

Securities Code: 6925

June 6, 2024

(Measures for electronic provision have commenced on June 3, 2024)

To Our Shareholders:

1-6-5 Marunouchi, Chiyoda-ku, Tokyo

Ushio Inc.

Takabumi, Asahi, President and Chief Executive Officer

Notice of the 61st Annual General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 61st Annual General Meeting of Shareholders as described below.

To convene this General Meeting of Shareholders, information contained in Reference Document and other materials for this General Meeting of Shareholders (Matters Subject to Measures for Electronic Provision) will be provided electronically. Matters Subject to Measures for Electronic Provision are posted on websites indicated below as "Notice of the 61st Annual General Meeting of Shareholders". Please access one of the websites indicated below to confirm.

[The Company's website]

https://www.ushio.co.jp/en/ir/stocks_info/meeting.html

[The website of the Tokyo Stock Exchange]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

*Please access the website above, search by entering the Company's name or securities code(6925), and select "Basic information" then "Documents for public inspection/PR information" to view the matters.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing or by an electromagnetic method. We kindly request you to read the Reference Document for the Annual General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m., June 26, 2024 (Wednesday).

Sincerely yours,

1. **Date:** 10:00 a.m., June 27, 2024 (Thursday) (The reception desk opens at 9:00 a.m.)

2. **Venue:** 11F, *Kujaku* Hall, KKR Hotel Tokyo
1-4-1 Otemachi, Chiyoda-ku, Tokyo

3. **Purposes:**

Matters to be reported:

The Business Report, the Consolidated and Non-Consolidated Financial Statements and the Results of Consolidated Financial Statement Audits by the Accounting Auditor and the Audit and Supervisory Committee for the 61st business period (April 1, 2023 to March 31, 2024)

Matters to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Seven (7) Directors (excluding directors who are Audit & Supervisory Committee Members)

Proposal No. 3: Election of Four (4) Directors who are Audit & Supervisory Committee Members

Proposal No. 4: Partial Revision of Amount and Contents of Stock Remuneration for Directors and Executive Officer

4. **Matters decided upon convening the Annual General Meeting of Shareholders (Information on the exercise of voting rights) :**

(1) If you exercise your voting rights in writing and do not indicate your approval or disapproval for proposals on the voting form, your vote will be treated as if you indicated your approval.

(2) If you exercise your voting rights multiple times by an electromagnetic method, only your last vote will be treated as valid.

(3) If you exercise your voting rights both in writing and by an electromagnetic method, only the vote by an electromagnetic method will be treated as valid regardless of the date and time of arrival.

(4) If you exercise your voting rights by proxy, you may delegate another one shareholder as a proxy, who also owns voting rights of the Company, to attend the General Meeting of Shareholders. However, please to be advised that you will be required to submit a written document certifying your proxy's authority along with the voting form.

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- If there are any revisions to Matters Subject to Measures for Electronic Provision, a notice of such revision, the matters before and after such revision will be shown on each of the above websites.
 - Of Matters Subject to Measures for Electronic Provision, "Systems for Ensuring the Appropriateness of Operations and the Status of Operation of such Systems" in the Business Report, "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements are not stated in the document to be sent to shareholders who made a request to the Company for delivery of documents, pursuant to provisions of laws and regulations as well as the Articles of Incorporation of the Company. However, the Accounting Auditor and the Audit & Supervisory Committee have audited the document including said Matters Subject to Measures for Electronic Provision for the purpose of preparing an accounting auditor's report and an auditors' report.
 - Please be advised that no gifts will be provided to attending shareholders.

Reference Document for the Annual General Meeting of Shareholders

Proposals and Referential Matters

Proposal No. 1: Appropriation of Surplus

The Company would like to appropriate surplus as follows.

1. Year-end Dividend

Striving to constantly remain cognizant of the fact that returning profits to shareholders is one of the top priorities of corporations, the Ushio Group's basic policy is to provide stable and consistent returns of profits to shareholders, while endeavoring to enhance its financial position and business foundations.

Based on this policy, taking the business environment as well as business results into consideration, the Company would like to distribute the year-end dividend to assign an annual dividend of 50 yen per common share, as in the previous fiscal year as indicated below.

(1) Kind of the dividend property

Cash

(2) Matters regarding assignment of the dividend property and the total amount of the dividend property

An annual dividend: 50 yen per common share

The total amount of the dividend property: 5,145,158,950 yen

(3) The day on which such distribution of dividend of surplus takes effect

On June 28, 2024

2. Appropriation of Other Surplus

For the purpose of ensuring sufficient flexibility in its capital policy, the Company would like to reverse the general reserve and apply it to retained earnings carried forward.

(1) Item and amount of surplus to be increased

Retained earnings carried forward: 22,350,000,000 yen

(2) Item and amount of surplus to be decreased

General reserve: 22,350,000,000 yen

Proposal No. 2: Election of Seven (7) Directors (excluding directors who are Audit & Supervisory Committee Members)

The terms of office of all Ten (10) Directors (excluding directors who are Audit & Supervisory Committee Members; the same applies hereafter in this proposal) will expire at the close of this Annual General Meeting of Shareholders. The Company hereby proposes the election of seven (7) Directors, decreasing the number of Directors in order to enhance the efficiency of the Company's management system.

The Board of Directors has previously consulted the Nomination and Remuneration Advisory Committee, whose chairperson and majority of the members are Independent Outside Directors, with regard to this Proposal. The Audit & Supervisory Committee has judged that all candidates for Directors are eligible with regard to this agenda. In addition, all the four (4) candidates for Outside Directors satisfy the Independence Criteria for Outside Directors prescribed by the Company (page 20).

The following are candidates for Directors.

Candidate number	Name	Current position and responsibility at the Company	Term of office	Attendance at the Board of Directors' meetings
1	[Re-elected] Takabumi Asahi	President and Chief Executive Officer	3 years	100% (12 / 12)
2	[Re-elected] Tetsuo Nakano	Director and Senior Executive Vice President Chief Operating Officer Chief Sustainability Officer	1 year	100% (9 / 9)
3	[Re-elected] Kazuhisa Kamiyama	Director and Managing Executive Officer General Manager, Photolithography Division	5 years	100% (12 / 12)
4	[Re-elected] Toyonari Sasaki	Outside Director	5 years	100% (12 / 12)
5	[Re-elected] Masatoshi Matsuzaki	Outside Director	2 years	100% (12 / 12)
6	[Re-elected] Naoaki Mashita	Outside Director	1 year	100% (9 / 9)
7	[Newly Elected] Mika Masuyama	-	-	-

