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(Stock Exchange Code 3109)

June 5, 2024

(Start date of measures for electronic provision: June 4, 2024)

To Shareholders with Voting Rights:

Shiriya Masahiro
Representative Director President
Shikibo Ltd.
2-6 Bingomachi, 3-Chome, Chuo-ku,
Osaka, Japan

NOTICE OF THE 211TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 211th Annual General Meeting of Shareholders of Shikibo Ltd. (the “Company”) will be held for the purposes as described below.

When convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and posted the matters subject to measures for electronic provision as “Notice of the 211th Annual General Meeting of Shareholders and Reference Documents for the General Meeting of Shareholders” on the Company’s website and the Tokyo Stock Exchange website on the Internet. To view the materials, please access the following websites.

When accessing the Tokyo Stock Exchange website, search for the Company by entering the Company’s name or the Company’s securities code, and select “Basic information” and then “Documents for public inspection/PR information.”

The Company’s website
<https://www.shikibo.co.jp/english/ir/stock/soukai/>

The Tokyo Stock Exchange website
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting in person, you may your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision, and exercise your voting rights by 6:00 p.m. on Wednesday, June 26, 2024, Japan time, following the “Information on Exercise of Voting Rights” on page 3.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. Japan time
- 2. Place:** 7F Hall, Shikishima Bldg. located at
2-6 Bingomachi, 3-Chome, Chuo-ku, Osaka, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 211th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 211th Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 2 Directors other than Directors serving as Audit and Supervisory Committee Members
Proposal 3: Election of 3 Directors serving as Audit and Supervisory Committee Members
Proposal 4: Partial Amendments to the Stock Compensation Plan for Officers

4. Matters Determined for Convocation

- (1) If there is no indication of approval or disapproval for the proposals on the Voting Rights Exercise form, it will be deemed as an indication of approval.
- (2) If you exercise your voting rights multiple times by voting both in writing and via the Internet, only your vote placed via the Internet will be valid.
- (3) If you submit your vote for or against the same proposal multiple times via the Internet, only the last vote made during the period for exercising voting rights will be valid.

Requests to Shareholders for Cooperation

- ◎ When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk.
- ◎ If you exercise your voting rights by proxy pursuant to Article 17 of the Articles of Incorporation of the Company, the proxy is limited to the shareholder who has voting rights. You may not designate more than one proxy.

Notice on Measures for Electronic Provision

- ◎ The paper-based documents delivered to shareholders also serves as the paper-based documents describing the matters subject to measures for electronic provision based on a request for the delivery.
- ◎ In the documents delivered to shareholders who have made a request for the delivery, Systems for Ensuring the Properness of Business Activities and the Operation of the Systems, and Consolidated Statement of Changes in Equity in the Consolidated Financial Statements and Notes to Consolidated Financial Statements in the Consolidated Financial Statements as well as Statement of Changes in Equity in the Non-consolidated Financial Statements and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements are not stated, pursuant to laws and regulations and the provisions of Article 18 of the Articles of Incorporation of the Company. Therefore, the said documents constitute some of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor for the preparation of their respective audit reports.
- ◎ If there arises any need for revision in the matters subject to measures for electronic provision, the revised version will be posted on the respective websites where they are posted.

Distribution of Information in Video

- ◎ The Business Report and other matters to be reported at the General Meeting of Shareholders will be distributed in video in advance. Please access the Company's website (<https://www.shikibo.co.jp/>).

Information on Exercise of Voting Rights

You are respectfully requested to exercise your voting rights by either of the following methods.

When you are attending the meeting



Date and Time:

Thursday, June 27, 2024 at 10:00 a.m. Japan time

(The reception is scheduled to open at 9 a.m.)



When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

To help saving paper resources, please bring this notice to the meeting.

When you are not attending the meeting

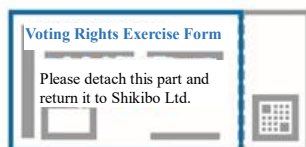


Exercise of voting rights by mail

Voting Deadline

Your vote must arrive at Shikibo Ltd. no later than 6:00 p.m. on Wednesday, June 26, 2024.

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send it by mail so that it will arrive by the deadline.



Exercise of voting rights via Smart Voting

Voting Deadline

Your vote must be entered no later than 6:00 p.m. on Wednesday, June 26, 2024.

Please scan “the QR code® for smartphone to login to the website designated for exercise of voting rights” printed on the bottom right of the enclosed Voting Rights Exercise Form by using smartphone or tablet terminal.



Exercise of voting rights via the Internet

Voting Deadline

Your vote must be entered no later than 6:00 p.m. on Wednesday, June 26, 2024.

Please refer to the “Information on exercise of voting rights via the Internet” and exercise your voting rights by the deadline.

Website designated for exercise of voting rights
<https://www.web54.net>

* Handling of multiple votes by one and the same shareholder

- If you exercise your voting rights multiple times by voting both in writing and via the Internet, only your vote placed via the Internet will be valid.
- If you submit your vote for or against the same proposal multiple times via the Internet, only the last vote made during the period for exercising voting rights will be valid.

