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Securities Code: 1945

June 4, 2026

To our shareholders:

Toshiaki Majima

President

TOKYO ENERGY & SYSTEMS INC.

1-3-1 Nihonbashi Kayabacho, Chuo-ku, Tokyo

Notice of the 79th Annual General Meeting of Shareholders

We are pleased to announce the 79th Annual General Meeting of Shareholders of TOKYO ENERGY & SYSTEMS INC. (the “Company”), which will be held as indicated 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. (items for which measures for providing information in electronic format will be taken) in electronic format, and posts this information on each of the following websites. Please access either of the websites by using the Internet address shown below to review the information.

The Company’s website:

<https://www.qtes.co.jp/ir/> (in Japanese)

Website of Tokyo Stock Exchange, Inc. (TSE):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

On the TSE website, enter and search the name or securities code of the Company in the issue search, select “Basic information” and “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].”

Websites for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/1945/teiji/> (in Japanese)

Apart from attending the meeting on the day, you can exercise your voting rights in one of the methods listed below. We request that you review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. (JST) on June 25, 2026 (Thursday).

[Exercising your voting rights via the Internet]

Please review the “Guide to Exercising Voting Rights” (in Japanese only) and enter your approval or disapproval for each of the proposals by the deadline.

[Exercising your voting rights in writing (by postal mail)]

Please review the “Guide to Exercising Voting Rights” (in Japanese only), indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form and return it to arrive by the deadline.

- 1. Date and time:** Friday, June 26, 2026, at 10:00 a.m. (JST)
- 2. Venue:** Banquet hall “Opal 17” on 17th floor of Main Tower, Shinagawa Prince Hotel
4-10-30 Takanawa, Minato-ku, Tokyo
(Please refer to the “General Meeting of Shareholders Venue Guide” at the end of this document.)

3. Purposes of the Meeting:

Items to be reported:

1. The Business Report and the Consolidated Financial Statements for the 79th fiscal year (from April 1, 2025, to March 31, 2026), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee.
2. The Non-Consolidated Financial Statements for the 79th fiscal year (from April 1, 2025, to March 31, 2026)

Items to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of One Director Who Is an Audit and Supervisory Committee Member

- When attending the meeting in person on the day, you are kindly requested to submit the Voting Rights Exercise Form to the reception desk at the venue.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each website on the previous page.
- If any major change arises in operating the General Meeting of Shareholders due to future circumstances, the Company will notify the change on its website (<https://www.qtes.co.jp/ir/>) (in Japanese).
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents. The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following items.
 - (1) The “System to Ensure the Properness of Operations and Status of Operation of Said System” in the Business Report
 - (2) The “Consolidated Statements of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (3) The “Non-Consolidated Statements of Changes in Equity” and “Notes to the Non-Consolidated Financial Statements” in the Non-Consolidated Financial Statements

Note that, for this general meeting of shareholders, paper-based documents stating items subject to measures for electronic provision, excluding the above items, will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company takes a medium to long-term perspective with a basic policy to maintain stable dividends and seeks to pay progressive dividends in accordance with profit growth after comprehensive consideration of matters such as performance, the state of internal reserves and preparations for future business developments.

In respect of the year-end dividend for the fiscal year under review, the Company has decided from the perspective of the above policy and to focus on return of profits to our shareholders to pay an ordinary dividend of ¥35 per share. Therefore, the dividend for the fiscal year under review, including the interim dividend, shall be ¥63 per share.