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
1	Takabumi Asahi (August 28, 1964)	<p>Apr. 1987 Oki Electric Industry Co., Ltd.</p> <p>Apr. 1998 GM, Oki Semiconductor Taiwan Branch</p> <p>Apr. 1999 President, Oki Taiwan Inc.</p> <p>Apr. 2004 GM, North America, Sales and Marketing Dept., Silicon Solutions Company, Oki Electric Industry Co., Ltd.</p> <p>Apr. 2007 President and CEO, Oki Semiconductor Americas Company</p> <p>Aug. 2009 President and CEO, Oki Data Americas Inc.</p> <p>Aug. 2013 GM, Overseas Sales and Marketing Center, Marketing Dept. Oki Data Inc. (currently Oki Electric Industry Co., Ltd.)</p> <p>Oct. 2015 Deputy GM, Marketing Dept. Oki Data Inc.</p> <p>Apr. 2017 Joined Ushio Inc.</p> <p>Deputy General Manager, Corporate Headquarters</p> <p>Apr. 2018 Executive Officer Deputy General Manager, Corporate Headquarters and General Manager, Corporate Strategy Division, Corporate Headquarters</p> <p>Apr. 2019 Senior Executive Officer General Manager, Corporate Headquarters</p> <p>Jun. 2021 Director and Senior Executive Officer</p> <p>Apr. 2022 Director, Managing Executive Officer and Chief Financial Officer</p> <p>Apr. 2024 President and Chief Executive Officer (incumbent)</p>	3,800
<p><Reasons for electing Mr. Takabumi Asahi as a candidate for Director></p> <p>Mr. Takabumi Asahi has directed the management of overseas group companies and sales and marketing operations of a manufacturer with global operations for many years. After joining the Company, he has undertaken management roles as General Manager of the Administrative Department and Executive Officer in charge of financial affairs. In April 2024, he assumed the position of President and Chief Executive Officer. The Company has judged that with such extensive experience and knowledge, he is expected to continue to perform an appropriate role in overall management toward further enhancing corporate value. Accordingly, the Company proposes him as a candidate for Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
2	Tetsuo Nakano (September 4, 1965)	<p>Apr. 1988 Joined Ushio Inc.</p> <p>Apr. 2016 Group Executive Officer Chairman, Ushio Shanghai, Inc.</p> <p>Apr. 2017 Group Senior Executive Officer</p> <p>Apr. 2018 Group Managing Executive Officer</p> <p>Apr. 2019 Managing Executive Officer Deputy General Manager, Business Management Headquarters and General Manager, Light Source Business Division, Business Management Headquarters</p> <p>Apr. 2022 General Manager, ESG Promotion Headquarters</p> <p>Jun. 2023 Director, Managing Executive Officer</p> <p>Apr. 2024 Director, Senior Executive Vice President, Chief Operating Officer and Chief Sustainability Officer (incumbent)</p>	4,900
<p><Reasons for electing Mr. Tetsuo Nakano as a candidate for Director></p> <p>After having worked in the sales division of the light source business for many years and directed the management of China Group Companies, Mr. Tetsuo Nakano assumed the position of General Manager of the light source business in April 2019. He has served the position of General Manager of the promotion of ESG management since April 2022, and assumed the position of Senior Executive Vice President, Chief Operating Officer and Chief Sustainability Officer in April 2024. The Company has judged that with such extensive experience and knowledge, he is expected to continue to perform an appropriate role in overall management toward further enhancing corporate value. Accordingly, the Company proposes him as a candidate for Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
3	Kazuhisa Kamiyama (September 25, 1968)	<p>Sep. 1995 Joined Ushio Inc.</p> <p>Apr. 2016 Executive Officer</p> <p>Apr. 2018 General Manager, Corporate Headquarters</p> <p>Jul. 2018 Group Executive Officer Chief Financial Officer, CHRISTIE DIGITAL SYSTEMS INC.</p> <p>Apr. 2019 Group Senior Executive Officer President, CHRISTIE DIGITAL SYSTEMS INC. Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS USA, INC. Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS CANADA INC.</p> <p>Jun. 2019 Director and Group Senior Executive Officer</p> <p>Apr. 2022 Director and Managing Executive Officer (incumbent) Deputy General Manager, Business Management Headquarters and General Manager, Light Source Business Division, Business Management Headquarters</p> <p>Apr. 2023 Deputy General Manager, Business Management Headquarters and General Manager, Life Science Division, Business Management Headquarters</p> <p>Apr. 2024 General Manager, Photolithography Division (incumbent)</p>	5,750
<p><Reasons for electing Mr. Kazuhisa Kamiyama as a candidate for Director></p> <p>After having worked in the Accounting and Finance Departments of the Company for many years and undertaken management roles as General Manager of the Administration Department, Mr. Kazuhisa Kamiyama has directed the management of North America Group companies since 2018. Since April 2022, he has successively served as the General Manager of the light source business, the life Science business, and the photolithography business. The Company has judged that with such extensive experience and knowledge, he is expected to continue to perform an appropriate role in overall management toward further enhancing corporate value. Accordingly, the Company proposes him as a candidate for Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
4	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #cccccc; padding: 2px 5px;">Outside Director</div> <div style="background-color: #cccccc; padding: 2px 5px;">Independent Director</div> </div> <p>Toyonari Sasaki (April 1, 1953)</p>	<p>Apr. 1976 Joined the Ministry of Finance</p> <p>Jul. 2003 Deputy Director, General of the Budget Bureau</p> <p>Jul. 2007 First Deputy Commissioner, National Tax Agency</p> <p>Jul. 2008 Director, General of the Financial Bureau</p> <p>Jan. 2010 Assistant Chief Cabinet Secretary, Cabinet Secretariat</p> <p>Apr. 2013 Chief Domestic Coordinator, Governmental Headquarters for the Trans-Pacific Strategic Economic Partnership Agreement (TPP), Cabinet Secretariat</p> <p>Jul. 2016 Vice Chairman, the Life Insurance Association of Japan (incumbent)</p> <p>Jun. 2019 Outside Director (incumbent) (Significant concurrent position)</p> <p>Vice Chairman, the Life Insurance Association of Japan</p>	2,200
<p><Reasons for electing Mr. Toyonari Sasaki as a candidate for Outside Director and overview of expected roles></p> <p>Mr. Toyonari Sasaki has extensive experience and knowledge of global business development including promotion of free trade. The Company has judged that with such strengths, he is expected to continue to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes him as a candidate for Outside Director. Although he has no direct corporate management experience, the Company believes he is capable of appropriately performing the duties of an Outside Director based on the aforementioned reasons.</p> <p><Independence></p> <p>There are no special interests between Mr. Toyonari Sasaki and the Company. In addition, he satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Mr. Toyonari Sasaki is an Independent Outside Director who has no conflicts of interest with ordinary shareholder.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
5	<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director</div> </div> <p>Masatoshi Matsuzaki (July 21, 1950)</p>	<p>Apr. 1976 Joined Konishiroku Photo Industry, Inc. (currently Konica Minolta, Inc.)</p> <p>Oct. 2003 Director, Konica Minolta Business Technologies Inc.</p> <p>Apr. 2005 Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.) President and Chief Executive Officer, Konica Minolta Technology Center, Inc.</p> <p>Apr. 2006 Senior Executive Officer, Konica Minolta Holdings, Inc.</p> <p>Jun. 2006 Director and Senior Executive Officer, Konica Minolta Holdings, Inc.</p> <p>Apr. 2009 Director, President, Chief Executive Officer and Representative Executive Officer, Konica Minolta Holdings, Inc.</p> <p>Apr. 2014 Director and Chair of the Board of Directors, Konica Minolta, Inc.</p> <p>Jun. 2019 Outside Director and Chair of the Board of Directors, LIXIL Group Corporation (currently LIXIL Corporation) (incumbent)</p> <p>Aug. 2021 Outside Director, SmartHR, Inc.</p> <p>Apr. 2022 Outside Director and Chair of the Board of Directors, SmartHR, Inc. (incumbent)</p> <p>Jun. 2022 Outside Director Special Advisor, Konica Minolta, Inc.</p> <p>Mar. 2023 Outside Audit & Supervisory Board Member, Lion Corporation (incumbent)</p> <p>Jun. 2023 Outside Director and Chair of the Board of Directors (incumbent) (Significant concurrent position) Outside Director and Chair of the Board of Directors, LIXIL Corporation Outside Director and Chair of the Board of Directors, SmartHR, Inc. Outside Audit & Supervisory Board Member, Lion Corporation</p>	0
<p><Reasons for electing Mr. Masatoshi Matsuzaki as a candidate for Outside Director and overview of expected roles></p> <p>Mr. Masatoshi Matsuzaki has a wealth of experience obtained managing the activities of a manufacturer with global operations, and has in-depth knowledge of corporate governance. The Company has judged that with such strengths, he is expected to continue to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes him as a candidate for Outside Director.</p> <p><Independence></p> <p>There are no special interests between Mr. Masatoshi Matsuzaki and the Company. In addition, he satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Mr. Masatoshi Matsuzaki is an Independent Outside Director who has no conflicts of interest with ordinary shareholder.</p> <p>Although Mr. Masatoshi Matsuzaki is the former Representative Executive Officer of Konica Minolta, Inc. with which the Company has business transactions, the percentage of such transactions against consolidated net sales of either Konica Minolta Group and Ushio Group is less than one percent (1%) in each of the past five (5) fiscal years. Further, more than ten (10) years have passed since Mr. Masatoshi Matsuzaki resigned the executive officer of Konica Minolta Group. Based on the aforementioned background, Mr. Masatoshi Matsuzaki satisfies the Independence Criteria for Outside Directors prescribed by the Company.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
6	<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px; margin-bottom: 5px;"> Outside Director Independent Director </div> <p>Naoaki Mashita (December 2, 1977)</p>	<p>Oct. 1998 Established V-cube Internet (currently V-cube, Inc.) and served as President and CEO</p> <p>Jan. 2004 President and CEO, V-cube Broad Communications, Inc. (currently V-cube, Inc.)</p> <p>Oct. 2015 Director, V-cube Robotics Japan, Inc. (currently SENSYN ROBOTICS, Inc.) Director, Wizlearn Technologies Pte. Ltd. (incumbent)</p> <p>Nov. 2018 President and CEO, SENSYN ROBOTICS, Inc.</p> <p>Aug. 2019 Chairman and Representative Director, SENSYN ROBOTICS, Inc.</p> <p>Jun. 2021 Director, SENSYN ROBOTICS, Inc. (incumbent) Director, Xyvid, Inc. (Incumbent)</p> <p>Mar. 2022 Representative Director, Chairman & Group CEO, V-cube, Inc. (incumbent)</p> <p>Sep. 2022 Outside Director, MICIN, Inc. (incumbent)</p> <p>Jun. 2023 Outside Director (incumbent) Outside Director, Sumitomo Mitsui Trust Bank, Limited (incumbent)</p> <p>(Significant concurrent position) Representative Director, Chairman & Group CEO, V-cube, Inc. Director, Wizlearn Technologies Pte. Ltd. Director, SENSYN ROBOTICS, Inc. Director, Xyvid, Inc. Outside Director, MICIN, Inc. Outside Director, Sumitomo Mitsui Trust Bank, Limited</p>	0
<p><Reasons for electing Mr. Naoaki Mashita as a candidate for Outside Director and overview of expected roles></p> <p>As the founder and manager of an information and telecommunications and DX business company, Mr. Naoaki Mashita has been engaged in global corporate management with offices in Asia and North America, and possesses global values along with a wealth of experience and in-depth knowledge. The Company has judged that with such strengths, he is expected to continue to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes him as a candidate for Outside Director.</p> <p><Independence></p> <p>There are no special interests between Mr. Naoaki Mashita and the Company. In addition, he satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Mr. Naoaki Mashita is an Independent Outside Director who has no conflicts of interest with ordinary shareholder.</p> <p>Although Mr. Naoaki Mashita is Representative Director, Chairman and Group CEO of V-cube, Inc. with which the Company has business transactions, the percentage of such transactions against consolidated net sales of either V-cube Group and Ushio Group is less than one percent (1%) in each of the past five (5) fiscal years. Based on the aforementioned background, Mr. Naoaki Mashita satisfies the Independence Criteria for Outside Directors prescribed by the Company.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
7	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 10px;"> <div style="background-color: #cccccc; padding: 2px 5px;">Newly Elected</div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #cccccc; padding: 2px 5px;">Independent Director</div> <div style="background-color: #cccccc; padding: 2px 5px;">Director</div> </div> </div> <p>Mika Masuyama (January 6, 1963)</p> </div>	<p>Apr. 1985 Joined the Bank of Japan Sep. 1991 International Marketing Director, Cap Gemini Sogeti Nov. 1992 Senior Consultant, Gemini Consulting Japan Jun. 1997 Joined Egon Zehnder Jan. 2004 Partner, Egon Zehnder Oct. 2016 President and Representative Partner, Masuyama & Company LLC. (incumbent) Mar. 2017 Outside Director (an Audit & Supervisory Committee Member), Suntory Beverage & Food Limited (incumbent) Mar. 2019 Outside Director, KOKUYO Co., Ltd. (incumbent) Jun. 2019 Outside Director, Konoike Transport Co., Ltd. (incumbent) May 2020 Outside Director, MetLife Insurance K.K. (incumbent)</p> <p>(Significant concurrent position) President and Representative Partner, Masuyama & Company LLC. Outside Director (an Audit & Supervisory Committee Member), Suntory Beverage & Food Limited Outside Director, KOKUYO Co., Ltd. Outside Director, Konoike Transport Co., Ltd. Outside Director, MetLife Insurance K.K.</p>	0
<p><Reasons for electing Ms. Mika Masuyama as a candidate for Outside Director and overview of expected roles></p> <p>Ms. Mika Masuyama has a wealth of consulting experience and knowledge in areas such as corporate governance, human capital and organizations, and M&A, and has global expertise of management and economics. The Company has judged that with such strengths, she is expected to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes her as a candidate for Outside Director.</p> <p><Independence></p> <p>There is no business relationship between the firm Mika Masuyama represents and the Company. There are also no special interests between Ms. Mika Masuyama and the Company. In addition, she satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Ms. Mika Masuyama is an Independent Outside Director who has no conflicts of interest with ordinary shareholders.</p>			