MATERIALS FOR THE 211th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We propose the appropriation of surplus for the fiscal year under review as follows:

Matters related to the year-end dividend:

The return of profit to our Shareholders is one of the top priorities for the management of the Company. Our basic policy for the allocation of profit is to achieve the continuous and stable payment of dividends. In comprehensive consideration of the consolidated business results of the fiscal year under review and the business development in the future, we propose the year-end dividend for the 211th fiscal year as follows:

- (1) Type of dividend property
Cash
- (2) Matters related to distribution of dividend properties to shareholders and the total amount of dividend
¥50.00 of dividends per share of common stock of the Company
Total amount of dividend to be paid: ¥584,854,900
- (3) Effective date of the dividend from surplus
June 28, 2024

Proposal 2 Election of 2 Directors other than Directors serving as Audit and Supervisory Committee Members

The terms of office of all 3 Directors other than Directors serving as Audit and Supervisory Committee Members are to expire at this Annual General Meeting of Shareholders. Accordingly, the election of 2 Directors other than Directors serving as Audit and Supervisory Committee Members is proposed.

The number of the Directors was reduced to two in this election. This is a result of efforts to clarify the segregation between management and execution in the Company's governance structure by curtailing the concurrent holding of executive manager and director positions in each business division.

The number of the Directors will be flexibly adjusted in order to optimize the structure at that point in time.

The Board of Directors determined the election of candidates for Directors other than Directors serving as Audit and Supervisory Committee Members after receiving a report from the Personnel Committee, an optional advisory committee with the majority of members consisting of Outside Directors.

The Company has been informed by the Audit and Supervisory Committee that the candidates for Directors other than Directors serving as Audit and Supervisory Committee Members of the Company are appropriate based on the evaluation of the status of their execution of duties, etc. during the fiscal year under review.

The candidates for Directors other than Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name	Current positions and responsibilities in the Company
1	[Reappointed] Kiyohara Mikio	Chairman
2	[Reappointed] Shiriya Masahiro	Representative Director President

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kiyohara Mikio (August 13, 1959) <Reappointed>	<p>April 1983 Joined the Company June 2011 Executive Officer June 2012 Director June 2015 Director Senior Executive Officer June 2016 Representative Director President June 2021 Chairman and Representative Director June 2023 Chairman (to present)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Kiyohara Mikio had experienced important positions in the Textile Division (domestic and overseas) and the Administrative Unit over a long period, and thereafter been responsible for management of the Company and the Group as Representative Director President, including the development of a global business foundation. Following his term as Chairman and Representative Director, he has been responsible as Chairman since June 2023 for strengthening the supervisory function of the Board of Directors based on his experience in leading the management of the Company and the Group. He can be expected to continue to contribute to providing high-quality deliberations at the Board of Directors and other meetings and strengthening the supervisory function, and we therefore believe that Mr. Kiyohara Mikio is qualified as a Director of the Company and nominate him for re-election as Director.</p>	19,438
2	Shiriya Masahiro (April 10, 1965) <Reappointed>	<p>April 1988 Joined the Company April 2018 General Manager, General Affairs Dept. June 2019 Executive Officer General Manager, Management Administration Dept., Corporate Division April 2020 Executive Officer General Manager, Corporate Strategy Dept., and General Manager, Finance and Accounting Dept., Corporate Division April 2021 Executive Officer General Manager, Finance and Accounting Dept., Corporate Division June 2021 Representative Director President (to present)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Shiriya Masahiro had experienced key senior positions in the General Affairs Division, Finance and Accounting Division and General Planning and Management Division over a long period and contributed to the strengthening of the governance system and smooth business operations. He has made efforts to expand the Group's business areas and reform the profit structure, and since June 2021, has appropriately supervised and taken the leadership of execution of operations of the Company and the Group as Representative Director President of the Company. He is familiar with the businesses of the Company and the Group, and has extensive business experience and a high level of knowledge. We therefore believe that Mr. Shiriya Masahiro is qualified as a Director of the Company and nominate him for re-election as Director.</p>	22,359

(Notes)

1. No special interests exist between the Company and the above candidates.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company, naming Directors and Executive Officers as the insured persons, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The Company plans to continually renew the insurance contract. If each candidate is re-elected as Director, the candidates will be the insured persons under the insurance contract.

The insurance contract covers, of Directors' liability for damages to the third parties and/or the Company, the damages to be borne by the insured persons that may arise due to the insured Directors assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability.

Proposal 3 Election of 3 Directors serving as Audit and Supervisory Committee Members

The term of office of Mr. Nobe Yoshiro, Mr. Uno Yasunori, and Ms. Hosoda Yoshiko, Director serving as Audit and Supervisory Committee Members are to expire at this Annual General Meeting of Shareholders. Accordingly, the election of 3 Directors serving as Audit and Supervisory Committee Members is proposed.

The Board of Directors determined the election of Directors serving as Audit and Supervisory Committee Members after receiving a report from the Personnel Committee, an optional advisory committee with a majority of Outside Directors.

The Audit and Supervisory Committee has given its consent to this proposal.

