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(Security Identification Code: 9533)
June 4, 2026
(Commencement date of electronic provision: May 29, 2026)

Dear Shareholders:

Satoshi Yamazaki, President
TOHO GAS CO., LTD.
19-18, Sakurada-cho, Atsuta-ku, Nagoya, Japan

NOTICE OF CONVOCATION OF THE 155th ANNUAL SHAREHOLDERS MEETING

We would like to inform you of the 155th Annual Shareholders Meeting of TOHO GAS CO., LTD. (the "Company") to be held as described on the following page.

If you will not attend the meeting, please exercise your voting rights via the Internet or by mailing the voting form by 5:00 p.m. on Wednesday, June 24, 2026, after reviewing the Reference Documents.

The Company electronically provides information (in Japanese only) on the websites below.

Website of the Company (TOHO GAS CO., LTD.)
https://www.tohogas.co.jp/corporate/ir/ir-event/shareholder/

Please refer to the "Company Information," "Information for shareholders and investors (IR)," "IR Events/Shareholders Meeting" and "Shareholders Meeting" page on the website of the Company.

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

Enter "Toho Gas" for the "Issue name (company name)" or "9533" for the "Code" and click "Search." If you click "Basic information" and "Documents for public inspection/PR information," you will find the "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting."

1. Date and Time: 10:00 a.m., Thursday, June 25, 2026
(Reception desk opens at 9:00 a.m.)

2. Place: Large Hall of OKAYA NAGOYA HALL
1-1-3 Tsurumai, Showa-ku, Nagoya, Japan

3. Agenda:

Reports: Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 155th Fiscal Year (April 1, 2025 - March 31, 2026) and Report of the Independent Auditor and the Audit & Supervisory Board on Consolidated Financial Statements

Proposals:
1. Appropriation of Surplus
2. Election of Ten (10) Directors
3. Election of One (1) Audit & Supervisory Board Member
4. Revision of Remuneration for the Allotment of Shares with Transfer Restrictions to Directors

4. Handling of exercise of voting rights, etc.

(1) Handling of exercise of voting rights
- (i) If you exercise your voting rights more than once via the Internet, only the last exercise of voting rights shall be deemed valid.
- (ii) If you exercise your voting rights both via the Internet and by mailing the voting form, only the exercise of voting rights via the Internet shall be deemed valid.
- (iii) If you do not indicate your approval or disapproval for each proposal in the voting form, we will deem that you have indicated your approval.

(2) Documents excluded from requests for paper copies
In accordance with laws, regulations and the Company’s Articles of Incorporation, the Company will not provide paper copies of the following documents (in Japanese only) even if shareholders request them. The documents are available on the website mentioned in the previous page.
- Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements
- Non-Consolidated Statements of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements

(Note 1) The above documents are included in the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and Audit & Supervisory Board Members.
(Note 2) The above documents are not attached to the Notice of Convocation sent to all shareholders with voting rights.

◎In the event that any revisions to the documents provided electronically and the Notice of Convocation are required, the documents before and after revisions will be posted on the websites of the Company and the Tokyo Stock Exchange.

Reference Documents

Proposals and References

Proposal 1: Appropriation of Surplus

The year-end dividend for this fiscal year shall be ¥45.00 per share, an increase of ¥5.00 from the year-end dividend for the previous fiscal year, by comprehensively taking into consideration factors such as business performance. Including the interim dividend, the total amount of annual dividend for this fiscal year shall be ¥90.00 per share.

