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(Stock Exchange Code 4275)

Date of sending by postal mail: June 11, 2024

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

To Shareholders with Voting Rights:

Hirofumi Kaneko
Representative Director and President &
CEO
Carlit Holdings Co., Ltd.
1-17-10, Kyobashi, Chuo-ku, Tokyo, Japan

NOTICE OF THE 11TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We are pleased to announce the 11th Annual General Meeting of Shareholders of Carlit Holdings Co., Ltd. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items subject to measures for electronic provision). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

The Company’s website:

<https://www.carlithd.co.jp/ir/stock/meeting.html> (in Japanese)

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

<https://d.sokai.jp/4275/teiji/> (in Japanese)

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “Carlit Holdings” in “Issue name (company name)” or the Company’s securities code “4275” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Instead of attending the meeting in person, you may exercise your voting rights in writing or via the Internet or similar means. Please review the attached Reference Documents for the General Meeting of Shareholders on pages 5 to 17, and exercise your voting rights by 5 p.m. on Wednesday, June 26, 2024, Japan time, in accordance with “Guidance on Exercising Voting Rights” on pages 3 to 4.

- 1. Date and Time:** Thursday, June 27, 2024, at 10 a.m. Japan time
Reception start time: 9:30 a.m.
- 2. Place:** Conference room at the Head Office located at
Sumitomo Corporation Kyobashi Bldg. 7F,
1-17-10, Kyobashi, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:** (1) The Business Report, the Consolidated Financial Statements for the Company's 11th Fiscal Year (April 1, 2023–March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
- (2) The Non-Consolidated Financial Statements for the Company's 11th Fiscal Year (April 1, 2023–March 31, 2024)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Amendment to the Articles of Incorporation
- Proposal 3:** Election of Eight (8) Directors
- Proposal 4:** Election of Two (2) Audit & Supervisory Board Members

- In the event that no vote for or against the proposals is indicated in the Voting Rights Exercise Form, it will be handled as a vote in favor of the proposal.
- When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk.
- When attending the meeting, please bring this Notice with you for resource saving purposes.
- There will be no gifts given out to those who attend the General Meeting of Shareholders. We seek your kind understanding on this matter.
- If you wish to revise your votes after exercising your voting rights online, we ask that you exercise your voting rights again using the method described on page 4. If you exercise your voting rights multiple times online, only the votes from the final instance are valid.
- Shareholders will be responsible for the expense of connecting to the Internet when exercising voting rights online.
- Although we have checked that common Internet-enabled devices work properly with the online voting options, the options may not be available with some devices or in some circumstances.
- In the event of a correction to the items subject to measures for electronic provision, a notice that the correction was made, together with the information before and after the correction, will be posted on the websites where the information is provided.
- In accordance with a revision of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing the websites where the information is provided, and we will deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this general meeting of shareholders, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.

In addition, among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents that are sent.

- (i) "System for Ensuring the Appropriateness of Operations and the Operation Status of This System" in the Business Report
- (ii) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- (iii) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Therefore the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements listed in these documents constitute a portion of the documents which are audited when the accounting audit report is prepared by the Accounting Auditor and the audit report is created by the Audit & Supervisory Board Members.



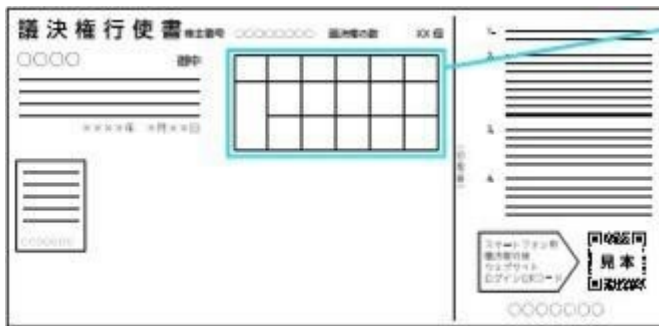
Guidance on Exercising Voting Rights

Voting at the general meeting of shareholders is an important right for all shareholders. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

Please exercise your voting rights in one of the following three ways.

 <p>For General Meeting of Shareholders attendees</p> <p>Please submit the Voting Rights Exercise Form at the reception desk.</p> <p style="text-align: center;">Date and time</p> <hr/> <p style="text-align: center;">Thursday, June 27, 2024, at 10 a.m. Japan time (reception start time: 9:30 a.m.)</p>	 <p>For exercising your voting rights in writing (by mail)</p> <p>Please indicate your vote for or against the proposals on the Voting Rights Exercise Form and return it.</p> <p>Note: Please use the enclosed sticker to cover the information you enter.</p> <p style="text-align: center;">Deadline for exercising voting rights</p> <hr/> <p style="text-align: center;">Wednesday, June 26, 2024, at 5 p.m. Japan time</p>	 <p>For exercising your voting rights online</p> <p>Please follow the directions on the next page to enter your vote for or against the proposals.</p> <p style="text-align: center;">Deadline for exercising voting rights</p> <hr/> <p style="text-align: center;">Wednesday, June 26, 2024, at 5 p.m. Japan time</p>
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How to Fill Out the Voting Rights Exercise Form



Note: The actual Voting Rights Exercise Form may differ from the image.

Please indicate your approval or disapproval of each proposal.

Proposals 1 and 2

- To mark your approval → Circle “Approve.”
- To mark your disapproval → Circle “Disapprove.”

Proposals 3 and 4

- To mark your approval for all candidates → Circle “Approve.”
- To mark your disapproval for all candidates → Circle “Disapprove.”
- To mark your disapproval for certain candidates → Circle “Approve” and write the number of the candidate(s) you wish to disapprove.

If you exercise your voting rights by mail and online, only your online votes are valid. If you exercise your voting rights multiple times online, only the votes from the final instance are valid.

Exercising Voting Rights Online

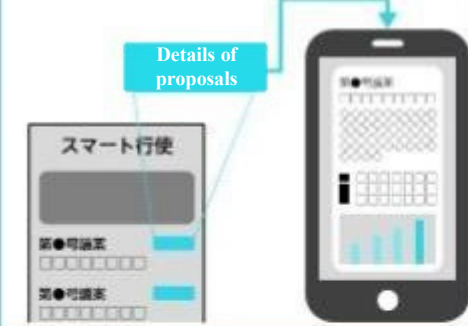
“Smart Voting[®]” by scanning the login QR Code

Please scan the QR Code provided at the bottom right of the Voting Rights Exercise Form.



You can simply log in to the Voting Rights Exercise Website without entering your voting rights exercise code and password.

The agendas for the General Meeting of Shareholders are available for reference on the Smart Voting page.



You can only use Smart Voting once to exercise your voting rights.

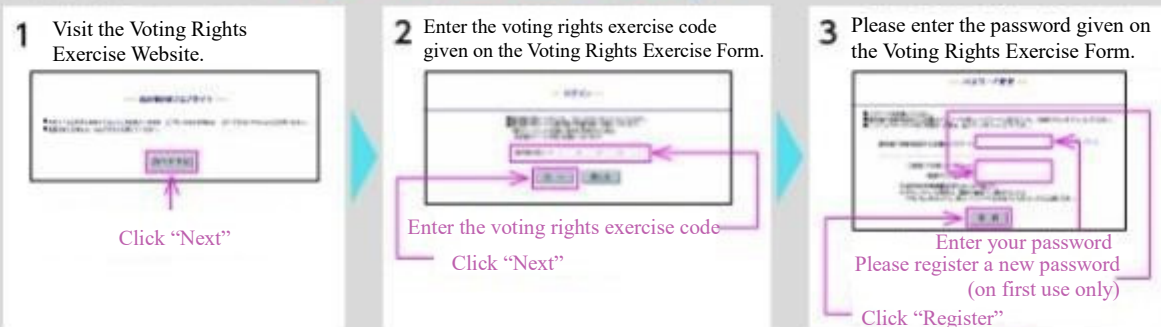
If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and exercise your voting rights again using the method explained below.

* You can access the website for personal computer by scanning the login QR Code again.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

Voting rights exercise code/password entry

Voting Rights Exercise Website <https://soukai.mizuho-tb.co.jp/>



Note: The actual screen displayed to you may differ from the image.

4 Please follow the instructions on the screen to enter your votes.

If you have any questions about how to exercise your voting rights online using a personal computer, smartphone, or cell phone, please contact:

Internet Help Dial, Stock Transfer Agency Department,
Mizuho Trust & Banking Co., Ltd.
☎ 0120-768-524
(Hours: 9 a.m.–9 p.m. Japan time every day except New Year holidays)

Institutional investors may use the platform for institutional investors to exercise voting rights electronically operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We believe that providing an appropriate return of profits to shareholders is one of our most important management tasks. We therefore abide by the basic policy of “continuously paying and raising stable dividends” in our profit appropriation while endeavoring to secure internal reserves required to take effective measures to address future-oriented initiatives: R&D efforts to develop original businesses with growth potential, the vitalization of existing businesses, and the expansion of business fields. Also, we have positioned “stable performance linked dividends” as one of the important measures in our Medium-term Management Plan entitled “Challenge 2024: Grow Up Plan 2024.”

In light of the Company’s results for the fiscal year ended March 31, 2024 and these initiatives, we hereby propose to pay a year-end ordinary dividend of ¥33 per share for the fiscal year as follows.

- (1) Type of dividend property: Cash
- (2) Matters concerning allotment of dividend property to shareholders and the total amount thereof
Amount for each common stock of the Company: ¥33 per share
Total amount to be distributed: ¥790,607,499
- (3) Effective date for the dividends of surplus: June 28, 2024

Proposal 2: Amendment to the Articles of Incorporation

1. Reasons for the amendment

Since October 2013, the Group has been working to strengthen our competitiveness and promote growth under a pure holding company structure. As originally intended, we have separated management and business operations under a pure holding company structure to achieve overall optimization from the perspective of group management, and by addressing management issues such as structural reform of existing businesses and improvement of financial strength, we are now on track to overcome these challenges. Based on this, we have determined that it is optimal to change the Group’s organizational structure in order to accelerate decision-making, streamline administrative divisions, and rebalance personnel as part of our strategy to “rebuild our business infrastructure,” with the aim of achieving the “our vision for the Company in 2030,” as stated in our Medium-term Management Plan entitled “Challenge 2024,” which began in fiscal year 2022, as well as improving our PBR.

For the above reasons, effective October 1, 2024 (scheduled), the Company will merge with its wholly owned subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, and transition from a pure holding company to an operating holding company. Prior to this, effective July 1, 2024, the Company will amend Article 1 (Trade Name) and Article 2 (Purpose) of the current Articles of Incorporation and establish new supplementary provisions.

The reasons for each amendment to the Articles of Incorporation are as follows.

