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(Securities code: 6800)

June 5, 2026

(Date of commencement of measures for electronic provision: May 29, 2026)

**To Shareholders with Voting Rights:**

Katsuhei Yanagisawa  
Representative Director, President  
and Executive Officer  
Yokowo Co., Ltd.  
JR Kanda Manseibashi Bldg. 14F,  
1-25, Kandasuda-cho,  
Chiyoda-ku, Tokyo, Japan

**NOTICE OF THE 88TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

You are cordially invited to attend the 88th Ordinary General Meeting of Shareholders of Yokowo Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In convening this year’s General Meeting of Shareholders, measures for electronic provision have been taken and the matters to be provided electronically are posted on the websites on the Internet indicated below.

The Company’s website: <https://www.yokowo.co.jp/english/ir/stock/shareholder.html>

In addition to the above, the information is also available on the website on the Internet indicated below.

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

Access the website above, enter the Company’s name “Yokowo” in the “Issue name (company name)” field or the Company’s securities code “6800” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” click the “click here for access” button below [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting], and select the notice.

**If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please read the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by 5:40 p.m. on Thursday, June 25, 2026 Japan standard time.**

**[If you wish to exercise your voting rights by postal mail (in writing)]**

Please indicate your vote for or against each Proposal on the enclosed Voting Rights Exercise Form and send it back so that it is received by the aforementioned exercise deadline.

**[If you wish to exercise your voting rights via the Internet]**

Please access the voting website (<https://evote.tr.mufg.jp>), use the “log-in ID” and “temporary password” or “log-in QR code” presented on the enclosed Voting Rights Exercise Form and enter your vote for or against each Proposal by following the instructions displayed on the screen.

- 1. Date and Time:** Friday, June 26, 2026 at 10:00 a.m. JST
- 2. Venue:** STATION CONFERENCE Manseibashi 404, JR Kanda Manseibashi Bldg. 4F, 1-25, Kandasuda-cho, Chiyoda-ku, Tokyo, Japan

### 3. Meeting Agenda:

- Matters to be Reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 88th Fiscal Year (from April 1, 2025 to March 31, 2026) and results of audits by the Accounting Auditor and Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 88th Fiscal Year (from April 1, 2025 to March 31, 2026)

**Proposals to be Resolved:**

- Proposal No. 1:** Distribution of Surplus
- Proposal No. 2:** Partial Amendment of the Articles of Incorporation
- Proposal No. 3:** Election of Eight Directors
- Proposal No. 4:** Election of Four Audit & Supervisory Board Members
- Proposal No. 5:** Revision of Amount of Compensation for Directors
- Proposal No. 6:** Determination of Compensation for Allotment of Restricted Stock to Directors (Excluding Outside Directors)

Notes:

- 1) For those attending, please present the enclosed Voting Rights Exercise Form to the reception upon arrival at the meeting.
- 2) Any updates to the matters to be provided electronically will be posted on the websites indicated above.
- 3) Among the matters to be provided electronically, the paper copy sent to shareholders who requested it by the record date does not include the matters listed below pursuant to the provisions of applicable laws and regulations and Article 16 of the Articles of Incorporation of the Company.
  - “System necessary to ensure that the execution of duties by the Directors complies with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure properness of operations of the Company,” “Basic policy concerning persons who control the decisions on the Company's financial and business policies” and “Other important matters concerning the current situation of the Corporate Group” of the Business Report
  - Consolidated Statement of Changes in Shareholders' Equity and Notes to the Consolidated Financial Statements
  - Statement of Changes in Shareholders' Equity and Notes to the Non-consolidated Financial StatementsTherefore, the Business Report and financial statements contained in the paper copy are part of the documents audited by the Audit & Supervisory Board and the Accounting Auditor in preparing their respective Audit Reports.
- 4) The Reference Documents for the General Meeting of Shareholders are also sent to shareholders who did not request the paper copy.

## Proposal No. 1: Distribution of Surplus

### Shareholder return policy

Based on the recognition that providing superior returns to shareholders is one of the highest management priorities, it is the Company's basic policy to increase profit distribution in a stable manner while enhancing corporate value, determining the specific amount of dividend for each fiscal year by taking into consideration the maintenance of internal reserves to be used for capital investment in production facilities in growing businesses, investment for technological development in new businesses, and investment for market development.

The Company's profit distribution policy is centered on "stable growth of dividends," with dividends on equity (DOE) of 2.2% on a consolidated basis as a guideline. In addition, we will flexibly use share buybacks as appropriate in response to changes in the external and internal business environment.

### Matters concerning year-end dividends

With respect to the operating results for the current fiscal year (fiscal year ended March 31, 2026), as described on page 6 of this convocation notice, net sales reached a new record high, and operating profit and all other profit categories increased. Consolidated net sales were 90.0 billion yen (up 8.7% year on year) and consolidated operating profit was 5.0 billion yen (up 18.7% year on year), exceeding the most recent financial result forecasts announced in February 2026. As a result, we achieved improvements in each of the indicators of the "minimum 10" target under the medium-term management plan (to secure at least 10% for the operating profit margin, return on equity (ROE), and return on invested capital (ROIC)).

For the next fiscal year (fiscal year ending March 31, 2027), the global economy is becoming increasingly uncertain due to escalating political conflicts, tensions, and disputes in various regions around the world. However, demand for semiconductor testing primarily related to generative AI in the CTC segment remains very strong. We anticipate significant business expansion accompanied by substantial capital investment, which is expected to lead to significant increases in the Company's overall financial results.

In view of the aforementioned circumstances, the Company hereby proposes its year-end dividend for the fiscal year ended March 31, 2026 as follows, comprehensively taking into account the forecast for capital needs and securing financial stability.

(1) Type of dividend property: Cash

(2) Matters concerning allotment of dividend property to shareholders and total amount

31 yen per share of common stock, for a total of 731,205,587 yen

Because an interim dividend of 25 yen per share was paid out, the annual dividend for the fiscal year ended March 31, 2026 will be 56 yen per share (consolidated dividend payout ratio of 33.6%, DOE of 2.3% on a consolidated basis).

(3) Effective date of distribution of surplus

June 29, 2026 (Monday)

**Proposal No. 2: Partial Amendment of the Articles of Incorporation**

1. Reasons for the amendment

The Company believes that strengthening the effectiveness of discussions and the oversight functions of the Board of Directors is crucial in order to respond accurately and promptly to changes in the business environment and to further enhance corporate value.

Recently, in the business environment surrounding the Company, management issues have become increasingly diverse and sophisticated due to the expansion of business fields, the progress of globalization, and the need to address ESG and sustainability. In light of this situation, the Company believes that it is appropriate to increase the maximum number of Directors to enable individuals with diverse knowledge and expertise to participate in the Board of Directors.

Therefore, with the aim of executing the management strategy and further enhancing the corporate governance system, the maximum number of Directors specified in Article 20 (Number of Directors and Method of Election) of the current Articles of Incorporation will be changed as described below.