The candidates for Director serving as Audit and Supervisory Committee Members are as follows:

No.	Name	Current positions in the Company
1	[Reappointed] Nobe Yoshiro [Candidate for Outside Director] [Candidate for Independent Director]	Director (Audit and Supervisory Committee Member)
2	[Reappointed] Uno Yasunori [Candidate for Outside Director] [Candidate for Independent Director]	Director (Audit and Supervisory Committee Member)
3	[Reappointed] Hosoda Yoshiko [Candidate for Outside Director] [Candidate for Independent Director]	Director (Audit and Supervisory Committee Member)

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Nobe Yoshiro (August 27, 1965)</p> <p><Reappointed> <Candidate for Outside Director> <Candidate for Independent Director></p>	<p>October 1989 Joined Osaka Office, Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>February 1996 Retired from Osaka Office, Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>March 1996 Established Nobe Yoshiro Certified Public Accountant/Tax Accountant Office (to present)</p> <p>July 2006 Partner, Crowe Toyo & Co.</p> <p>April 2011 Outside Audit & Supervisory Board Member, TOHO CO., Ltd.</p> <p>May 2011 Corporate Auditor, CRONOS INC.</p> <p>September 2012 Senior Partner, Crowe Toyo & Co.</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>[Significant concurrent position]</p> <p>Certified Public Accountant, Nobe Yoshiro Certified Public Accountant/Tax Accountant Office</p> <p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Mr. Nobe Yoshiro has served as an Outside Director of the Company for four years, using professional knowledge, abundant experience, and extensive insight as a certified public accountant, as well as experience as an outside director at many companies. We expect him to continue to provide advice and recommendations on management of the Company from an independent standpoint as Outside Director of the Company. Although Mr. Nobe Yoshiro has not been involved in corporate management by means other than being an outside director or auditor, we believe that he is able to perform his duties as Outside Director appropriately for the above reasons and propose the re-election of Mr. Nobe Yoshiro as a candidate for Outside Director.</p> <p>He meets the requirements for independent directors stipulated by the Tokyo Stock Exchange and the Company, and we have determined that his independence is assured.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="320 734 480 792">Uno Yasunori (June 24, 1961)</p> <p data-bbox="280 824 520 972"><Reappointment> <Candidate for Outside Director> <Candidate for Independent Director></p>	<p data-bbox="549 273 1362 828"> April 1984 Joined the Daiwa Bank, Limited. (currently Resona Bank, Limited) June 2011 Executive Officer in charge of Internal Audit Division June 2012 Executive Officer, General Manager, Internal Audit Division, Resona Holdings, Inc. April 2016 Senior Managing Director, Resona Kessai Service Co., Ltd. April 2017 Senior Managing Director, the Kinki Osaka Bank, Ltd. (currently Kansai Mirai Bank, Limited) April 2017 Representative Director Vice President & Executive Officer, the Kinki Osaka Bank, Ltd. (currently Kansai Mirai Bank, Limited) April 2019 Representative Director & Vice President, Executive Officer, in charge of Corporate Planning Division, Kansai Mirai Bank, Limited April 2020 Executive Director, OSAKA AOYAMA Gakuen (to present) July 2021 Vice President, OSAKA AOYAMA UNIVERSITY (to present) June 2022 Outside Director (Audit and Supervisory Committee Member) of the Company (to present) </p> <p data-bbox="549 837 1078 936"> [Significant concurrent positions] Executive Director, OSAKA AOYAMA Gakuen Vice President, OSAKA AOYAMA UNIVERSITY </p> <p data-bbox="549 945 1350 1433"> [Reasons for nomination as a candidate for Outside Director and expected roles] Mr. Yasunori Uno held key senior positions in the internal audit division and the corporate administrative division at financial institutions. In addition, he has experience of engaging in management as a representative director at financial institutes, and is presently engaged in school management as an executive director. We therefore expect him to provide advice and recommendations based on this abundant experience and insight related to building and enhancing a governance system and management. Further, he has served as an Outside Director of the Company for two years, and we believe that he continues to be able to appropriately perform his duties as Outside Director and propose the re-election of Mr. Uno Yasunori as a candidate for Outside Director. He meets the requirements for independent directors stipulated by the Tokyo Stock Exchange and the Company, and we have determined that his independence is assured. </p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Hosoda Yoshiko (August 14, 1973)</p> <p>< Reappointment > < Candidate for Outside Director > < Candidate for Independent Director ></p>	<p>April 2000 Joined Asada Law Office April 2006 Partner, Asada Law Office (to present) April 2017 Conciliation Commissioner, the Osaka Family Court (to present) November 2021 Outside Director, SANBO CHEMICAL INDUSTRY CO., LTD. (to present) June 2022 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>[Significant concurrent positions] Attorney-at-law, Asada Law Office Outside Director, SANBO CHEMICAL INDUSTRY. CO., LTD.</p> <p>[Reasons for nomination as a candidate for Outside Director and expected roles] Ms. Hosoda Yoshiko possesses experience as an outside director, in addition to abundant experience and extensive knowledge as an attorney-at-law. Furthermore, with experience of responding to whistle-blowing, and investigation and reporting of frauds at an internal hotline for companies, she has expertise on how to handle internal misconduct. Although Ms. Hosoda Yoshiko has not been involved in corporate management by means other than being an outside director or outside auditor, we believe that she is able to perform her duties as Outside Director appropriately for the above reasons, and she has served as an Outside Director of the Company for two years. Based on such knowledge and experience, we expect her to continue to observe the overall management and provide effective advice from an independent standpoint, especially a perspective of legality, and therefor propose the re-election of Ms. Hosoda Yoshiko as a candidate for Outside Director. She meets the requirements for independent directors stipulated by the Tokyo Stock Exchange and the Company, and we have determined that her independence is assured.</p>	0