Notes:

1. (i) Mr. Toyonari Sasaki will have served as Outside Director of the Company for five (5) years at the close of this Annual General Meeting of Shareholders.
(ii) Mr. Masatoshi Matsuzaki will have served as Outside Director of the Company for two (2) years at the close of this Annual General Meeting of Shareholders.
(iii) Mr. Naoaki Mashita will have served as Outside Director of the Company for one (1) year at the close of this Annual General Meeting of Shareholders.
2. Mr. Masatoshi Matsuzaki serves as Outside Director of LIXIL Corporation, but will retire from the position of Outside Director at the close of the firm's annual general meeting of shareholders scheduled on June 19, 2024.
3. Konoike Transport, Co., Ltd., for which Ms. Mika Masuyama serves as Outside Director, announced on February 9, 2024 that it had confirmed the fact that its employees had engaged in fraudulent activities of fictitious invoicing and embezzlement in collusion with its business partners, and subsequently, on March 14, 2024, announced that in the course of the investigation conducted by the internal control investigation committee into the existence of similar incidents related to said fraudulent activities, it was revealed that its employees had engaged in fraudulent accounting

practices such as improper disbursement of stored goods, cost substitution between sections, etc. Ms. Mika Masuyama had been raising awareness of compliance with laws and regulations by regularly offering recommendations from the viewpoint thereof at the Board of Directors and other meetings. Since becoming aware of said facts, she has appropriately fulfilled her responsibilities by making specific recommendations and expressing her opinions to prevent recurrence at the Board of Directors and other meetings, with regard to strengthening internal control systems and deterrent functions, promoting personnel mobility and appropriate placement, maintaining proper relationships with business partners, and revitalizing corporate culture.