1. **Allotment of dividend property to shareholders and its aggregate amount**

   Cash ¥45.00 per share of common stock of the Company Aggregate amount: ¥4,094,645,850

2. **Dividend effective date**

   June 26, 2026

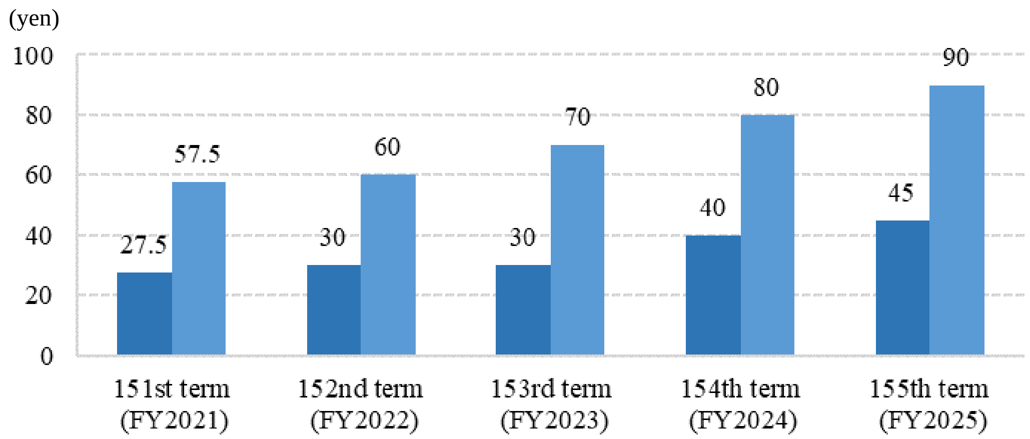
(Reference) Our approach to returns to shareholders, etc.

(1) Our approach to returns to shareholders

During the period of the Medium-Term Management Plan (FY2025–FY2027), we aim to increase dividends progressively in line with profit growth. In addition, we will continue share buybacks and strive for optimization, aiming for equity capital of ¥400 billion by the end of FY2027.

Following FY2024, shareholder returns in FY2025 exceeded a total return ratio of 100% through dividends and share buybacks.

(2) Trend in dividends per share (on a pre-stock split basis) ■Interim dividend ■Annual dividend



(Forecast for the next fiscal year (FY2026))

The Company has conducted a 4-for-1stock split with an effective date of April 1, 2026. The annual dividend for the next fiscal year shall be ¥22.5 per share (¥90 per share on a pre-stock split basis).

(3) Share buy-back

Following the repurchase of ¥29.9 billion in FY2024, the Company repurchased its shares in FY2025, with ¥14.9 billion of value of shares during the period from April 1, 2025 to September 30, 2025, and with ¥14.9 billion of value of shares during the period from October 1, 2025 to March 31, 2026.

At the Board of Directors' meeting held on March 31, 2026, the Company resolved to repurchase its shares, with a period of repurchase from April 1, 2026 to September 30, 2026, up to 16 million shares* to be repurchased, and up to ¥15.0 billion of value of shares to be repurchased.

* Reflects a 4-for-1 stock split effective as of April 1, 2026.

Proposal 2: Election of Ten (10) Directors

The terms of office of all the current nine (9) Directors will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of ten (10) Directors. The nominees for Directors are as follows:

No.	Name		Gender	Current position and areas of responsibility in the Company	Attribute
1	Reappointment	Nobuyuki Masuda	Male	Representative Director, Chairman	
2	Reappointment	Satoshi Yamazaki	Male	Representative Director, President	
3	Reappointment	Shinsuke Kagami	Male	Representative Director, Executive Vice President • Assistant to President, Executive General Manager of Production Division, In charge of Site Development Dept.	
4	Reappointment	Katsuhiko Kozawa	Male	Director, Senior Managing Executive Officer • Executive General Manager of Sales Division, In charge of Public Relations Dept.	
5	Reappointment	Takeo Haigo	Male	Director, Senior Managing Executive Officer • In charge of Finance Dept. and Personnel Dept.	
6	Reappointment	Tsutomu Maeda	Male	Director, Senior Managing Executive Officer • In charge of Gas Resources Dept. and Power Business Promotion Dept.	
7	Reappointment	Taku Oshima	Male	Director	Independent Outside
8	Reappointment	Isao Nakanishi	Male	Director	Independent Outside
9	New appointment	Keiko Ikeda	Female	Audit & Supervisory Board Member	Independent Outside
10	New appointment	Yumiko Miwa	Female		Independent Outside