(Notes)

1. No special interests exist between the Company and the above candidates.
2. In relation to Ms. Hosoda Yoshiko, a candidate for Outside Director, the name indicated above is used for work. Her registered name is Ms. Takahashi Yoshiko.
3. Mr. Nobe Yoshiro, Mr. Uno Yasunori, and Ms. Hosoda Yoshiko are candidates for Outside Directors.
4. Mr. Nobe Yoshiro will have served as Outside Director of the Company for four years at the conclusion of this General Meeting of Shareholders.
5. Mr. Uno Yasunori and Ms. Hosoda Yoshiko will have served as Outside Director of the Company for two years at the conclusion of this General Meeting of Shareholders.
6. If Mr. Nobe Yoshiro, Mr. Uno Yasunori, and Ms. Hosoda Yoshiko assume office as Directors serving as Audit and Supervisory Committee Members, the Company will designate them as independent directors as stipulated in regulations of Tokyo Stock Exchange, Inc. and submit a notification to the Tokyo Stock Exchange.
7. The Company has entered into a liability limitation agreement with Mr. Nobe Yoshiro, Mr. Uno Yasunori, and Ms. Hosoda Yoshiko, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. If each candidate is re-elected as Director serving as Audit and Supervisory Committee Member, the Company will continue said agreement. The maximum amount of liability of a Director serving as Audit and Supervisory Committee Member under the agreement shall be the minimum amount of liability provided for in Article 425, Paragraph 1 of the Companies Act.
8. The Company has concluded a directors and officers liability insurance contract with an insurance company, naming Directors as the insured persons, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The Company plans to continually renew the insurance contract. If each candidate is re-elected as Director, the candidates will be the insured persons under the insurance contract.
The insurance contract covers, of Directors' liability for damages to the third parties and/or the Company, the damages to be borne by the insured persons that may arise due to the insured Directors assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability.

Reference Criteria and procedures concerning selection of candidates for Directors

In the Company, in accordance with the criteria of election of Directors set forth in the basic policy of corporate governance, the Personnel Committee recommends qualified persons for Director, clearly indicating its reasons, and the Board of Directors selects candidates for Directors.

(Criteria of election)

1. Director

The Board of Directors shall select those who has a strong sense of ethics, knowledge and experience to perform management of the Company exactly, fairly, and efficiently, as well as adequate social credibility, as candidates for Director.

2. Outside Director

The Board of Directors shall select those who have advanced expertise and abundant experience in any of the fields shown below, in principle, so that roles of Outside Directors can be fulfilled sufficiently.

- (1) Corporate management
- (2) Risk management, Internal control including legal compliance, Corporate ethics
- (3) Accounting/finance
- (4) Knowledge on development, technologies, and production, etc.

The skills, etc. that the Broad of Directors of the Company should possess

With the Company seeking to separate management supervision from business execution, the Broad of Directors plays a role in supervising business execution and performs the duty. Therefore, the skills, etc. (knowledge, experience, competence) that the Broad of Directors should possess have been identified in order to supervise the realization of the corporate philosophy and the long-term vision “Mermaid 2042” as well as progress in the medium-term management plan “ACTION 22-24,” which the Company has started as the first step.

Prior to the nomination of candidates for Director, the Board of Directors resolved the identification of the skills, etc. after they were deliberated at the Personnel Committee, an optional advisory of the Company.

Reasons for identifying skills, etc. and their evaluation criteria

Skills, etc.	Reasons for identifying skills, etc.	Evaluation criteria for skills, etc.
Corporate management	Abundant experience in corporate management is required to supervise the status of progress in business execution towards accomplishment of the medium-term business plan.	Management experience at company
Global	Experience in business overseas and understanding of cross-cultures and diversity are required to realize the “Development of overseas markets through strengthening global network domestic and foreign cooperation” as “Strengthen Business Foundation,” one of the basic policies in the medium-term business plan.	Operational experience overseas
Sustainability (Environment/Society)	Knowledge and experience are required to take into account environment and society and relate them to the Company’s businesses, in order to promote “Sustainability Management Initiatives,” one of the basic policies in the medium-term business plan.	Operational experience related to environment and society
Governance	It is required to have a certain degree of insight into governance because the Company’s group has placed “Strengthening of corporate governance” as one of its materialities (important issues).	Operational experience in management or supervisory division
Human resource development/Labor management	It is required to have experience of engagement in operations related to personnel and labor affairs, and knowledge of human capital management and disclosure because the Company has incorporated policies related to “Employees and Human resources” into the medium-term business plan.	Operational experience related to personnel and labor affairs
Finance/Accounting	Abundant operational experience and knowledge related to finance and accounting in order to realize “Improving our profitability for our existing business with importance given to capital efficiency and revising our business portfolio” as “Strengthen Business Foundation” in the medium-term business plan.	Operational experience related to finance accounting and qualifications related to finance and accounting