4. The Company and each Mr. Toyonari Sasaki, Mr. Masatoshi Matsuzaki and Mr. Naoaki Mashita have in place between them an agreement that limits the liability of damages provided in Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said Act. Under this agreement, the liabilities are limited to the extent prescribed by law. If the appointment of Mr. Toyonari Sasaki, Mr. Masatoshi Matsuzaki and Mr. Naoaki Mashita is approved, the Company intends to continue the liability limitation agreement described above with each of them. If Ms. Mika Masuyama is elected, the Company plans to conclude the liability limitation agreement in the same manner.
5. The Company has registered each Mr. Toyonari Sasaki, Mr. Masatoshi Matsuzaki and Mr. Naoaki Mashita as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof. If the appointment of Mr. Toyonari Sasaki, Mr. Masatoshi Matsuzaki and Mr. Naoaki Mashita is approved, each of them will continue to be an Independent Director. If Ms. Mika Masuyama is elected, the Company will register her as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof.
6. The Company has entered into a Directors' and officers' liability insurance agreement, pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance agreement covers the compensation for legally mandated damage compensation and legal expenses that may be incurred by the insured individuals including Directors of the Company due to claims filed against them in relation to the execution of their duties (unless the case falls under the exemptions specified in the insurance agreement). If the appointment of each candidate is approved, they will be insured individuals under the insurance agreement. The insurance agreement is scheduled to be renewed with the same conditions at the time of next renewal.

Proposal No. 3: Election of four (4) Directors who are Audit & Supervisory Committee Members

The terms of office of all four (4) Directors who are Audit & Supervisory Committee Members will expire at the close of this Annual General Meeting of Shareholders. The Company hereby proposes the election of four (4) Directors who are Audit & Supervisory Committee Members.

The Board of Directors has previously consulted the Nomination and Compensation Advisory Committee, whose chairperson and majority of the members are Independent Outside Directors, with regard to this agenda. The Company has obtained the consent of the Audit & Supervisory Committee with regard to this agenda. In addition, all the three (3) candidates for Outside Directors satisfy the Independence Criteria for Outside Directors prescribed by the Company.

The following are candidates for Directors who are Audit & Supervisory Committee Members.

Candidate number	Name	Current position and responsibility at the Company	Term of office	Attendance at the Board of Directors' meetings
				Attendance at the Audit & Supervisory Committee's meetings
1	[Newly Elected] Makoto Kinoshita	Executive Officer In Charge of HR & General Affairs Division	-	-
2	[Re-elected] Rei Sugihara	Outside Director (an Audit & Supervisory Committee Member) <div style="display: inline-block; background-color: #cccccc; padding: 2px;">Outside Director</div> <div style="display: inline-block; background-color: #cccccc; padding: 2px;">Independent Director</div>	4 years	100% (12 / 12)
3	[Re-elected] Akemi Sunaga	Outside Director (an Audit & Supervisory Committee Member) <div style="display: inline-block; background-color: #cccccc; padding: 2px;">Outside Director</div> <div style="display: inline-block; background-color: #cccccc; padding: 2px;">Independent Director</div>	4 years	100% (12 / 12)
4	[Re-elected] Chiaki Ariizumi	Outside Director (an Audit & Supervisory Committee Member) <div style="display: inline-block; background-color: #cccccc; padding: 2px;">Outside Director</div> <div style="display: inline-block; background-color: #cccccc; padding: 2px;">Independent Director</div>	2 years	100% (12 / 12)
				100% (13 / 13)

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
1	<div style="background-color: #cccccc; padding: 2px; display: inline-block;">Newly Elected</div> Makoto Kinoshita (May 29, 1965)	Apr. 1990 Joined the Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) Nov. 2016 President, Banco de Tokyo-Mitsubishi UFJ Brasil S/A (currently Banco MUFG Brasil S.A.) Apr. 2018 President, Banco MUFG Brasil S.A. Deputy General Manager, Latin America Region and General Manager, Americas Corporate Administration Division, MUFG Bank, Ltd. Apr. 2020 Joined Ushio Inc. Sep. 2020 General Manager, Global HR Strategy Department, Human Resource & General Affairs Division, Corporate Headquarters Apr. 2022 Executive Officer (incumbent) General Manager, Global Human Resources & General Affairs Division, Corporate Headquarters Apr. 2023 General Manager, Group Human Resources & General Affairs Division, Corporate Headquarters Apr. 2024 In Charge of HR & General Affairs Division (incumbent)	0
<p><Reasons for electing Mr. Nobuyuki Kobayashi as a candidate for Director> Mr. Makoto Kinoshita has many years of domestic and international experience at financial institutions. After joining the Company, he has undertaken the management roles as the General Manager of the human resources department and as an Executive Officer in charge of human resources, general affairs, and risk management. The Company has judged that with his depth of specialized knowledge and extensive experience, he would fairly and adequately perform audits and supervise the execution of business. Accordingly, the Company proposes him as a candidate for Director who is an Audit & Supervisory Committee Member.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director</div> </div> <p style="text-align: center;">Rei Sugihara (October 25, 1958)</p>	<p>Apr. 1986 Judge (Assistant Judge, Tokyo District Court)</p> <p>Apr. 1995 Attorney-at-law (incumbent)</p> <p>Jan. 1996 Joined Koga Law Office (currently Kasumi Sogo Law Office)</p> <p>Jun. 2020 Outside Director (an Audit & Supervisory Committee Member) (incumbent)</p> <p>Jan. 2023 Outside Director (an Audit & Supervisory Committee Member), TOMOE Engineering Co., Ltd. (incumbent)</p> <p>(Significant concurrent positions)</p> <p>Attorney-at-law</p> <p>Outside Director (an Audit & Supervisory Committee Member), TOMOE Engineering Co., Ltd.</p>	1,100
2	<p><Reasons for electing Ms. Rei Sugihara as a candidate for Outside Director and overview of expected roles></p> <p>Ms. Rei Sugihara, as a lawyer specializing in corporate legal affairs, has in-depth specialized knowledge of laws, considerable insights into corporate management, and supervisory capabilities. The Company has judged that with such strengths, she would continue to fairly and adequately perform audits and supervise the execution of business. Accordingly, the Company proposes her as a candidate for Outside Director who is an Audit & Supervisory Committee Member. Although she has no direct corporate management experience, the Company believes she is capable of appropriately performing the duties of an Outside Director based on the aforementioned reasons.</p> <p><Independence></p> <p>There are no special interests between Ms. Rei Sugihara and the Company. In addition, she satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Ms. Rei Sugihara is an Independent Outside Director who has no conflicts of interest with ordinary shareholder.</p>		

