

This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.

Securities Code: 5988

June 4, 2026

Start date of measures for electronic provision: June 3, 2026

To Our Shareholders:

51 Iwai-cho, Hodogaya-ku,
Yokohama-shi, Kanagawa

Piolax, Inc.

Satoshi Yamada, President

Notice of the 110th Annual Meeting of Shareholders

The Company would hereby like to inform you that the Company's 110th Annual Meeting of Shareholders will be held as described below.

You may exercise your voting rights in writing or via electromagnetic means (the Internet, etc.). We kindly request that you read the following Reference Document for the Annual Meeting of Shareholders and exercise your voting rights by no later than the close of business at 5:30 p.m. on Wednesday, June 24, 2026.

In convening this Annual Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of Reference Document for the shareholders' meeting, etc., in electronic format (items for which the measures for providing information in electronic format will be taken), and has posted the information on the Company's website on the Internet. Please access the website by using the Internet address shown below to review the information.

- Company's website (<https://www.piolax.co.jp/en/shareholder/meeting/>)

In addition to the Company's website, the items for which the measures for providing information in electronic format will be taken have been posted on the website of Tokyo Stock Exchange (TSE) at the Internet address shown below.

Tokyo Stock Exchange's website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the TSE website by using the internet address shown above, enter "Piolax" in "Issue name (company name)" or the Company's securities code "5988" 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].")

Sincerely yours,

1. **Date:** 10 a.m. on Thursday, June 25, 2026
(Reception start: 9 a.m.)
2. **Venue:** Piolax Head Office, 5th Floor Hall, 51 Iwai-cho, Hodogaya-ku, Yokohama-shi, Kanagawa (Reception: 1st Floor lobby)
(Please note that the venue is different from last year's. Please see the "Map to the Venue of the Annual Meeting of Shareholders" at the end of this notice.)
3. **Purposes:**
 - Items to be reported:**
 1. The Business Report, the Consolidated Financial Statements and the Results of Consolidated Financial Statement Audits by the Accounting Auditor and the Audit and Supervisory Committee for the 110th business period (April 1, 2025 to March 31, 2026)
 2. The Non-Consolidated Financial Statements for the 110th business period (April 1, 2025 to March 31, 2026)
 - Items to be resolved:**
 - Agenda No. 1:** Appropriation of Retained Earnings
 - Agenda No. 2:** Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Agenda No. 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
 - Agenda No. 4:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member
 - Agenda No. 5:** Partial Amendment and Extension of the Stock-based Compensation Plan for Directors
4. **Information on exercise of voting rights, etc.** Please see Information on Exercise of Voting Rights, etc. listed on Page 4.

- When you attend the meeting, we kindly request that you submit the voting form to the receptionist at the venue.
- If there are any revisions to the items for which the measures for providing information in electronic format will be taken, a notice to that effect as well as information before and after the revisions will be posted on the Company's website and TSE's website.
- Among the items for which the measures for providing information in electronic format will be taken, the following are not included in documents delivered to shareholders in accordance with the provisions of laws and regulations and Article 19 of the Articles of Incorporation of the Company.
 - System for ensuring the appropriateness of business activities
 - Summary of the operational status of the system for ensuring the appropriateness of business activities
 - Basic approach to corporate governance
 - Consolidated Statements of Changes in Net Assets
 - Notes to Consolidated Financial Statements
 - Statements of Changes in Net Assets
 - Notes to Non-Consolidated Financial Statements

Accordingly, the information contained in paper-based documents to be delivered to shareholders represents part of the documents audited by the Audit and Supervisory Committee

while preparing the audit report, and by the Accounting Auditor while preparing the accounting audit report.

Information on exercise of voting rights, etc.

Voting rights at the Annual Meeting of Shareholders are valuable rights of our shareholders.

We kindly request you to read the Reference Document for the Annual Meeting of Shareholders and exercise your voting rights.

You may exercise your voting rights by any of the following three methods.

If you exercise your voting rights in writing (by mail):

Please indicate “for” or “against” on each agenda item on the voting form and return it by mail.