Skills, etc.	Reasons for identifying skills, etc.	Evaluation criteria for skills, etc.
Legal affairs/Risk management	Expertise and knowledge related to legal affairs and compliance are required for risk management based on laws and compliance in order to enable the sustainable growth of a company and a bold risk-taking.	Operational experience related to a supervisory division or compliance, or qualifications related to laws

Skills matrix of the Board of Directors

Name	Corporate management	Global	Sustainability		Governance	Human resource development Labor management	Finance Accounting	Legal affairs Risk management
			Environment	Society				
Kiyohara Mikio	○	○			○			
Shiriya Masahiro	○			○		○		
Takeda Hiroaki ★			○		○	○		
Nobe Yoshiro (Outside) ★					○		○	○
Uno Yasunori (Outside) ★					○		○	○
Hosoda Yoshiko (Outside) ★				○	○			○

(Notes)

1. The table above indicates up to three skills that are highly expected of among the skills, etc. (knowledge, experience, competence) that each Director at the Broad of Directors possesses if each candidate for Director is elected at this General Meeting of Shareholders. Please note that not all the skills that each Director possesses are indicated.
2. ★ indicates Directors serving as Audit and Supervisory Committee Members.

Proposal 4 Partial Revision of the Stock Compensation Plan for Officers

1. Reasons for the Proposal

In this proposal, the Company seeks approval for the partial revision of the stock compensation plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company and Executive Officers of the Company with whom the Company has entered into entrustment agreements (hereinafter the “Plan”) that was adopted in fiscal 2016. The proposed revisions include covering Directors serving as Audit and Supervisory Committee Members with the Plan. The Company asks that the details of the Plan be entrusted entirely to the Board of Directors of the Company, within the framework described in 2. below.

An objective of this proposal is to further exercise a healthy incentive for the eligible persons toward the sustained growth of the Group by further enhancing the linkage between the compensation for Directors other than Directors serving as Audit and Supervisory Committee Members and shareholder value. In addition, by also granting stock compensation to non-executive directors, including Outside Directors who are in a position of supervising the execution of operations, this proposal aims for them to share value with shareholders and to elicit their motivation to contribute to the enhancement of medium- to long-term corporate value and share value. This proposal is presented after due consideration of its objectives, the business circumstances of the Company, the determination policy for the contents of compensation for individual Directors of the Company (which the Company plans to amend in line with the proposal on the condition of the approval of this proposal), the content of a report from the Personnel Committee and the opinion (consent) of the Audit and Supervisory Committee, and other relevant circumstances, and the Company deems that the proposal is appropriate. The number of Directors covered by the Plan will be 6 (including 4 Directors serving as Audit and Supervisory Committee Members) if Proposal 2: Election of 2 Directors other than Directors serving as Audit and Supervisory Committee Members and Proposal 3: Election of 3 Directors serving as Audit and Supervisory Committee Members are approved as proposed.

For an overview of the Plan prior to its revision, please refer to the “Notice of Adoption of a Stock Compensation Plan” of April 28, 2016 and “Notice of Continuation of the Stock Compensation Plan for Officers” of May 31, 2021.

- (Note) Notice of Adoption of a Stock Compensation Plan (in Japanese only)
<https://ssl4.eir-parts.net/doc/3109/tdnet/1348810/00.pdf>
 Notice of Continuation of the Stock Compensation Plan for Officers (in Japanese only)
<https://ssl4.eir-parts.net/doc/3109/tdnet/1980847/00.pdf>

2. Details of Revision of the Plan

Conditional upon obtaining the approval of this General Meeting of Shareholders, the pre-revision Plan will be revised as described in the following table.

(Main revisions in the Plan)

	Before Revision	After Revision
Name	Board Benefit Trust	Board Benefit Trust (<u>RS Delivery</u>)
Eligible persons	Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Company and Executive Officers of the Company who have entered into entrustment agreements	Directors (<u>including Directors serving as Audit and Supervisory Committee Members</u>), Executive Officers, and Fellows of the Company, excluding non-residents of Japan, excluding non-residents of Japan (hereinafter “Directors, etc.” unless otherwise specified)
Delivery of shares of the Company	Directors, etc. of the Company, in principle, shall receive the delivery of the Company’s shares according to the finalized number of points by completing the prescribed procedures to be designated as beneficiaries if they retire and satisfy the beneficiary requirements as set forth in the Officer Stock Benefit Rules.	The Directors, etc., in principle, <u>will receive delivery of the Company’s shares according to the number of points granted at a certain time every year, upon entering into a transfer restriction agreement with the Company, (the transfer restrictions shall be removed at the time of retirement of the Directors, etc. (including vacation of the post by resignation or death; the same shall apply hereinafter). Regarding points that have been awarded under the Plan prior to its revision, the Company will enter into a transfer restriction agreement with the persons eligible under the previous Plan and deliver the shares as soon as possible after the resolution by this General Meeting of Shareholders.</u>