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
3	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director</div> </div> <p style="text-align: center;">Akemi Sunaga (August 14, 1961)</p>	<p>Oct. 1989 Joined Auditing Department of Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)</p> <p>Feb. 1991 Joined Auditing Department of Chuo Audit Corporation</p> <p>Aug. 1993 Certified public accountant (incumbent)</p> <p>Oct. 1994 Certified public tax accountant (incumbent)</p> <p>Nov. 1994 Established Sunaga CPA Firm and served as Representative (incumbent)</p> <p>Nov. 1996 Established Marunouchi Business Consulting Ltd. and served as Representative Director (incumbent)</p> <p>Jan. 2012 Established Marunouchi Business Consulting Tax Co. and served as Senior Partner (incumbent)</p> <p>Jun. 2017 Established Marunouchi Audit Corporation and served as Senior Partner (incumbent)</p> <p>Jun. 2020 Outside Director (an Audit & Supervisory Committee Member) (incumbent) Outside Director (an Audit & Supervisory Committee Member), YOMEISHU SEIZO CO., LTD. (incumbent)</p> <p>Jun. 2021 Outside Audit & Supervisory Board Member, Prima Meat Packers, Ltd. (incumbent)</p> <p>Jun 2022 Outside Director, KYB Corporation (incumbent)</p> <p>Mar. 2023 Outside Audit & Supervisory Board Member, Lion Corporation (incumbent)</p> <p>(Significant concurrent positions)</p> <p>Certified public accountant Certified public tax accountant Representative, Sunaga CPA Firm Representative Director, Marunouchi Business Consulting Ltd. Senior Partner, Marunouchi Business Consulting Tax Co. Senior Partner, Marunouchi Audit Corporation Outside Director (an Audit & Supervisory Committee Member), YOMEISHU SEIZO CO., LTD. Outside Audit & Supervisory Board Member, Prima Meat Packers, Ltd. Outside Director, KYB Corporation Outside Audit & Supervisory Board Member, Lion Corporation</p>	1,200
<p><Reasons for electing Ms. Akemi Sunaga as a candidate for Outside Director and overview of expected roles ></p> <p>Ms. Akemi Sunaga, as certified public accountant and certified public tax accountant, has in-depth specialized knowledge of financial affairs, accounting and tax, considerable insights into corporate management, and supervisory capabilities. The Company has judged that with such strengths, she would continue to fairly and adequately perform audits and supervise the execution of business. Accordingly, the Company proposes her as a candidate for Outside Director who is an Audit & Supervisory Committee Member.</p> <p><Independence></p>			

There is no business relationship between the firm Ms. Akemi Sunaga represents and the Company. There are also no special interests between Ms. Akemi Sunaga and the Company. In addition, she satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Ms. Akemi Sunaga is an Independent Outside Director who has no conflicts of interest with ordinary shareholders.

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
4	<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px;"> Outside Director Independent Director </div> <p>Chiaki Ariizumi (October 14, 1964)</p>	<p>Apr. 1987 Joined the Bank of Japan May 1998 Deputy Manager, International Department (Head of Europe & America Group), the Bank of Japan Jul. 2002 Manager, Nagoya Branch, the Bank of Japan Jul. 2005 Director, Public Relations Department, the Bank of Japan Jul. 2009 Director, Secretariat of the Policy Board (Head of Business Liaison Group), the Bank of Japan Jun. 2019 Director, Public Relations Department, the Bank of Japan Jan. 2020 Personnel and Corporate Affairs Department, the Bank of Japan Mar. 2020 Retired from the Bank of Japan Outside Audit & Supervisory Board Member, Kobayashi Pharmaceutical Co., Ltd. Jun. 2021 Outside Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. (incumbent) Mar. 2022 Outside Director, Kobayashi Pharmaceutical Co., Ltd. (incumbent) Jun. 2022 Outside Director (an Audit & Supervisory Committee Member) (incumbent)</p> <p>(Significant concurrent positions) Outside Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. Outside Director, Kobayashi Pharmaceutical Co., Ltd.</p>	500
<p><Reasons for electing Ms. Chiaki Ariizumi as a candidate for Outside Director and overview of expected roles > Ms. Chiaki Ariizumi has experience working in public financial institutions over many years and has a wealth of experience and knowledge in analyzing economic conditions and financial markets as well as considerable knowledge of finance and accounting. The Company has judged that with such strengths, she is expected to continue to fairly and adequately perform audits and supervise the execution of business. Accordingly, the Company proposes her as a candidate for Outside Director who is an Audit & Supervisory Committee Member.</p> <p><Independence> There are no special interests between Ms. Chiaki Ariizumi and the Company. In addition, she satisfies the Independence Criteria for Outside Directors prescribed by the Company. Therefore, the Company has judged that Ms. Chiaki Ariizumi is an Independent Outside Director who has no conflicts of interest with ordinary shareholder.</p>			

Notes:

1. (i) Ms. Rei Sugihara and Ms. Akemi Sunaga will have served as Outside Director of the Company for four (4) years at the close of this Annual General Meeting of Shareholders.
(ii) Ms. Chiaki Ariizumi will have served as Outside Director of the Company for two (2) years at the close of this Annual General Meeting of Shareholders.
2. Kobayashi Pharmaceutical Co., Ltd., for which Ms. Chiaki Ariizumi serves as Outside Director, announced on March 22, 2024 that it was voluntarily recalling functional foods containing “Beni-Koji” ingredient that it had manufactured and sold, due to reported that the products had caused health problems, and subsequently on March 27, 2024, received an administrative disposition from the Osaka City Public Health Center ordering a recall of the product in question for violation of the Food Sanitation Law. Ms. Chiaki Ariizumi had been overseeing the establishment and operation of internal control systems by regularly offering opinions and proposals from the viewpoint of risk

management, and compliance with laws and regulations at the Board of Directors and other meetings. Since becoming aware of said facts, she has appropriately fulfilled her responsibilities by overseeing that appropriate actions are taken to deal with the case, and making recommendations on investigation to determine the causes and prevention recurrence at the Board of Directors and other meetings.

3. The Company and each Ms. Rei Sugihara, Ms. Akemi Sunaga and Ms. Chiaki Ariizumi have in place between them an agreement that limits the liability of damages provided in Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said Act. Under this agreement, the liabilities are limited to the extent prescribed by law. If the appointment of Ms. Rei Sugihara, Ms. Akemi Sunaga and Ms. Chiaki Ariizumi is approved, the Company intends to continue the liability limitation agreement described above with each of them.
4. The Company has registered each Ms. Rei Sugihara, Ms. Akemi Sunaga and Ms. Chiaki Ariizumi as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof. If the appointment of Ms. Rei Sugihara, Ms. Akemi Sunaga and Ms. Chiaki Ariizumi is approved, each of them will continue to be an Independent Director.
5. The Company has entered into a Directors' and officers' liability insurance agreement, pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance agreement covers the compensation for legally mandated damage compensation and legal expenses that may be incurred by the insured individuals including Directors of the Company due to claims filed against them in relation to the execution of their duties (unless the case falls under the exemptions specified in the insurance agreement). If the appointment of each candidate is approved, they will be insured individuals under the insurance agreement. The insurance agreement is scheduled to be renewed with the same conditions at the time of next renewal.