Voting deadline: Must arrive by 5:30 p.m. on Wednesday, June 24, 2026

If you exercise your voting rights via the Internet, etc.:

Please enter “for” or “against” on each agenda according to the guidance on the following page.

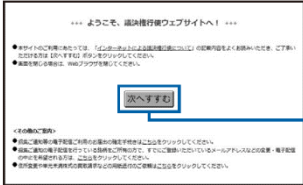
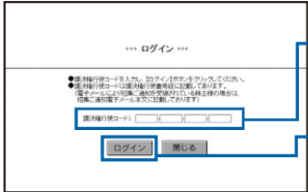
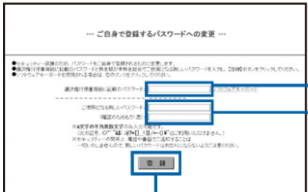
Voting deadline: Must complete entries by 5:30 p.m. on Wednesday, June 24, 2026

If you attend the Annual Meeting of Shareholders:

Please submit the voting form to the receptionist at the venue.

Date: 10:00 a.m. on Thursday, June 25, 2026 (Reception start: 9 a.m.)

Information on exercise of voting rights via the Internet, etc.

How to enter your voting rights exercise code and password	
Voting right exercise website: https://www.web54.net	
1. Please access the voting right exercise site.	
2. Please enter your voting rights exercise code listed on the voting form.	
3. Please enter your password listed on the voting form.	
4. Please enter “for” or “against” according to input guidance on the screen for the following.	
*Operation screen images are for illustration purposes only.	
When you have any questions on how to operate a computer or a smartphone to exercise voting rights via the Internet, please get in touch with the contact point listed on the right.	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support 0120-652-031 (toll free, only in Japan) (Operating hours: 9:00 a.m. to 9:00 p.m.)

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

Reference Document for the Annual Meeting of Shareholders

Meeting Agenda and Referential Matters

Agenda No. 1: Appropriation of Retained Earnings

The Company follows the fundamental principle of elastically returning profits upon taking into account capital efficiency while securing investment for growth that contributes to increasing the corporate value, because the Company regards appropriately returning profits to shareholders to be the most important management policy. As for its capital policy, for the five fiscal years from the fiscal year ended in March 2023 to the fiscal year ending in March 2027, the Company aims to achieve a consolidated dividend payout ratio of 100% by limiting the accumulation of shareholders' equity and reinforcing group cash management, and to maintain dividends on an annual basis of at least 92 yen per share until the fiscal year ending March 2027. The year-end dividend and other appropriations of retained earnings for the 110th business period are stated below.

Year-end Dividend

- (1) Type in which dividends are paid

Cash payment

- (2) Allocation of dividends and total amount of dividends

The Company would like to disburse 53 yen per common share of the Company. In this case, the total amount of dividends shall be 1,294,105,611 yen. As a result, the dividends on an annual basis will be 92 yen per share including the interim dividends (39 yen per share).

- (3) Effective date on which dividends are disbursed from retained earnings

June 26, 2026

Agenda No. 2: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this agenda) will expire upon conclusion of this Annual Meeting of Shareholders. Accordingly, the Company hereby proposes the election of six (6) Directors. In appointing candidates for Directors, the voluntary Nomination and Remuneration Advisory Committee, which is chaired by an Outside Director and the majority of whose members are Independent Outside Directors, deliberated and consulted on the matter.

With respect to this agenda item, the Audit and Supervisory Committee of the Company deemed there are no issues that warranted particular objection with regard to each of the candidates as Directors of the Company.

The candidates for Directors are as follows.


Candidate No.	Name	Current position and responsibility, etc.	Attributes
1	Satoshi Yamada	President and Representative Director, President Executive Officer Chairman of the Board of Directors Supervision of business department and design	Re-election
2	Masaaki Kaji	Managing Director, Managing Executive Officer Supervision of Administration Department and Quality Department	Re-election
3	Shigeru Masuda	Managing Director, Managing Executive Officer Supervision of Production and Logistics Department, and Purchasing Department CEO, Dongguan Piolax Co., Ltd. CEO, Wuhan Piolax Co., Ltd.	Re-election
4	Yuri Yamamoto	Executive Officer President, PIOLAX MEDICAL DEVICES, INC.	Newly appointed
5	Hiroyuki Ochiai	Director President, Social Welfare Corporation <i>Toyota Hikari-no-sato</i>	Re-election Outside Independent
6	Makiko Akabane	Director Representative Director, CSR Asia Co., Ltd. Outside Director, UACJ Corporation	Re-election Outside Independent