(1) Trade name

Prior to the merger, the Company’s trade name will be changed to Carlit Co., Ltd. By retaining the name “Carlit,” which has been familiar to our customers since our founding, our aim is to renew the Group’s image and further enhance our corporate value in order to realize our Medium-term Management Plan entitled “Challenge 2024” as well as the “our vision for the Company in 2030,” based on our management philosophy of “For Confidence and Infinite Challenge,” which we have cultivated over the years.

(2) Change in business purpose

In accordance with the transition from a pure holding company to an operating holding company, Article 2 (Purpose) of the current Articles of Incorporation is to be changed to match the business after the transition.

(3) New supplementary provisions

Accompanying the aforementioned changes, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendment are as follows:

(Changes indicated with an underline)

Current Articles of Incorporation	Proposed amendments
Article 1. (Trade Name) The name of the Company shall be <u>Carlit Holdings Co., Ltd.</u>	Article 1. (Trade Name) The name of the Company shall be <u>Carlit Co., Ltd.</u>
Article 2. (Purpose) The purpose of the Company shall be to engage in the following businesses. (Newly added) (Newly added) (Newly added) (Newly added) (Newly added) (Newly added)	Article 2. (Purpose) The purpose of the Company shall be to engage in the following businesses. <u>(1) Manufacture and trading of explosives, pyrotechnics, and other general explosives</u> <u>(2) Manufacture and trading of chlorates, chlorites, perchlorates, and other general chemical products</u> <u>(3) Manufacture and trading of agrochemicals and agricultural materials</u> <u>(4) Manufacture and trading of electronic components and raw materials for electronic components</u> <u>(5) Manufacture and trading of functional materials</u> <u>(6) Manufacture and trading of raw materials for</u>

Current Articles of Incorporation	Proposed amendments
(Newly added)	<u>reagents and quasi-drugs</u>
(Newly added)	(7) <u>Manufacture and trading of grinding materials and other general electrochemical products</u>
(Newly added)	(8) <u>Design, manufacture, installation, trading, lease, and technical guidance of chemical machinery and equipment</u>
(Newly added)	(9) <u>Design, construction, and supervision of buildings, electrical structures, and plumbing facilities</u>
(Newly added)	(10) <u>Power generation businesses that use renewable energy sources, etc., as well as their management, operation, and trading of electricity</u>
(Newly added)	(11) <u>Collection, transportation, treatment, and recycling of industrial waste</u>
(Newly added)	(12) <u>Contracted hazard evaluation testing and related services as well as consulting services</u>
(Newly added)	(13) <u>Contract calibration and consulting services for DC voltage and current generators and measuring devices, etc.</u>
(Newly added)	(14) <u>Contract testing and consulting services for rechargeable batteries</u>
(Newly added)	(15) <u>Manufacture, processing, and trading of silicon materials for electronic components, etc.</u>
(Newly added)	(16) <u>Manufacture and trading of optical equipment as well as semiconductor parts and jigs</u>
(Newly added)	(17) <u>Refurbishing, processing, and trading of semiconductors and electronic components</u>
(Newly added)	(18) <u>Manufacture and trading of semiconductor manufacturing equipment as well as precision equipment and devices</u>
(Newly added)	(19) <u>General trucking and warehousing businesses</u>
(1) Control and management of the business activities of domestic and foreign <u>companies</u> engaged in various businesses by acquiring, transferring, or owning shares or equity interests in said companies	(20) Control and management of the business activities of domestic and foreign <u>corporations</u> engaged in various businesses by acquiring, transferring, or owning shares or equity interests in said companies
(2) Providing management guidance, support, and management, as well as operational support and management, including accounting, general affairs, human resources, and R&D, for domestic and foreign <u>companies</u> engaged in various businesses	(21) Providing management guidance, support, and management, as well as operational support and management, including accounting, general affairs, human resources, and R&D, for domestic and foreign <u>corporations</u> engaged in various businesses
(3) Acquisition, maintenance, transfer, and licensing of intellectual property rights, as well as acquisition, transfer, leasing, and management and operation of real estate	(22) Acquisition, maintenance, transfer, and licensing of intellectual property rights, as well as acquisition, transfer, leasing, and management and operation of real estate
(4) Guarantees for loans and borrowings	(23) Guarantees for loans and borrowings
(5) Businesses incidental and related to each of the preceding items	(24) <u>All</u> businesses incidental and related to each of the preceding items
(6) Various businesses	(25) Various businesses
(Newly added)	<u>(Supplementary Provisions)</u> <u>Article 1.</u> <u>Amendments to Articles 1 and 2 of these Articles of Incorporation shall take effect on July 1, 2024.</u> <u>Article 2.</u> <u>The preceding Article and this Article shall be deleted upon effectuation of the preceding Article.</u>

Proposal 3: Election of Eight (8) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. We hereby propose that eight (8) Directors be elected, including three (3) Directors to be newly appointed.

The candidates for Director are as follows:

No.	Name	Current position and responsibilities in the Company	
1	Hirofumi Kaneko	Representative Director and President & CEO In charge of the Internal Audit Office	Reappointment
2	Fumio Ogawa	Director and Executive Officer In charge of the Chemicals Products segment In charge of the Corporate Planning Department and General Manager of Corporate Planning Department	Reappointment
3	Yoji Yamaguchi	Director and Executive Officer In charge of the Group Research & Development	Reappointment
4	Hideo Okamoto	Executive Officer In charge of the Metal Working segment In charge of the Legal Affairs & Compliance Division and the Finance Division	New appointment
5	Shigenobu Takahashi	Executive Officer In charge of the Carbon Neutral Promotion and Production Quality Control Department	New appointment
6	Seiichi Shimbo	Outside Director	Reappointment Outside Independent
7	Yukari Murayama	Outside Director	Reappointment Outside Independent
8	Yasuhiro Fujiwara	Outside Audit & Supervisory Board Member	New appointment Outside Independent

Reappointment Candidate for reappointment as Director

New appointment Candidate for new appointment as Director

Outside Candidate for Outside Director

Independent Independent Director as stipulated by stock exchanges

No.	Name (Date of birth)	Past experience, positions, and responsibilities (significant concurrent positions)	Number of shares of the Company held
1	[Reappointment] Hirofumi Kaneko (April 30, 1960)	<p>April 1984 Joined Japan Carlit Co., Ltd.</p> <p>June 2015 Executive Officer of the Company President and Representative Director, General Manager, Sales Headquarters, Japan Carlit Co., Ltd.</p> <p>June 2016 Director, Executive Officer, Supervisor, Group Sales of the Company President and Representative Director, Japan Carlit Co., Ltd.</p> <p>April 2018 Director, Managing Executive Officer, Supervisor, Group Sales Department of the Company</p> <p>June 2020 President and Representative Director, in charge of Research & Development Center, Internal Audit Office of the Company</p> <p>April 2023 Representative Director and President & CEO, in charge of Corporate Planning Department and Internal Audit Office of the Company</p> <p>April 2024 Representative Director and President & CEO, in charge of Internal Audit Office of the Company (to present)</p>	31,300
<p>[Reason for selection as a candidate for Director] Mr. Hirofumi Kaneko has served the position of Representative Director and President & CEO of the Company after he served as President and Representative Director at Japan Carlit Co., Ltd., and Director, Managing Executive Officer, and Supervisor, Group Sales Department and Group Strategy Department of the Company. Since becoming Representative Director, he has demonstrated outstanding leadership in formulating and implementing “Challenge 2024,” the Medium-term Management Plan, and has been a driving force for the Group. He has a proven track record in the overall management of the Group and the formulation of management strategies, as well as a wealth of management experience. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors’ supervisory and decision-making functions as well as increasing the Group’s corporate value through his participation in deliberations and decision-making.</p>			
2	[Reappointment] Fumio Ogawa (March 21, 1967)	<p>March 1991 Joined Japan Carlit Co., Ltd.</p> <p>April 2016 General Manager, Electronic Materials Division, Sales Headquarters, Japan Carlit Co., Ltd.</p> <p>April 2020 General Manager, Sales Headquarters, General Manager, Chemical Agents Division, General Manager, Electronic Materials Division, Japan Carlit Co., Ltd.</p> <p>July 2021 Executive Officer, General Manager, Sales Headquarters, Japan Carlit Co., Ltd.</p> <p>April 2022 Executive Officer of the Company Director, General Manager, Sales Headquarters, Japan Carlit Co., Ltd.</p> <p>June 2023 Director, Executive Officer, in charge of the Chemical Products segment of the Company Representative Director and President & CEO, Japan Carlit Co., Ltd. (to present)</p> <p>April 2024 Director, Executive Officer, in charge of the Chemical Products segment, in charge of the Corporate Planning Department, General Manager of Corporate Planning Department of the Company (to present)</p>	2,700
<p>[Reason for selection as a candidate for Director] Mr. Fumio Ogawa has served in the position of Representative Director and President & CEO of Japan Carlit Co., Ltd. as well as Director and officer in charge of the Corporate Planning Department of the Company, after he served as Assistant General Manager of the Sales Headquarters, General Manager of the Chemicals Division, and General Manager of the Electronic Materials Division at Japan Carlit Co., Ltd., and Executive Officer and General Manager of the Sales Headquarters at Japan Carlit Co., Ltd. He has extensive knowledge and experience in the Group’s sales and corporate planning departments, including the planning and execution of sales and management strategies. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors’ supervisory and decision-making functions as well as increasing the Group’s corporate value through his participation in deliberations and decision-making.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities (significant concurrent positions)	Number of shares of the Company held
3	[Reappointment] Yoji Yamaguchi (June 3, 1965)	<p>April 1988 Joined Japan Carlit Co., Ltd.</p> <p>October 2011 General Manager, New Product Development Office, Japan Carlit Co., Ltd.</p> <p>October 2013 Assistant Director, Research & Development Center of the Company</p> <p>April 2018 General Manager, Engineering Group, Akagi Plant, Production Headquarters, Head of the Material Hazard Assessment Testing Laboratory, Japan Carlit Co., Ltd.</p> <p>April 2019 Director, Silicon Technology Corporation</p> <p>April 2022 Executive Officer of the Company</p> <p>June 2022 COO, Silicon Technology Corporation (to present)</p> <p>June 2023 Director, Executive Officer of the Company</p> <p>April 2024 Director, Executive Officer, in charge of Group Research & Development of the Company (to present)</p> <p>[Reason for selection as a candidate for Director] Mr. Yoji Yamaguchi has served in the position of Director of Silicon Technology Corporation and Director in charge of Group Research & Development of the Company after he served as General Manager of New Product Development Office at Japan Carlit Co., Ltd., Assistant Director of the Research & Development Center of the Company, General Manager of Akagi Plant, Production Headquarters, and Head of the Material Hazard Assessment Testing Laboratory at Japan Carlit Co., Ltd. He has extensive knowledge and experience in the Group's research and development, with a background in the development of various new products related to dye raw materials and silicon wafers. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p>	5,900
4	[New appointment] Hideo Okamoto (July 15, 1961)	<p>April 1985 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>August 2006 Assistant Director, Group Strategy Department, Mizuho Financial Group, Inc.</p> <p>April 2012 General Manager, Legal Affairs Office, Mizuho Trust & Banking Co., Ltd.</p> <p>October 2013 General Manager, Legal Affairs Division, Head of Internal Audit Office of the Company</p> <p>June 2019 Director, Executive Officer, Supervisor, Group Management Department, and General Manager, Legal Affairs & Compliance Division of the Company</p> <p>June 2020 Director, Executive Officer, in charge of Finance Division, IT Systems Promotion Division, Legal Affairs & Compliance Division, and General Manager, Legal Affairs & Compliance Division of the Company</p> <p>October 2023 Executive Officer, in charge of Metal Working segment of the Company In charge of Finance Division, Legal Affairs & Compliance Division of the Company (to present) Director, Executive Officer, Japan Carlit Co., Ltd. (to present)</p> <p>[Reason for selection as a candidate for Director] Mr. Hideo Okamoto has experience in corporate planning in the trust and asset management divisions of Mizuho Financial Group, Inc. as well as overseas operations at Mizuho Bank, Ltd. He has been involved in the Company's legal affairs, compliance, and internal audit since 2013, and currently serves as an Executive Officer of the Company in charge of the Finance and Legal Affairs & Compliance Divisions, as well as the Metal Working segment (Namitakiko Co., Ltd. and Toyo Spring Industrial Co., Ltd.). He has extensive knowledge and experience in finance and accounting gained during his time in banking, and has a proven track record of raising the level of legal compliance of the Group as an officer in charge of the Compliance Committee. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p>	6,800