<Reference> Independence Criteria for Outside Director (summary)

The Company has prescribed the Independence Criteria for Independent Outside Directors by resolution of the Board of Directors after deliberation by the Nomination and Remuneration Advisory Committee, the majority of whose members are independent outside directors, a summary of which is as follows:

Ushio Inc. Independence Criteria (summary)

The Company will judge that a director who does not fall under any of the following is an independent outside director who has no conflicts of interest with ordinary shareholder:

- (i) A person who is an executing person (an executive directors, executive officers or significant employees such as executives; the same applies hereafter) of Ushio Group or a former executing person of Ushio Group.
- (ii) A person/organization who is a major client of Ushio Group (a person/organization that pays to Ushio Group one percent (1%) or more of annual consolidated net sales of Ushio Group), or its executing person.
- (iii) A person/organization for which Ushio Group is a major client (a person/organization that receives payment from Ushio Group of one percent (1%) or more of annual consolidated net sales of such person/organization), or its executing person.
- (iv) A lender from which Ushio Group borrows ten percent (10%) or more of consolidated total assets of Ushio Group, or its executing person.
- (v) A person who is working in an auditing firm that is the accounting auditor of Ushio Group.
- (vi) An executing person of companies whose shares are held by Ushio Group for reasons other than pure investment purposes.
- (vii) A shareholder who holds ten percent (10%) or more of the voting rights of the Company, or its executing person.
- (viii) An executing person of the lead underwriter(s) of the Company.
- (ix) A person who was in any of the above (ii) through (viii) in the past five (5) years.
- (x) A consultant, accounting professional or legal professional who has received cash or other property benefits from Ushio Group of ten (10) million yen or more in average per year over past three (3) years, other than as compensation for being a director/audit and supervisory board member (if the recipient is a corporation, partnership or any other organization, this applies any person belonging to such organization).
- (xi) A spouse and a relative within the second degree of kinship of any of persons listed in above (i) through (x) (however, with respect to persons who are former executing persons of Ushio Group, only persons who have been executing persons in the past five (5) years).

<Reference> Skills Matrix of the Board of Directors

If Proposal No. 2 and No.3 is approved as proposed, a skills matrix of the Board of Directors will be as following:

		Expected expertise and experience							
		Corporate management	Global business	Finance, accounting, M&A	Knowledge in priority businesses and related industries	IT, digital transformation	Risk management, compliance	Human capital strategy	Sustainability, ESG
Directors	Takabumi Asahi	●	●	●	●		●	●	
	Testuo Nakano	●	●		●				●
	Kazuhisa Kamiyama	●	●		●		●		
	[Outside Director] [Independent Director] Toyonari Sasaki		●				●		
	[Outside Director] [Independent Director] Masatoshi Matsuzaki	●	●		●				●
	[Outside Director] [Independent Director] Naoaki Mashita	●	●			●			
	[Newly elected] [Outside Director] [Independent Director] Mika Masuyama		●					●	●
Audit & Supervisory Committee Members	[Newly elected] Makoto Kinoshita		●	●			●		
	[Outside Director] [Independent Director] Rei Sugihara						●		
	[Outside Director] [Independent Director] Akemi Sunaga			●			●		
	[Outside Director] [Independent Director] Chiaki Ariizumi			●			●		

Notes:
The skills matrix above does not represent all the experience and knowledge possessed, but rather lists what is particularly expected.

The reasons for the selection of the skill items the Company expects the directors to possess are as follows:

Skill items	Reason for the selection
Corporate management	The Company is listed on the Tokyo Stock Exchange Prime Market and aim to be an innovation company in the field of "light" growing together with its customers. In order to achieve sustainable growth, the Company believes that it is essential to have directors with solid experience and knowledge in "corporate management" (equivalent to the Prime Market).
Global business	The Company is expanding its business in global markets, and its overseas sales have been consistently high. In order to further enhance its global business expansion, the Company believes that it is essential to have directors with solid experience and knowledge in "global business."
Finance, accounting, M&A	In the Company's new growth strategy (Revive Vision 2030), the Company has identified ROE as a KPI. In order to execute "business review" and "portfolio transformation" initiatives to improve profitability, and to successfully balance its "growth strategy" and "capital policy", the Company believes that it is essential to have directors with solid experience and knowledge in "finance, accounting, M&A"
Knowledge in priority businesses and related industries	In the Company's new growth strategy (Revive Vision 2030), the Company has redefined its strategic areas, and stated to execute "business review" and "portfolio transformation" initiatives to achieve "steady business growth." To meet this objective, the Company believes that it is essential to have directors with solid experience and knowledge in needs of diverse customer and stakeholders, manufacturing, technology, research and development, within the Company's priority business as well as related industries.
IT, digital transformation	Amid significant changes in the business environment, the Company recognizes the increasing necessity for utilizing IT to improve management efficiency and productivity, as well as the necessity to develop from the perspective of digital transformation (DX) in order to create business ventures with significant social value. To ensure the validity of each initiative and drive the Company's sustainable growth, the Company believes that it is essential to have directors with solid experience and knowledge in "IT, digital transformation."
Risk management, compliance	To establish structures for the Company's sustainable growth and long-term enhancement of corporate value, the Company believes that it is essential to have directors with solid experience and knowledge in "risk management, compliance" across all aspects of the corporate management, including the establishment and operation of internal control systems and the management of significant business risks.
Human capital strategy	The Company is stated "Conviction to Build Both a Prosperous Company and Prosperous Employees" in its "Management Philosophy", aiming for simultaneous growth of the Company and its employees. To meet this objective, the Company believes that it is essential to have directors with solid experience and knowledge in "human capital strategy," including the validation of measures to strengthen the foundation of human capital, such as the development of management talent to contribute to the sustainable growth and development of the Company, promotion of diversity and inclusion, and improvement of employee engagement.
Sustainability, ESG	To achieve the Company's sustainable growth and enhancement of corporate value, it is necessary to implement measures that focus on both business growth and ESG management, aiming for the enhancement of corporate value. In order to ensure the validity of these initiatives, including verifying the alignment of the direction of ESG management and various initiatives, including not only in terms of environmental issues but also in terms of external evaluations, with the trends in society and the long-term value that society demands, the Company believes that it is essential to have directors with solid experience and knowledge in "sustainability, ESG".

Proposal No. 4: Partial Revision of Amount and Contents of Stock Remuneration for Directors and Executive Officers

1. Reasons for the proposal and reasons justifying such remuneration

Pursuant to the resolutions of the Annual General Meeting of Shareholders held on June 26, 2015, and June 29, 2016, the Company has implemented a stock-based remuneration plan (the "Plan") for Directors (excluding Directors who are Audit & Supervisory Committee Members and excluding Outside Directors) and Executive Officers (excluding those who are non-residents of Japan, and hereinafter collectively "Directors, etc."). Further, pursuant to the resolution of Annual General Meeting of Shareholders held on June 29, 2023, the Plan has been revised to link the Plan to period covered by medium-term management plans formulated by the Company, with an upper limit to monetary to be contributed by the Company in the amount of 1,140 million yen for each period covered by the Plan, in order to further increase the motivation of the Directors, etc. to contribute to the enhancement of the corporate value and to encourage Directors, etc. to implement the medium-term management plans steadily.