Re-election The candidates for Directors to be re-elected

Newly appointed The candidate for Director to be newly appointed


Outside The candidate for Outside Director

Independent Independent Director in conformity with the regulation of the Stock Exchange


Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
1	 <p>Satoshi Yamada (December 29, 1964) <u>Re-election</u></p>	<p>March 1987 Joined Piolax, Inc. April 2010 General Manager in charge of Design and Development, Piolax Corporation January 2014 Group Leader, Development Group, Fasteners SBU April 2018 Director and President, Piolax Mexicana S.A. de C.V. June 2021 Executive Officer and General Manager, Design Department April 2022 Executive Officer and General Manager, Design Department, General Manager, eProduct Development Department June 2024 President and Representative Director, President Executive Officer (incumbent) (Responsibility) Chairman of the Board of Directors Supervision of business department and design</p>	<p>3,972 (Of the above shares, the number of those to be issued under the share-based compensation system) 2,701</p>	<p>19/19</p>	
<p>Reason for the election of Director and Expected Role Mr. Satoshi Yamada took office as General Manager of the Design Department of a subsidiary in the U.S. in April 2010, Group Leader of the Development Group, Fasteners SBU in January 2014, and Director and President of the Company's subsidiary in Mexico in April 2018. Following that, he served as Executive Officer and acted as General Manager of the Design Department from June 2021, and General Manager of the e-Products Development Department, which is responsible for the future growth of the Company, from 2022. Thus, he has an extensive track record ranging from design and development-centered manufacturing and the management of overseas subsidiaries to the launch of a new product development department and has been contributing to the Company's expansion. Mr. Satoshi Yamada has been serving as President and Representative Director of the Company since June 2024 up to the present. Thus, he has been significantly contributing to the Company's expansion while its business environment undergoes drastic changes, such as the acceleration of vehicle electrification. The Company expects that Mr. Yamada will continue to make use of his experience, insight and networks gained over the years to contribute to decision-making of the Board of Directors and drive the Company group's further growth and development with his abundant international experience and strong execution ability for new product development. Accordingly, the Company proposes that he be a candidate for Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
2	 <p>Masaaki Kaji (March 1, 1963) Re-election</p>	<p>April 1985 Joined Japan Development Bank (current Development Bank of Japan Inc.)</p> <p>April 2005 Chief Representative, New York Office, Development Bank of Japan Inc.</p> <p>June 2010 General Manager, Information Resources Department, Development Bank of Japan Inc.</p> <p>April 2014 Joined Piolax Inc.</p> <p>June 2014 Advisor General Manager, ERP Promotion Department, Piolax Inc.</p> <p>June 2016 Executive Officer General Manager, Human Resources Department General Manager, Global IT Department, Piolax, Inc.</p> <p>June 2019 Senior Executive Officer, Piolax, Inc. President, Shanghai Piolax Co., Ltd. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.</p> <p>December 2020 Senior Executive Officer, Piolax, Inc. CEO, Piolax (China) Co., Ltd. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.</p> <p>June 2022 Director, Senior Executive Officer, General Manager, Human Resources Department, Piolax, Inc. President, Piolax (China) Co., Ltd. President & CEO, Dongguan Piolax Co., Ltd. President & CEO, Wuhan Piolax Co., Ltd.</p> <p>June 2023 Director and Senior Executive Officer, Piolax, Inc. President, Piolax (China) Co., Ltd. President & CEO, Dongguan Piolax Co., Ltd. President & CEO, Wuhan Piolax Co., Ltd.</p> <p>June 2024 Managing Director, Managing Executive Officer (incumbent)</p> <p>(Responsibility) Supervision of Administration Department and</p>	<p>6,904</p> <p>(Of the above shares, the number of those to be issued under the share-based compensation system)</p> <p>5,104</p>	19/19	


Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
		Quality Department			
<p>Reason for the election of Director and Expected Role</p> <p>Mr. Masaaki Kaji took office as Executive Officer of the Company in June 2016 to assume the responsibility for the Human Resources and IT divisions. He took office in June 2019 as Senior Executive Officer in charge of China, which is the largest automobile market, and contributed to the expansion of sales. From June 2022, as a Director of the Company, he supervised the areas of administration, information technology, and affiliated companies. In addition, since June 2024 to the present, as the Company's Managing Director, he has been serving as the person in charge of supervising Administration and Quality Assurance departments. In this way, he has been contributing to the development of the Company group. Prior to joining the Company, he worked in corporate credit and other divisions at Development Bank of Japan Inc., and also served as a management executive after having worked in the U.S., making him thoroughly familiar with corporate management, IT, and finance matters.</p> <p>The Company expects that Mr. Kaji would make use of his abundant experience, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors and continue to bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					


Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
3	 <p>Shigeru Masuda (August 12, 1963) Re-election</p>	<p>March 1987 Joined Piolax, Inc. April 2004 General Manager, Production Engineering Department, Piolax, Inc. April 2006 Group Leader, Production Group, Fuel Parts SBU, Piolax, Inc. June 2010 Group Leader, Production Group, Fasteners SBU June 2011 Executive Officer Executive Officer, Open/Close Mechanism Parts SBU, Piolax, Inc. January 2014 Executive Officer Executive Officer, Open/Close Mechanism Parts SBU General Manager, Production Engineering Department, Piolax, Inc. June 2016 Senior Executive Officer Executive Officer, Open/Close Mechanism Parts SBU General Manager, Production Engineering Department, Piolax, Inc. June 2018 Senior Executive Officer Executive Officer, Fasteners SBU General Manager, Production Engineering Department, Piolax, Inc. August 2020 Director Senior Executive Officer Executive Officer, Fasteners SBU, Piolax, Inc. June 2022 Director Senior Executive Officer, Piolax, Inc. President, P.M.T. Inc. April 2024 Director and Senior Executive Officer, Piolax, Inc. June 2024 Director, Senior Executive Officer CEO, Dongguan Piolax Co., Ltd. CEO, Wuhan Piolax Co., Ltd. (incumbent) June 2025 Managing Director, Managing Executive Officer (incumbent) (Responsibility) Supervision of Production and Logistics Department Supervision of Purchasing Department</p>	<p>27,664 (Of the above shares, the number of those to be issued under the share-based compensation system) 7,164</p>	19/19	

