report are rounded down to the nearest whole number.

Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Assets		Liabilities	
Assets	Liabilities	Assets	Liabilities
liquid assets	**115,534**	**Current liabilities**	**49,819**
Cash and deposits	37,200	Notes and accounts payable - trade	11,958
Notes and accounts receivable - trade, and contract assets	43,836	Electronic Recording Debt	8,192
Electronically Recorded Receivables	10,961	Short-term loans payable	1,200
Merchandise and finished goods	10,535	Current portion of long-term borrowings	840
Work in process	1,269	Lease liabilities	1,388
Raw materials and supplies	8,800	Income taxes payable	3,368
Other current assets	3,349	Accrued consumption taxes	1,781
Net assets	(419)	Accrued expenses	7,665
fixed asset	**90,117**	Contract liabilities	4,033
Property, plant and equipment	42,710	Provision for bonuses	5,885
Buildings and structures	13,759	Provision for bonuses for directors (and other officers)	137
Machinery, equipment and vehicles	6,949	Provision for loss on construction contracts	1,032
Tools, furniture and fixtures	948	Other current liabilities	2,335
Land	13,509	**Fixed liabilities**	**35,822**
Lease assets	1,784	Bonds payable	10,000
Right-of-use assets	4,932	Long-term borrowings	1,600
Construction in progress	827	Lease liabilities	6,294
Intangible assets	16,136	Provision for retirement benefits for directors (and other officers)	265
Goodwill	9,702	Retirement benefit liability	15,553
Other intangible assets	6,434	Provision for share awards for directors (and other officers)	99
Investments and other assets	**31,269**	Guarantee deposits received	570
Investment securities	22,103	Asset retirement obligations	68
Retirement benefit asset	1,906	Other non-current liabilities	1,369
Deferred tax assets	4,706	**Total Debt**	**85,642**
Other investments and other assets	2,769	**Net assets**	
Net assets	(215)	**Shareholders' equity**	**109,208**
		Share capital	15,051
		Capital surplus	11,292
		Retained earnings	85,944
		Treasury shares	(3,079)
		Other cumulative comprehensive income	**10,637**
		Valuation difference on available-for-sale securities	5,950
		Deferred gains or losses on hedges	5
		Revaluation reserve for land	(46)
		Foreign currency translation adjustment	1,304
		Cumulative adjustments for retirement benefits	3,424
		Non-controlling interests	**164**
		Total net assets	**120,009**
Total assets	**205,651**	**Total liabilities and net assets**	**205,651**

Consolidated Statements of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Account	Amount	
Net sales		**236,282**
Cost of sales		**170,895**
Gross profit		**65,386**
Selling, general and administrative expenses		**49,817**
Operating income		**15,569**
Non-operating income		
Interest income	110	
Dividend income	342	
Foreign exchange gains	1,423	
Share of profit of entities accounted for using equity method	543	
Gain on sale of scraps	133	
Other non-operating income	316	2,869
Non-operating expenses		
Interest expenses	573	
Other non-operating expenses	238	812
Ordinary income		17,626
Extraordinary income		297
Extraordinary losses		**152**
Profit before income taxes		**17,771**
Income taxes - current	6,048	
Income taxes - deferred	(919)	5,129
Profit (loss)		**12,642**
Profit attributable to non-controlling interests		**2**
Profit attributable to owners of parent		**12,639**

Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
liquid assets	**70,187**	**Current liabilities**	**31,309**
Cash and deposits	12,724	Notes payable - trade	71
Bills receivable	1,284	Electronic Recording Debt	4,472
Electronically Recorded Receivables	9,546	Accounts payable - trade	7,614
Accounts receivable - trade	24,600	Short-term loans payable	1,000
Contract assets	6,028	Current portion of long-term borrowings	800
Merchandise and finished goods	7,267	Lease liabilities	554
Work in process	525	Accounts payable - other	983
Raw materials and supplies	4,764	Income taxes payable	1,721
Advance payments to suppliers	1,297	Accrued consumption taxes	793
Prepaid expenses	484	Accrued expenses	5,553
Accounts receivable - other	606	Contract liabilities	2,887
Short-term loans receivable	1,042	Deposits received	316
Advances paid	70	Provision for bonuses	3,427
Other current assets	15	Provision for bonuses for directors (and other officers)	80
Net assets	(72)	Provision for loss on construction contracts	1,032
fixed asset	**79,942**	Notes payable - facilities	1
Property, plant and equipment	**23,127**	**Fixed liabilities**	**26,767**
Buildings	7,892	Bonds payable	10,000
Structures	964	Long-term borrowings	1,600
Machinery and equipment	3,000	Lease liabilities	1,195
Vehicles	3	Provision for retirement benefits	12,977
Tools, furniture and fixtures	579	Provision for share awards for directors (and other officers)	99
Land	8,390	Provision for loss on business of subsidiaries and associates	296
Lease assets	1,514	Guarantee deposits received	536
Construction in progress	781	Long-term unearned revenue	6
Intangible assets	**1,147**	Asset retirement obligations	56
Patent right	10	**Total Debt**	**58,077**
Software	924	**Net assets**	
Leasehold interests in land	93	**Shareholders' equity**	**87,230**
Telephone subscription right	42	**Share capital**	**15,051**
Lease assets	29	**Capital surplus**	**11,248**
Other intangible assets	45	Legal capital surplus	9,151
Investments and other assets	**55,667**	Other capital surplus	2,097
Investment securities	10,102	**Retained earnings**	**64,004**
Shares of subsidiaries and associates	26,639	Other retained earnings	64,004
Investments in capital	16	Reserve for tax-purpose reduction entry of land	31
Long-term loans receivable	14,422	General reserve	46,000
Distressed receivables	117	Retained earnings brought forward	17,973
Long-term prepaid expenses	29	Treasury shares	(3,074)
Guarantee deposits	48	**Valuation and translation adjustments**	**4,821**
Business insurance funds	407	**Valuation difference on available-for-sale securities**	**4,821**
Leasehold deposits	963		
Deferred tax assets	3,445		
Prepaid pension costs	1,217	**Total net assets**	**92,052**
Other investments, etc.	175		
Net assets	(1,919)		
Total assets	**150,129**	**Total liabilities and net assets**	**150,129**

