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Securities Code: 7981
June 3, 2026
(Start date of measures for electronic provision May 29, 2026)

To our shareholders:

Representative Director and President, Masaru Komori
TAKARA STANDARD CO., LTD.
1-2-1 Shigino-higashi, Joto-ku, Osaka, Japan

Notice of the 152nd Annual General Meeting of Shareholders

We are pleased to announce the 152nd Annual General Meeting of Shareholders of TAKARA STANDARD CO., LTD. (the "Company"), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for an electronic provision measure) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

■ The Company's website:
https://www.takara-standard.co.jp/company/ir/shareholders_meeting/

■ TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show

(Access the TSE website by using the internet address shown above, enter "TAKARA STANDARD" in "Issue name (company name)" or the Company's securities code "7981" 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].")

■ Website for informational materials for the general meeting of shareholders:
https://d.sokai.jp/7981/teiji/

If you are not attending the meeting in person, **you can exercise your voting rights in writing (by mail) or via the internet. We ask you to review the Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights by 5:50 p.m., Tuesday, June 23, 2026 (Japan Standard Time) in writing (by mail) or via the internet, etc.**

1	**Date and Time:**	10:00 a.m. on Wednesday June 24, 2026
2	**Venue:**	**4F Meeting Room, Takara Standard South Building of the Head Office** 1-2-1 Shigino-higashi, Joto-ku, Osaka, Japan
3	**Purpose of the Meeting**	**Matters to be reported:** The Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements for the 152nd fiscal year (from April 1, 2025 to March 31, 2026), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
		Matters to be resolved: Proposal No. 1 Dividends of Surplus Proposal No. 2 Partial Amendments to the Articles of Incorporation Proposal No. 3 Election of 7 Directors Proposal No. 4 Election of 1 Audit & Supervisory Board Member Proposal No. 5 Determination of Remuneration for the Allotment of Restricted Stock to Directors (Excluding Non-executive Directors)

- Among matters for an electronic provision measure, the “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements and the “Notes to Non-Consolidated Financial Statements” of the Non-Consolidated Financial Statements are not included in this document, since they are posted on the websites listed on previous page pursuant to laws and regulations and Article 15 of the Articles of Incorporation of the Company. Each of the above documents is included in the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Member and the Financial Auditor when preparing the audit report and accounting audit report, respectively.
- If revisions to the matters for an electronic provision measure arise, a notice of the revisions will be posted on the websites listed on previous page.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 **Dividends of Surplus**

The Company has given consideration to the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 152nd fiscal year as follows:

1	**Type of dividend property** To be paid in cash.
2	**Allotment of dividend property and their aggregate amount** ¥66 per common share of the Company Total dividends: ¥4,173,254,580
3	**Effective date of dividends of surplus** June 25, 2026

Proposal No. 2 **Partial Amendments to the Articles of Incorporation**

1. Reasons for the amendments

   (1) The Company proposes to change the purpose of its business to clarify the line of business in light of the current conditions of its business and accommodate future diversification of its business.

   (2) The Company proposes to change the term of office of Directors from two years to one year with the aim of further strengthening corporate governance by creating a management structure capable of responding rapidly to changes in the business environment and by increasing opportunities for shareholders to approve Directors.

2. Details of the amendments

   Details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities:	(Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities:
1. Manufacture, sale, and purchase of housing equipment and building materials	1. (Unchanged)
2. Manufacture, sale, and purchase of enamel products, their raw materials, and chemical products	2. (Unchanged)
3. Manufacture, sale, and purchase of metal machinery tools	3. (Unchanged)
<u>4. Manufacture, sale, purchase, and import of cosmetics and chemicals (including poisonous and deleterious substances)</u>	(Deleted)
<u>5.</u> Sale and purchase of housing and land; design, construction, and contracting of various construction work	<u>4.</u> (Unchanged)
<u>6.</u> Leasing, management, and development of land and buildings	<u>5.</u> (Unchanged)
<u>7. Sale, purchase, holding, and management of securities</u>	(Deleted)
<u>8. Businesses incidental and relating to the above businesses</u>	<u>6. All other lawful businesses</u>
<u>9. Investment in businesses relating to the preceding items</u>	(Deleted)
(Term of Office) Article 21 The term of office of Directors shall be until the conclusion of the annual general meeting of shareholders held with respect to the last fiscal year within <u>two years</u> after the election. <u>However, if a Director is elected to fill a vacancy, his/her term of office shall be limited to the remaining term of his/her predecessor.</u>	(Term of Office) Article 21 The term of office of Directors shall be until the conclusion of the annual general meeting of shareholders held with respect to the last fiscal year within <u>one year</u> after the election.