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
		(Significant concurrent positions) CEO, Dongguan Piolax Co., Ltd. CEO, Wuhan Piolax Co., Ltd.			
<p>Reason for the election of Director and Expected Role</p> <p>Mr. Shigeru Masuda served as Executive Officer in charge of Open/Close Mechanism Parts SBU from June 2011 and held the positions of Senior Executive Officer and Fasteners SBU Executive Officer, as well as General Manager of the Production Engineering Department from June 2018. Since August 2020, he has been the Company's Director. He has also served as Director and President of P.M.T. INC., a subsidiary specializing in metal mold production, and worked to strengthen its management structure. Since August 2020, he has been serving as the person in charge of supervising Production and Logistics departments. Since 2024, he has been the person in charge of business in China, which is the largest automobile market, and is contributing to the expansion of sales. From June 2025 up to the present, he has been contributing to the development of the Company group as Managing Director.</p> <p>The Company expects that Mr. Masuda will continue to make use of his abundant experience, considerable insight and extensive networks gained over the years to contribute to decision-making of the Board of Directors, and bring benefits for business development on a global scale, as well as improvement in the corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
4	 Yuri Yamamoto (January 19, 1964) <u>Newly appointed</u>	April 1984 Joined TERUMO CORPORATION October 2009 General Manager, Brand Promotion Office, Strategic Planning Department, TERUMO CORPORATION October 2011 Marketing Manager, Terumo BSN K.K. October 2017 Group Leader, Strategic Planning Group, Pharmaceutical Business Strategy Department, R&D Headquarters, Daicel Corporation September 2019 General Manager, Pharmaceutical Business Strategy Department and Group Leader, Strategy Planning Group, R&D Headquarters, Daicel Corporation October 2019 General Manager, Pharmaceutical Business Strategy Department and Group Leader, Strategic Planning Group, Innovative and Business Development Headquarters, Daicel Corporation May 2020 General Manager, Pharmaceutical Business Strategy Department, Innovative and Business Development Headquarters, Daicel Corporation April 2021 Director and General Manager, Planning and Development Department, PIOLAX MEDICAL DEVICES, INC. January 2022 Executive Vice-President and General Manager, Planning and Development Department, PIOLAX MEDICAL DEVICES, INC. April 2023 President, PIOLAX MEDICAL DEVICES, INC. (incumbent) November 2023 General Manager, Business Administration Department, PIOLAX MEDICAL DEVICES, INC. June 2024 Executive Officer, Piolax, Inc. (incumbent) (Significant concurrent positions) President, PIOLAX MEDICAL DEVICES, INC.	—		
Reason for the election of Director and Expected Role Ms. Yuri Yamamoto served as an Executive Officer of PIOLAX MEDICAL DEVICES, INC. ("PMD"), a subsidiary in the medical devices business, from April 2021 and Vice-President of PMD from January 2022. Since April 2023 up to the present, she has been driving the Company group's medical devices business as President of PMD. She has also been serving as an Executive Officer of the Company since June 2024. Moreover, prior to joining the Company, she worked in product development, planning and execution of business strategy, planning					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
		<p>and execution of marketing strategy, corporate planning, and international business, making her thoroughly familiar with corporate management, marketing, and international business.</p> <p>The Company expects that Ms. Yamamoto will make use of her experience, insight and networks gained over the years to contribute to decision-making of the Board of Directors as well as being able to contribute to the Company's global business development and enhancement of its corporate value. Accordingly, the Company proposes that she be a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
5	 <p>Hiroyuki Ochiai (October 24, 1956) Re-election Outside Independent</p>	<p>April 1979 Joined Toyota Motor Co., Ltd</p> <p>June 2008 Managing Officer, Toyota Motor Corporation</p> <p>July 2008 Executive Vice President, Toyota Motor Europe S.A./N.V.</p> <p>April 2012 General Manager, Kamigo Plant and Shimoyama Plant, Toyota Motor Corporation</p> <p>June 2013 Representative Director and President, FTS Co., Ltd.</p> <p>July 2013 Executive Director, Aichi Employers' Association</p> <p>March 2018 Board Member, The Chubu Association of Corporate Executives</p> <p>June 2022 Outside Director, Piolax, Inc. (incumbent)</p> <p>October 2022 President, Social Welfare Corporation Toyota Hikari-no-sato (incumbent)</p> <p>(Significant concurrent positions) President, Social Welfare Corporation <i>Toyota Hikari-no-sato</i></p>	-		19/19
<p>Reason for the election of Outside Director and Expected Role</p> <p>After taking office as Managing Officer of Toyota Motor Corporation in June 2008, Mr. Hiroyuki Ochiai served as EVP at Toyota Motor Europe S.A./N.V. and General Manager of Kamigo Plant and Shimoyama Plant, and took office as President of FTS Co., Ltd. in June 2013.</p> <p>He assumed public offices such as Executive Director of Aichi Employers' Association and Board Member of the Chubu Association of Corporate Executives and has assumed the office of president of Social Welfare Corporation Toyota Hikari-no-sato since October 2022, in addition to having worked in Europe as a management executive, to gain extensive experience in and knowledge on management beyond the automobile industry. He has also been serving as Outside Director of the Company (incumbent) since June 2022.</p> <p>The Company expects that Mr. Ochiai will make use of his abundant experience, considerable insight, and extensive networks gained over the years to contribute to decision-making at the Board of Directors and bring benefits for business development on a global scale, and improvement in the corporate value of the Company. He also satisfies the independence criteria as Outside Director of the Company. Accordingly, the Company proposes that he be a candidate for Outside Director.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
6	 <p>Makiko Akabane (November 21, 1969)</p> <p>Re-election Outside Independent</p>	<p>April 1993 Joined the Mitsubishi Bank, Ltd.</p> <p>January 2001 Manager, Environment Project Team, Public Relations, Starbucks Coffee Japan, Limited</p> <p>August 2003 General Manager, Social Contribution Department, Salesforce.com, Co., Ltd.</p> <p>November 2006 General Manager, CSR Office, Nikko Asset Management Co., Ltd.</p> <p>April 2010 Japan Representative, CSR Asia kabushiki-kaisha (incumbent)</p> <p>June 2022 Outside Director, Piolax Inc. (incumbent)</p> <p>June 2023 Outside Director, UACJ Corporation (incumbent)</p> <p>(Significant concurrent positions) Representative Director, CSR Asia Co., Ltd. Outside Director, UACJ Corporation</p>	-		19/19
<p>Reason for the election of Outside Director and Expected Role</p> <p>Ms. Makiko Akabane served as the manager of the Environment Project Team, Public Relations of Starbucks Coffee Japan, Limited from January 2001, General Manager of the Social Contribution Department, Salesforce.com, Co., Ltd. from 2003, and General Manager of the CSR Office, Nikko Asset Management Co., Ltd. from November 2006, and has been acting as Representative Director, CSR Asia Co., Ltd. (incumbent) since April 2010 and Outside Director, UACJ Corporation (incumbent) since June 2023. She gives lectures at the Ministry of the Environment, World Bank, universities and others as an expert on sustainability, and provides third-party opinions and guidance on CSR reports issued by companies to lead sustainability and CSR initiatives in Japanese business circles. She has also been serving as Outside Director of the Company (incumbent) since June 2022.</p> <p>The Company expects that Ms. Akabane will make use of her abundant experience, considerable insight, and extensive networks gained over the years to contribute to decision-making at the Board of Directors and bring benefits for improvement in non-financial value for promoting ESG management at the Company. She also satisfies the independence criteria as Outside Director of the Company. Accordingly, the Company proposes that she be a candidate for Outside Director.</p>					