No.	Name (Date of birth)	Past experience, positions, and responsibilities (significant concurrent positions)	Number of shares of the Company held
5	[New appointment] Shigenobu Takahashi (October 6, 1962)	<p>April 1983 Joined Japan Carlit Co., Ltd.</p> <p>April 2016 General Manager, Gunma Plant, Production Headquarters, Japan Carlit Co., Ltd.</p> <p>April 2019 Director, Silicon Technology Corporation</p> <p>April 2020 Executive Officer, General Manager, Production Headquarters, Japan Carlit Co., Ltd.</p> <p>April 2021 Executive Officer of the Company Director, General Manager, Production Headquarters, Japan Carlit Co., Ltd.</p> <p>November 2023 Executive Officer, in charge of Carbon Neutral Promotion and Production Quality Control Departments of the Company (to present) Director, Executive Officer, in charge of Production Headquarters, Japan Carlit Co., Ltd. (to present)</p> <p>[Reason for selection as a candidate for Director] Mr. Shigenobu Takahashi has served in the position of Executive Officer in charge of the Carbon Neutral Promotion and Production Quality Control Department of the Company as well as Director and Executive Officer in charge of the Production Headquarters of Japan Carlit Co., Ltd. after he served as Director of Silicon Technology Corporation as well as Executive Officer and General Manager of the Production Headquarters of Japan Carlit Co., Ltd. He has a proven track record of leading vigorous capital investment in growth areas at the Group's main plants, as well as extensive knowledge and experience in production technologies and quality assurance. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p>	6,400
6	[Reappointment] [Outside Director] [Independent] Seiichi Shimbo (April 9, 1951)	<p>April 1975 Joined Tokio Marine Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>April 2000 General Manager, Corporate Planning Department, Tokio Marine Fire Insurance Co., Ltd.</p> <p>June 2003 General Manager for 3rd Automobile Sales Department of Tokyo Automobile Headquarter, Tokio Marine Fire Insurance Co., Ltd.</p> <p>June 2004 Executive Officer, Tokio Marine Fire Insurance Co., Ltd.</p> <p>October 2006 Managing Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>July 2009 Senior Director, Non-life Insurance Policy-holders Protection Corporation of Japan</p> <p>June 2013 Outside Auditor, TOKYO OHKA KOGYO CO., LTD.</p> <p>June 2015 Outside Director, Itochu Enex Co., Ltd.</p> <p>June 2018 Outside Director of the Company (to present)</p> <p>[Reason for selection as a candidate for Outside Director and a summary of expected roles] After serving as Managing Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd., Mr. Seiichi Shimbo has served as an Outside Director and Outside Auditor for several companies and has extensive knowledge and broad experience in all aspects of management. Since his appointment as an Outside Director of the Company, he has contributed to ensuring the transparency and fairness of the Board of Directors by providing appropriate recommendations and advice from an independent standpoint and from a multifaceted perspective based on his management experience at multiple companies. Based on his experience, knowledge, and performance, he is selected as a candidate for Outside Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p>	7,500

No.	Name (Date of birth)	Past experience, positions, and responsibilities (significant concurrent positions)	Number of shares of the Company held
7	[Reappointment] [Outside Director] [Independent] Yukari Murayama (August 4, 1972)	<p>April 2000 Registered as an attorney at law Attorney at law, Bingham Sakai Mimura Aizawa (foreign law joint enterprise) (formerly Hideyuki Sakai Law Firm)</p> <p>January 2010 Seconded to Supervision Bureau, Financial Services Agency (Non-Bank Finance Companies Office and Financial System Stabilization Management Office)</p> <p>April 2012 Returned to Bingham Sakai Mimura Aizawa (foreign law joint enterprise) Office counsel, Bingham Sakai Mimura Aizawa</p> <p>April 2013 Partner at Bingham Sakai Mimura Aizawa</p> <p>April 2015 Partner at Anderson Mori & Tomotsune (currently Anderson Mori & Tomotsune Foreign Law Joint Enterprise) (to present)</p> <p>June 2015 Outside Audit & Supervisory Board Member, Information Services International-Dentsu, Ltd.</p> <p>June 2022 Outside Director of the Company (to present)</p> <p>March 2023 Outside Director, Information Services International-Dentsu, Ltd. (Audit and Supervisory Committee Member) (to present)</p> <p>(Significant concurrent positions) Outside Director, Information Services International-Dentsu, Ltd. (Audit and Supervisory Committee Member)</p> <p>[Reason for selection as a candidate for Outside Director and a summary of expected roles] While Ms. Yukari Murayama does not have past experience of direct involvement in corporate management other than as an outside officer, she has a high degree of expertise as a lawyer. Since her appointment as an Outside Director of the Company, she has contributed to ensuring the transparency and fairness of the Board of Directors by providing appropriate recommendations and advice from an independent standpoint and from a multifaceted perspective based on her wealth of knowledge and broad experience. Based not only on her experience and knowledge, but also on her proven track record of making proposals and implementing measures to promote DE&I, she is selected as a candidate for Outside Director because she is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through her participation in deliberations and decision-making.</p>	-
8	[New appointment] [Outside Director] [Independent] Yasuhiro Fujiwara (January 3, 1972)	<p>April 1995 Joined Mitsui Home Co., Ltd.</p> <p>July 1998 Left Mitsui Home Co., Ltd.</p> <p>October 2001 Joined ChuoAoyama Audit Corporation (currently MISUZU Audit Corporation)</p> <p>July 2007 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>January 2021 Representative, Fujiwara Accounting Office (to present) Representative Director, Kaikei Oen Kobo Co., Ltd. (to present)</p> <p>June 2021 Outside Director (Audit), Fukoku Co., Ltd. (to present)</p> <p>June 2023 Outside Audit & Supervisory Board Member of the Company (to present)</p> <p>(Significant concurrent positions) Representative, Fujiwara Accounting Office Representative Director, Kaikei Oen Kobo Co., Ltd. Outside Director (Audit), Fukoku Co., Ltd.</p> <p>[Reason for selection as a candidate for Outside Director and a summary of expected roles] Mr. Yasuhiro Fujiwara has a high degree of expertise as a certified public accountant and experience as an Outside Director (Audit) at other companies. Based on his performance in appropriately fulfilling the role of supervising the execution of duties by Directors from an independent standpoint since his appointment as an Outside Audit & Supervisory Board Member of the Company last year, he is selected as a candidate for Outside Director because he is expected to contribute more directly to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making from the perspective of financial strategy.</p>	-

(Notes)

1. There is no special interest between each of the candidates for Director and the Company.
2. Mr. Seiichi Shimbo and Ms. Yukari Murayama are candidates for Outside Director. The Company has designated these two candidates as Independent Directors as prescribed in the regulations of the Tokyo Stock Exchange. If they are re-elected and assume the position of Independent Director, the Company intends to continue with the appointment

- submitted to the same Exchange.
3. Mr. Yasuhiro Fujiwara is a candidate for Outside Director. If he is elected and assumes the position of Outside Director, the Company intends to notify the Tokyo Stock Exchange that he is an Independent Director as prescribed in the regulations of the Tokyo Stock Exchange.
 4. The Company has prescribed in its Articles of Incorporation that the Company may enter into a liability limitation agreement with Directors (excluding Directors with executive authority over operations) to limit their liability for damages to the Company within a certain limited amount to enable the Company to attract talented human resources as Outside Directors. Accordingly, if Mr. Seiichi Shimbo and Ms. Yukari Murayama are re-elected and assume the position of Outside Director, the Company intends to continue the said agreement with them.
Additionally, if Mr. Yasuhiro Fujiwara is elected and assumes the position of Outside Director, the Company intends to enter into the said agreement with him.
The outline of the liability limitation agreement is as follows.
 - Should the candidate cause any damage to the Company as an Outside Director, provided that the candidate has executed his or her duties in good faith without gross negligence, the candidate shall be liable for compensation for damages to the Company, with the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act as the maximum amount of such liability.
 5. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages and litigation expenses to be paid for shareholders or other third parties by the insured including the Company's Directors. If the candidates are elected and assume the office of Director, they will be insured under the insurance contract. Additionally, the Company plans to renew the insurance contract with the same contents at the next renewal.
 6. Mr. Hideo Okamoto has served as Director of the Company in the past and has served for a total of four years.
 7. Mr. Seiichi Shimbo will have served as an Outside Director of the Company for six years at the conclusion of this General Meeting of Shareholders.
 8. Ms. Yukari Murayama will have served as an Outside Director of the Company for two years at the conclusion of this General Meeting of Shareholders.
 9. Ms. Yukari Murayama's name on the family register is Yukari Hagiwara.

Proposal 4: Election of Two (2) Audit & Supervisory Board Members

The Audit & Supervisory Board Members, Mr. Katsunori Nozawa and Mr. Yasuhiro Fujiwara, will retire upon their resignation at the conclusion of this Annual General Meeting of Shareholders. Accordingly, we hereby propose that two (2) Audit & Supervisory Board Members be elected.