The Company have recently conducted a review of its medium-term management plan and have established Revive Vision 2030 as new growth strategy until the fiscal year ending March 2030 (hereinafter referred to as the "New Growth Strategy"). Therefore, the Company proposes to revise the Plan in order to link the Plan to the New Growth Strategy.

The Board of Directors has previously consulted the Nomination and Remuneration Advisory Committee, whose chairperson and majority of the members are Independent Outside Directors, with regard to this Proposal. In addition, subject to the approval of this Proposal, the Board of Directors held on May 14, 2024 resolved a basic policy on individual remuneration for each Director (page 26). The Company has judged that the contents of this proposal are appropriate because the revisions to the Plan are necessary and reasonable in order to individual remuneration to Directors, etc. whose content is in accordance with such basic policy. Further, Audit & Supervisory Committee has also judged that the content of such remuneration is appropriate, taking into consideration the fairness of the calculation of the amount of remuneration under the Plan, the purpose of the revision, and other factors.

There are currently five (5) Directors and four (4) Executive Officers who are subject to the Plan. Provided Proposals No. 2 "Election of seven (7) Directors (excluding directors who are Audit & Supervisory Committee Members)" and No. 3 "Election of four (4) Directors who are Audit & Supervisory Committee Members" are approved as proposed, the number of eligible Directors and Executive Officers will be three (3) and three (3), respectively.

The Plan establishes an additional remuneration separately from the remuneration limit approved at the Annual General Meeting of Shareholders held on June 29, 2016 which sets the monetary remuneration for Directors up to 540 million yen per year (of which the portion for Outside Director is up to 84 million yen).

2. Partial revision of the Plan

(1) Outline of the Plan

The Plan is a stock remuneration plan in which Company's shares will be acquired from the stock market through the trust (a trust created with the Company as trustor; hereinafter referred to as the "Trust") using the money, which is equivalent to the remuneration for Directors etc., contributed by the Company, and delivery and payment of the Company shares and the cash equivalent of the conversion value of said shares to Directors, etc., will be conducted based on their position and the degree of accomplishment of targets shown in management plans or management strategies, etc. (hereinafter referred to as the "Management Strategies, etc.") formulated by the Company

(2) Details of the revision of the Plan

(i) Revision of the subject period

The current Plan covers the period up to the fiscal year ending March 2026, and while the period of the established Trust will expire in August 2026, the Trust will cover the period up to the fiscal year ending March 2027, which is the final fiscal year of the period covered by Phase I of the New Growth Strategy, and the period of the Trust will be extended by one (1) year to the end of August 2027. Thereafter, the periods covered by the Plan will be the fiscal years covered by the Management Strategies, etc. to be formulated in the future.

(ii) Revision of upper limit to money to be contributed by the Company

The upper limit on monetary to be contributed by the Company to the Plan per year varies depending on each fiscal year of the Management Strategies, etc. In order to encourage steady implementation of the New Growth Strategy, the number of the base stock points for each position is weighted toward the final year of the period covered by Management Strategies, etc. Accordingly, the upper limit on monetary to be contributed by the Company to the Plan per year is 456 million yen for the final fiscal year of the Management Strategies, etc. and 342 million yen for other fiscal years. The Company will contribute monetary to the Plan within no more than the amount accumulated upper limits set forth above based on the number of the fiscal years covered by the Management Strategies, etc. (For Phase I of the New Growth Strategy, totaling 1,140 million yen), and set up the Trust, beneficiaries of which are Directors, etc., who meet the beneficiary requirements.

Upon renewal of the period covered by the Plan in the future, a continuation of the Trust for the renewed period is possible by revising the trust contract and by implementing an additional trust by resolution of the Board of Directors meeting. In such a case, the trust period of the Trust will be extended by only the same period as the renewed period, and the Company will, in each extended trust period, make additional contributions to the Trust within no more than the accumulated amount based on the number of the fiscal years covered by the Management Strategies, etc., with the upper limit per year of 456 million yen for the final fiscal year of the Management Strategies, etc. and 342 million yen for other fiscal years of the Management Strategies, etc. However, when an additional contribution is made and there are remaining Company shares (excluding Company shares corresponding to stock points awarded to Directors, etc., and with respect to which the delivery has not yet been conducted, hereinafter referred to as “Remaining Shares”) and cash (together with the Remaining Shares hereinafter referred to as “Remaining Shares, etc.”) as Trust assets on the last day of the trust period before being extended, the total value of the Remaining Shares, etc. and the additional contribution of trust money shall be no more than the accumulated amount based on the number of the fiscal years covered by the Management Strategies, etc.

(iii) Revision of calculation and upper limit of a number of stock points to be granted to Directors, etc.

Directors, etc. will be awarded a set number of stock points at a certain time each year in the trust period based on their position and the degree of accomplishment of each evaluation indicator in that business year ending 31 March (namely the previous fiscal year, hereinafter “Evaluated Fiscal Year”).

The stock points to be awarded will be calculated by multiplying the base stock points for each position by a payment factor corresponding to the degree of accomplishment of each evaluation indicator (performance targets and ESG targets). Performance targets, which will be used as evaluation indicators for calculating the payment factor for the period covered by Phase I of the New Growth Strategy, will be ROE and consolidated operating margin (Unplanned, temporary performance impacts may occur in ROE and consolidated operating margin when making selections and concentrations (business acquisitions, divestments and exits) through portfolio transformation that will contribute to future corporate value enhancement. If this is the case, number excluding such impacts are used.), while ESG targets will be engagement score and ESG evaluation score.

In order to encourage steady implementation of the Management Strategies, etc., the number of the base stock points for each position is weighted toward the final year of the Management Strategies, etc. Accordingly, the upper limit on the number of stock points that can be granted to Directors, etc. per year is 165,000 points for the final Evaluated Fiscal Year of the period covered by the Plan and 127,500 points for other Evaluated Fiscal Years. The upper limit on the total number of stock points that can be granted to Directors, etc. during the period covered by the Plan is the accumulated amount based on the number of the Evaluated Fiscal Years covered by the Management Strategies, etc. (For Phase I of the New Growth Strategy, totaling 420,000 stock points).

One stock point equals one Company share. If, during the trust period, there is an event, considering which a point adjustment is deemed to be fair, including a stock split or reverse split, adjustment of the ratio shall be conducted corresponding to the split/reverse split ratio.

In the event of a serious violation of duties by a Director, etc., the Company may forfeit the right to

receive shares or demand the return of the amount equivalent to the stock remuneration already delivered.

(3) Delivery of Company shares to Directors, etc.

Directors, etc. who fulfill the beneficiary requirements may, after retiring their position and upon carrying out prescribed beneficiary defined procedures, receive Company shares from the Trust corresponding to the prescribed ratio of the number of cumulative stock points granted until the time of delivery of Company shares, and the remaining Company shares will be converted within the Trust to an equivalent cash value, and paid to the Directors, etc.

In the event of the death or overseas assignment of Directors, etc. who fulfill the beneficiary requirements during the trust period, the number of Company shares corresponding to the number of cumulative stock points calculated as of that time shall be converted within the Trust to an equivalent cash value, and paid to the heir of such Director, etc. in the event of the death of such Directors, etc., or to such Directors, etc. in the event of the overseas assignment of such Directors, etc.