Notes:

- Resolutions in writing are not included in attendance at the Board of Directors meetings for each candidate.
- There are no special conflicts of interests between the candidates and the Company.
- Mr. Hiroyuki Ochiai and Ms. Makiko Akabane are the candidates for Outside Directors.
- Mr. Hiroyuki Ochiai and Ms. Makiko Akabane currently serve as OutsideDirectors of the Company, and their tenure as OutsideDirectors will have been four years upon the conclusion of this Annual Meeting of Shareholders.
- The Company has entered into a contract with Mr. Hiroyuki Ochiai and Ms. Makiko Akabane to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 thereof. The limited amount of liability under such contracts is the amount stipulated in laws and regulations. Provided that their re-election is approved, the Company plans to continue the said contracts.
- The Company has entered into a directors and officers liability insurance contract with an insurance company based on the provisions of Article 430-3, Paragraph 1 of the Companies Act to cover damage that the insured, including Directors of the Company and eligible subsidiaries, may be liable for. (However, excluding cases that were caused by intention and grave negligence.) The Company is responsible for paying the premium in full, and the insured are effectively not subject to payment. Provided that each candidate is elected and takes office, they will become insured. The Company plans to renew the insurance with the same terms and conditions before it expires.
- Mr. Hiroyuki Ochiai and Ms. Makiko Akabane satisfy the requirements for independent directors as per

the regulations of Tokyo Stock Exchange, Inc. The Company plans to continue to designate them as Independent Directors provided that they are elected as Directors.

Agenda No. 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The term of office of all three (3) Directors who are Audit and Supervisory Committee members will expire upon conclusion of this Annual Meeting of Shareholders. Accordingly, the Company hereby proposes the election of three (3) Directors who are Audit and Supervisory Committee members.

In appointing candidates for Directors who are Audit and Supervisory Committee members, the voluntary Nomination and Remuneration Advisory Committee, which is chaired by an Outside Director and the majority of whose members are Independent Outside Directors, deliberated and consulted on the matter.

With respect to this agenda, consent by the Audit and Supervisory Committee has been obtained.


The candidates for Directors who are Audit and Supervisory Committee members are as follows.