Matters concerning the year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥35 per common share of the Company
Total payment: ¥1,159,720,205
- (3) Effective date of distribution of dividends of surplus
June 29, 2026

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reasons for the proposal

- (1) In order to enable flexible responses to the operation of the General Meeting of Shareholders and the Board of Directors in accordance with the composition of the Company's Board of Directors, as well as to enhance transparency and objectivity in management, the Company proposes to amend Articles 16 and 24 of the current Articles of Incorporation to stipulate that the convener and chairperson of both the General Meeting of Shareholders and the Board of Directors shall be determined by resolution of the Board of Directors.
- (2) In order to strengthen the management supervisory function of the Board of Directors and separate the business execution function more clearly, the Company proposes to amend Article 23 of the current Articles of Incorporation to revise the provision allowing the selection of the President and other officers from among the Directors, and establish provisions allowing the selection of the President and other officers from among the Executive Officers. In addition, in order to stipulate the executive officer system in the Articles of Incorporation, the Company proposes to newly establish Article 32 in the proposed amendments.
- (3) In conjunction with the new establishment of the above article, the article numbers shall be renumbered accordingly.

2. Details of amendments

Details of amendments are as follows:

(Underlines indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions Articles 1 to 5 (Text Omitted)	Chapter 1 General Provisions Articles 1 to 5 (Unchanged)
Chapter 2 Shares Articles 6 to 12 (Text Omitted)	Chapter 2 Shares Articles 6 to 12 (Unchanged)
Chapter 3 Shareholders' Meeting Articles 13 to 15 (Text Omitted) (Person with authority to convene and chairperson)	Chapter 3 Shareholders' Meeting Articles 13 to 15 (Unchanged) (Person with authority to convene and chairperson)
Article 16 A shareholders' meeting shall be convened <u>by the president, who acts as chairperson, according to the resolution of the board meeting.</u> If <u>the president</u> has an accident, another director shall, based on an order predetermined by the board of directors, convene the meeting and act as chairperson. <u>If the Company has a director and chairman of the board, "the president" in the preceding paragraphs shall be replaced with "the director and chairman of the board."</u>	Article 16 A shareholders' meeting <u>of the Company</u> shall be convened <u>and chaired by a director designated in advance by the board of directors.</u> If <u>such director</u> has an accident, another director shall, based on an order predetermined by the board of directors, convene the meeting and act as chairperson.
Articles 17 to 19 (Text Omitted)	Articles 17 to 19 (Unchanged)
Chapter 4 Directors <u>and</u> Board of Directors Articles 20 to 22 (Text Omitted) (Representative director and executive directors)	Chapter 4 Directors, <u>Board of Directors, and Executive Officers</u> Articles 20 to 22 (Unchanged) (Representative director and executive directors)
Article 23 The representative director of the Company shall be elected from among the directors (excluding directors who are audit and supervisory committee members) according to the resolution of the board of directors. <u>A president, a director and chairman of the board, and a certain number of vice-presidents and managing directors</u> may be elected from among the directors (excluding directors who are audit and supervisory committee members) according to the resolution of the board of directors.	Article 23 The representative director of the Company shall be elected from among the directors (excluding directors who are audit and supervisory committee members) according to the resolution of the board of directors. <u>One director and chairman of the board</u> may be elected from among the directors (excluding directors who are audit and supervisory committee members) according to the resolution of the board of directors.

Current Articles of Incorporation	Proposed Amendments
(Person with authority to convene the board of directors and chairperson)	(Person with authority to convene the board of directors and chairperson)
Article 24	Article 24
A board meeting <u>may be convened by the president, who shall be appointed as chairperson.</u>	A board meeting <u>of the Company shall be convened and chaired by a director designated in advance by the board of directors.</u>
If <u>the president</u> has an accident, another director shall, based on an order predetermined by the board of directors, convene the meeting and act as chairperson.	If <u>such director</u> has an accident, another director shall, based on an order predetermined by the board of directors, convene the board of directors and act as chairperson.
<u>If the Company has a director and chairman of the board, “the president” in the preceding paragraphs shall be replaced with “the director and chairman of the board.”</u>	
Articles 25 to 31 (Text Omitted)	Articles 25 to 31 (Unchanged)
(Newly established)	(<u>Executive Officers</u>)
	<u>Article 32</u>
	<u>Executive officers responsible for the execution of the Company’s business, in addition to directors who execute business may be elected according to the resolution of the board of directors.</u>
	<u>One president and executive officer, several vice presidents and executive officers, managing executive officers, and other titled executive officers may be elected according to the resolution of the board of directors.</u>
Chapter 5	Chapter 5
Audit and Supervisory Committee	Audit and Supervisory Committee
<u>Articles 32 to 34</u> (Text Omitted)	<u>Articles 33 to 35</u> (Unchanged)
Chapter 6	Chapter 6
Accounting	Accounting
<u>Articles 35 to 38</u> (Text Omitted)	<u>Articles 36 to 39</u> (Unchanged)
Supplementary Provisions (Text Omitted)	Supplementary Provisions (Unchanged)

Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, in order to further strengthen the management structure, the Company asks shareholders to increase the number of Directors by one and elect seven Directors.

This proposal has already been deliberated by the voluntary Nomination and Remuneration Advisory Committee, the majority of which is comprised of Independent Outside Directors, and determined by the Board of Directors.

In addition, this proposal has been reviewed by the Audit and Supervisory Committee without objection.

The candidates for Directors are as follows:

No.	Name	Gender	Attributes	Current position and responsibility in the Company
1	Toshiaki Majima	Male	Reelection	President and Chief Executive Officer
2	Soichiro Horikawa	Male	Reelection	Senior Vice President and Chief Operating Officer Executive General Manager of Energy Division
3	Shigeru Nishiyama	Male	Reelection Outside Independent	Outside Director
4	Sonoe Hasegawa	Female	Reelection Outside Independent	Outside Director
5	Naoya Ito	Male	Reelection Outside Independent	Outside Director
6	Megumi Oshima	Female	Reelection Outside Independent	Outside Director
7	Seiji Moriya	Male	New election Outside	—

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Toshiaki Majima (October 20, 1963) Reelection	Apr. 1988	Joined Tokyo Electric Power Co., Inc.	28,400 shares
		July 2011	General Manager of Narita Service Center, Chiba Branch Office	
		July 2014	Technology Integration Dept., Head Office (in charge of Technological Innovations)	
		July 2016	Business Management Office, Corporate Planning Unit Group (in charge of Technology and Operational Innovation Promotion)	
		June 2017	Executive Managing Director of TEPCO Fuel & Power, Incorporated	
		Apr. 2019	Associate Director of Tokyo Electric Power Company Holdings, Incorporated	
		June 2019	Senior Vice President and Chief Operating Officer in charge of New Business Development of the Company	
		Oct. 2020	Senior Vice President, Chief Operating Officer and Executive General Manager of Corporate Planning Division	
		June 2021	Senior Vice President, Chief Operating Officer and Executive General Manager of Corporate Planning Division	
		June 2022	President and Chief Executive Officer (current position)	
<Reasons for nomination as candidate for Director> Mr. Toshiaki Majima has served in key positions at electric power companies that are major business partners of the Company, and is familiar with the energy business. Since assuming office as Senior Vice President and Chief Operating Officer of the Company in June 2019, Mr. Majima has fulfilled his executive responsibility through positions managing new business development and corporate planning. Since assuming office as President and Chief Executive Officer of the Company in June 2022, Mr. Majima has formulated the vision for the future of the Company's group and the Mid-term Management Plan, and has demonstrated strong leadership in corporate management. The Company believes that Mr. Majima will be able to drive further growth and development of the Company's group, and asks shareholders to elect Mr. Majima so that he may continue in the role of Director.				