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary and important concurrent posts</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">1</td><td>
Nobuyuki Masuda
(September 22, 1961)
Reappointment</td><td>April 1986 Joined the Company
June 2008 General Manager of Engineering Dept.
October 2009 General Manager of Production Planning Dept.
June 2014 General Manager of Distribution Planning & Management Dept.
June 2015 Executive Officer, General Manager of Distribution Planning & Management Dept.
June 2017 Executive Officer, Executive General Manager of Distribution Division
June 2018 Managing Executive Officer
June 2019 Director, Managing Executive Officer
June 2020 Director, Senior Managing Executive Officer
June 2021 Representative Director, President
April 2025 Representative Director, Chairman (current position)</td><td rowspan="2">16,470</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Director]
Mr. Nobuyuki Masuda has served as Executive General Manager of Distribution Division, Production Division, R&D / Digital Division, etc. He has also served as President since June 2021, as well as the Chairperson of the Board of Directors as Director, Chairman since April 2025. He has a wealth of experience and deep knowledge related to corporate management. Accordingly, we request that he be reelected as a Director.</td></tr>
<tr><td rowspan="2">2</td><td>
Satoshi Yamazaki
(September 15, 1963)
Reappointment</td><td>April 1986 Joined the Company
June 2010 General Manager of West District Headquarters
June 2012 General Manager of Finance Dept.
June 2016 General Manager of Corporate Planning Dept. (Kikaku-bu)
April 2017 General Manager of Corporate Planning Dept. (Keieikikaku-bu)
June 2017 Executive Officer, General Manager of Corporate Planning Dept. (Keieikikaku-bu)
April 2019 Executive Officer, General Manager of Corporate Planning Dept. (Kikaku-bu)
June 2020 Managing Executive Officer
June 2021 Director, Managing Executive Officer
April 2022 Director, Senior Managing Executive Officer
April 2025 Representative Director, President (current position)</td><td rowspan="2">12,450</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Director]
Mr. Satoshi Yamazaki has served as General Manager of West District Headquarters, Finance Dept., Corporate Planning Dept., etc. He has also served as President since April 2025. He has a wealth of experience and deep knowledge related to corporate management. Accordingly, we request that he be reelected as a Director.</td></tr>
<tr><td rowspan="2">3</td><td>
Shinsuke Kagami
(July 8, 1963)
Reappointment</td><td>April 1988 Joined the Company
October 2009 General Manager of Engineering Dept.
June 2014 General Manager of Production Planning Dept.
June 2017 General Manager of Gas Resources Dept.
June 2018 Executive Officer, General Manager of Gas Resources Dept.
June 2020 Executive Officer, Executive General Manager of Production Division
June 2021 Managing Executive Officer
June 2023 Director, Managing Executive Officer
April 2024 Director, Senior Managing Executive Officer
April 2025 Representative Director, Executive Vice President (current position)</td><td rowspan="2">12,980</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Director]
Mr. Shinsuke Kagami has served as Executive General Manager of Production Division, Industrial & Commercial Gas Sales Division, Sales Division, etc. He has assisted President as Executive Vice President since April 2025. He has a wealth of experience and deep knowledge related to corporate management. Accordingly, we request that he be reelected as a Director.</td></tr>
</table>