2. Details of the amendment

The details of the amendment are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Number of Directors and Method of Election) Article 20. The Company shall have no more than <u>eight (8)</u> directors appointed by the General Meeting of Shareholders.	(Number of Directors and Method of Election) Article 20. The Company shall have no more than <u>ten (10)</u> directors appointed by the General Meeting of Shareholders.

### Proposal No. 3: Election of Eight Directors

The terms of office of all eight Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, shareholders are requested to elect eight Directors.

The candidates for Director are as follows.

It should be noted that no material conflict of interest exists between any of the eight candidates for Director and the Company.

No.	Name	Current Positions and Responsibilities in the Company	Attendance at Board of Directors Meetings
1	Takayuki Tokuma	Reappointment Male Representative Director, Chairperson and CEO	19/19 times (100%)
2	Kenji Yokoo	Reappointment Male Director, Vice Chairperson; in charge of Incubation Center/Social Contribution; Representative Director of Yokowo Scholarship Foundation	19/19 times (100%)
3	Katsuhei Yanagisawa	Reappointment Male Representative Director, President and Executive Officer	19/19 times (100%)
4	Naohito Odani	Reappointment Male Director, Managing Executive Officer, Chief Officer of Technical H.Q.; Chief Officer of Core Technology Development H.Q.	19/19 times (100%)
5	Makoto Tobar	Reappointment Outside Male Outside Director	19/19 times (100%)
6	Byeongwoo Kang	Reappointment Outside Male Outside Director	19/19 times (100%)
7	Emi Yoneda	Reappointment Outside Female Outside Director	18/19 times (95%)
8	Heather Montgomery	Reappointment Outside Female Outside Director	15/15 times (100%)

◆ Expertise and experiences of new Board of Directors structure (skill matrix)

Up to four areas of expertise and experience of the Directors and Audit & Supervisory Board Members, which are especially expected of them in performing their duties, are indicated. The table below is not an exhaustive list of expertise and experiences of each person.

Name	Positions	Expertise and experiences						
		Corporate management	ESG and sustainability	Legal and risk management	Finance and M&A	HR and labor affairs	Technological strategy	Internationality
Takayuki Tokuma	Representative Director, Chairperson and CEO	○	○		○			○
Kenji Yokoo	Director, Vice Chairperson	○	○	○				○
Katsuhei Yanagisawa	Representative Director, President and Executive Officer	○	○		○			○
Naohito Odani	Director, Managing Executive Officer	○		○			○	○
Makoto Tobari	Outside Director	○	○		○		○	
Byeongwoo Kang	Outside Director			○	○		○	○
Emi Yoneda	Outside Director	○	○	○	○			
Heather Montgomery	Outside Director		○		○			○
Masaharu Sato	Audit & Supervisory Board Member	○		○	○			
Hisao Tsunoda	Outside Audit & Supervisory Board Member	○	○		○	○		
Sayaka Yamaguchi	Outside Audit & Supervisory Board Member	○		○	○			
Takafumi Kiyonaga	Outside Audit & Supervisory Board Member	○		○	○			

◆ Directors and officers liability insurance contract for candidates for Director and candidates for Audit & Supervisory Board Member

The Company has entered into a directors and officers liability insurance contract with an insurance company for the purposes of securing talented human resources and supporting their aggressive and resolute management decision-making toward growth of the Company. The contract was most recently renewed in February 2026. The summary of the contents of the insurance contract is as described in “IV. Matters concerning the Company’s Officers” 3. in the Business Report (Japanese version only). Among the candidates, those who are incumbent Directors and Audit & Supervisory Board Members are already covered by the insurance, and if their reappointment is approved, they will continue to be insured. If appointment of the new candidates is approved, they will be covered by the insurance starting from the day on which the approval is given.

No.	Name (Date of birth)	Past experience, positions and responsibilities	
	<b>Takayuki Tokuma</b> (June 13, 1954)  Reappointed  Number of the Company's shares held: 296,198 shares	August 1988 June 1995 September 1995 June 2004 December 2004 June 2006 April 2007 April 2026	Joined the Company Director Director, General Manager, Car Antenna Business Division Managing Director Managing Director and Antenna System Company President Director, Managing Executive Officer, and Antenna System Company President Representative Director, President and Executive Officer Representative Director, Chairperson and CEO (to present)
	Years of service as Director: 30 years (at the conclusion of this year's Ordinary General Meeting of Shareholders) Attendance rate of the Board of Directors Meetings: 19/19 times (100%)		
	Significant concurrent positions: None		
1	<Reasons for nomination as candidate for Director> As the head and executive officer in charge of the divisions, Mr. Takayuki Tokuma has led the business expansion/evolution of the Company's primary businesses, including the development/sales promotion of micro antennas in the vehicle communication equipment (VCCS) business, as well as advancing into the BGA socket area of the circuit testing connector (CTC) business, overseas sales promotion of the PCC business (current FC business) and start-up of the medical device (MD) business, and thus has a thorough understanding of all businesses. He served as President and Executive Officer from April 2007, bearing the slogans of "multilayered business" and "permanent evolution," and successfully and steadily achieved improvement in the growth potential, profitability, and stability of the Group. Since April 2026, as Representative Director, Chairperson and CEO, he has been engaged in the role of overseeing the execution of duties by executive Directors and Executive Officers objectively and in a multifaceted manner. Taking all the above factors into account, the Board of Directors of the Company would like Mr. Tokuma to continuously take responsibility for the current duties, and thus proposes that he be elected as Director.		