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Soichiro Horikawa (December 16, 1963) Reelection	Jan. 1989 Joined the Company Feb. 2017 Executive Officer, General Manager of Renewable Energy Project Department, Energy and Industry Division, and General Manager of International Department June 2018 Senior Executive Officer, Deputy Executive General Manager of Energy and Industry Division (in charge of Architecture), General Manager of Project I Department, General Manager of International Department and Deputy Executive General Manager of Sales Division June 2019 Director and Managing Executive Officer, Deputy Executive General Manager of Energy and Industry Division (in charge of Architecture), General Manager of International Department and Deputy Executive General Manager of Sales Division Apr. 2020 Director and President of Tokyo Enesys (Thailand) Co., Ltd. Oct. 2020 Director and Managing Executive Officer, Acting Executive General Manager of Electric Power Division, General Manager of Electric Power Sales Department, and General Manager of Overseas Division of the Company June 2022 Director and Managing Executive Officer, Executive General Manager of Energy and Industry Division June 2023 Director and Managing Executive Officer, Executive General Manager of Electric Power Division, Executive General Manager of Energy and Industry Division June 2024 Senior Vice President, Chief Operating Officer, Executive General Manager of Energy Division (current position)	23,300 shares
<Reasons for nomination as candidate for Director> Mr. Soichiro Horikawa has abundant experience and knowledge of general electric power facilities and has fulfilled his executive responsibility through positions overseeing the electricity business field, general industry field and overseas business field. Based on these achievements, the Company believes that Mr. Horikawa will be able to appropriately perform his duties as a Director striving for further growth and development of the Company's group. Accordingly, the Company asks shareholders to elect Mr. Horikawa so that he may continue in the role of Director.			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Shigeru Nishiyama (October 27, 1961) <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Apr. 1984 Joined Sanwa & Co. (currently Deloitte Touche Tohmatsu LLC) Mar. 1987 Registered as a certified public accountant (Japan) Apr. 2002 Associate Professor, Waseda Business School Apr. 2006 Professor, Waseda Business School (current position) June 2021 Outside Director of the Company (current position) <Significant concurrent positions outside the Company> Professor, Waseda Business School External Audit & Supervisory Board Member, NH Foods Ltd. External Audit & Supervisory Board Member, Money Forward, Inc.	4,900 shares
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Mr. Shigeru Nishiyama has high-level professional knowledge as a graduate school (business school) professor and a certified public accountant and has extensive experience as an outside director of other companies. Consequently, Mr. Nishiyama has fulfilled his role in supervising business execution from an objective and professional perspective based on his experience and knowledge. Based on these achievements, the Company believes that Mr. Nishiyama will be able to appropriately perform his duties as an Outside Director. Accordingly, the Company asks shareholders to elect Mr. Nishiyama so that he may continue in the role of Outside Director. Mr. Nishiyama's term of office as an Outside Director of the Company will be five years at the conclusion of this General Meeting of Shareholders.			
4	Sonoe Hasegawa (July 11, 1967) <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Oct. 1995 Joined Shinohara Accounting Office Oct. 1996 Joined Sanwa Research Institute Corporation (currently Mitsubishi UFJ Research and Consulting Co., Ltd.) Oct. 1997 Joined Chuo Audit Corporation July 2000 Registered as a certified public accountant (Japan) Dec. 2005 Joined AZSA & Co. (currently KPMG AZSA LLC) Nov. 2009 Representative of Hasegawa Certified Public Accountant and Tax Accountant Office (current position) Sept. 2010 Registered as a tax accountant June 2022 Outside Director of the Company (current position) <Significant concurrent positions outside the Company> Certified Public Accountant, Certified Public Tax Accountant (Hasegawa Certified Public Accountant and Tax Accountant Office) Outside Director (Audit and Supervisory Committee Member), UNIPRES CORPORATION Outside Director (Audit and Supervisory Committee Member), Chi-technology Co., Ltd.	0 shares
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Although Ms. Sonoe Hasegawa has no experience of being directly involved in corporate management, she has high-level professional knowledge as a certified public accountant and a tax accountant. Consequently, Ms. Hasegawa has fulfilled her role in supervising business execution from an objective and professional perspective based on her experience and knowledge. Based on these achievements, the Company believes that Ms. Hasegawa will be able to appropriately perform her duties as an Outside Director. Accordingly, the Company asks shareholders to elect Ms. Hasegawa so that she may continue in the role of Outside Director. Ms. Hasegawa's term of office as an Outside Director of the Company will be four years at the conclusion of this General Meeting of Shareholders.			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
5	Naoya Ito (October 15, 1961) Reelection Outside Independent	Apr. 1984	Joined Tokio Marine Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)	0 shares
		July 2008	General Manager of Human Resources Planning Department, Leader of Human Resources and Recruiting Group and Associate Director (seconded to Tokio Marine Holdings, Inc.)	
		July 2013	Senior General Manager and General Manager of Government Sector Dept. 2	
		Apr. 2014	Executive Officer	
		Apr. 2016	Managing Executive Officer	
		Apr. 2020	Managing Director	
		Apr. 2022	Senior Managing Executive Officer	
		Apr. 2023	Representative Director and President of Tokio Marine Business Support Co., Ltd. (current position)	
		June 2023	Outside Director of the Company (current position)	
		<Significant concurrent positions outside the Company> Representative Director and President of Tokio Marine Business Support Co., Ltd.		
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Mr. Naoya Ito has a wealth of experience and expertise as an officer of a general insurance company, and based on this experience and expertise he has fulfilled the role of supervising the execution of business from an objective and professional perspective. Based on these achievements, the Company believes that Mr. Ito will be able to appropriately perform his duties as an Outside Director. Accordingly, the Company asks shareholders to elect Mr. Ito so that he may continue in the role of Outside Director. Mr. Ito's term of office as an Outside Director of the Company will be three years at the conclusion of this General Meeting of Shareholders.				
6	Megumi Oshima (August 15, 1969) Reelection Outside Independent	Aug. 1996	Joined Pediatric Department of Showa University Hospital	0 shares
		Jan. 2000	Joined Alc Inc.	
		Jan. 2003	Joined Kato Legal and Accounting Office	
		July 2006	Joined Tokyo Central Patent Firm	
		Dec. 2013	Joined Authense LPC (part time)	
		Apr. 2022	Registered as an attorney-at-law	
		Apr. 2022	Joined Oshima Law Firm (current position)	
		June 2025	Outside Director of the Company (current position)	
		<Significant concurrent positions outside the Company> Attorney-at-law (Oshima Law Firm)		
		<Reasons for nomination as candidate for Outside Director and overview of expected roles> Although Ms. Megumi Oshima has no experience of being directly involved in corporate management, she has diverse experience and achievements, including counseling as a psychological researcher at a university hospital, engaging in social contribution activities utilizing her professional knowledge and living abroad for an extended period, and has professional knowledge and experience as an attorney at law. Based on this background, she has fulfilled her role in supervising business execution from diverse perspectives. Based on these achievements, the Company believes that Ms. Oshima will be able to appropriately perform her duties as an Outside Director. Accordingly, the Company asks shareholders to elect Ms. Oshima so that she may continue in the role of Outside Director. Ms. Oshima's term of office as an Outside Director of the Company will be one year at the conclusion of this General Meeting of Shareholders.		