Proposal No. 3 Election of 7 Directors

The terms of office of three Directors, Yoshimichi Shirasaka, Hidetaka Yoshikawa and Tamaki Sawamura, will expire at the conclusion of this general meeting of shareholders.

Moreover, in the event that Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and passed without modification, Directors' terms of office will change from two years to one year, and the terms of office of five Directors, Takeo Watanabe, Masaru Komori, Yoji Ito, Kazumi Maeda and Yukio Iimura, will expire at the conclusion of this general meeting of shareholders.

As such, subject to the approval and adoption of Proposal No. 2 "Partial Amendments to the Articles of Incorporation," the Company proposes the election of seven Directors, including three outside Directors.

Additionally, the nomination of candidates for Director was carried out following deliberations by non-statutory Nominating and Remuneration committees, the majority of whose members were independent outside Directors.

The candidates for Director are as follows:

Candidate No. 1

Reelection

Takeo Watanabe

Date of birth	July 14, 1958
Gender	Male
Number of the Company's shares owned	553,600 shares

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
July 1994	Joined the Company
June 1997	Director
June 1999	Managing Director
June 2001	Senior Managing Director
May 2003	Representative Director and President
June 2012	Representative Director and President President and Executive Officer
Apr. 2024	Representative Director and Chairman (current position)

Reasons for nomination as candidate for Director

Takeo Watanabe has steered Company management for many years as Representative Director and President and Chairman, and has spearheaded the Company's sustainable growth. Recently, he has formulated a new shareholder return policy focusing on capital efficiency and driven fundamental management reforms aimed at improving ROE, presenting a clear direction for maximizing corporate value. He has been nominated to continue as Director with the expectation that he will suitably fulfill his role in making decisions on important matters and providing management oversight as the Company aims to grow sustainably and become a company that is trusted and respected by all stakeholders.

Candidate No. 2	
Reelection	
	Masaru Komori
Date of birth	November 19, 1970
Gender	Male
Number of the Company's shares owned	22,100 shares

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Mar. 1994	Joined the Company
Apr. 2019	Tokyo Branch Manager
Apr. 2020	Executive Officer and Tokyo Branch Manager
Apr. 2023	Managing Executive Officer and Tokyo Branch Manager
June 2023	Director, Managing Executive Officer, and Tokyo Branch Manager
Apr. 2024	Representative Director and President President and Executive Officer (current position)

Reasons for nomination as candidate for Director

Since assuming the role of President in April 2024, under the "Re-committing to transformation" theme in the "Medium-Term Management Plan 2026," Masaru Komori has reformed profit structure, streamlined operations, promoted DX, and invested in human capital, leading the creation of a management base for the achievement of the Medium-Term Management Plan targets. He has been nominated to continue as Director with the expectation that he will suitably fulfill his role in making important decisions and executing business, as the Company aims to achieve sustainable growth and be a company that is trusted and respected by all its stakeholders.

Candidate No. 3		Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Reelection		Mar. 1984	Joined the Company
		Apr. 2017	Executive Officer General Manager of General Affairs Department
	Yoshimichi Shirasaka	June 2021	Managing Executive Officer In charge of Human Resources Department and General Affairs Department of Administration Division
Date of birth	September 17, 1961	Apr. 2024	Senior Managing Executive Officer and Head of Administration Division
Gender	Male	June 2024	Director, Senior Managing Executive Officer and Head of Administration Division
Number of the Company's shares owned	12,000 shares	Apr. 2026	Director and Executive Vice President and Executive Officer In charge of Administration Division (current position)

Reasons for nomination as candidate for Director

Yoshimichi Shirasaka has devoted himself to strengthening the Company's management base as Head of Administration Division. He has played a central role in embedding the new human resources system implemented in FY2024 and advancing human capital management. He has also led efforts to promote area management to optimize personnel deployment, streamline and standardize operations, and enhance area-wide sharing of strategies and execution frameworks. He has been nominated to continue as Director with the expectation that he will continue to suitably fulfill his role in making decisions on important matters regarding the Company and providing management oversight.