Statement of Income

(From April 1, 2025, to March 31, 2026)

(Millions of yen)

Account	Amount	
Net sales		**149,564**
Cost of sales		**113,416**
Gross profit		**36,147**
Selling, general and administrative expenses		**28,810**
Operating income		**7,337**
Non-operating income		
Interest income	352	
Dividend income	4,695	
Foreign exchange gains	1,465	
Other non-operating income	234	6,748
Non-operating expenses		
Interest expenses	106	
Bond expenses	67	
Provision of allowance for doubtful accounts	885	
Other non-operating expenses	200	1,260
Ordinary income		12,825
Extraordinary income		
Gain on sale of non-current assets	**154**	
Gain on sale of investment securities	83	238
Extraordinary losses		
Loss on retirement of non-current assets	120	120
Income before income taxes		**12,943**
Income taxes - current	3,112	
Income taxes - deferred	(398)	2,713
Profit (loss)		**10,229**

Accounting Audit Report on the Consolidated Financial Statements

Independent Auditor’s Report (Translation)

May 13, 2026

Bunka Shutter Co., Ltd.

To the Board of Directors

Crowe Toyo & Co.
Tokyo Office

Designated Engagement Partner

Certified Public Accountant, Hajime Hirai

Designated Engagement Partner

Certified Public Accountant, Hiroaki Ikeda

Designated Engagement Partner

Certified Public Accountant, Akiko Shigematsu

Audit Opinion

We have audited the consolidated financial statements that are comprised of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Bunka Shutter Co., Ltd. (the “Company”) and its consolidated subsidiaries (collectively referred to as the “Group”), as of March 31, 2026, and for the fiscal year from April 1, 2025, to March 31, 2026, in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Business Report and the accompanying supplemental schedules. Management is responsible for the other information. Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors’ performance of their duties including the design, implementation and maintenance of the Group’s other information reporting process.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

This includes the establishment and operation of the internal control which the management determines is necessary to prepare the consolidated financial statements that are free from material misstatements whether due to fraud or error, and to properly present it. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to a going concern as applicable in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The auditor shall design and perform audit procedures that address the risk of material misstatement. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to remove obstacles or safeguards applied in order to reduce them to an acceptable level.

Interest

Our firm and the designated engagement partners do not have any interest in the Group that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Accounting Audit Report on the Non-consolidated Financial Statements

Independent Auditor's Report (Translation)

May 13, 2026

Bunka Shutter Co., Ltd.

To the Board of Directors

Crowe Toyo & Co.
Tokyo Office

Designated Engagement Partner

Certified Public Accountant, Hajime Hirai

Designated Engagement Partner

Certified Public Accountant, Hiroaki Ikeda

Designated Engagement Partner

Certified Public Accountant, Akiko Shigematsu

Audit Opinion

We have audited the non-consolidated financial statements that are comprised of the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the related notes and the accompanying supplemental schedules (collectively, "non-consolidated financial statements, etc.") of Bunka Shutter Co., Ltd. (the "Company"), as of March 31, 2026, and for the 80th fiscal year from April 1, 2025, to March 31, 2026, in accordance with Article 436, paragraph (2), item(i) of the Companies Act.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the non-consolidated financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Business Report and the accompanying supplemental schedules. Management is responsible for the other information. Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's other information reporting process.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the establishment and operation of the internal control which the management determines is necessary to prepare the non-consolidated financial statements that are free from material misstatements whether due to fraud or error, and to properly present it.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing matters related to a going concern as applicable in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The auditor shall design and perform audit procedures that address the risk of material misstatement. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・ Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of the Company's internal control.

・ Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.

・ Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to remove obstacles or safeguards applied in order to reduce them to an acceptable level.

Interest

Our firm and the designated engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee has audited the execution of duties by Directors for the 80th fiscal year from April 1, 2025, to March 31, 2026. We report the method and results as follows.