No.	Name (Date of birth)	Past experience, positions and responsibilities
	<p><b>Kenji Yokoo</b> (August 22, 1960)</p> <p>Reappointed</p> <p>Number of the Company's shares held: 96,012 shares</p>	<p>April 1985      Joined the Company</p> <p>June 2007      Executive Officer and Chief Officer, Administration Management H.Q.</p> <p>November 2016      Vice Chairman of The Tomioka Chamber of Commerce and Industry, Gunma Prefecture</p> <p>April 2017      Managing Executive Officer and Chief Officer, Administration Management H.Q.</p> <p>June 2017      Director, Managing Executive Officer and Chief Officer, Administration Management H.Q.</p> <p>February 2020      Director, Managing Executive Officer and General Manager, VCCS Business Division</p> <p>April 2024      Director, Senior Managing Executive Officer, General Manager, Incubation Center; in charge of Social Contribution; Representative Director of Yokowo Scholarship Foundation</p> <p>April 2026      Director, Vice Chairperson; in charge of Incubation Center/Social Contribution; Representative Director of Yokowo Scholarship Foundation (to present)</p>
2		<p>Years of service as Director: 9 years (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 19/19 times (100%)</p>
		<p>Significant concurrent position: None</p>
		<p>&lt;Reasons for nomination as candidate for Director&gt;</p> <p>Mr. Kenji Yokoo held important posts successively in the vehicle communication equipment (VCCS) business—the Company's mainstay business—and made a significant contribution towards the Company's business expansion by taking the initiative in opening new accounts with customers who are now major clients. Since his appointment to Executive Officer and Chief Officer of the Administration Management H.Q., he has been playing a leading role in enhancing the Company's global framework by promoting measures for company-wide profit structure reform as well as personnel innovation measures after the Lehman's collapse. From February 2020, he was in charge of the VCCS business, of which he has thorough understanding, and worked to rebuild the profit structure of the business fundamentally, while placing the greatest importance on the execution of supply responsibility during the COVID-19 pandemic. Since April 2026, as Director and Vice Chairperson in charge of the Incubation Center and Social Contribution, he has been engaged in the role of overseeing the execution of duties by executive Directors and Executive Officers objectively and in a multifaceted manner.</p> <p>Taking all the above factors into account, the Board of Directors of the Company would like Mr. Yokoo to continuously take responsibility for the current duties, and thus proposes that he be elected as Director.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities
3	<p style="text-align: center;"><b>Katsuhei Yanagisawa</b> (February 1, 1963)</p> <p style="text-align: center;">Reappointed</p> <p style="text-align: center;">Number of the Company's shares held: 46,380 shares</p>	<p>April 1988      Joined the Company</p> <p>April 2006      General Manager, Accounting Department</p> <p>June 2012      Executive Officer, General Manager, Accounting Department</p> <p>April 2015      Executive Officer, General Manager, VCCS Business Division</p> <p>April 2017      Managing Executive Officer, General Manager, VCCS Business Division</p> <p>April 2023      Managing Executive Officer, in charge of VCCS Business Division and General Manager, VCCS overseas factories; Managing Director, DONGGUAN YOKOWO Group</p> <p>June 2024      Director, Managing Executive Officer, in charge of VCCS Business Division and General Manager, VCCS overseas factories; Managing Director, DONGGUAN YOKOWO Group</p> <p>April 2025      Director, Managing Executive Officer, General Manager, VCCS Business Division; General Manager, VCCS overseas factories; Chief Officer, Administration Management H.Q.; General Manager, Tomioka Plant</p> <p>April 2026      Representative Director, President and Executive Officer (to present)</p>
	<p>Years of service as Director: 2 years (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 19/19 times (100%)</p>	
	<p>Significant concurrent positions: None</p>	
	<p>&lt;Reasons for nomination as candidate for Director&gt;</p> <p>Mr. Katsuhei Yanagisawa worked for 15 years at the Group's Asian sites: Taiwan, Hong Kong, and China, where he was involved in the operation of the PCA and FC businesses. From April 2006, as General Manager of the Accounting Department, he introduced a new accounting system and exercised leadership in significant strengthening of the Group's accounting system and realized greater accuracy of statutory financial closing and early disclosure of financial results. From April 2015, as General Manager of VCCS Division, he led initiatives to reform the Company's culture and organizational climate, which were the root cause of a quality defect problem. From February 2020, as Managing Executive Officer in charge of overseeing the VCCS Business Division's overseas factories, he worked to ensure stable supply during the COVID-19 pandemic and promoted structural reform of the Company's sites in China. He made a significant contribution to the recovery of profitability in the VCCS business. Since April 2026, as President and Executive Officer, he has been steering the management toward the Group's sustainable growth and further enhancement of corporate value by leveraging his knowledge about global business operations he has cultivated over the years, as well as his extensive experience in both management and in the field.</p> <p>Taking all the above factors into account, the Board of Directors of the Company would like Mr. Yanagisawa to play a central role in the Company's management as Representative Director, President and Executive Officer, and, and thus proposes that he be elected as Director.</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities	
4	<p><b>Naohito Odani</b> (March 16, 1968)</p> <p>Reappointed</p> <p>Number of the Company's shares held: 13,005 shares</p>	May 2013	Joined the Company
	April 2015	General Manager, CTC Engineering Department	
	April 2017	Deputy Chief Officer, Technical H.Q. and General Manager, CTC Engineering Department	
	April 2018	Executive Officer, Deputy Chief Officer, Technical H.Q. and General Manager, CTC Engineering Department	
	April 2020	Executive Officer, Chief Officer, Technical H.Q. and General Manager, CTC Engineering Department	
	April 2022	Managing Executive Officer and Chief Officer, Technical H.Q., in charge of CTC Engineering Department	
	June 2022	Director, Managing Executive Officer and Chief Officer, Technical H.Q., in charge of CTC Engineering Department	
	April 2025	Director, Managing Executive Officer, Chief Officer, Technical H.Q. and Chief Officer, Core Technology Development H.Q. (to present)	
4	Years of service as Director: 4 years (at the conclusion of this year's Ordinary General Meeting of Shareholders) Attendance rate of the Board of Directors Meetings: 19/19 times (100%)		
	Significant concurrent positions: None		
	<p>&lt;Reasons for nomination as candidate for Director&gt;</p> <p>Mr. Naohito Odani has built a global framework for field application engineers (FAEs) who take charge of supporting customers of the Company's circuit testing connector (CTC) business and raised trust of the customers significantly. In addition, he has promoted efforts to raise the level of technological capabilities of the CTC Engineering Department as a whole, improve its productivity in the design and development areas, and reinforce the strengths of the Intellectual Property Department, leading the dramatic improvement of the technological competitiveness of the Company's CTC Business Division, and has thereby contributed significantly to the rapid growth of said business. Since June 2022, he has been in charge of further strengthening its technological capabilities from a higher point of view, leading discussions of the Board concerning technological strategies of the Group.</p> <p>The Board of Directors of the Company would like Mr. Odani to continuously take responsibility for the current duties, and thus proposes that he be elected as Director.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities
	<p><b>Makoto Tobari</b> (February 25, 1949)</p> <p>Reappointed <b>Candidate for Outside Director</b></p> <p>Number of the Company's shares held: 0 shares</p>	<p>September 1979    Joined Japan Management Association</p> <p>April 1989        Senior Consultant, JMA Consultants, Inc. (to present)</p> <p>June 2003        Director</p> <p>April 2004        Director, Chief Officer, Administration Management H.Q.</p> <p>April 2006        Director, General Manager, Core System Development</p> <p>April 2007        Director, General Manager, Corporate Department</p> <p>June 2007        Executive Director, All Japan Federation of Management Organizations</p> <p>April 2009        Chief Advisor, JMA Consultants, Inc. (to present)</p> <p>June 2011        Audit &amp; Supervisory Board Member, JMA Holdings Inc. (resigned from office in June 2018)</p> <p>June 2022        Outside Director of the Company (to present)</p>
	<p>Years of service as Director: 4 years (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 19/19 times (100%)</p>	
	<p>Significant concurrent positions: Advisor and Senior Consultant, JMA Consultants, Inc.</p>	
5	<p>1. Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Mr. Makoto Tobari has engaged in guidance and advisory services mainly on technological strategy, new business, and management strategy fields for many years as a senior consultant at a leading management consultancy firm. He also has experience in corporate management as a director of said firm.</p> <p>The Company would like him to monitor and supervise management of the Company by leveraging his abundant practical experience and extensive knowledge concerning technological strategies and global trends in technology and to provide advice and recommendations for improvement, and thus proposes that he be elected as Outside Director. He has experience in corporate management, and for the aforementioned reasons, the Company has judged that he can properly perform his duties as Outside Director.</p> <p>2. Independence of candidate for Outside Director</p> <p>(1) The Group and JMA Consultants, Inc. for which Mr. Tobari served as a director in the past has had no transaction history in the last three consolidated fiscal years, and it has passed 17 years since he retired from office as director of said company in March 2009.</p> <p>(2) Based on the above, the Company has determined Mr. Tobari to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Mr. Tobari is approved as proposed, the Company will continue to designate him as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement entered into with the Company</p> <p>The Company, pursuant to Article 30 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Mr. Makoto Tobari. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities	