	Before Revision	After Revision
Limit on the amount of money to be contributed by the Company and the limit on the number of shares	<p>The Company shall make an additional contribution of up to ¥100 million as funds to acquire the shares to be delivered to the Directors, etc. under the Plan corresponding to the applicable period (3. (3) below). Additionally, even after this applicable period, the Company shall make additional contributions of up to ¥100 million for each subsequent applicable period until the Plan is terminated.</p> <p>The limit on the number of the Company's shares to be acquired by the Trust for each applicable period shall be 120,000 shares (however, if a share split, a gratis allotment, or share consolidation, etc. takes place concerning the Company's shares, the number of shares shall be adjusted reasonably to reflect such change).</p>	<p>The Company shall make an additional contribution of up to <u>¥200 million</u> as funds to acquire the shares to be delivered to the Directors, etc. under the Plan corresponding to the applicable period (3. (3) below). Additionally, even after this applicable period, the Company shall make additional contributions of up to <u>¥200 million</u> for each subsequent applicable period until the Plan is terminated.</p> <p>The limit on the number of the Company's shares to be acquired by the Trust <u>and the limit on the number of the Company's shares to be delivered to the Directors, etc.</u> for each applicable period shall each be 120,000 shares (however, if a share split, a gratis allotment, or share consolidation, etc. takes place concerning the Company's shares, the number of shares shall be adjusted reasonably to reflect such change).</p> <p><u>However, the limit on the number of the Company's shares to be delivered to Directors other than Directors serving as Audit and Supervisory Committee Members shall be 6,500 shares per annum, for the Directors serving as Audit and Supervisory Committee Members (including Outside Directors), the limit shall be 3,500 shares per annum, and for Executive Officers and Fellows, the limit shall be 14,000 shares per annum.</u></p> <p><u>In addition, it shall be included within the limit of the amount of compensation for Directors other than Directors serving as Audit and Supervisory Committee Members (24 million yen a month) and the limit of the amount of compensation for Directors serving as Audit and Supervisory Committee Members (5 million yen a month).</u></p>

3. Particulars of Revision of the Plan

The Plan after its revision will be as follows.

(1) Overview of the Plan

The Plan is a stock compensation plan whereby the Company contributes money to the Trust, (the maximum amount of which is specified in (6) below), the Trust acquires the Company's shares using the money contributed by the Company as funds, and the Company delivers its shares to the Directors, etc. according to the position of the Directors, etc. through the Trust, pursuant to the stock benefit rules established by the Board of Directors of the Company (hereinafter the "Officer Stock Benefit Rules").

The Directors, etc. shall receive delivery of the Company's shares at a certain time every year, and if the Directors, etc. receive delivery of the Company's shares while still in office, upon the conclusion of a transfer restriction agreement between the Company and the Directors, etc., restrictions will be placed on the transfer of the shares until the Directors, etc. retire from office (details are as described in (9) and 4. below).

(2) Eligible persons

Directors, etc. of the Company

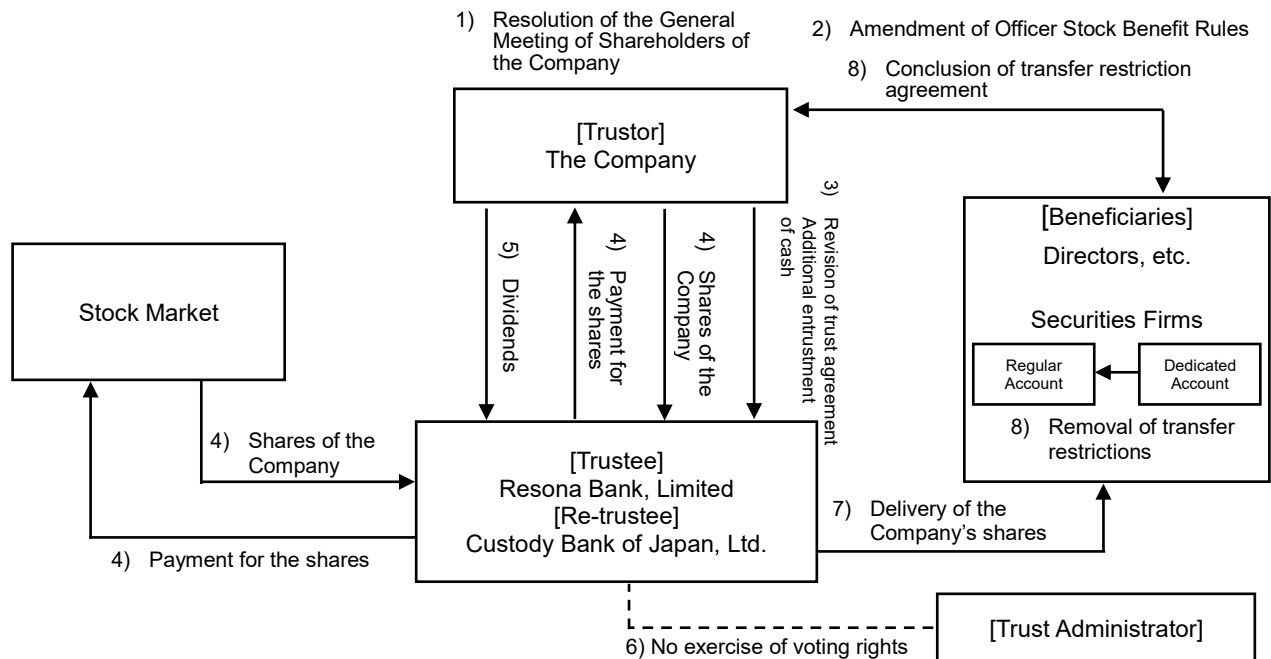
(3) Applicable period after the revision of the Plan

The applicable period shall be the five-fiscal-year period from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2029 and the subsequent five-fiscal-year periods following this applicable period (hereinafter each period shall be referred to as the "Applicable Period").