No.	Name (Date of birth)	Career summary and important concurrent posts	Number of the Company’s shares owned
4	 Katsuhiko Kozawa (February 16, 1966) Reappointment	April 1989 Joined the Company June 2016 General Manager of Finance Dept. June 2020 Executive Officer, General Manager of Finance Dept. April 2023 Managing Executive Officer June 2024 Director, Managing Executive Officer April 2025 Director, Senior Managing Executive Officer (current position)	8,180
	[Reason for nomination as a candidate for Director] Mr. Katsuhiko Kozawa has served as General Manager of Finance Dept., etc. He has served as Senior Managing Executive Officer since April 2025. He has a wealth of experience and deep knowledge related to corporate management. Accordingly, we request that he be reelected as a Director.		
5	 Takeo Haigo (December 30, 1966) Reappointment	April 1989 Joined the Company June 2016 General Manager of Mikawa District Headquarters June 2018 General Manager of Personnel Dept. June 2020 Executive Officer, General Manager of Personnel Dept. April 2023 Managing Executive Officer President, Toho Gas Information System Co., Ltd. April 2025 Senior Managing Executive Officer June 2025 Director, Senior Managing Executive Officer (current position)	11,260
	[Reason for nomination as a candidate for Director] Mr. Takeo Haigo has served as General Manager of Mikawa District Headquarters and Personnel Dept., Executive General Manager of Innovation Promotion Division, etc. He has also served as Senior Managing Executive Officer since April 2025. He has a wealth of experience and deep knowledge related to corporate management. Accordingly, we request that he be reelected as a Director.		
6	 Tsutomu Maeda (March 9, 1967) Reappointment	April 1991 Joined the Company June 2016 General Manager of Commercial Energy Sales Dept. June 2020 Executive Officer, General Manager of Corporate Planning Dept. April 2023 Managing Executive Officer. April 2025 Senior Managing Executive Officer June 2025 Director, Senior Managing Executive Officer (current position)	10,560
	[Reason for nomination as a candidate for Director] Mr. Tsutomu Maeda has served as General Manager of Commercial Energy Sales Dept. and Corporate Planning Dept., Executive General Manager of Production Division, etc. He has also served as Senior Managing Executive Officer since April 2025. He has a wealth of experience and deep knowledge related to corporate management. Accordingly, we request that he be reelected as a Director.		

No.	Name (Date of birth)	Career summary and important concurrent posts	Number of the Company's shares owned
7	 Taku Oshima (July 14, 1956) Reappointment Independent Officer Nominee for Outside Director	April 1980 Joined NGK INSULATORS, LTD. June 2007 Vice President of NGK INSULATORS, LTD. June 2011 Senior Vice President of NGK INSULATORS, LTD. June 2014 President of NGK INSULATORS, LTD. April 2021 Chairman of NGK INSULATORS, LTD. (current position) June 2021 Outside Director of the Company (current position) [Important concurrent posts] ・Outside Director of Central Japan Railway Company ・Outside Director of Nomura Holdings, Inc. * NGK INSULATORS, LTD. changed its corporate name to NGK Corporation on April 1, 2026.	1,600 Attendance at Board of Directors' meetings 12 out of 12
	[Reason for nomination as a candidate for Outside Director and outline of expected role] Mr. Taku Oshima has broad experience and deep knowledge as a corporate manager. Considering that he is suitable for the position of Outside Director, we request that he be reelected. We also expect him to provide valuable opinions relating to overall management of the Company from an independent perspective and offer advice as a member of the Nomination and Remuneration Committee.		
8	 Isao Nakanishi (March 9, 1970) Reappointment Independent Officer Nominee for Outside Director	April 1992 Joined Toyota Motor Corporation January 2016 General Manager of Planning Dept. of New Business Planning Div. of Toyota Motor Corporation Representative of F-Grid Ohira, Miyagi Limited Liability Partnership (retired in April 2023) January 2018 General Manager of Energy Dept. of New Business Planning Div. of Toyota Motor Corporation November 2019 Project General Manager belonging to New Business Planning Div. of Toyota Motor Corporation June 2020 Representative of Toyota Green Energy Limited Liability Partnership (retired in March 2022) January 2021 General Manager of New Business Planning Div. of Toyota Motor Corporation April 2022 Chief Officer of Business Development Group and General Manager of New Business Planning Div. of Toyota Motor Corporation (current position) June 2024 Outside Director of the Company (current position) [Important concurrent post] ・Director of JTEKT CORPORATION	0 Attendance at Board of Directors' meetings 12 out of 12
	[Reason for nomination as a candidate for Outside Director and outline of expected role] Mr. Isao Nakanishi has served as General Manager of New Business Planning Div., etc. at Toyota Motor Corporation. He currently serves as Chief Officer of Business Development Group. He has a wealth of experience and deep knowledge related to corporate management. Considering that he is suitable for the position of Outside Director, we request that he be reelected. We also expect him to provide valuable opinions relating to overall management of the Company from an independent perspective and offer advice as a member of the Nomination and Remuneration Committee.		