(4) Voting rights of Company shares in the Trust

In order to maintain neutrality toward management of the Company, the voting rights of the Company shares in the Trust may not be exercised.

(5) Other matters related to the Plan

Other matters related to the Plan shall be determined by the Board of Directors.

<Reference> Basic policy on individual remuneration for each Director after this Annual General Meeting of Shareholders

If Proposal No.4 is approved, basic policy on individual remuneration for each Director will be as follows. For the purpose of this basic policy, "Directors" means directors other than directors who are Audit & Supervisory Committee members and "Directors, etc." means Directors, excluding Outside Directors, and Executive Officers who have entered into a delegation agreement with the Company. In addition, Directors, etc., who are eligible for stock remuneration exclude those who are non-residents of Japan.

(1) Basic policy on remuneration

- Remuneration should increase motivation to achieve the Company's management goals.
- Remuneration should lead to continuous improvement of business performance and enhancement corporate value over the medium- to long-term.
- Remuneration should be closely linked with the Company's performance and the Company's value, and also be highly transparent and objective.
- Remuneration should be at a level that enables recruitment and retention of diverse and talented personnel, considering the level of companies listed on the Tokyo Stock Exchange Prime Market and companies of the same size in the same industry.
- Remuneration should be determined through a transparent process to ensure the trust and support of stakeholders.

(2) Policy on remuneration structure and composition ratio

Remuneration for Directors, etc. of the Company consists of fixed monetary remuneration, short-term performance-linked monetary remuneration and medium- to long-term performance-linked stock remuneration.

Remuneration levels and remuneration ratios for Directors, etc. are determined through deliberations by the Nomination and Remuneration Advisory Committee following an objective comparative verification using executive remuneration data from an external research organization in accordance with the basic policy. The percentages of fixed monetary remuneration, short-term performance linked monetary remuneration, and medium- to long-term performance-linked stock remuneration, which are each set for Directors, etc. according to their position, are set approximately at the levels shown in the table below for when a target standard is achieved.

Post	Fixed monetary remuneration	Short-term performance-linked monetary remuneration	Medium- to long-term performance-linked stock remuneration
Representative Director	50%	25%	25%
Director	55%	25%	20%
Executive Officer	60%	25%	15%

(3) Policy on short-term performance-linked monetary remuneration

The Company will decide on short-term performance-linked monetary remuneration in accordance with one's position and degree of achievement of the performance targets (evaluation of consolidated performance and the performance of the unit that each Director, etc. is in charge of) for a given fiscal year in order to further increase the motivation of Directors, etc. to contribute to the enhancement of the corporate value and to encourage them to implement the new growth strategy (Revive Vision 2030) steadily under the basic policy. Evaluation indicators are linked to key indicators of the new growth strategy, and the relevant indicators, ratios and target values during the period covered by Phase I of the new growth strategy have been set as shown in the table below.

This type of remuneration is paid in a lump sum after the end of a fiscal year in an amount determined by multiplying the base amount set for each position by a factor set in accordance with the degree of achievement of each evaluation indicator. Short-term performance-linked monetary remuneration varies in value in a range between 0% and 200%.

	Directors portion	Executive Officer portion	
Indicator	ROE(*)	Consolidated operating margin (*)	Target achievement rate for the unit the Director is in charge of
Percentage	100%	50%	50%
Target	Linked to fiscal year consolidated performance targets		Linked to fiscal year consolidated performance targets of the unit the Directors is in charge of

(*) Unplanned, temporary performance impacts may occur in ROE and consolidated operating margin when making selections and concentrations (business acquisitions, divestments and exits) through portfolio transformation that will contribute to future corporate value enhancement. If this is the case, number excluding such impacts are used.

(4) Policy on medium- to long-term performance-linked stock remuneration

The Company will decide on medium- to long-term performance-linked stock remuneration in accordance with one's position and degree of achievement of the performance targets and ESG targets for a given fiscal year in order to further increase the motivation of Directors, etc. toward the Remuneration to contribute to the enhancement of the corporate value and to encourage them to implement the new growth strategy (Revive Vision 2030) steadily under the basic policy. Evaluation indicators are linked to key indicators of the new growth strategy, and the relevant indicators, ratios and target values have been set as shown in the table below.

The stock points for medium- to long-term performance-linked stock remuneration, which are granted to Directors, etc. at certain times each year (*1), are calculated by multiplying the base stock points set for each position (*2) by a factor set in accordance with the degree of achievement of each evaluation indicator and vary within a range between 0% and 200%. When a Director etc. resigns, the Company shares will be given to him/her in the number determined by multiplying the cumulative number of stock points granted to him/her during his/her tenure by one share per point.

	Director portion	Executive Officer portion		
Indicator	ROE (*3)	Consolidated operating margin (*3)	Engagement Score (*4)	ESG Evaluation Score (*5)
Percentage	100%	70%	18%	12%
Target	Linked to fiscal year consolidated performance targets		Linked to ESG targets	

(*1) In order to encourage steady execution of the new growth strategy, the base number of stock points set for different positions is weighted toward the final year of Phase I of the new growth strategy period. Accordingly, the maximum limit on the total number of stock points that can be granted to Directors, etc. per year is 165,000 points for the final fiscal year of an evaluation period and 127,500 points for the other fiscal years subject to evaluation.

(*2) The base stock remuneration points linked to medium- to long-term performance were calculated by dividing the preset amount of medium- to long-term performance-linked stock remuneration for each position by the average closing price of the Company stock during the period from January 4, 2023 to March 31, 2023.

(*3) Unplanned, temporary performance impacts may occur in ROE and consolidated operating margin when making selections and concentrations (business acquisitions, divestments and exits) through portfolio transformation that will contribute to future corporate value enhancement. If this is the case, number excluding such impacts are used.

(*4) The Company defines engagement as "a state in which executives and officers find value in their relationships with their colleagues in the company and office and want to contribute actively," and uses as an engagement score the percentage of employees who have given an affirmative answer to a question indicating such state.

(*5) FTSE Russell ESG Ratings are used as an indicator.

(5) Policy on timing and conditions for granting remuneration

Fixed monetary remuneration is paid as a fixed monthly remuneration.

Short-term performance-linked monetary remuneration is paid in a lump sum after the end of each fiscal year.

As for Medium- to long-term performance-linked stock remuneration, the Company shares corresponding to the accumulated stock points granted individually are delivered, and the cash equivalent of the conversion value of the said share is paid if Directors, etc., fulfill the beneficiary requirements, in principle after retiring their positions, in accordance with the Rules on Share Delivery for Directors, etc. prescribed by resolution of the Board of Director.

In the event of a serious violation of duties by a Director, etc., the Company may forfeit the right to receive shares or demand the return of the amount equivalent to the stock remuneration already delivered.

(6) Matters related to the delegation of the decision on remuneration

The Nomination and Remuneration Advisory Committee, whose chairperson and majority of the members are Outside Directors, deliberates and determines the system and level of remuneration for Directors and the evaluation of their contribution to the Company's performance in accordance with the delegation by the Board of Directors, in order to ensure fairness and appropriateness in determining specific remuneration amounts for individual Directors.