	<p><b>Byeongwoo Kang</b> (October 8, 1982)</p> <p>Reappointed <b>Candidate for Outside Director</b></p> <p>Number of the Company's shares held: 0 shares</p>	<p>April 2008</p> <p>April 2014</p> <p>October 2016</p> <p>October 2017</p> <p>April 2019</p> <p>July 2021</p> <p>September 2022</p> <p>June 2023</p> <p>April 2025</p>	<p>Joined LG Electronics Inc.</p> <p>Research Fellow, Institute of Developing Economies, Japan External Trade Organization</p> <p>Lecturer, Hitotsubashi University Institute of Innovation Research</p> <p>Adjunct Researcher, Waseda University</p> <p>Associate Professor, Hitotsubashi University Institute of Innovation Research</p> <p>Visiting Research Fellow, Eindhoven University of Technology</p> <p>Affiliated Fellow, National Institute of Science and Technology Policy, Ministry of Education, Culture, Sports, Science and Technology</p> <p>Outside Director of the Company (to present)</p> <p>Professor, Hitotsubashi University Institute of Innovation Research (to present)</p>
	<p>Years of service as Director: 3 years (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 19/19 times (100%)</p>		
	<p>Significant concurrent positions: Professor, Hitotsubashi University Institute of Innovation Research</p>		
6	<p>1. Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Mr. Byeongwoo Kang worked at one of the world's leading electronics manufacturers as a researcher. His research included 3G and 4G mobile communication technology and he was involved in the gaining of many patents. Subsequently, he changed his focus to research on patent strategy and currently serves as a Professor at Hitotsubashi University. The Company would like him to monitor and supervise management of the Company by leveraging his extensive knowledge concerning information communication technology, patent strategy, etc., and broad experience related to innovation and to provide advice and recommendations for improvement from a global perspective, and thus proposes that he be elected as Outside Director. Although he has never been directly involved in corporate management, the Company has judged that he can properly perform his duties as Outside Director because of the aforementioned reasons.</p> <p>2. Independence of candidate for Outside Director</p> <p>(1) The Group and Hitotsubashi University where Mr. Kang works have had no transaction history in the last three consolidated fiscal years.</p> <p>(2) Based on the above, the Company has determined Mr. Kang to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Mr. Kang is approved as proposed, the Company will continue to designate him as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement entered into with the Company</p> <p>The Company, pursuant to Article 30 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Mr. Byeongwoo Kang. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities
7	<p><b>Emi Yoneda</b> (January 20, 1984)</p> <p>Reappointed <b>Candidate for Outside Director</b></p> <p>Number of the Company's shares held: 0 shares</p>	<p>December 2004    Joined Shin Nihon &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>September 2013    Representative of Yoneda Accounting Firm (to present)</p> <p>March 2018        Director, Japan Professional Football League (J. League)</p> <p>January 2021        Established general incorporated association n=1, Representative Director (to present)</p> <p>November 2021     Outside Director (Audit and Supervisory Committee Member), arara inc. (currently, Paycloud Holdings Inc.) (to present)</p> <p>March 2022        Outside Director, Direct Marketing MiX Inc. (to present)</p> <p>June 2022         Outside Audit &amp; Supervisory Board Member of the Company</p> <p>June 2024         Outside Director of the Company (to present)</p>
<p>Years of service as Director: 2 years (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 18/19 times (95%)</p>		
<p>Significant concurrent positions:</p> <p>Representative of Yoneda Accounting Firm</p> <p>Representative Director, n=1</p> <p>Outside Director (Audit and Supervisory Committee Member), Paycloud Holdings Inc.</p> <p>Outside Director, Direct Marketing MiX Inc.</p>		
<p>1. Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Ms. Emi Yoneda has engaged in a broad range of services at a leading audit firm, mainly in the fields of accounting audit, due diligence, and support for operational efficiency improvement for listed companies, and has extensive knowledge in finance and accounting. She also has experience in promoting and leading initiatives for formulation of medium-term plans, governance reforms, human resource/organizational development, and SDGs at Japan Professional Football League (J. League), as its full-time director.</p> <p>The Company would like her to monitor and supervise management of the Company by leveraging her abundant practical experience and extensive knowledge and to provide advice for the promotion of the Company's ESG and SDGs initiatives and recommendations for improvement, and thus proposes that she be elected as Outside Director.</p> <p>She also has management experience at multiple organizations as an officer. The Company has judged that she can properly perform her duties as Outside Director for the aforementioned reasons.</p> <p>2. Independence of candidate for Outside Director</p> <p>(1) There are no business relationships between the Company and Yoneda Accounting Firm or n=1 in the last three consolidated fiscal years.</p> <p>(2) Based on the above, the Company has determined Ms. Yoneda to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Ms. Yoneda is approved as proposed, the Company will continue to designate her as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement entered into with the Company</p> <p>The Company, pursuant to Article 30 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Ms. Emi Yoneda. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities																								
	<p style="text-align: center;"><b>Heather Montgomery</b> (August 4, 1970)</p> <p style="text-align: center;">Reappointed <b>Candidate for Outside Director</b></p> <p style="text-align: center;">Number of the Company's shares held: 0 shares</p>	<table border="0"> <tr> <td style="vertical-align: top;">June 1995</td> <td>Visiting Researcher, Small and Medium Enterprise Agency, Ministry of International Trade and Industry</td> </tr> <tr> <td style="vertical-align: top;">June 1997</td> <td>Visiting Researcher, Long-Term Credit Bank Research Institute, Inc.</td> </tr> <tr> <td style="vertical-align: top;">June 1998</td> <td>Visiting Researcher, Institute for Monetary and Economic Studies, Bank of Japan</td> </tr> <tr> <td style="vertical-align: top;">June 1999</td> <td>Visiting Researcher, Institute of Fiscal and Monetary Policy, Ministry of Finance</td> </tr> <tr> <td style="vertical-align: top;">January 2000</td> <td>Visiting Researcher, Federal Reserve Board of Governors</td> </tr> <tr> <td style="vertical-align: top;">October 2000</td> <td>Research Fellow, Asian Development Bank Institute (ADB)</td> </tr> <tr> <td style="vertical-align: top;">November 2005</td> <td>Vice President, J.P. Morgan Securities Asia</td> </tr> <tr> <td style="vertical-align: top;">September 2007</td> <td>Associate Professor, Division of International Studies, College of Liberal Arts, International Christian University</td> </tr> <tr> <td style="vertical-align: top;">April 2010</td> <td>Associate Professor, Department of Economics and Business, College of Liberal Arts, International Christian University</td> </tr> <tr> <td style="vertical-align: top;">April 2013</td> <td>Senior Associate Professor, Department of Economics and Business, College of Liberal Arts, International Christian University</td> </tr> <tr> <td style="vertical-align: top;">April 2020</td> <td>Professor, Department of Economics and Business, College of Liberal Arts, International Christian University (to present)</td> </tr> <tr> <td style="vertical-align: top;">June 2025</td> <td>Outside Director of the Company (to present)</td> </tr> </table>	June 1995	Visiting Researcher, Small and Medium Enterprise Agency, Ministry of International Trade and Industry	June 1997	Visiting Researcher, Long-Term Credit Bank Research Institute, Inc.	June 1998	Visiting Researcher, Institute for Monetary and Economic Studies, Bank of Japan	June 1999	Visiting Researcher, Institute of Fiscal and Monetary Policy, Ministry of Finance	January 2000	Visiting Researcher, Federal Reserve Board of Governors	October 2000	Research Fellow, Asian Development Bank Institute (ADB)	November 2005	Vice President, J.P. Morgan Securities Asia	September 2007	Associate Professor, Division of International Studies, College of Liberal Arts, International Christian University	April 2010	Associate Professor, Department of Economics and Business, College of Liberal Arts, International Christian University	April 2013	Senior Associate Professor, Department of Economics and Business, College of Liberal Arts, International Christian University	April 2020	Professor, Department of Economics and Business, College of Liberal Arts, International Christian University (to present)	June 2025	Outside Director of the Company (to present)
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June 2025	Outside Director of the Company (to present)																									
		<p>Years of service as Director: 1 year (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 15/15 times (100%)</p>																								
8		<p>Significant concurrent positions: Professor, Department of Economics and Business, College of Liberal Arts, International Christian University</p>																								
		<p>1. Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>Ms. Heather Montgomery has served as a visiting researcher at government and financial institutions in Japan and the United States. As a specialist in macroeconomics and international finance, she has demonstrated her expertise in a wide range of areas in the financial and fiscal communities in Japan and the United States. Since 2007, while teaching at International Christian University, she is also actively engaged in collaborative research on corporate behavior and governance of financial institutions.</p> <p>The Company expects that she will supervise and provide advice to the Company's management based on her wide range of knowledge, and contribute to the enhancement of momentum for promoting advancement of women and to the acceleration of the Company's initiatives for that purpose, by leveraging her experience of working globally, and thus proposes that she be elected as Outside Director. While she has many years of experience in the field of education, she also has experience in corporate management, and therefore, the Company has judged that she can properly perform her duties as Outside Director.</p> <p>2. Independence of candidate for Outside Director</p> <p>(1) The Group and International Christian University where Ms. Montgomery works have had no transaction history in the last three consolidated fiscal years.</p> <p>(2) Based on the above, the Company has determined Ms. Montgomery to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Ms. Montgomery is approved as proposed, the Company will continue to designate her as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement to be entered into with the Company</p> <p>The Company, pursuant to Article 30 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Ms. Heather Montgomery. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>																								