As candidates for Audit & Supervisory Board Member, Mr. Shinichi Iwamura is to be elected as a substitute Audit & Supervisory Board Member to fill the vacancy of Mr. Katsunori Nozawa, and Ms. Reiko Mitamura is to be elected as a substitute Audit & Supervisory Board Member to fill the vacancy of Mr. Yasuhiro Fujiwara, their terms of office will be until the expiry of the terms of office of the retiring Audit & Supervisory Board Members.

This proposal has received the consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name	Current position in the Company	
1	Shinichi Iwamura	–	New appointment Outside Independent
2	Reiko Mitamura	–	New appointment Outside Independent

New appointment Candidate for new appointment as Audit & Supervisory Board Member

Outside Candidate for Outside Audit & Supervisory Board Member

Independent Independent Audit & Supervisory Board Member as stipulated by stock exchanges

No.	Name (Date of birth)	Past experience and positions (significant concurrent positions)	Number of shares of the Company held
1	[New appointment] [Outside Audit & Supervisory Board Member] [Independent] Shinichi Iwamura (February 19, 1965)	<p>April 1989 Joined Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)</p> <p>April 2012 General Manager, Pension Trust Department, Mizuho Trust & Banking Co., Ltd.</p> <p>April 2015 Asset Management Coordination Department, Mizuho Financial Group, Inc. General Manager, Investment Department, Mizuho Trust & Banking Co., Ltd.</p> <p>April 2017 Executive Officer and General Manager, Integrated Strategy Department, Mizuho Trust & Banking Co., Ltd.</p> <p>June 2019 Vice President, Japan Pension Operation Service, Ltd.</p> <p>April 2020 Managing Executive Officer, Asset Management One Co., Ltd.</p> <p>June 2023 Director (Member of Audit and Supervisory Committee), Asset Management One Co., Ltd.</p> <p>[Reason for selection as a candidate for Outside Audit & Supervisory Board Member] Mr. Shinichi Iwamura has served the position of Director (Member of Audit and Supervisory Committee) of Asset Management One Co., Ltd. after he served as Vice President of Japan Pension Operation Service, Ltd. and Managing Executive Officer of Asset Management One Co., Ltd. He is nominated as a candidate for Outside Audit & Supervisory Board Member because he is expected to provide appropriate advice from an independent standpoint and contribute to highly effective auditing with respect to ensuring the transparency and fairness of the Board of Directors as well as the appropriateness of its decision-making and supervisory functions, based on his extensive knowledge of overall management, including organizational management and governance, and from a multifaceted perspective based on his broad experience.</p>	—
2	[New appointment] [Outside Audit & Supervisory Board Member] [Independent] Reiko Mitamura (August 26, 1971)	<p>October 2000 Joined ChuoAoyama Audit Corporation (currently MISUZU Audit Corporation)</p> <p>April 2006 Representative, Reiko Nakamura Certified Public Accountant Office</p> <p>September 2010 Joined Seisen Audit Corporation</p> <p>July 2016 Changed the name of Reiko Nakamura Certified Public Accountant Office to Reiko Mitamura Certified Public Accountant Office (to present)</p> <p>(Significant concurrent positions) Representative, Reiko Mitamura Certified Public Accountant Office</p> <p>[Reason for selection as a candidate for Outside Audit & Supervisory Board Member] While Ms. Reiko Mitamura does not have past experience in corporate management, she has extensive experience in auditing firms as well as a high level of expertise in finance and accounting as a certified public accountant. Based on her expertise, she is nominated as a candidate for Outside Audit & Supervisory Board Member because she is expected to provide appropriate advice and contribute to highly effective auditing with respect to ensuring the transparency and fairness of the Board of Directors as well as the appropriateness of its decision-making and supervisory functions from an independent standpoint as an Outside Audit & Supervisory Board Member.</p>	—

(Notes)

- There is no special interest between the two candidates for Outside Audit & Supervisory Board Member and the Company.
- Mr. Shinichi Iwamura and Ms. Reiko Mitamura are candidates for Outside Audit & Supervisory Board Member. If they are elected and assume the position of Outside Audit & Supervisory Board Member, the Company intends to notify the Tokyo Stock Exchange that they are Independent Audit & Supervisory Board Members as prescribed in the regulations of the Tokyo Stock Exchange.
- The Company has prescribed in its Articles of Incorporation that the Company may enter into a liability limitation agreement with Audit & Supervisory Board Members to limit their liability for damages to the Company within a certain limited amount to enable the Company to attract talented human resources as Audit & Supervisory Board Members. Accordingly, if Mr. Shinichi Iwamura and Ms. Reiko Mitamura are elected and assume the position of Audit & Supervisory Board Member, the Company intends to conclude a new liability limitation agreement with them. The outline of the liability limitation agreement is as follows.
 - Should the candidate cause any damage to the Company as an Audit & Supervisory Board Member, provided that the candidate has executed his or her duties in good faith without gross negligence, the candidate shall be liable for compensation for damages to the Company, with the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act as the maximum amount of such liability.

4. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages and litigation expenses to be paid for shareholders or other third parties by the insured including the Company's Audit & Supervisory Board Members. If Mr. Shinichi Iwamura and Ms. Reiko Mitamura are elected and assume the office of Audit & Supervisory Board Member, they will be insured under the insurance contract.

[Reference] Skill matrix of each Director after the conclusion of this General Meeting of Shareholders
The main expertise and experience that the Company expects from each Director and Audit & Supervisory Board Member if the candidates listed in this Notice are elected as proposed, are as follows.

	Name		Corporate management	Finance and accounting	Research and development, manufacturing, and technology	Legal affairs, risk management, and governance	Planning and marketing	Global experience	Environment and sustainability	Human resources and diversity
Directors	Hirofumi Kaneko	Male	○		○	○	○	○		○
	Fumio Ogawa	Male	○		○		○		○	○
	Yoji Yamaguchi	Male	○		○		○		○	○
	Hideo Okamoto	Male		○		○		○		○
	Shigenobu Takahashi	Male			○	○			○	○
	Seiichi Shimbo	Male	○			○	○			
	Yukari Murayama	Female				○				○
	Yasuhiro Fujiwara	Male		○		○	○			
Audit & Supervisory Board Members	Shinichi Iwamura	Male	○	○		○				
	Reiko Mitamura	Female		○		○				
	Akinori Aoki	Male		○	○		○			
	Tsunemichi Iwai	Male					○			

Business Report

(April 1, 2023–March 31, 2024)

1. The Present State of the Group

(1) Progress and outcomes of business

We have formulated our Medium-term Management Plan entitled “Challenge 2024” that kicked off in fiscal year 2022. Our management policy is to pursue improvements in corporate value through the optimization of our business portfolio, and we are currently carrying out the following five strategies: (1) accelerating growth businesses; (2) expanding R&D; (3) improving the profitability of existing businesses; (4) advancement of ESG management; and (5) rebuilding of business infrastructure.

In addition to these, we formulated the “Rolling Plan 2023” in May 2023 and the “Grow Up Plan 2024” in March 2024, upon having revised our Medium-term Management Plan “Challenge 2024” on a rolling basis in order to better ensure that we will achieve the goals of the Medium-term Management Plan by responding flexibly to changes in the business environment. We will promote management that is conscious of the cost of capital and the share price in pursuing improvements in corporate value enlisting PBR as a benchmark.

In the current fiscal year, we recorded net sales of ¥36,577 million (+¥568 million/+1.6% YoY). Operating profit was ¥3,352 million (+¥711 million/+27.0%), ordinary profit was ¥3,600 million (+¥690 million/+23.7%), and profit attributable to owners of the parent company was ¥2,598 million (+¥351 million/+15.7%).

In the current fiscal year, with socioeconomic activities beginning to normalize as restrictions on movement caused by COVID-19 eased, the electronic materials and silicon wafer areas were still affected by slowing global demand for semiconductors. However, all other business areas performed solidly.

Starting from the first quarter of the current fiscal year, the Company has transitioned to business management for each business domain based on the business portfolio. Accordingly, the Company has appointed an officer in charge for each business segment, aiming to clarify the investment efficiency, profitability, etc. of each business domain, and has also clarified the executive functions and scope of responsibility of the officers. Moreover, in accordance with the revision of the management categories for making management decisions and formulating budgets, the reportable segments have been changed from the previous four categories of “Chemical Products Business,” “Bottling Business,” “Industrial Materials Business,” and “Engineering Services Business” to the four categories of “Chemical Products Business,” “Bottling Business,” “Metal Working Business,” and “Engineering Services Business.” Segment information for the previous fiscal year is based on the classification of the reportable segments after the change.

The following is information about the main fluctuations in net sales.

Chemical Products

In the explosives sector, industrial explosives experienced a decrease in sales and profit due to a decline in demand for crushed limestone as well as soaring costs for raw materials and other factors. Automotive emergency flares saw an increase in sales and profit due to higher demand, as the automotive production increased. Signal flares for highway use experienced an increase in sales and profit due to higher demand, as the constraints on people’s movement caused by COVID-19 were eased. Raw materials for fireworks saw an increase in both sales and profits due to the improved profitability resulting from efforts to review the product mix among others, as well as an increase in the number of fireworks shows.

In the material assessment service sector, safety evaluation testing and secondary batteries testing sales and profit both increased due to active development of batteries continuing.

In the chemicals sector, sodium chlorate sales and profit increased as we maintained stable supply to meet demand for pulp bleaching applications. Ammonium perchlorate (the raw material in propellants for rockets

and defense missiles) saw sales and profit increase due to increased demand for defense applications. Although electrodes experienced a decrease in sales due to inventory adjustments by customers and a decline in spot orders, profit increased due to increased sales of high value added products. Perchloric acid sales increased given increased demand in Japan and overseas. However, profit decreased due to soaring costs for raw materials.

In the electronic materials sector, sales and profits of electronic materials and functional materials decreased due to continued sluggish demand in Asia and other overseas markets, and domestic demand affected by such factors as customers' inventory adjustments. We will continue to focus on product development and sales activities including product performance enhancement and compliance with environmental regulations.

In the ceramics sector, despite efforts to expand new sales and increase market share, sales and profit decreased due to sluggish demand from domestic grindstone and abrasive paper manufacturers.

In the silicon wafers sector, sales and profit decreased amid an ongoing scenario of excessive customer inventories and production adjustments attributable to the global slump in semiconductor demand. We will continue to focus on activities such as expansion of applications for high value-added products including High Flatness Wafers, new development and expansion of market share in the small-diameter wafer market, and productivity improvement of existing product lines.