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Seiji Moriya (April 21, 1963) New election Outside	Apr. 1986 Joined Tokyo Electric Power Co., Inc. June 2013 General Manager of Office of Audit Committee of Tokyo Electric Power Co., Inc. Apr. 2016 Executive Managing Director of TEPCO Fuel & Power, Incorporated June 2017 Director of Tokyo Electric Power Company Holdings, Incorporated Sept. 2018 Representative Director and President of TEPCO Fuel & Power, Incorporated Director and Representative Executive Officer, Executive Vice President, Chief Financial Officer, and Assistant to the President of Tokyo Electric Power Company Holdings, Incorporated Apr. 2022 Director and Representative Executive Officer, Executive Vice President, Chief Risk Officer, and Assistant to the President June 2023 Director and Chairman of the Audit Committee (current position) <Significant concurrent positions outside the Company> Director of Tokyo Electric Power Company Holdings, Incorporated	0 shares
<Reasons for nomination as candidate for Outside Director and overview of expected roles> Mr. Seiji Moriya has served as Representative Director and Executive Vice President and Director and Chairman of the Audit Committee of Tokyo Electric Power Company Holdings, Incorporated, contributing to the enhancement of that company's corporate governance system. He also has abundant experience in and knowledge of corporate management and auditing in general. Based on this background, the Company believes that he will appropriately fulfill his role in supervising business execution from an objective and specialized perspective. Accordingly, the Company asks shareholders to elect Mr. Moriya as a new Outside Director.			