#### Proposal No. 4: Election of Four Audit & Supervisory Board Members

The terms of office of all four Audit & Supervisory Board Members will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of four Audit & Supervisory Board Members is proposed. If elected, the terms of office of the Audit & Supervisory Board Members will be until the conclusion of the 92nd Ordinary General Meeting of Shareholders scheduled to be held in June 2030.

This Proposal has been approved by the Audit & Supervisory Board.

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

No.	Name (Date of birth)	Past experience and positions
	<p><b>Masaharu Sato</b> (January 1, 1971)</p> <p>Newly appointed</p> <p>Number of the Company's shares held: 4,432 shares</p>	<p>February 2008    Joined the Company Accounting Department, Administration Management H.Q.</p> <p>April 2019        General Manager, Accounting Department, Administration Management H.Q.</p> <p>June 2021        General Manager, Accounting Department, Administration Management H.Q. (to present)</p>
	Attendance rate of the Board of Directors Meetings: –	
	Attendance rate of the Audit & Supervisory Board Meetings: –	
1	Significant concurrent positions: None	
	<p>&lt;Reasons for nomination as candidate for Audit &amp; Supervisory Board Member&gt;</p> <p>After joining an auditing firm, Mr. Masaharu Sato, as a certified public accountant, was involved in the accounting audits of many listed and unlisted companies and served as a manager leading an accounting audit team, and has advanced knowledge of finance and accounting. Since joining the Company, leveraging the advanced knowledge and extensive experience he accumulated as a certified public accountant in his previous job in the Accounting Department, he has made significant contributions to the entire Group, particularly in the area of taxation, including statutory financial reporting, tax effect accounting, transfer pricing compliance, and responses to national tax audits.</p> <p>Based on his extensive practical experience and advanced knowledge of finance, accounting, and taxation, the Company expects that his highly effective audits, grounded in a deep understanding of the Company's business, will ensure a stable and high-level Audit &amp; Supervisory Board Member system and its operation over the medium to long term. As the Group continues to expand in scale, the Company would like him to play a crucial role in management audits as an Audit &amp; Supervisory Board Member in order to maintain and enhance the legality and appropriateness of management, and thus proposes that he be elected as Audit &amp; Supervisory Board Member.</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities	
	<p><b>Hisao Tsunoda</b> (March 14, 1954)</p> <p>Reappointed <b><u>Candidate for Outside Audit &amp; Supervisory Board Member</u></b></p> <p>Number of the Company's shares held: 0 shares</p>	<p>April 1976 June 2007 June 2009 June 2011 June 2014 June 2017 June 2022</p>	<p>Joined The Gunma Bank, Ltd. Executive Officer and General Manager, Business Department of Head Office Director, Executive Officer and General Manager, Corporate Planning Department Managing Director Senior Managing Director Advisor President and Representative Director, GUNMA TOCHI CO., Ltd. Audit &amp; Supervisory Board Member, the Company (to present)</p>
	<p>Years of service as Audit &amp; Supervisory Board Member: 4 years (at the conclusion of this year's Ordinary General Meeting of Shareholders) Attendance rate of the Board of Directors Meetings: 19/19 times (100%) Attendance rate of the Audit &amp; Supervisory Board Meetings: 17/17 times (100%)</p>		
	<p>Significant concurrent positions: None</p>		
2	<p>1. Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member Mr. Hisao Tsunoda has a wealth of experience and broad knowledge concerning corporate management as director of a regional bank. The Company would like him to monitor and audit management of the Company and provide advice, leveraging his experience and knowledge, to further improve the management audit function of the Company's Audit &amp; Supervisory Board, and thus proposes that he be elected as Outside Audit &amp; Supervisory Board Member. As mentioned above, Mr. Tsunoda has experience in managing a financial institution and has a high level of expertise in finance, risk management, etc., and is capable of providing professional and objective advice and supervision from an independent perspective on financial risks and other issues related to corporate activities. Therefore, the Company has judged that he can properly perform his duties as Outside Audit &amp; Supervisory Board Member.</p> <p>2. Independence of candidate for Outside Audit &amp; Supervisory Board Member (1) There are transactions between the Group and The Gunma Bank, Ltd., for which Mr. Tsunoda served as senior managing director, in the amount of the Company's borrowings from the bank of 4.2 billion yen as of the end of the current consolidated fiscal year (of which, long-term borrowings of 1.7 billion yen and short-term borrowings of 2.5 billion yen) (accounting for 38.8% of the total balance of borrowings). In addition, the bank also holds 990,400 shares in common stock of the Company (the ratio of voting rights held as of the end of the fiscal year under review is 4.1%), and the Company holds 620,900 shares in common stock of the bank (the ratio of voting rights held as of the end of the fiscal year under review is 0.2%). The Company has entered into a commitment line agreement (for up to 2.9 billion yen) with the bank. However, there is no credit balance as of the end of the current consolidated fiscal year. As of the date of this year's Ordinary General Meeting of Shareholders, nine years will have passed since June 27, 2017, when Mr. Tsunoda retired from office as Senior Managing Director of the bank. (2) Based on the above, the Company has determined Mr. Tsunoda to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Mr. Tsunoda is approved as proposed, the Company will continue to designate him as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement entered into with the Company The Company, pursuant to Article 36, Paragraph 2 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Mr. Hisao Tsunoda. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities
	<p><b>Sayaka Yamaguchi</b> (August 12, 1980)</p> <p>Reappointed <b>Candidate for Outside Audit &amp; Supervisory Board Member</b></p> <p>Number of the Company's shares held: 0 shares</p>	<p>April 2003      Joined ChuoAoyama Audit Corp.</p> <p>September 2006      Pricewaterhouse Coopers Arata LLC (currently PricewaterhouseCoopers Japan LLC)</p> <p>August 2013      Representative of Certified Public Accountant/Tax Accountant Sayaka Yamaguchi Office (currently Certified Public Accountant Sayaka Yamaguchi Office) (to present)</p> <p>September 2015      Established TAX Partners Corporation, Partner (to present)</p> <p>June 2018      Outside Corporate Auditor, Taisei Lamick Group Head Quarter &amp; Innovation Co., Ltd. (to present)</p> <p>September 2021      Outside Director, URBANET CORPORATION Co., LTD. (to present)</p> <p>June 2024      Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>November 2024      Outside Director (Audit &amp; Supervisory Committee Member), MATERIAL GROUP INC. (to present)</p>