(4) Establishment of a trust to operate the Plan

The Company shall operate the Plan by establishing the following trust upon reaching an agreement with the beneficiaries.

Plan Mechanism



- 1) The Company shall obtain approval for the revision of the Plan by resolution of this General Meeting of Shareholders.
- 2) The Company shall revise the Officer Stock Benefit Rules to the extent approved by this General Meeting of Shareholders.
- 3) The Company shall revise the existing trust agreement and, as necessary, entrust additional money to the extent approved by this General Meeting of Shareholders.
- 4) The Trust shall use the money entrusted in 3) above as funds to acquire the Company's shares either through the stock market or by receiving a disposal of the Company's treasury stock.
- 5) Dividends will be paid on the Company's shares held in the Trust in the same way as other shares of the Company.
- 6) Voting rights of the Company's shares held by the Trust shall not be exercised throughout the trust period.
- 7) Pursuant to the provisions of the Officer Stock Benefit Rules described in 2) above, during the trust period, points will be awarded to the Directors, etc. who are eligible under the Plan, according to their position. At a certain time every year, Directors, etc. who have satisfied certain beneficiary requirements (including the conclusion of the transfer restriction agreement in 8) below) set forth in the Officer Stock Benefit Rules shall receive delivery of the Company's shares based on the number of points awarded, and those shares will be administered in a dedicated account opened at a securities firm.
- 8) In principle, the Company and the Directors, etc. will enter into transfer a restriction agreement that sets a transfer restriction period for the delivered Company shares from the date of delivery until the date of retirement of the Directors, etc. The Company will remove the transfer restrictions on the delivered Company shares at a the time of the retirement of the Directors, etc. (the Company's shares for which the transfer restrictions have not been removed will be acquired by the Company without consideration).

(5) Trust period

The trust period shall be from August 8, 2016 to July 31, 2029.

The Company may continue the Trust by revising the trust agreement and making additional entrustments even after the expiry of the extended trust period of the Trust, and the same shall apply thereafter.

Additionally, if the Company does not revise the trust agreement and make additional entrustments at the expiry of the trust period, no points will be awarded to the Directors, etc., thereafter. However, if there are Directors, etc. who may satisfy the beneficiary requirements at that point in time, the Company may extend the trust period of the Trust until the said Directors, etc. retire and the delivery of the Company's shares is completed.

(6) The limit on the amount of money to be contributed by the Company and the limit on the number of shares

Conditional upon obtaining the approval of this General Meeting of Shareholders, the Company shall make an additional contribution of up to ¥200 million as funds to acquire the shares to be delivered to the Directors, etc. under the Plan corresponding to this Applicable Period. Additionally, even after this Applicable Period, the Company shall make additional contributions of up to ¥200 million for each subsequent Applicable Period until the Plan is terminated.

However, when making these additional contributions, if any of the Company's shares (excluding the Company's shares equivalent to the number of points awarded to the Directors, etc. corresponding to each Applicable Period immediately preceding the current Applicable Period, but not yet delivered to the Directors, etc. of the Company) or cash (hereinafter, collectively, "Shares, etc. Remaining on the Day Immediately Prior to the Start of the Applicable Period") remain as trust assets of the Trust, on the day immediately prior to the start of each Applicable Period, the total amount of the Shares, etc. Remaining on the Day Immediately Prior to the Start of the Applicable Period and the trust money to be additionally contributed shall be within the limit on the amount approved by this General Meeting of Shareholders.

The limit on the number of the Company's shares to be acquired by the Trust and the limit on the number of the Company's shares to be delivered to the Directors, etc. for each Applicable Period shall each be 120,000 shares (however, if a share split, a gratis allotment or share consolidation, etc. takes place concerning the Company's shares, the number of shares shall be adjusted reasonably to reflect such change). However, the limit on the number of the Company's shares to be delivered to Directors other than Directors serving as Audit and Supervisory Committee Members shall be 6,500 shares per annum, for the Directors serving as Audit and Supervisory Committee Members (including Outside Directors), the limit on shares shall be 3,500 shares per annum, and for Executive Officers and Fellows, the limit on shares to be delivered shall be 14,000 shares per annum.

In addition, this stock compensation shall be included within the limit of the amount of compensation for Directors other than Directors serving as Audit and Supervisory Committee Members (24 million yen a month) and the limit of the amount of compensation for Directors serving as Audit and Supervisory Committee Members (5 million yen a month).

(7) Method of acquiring the Company's shares by the trust and the timing of the acquisition

The Trust shall acquire the Company's shares within the limit on the amount of money contributed to the Trust as described in (6) above from the stock exchange market or by subscribing to the disposal of the Company's treasury shares.

(8) Method of calculation of the number of the Company's shares to be delivered to the eligible persons under the Plan

The Directors, etc. shall be awarded points according to their position each fiscal year during each Applicable Period pursuant to the Officer Stock Benefit Rules. In the delivery of the shares, the awarded points shall be exchanged for the Company's shares at a rate of 1 share per 1 point. However, if, after this proposal has been approved, a share split, gratis allotment or share consolidation, etc. takes place concerning the Company's shares, the exchange ratio shall be adjusted reasonably to reflect such change according to the ratio, etc. of such split, allotment or consolidation, etc.