Candidate No.	Name	Current position and responsibility, etc.	Attributes
1	Genichi Ishikawa	Director Chairman of Audit and Supervisory Committee	<u>Re-election</u>
2	Sakae Komiyama	Director Employee, Imanishi Tax and Accounting Corporation Auditor, Japan Agency for Medical Research and Development Outside Director (Audit and Supervisory Committee Member), CCI Group, Inc.	<u>Re-election</u> Outside <u>Independent</u>
3	Tetsu Hirowatari	Representative, Hirowatari Law Office Outside Auditor, Kuribayashi Steamship Co., Ltd. Outside Auditor, Chiba Newtown Center co., ltd.	<u>Re-election</u> Outside <u>Independent</u>

Re-election The candidates for Directors to be re-elected


Outside The candidate for Outside Director

Independent Independent Director in conformity with the regulation of the Stock Exchange

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
1	 Genichi Ishikawa (April 18, 1963) <u>Re-election</u>	April 1987 Joined The Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.) November 2008 Deputy Director, Overseas Sales Promotion Department, Mizuho Corporate Bank, Ltd. April 2010 Director, Industry Research Department, Mizuho Corporate Bank, Ltd. April 2012 General Manager, Kansai Financial Institution Department, Mizuho Corporate Bank, Ltd. May 2013 Joined Piolax, Inc. December 2014 Executive Officer, Piolax, Inc. President, Piolax Corporation June 2018 Managing Director, PIOLAX MEDICAL DEVICES, INC. June 2019 Executive Officer, General Manager, Human Resources Department and General Manager, Global Business Administration Department, Piolax, Inc. June 2022 Director of Piolax, Inc. (Full-time Audit and Supervisory Committee member) Outside Auditor, Saga Tekkohsho Co., Ltd. (incumbent) (Responsibility) Chairman of Audit and Supervisory Committee	1,100	19/19	14/14
<p>Reason for the election of Director and Expected Role</p> <p>Mr. Genichi Ishikawa took office as Executive Officer of the Company in December 2014, and served as President of a subsidiary in the U.S., an important base. He further served as Managing Director of a subsidiary in the medical devices business from June 2018 and acted as Executive Officer, General Manager of the Human Resources Department and General Manager of the Global Business Administration Department from June 2019. He has been serving as a Director who is an Audit and Supervisory Committee member (incumbent, full-time) of the Company since June 2022. He conducts audits on the business execution of the Company and provides appropriate advice and suggestions on the occasions of important management decisions. Prior to joining the Company, he worked in the corporate credit division and others at Mizuho Corporate Bank, Ltd. He also served as a management executive, after having worked in the U.S. He is thoroughly familiar with corporate management, international affairs, and finance matters.</p> <p>The Company expects that Mr. Ishikawa will continue to make use of his experience and insight that he accumulated over the years to conduct audits on and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that he be a candidate for Director who is an Audit and Supervisory Committee member.</p>					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
2	 Sakae Komiyama (October 3, 1965) <u>Re-election</u> Outside <u>Independent</u>	October 1988 Joined Eiwa Audit Corporation (current KPMG AZSA LLC) October 1992 Joined Tomy Co., Ltd. (current Tomy Company, Ltd.) March 2000 Joined Ota Showa Audit Corporation (current Ernst & Young ShinNihon LLC) April 2014 Joined Imanishi Tax and Accounting Corporation (incumbent) July 2015 Auditor, Government Pension Investment Fund October 2017 Governor and Auditor, Government Pension Investment Fund (incumbent) August 2020 Outside Director (Audit and Supervisory Committee member), Piolax, Inc. (incumbent) June 2022 Outside Corporate Auditor, NARUMIYA INTERNATIONAL Co., Ltd. October 2022 Auditor, Medical Science Lab May 2024 Outside Director (Audit and Supervisory Committee member), NARUMIYA INTERNATIONAL Co., Ltd. June 2025 Outside Director (Audit and Supervisory Committee member), Hokkoku Financial Holdings, Inc. (current CCI Group, Inc.) (incumbent) September 2025 Auditor, Japan Agency for Medical Research and Development (incumbent) (Significant concurrent positions) Employee, Imanishi Tax and Accounting Corporation Outside Director (Audit and Supervisory Committee member), CCI Group, Inc. Auditor, Japan Agency for Medical Research and Development	—	19/19	14/14
Reason for the election of Director and Expected Role Ms. Sakae Komiyama has been serving as an Outside Director who is an Audit and Supervisory Committee member of the Company since August 2020 and has conducted audits on the business execution of the Company and provided appropriate advice and suggestions on the occasions of important management decisions. Ms. Komiyama has never been directly involved in corporate management. However, the Company expects that Ms. Komiyama will continue to make use of her insight and experience gained over the years in areas related to accounting and tax as a certified public accountant to conduct audits on and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that she be a candidate for Outside Director who is an Audit and Supervisory Committee member. Ms. Sakae Komiyama worked at the predecessor (EY Ota Showa Audit Corporation) of Ernst & Young ShinNihon LLC, the Accounting Auditor of the Company, in the past. However, she was not in charge of the Company while					