As a result, net sales for the Chemical Products segment were ¥20,422 million (+¥263 million/+1.3% YoY), while operating profit was ¥1,690 million (+¥136 million/+8.8%).

Bottling

In the Bottling segment, PET sales volume remained steady, driven by increased consumer spending and inbound tourist demand. In addition, the Company's efforts to maintain appropriate prices and improve costs delivered increased sales and profits.

As a result, net sales for the Bottling segment were ¥5,150 million (+¥376 million/+7.9% YoY), while operating profit was ¥690 million (+¥458 million/+303.3%).

Metal Working

In the Metal Working segment, heat-resistant metal parts for furnaces saw a decrease in sales due to the sale of a related subsidiary in the previous fiscal year to focus on stable growth and profitability as well as a review of the product mix, but an increase in profit due to the maintenance of fair prices and concentration of resources on products where we have strengths.

For various metal spring and pressed products, sales increased due to strong overall demand up through the third quarter. However, profit decreased due to a considerable drop in demand among our major customers (construction machinery and autos) beginning in the fourth quarter.

As a result, net sales for the Metal Working segment were ¥7,304 million (-¥174 million/-2.3% YoY), while operating profit was ¥461 million (+¥20 million/+4.5%).

Engineering Services

For engineering and construction work, sales and profit increased due to an upturn in the number of construction projects. While sales of industrial paints and painting work decreased due to the absence of large spot projects recorded in the previous fiscal year, profit increased due to favorable market conditions overall. Structural design sales and profits increased due to an increase in highly profitable projects.

As a result, net sales for the Engineering Services segment were ¥4,346 million (+¥143 million/+3.4% YoY), while operating profit was ¥818 million (+¥167 million/+25.7%).

Net sales by business segment

Segment	Previous fiscal year		Current fiscal year	
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)
Chemical Products	20,159	55.1	20,422	54.9
Bottling	4,774	13.0	5,150	13.8
Metal Working	7,478	20.4	7,304	19.6
Engineering Services	4,203	11.5	4,346	11.7
Subtotal	36,615	100.0	37,223	100.0
Other	(607)	–	(646)	–
Total	36,008	–	36,577	–

(2) Capital investments

The total of capital investments made during the current fiscal year was ¥2,666 million.

(i) Main facilities completed during the current fiscal year

No items to report.

(ii) New construction/enhancement of main facilities during the current fiscal year

Chemical Products segment

Japan Carlit Co., Ltd.

Expansion of propellant facilities, construction of new test building and introduction of facilities, construction and renewal of office building, etc.
Installation of new crystal pulling equipment

Silicon Technology Corporation

Bottling segment

JC Bottling Co., Ltd.

Construction of new warehouse

Engineering Services segment

Fuji Shoji Co., Ltd.

Reconstruction of head office

(iii) Sale/removal/loss of material non-current assets

No items to report.

(3) Financing

Regarding financing for facilities and other projects during the current fiscal year, we procured necessary funds mainly from own capital and loans from financial institutions. Consolidated interest-bearing liabilities amounted to ¥2,015 million, a decrease of ¥1,051 million from the previous year.

(4) Issues to address

1. Fundamental management policy

Management philosophy: For Confidence and Infinite Challenge

We unveiled this management philosophy when we transitioned to a holding company structure in 2013. At the time, we were preparing to celebrate the 100th anniversary of our establishment in 2018, and we wanted to better position ourselves to pursue our current reason for existence and ambitious development for the future in the spirit of our founder, Soichiro Asano.

We believe it is our mission to contribute to both society and individual people. To achieve this mission, we must establish a sustainable business foundation and develop enduring technology. We intend to develop new products and make forays into new business segments while improving our research and development structure, striving to proactively develop new businesses including M&As and expanding overseas with the priority placed on maintaining trust from stakeholders.

All employees of the Carlit Group will work together to earn the world's trust by tackling countless challenges.

2. Medium- and long-term management strategies

We have determined that our vision for the Company in 2030 is “Supporting happy lifestyles by combining the power of ‘chemicals’ and ‘technology’ to contribute to a sustainable society,” and we are carrying out a three-year Medium-term Management Plan entitled “Challenge 2024” that kicked off in fiscal year 2022. We have established five strategies related to improving business results and ESG management and are carrying out the plan based on our management policy of improving corporate value by introducing business portfolio management.

In addition, aiming to improve PBR, we have formulated the “Rolling Plan 2023” and “Grow Up Plan 2024” as additional measures to the Medium-term Management Plan “Challenge 2024,” and we have presented a variety of specific measures. We will carry out flexible management strategies that are suitable for the external environment.

(5) Recent trends in Group assets, profits and losses

Category	Year 8 (Year ended March 2021)	Year 9 (Year ended March 2022)	Year 10 (Year ended March 2023)	Year 11 Current fiscal year (Year ended March 2024)
Net sales (Millions of yen)	45,537	33,894	36,008	36,577
Ordinary profit (Millions of yen)	1,770	2,742	2,910	3,600
Profit attributable to owners of the parent (Millions of yen)	1,231	2,336	2,246	2,598
Profit per share (Yen)	51.82	98.31	94.55	109.91
Total assets (Millions of yen)	50,953	50,078	51,230	55,146
Net assets (Millions of yen)	28,977	30,903	33,179	36,775
Net assets per share (Yen)	1,218.73	1,300.41	1,402.70	1,560.32

Note: Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) went into effect at the start of Year 9. Accordingly, figures for Year 9 and subsequent fiscal years are calculated in accordance with the new standards.

(6) Status of the parent company and significant subsidiaries (as of March 31, 2024)

(i) Relationship with the parent company

No items to report.

(ii) Status of significant subsidiary companies

Company name	Share capital (Millions of yen)	Ownership equity	Description of main businesses
Japan Carlit Co., Ltd.	1,204	100%	Manufacturing and selling explosives, chemical products, electronic materials, abrasives, raw materials for fireworks, etc. and contracting material hazard assessment testing and battery testing
Silicon Technology Corporation	450	100%	Manufacturing and selling single-crystal silicon and silicon wafers for semiconductors
JC Bottling Co., Ltd.	400	100%	Bottling and selling soft drinks
Fuji Shoji Co., Ltd.	12	100%	Selling industrial paints, performing painting work
Namitakiko Co., Ltd.	33	100%	Manufacturing and selling heat-resistant furnace hardware
General Design Co., Ltd.	10	100%	Designing and supervising buildings, structures, water supply and wastewater systems, wastewater treatment facilities, etc.
Toyo Spring industrial Co., Ltd.	40	100%	Manufacturing and selling springs for automobiles and construction machinery

Note: We have 13 consolidated subsidiary companies and one company accounted for using the equity method.

(iii) Status of specified wholly-owned subsidiary companies on March 31, 2024

Company name	Address	Book value of shares (Millions of yen)	Total assets owned by the Company (Millions of yen)
Japan Carlit Co., Ltd.	1-17-10, Kyobashi, Chuo-ku, Tokyo, Japan	11,666	37,231

(7) Description of main businesses (as of March 31, 2024)

Business segment	Main products and services
Chemical Products	< Explosives > Industrial explosives, Signal flares for automobile use, Smoke fires, Raw materials for fireworks < Material assessments > Material hazard assessment testing, Battery testing < Chemicals > Sodium chlorate, Ammonium perchlorate, Agrichemicals, Electrodes, Perchloric acid, Plastic raw materials < Electronics > Organic conducting materials, Optical function materials, Ion conducting materials < Ceramics > Abrasives < Silicon wafer > Silicon wafers
Bottling	Bottling and packaging
Metal Working	Heat-resistant refractories, Springs
Engineering Services	Engineering and construction work, Sales of industrial paints and painting work, Design and administration of buildings

(8) Main places of business and plants (as of March 31, 2024)

(i) Main places of business

Head Office	Chuo-ku, Tokyo
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(ii) Main places of business and plants of the subsidiary companies

Japan Carlit Co., Ltd.	Head Office	Chuo-ku, Tokyo
	Research & Development Center	Shibukawa-shi, Gunma
	Gunma Plant	Shibukawa-shi, Gunma
	Akagi Plant	Shibukawa-shi, Gunma
	Shiga Office	Inukami-gun, Shiga
Silicon Technology Corporation	Head Office and Shinano Plant	Saku-shi, Nagano
	Tokyo Office	Chuo-ku, Tokyo
JC Bottling Co., Ltd.	Head Office	Chuo-ku, Tokyo
	Shibukawa Plant	Shibukawa-shi, Gunma
Fuji Shoji Co., Ltd.	Head Office	Osaka-shi, Osaka
	Shiga Plant	Inukami-gun, Shiga
Namitakiko Co., Ltd.	Head Office and Factory	Osaka-shi, Osaka
	Tokyo Office	Chuo-ku, Tokyo
General Design Co., Ltd.	Head Office	Minato-ku, Tokyo
Toyo Spring industrial Co., Ltd.	Head Office	Matsudo-shi, Chiba
	Ishioka Plant	Omitama-shi, Ibaraki
	Kashiwabara Plant	Ishioka-shi, Ibaraki

(9) Status of employees (as of March 31, 2024)

Status of Group employees

Business segment	Number of employees	Change from end of previous year
Chemical Products	467	-2
Bottling	131	-8
Metal Working	223	-12
Engineering Services	181	+1
Other	65	+6
Total	1,067	-15

Note: "Number of employees" is the number of working employees.

(10) Main lenders (as of March 31, 2024)

(Millions of yen)

Lender	Borrowings
Mizuho Bank, Ltd.	270
The Gunma Bank, Ltd.	224
Mizuho Trust & Banking Co., Ltd.	134
Resona Bank, Limited	121

(11) Status of business transfers, absorption-type company splits, and incorporation-type company splits

No items to report.

(12) Status of acquisitions of businesses

No items to report.

- (13) Status of succession of the rights and obligations of the businesses of other corporations under absorption-type mergers or absorption-type company splits

On November 28, 2023, the Company entered into an absorption-type merger agreement effective October 1, 2024 (scheduled), whereby the Company will be the surviving company and its consolidated subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, will be absorbed.

- (14) Status of acquisition or disposition of shares or other equity, share acquisition rights of other companies

No items to report.