1. Method and details of the audit

With regard to the details of the resolutions of the Board of Directors on the matters listed in Article 399-13, paragraph (1), item (i), (b) and (c) of the Companies Act and the system (internal control system) developed based on such resolutions, the Audit and Supervisory Committee received periodic reports on the status of the relevant establishment and operation from Directors, employees, etc., requested explanations as necessary, expressed opinions, and conducted audits in the following manner.

1) In accordance with the Auditing, etc., Standards of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, and in accordance with the audit policy, division of duties, etc. for the fiscal year, in cooperation with the Internal Audit Department, we attended important meetings (to prevent the spread of COVID-19, including remote attendance, etc.), received reports on matters related to the execution of duties from Directors, employees, etc., requested explanations as necessary, inspected important approval documents, etc., and investigated the status of operations and assets of the head office and major business offices through audits, etc. In addition, with regard to subsidiaries, we communicated with and exchanged information with directors, etc. of subsidiaries, received business reports from subsidiaries as necessary, and investigated the status of business and assets through audits, etc.

2) With regard to the basic policy set forth in Article 118, item 3, (a) of the Regulations for Enforcement of the Companies Act and the initiatives set forth in (b) of the said item, which is stated in the business report, we reviewed the contents thereof in light of the status, etc. of deliberations at the meetings of the Board of Directors and other meetings.

3) We monitored and verified whether the financial auditor maintained an independent position and conducted appropriate audits, received reports from the financial auditor on the status of the execution of the duties, and requested explanations as necessary. In addition, we received a notice from the financial auditor that “systems for ensuring that the performance of the duties of the financial auditor are being carried out correctly” (matters listed in each item of Article 131 of the Regulations on Corporate Accounting) have been established in accordance with “Quality Control Standards for Audits” (issued by the Business Accounting Council) and other standards and requested explanations as necessary.

Based on the methods described above, we reviewed the business report and the accompanying supplementary schedules, the non-consolidated financial statements for the fiscal year under review (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, and the notes to consolidated financial statements) and the accompanying supplemental schedules, and the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to consolidated financial statements).

2. Result of Audit

(1) Results of audit of business report, etc.

1) We have found that the business report and the accompanying supplementary schedules accurately represent the status of the Company in accordance with laws and regulations and the Articles of Incorporation.

2) We have not found any misconduct or material fact in violation of laws and regulations or the Articles of Incorporation concerning the execution of duties by the Directors.

3) We have found that the Board of Directors' resolution on the internal control system is appropriate. In addition, we have not found any matter that should be pointed out, including internal control over financial reporting, regarding the operation status of said internal control system.

4) We have not found any matter that should be pointed out with regard to the basic policy on the persons who control the decision concerning financial and business policies of the Company stated in the business report.

(2) Results of audit of financial statements and the accompanying supplementary schedules

We confirm that the auditing method and results of the Independent Auditor, Crowe Toyo & Co., are appropriate.

(3) Results of audit of consolidated financial statements

We confirm that the auditing method and results of the Independent Auditor, Crowe Toyo & Co., are appropriate.

May 13, 2026

Audit and Supervisory Committee, Bunka Shutter Co., Ltd.

Audit and Supervisory Committee Member (full-time)
Motoi Uesaka (Seal)

Audit and Supervisory Committee Member
(outside and independent officer)
Shozo Fujita (Seal)

Audit and Supervisory Committee Member
(outside and independent officer)
Kazufumi Abe (Seal)

Audit and Supervisory Committee Member
(outside and independent officer)
Yoshihiko Hayasaka (Seal)

Audit and Supervisory Committee Member
(outside and independent officer)
Kazue Shimamura (Seal)

Notes: Audit and Supervisory Committee Members Shozo Fujita, Kazufumi Abe, Yoshihiko Hayasaka, and Kazue Shimamura are Outside Directors as prescribed in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

Shareholder Memo

Fiscal year	From April 1 of each year to March 31 of the following year
Ordinary General Meeting of Shareholders	June
Record date	March 31 Any other certain date for which public notice is given in advance, if necessary.
Record date for dividends Year–end dividends Interim dividends	 March 31 September 30
Method of public notice	Available on the Company's website (URL https://www.bunka–s.co.jp/) However, if there is an accident or other unavoidable reason that means a notice cannot be made by electronic public notice, the Company will publish it in the Nihon Keizai Shimbun. The balance sheet and the statement of income are disclosed in EDINET (electronic corporate disclosure system under the Financial Instruments and Exchange Act).
Shareholder register administrator	1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited Mailing address
Account management institution for special account	1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited Mailing address
Postal code:	Postal code: 168-0063 2-8-4 Izumi, Suginami-ku, Tokyo Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
(Telephone inquiries)	Telephone: 0120-782-031 (toll-free within Japan only) Brokerage services are provided at the head office of Sumitomo Mitsui Trust Bank, Limited and its branches throughout Japan.

Applications for address change, purchase or increase of shares less than one unit, and others

Please inform the securities company with a shareholder's account.

Any shareholder who has opened a special account due to the absence of an account at a securities company is requested to submit an application to Sumitomo Mitsui Trust Bank, Limited, the account management institution for the special account.

Payment of dividends payable

Please make an application to Sumitomo Mitsui Trust Bank, Limited, the shareholder register administrator.