Candidate No. 4	
Reelection	
	Hidetaka Yoshikawa
Date of birth	August 17, 1949
Gender	Male
Number of the Company's shares owned	232,250 shares

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Apr. 1974	Joined Takara Belmont Corporation
June 1983	Director
June 1987	Managing Director
Oct. 1989	Representative Director, C.E.O
June 1996	Director of the Company (current position)
June 1999	Representative Director, Chairman & C.E.O. of Takara Belmont Corporation (current position)

Reasons for nomination as candidate for Director

Hidetaka Yoshikawa has demonstrated outstanding leadership over many years as a business company representative, and boasts extensive expertise and experience in all aspects of management. He has been nominated to continue as Director as the Company has deemed his expertise in manufacturing from a global perspective, as well as his ability to balance sustainability and innovation, to be essential to the Company's sustainable growth and corporate value enhancement.

Candidate No. 5		Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Reelection Outside Independent	 Kazumi Maeda (Name on family register: Kazumi Nakade)	May 1998	Hyatt (Japan) Co., Ltd.
		Aug. 2016	Regional Vice President in charge of Human Resources and General Affairs
		Apr. 2018	Director
Date of birth	September 22, 1965	June 2023	Director of the Company (current position)
Gender	Female	June 2024	Outside Director of TOKYU LAND CORPORATION
Number of the Company's shares owned	600 shares	June 2025	Outside Director of Tokyu Fudosan Holdings Corporation (current position)

Reasons for nomination as candidate for outside Director and overview of expected roles

Kazumi Maeda has extensive knowledge and experience of business management gained by fulfilling her duties in human resources, general affairs and business development and business launch projects at business companies, etc., both in Japan and overseas. She has been nominated as outside Director with the expectation that she can continue to provide useful opinions and advice regarding the management of the Company from an independent and impartial perspective and that she is well qualified to provide oversight of the Company's management, in addition to the fields of DE&I and global business.

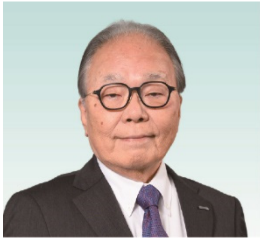
At the conclusion of this general meeting of shareholders, her tenure as outside Director of the Company will have been three years.

Candidate No. 6		Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Reelection Outside Independent		Aug. 1985	Joined Nestlé Japan Ltd.
		July 1991	Joined Asatsu International Ltd.
		Oct. 1992	Joined DENTSU EAST JAPAN INC.
		Oct. 2007	Joined Aflac Life Insurance Japan Ltd.
		Jan. 2015	Executive Officer
	Tamaki Sawamura	Jan. 2023	Advisor
Date of birth	October 3, 1962	Aug. 2023	Advisor of HomeServe Japan Corporation (current position)
Gender	Female	June 2024	Director of the Company (current position)
Number of the Company's shares owned	200 shares	June 2024	Outside Director of Morinaga&Co., Ltd. (current position)

Reasons for nomination as candidate for outside Director and overview of expected roles

Tamaki Sawamura has extensive knowledge and experience of business management gained by fulfilling her duties in marketing, promotion, product development projects, etc. at business companies, and also possesses knowledge in other areas including DE&I and DX promotion. Therefore, she has been nominated as outside Director with the expectation that she can continue to provide useful opinions and advice regarding the management of the Company from an independent and impartial perspective and that she is well qualified to provide oversight of the Company's management, etc.

At the conclusion of this general meeting of shareholders, her tenure as outside Director of the Company will have been two years.

Candidate No. 7	
Reelection Outside Independent	
	Yukio Iimura
Date of birth	June 17, 1956
Gender	Male
Number of the Company’s shares owned	100 shares

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Apr. 1980	Joined Toshiba Machine Co., Ltd. (currently SHIBAURA MACHINE CO., LTD.)
June 2006	Director
June 2009	President
Apr. 2017	Chairman
May 2017	Chairman of Japan Machine Tool Builders’ Association
Oct. 2024	Member of the Shizuoka Prefecture Board of Education (current position)
June 2025	Director of the Company (current position)

Reasons for nomination as candidate for outside Director and overview of expected roles

Yukio Iimura has served as the president and chairman of a business corporation, promoting management reform and technological innovation. Additionally, as the chairman of an industry association in the manufacturing sector, he has worked towards the overall development of the industry and possesses extensive management experience and deep industry knowledge. Therefore, he has been nominated as outside Director with the expectation that he can continue to provide useful opinions and advice regarding the management of the Company from an independent and impartial perspective and that he is well qualified to provide oversight of the Company’s management, etc.