2. The Company's Shares (as of March 31, 2024)

- (1) Total number of authorized shares: 80,000,000
- (2) Total number of issued shares: 23,957,803 (excluding 92,197 treasury shares)
- (3) Number of shareholders: 31,286
- (4) Major shareholders

Shareholder name	Number of shares owned (Thousands of shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	2,598	10.8
Custody Bank of Japan, Ltd. (Marubeni retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)	1,997	8.3
NOF CORPORATION	915	3.8
Custody Bank of Japan, Ltd. (Mizuho Bank retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)	913	3.8
Meiji Yasuda Life Insurance Company	700	2.9
NAGASE & CO., LTD.	700	2.9
Custody Bank of Japan, Ltd. (trust account)	608	2.5
Fuyo General Lease Co., Ltd.	522	2.2
Kanto Denka Kogyo Co., Ltd.	464	1.9
Daiso Chemical Co., Ltd.	418	1.7

- Notes:
1. Ownership ratios were calculated after excluding the 92,197 treasury shares.
 2. The shares owned by the Marubeni retirement benefit trust account with Mizuho Trust & Banking Co., Ltd. were purchased by Marubeni Corporation as a retirement benefit trust.
 3. The shares owned by the Mizuho Bank retirement benefit trust account with Mizuho Trust & Banking Co., Ltd. were purchased by Mizuho Bank, Ltd. as a retirement benefit trust.
 4. Treasury shares do not include shares held by Custody Bank of Japan, Ltd. (Trust Account E) related to the "Board Benefit Trust (BBT)" and the "Japanese version of Employee Stock Ownership Plan (J-ESOP)."

- (5) Status of shares issued to Company Officers as compensation for execution of duties during the current fiscal year

Type of Officer	Number of shares (Hundreds of shares)	Recipients (Number of people)
Directors (excluding Outside Directors)	450	2
Outside Directors	–	–
Audit & Supervisory Board Members	–	–

- Notes:
1. The above are the shares which were provided to retired Company Officers.
 2. Details of the Company's stock compensation plan can be found under "4. Company Officers, (4) Compensation, etc. of Directors and Audit & Supervisory Board Members" on page 27 of the Business Report.

- (6) Important matters pertaining to other shares

- (i) Introduction of the Board Benefit Trust (BBT)

At the 2nd Annual General Meeting of Shareholders held on June 26, 2015, the shareholders passed a resolution to introduce a performance-linked stock compensation plan (BBT) which limits compensation to Directors (excluding Outside Directors) to a maximum of ¥60 million in a single fiscal year. In addition to the above limit, at the 8th Annual General Meeting of Shareholders held on June 29, 2021, the shareholders passed a resolution to establish a maximum of 120,000 points granted to Directors (excluding Outside Directors) under the performance-linked stock compensation plan (BBT) during a single fiscal year. The number of such shares owned by the Trust Account as of the end of the fiscal year was 256,800.

(ii) Introduction of the Japanese version of Employee Stock Ownership Plan (J-ESOP)

Based on a resolution passed at the Board of Directors meeting held on November 28, 2023, the Company has introduced the “Japanese version of Employee Stock Ownership Plan (J-ESOP),” effective December 12, 2023, which is an incentive plan to provide employees of the Company as well as directors and employees of certain subsidiaries of the Company with Company shares. The number of such shares owned by the Trust Account as of the end of the fiscal year was 131,800.

3. Share Acquisition Rights

(1) Status of share acquisition rights on March 31, 2024

No items to report.

(2) Status of share acquisition rights issued during the current fiscal year

No items to report.

4. Company Officers

(1) Names, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2024)

Position in the Company	Name	Areas of responsibility and significant concurrent positions
Representative Director	Hirofumi Kaneko	In charge of the Corporate Planning Department and Internal Audit Office
Director	Fumio Ogawa	In charge of the Chemicals Products segment and General Manager of Corporate Planning Department; Representative Director, Japan Carlit Co., Ltd.
Director	Yoji Yamaguchi	Representative Director, Silicon Technology Corporation
Director	Kazuo Yamamoto	
Director	Seiichi Shimbo	
Director	Yukari Murayama	Outside Director, Information Services International-Dentsu, Ltd. (Audit and Supervisory Committee Member)
Standing Audit & Supervisory Board Member	Katsunori Nozawa	Audit & Supervisory Board Member, Japan Carlit Co., Ltd.; Outside Director, WELCIA Holdings Co., Ltd.
Audit & Supervisory Board Member	Yasuhiro Fujiwara	Representative, Fujiwara Accounting Office; Representative Director, Kaikei Oen Kobo Co., Ltd.; Outside Director (Audit), Fukoku Co., Ltd.
Audit & Supervisory Board Member	Akinori Aoki	Full-Time Audit & Supervisory Board Member, Japan Carlit Co., Ltd.
Audit & Supervisory Board Member	Tsunemichi Iwai	Audit & Supervisory Board Member, Japan Carlit Co., Ltd.

- Notes:
1. Directors Kazuo Yamamoto, Seiichi Shimbo, and Yukari Murayama are Outside Directors as defined in Article 2, Paragraph 15 of the Companies Act.
 2. Standing Audit & Supervisory Board Member Katsunori Nozawa and Audit & Supervisory Board Member Yasuhiro Fujiwara are Outside Audit & Supervisory Board Members as defined in Article 2, Paragraph 16 of the Companies Act.
 3. Directors Kazuo Yamamoto, Seiichi Shimbo, and Yukari Murayama; Standing Audit & Supervisory Board Member Katsunori Nozawa; and Audit & Supervisory Board Member Yasuhiro Fujiwara have been reported to the Tokyo Stock Exchange as independent officers.
 4. Directors Takashi Morishita, Hideo Okamoto, and Teiji Sakata retired at the conclusion of the 10th Annual General Meeting of Shareholders held on June 29, 2023, due to the expiration of their terms of office.
 5. Director Toshifumi Yachi retired from office on October 17, 2023, due to his resignation.
 6. Audit & Supervisory Board Member Norio Matsuo retired from office at the conclusion of the 10th Annual General Meeting of Shareholders held on June 29, 2023, due to his resignation.
 7. The following changes have been made to the areas of responsibility and significant concurrent positions held by the Directors, effective April 1, 2024.

Position in the Company	Name	Before amendments	After amendments
Representative Director	Hirofumi Kaneko	In charge of the Corporate Planning Department and Internal Audit Office	In charge of the Internal Audit Office
Director	Fumio Ogawa	In charge of the Chemical Products segment and General Manager of Corporate Planning Department; Representative Director, Japan Carlit Co., Ltd.	In charge of the Chemical Products segment, in charge of and General Manager of the Corporate Planning Department; Representative Director, Japan Carlit Co., Ltd.
Director	Yoji Yamaguchi	Representative Director, Silicon Technology Corporation	In charge of the Group Research & Development; Representative Director, Silicon Technology Corporation

(2) Summary of the content of liability limitation agreements

The Company and the Directors (excluding those who are Directors with executive authority over operations) and Audit & Supervisory Board Members have entered into agreements limiting the Directors' and Audit & Supervisory Board Members' liability for compensation for damages to the Company when they cause damage to the Company to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that they have executed their duties in good faith without gross negligence.

(3) Summary of the content of the directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insured parties under the insurance contract are the Directors and Audit & Supervisory Board Members of the Company and those of its subsidiary companies under the Companies Act; the insured parties do not pay insurance premiums. The insurance covers damage (legal damages and litigation expenses) suffered by Officers of the Company when shareholders or other third parties seek compensatory damages during the term of the insurance as a result of the Officers' actions or inaction.

(4) Compensation, etc. of Directors and Audit & Supervisory Board Members

(i) Policies for determining the details of Officer compensation, etc.

The Company determines policies for determining the details of compensation for individual Directors as follows through resolutions by the Board of Directors. Before reaching these resolutions, the Board of Directors requests and receives advice about the details from the Governance Committee.

Additionally, the Board of Directors judges whether compensation for individual Directors for the current fiscal year aligns with policies for determining the details of the compensation by verifying the methods of determining the details, whether such determined details are consistent with the policies, and whether the advice from the Governance Committee has been properly regarded.

The following are the details of policies for determining the details of compensation for individual Directors.

I. Basic policy

Our basic policy for determining compensation for individual Directors is to set it at appropriate levels for their responsibilities under a system linked to shareholders' interests so that the compensation serves as a sufficient incentive for the Directors to persistently strive to improve the value of the Company. Specifically, compensation for Directors with executive authority over operations comprises basic compensation, which serves as their fixed compensation, and bonuses, while Outside Directors, who are tasked with supervisory functions, are only paid the basic compensation in light of their duties.

II. Policies for determining amounts of basic compensation (monetary compensation) for individuals (including policies for determining the timing and conditions for providing the compensation)

As basic compensation, Company Directors are paid a fixed monthly amount determined based on many factors, including their position, responsibilities, what other companies are paying, the Company's performance, and Company employees' wage levels as well as assessments of their duties. In these assessments, the Representative Director assesses the status of each Director's duties and consults with the Governance Committee, which reports to the Board of Directors, which then deliberates over and finalizes the assessments.

III. Policies for determining details about bonuses and methods of calculating amounts and figures (including policies for determining the timing and conditions for providing the compensation)

Regarding bonuses, the performance-linked stock compensation plan aims to raise Directors' motivation to contribute to improving performance and increasing corporate value over the medium and long term by clarifying the link between Director compensation and the Company's performance and share price. The maximum total performance-linked stock compensation for a single fiscal year is ¥60 million. Directors (excluding Outside Directors) are awarded points corresponding to their level of achievement based on Company regulations for granting shares to Officers. Consolidated ordinary profit serves as the baseline for assessing their level of achievement. Consolidated ordinary profit was selected as the baseline metric rather than operating profit, which reflects business activities and fluctuates in response to financing activities, because it expresses the overall profitability of management activities. Directors are granted shares of the Company corresponding to the number of points awarded when they acquire rights to receive benefits under certain conditions. In principle, they receive the shares when they step down from their positions as Directors. The granted shares are acquired from the market or through disposal of the Company's treasury stock using money set in trust in advance.

a. Eligible recipients of bonuses

Directors (excluding Outside Directors)

b. Assets provided as performance-linked remuneration

Common stock of the Company and cash

c. Method of calculating stock compensation payments

The number of points to be awarded is calculated using the following formula, and points are awarded to the scheduled recipients each year on the day on which the Annual General Meeting of Shareholders concludes.

Number of points = Funds for distribution (Table 1) x (Scheduled recipient's point percentage (Table 2) ÷ Total number of points to be awarded) ÷ Share price when the trust acquires the shares (Points are rounded down to the nearest whole number)

Table 1: Funds for Distribution

Level of performance	Funds for distribution
Consolidated ordinary profit of ¥1,500 million or greater, and profit of ¥1,000 million or greater	1.0% of consolidated ordinary profit (Maximum for Directors: ¥60 million)
Consolidated ordinary profit of less than ¥1,500 million, or profit of less than ¥1,000 million when ordinary profit is ¥1,500 million or greater	No payments

Notes: 1. Consolidated ordinary profit and funds for distribution are rounded down to the nearest million yen.
2. If suitable reasons exist, the Board of Directors may pass a resolution to award no points.