- (Notes)
1. Mr. Naoya Ito was an executive officer of our business partner, Tokio Marine & Nichido Fire Insurance Co., Ltd., until March 2023. The value of transactions with that company for the fiscal year ended March 31, 2026 was less than 1% of consolidated net sales.
 2. Mr. Seiji Moriya is currently a non-executive Director of Tokyo Electric Power Company Holdings, Incorporated (TEPCO), a specified affiliated business operator of the Company, and has been an executive officer of TEPCO in the past 10 years. For details regarding his current and past positions and responsibilities at TEPCO over the past 10 years, please refer to "Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company" above. There is a business relationship between the Company and TEPCO that includes construction contracting.
 3. On September 19, 2024, while Mr. Seiji Moriya was serving as an Outside Director (Audit and Supervisory Committee Member) of TAKAOKA TOKO CO., LTD. the results of a comprehensive inspection concerning quality issues at that company were announced. Mr. Moriya was not aware of the series of inappropriate incidents disclosed in the inspection results until each incident was identified. However, at meetings of the board of directors and other forums, he had previously spoken from a compliance perspective and after the incidents were identified, expressed opinions regarding the appropriateness and validity of customer response. In addition, based on his own experience and knowledge, he made proactive and constructive proposals on measures to strengthen governance in the areas of quality and compliance. Furthermore, he contributed to the formulation of the "SQC First Reform" announced by that company on October 28, 2024, and appropriately fulfilled his responsibilities as an outside director (Audit and Supervisory Committee Member) by, among other things, requesting that appropriate measures be taken to prevent recurrence.
 4. There are no special interests between the candidates and the Company.
 5. Mr. Shigeru Nishiyama, Ms. Sonoe Hasegawa, Mr. Naoya Ito, Ms. Megumi Oshima, and Mr. Seiji Moriya are candidates for Outside Director.
 6. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Mr. Shigeru Nishiyama, Ms. Sonoe Hasegawa, Mr. Naoya Ito, and Ms. Megumi Oshima have been designated as independent directors as provided for by the aforementioned exchange. In this proposal, if the election of four candidates is approved, they will continue to serve as independent directors.

7. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Shigeru Nishiyama, Ms. Sonoe Hasegawa, Mr. Naoya Ito, and Ms. Megumi Oshima to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. Under these agreements, the maximum amount of liability for damages is the minimum total liability provided for under laws and regulations. In this proposal, if the election of the four candidates is approved, the Company plans to continue the said agreements with them. In addition, if the election of Mr. Seiji Moriya is approved, the Company plans to enter into a similar agreement to limit his liability for damages as a Director.
8. The Company has entered into a liability insurance contract with an insurance company for directors and corporate officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The aforementioned insurance agreement covers the insured directors' and corporate officers' damages against claims for damages arising from the execution of their duties (excluding compensation for damages arising from acts committed with the knowledge that such acts violate laws and regulations). If each candidate is elected and assumes position as a Director, the candidate will become an insured director in the aforementioned insurance agreement. In addition, the Company intends to renew the agreement with the same details at the time of the next renewal.