At the conclusion of this general meeting of shareholders, his tenure as outside Director of the Company will have been one year.

Notes:

1. There is no special interest between any of the candidates and the Company.
2. Kazumi Maeda, Tamaki Sawamura and Yukio Iimura are candidates for outside Director.
3. The Company has submitted notification to Tokyo Stock Exchange that Kazumi Maeda, Tamaki Sawamura and Yukio Iimura have been designated as independent officers as provided for by Tokyo Stock Exchange, and if their reelection is approved, the Company plans to continue to designate them as independent officers.
4. The Company has entered into a limited liability agreement with Hidetaka Yoshikawa, Kazumi Maeda, Tamaki Sawamura and Yukio Iimura which limits their liability to the minimum amount for damages as provided for by Article 425, paragraph (1) of the Companies Act. If their reelection is approved, the Company plans to renew the aforementioned agreement with them.
5. The Company has entered into contracts with each candidate to indemnify them for the expenses specified in Article 430-2, paragraph (1), item 1 of the Companies Act and the losses specified in item 2 of the same paragraph, within the limits prescribed by laws and regulations. If their reelection is approved, the Company plans to renew the aforementioned agreement with them.
6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which covers Directors, Audit & Supervisory Board Members, and Executive Officers, etc. of the Company and its subsidiaries, with the Company responsible for paying all insurance premiums. The insurance policy covers legal damages and litigation expenses arising from claims for damages incurred by the insured during the course of actions taken as a director or officer of the Company. However, the policy contains exemption clauses, such as refusing coverage for actions recognized by the insured to be criminal actions or violations of the law, or for damages arising from personal gain or improper benefits obtained through illegal means.
   If the election of each of the candidates is approved, they shall be included as insureds under the aforementioned insurance policy. In addition, when the aforementioned insurance policy is next renewed, the Company plans to renew it with the same terms.

Proposal No. 4 **Election of 1 Audit & Supervisory Board Member**

The Company proposes the election of 1 Audit & Supervisory Board Member, increasing the number of Audit & Supervisory Board Members by one to strengthen the audit system.

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

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

Candidate

New election

Kaoru Umeda

Date of birth	February 26, 1961
Gender	Male
Number of the Company's shares owned	15,200 shares

Career summary, position in the Company, and significant concurrent positions outside the Company	
Mar. 1984	Joined the Company
Apr. 2010	General Manager of General Affairs Department at Tokyo Branch Office
June 2013	General Manager of Accounting Department
Apr. 2016	Executive Officer General Manager of Accounting Department
Apr. 2022	Executive Officer In charge of Accounting Department and Finance Department of Administration Division
Jan. 2025	Executive Officer In charge of Financial Planning Department and Investor Relations Department of Administration Division
Apr. 2026	Executive Officer In charge of Financial Planning Department of Administration Division (current position)

Reasons for nomination as candidate for Audit & Supervisory Board Member

Kaoru Umeda has been serving as the heads of accounting and finance divisions for many years, and has advanced expertise and abundant practical experience in finance and accounting. In addition, as the head of the IR division, he oversaw appropriate information disclosure to stakeholders. He has been nominated as Audit & Supervisory Board Member due to his extensive knowledge of internal operations and conditions, and with the expectation that he will provide fair and objective audits based on his excellent financial management capabilities, strengthen the audit framework from an objective standpoint based on market demands, and provide appropriate advice through constructive dialogue with management.

Notes:

1. There is no special interest between Kaoru Umeda and the Company.
2. If the election of Kaoru Umeda is approved, the Company will enter into a limited liability agreement with him which limits his liability to the minimum amount for damages as provided for by Article 425, paragraph (1) of the Companies Act.
3. If the election of Kaoru Umeda is approved, the Company plans to enter into a contract with him to indemnify him for the expenses specified in Article 430-2, paragraph (1), item 1 of the Companies Act and the losses specified in item 2 of the same paragraph, within the limits prescribed by laws and regulations.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which covers Directors, Audit & Supervisory Board Members, and Executive Officers, etc. of the Company and its subsidiaries, with the Company responsible for paying all insurance premiums. The insurance policy covers legal damages and litigation expenses arising from claims for damages incurred by the insured during the course of actions taken as a director or officer of the Company. However, the policy contains exemption clauses, such as refusing coverage for actions recognized by the

insured to be criminal actions or violations of the law, or for damages arising from personal gain or improper benefits obtained through illegal means.
If the election of Kaoru Umeda is approved, he shall be included as an insured under the aforementioned insurance policy. In addition, when the aforementioned insurance policy is next renewed, the Company plans to renew it with the same terms.