(9) The timing of the delivery of the Company's shares to the eligible persons under the Plan

The Directors, etc., in principle, shall receive delivery of the Company's shares according to the number of points granted at a certain time every year, upon entering into a transfer restriction agreement with the Company, (the transfer restrictions shall be removed at the time of retirement of the Directors, etc.)

However, in cases such as when Directors, etc. retire after the end of each fiscal year or plan to retire by

the delivery of the shares, the conclusion of a transfer restriction agreement shall not be included in the beneficiary requirements, and they shall receive the delivery of the Company's shares according to the number of points awarded by completing the prescribed procedures to be designated as beneficiaries.

(10) Handling of points awarded prior to the revision

In the Plan prior to revision, Directors, etc. (referring to Directors excluding Directors serving as Audit and Supervisory Committee Members, and Executive Officers) of the Company, in principle, would receive the delivery of the Company's shares by completing the prescribed procedures to be designated as beneficiaries, according to the finalized number of points awarded to them until the time of retirement, if they retired and satisfied the beneficiary requirements as set forth in the Officer Stock Benefit Rules. With the revision of the Plan, however, shares equivalent to points awarded based on the Plan between 2016, when the Plan was adopted, and June 30, 2024 and that currently exist and points scheduled to be awarded (specifically, 67,434 shares) shall be delivered to the persons eligible under the Plan prior to its revision in September 2024 (to be confirmed), on the condition of the conclusion of the transfer restriction agreement described in 4. Below. The Company seeks approval for the revision of the Plan, including this handling as a result of the Plan's revision.

(11) Exercise of voting rights of the Company's shares held within the trust

The voting rights of the Company's shares held within the Trust shall not be exercised to ensure the independence of the Trust from the Company's management.

(12) Dividends of the Company's shares held within the trust

Dividends related to the Company's shares held within the Trust shall be received by the Trust and used to acquire the Company's shares and to pay trust fees to the trustee, etc. Any dividends remaining within the Trust at the time of termination of the Plan are scheduled to be prorated and paid to the eligible persons under the Plan who are in office at that time according to the number of their accumulated points or donated to public interest entities.

(13) Termination of the trust

The Trust shall be terminated when such events occur as the abolishment of the Officer Stock Benefit Rules with respect to the officer compensation.

Of the residual assets in the Trust upon its termination, the Company's shares are scheduled to be entirely acquired by the Company without consideration and canceled by resolution of the Board of Directors, or donated to public interest entities. In addition, of the residual assets in the Trust upon its termination, the money is scheduled to be prorated and paid to the eligible persons under the Plan who are in office at that time according to the number of their accumulated points or donated to public-interest entities.

4. Transfer Restriction Agreement Related to the Company's Shares to be Delivered to the Directors, Etc.

In cases where the Directors, etc. receive delivery of the Company's shares while in office, prior to the delivery of the Company's shares, the Company and the Directors, etc. shall enter into a transfer restriction agreement (hereinafter the "Transfer Restriction Agreement") that includes the following particulars, and the Directors shall receive delivery of the Company's shares on the condition that they enter into the Transfer Restriction Agreement.

However, in cases where certain requirements set forth in the Officer Stock Benefit Rules are satisfied at the time of delivery of the shares, the Company's shares may be delivered without entering into this Transfer Restriction Agreement (see 3. (9) above for details).

Overview of the Transfer Restriction Agreement

- 1) The Directors, etc. may not transfer, create a security interest, or otherwise dispose of the Company's shares for which they have received delivery under the Plan from the date on which they received delivery of the shares until the date of their retirement as Directors, etc. (hereinafter, the "Transfer Restriction Period").
- 2) If the Directors, etc. retire due to the expiration of their term of office or other legitimate reason during the Transfer Restriction Period, the transfer restrictions shall be removed immediately after retirement for the shares held by the Directors, etc. at the time of retirement.
- 3) In the event of certain reasons (the dismissal of Directors, etc., recognition by the Company of certain illegal acts committed by the Directors, etc. during their term of office, or the discovery after the retirement of the Directors, etc. of certain illegal acts committed by the Directors, etc.), the Company will acquire the Company's shares without consideration or demand repayment.

- 4) In the event that a merger agreement whereby the Company will be the non-surviving party to the merger or other matter concerning the organizational restructuring, etc. of the Company is approved by the General Meeting of Shareholders or Board of Directors of the Company during the Transfer Restriction Period, the Company may, by resolution of the Company's Board of Directors, remove the transfer restrictions on the Company's shares held by the Directors, etc. immediately prior to the business day preceding the date of that approval.

To ensure that the Company's shares subject to the transfer restrictions pursuant to this Transfer Restriction Agreement cannot be transferred, have a security interest set on them, or be otherwise disposed of, the shares will be administered in dedicated accounts opened with a securities firm by the Directors, etc. for the duration of the Transfer Restriction Period. Other particulars of this Transfer Restriction Agreement will include methods of communication of intention and notifications under the Transfer Restriction Agreement, methods of revision of this Transfer Restriction Agreement, and other matters set forth by the Board of Directors.