3		<p>Years of service as Audit &amp; Supervisory Board Member: 2 years (at the conclusion of this year's Ordinary General Meeting of Shareholders)</p> <p>Attendance rate of the Board of Directors Meetings: 19/19 times (100%)</p> <p>Attendance rate of the Audit &amp; Supervisory Board Meetings: 17/17 times (100%)</p>
3		<p>Significant concurrent positions:</p> <p>Representative of Certified Public Accountant Sayaka Yamaguchi Office</p> <p>Partner, TAX Partners Corporation</p> <p>Outside Corporate Auditor, Taisei Lamick Group Head Quarter &amp; Innovation Co., Ltd.</p> <p>Outside Director, URBANET CORPORATION Co., LTD.</p> <p>Outside Director (Audit &amp; Supervisory Committee Member), MATERIAL GROUP INC.</p>
3		<p>1. Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member</p> <p>Ms. Sayaka Yamaguchi has experience in auditing and internal control services at major audit firms for Japanese listed companies and foreign-affiliated companies in a wide range of industries and at varied scales. Even after leaving the audit firm and becoming independent, she has been engaged in financial and tax due diligence and accounting auditing, centering on accounting and tax advisory to dozens of companies, and has a high level of knowledge in finance and accounting.</p> <p>The Company expects Ms. Yamaguchi to monitor and audit management of the Company and provide advice, leveraging her experience and knowledge, to further improve the management audit function of the Company's Audit &amp; Supervisory Board, and thus proposes that she be elected as Outside Audit &amp; Supervisory Board Member.</p> <p>As mentioned above, she has experience in being involved in management of many companies through audit services, etc. and is capable of providing professional and objective advice and supervision from an independent perspective. Therefore, the Company has judged that she can properly perform her duties as Outside Audit &amp; Supervisory Board Member.</p> <p>2. Independence of candidate for Outside Audit &amp; Supervisory Board Member</p> <p>(1) There are no business relationships between the Company and Certified Public Accountant Sayaka Yamaguchi Office or TAX Partners Corporation.</p> <p>(2) Based on the above, the Company has determined Ms. Yamaguchi to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Ms. Yamaguchi is approved as proposed, the Company will continue to designate her as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement to be entered into with the Company</p> <p>The Company, pursuant to Article 36, Paragraph 2 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Ms. Sayaka Yamaguchi. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities	
4	<b>Takafumi Kiyonaga</b> (October 19, 1967)	April 1995	Registered as an attorney
	Newly appointed	April 2004	Joined Yada Law Office (currently Nozomi Sogo Attorneys at Law)
	<u>Candidate for Outside</u>	June 2018	Partner, Nozomi Sogo Attorneys at Law (to present)
	<u>Audit &amp; Supervisory</u>	June 2020	Alternate Outside Director (Audit and Supervisory Committee Member), Watami Co., Ltd. (to present)
	<u>Board Member</u>	June 2022	Alternate Audit & Supervisory Board Member, AIDA ENGINEERING, LTD. (to present)
	Number of the Company's shares held: 0 shares	June 2022	Outside Director, ARTNATURE INC. (to present)
Attendance rate of the Board of Directors Meetings: – Attendance rate of the Audit & Supervisory Board Meetings:–			
Significant concurrent positions: Partner attorney, Nozomi Sogo Attorneys at Law Outside Director, ARTNATURE INC.			
<p>1. Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member</p> <p>Mr. Takafumi Kiyonaga, as an attorney, has extensive experience and a high level of expertise in broad fields, including corporate legal affairs, intellectual property, and M&amp;A. In addition, he serves as an outside officer of several companies and is well-versed in corporate management.</p> <p>The Company expects Mr. Kiyonaga to leverage his experience and knowledge to further improve the management audit function of the Company's Audit &amp; Supervisory Board, and thus proposes that he be elected as Outside Audit &amp; Supervisory Board Member.</p> <p>As mentioned above, he has advanced expertise and extensive practical experience cultivated as an attorney-at-law, and is capable of providing professional, and objective advice and supervision from an independent perspective on legal risks and other issues related to corporate activities. Therefore, the Company has judged that he can properly perform his duties as Outside Audit &amp; Supervisory Board Member.</p> <p>2. Independence of candidate for Outside Audit &amp; Supervisory Board Member</p> <p>(1) The Group and Nozomi Sogo Attorneys at Law, for which Mr. Takafumi Kiyonaga serves as partner, have had no transaction history in the last three consolidated fiscal years.</p> <p>(2) Based on the above, the Company has determined Mr. Kiyonaga to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Mr. Kiyonaga is approved as proposed, the Company will designate him as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>3. Overview of limited liability agreement entered into with the Company</p> <p>If this Proposal is approved, the Company plans, pursuant to Article 36, Paragraph 2 of the Company's Articles of Incorporation, to enter into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Mr. Takafumi Kiyonaga. The limit of liability for damages based on this agreement is the amount prescribed by laws and regulations.</p>			

### **Proposal No. 5: Revision of Amount of Compensation for Directors**

Among the compensation, etc. for Directors (including bonuses for Directors) of the Company, the monetary amount of such compensation, etc. has been capped at 280 million yen per year (including the amount of compensation for Outside Directors capped at 40 million yen per year, but not including the employee salary portion for Directors concurrently serving as employees) to date since approved at the 84th Ordinary General Meeting of Shareholders held on June 28, 2022. However, in light of changes in the economic environment surrounding the Company, such as the trend toward higher director compensation in the industry to which the Company belongs as well as the Company's rapid improvement in business performance and the increasing scope of duties and responsibilities to be fulfilled, it has become necessary to raise the cap of compensation for Directors.