Table 2: Point Percentages

Position	Point percentage
Chair of the Board of Directors	2.5
President	4.0
Vice President	2.5
Senior Managing Director	2.0
Managing Director	1.5
Director	1.0

- Notes:
1. A maximum total of 120,000 points can be awarded to Directors in a single fiscal year.
 2. Monetary amounts allocated according to point percentages are rounded down to the nearest ¥10,000.

When a scheduled recipient steps down from their position, they acquire the right to receive the number of shares calculated using the following formula and based on the cumulative number of points awarded to them over the years using the aforementioned formula. Note that when the number of shares to be provided involves a fraction, a monetary payment corresponding to the fraction will be provided. Additionally, when a scheduled recipient has died, their surviving family will be provided with a monetary payment corresponding to the number of shares owed to the recipient multiplied by the closing price or the indicative price of the stock on the day of the recipient's death.

Number of shares to be provided = Cumulative points x 1.0

IV. Policies for determining percentages of amounts of monetary compensation, performance-linked compensation, non-monetary compensation, and other forms of compensation for individual Directors

The Governance Committee examines percentages of compensation for each type of Director based on levels of compensation benchmarked against those of companies with scales, lines, and categories of business similar to the Company's. The Board of Directors regards advice from the Governance Committee and determines the details of individual Director compensation such that they fall within the scope of the compensation percentage for each type of Director advised by the Governance Committee.

Specifically, as outlined in Section I, compensation for Directors with executive authority over operations comprises basic compensation, which serves as their fixed compensation, and bonuses, while Outside Directors, who are tasked with supervisory functions, are only paid the basic compensation in light of their duties. In addition to the basic compensation, which serves as fixed compensation, Directors with executive authority over operations are awarded points corresponding to the Company's performance each fiscal year as outlined in Section III as performance-linked stock compensation. In principle, they receive the number of shares corresponding to their cumulative point total as a bonus when they step down from their positions as Directors. Accordingly, the percentages of compensation of Directors with executive authority over operations may fluctuate in response to the number of points awarded as performance-linked stock compensation.

V. Determining the details of individual Director compensation

In pursuit of transparency and objectivity with regard to amounts of compensation for individual Directors, the Board of Directors requests and receives advice from the Governance Committee and then deliberates over and determines the amounts. Regarding the performance-linked stock compensation plan, points are calculated in line with the details in Section III and finalized by resolution of the Board of Directors.

(ii) Total amount of compensation for the year ended March 31, 2024

Type of Officer	Total amount of compensation (Millions of yen)	Total amount by type of compensation (Millions of yen)			Number of eligible recipients
		Basic compensation	Performance-linked compensation	Of the amount at left, the amount of non-monetary compensation	
Directors	122 (including 21 for Outside Directors)	95 (including 21 for Outside Directors)	27 (including 0 for Outside Directors)	27 (including 0 for Outside Directors)	10 (including 3 for Outside Directors)
Audit & Supervisory Board Members	37 (including 23 for Outside Audit & Supervisory Board Members)	37 (including 23 for Outside Audit & Supervisory Board Members)	–	–	5 (including 3 for Outside Audit & Supervisory Board Members)

- Notes:
- At the 6th Annual General Meeting of Shareholders held on June 27, 2019, the shareholders passed a resolution to limit Director compensation to ¥300 million per year (of which the limit per year for Outside Directors is ¥30 million). (However this does not include portions of wages corresponding to services as an employee for individuals concurrently serving as Directors.) The number of Directors at the conclusion of the General Meeting of Shareholders was nine (including three Outside Directors). Separate from the above, at the 2nd Annual General Meeting of Shareholders held on June 26, 2015, the shareholders passed a resolution to introduce a performance-linked stock compensation plan which limits compensation to Directors (excluding Outside Directors) to a maximum of ¥60 million in a single fiscal year. The number of Directors (excluding Outside Directors) at the conclusion of the General Meeting of Shareholders was five. In addition to the above limit, at the 8th Annual General Meeting of Shareholders held on June 29, 2021, the shareholders passed a resolution to establish a maximum of 120,000 points granted to Directors (excluding Outside Directors) under the performance-linked stock compensation plan during a single fiscal year. The number of Directors (excluding Outside Directors) at the conclusion of the General Meeting of Shareholders was six. Details of the performance-linked stock compensation plan are as described in Section III “Policies for determining details about bonuses and methods of calculating amounts and figures” in “(i) Policies for determining the details of Officer compensation, etc.”
 - At the 1st Annual General Meeting of Shareholders held on June 27, 2014, the shareholders passed a resolution to limit Audit & Supervisory Board Member compensation to ¥60 million per year. The number of Audit & Supervisory Board Members at the conclusion of the General Meeting of Shareholders was four.
 - Included in the above are three Directors who retired at the conclusion of the 10th Annual General Meeting of Shareholders held on June 29, 2023, due to the expiration of their terms of office, and one Director who retired from office during the current fiscal year due to their resignation.
 - Included in the above is one Outside Audit & Supervisory Board Member who retired from office at the conclusion of the 10th Annual General Meeting of Shareholders held on June 29, 2023, due to their resignation.
 - Performance-linked compensation and non-monetary compensation show the upper limits for recording of expenses related to the performance-linked stock compensation Plan in that fiscal year.

(5) Outside Officers

- Significant concurrent positions with other companies, and the Company’s relationship with the other companies

Outside Director Yukari Murayama is concurrently serving as an Outside Director (Audit and Supervisory Committee Member) at Information Services International-Dentsu, Ltd. Notably, there is no special interest between the Company and Information Services International-Dentsu, Ltd.

Outside Audit & Supervisory Board Member Katsunori Nozawa is concurrently serving as an Outside Director at WELCIA Holdings Co., Ltd. Notably, there is no special interest between the Company and WELCIA Holdings Co., Ltd.

Outside Audit & Supervisory Board Member Yasuhiro Fujiwara is concurrently serving as a Representative at Fujiwara Accounting Office, Representative Director at Kaikei Oen Kobo Co., Ltd., as well as Outside Director (Audit) at Fukoku Co., Ltd. Notably, there is no special interest between the Company and each of the above companies.

(ii) Status of main activities during the current fiscal year

Name	Position	Status of main activities and summary of duties performed with regard to their expected role as an Outside Director
Kazuo Yamamoto	Outside Director	Of the 22 meetings of the Board of Directors held during the year, Mr. Kazuo Yamamoto attended 16 out of 17 that did not involve the five written resolutions. With efforts highlighted by proactive contributions to discussions based on his expert knowledge and experience as a certified public accountant, he is fulfilling his role, which is to ensure the relevance and appropriateness of the decisions of the Board of Directors. Additionally, as the chair of the Governance Committee, he attended all five of the committee's meetings held this year, and is serving a supervisory function over the process of determining the Company's policies for electing and dismissing senior management and for determining compensation plans and amounts of compensation for Directors.
Seiichi Shimbo	Outside Director	Of the 22 meetings of the Board of Directors held during the year, Mr. Seiichi Shimbo attended all 17 that did not involve the five written resolutions. With efforts highlighted by proactive contributions to discussions based on his experience from successive service in posts as an outside officer at several companies, he is fulfilling his role, which is to ensure the relevance and appropriateness of the decisions of the Board of Directors. Additionally, as a member of the Governance Committee, he attended all five of the committee's meetings held this year, and is serving a supervisory function over the process of determining the Company's policies for electing and dismissing senior management and for determining compensation plans and amounts of compensation for Directors.
Yukari Murayama	Outside Director	Of the 22 meetings of the Board of Directors held during the year, Ms. Yukari Murayama attended all 17 that did not involve the five written resolutions. With efforts highlighted by proactive contributions to discussions based on her expert knowledge and experience as an attorney, she is fulfilling her role, which is to ensure the relevance and appropriateness of the decisions of the Board of Directors. Additionally, as a member of the Governance Committee, she attended all five of the committee's meetings held since her appointment as an Outside Director of the Company, and is serving a supervisory function over the process of determining the Company's policies for electing and dismissing senior management and for determining compensation plans and amounts of compensation for Directors.
Katsunori Nozawa	Outside Audit & Supervisory Board Member	Of the 22 meetings of the Board of Directors held during the year, Mr. Katsunori Nozawa attended 16 out of 17 that did not involve the five written resolutions, and attended all 20 of the Audit & Supervisory Board meetings. His contributions to discussions are based on the knowledge and perspectives he has cultivated at financial institutions, where he started his career.
Yasuhiro Fujiwara	Outside Audit & Supervisory Board Member	Of the 18 meetings of the Board of Directors held after Mr. Yasuhiro Fujiwara assumed the position of Outside Audit & Supervisory Board Member of the Company, he attended all 14 that did not involve the four written resolutions, and attended all 15 of the Audit & Supervisory Board meetings. His contributions to discussions are based on his expertise and experience as a certified public accountant.

5. Status of the Accounting Auditor

(1) Name of the Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Amount of compensation for the Accounting Auditor for the year ended March 31, 2024

- | | |
|---|-------------|
| (i) Compensation for the Accounting Auditor for the year ended March 31, 2024 | ¥28 million |
| (ii) Total amount of money and other economic benefits to be paid to the Accounting Auditor by the Company and its subsidiary companies | ¥48 million |

- Notes:
1. The respective amounts of compensation for auditing services under the Companies Act and the Financial Instruments and Exchange Act are not classified in the agreement for auditing services between the Company and the Accounting Auditor, and cannot be classified in practical terms; therefore, the amount of compensation for the year ended March 31, 2024 is indicated as the total of both.
 2. The Audit & Supervisory Board agreed to the compensation for the Accounting Auditor after undergoing the steps necessary to verify the appropriateness of the basis for calculating compensation, details of auditing plans, and the like.
 3. In addition to the above, the amount of compensation for the Accounting Auditor includes ¥1 million as the amount of additional compensation related to the preceding fiscal year.

(3) Details of non-auditing services

No items to report.

(4) Policy for deciding to dismiss or refuse to reappoint the Accounting Auditor

The Company's policy is for the Audit & Supervisory Board to undergo the necessary procedures, including dismissing the Accounting Auditor with a unanimous vote when the Accounting Auditor falls under the items of Article 340, Paragraph 1 of the Companies Act and dismissal is deemed appropriate, and considering dismissing or refusing to reappoint the Accounting Auditor based on the facts and including the matter as a proposal to be discussed at a Meeting of Shareholders when necessary when the Accounting Auditor's competence to continue their duties is called into question.

(5) Orders issued to the Accounting Auditor to suspend business operations in the last two years

No items to report.

Note: All monetary amounts and numbers of shares in this Business Report have been rounded down to the nearest whole unit.

Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2024)

		(Millions of yen)
Accounts		Amounts
Assets		
I	Current assets	
	Cash and deposits	2,921
	Notes and accounts receivable - trade, and contract assets	12,042
	Merchandise and finished goods	3,588
	Work in process	579
	Raw materials and supplies	1,959
	Other	2,445
	Allowance for doubtful accounts	(18)
	Total current assets	23,518
II	Non-current assets	
1	Property, plant, and equipment	
	Buildings and structures	8,280
	Machinery, equipment, and vehicles	2,943
	Land	5,868
	Leased assets	914
	Construction in progress	851
	Other	257
	Total property, plant, and equipment	19,116
2	Intangible assets	
	Other	187
	Total intangible assets	187
3	Investments and other assets	
	Investment securities	11,029
	Deferred tax assets	512
	Retirement benefit asset	204
	Other	636
	Allowance for doubtful accounts	(59)
	Total investments and other assets	12,323
	Total non-current assets	31,627
	Total assets	55,146

		(Millions of yen)
Accounts		Amounts
Liabilities		
I	Current liabilities	
	Notes and accounts payable - trade	6,867
	Short-term borrowings	89
	Current portion of long-term borrowings	470
	Income taxes payable	679
	Provision for bonuses	716
	Other	2,325
	Total current liabilities	11,149
II	Non-current liabilities	
	Long-term borrowings	470
	Lease obligations	768
	Deferred tax liabilities	4,071
	Provision for share awards	12
	Provision for share awards for directors	85
	Retirement benefit liability	471
	Other	1,341
	Total non-current liabilities	7,221
	Total liabilities	18,370
Net assets		
I	Shareholders' equity	
	Share capital	2,099
	Capital surplus	1,190
	Retained earnings	27,491
	Treasury shares	(333)
	Total shareholders' equity	30,448
II	Accumulated other comprehensive income	
	Valuation difference on available-for-sale securities	6,136
	Deferred gains or losses on hedges	2
	Foreign currency translation adjustment	158
	Remeasurements of defined benefit plans	29
	Total accumulated other comprehensive income	6,327
	Total net assets	36,775
	Total liabilities and net assets	55,146

Consolidated Statements of Income (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Accounts	Amounts	
I Net sales		36,577
II Cost of sales		27,075
Gross profit		9,502
III Selling, general and administrative expenses		
Selling, general and administrative expenses	6,149	6,149
Operating profit		3,352
IV Non-operating income		
Dividend income	242	
Share of profit of entities accounted for using equity method	17	
Foreign exchange gains	20	
Other	83	365
V Non-operating expenses		
Interest expenses	46	
Inactive facility expenses	58	
Other	11	116
Ordinary profit		3,600
VI Extraordinary income		
Gain on sale of non-current assets	1	
Gain on sale of investment securities	142	144
VII Extraordinary losses		
Loss on sale of non-current assets	0	
Loss on retirement of non-current assets	37	37
Profit before income taxes		3,707
Income taxes - current	1,137	
Income taxes - deferred	(28)	1,108
Profit		2,598
VIII Profit attributable to owners of parent		2,598

Non-consolidated Financial Statements

Non-consolidated Balance Sheets (as of March 31, 2024)

		(Millions of yen)
Accounts		Amounts
Assets		
I	Current assets	
	Cash and deposits	2,004
	Short-term loans receivable from subsidiaries and associates	5,782
	Other	139
	Total current assets	7,926
II	Non-current assets	
1	Property, plant, and equipment	
	Buildings and structures	1,216
	Tools, furniture, and fixtures	12
	Land	265
	Total property, plant, and equipment	1,494
2	Intangible assets	
	Software	28
	Software in progress	1
	Total intangible assets	30
3	Investments and other assets	
	Investment securities	7,836
	Shares of subsidiaries and associates	14,977
	Long-term loans receivable from subsidiaries and associates	4,818
	Other	149
	Total investments and other assets	27,780
	Total non-current assets	29,305
	Total assets	37,231

		(Millions of yen)
Accounts		Amounts
Liabilities		
I	Current liabilities	
	Current portion of long-term borrowings	470
	Deposits received	1,263
	Provision for bonuses	79
	Other	54
	Total current liabilities	1,868
II	Non-current liabilities	
	Long-term borrowings	470
	Long-term deposits received	1,109
	Deferred tax liabilities	2,579
	Provision for retirement benefits	37
	Provision for share awards	3
	Provision for share awards for directors	85
	Total non-current liabilities	4,285
	Total liabilities	6,153
Net assets		
I	Shareholders' equity	
1	Share capital	2,099
2	Capital surplus	
	(1) Legal capital surplus	1,196
	(2) Other capital surplus	13,715
	Total capital surplus	14,911
3	Retained earnings	
	(1) Other retained earnings	
	Retained earnings brought forward	10,052
	Total other retained earnings	10,052
	Total retained earnings	10,052
4	Treasury shares	(333)
	Total shareholders' equity	26,729
II	Valuation and translation adjustments	
	Valuation difference on available-for-sale securities	4,348
	Total valuation and translation adjustments	4,348
	Total net assets	31,077
	Total liabilities and net assets	37,231

Non-consolidated Statements of Income (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Accounts	Amounts	
I Operating revenue		2,081
II Operating expenses		1,276
Operating profit		805
III Non-operating income		
Interest income	83	
Dividend income	182	
Other	22	289
IV Non-operating expenses		
Interest expenses	15	
Commission expenses	5	
Other	0	21
Ordinary profit		1,073
V Extraordinary income		
Gain on sale of investment securities	142	142
Profit before income taxes		1,216
Income taxes - current	97	
Income taxes - deferred	(20)	76
Profit		1,140

Audit Reports

Certified copy of Accounting Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report (Translation)

May 24, 2024

The Board of Directors

Carlit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo Office, Japan

Designated Engagement Partner,
Certified Public Accountant

Koichiro Haraga

Designated Engagement Partner,
Certified Public Accountant

Kenichi Ishida

Audit Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of Carlit Holdings Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the maintenance and operation of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We

are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have compiled with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards that have been taken to remove obstruction factors or to reduce them to an acceptable level.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

Certified copy of Accounting Auditor's Report on Financial Statements: translation

Independent Auditor's Report (Translation)

May 24, 2024

The Board of Directors

Carlit Holdings Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo Office, Japan

Designated Engagement Partner,
Certified Public Accountant

Koichiro Haraga

Designated Engagement Partner,
Certified Public Accountant

Kenichi Ishida

Audit Opinion

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements and the related supplemental schedules (collectively, "non-consolidated financial statements, etc.") of Carlit Holdings Co., Ltd. (the "Company") applicable to the 11th fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the maintenance and operation of the reporting process for the other information.

Our opinion on the non-consolidated financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have compiled with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards that have been taken to remove obstruction factors or to reduce them to an acceptable level.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Certified copy of Audit & Supervisory Board's Audit Report

Audit Report

The Audit & Supervisory Board has received the reports of the business performance of the Directors during the 11th fiscal year from April 1, 2023 through March 31, 2024 from each of the Audit & Supervisory Board Members. After discussing the reports, we have prepared this Audit Report and report as follows.

1. Method and Content of Audit Conducted by Audit & Supervisory Board Members and Audit & Supervisory Board
 - (1) The Audit & Supervisory Board established auditing policies, allocation of duties and other relevant matters and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and the accounting auditors regarding performance of their duties, and sought explanations as necessary.
 - (2) Each Audit & Supervisory Board Member complied with the auditing standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the audit policies, allocation of duties, etc., communicated with Directors, the internal audit department, and other employees, through web conferences, as well as worked to enhance environment for information collection and auditing, while conducting the audit by the following methods:
 - 1) Audit & Supervisory Board Members attended the meetings of the Board of Directors and other important meetings of the Company, received reports from Directors and employees, etc. on the status and results of the execution of their duties and asked them for explanations as necessary, reviewed important approval documents, etc. and conducted investigation on the status of business operations and assets regarding Head Office and at major offices. As for the subsidiaries, each Audit & Supervisory Board Member promoted communications with the Directors and the Audit & Supervisory Board Members, etc. and received reports on the business of the subsidiaries, physically visiting some of them as necessary.
 - 2) Each Audit & Supervisory Board Member periodically received reports from the Directors, employees, and others; requested explanation as necessary; inspected important documents supporting decisions and other records; and expressed opinions regarding the details of the Board of Directors' resolutions and the system that is developed and operated in accordance with such resolutions concerning the development of systems to ensure that Directors' performance of duties provided in the Business Report are in compliance with laws and regulations, the Articles of Incorporation, and the system to ensure the adequacy of operations of the Group, consisting of Kubota Corporation and its subsidiaries, as stipulated under Article 100, Paragraphs 1 and 3 of the Regulations for Enforcement of the Companies Act (internal control system). For internal control associated with the Company's financial reporting, each Audit & Supervisory Board Member received reports from the Directors and Ernst & Young ShinNihon LLC on the evaluation of the relevant internal control as well as the status of the accounting audit and sought clarification when necessary.
 - 3) We also observed and verified that the Accounting Auditors implemented appropriate audits while maintaining independence, received reports from the Accounting Auditors on the execution of their duties, and sought explanations whenever necessary. In addition, each Audit & Supervisory Board Member was informed of the establishment of the "System for ensuring that duties are performed appropriately" (matters stipulated in the items of Article 131 of the Corporate Calculation Regulations) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council), etc. by the Accounting Auditor and requested explanations as necessary.

Based on the methods mentioned above, we have reviewed the Business Report and its supplementary schedules, the Non-consolidated Financial Statements (Balance Sheets, Statements of Income, Non-consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements)

and their supplementary schedules and the Consolidated Financial Statements (Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements) related to the fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report

(i) In our opinion, the Business Report and supplementary schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.

(ii) We found no wrongful act or material fact in violation of law or regulations or in violation of the Company's Articles of Incorporation with respect to the execution of duties by the Directors.

(iii) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, there are no matters that we should point out regarding the contents of the Business Report and execution of duties by the Directors related to internal control systems, including internal control systems over financial reporting.

(2) Results of Audit of Financial Statements and the Accompanying Supplementary Schedules

In our opinion, the methods and results of the audit conducted by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results of the audit conducted by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 27, 2024

Audit & Supervisory Board,
Carlit Holdings Co., Ltd.

Standing Audit & Supervisory Board Member	Katsunori Nozawa (Seal)
Audit & Supervisory Board Member	Yasuhiro Fujiwara (Seal)
Audit & Supervisory Board Member	Akinori Aoki (Seal)
Audit & Supervisory Board Member	Tsunemichi Iwai (Seal)

(Note) Standing Audit & Supervisory Board Member Katsunori Nozawa and Audit & Supervisory Board Member Yasuhiro Fujiwara are Outside Audit & Supervisory Board Members provided for by Article 2, item 16 and Article 335, Paragraph 3 of the Companies Act.