No.	Name (Date of birth)	Career summary and important concurrent posts	Number of the Company's shares owned
9	 Keiko Ikeda (August 20, 1956) New appointment Independent Officer Nominee for Outside Director	April 1983 Registered as an attorney-at-law August 1986 Established Ikeda Law Office (currently IKEDA LAW & PATENT OFFICE) July 2000 Registered as a patent attorney April 2017 President of the Aichi Bar Association (retired in March 2018) April 2018 President of the CHUBU Federation of Bar Associations (retired in March 2019) June 2020 Outside Audit & Supervisory Board Member of the Company (current position) [Important concurrent posts] ・Outside Director of Kanemi Co., Ltd. ・Outside Director of CHUBU-NIPPON BROADCASTING CO., LTD. ・Outside Director of NIPPO LTD.	1,800 Attendance at Board of Directors' meetings (attendance as an Outside Audit & Supervisory Board Member) 12 out of 12
	[Reason for nomination as a candidate for Outside Director and outline of expected role] Although Ms. Keiko Ikeda has never been involved in corporate management except as an Outside Officer, she possesses deep knowledge based on her broad experience as an attorney. Considering that she is suitable for the position of Outside Director, we request that she be elected. We also expect her to provide valuable opinions relating to overall management of the Company from an independent perspective and offer advice as a member of the Nomination and Remuneration Committee.		
10	 Yumiko Miwa (October 12, 1965) New appointment Independent Officer Nominee for Outside Director	April 1988 Joined Nomura Securities Co., Ltd. April 2000 Associate Professor, School of Commerce, Meiji University October 2005 Professor, School of Commerce, Meiji University (current position) [Important concurrent posts] ・Outside Director of Pigeon Corporation ・Independent Member of the Board of Okuma Corporation	0
	[Reason for nomination as a candidate for Outside Director and outline of expected role] Ms. Yumiko Miwa has broad experience and deep knowledge as a management scholar engaging in research on institutional investors and corporate governance as well as sustainability. Considering that she is suitable for the position of Outside Director, we request that she be elected. We also expect her to provide valuable opinions relating to overall management of the Company from an independent perspective and offer advice as a member of the Nomination and Remuneration Committee.		

(Notes)

1. The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If the proposal is approved as originally proposed, each nominee will become an insured party in such insurance contract.
2. There is no special interest between the Company and the nominees for Outside Directors, Mr. Taku Oshima, Mr. Isao Nakanishi, Ms. Keiko Ikeda, and Ms. Yumiko Miwa, who will not have conflicting interests with general shareholders.
3. The Company has designated Mr. Taku Oshima and Mr. Isao Nakanishi as Independent Officers stipulated by securities exchanges. It has been five (5) years since Mr. Taku Oshima assumed office as Director of the Company and two (2) years since Mr. Isao Nakanishi assumed office as Director of the Company.
4. Ms. Keiko Ikeda is currently an Outside Audit & Supervisory Board Member of the Company and will resign at the conclusion of this Annual Shareholders Meeting.
5. If the appointments of Ms. Keiko Ikeda and Ms. Yumiko Miwa are approved, the Company will designate them as Independent Officers stipulated by securities exchanges.
6. Ms. Yumiko Miwa's name on the family register is Yumiko Shibata.
7. The Company has entered into agreements with Mr. Taku Oshima, Mr. Isao Nakanishi, and Ms. Keiko Ikeda in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If the proposal is approved as originally proposed, the Company plans to continue the agreements to limit their liability with them. If the appointment of Ms.

Yumiko Miwa is approved, the Company intends to enter into a similar agreement with her.

8. The number of the Company's shares owned by each candidate shows the number of shares (on a pre-stock split basis) as of March 31, 2026.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The current Audit & Supervisory Board Member Keiko Ikeda will resign at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of one (1) Audit & Supervisory Board Member. The nominee for Audit & Supervisory Board Member is as follows.