Proposal No. 4: Election of One Director Who Is an Audit and Supervisory Committee Member

Mr. Hidefumi Mori, a Director who is an Audit and Supervisory Committee Member, will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the Company asks shareholders to elect one substitute Director who is an Audit and Supervisory Committee Member.

The term of office of the Director who is an Audit and Supervisory Committee Member elected as a substitute will be, as provided for in the Company's Articles of Incorporation, until the term of office of the retiring Director who is an Audit and Supervisory Committee Member.

The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name	Gender	Attributes	Current position and responsibility in the Company
Yoshihiko Okuda	Male	New election Outside Independent	—

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Yoshihiko Okuda (August 20, 1957) New election Outside Independent	Apr. 1976 Joined Fukuoka Regional Taxation Bureau July 2004 Associate Appeals Judge of Fukuoka National Tax Tribunal July 2006 Deputy District Director of Kokura Tax Office July 2009 Professor, Technical Education Department of National Tax College July 2013 District Director of Kanoya Tax Office Apr. 2017 Director-General of Takamatsu National Tax Tribunal June 2018 Registered as a tax accountant June 2018 Representative of Yoshihiko Okuda Certified Public Tax Accountant Office (current position) <Significant concurrent positions outside the Company> Certified public tax accountant (Yoshihiko Okuda Certified Public Tax Accountant Office) Outside Audit & Supervisory Board Member of Milbon Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of Ito En, Ltd.	0 shares
<Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles> Although Mr. Yoshihiko Okuda has no experience of being directly involved in management of a company, he has high-level professional knowledge as a tax accountant. Also, Mr. Okuda has extensive experience as an outside audit & supervisory board member of other companies. Based on this background, the Company has determined that he will fulfill his role in supervising and auditing the execution of business from a neutral and fair standpoint. Accordingly, the Company asks shareholders to elect Mr. Okuda as a new Outside Director who is an Audit and Supervisory Committee Member.		

- (Notes)
1. There are no special interests between the candidate and the Company.
 2. Mr. Yoshihiko Okuda is a candidate for Outside Director.
 3. Mr. Yoshihiko Okuda satisfies the requirements to serve as an independent director as stipulated by the Tokyo Stock Exchange, Inc. and, if appointed, will be reported as an independent director.
 4. If the election of Mr. Yoshihiko Okuda is approved, the Company plans to enter into an agreement to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
 5. The Company has entered into a liability insurance contract with an insurance company for directors and corporate officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The aforementioned insurance agreement covers the insured directors' and corporate officers' damages against claims for damages arising from the execution of their duties (excluding compensation for damages arising from acts committed with the knowledge that such acts violate laws and regulations). If Mr. Yoshihiko Okuda is elected and assumes position as a Director, he will become an insured director in the aforementioned insurance agreement. In addition, the Company intends to renew the agreement with the same details at the time of the next renewal.

(Reference)

Board of Directors after Proposals No. 3 and No. 4 are approved at the General Meeting of Shareholders

Name	Title	Skill					
		Corporate Management	Financial Accounting	Technology Safety and Quality	Sales Marketing	Risk Management Legal Affairs	Sustainability
Toshiaki Majima	President and Chief Executive Officer	○		○	○	○	○
Soichiro Horikawa	Senior Vice President and Chief Operating Officer	○		○	○		○
Shigeru Nishiyama	Outside Director		○				○
Sonoe Hasegawa	Outside Director		○				○
Naoya Ito	Outside Director	○			○	○	○
Megumi Oshima	Outside Director					○	○
Seiji Moriya	Outside Director	○	○	○		○	○
Makoto Sato	Director Full-time Audit and Supervisory Committee Member					○	○
Keiko Kakiuchi	Outside Director Full-time Audit and Supervisory Committee Member		○			○	○
Teruoki Ninomiya	Outside Director Audit and Supervisory Committee Member					○	○
Yoshihiko Okuda	Outside Director Audit and Supervisory Committee Member		○				○