This proposal requests your approval to increase the amount of compensation, etc. for Directors to up to 400 million yen per year, and increase the amount of compensation for Outside Directors to up to 60 million yen per year. The Company's decision policy concerning the details of compensation, etc. for individual Directors stipulates that Outside Directors are not eligible for Directors' bonuses.

At present, there are eight Directors (including four Outside Directors); if Proposal No. 3 is approved, there will be still eight Directors (including four Outside Directors).

In addition, the Company has judged that this Proposal is appropriate, because this Proposal has been determined upon deliberation by the Nomination and Compensation Advisory Committee and the Board of Directors, in comprehensive consideration of such matters as the business scale, officers' remuneration system and the level of payment thereunder, the number of incumbent officers, and future developments of the Company.

## **Proposal No. 6: Determination of Compensation for Allotment of Restricted Stock to Directors (Excluding Outside Directors)**

The amount of compensation, etc. for Directors of the Company was approved at the Company's 84th Ordinary General Meeting of Shareholders held on June 28, 2022, to be capped at 280 million yen per year (including the amount of compensation for Outside Directors capped at 40 million yen per year, but not including the employee salary portion for Directors concurrently serving as employees). Furthermore, at the Company's 76th Ordinary General Meeting of Shareholders held on June 27, 2014, the amount of compensation, etc. related to share acquisition rights in the form of stock options for Directors of the Company (excluding Outside Directors; hereinafter referred to as "Eligible Directors") was approved to be capped at 50 million yen per year, separately from the above-mentioned amount of compensation, etc. for Directors. If Proposal No. 5 is approved at this General Meeting of Shareholders, the total amount of compensation for Directors of the Company will be capped at 400 million yen per year (including the amount of compensation for Outside Directors capped at 60 million yen per year, but not including the employee salary portion for Directors concurrently serving as employees).

In order to provide the Eligible Directors with incentives to promote the sustainable enhancement of the Company's corporate value and to further align their interests with those of shareholders, the Company intends to allot shares of the Company's common stock to the Eligible Directors (hereinafter referred to as "Restricted Stock"), subject to certain transfer restrictions and provisions regarding acquisition by the Company without consideration, as described below.

Accordingly, the Company intends to abolish the above-mentioned provisions regarding the amount of compensation, etc., related to share acquisition rights in the form of stock options. Instead, after comprehensively considering various factors, including the degree of contribution of the Eligible Directors to the Company, the Company intends to set the total amount of monetary compensation receivables to be granted to the Eligible Directors as compensation, etc. in the form of restricted stock, separately from the above-mentioned amount of compensation, etc. for Directors, at up to 100 million yen per year. The allotment of Restricted Stock is determined after comprehensively considering various factors, including the degree of contribution of the Eligible Directors to the Company. Moreover, the maximum number of shares of Restricted Stock to be allocated in each fiscal year specified in 2. below represents approximately 0.2% of the total number of shares issued (approximately 2% of the total number of shares issued, if the maximum number of shares of Restricted Stock were issued over a 10-year period), and the dilution rate is minimal. Therefore, the Company considers the content of this Proposal to be appropriate.

If this proposal is approved, the Company plans to amend the policy on determining compensation, etc. for individual Directors, which is described in the Business Report, at a meeting of the Company's Board of Directors to be held following the conclusion of this General Meeting of Shareholders so that it is consistent with the approved content, as described in this proposal (Reference). The Company has judged that this proposal is consistent with the policy after amendments and is appropriate.

If Proposal No. 3 is approved, the Company will have eight Directors (including four Outside Directors), and there will be four Eligible Directors.

### **Specific details and maximum number of shares of Restricted Stock to be allotted to Eligible Directors**

#### **1. Allotment of and Payment for Restricted Stock**

The Company shall grant monetary compensation receivables pertaining to Restricted Stock to Eligible Directors, based on a resolution of the Company's Board of Directors, within the annual compensation limit shown above. Eligible Directors shall pay all these monetary compensation receivables to the Company as a contribution in kind, and receive in return an allotment of shares of Restricted Stock.

The amount payable for each share of Restricted Stock shall be determined by the Company's Board of Directors, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the day of the meeting of the Board of Directors at which the issuance or disposal of Restricted Stock is decided (or the closing price on the most recent preceding trading day, if trading was not conducted on the day in question), and at a level that is not particularly favorable to the Eligible Directors who will be allotted shares of Restricted Stock.

The grant of the monetary compensation receivables indicated above to Eligible Directors shall be conditional upon their consent to the said contribution in kind and the conclusion of a restricted stock allotment agreement containing the provisions described in 3. below.

## 2. Total Number of Shares of Restricted Stock

The total number of shares of Restricted Stock to be allotted to Eligible Directors shall be capped at 50,000 shares in any fiscal year.

However, after the date on which this proposal is resolved, the Company may reasonably adjust the total number of shares of Restricted Stock in the event that such an adjustment becomes necessary, due to the execution of a stock split or stock consolidation of the Company's common shares (including a gratis allotment of the Company's common shares), or other equivalent reason.

## 3. Content of the Restricted Stock Allotment Agreement

The restricted stock allotment agreement, to be concluded between the Company and Eligible Directors upon the allotment of Restricted Stock shall contain the following provisions, based on a resolution of the Company's Board of Directors.

### (1) Details of the transfer restrictions

Eligible Directors who have received an allotment of Restricted Stock may not transfer, pledge as security, or create any security by way of assignment of, gift inter vivos, bequeath to a third party, or otherwise dispose of the allotted shares of Restricted Stock (hereinafter the "Allotted Shares") in any manner, during the period from the date of receipt of Restricted Stock to the date on which they resign or retire from the position as Director, Executive Officer, operating officer, or advisor of the Company (hereinafter the "Transfer Restriction Period"; such restrictions are hereinafter referred to as the "Transfer Restrictions").

### (2) Gratis acquisition of Restricted Stock

In the event that an Eligible Director who has received an allotment of Restricted Stock resigns or retires from the position as Director, Executive Officer, operating officer, or advisor of the Company during the period from the commencement date of the Transfer Restriction Period to the day immediately preceding the date of the first subsequent Ordinary General Meeting of Shareholders of the Company, the Company shall rightfully acquire the Allotted Shares without consideration, except in cases where the Company's Board of Directors recognizes reasonable cause.