The Audit & Supervisory Board has already given its prior consent to the submission of this proposal.

<table>
<tr><th>Name
(Date of birth)</th><th>Career summary and important concurrent posts</th><th>Number of the Company’s shares owned</th></tr>
<tr><td>
Junko Ueda
(August 14, 1959)
New appointment
Independent Officer
Nominee for Outside Director</td><td>April 1988 Associate Professor, School of Life Studies, Sugiyama Jogakuen University
July 2002 Professor, School of Life Studies, Sugiyama Jogakuen University
April 2003 Professor, School of Modern Management, Sugiyama Jogakuen University
April 2007 Professor, Shizuoka Law School
April 2010 Professor, Kyushu University Graduate School of Law
April 2017 Professor, Aichi Law School (current position)
April 2021 Dean, Aichi Law School (current position)
[Important concurrent post]
・Outside Audit & Supervisory Board Member of AISIN CORPORATION</td><td rowspan="2">0</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Outside Audit & Supervisory Board Member]
Although Ms. Junko Ueda has never been involved in corporate management except as an Outside Officer, she possesses broad experience and deep knowledge as a legal scholar. Considering that she is suitable for the position of Outside Audit & Supervisory Board Member, we request that she be elected. We also expect her to provide valuable opinions relating to overall management of the Company from an independent perspective and offer advice as a member of the Nomination and Remuneration Committee.</td></tr>
</table>

(Notes)

1. The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If the proposal is approved as originally proposed, Ms. Junko Ueda will become an insured party in such insurance contract.
2. As there is no special interest between the Company and the nominee for Outside Audit & Supervisory Board Member, Ms. Junko Ueda, the Company will designate her as an Independent Officer stipulated by securities exchanges, who will not have conflicting interests with general shareholders.
3. If the appointment of Ms. Junko Ueda is approved, the Company intends to enter into an agreement with her in accordance with Article 427, Paragraph 1 of the Companies Act to limit her liability pursuant to Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations.

(Reference) Skills Matrix of Directors and Audit & Supervisory Board Members (If Proposals 2 and 3 are approved)

With consideration for the agility of decision-making, the Board of Directors is comprised of Internal Directors who are thoroughly-familiar with the duties of each department, and several Independent Outside Directors who have experience in various occupations and industries and deep insight. In addition, the Board Members and Auditors have the skills that are required for sustainable growth and corporate value enhancement in the medium to long term. In order to appropriately disclose the combination of their skills, the skills matrix has been created, and it has been disclosed, following a resolution by the Board of Directors.

Furthermore, in response to the need to manage a wide range of businesses including the energy business, the development and nomination of Directors and Audit & Supervisory Board Members are discussed and confirmed at meetings of the Nomination and Remuneration Committee and the Board of Directors, taking into account the overall composition of the Board, to ensure a good balance and diversity of knowledge, experience, capabilities, and other attributes, in light of the skills matrix.

	Name	Corporate management Business strategy	Finance Accounting	Legal affairs Risk management	Personnel affairs Labor affairs HR development	ESG	Sales Marketing	Engineering Technology development IT	Safety Disaster management Stable supply	Inter-nationality
Directors	Nobuyuki Masuda	●				●	●	●	●	
	Satoshi Yamazaki	●	●		●		●			●
	Shinsuke Kagami	●					●	●	●	●
	Katsuhiko Kozawa	●	●			●	●	●		
	Takeo Haigo	●	●	●	●		●			
	Tsutomu Maeda	●					●	●	●	●
	Taku Oshima	●						●		●
	Isao Nakanishi					●		●		●
	Keiko Ikeda	●		●		●				
	Yumiko Miwa		●	●		●				
Audit & Supervisory Board Members	Hidetaka Takeuchi	●	●	●	●		●			
	Takashi Suzuki	●	●	●						●
	Norikazu Kouyama			●	●	●				
	Akihiko Nakamura	●	●		●					
	Junko Ueda			●		●				●

< Reasons for the selection of skills>

- We have selected skills that are universally required for the management of listed companies, as well as skills necessary for the characteristics of the energy business, sustainable growth, and corporate value enhancement in the medium to long term.
- Specifically, we have selected “Corporate management/Business strategy,” “Finance/Accounting,” “Legal affairs/Risk management,” “Personnel affairs/Labor affairs/HR development,” and “ESG” as universally required items, and “Sales/Marketing,” “Engineering/Technology development/IT,” “Safety/Disaster management/Stable supply,” and “Internationality” as items in light of characteristics of the energy business.