(Reference) Skills matrix of Directors and Audit & Supervisory Board Members

In the event that Proposal No. 3 and Proposal No. 4 are approved and passed without modification, the skills matrix of Directors and Audit & Supervisory Board Members will be as follows.

Making reference to the Company's medium to long-term management direction and business strategies, and with a view to realizing "Medium-Term Management Plan 2026," the Company has identified the skills (knowledge, experience, and capabilities) that the Company's Board of Directors should have in order to appropriately demonstrate its decision making and management supervision functions, and organized them into a skills matrix.

Name	Position	Gender	Corporate management	Finance and accounting	Compliance and risk management	Global	Sales and marketing	Personnel strategy	Procurement, manufacturing, distribution	DX/IT	ESG
Takeo Watanabe	Representative Director and Chairman	Male	○	○		○			○		○
Masaru Komori	Representative Director and President President and Executive Officer	Male	○	○		○	○				○
Yoshimichi Shirasaka	Director Executive Vice President and Executive Officer	Male	○	○	○			○			
Hidetaka Yoshikawa	Director	Male	○		○	○	○				○
Kazumi Maeda	Director (Independent, Outside)	Female				○		○			
Tamaki Sawamura	Director (Independent, Outside)	Female					○			○	
Yukio Iimura	Director (Independent, Outside)	Male	○	○		○			○		○
Yutaka Kondo	Standing Audit & Supervisory Board Member (Independent, Outside)	Male		○	○			○		○	
Hiroshi Hada	Standing Audit & Supervisory Board Member	Male		○	○		○				
Kaoru Umeda	Standing Audit & Supervisory Board Member	Male		○	○						
Saeko Fujita	Audit & Supervisory Board Member (Independent, Outside)	Female		○	○						○

* The major skills are denoted for each individual. The above table does not display all the knowledge and experience possessed by the individuals listed.

Proposal No. 5 Determination of Remuneration for the Allotment of Restricted Stock to Directors (Excluding Non-executive Directors)

Remuneration for Directors of the Company was approved at the 142nd Annual General Meeting of Shareholders convened on June 29, 2016, to be within 400 million yen per year (within 30 million yen for outside Directors; excluding the employee salary for Directors who also serve as employees).

To provide an incentive for Company Directors (excluding Non-executive Directors; hereinafter “eligible Directors”) to improve corporate value in a sustainable manner and to further share value with shareholders, the Company proposes to allot shares of its common stock (hereinafter “restricted stock”) to eligible Directors as set forth below, subject to prescribed transfer restriction periods and reasons for the Company’s acquisition of said shares at no cost.

As such, having taken into account a comprehensive range of factors including eligible Directors’ level of contribution, within the scope of the above remuneration amount the Company proposes the establishment of the total amount of monetary remuneration claims to be provided to eligible Directors as remuneration related to restricted stock. The allotment of restricted stock has been determined based on a comprehensive range of factors including the above-mentioned purpose, the Company’s business conditions, and eligible Directors’ level of contribution. In addition, in the event that this proposal is approved, the Company plans to amend its policy for determining the details of the remuneration of individual Directors as described in (Reference), which is also in line with the said policy and the content of which the Company has determined to be appropriate.

The Company currently has eight Directors (including four Non-executive Directors). In the event that Proposal No. 3 is approved, the number of Directors will be seven (including four Non-executive Directors), and the number of eligible Directors will be three.

Specific details on restricted stock for eligible Directors and upper limit

1. Allotment and payment of restricted stock

   Based on a resolution by the Board of Directors, the Company will provide monetary remuneration claims to eligible Directors as remuneration related to restricted stock, within the above scope of annual remuneration. Each eligible Director will receive an allotment of restricted stock by contributing the full amount of monetary remuneration claims as an in-kind contribution.

   The payment amount of restricted stock will be determined by the Company’s Board of Directors within a range that is not especially favorable for eligible Directors receiving said restricted stock. The amount shall be based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors’ resolution on issuance or disposal (or the closing price on the nearest preceding trading day in the event no trading took place on that day).