In the event that, upon expiration of the Transfer Restriction Period prescribed in (1) above, the Transfer Restrictions pertaining to some or all of the Allotted Shares have not been removed pursuant to the provisions regarding cause for removal in (3) below, the Company shall rightfully acquire such Allotted Shares without consideration.

### (3) Removal of the Transfer Restrictions

In the event that an Eligible Director who has received an allotment of Restricted Stock has served continuously as Director, Executive Officer, operating officer, or advisor of the Company from the commencement date of the Transfer Restriction Period until the date of the first subsequent Ordinary General Meeting of Shareholders of the Company, the Company shall remove the Transfer Restrictions pertaining to all the Allotted Shares upon expiration of the Transfer Restriction Period.

However, in the event that the Eligible Director resigns or retires from the position as Director, Executive Officer, operating officer, or advisor of the Company during the period from the commencement date of the Transfer Restriction Period to the day immediately preceding the date of the first subsequent Ordinary General Meeting of Shareholders of the Company, for a reason deemed proper by the Company's Board of Directors, the number of Allotted Shares for which the Transfer Restrictions are removed, and the timing of such removal, shall be adjusted reasonably as necessary.

### (4) Treatment in the event of organizational restructuring, etc.

In the event that, during the Transfer Restriction Period, a merger agreement under which the Company becomes a non-surviving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other proposal concerning an organizational restructuring etc. is approved by the Company's General Meeting of Shareholders (or by the Company's Board of Directors in cases where approval of the General Meeting of Shareholders is not required for the organizational restructuring etc.) (provided that the effective date of such organizational restructuring occurs prior to the expiration of the Transfer Restriction Period; hereinafter referred to as a "Case of Approval of Organizational Restructuring, etc."), and an Eligible Director who has received an allotment of Restricted Stock resigns or retires from the position as

Director, Executive Officer, operating officer, or advisor of the Company in connection with the said organizational restructuring, etc., the Company shall remove the Transfer Restrictions before the effective date of the organizational restructuring etc. by resolution of the Board of Directors of the Company, for a number of the Allotted Shares determined reasonably based on the period from the commencement date of the Transfer Restriction Period to the date on which the organizational restructuring etc. was approved.

In the Case of Approval of Organizational Restructuring, etc., the Company shall rightfully acquire without consideration, as of the business day immediately preceding the effective date of such organizational restructuring, etc., the remaining Allotted Shares for which the Transfer Restrictions have not been removed.

(Reference)

Following the conclusion of this General Meeting of Shareholders, the Company plans to allot Restricted Stock similar to that described above to its Executive Officers and operating officers.

#### Matters Concerning the Policy on Determining the Details of Compensation for Individual Directors

##### 1) Basic policy

Compensation for Directors of the Company shall be appropriate to secure and retain outstanding talent capable of putting the Company's corporate philosophy into practice, and to motivate them to fully fulfill the roles expected of them in achieving sustainable enhancement of corporate value and shareholder value.

Specifically, compensation for Directors responsible for business execution consists of basic compensation, performance-linked compensation, and stock-based compensation, while compensation for Outside Directors responsible for oversight consists solely of basic compensation.

Furthermore, in order to fully fulfill accountability to shareholders and other stakeholders regarding the details of compensation for Directors, the Company shall ensure that both the details of the compensation and the decision-making process are reasonable, objective, and transparent.

##### 2) Policy on determining the amount of basic compensation for individual Directors and the timing or conditions for granting

Basic compensation shall be fixed monthly monetary compensation. The amount of basic compensation shall be determined based on guidelines established in accordance with position, responsibilities, and other factors, taking into account changes in the economic environment, performance in the previous fiscal year, the management plan for the current fiscal year, and the role of each Director. The Representative Director, President and Executive Officer shall prepare a draft proposal regarding compensation amounts for individual Directors in consultation with the Representative Director, Chairperson, and submit it to the Nomination and Compensation Advisory Committee for consultation and recommendations, after which it shall be deliberated and decided by the Board of Directors.

##### 3) Policy on determining performance indicators pertaining to performance-linked compensation, amounts thereof or calculation method, and timing or conditions for granting

In order to motivate Directors responsible for business execution to enhance corporate value each fiscal year, the Company shall pay monetary executive bonuses to Directors according to the degree of achievement of key performance indicators.

The Representative Director, President and Executive Officer shall prepare a draft proposal regarding the payment of such bonuses and the total amount thereof, in consultation with the Representative Director, Chairperson, based on the degree of achievement of consolidated net sales, consolidated operating profit, and profit attributable to owners of parent for each consolidated fiscal year (the degree of achievement against the results for the previous fiscal year and against the forecasts for the relevant fiscal year with respect to the said three indicators). In the case of bonus payments, a draft proposal regarding amounts to be paid to individual Directors shall likewise be prepared, taking into account the responsibilities and achievements of each executive Director (including their contributions to resolution of sustainability issues). These draft proposals shall be submitted to the Nomination and Compensation Advisory Committee for consultation and recommendation, after which they shall be deliberated and decided upon by the Board of Directors. In principle, payments will be made at the end of June.

##### 4) Policy on determining the details of stock-based compensation, amounts thereof or calculation method, and timing or conditions for granting

In order to align the interests of shareholders and Directors responsible for business execution and to motivate Directors to contribute to the enhancement of corporate value and shareholder value over the medium to long term, the Company shall grant shares subject to transfer restrictions as stock-based compensation to executive

Directors.

The number of shares granted to each individual shall be determined within the limits set by resolution of the General Meeting of Shareholders (the issuance amount or the number of shares to be issued) and shall be calculated as follows: multiply each Director's annual basic compensation by 15% and divide the amount obtained by the benchmark share price determined by the Board of Directors based on market value (with any fraction less than 100 shares to be rounded down). Monetary compensation receivables equal to the value of such stock-based compensation shall be paid in July of each year, and the shares shall be granted in exchange for the receivables.

- 5) Policy on determining the proportion of basic compensation, performance-linked compensation, and stock-based compensation in each Director's total compensation

Regarding the composition of compensation for Directors responsible for business execution, as described in 4) above, when basic compensation is 100, the ratio of stock-based compensation to basic compensation is generally set at 15 (fixed), while the ratio of executive bonuses ranges from 0 (zero) to approximately 30, depending on business performance and other factors.

- 6) Matters concerning the procedures for determining the details of compensation, etc. for individual Directors

The procedure for determining the individual amounts of the basic compensation shall be as described in 2) above.

In principle, the procedure for determining the individual amounts of executive bonuses shall be as described in 3) above. However, only if the Board of Directors passes a resolution delegating such authority to the Nomination and Compensation Advisory Committee, the Committee may deliberate on and decide the amounts to be paid to individual Directors within the total payment amount decided by the Board of Directors.

The Nomination and Compensation Advisory Committee shall consist of three or more members selected by resolution of the Board of Directors in accordance with the Nomination and Compensation Advisory Committee Regulations established by the Board of Directors, and a majority of its members shall be independent Outside Directors. In addition, the chairperson of the Nomination and Compensation Advisory Committee shall be selected from among the independent Outside Directors who are members of the Nomination and Compensation Advisory Committee by resolution of the Nomination and Compensation Advisory Committee.

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