(Reference) Composition of Directors and Audit & Supervisory Board Members (If Proposals 2 and 3 are approved)

	Number of Officers [Number of female officers among them]	Number of Outside Officers [Number of female officers among them]	Number of Independent Officers among Outside Officers
Director	10 [2]	4 [2]	4
Audit & Supervisory Board Member	5 [1]	3 [1]	3
Total	15 [3]	7 [3]	7

(Reference) Sales of cross-shareholdings

(1) Target for sales of cross-shareholdings

We aim to complete the sale of approximately one-third of the balance of cross-shareholdings as of the end of FY2023 by the end of FY2027*, the final fiscal year of the Medium-Term Management Plan formulated in March 2025.

* At the time of formulating the Medium-Term Management Plan, the balance of cross-shareholdings as of the end of FY2027 is expected to be less than 20% of equity capital.

(2) Progress in sales of cross-shareholdings

From the balance of cross-shareholdings of ¥109.6 billion as of the end of FY2023, we sold ¥10.0 billion in FY2024 and ¥10.0 billion in FY2025, and plan to sell more than ¥10.0 billion in FY2026.

Proposal 4: Revision of Remuneration for the Allotment of Shares with Transfer Restrictions to Directors

At the 121st Annual Shareholders Meeting on June 26, 1992, the remuneration for the Company's Directors was approved for an amount up to ¥33 million per month (not including employee portion of salary for Directors who have duties as employees). Separately from the above-stated amount of remuneration, at the 150th Annual Shareholders Meeting on June 28, 2021, the remuneration for the allotment of shares with transfer restrictions (hereinafter referred to as "Stock-based Remuneration") was approved for an amount not exceeding ¥50 million per year (the total number of the Company's shares to be allocated to the Company's Directors (excluding Outside Directors; hereinafter referred to as "Eligible Directors") shall be not more than 11,000 shares per year).

Regarding Directors' remuneration, we have introduced the Stock-based Remuneration in June 2021 to promote value sharing with shareholders and enhance Directors' motivation to contribute to increasing our medium- to long-term corporate value. In July 2025, we increased the proportion of Stock-based Remuneration in total remuneration to further enhance value sharing, and plan to continue reviewing the remuneration structure going forward.

This proposal, in light of these circumstances, is to revise the total amount of Stock-based Remuneration and the total number of shares to be allotted as follows.

(Amendments are underlined.)

	Current	Proposed Amendments
Total amount of Stock-based Remuneration	Not exceeding ¥50 million per year	Not exceeding ¥100 million per year
Total number of shares to be allotted	Not exceeding 11,000 shares per year to Eligible Directors However, if a stock split (including an allotment of common stock without contribution) or a share consolidation involving the Company's common stock is conducted on and after June 28, 2021, or if the total number of shares with transfer restrictions to be allotted in accordance with such situations needs to be adjusted, the total number of such shares with transfer restrictions may be reasonably adjusted.	Not exceeding 80,000 shares* per year to Eligible Directors However, if a stock split (including an allotment of common stock without contribution) or a share consolidation involving the Company's common stock is conducted on and after June 25, 2026, or if the total number of shares with transfer restrictions to be allotted in accordance with such situations needs to be adjusted, the total number of such shares with transfer restrictions may be reasonably adjusted.

* The total number of shares to be allotted reflects the revision to the total amount of Stock-based Remuneration, together with the 4-for-1 stock split conducted on April 1, 2026. On a pre-stock split basis, the total number of shares to be allotted shall not exceed 20,000 shares.