   The above monetary remuneration claims will be provided on the condition that eligible Directors agree to the above in-kind contribution and enter into a restricted stock allotment agreement, which includes the terms set forth in 3. below.

2. Total number of shares of restricted stock

   The upper limit on the number of shares of restricted stock to be allotted to eligible Directors shall be 50,000 shares in each fiscal year.

   However, following the date of resolution of this proposal, if the Company’s common stock is subject to a stock split (including the allotment of shares at no cost) or consolidation, or any other change requiring an adjustment to the total number of shares of transfer restricted stock to be allotted, the Company can adjust the total number of shares of restricted stock in a reasonable manner.

3. Details of restricted stock allotment agreement

Upon the allotment of restricted stock, the Company shall enter into a restricted stock allotment agreement with each eligible director receiving restricted stock based on a resolution by the Board of Directors. The agreement shall contain the following terms.

(1) Transfer restrictions

From the date of delivery of the restricted stock to the date on which eligible Directors resign from their position as Company Director, Executive Officer, or Executive Fellow (hereinafter “transfer restriction period”), eligible Directors receiving an allotment of restricted stock (hereinafter “allotted stock”) may not transfer, pledge, establish security interest, grant inter vivos gifts, bequest, or dispose of said stock in any other manner to any third party (hereinafter “transfer restriction”).

(2) Acquisition of restricted stock at no cost

On or after the start date of the transfer restriction period, in the event that an eligible Director receiving an allotment of restricted stock resigns from their position as Company Director, Executive Officer, or Executive Fellow by the day before the first Annual General Meeting of Shareholders held thereafter, the Company shall acquire the allotted stock at no cost, excluding occasions on which the Company’s Board of Directors determines that the resignation is justifiable.

Moreover, upon the expiration of the transfer restriction period in (1) above, in the event that any allotted stock has not had its transfer restriction lifted based on the grounds for lifting set forth in (3) below, the Company shall acquire said stock at no cost.

(3) Lifting of transfer restrictions

On the condition that an eligible Director receiving an allotment of restricted stock has continuously held the position of Company Director, Executive Officer, or Executive Fellow from the start date of the transfer restriction period to the day of the first Annual General Meeting of Shareholders held thereafter, the Company shall lift the transfer restriction on all allotted stock upon expiration of the transfer restriction period.

However, if an eligible Director resigns from their position as Company Director, Executive Officer, or Executive Fellow on or after the start date of the transfer restriction period and by the day before the first Annual General Meeting of Shareholders held thereafter for reasons which the Company’s Board of Directors deems justifiable, the number of shares of allotted stock for which the transfer restriction is to be lifted, and the timing of such lifting, will be adjusted as necessary in a reasonable manner.

(4) Treatment in the event of organizational restructuring, etc.

During the transfer restriction period, in the event that a merger agreement in which the Company ceases to exist, a share exchange agreement in which the Company becomes a wholly owned subsidiary, a share transfer plan, or any other matter related to organizational restructuring is approved at the General Meeting of Shareholders (or by the Board of Directors if such organizational restructuring does not require shareholder approval), by resolution of the Board of Directors the Company shall lift the transfer restriction before the effective date of said organizational restructuring, etc. for the number of allotted shares reasonably determined by the Company based on the period from the start date of the transfer restriction period to the date of approval of said organizational restructuring, etc.

In such cases, the Company shall acquire any allotted stock for which the transfer restriction has not been lifted at no cost, immediately after the lifting of the transfer restriction based on the matters set forth above.

(Reference)

In the event that this proposal is approved without modification, the Company plans to amend its policy for determining the details of the remuneration of individual Directors so that it aligns with the details of this proposal.

After these changes, the system for Director (excluding Non-executive Director) remuneration shall be structured to reflect company performance and responsibilities, consisting of three types: basic remuneration as monthly remuneration, performance-linked remuneration (bonuses) as short-term incentive, and restricted stock remuneration as long-term incentive.

In line with their roles and independence, remuneration for Non-executive Directors shall comprise basic remuneration only.

The ratio of each component will be set so that when the evaluation ratings for each performance metric (achievement rates for consolidated net sales and consolidated operating profit, and consolidated operating profit ratio) are at a standard level, basic remuneration shall account for 60%, performance-linked remuneration for 30%, and restricted stock remuneration for 10%.

Moreover, upon conclusion of this General Meeting of Shareholders, the Company plans to allot restricted stock similar to the above restricted stock to its Executive Officers and Executive Fellows.