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
	in office, and a reasonable number of years have passed since she resigned from EY Ota Showa Audit Corporation in 2014. Accordingly, she is judged to be independent in light of the Company's independence criteria.				

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
3	 <p>Tetsu Hirowatari (November,28, 1958)</p> <p><u>Re-election</u> Outside <u>Independent</u></p>	<p>April 1992 Registered as attorney at law at the Dai-ichi Tokyo Bar Association Joined Takashi Ueno Law Office</p> <p>April 1999 Representative, Hirowatari Law Office (incumbent)</p> <p>June 2000 Outside Auditor, Shibaura Electronics Co., Ltd.</p> <p>June 2006 Outside Auditor, Kuribayashi Steamship Co., Ltd. (incumbent)</p> <p>June 2024 Outside Director (Audit and Supervisory Committee member), Piolax, Inc. Outside Auditor, Chiba Newtown Center co., ltd. (incumbent)</p> <p>(Significant concurrent positions) Representative, Hirowatari Law Office Outside Auditor, Kuribayashi Steamship Co., Ltd. Outside Auditor, Chiba Newtown Center co.,ltd.</p>	—	18/19	14/14
<p>Reason for the election of Director and Expected Role</p> <p>After having joined Takashi Ueno Law Office at the same time as being registered as an attorney at law at the Dai-ichi Tokyo Bar Association in April 1992, Mr. Tetsu Hirowatari opened Hirowatari Law Office in April 1999. In addition, he was appointed as Outside Auditor of Shibaura Electronics Co., Ltd. in June 2000 and has been serving as Outside Auditor of Kuribayashi Steamship Co., Ltd. since June 2006 to the present. From June 2022 to the present, he served as an observer at the Nomination and Remuneration Advisory Committee as a Director who is a Substitute Audit and Supervisory Committee member of the Company. From June 2024 to the present, he has been serving as a Director who is an Audit and Supervisory Committee member.</p> <p>Mr. Hirowatari has never been directly involved in corporate management. However, the Company expects that he will make use of his insight and experience gained over the year in areas related to law as an attorney to conduct audits on and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that he be a candidate for Outside Director who is an Audit and Supervisory Committee member.</p>					

Notes:

- There are no special conflicts of interests between the candidates and the Company.
- Ms. Sakae Komiyama and Mr. Tetsu Hirowatari are candidates for Outside Directors.
- Ms. Sakae Komiyama currently serves as a Director who is an Audit and Supervisory Committee member of the Company, and she will have held office for five (5) years and 10 months at the conclusion of this Annual Meeting of Shareholders.
- Mr. Tetsu Hirowatari currently serves as a Director who is an Audit and Supervisory Committee member of the Company, and he will have held office for two (2) years at the conclusion of this Annual Meeting of Shareholders.
- The Company has entered into a contract with Ms. Sakae Komiyama and Mr. Tetsu Hirowatari to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 thereof. The limited amount of liability under such contract is the amount stipulated in laws and regulations. Provided that the candidates are approved for re-election as Director, the Company plans to continue such contract.
- The Company has entered into a directors and officers liability insurance contract with an insurance company based on the provisions of Article 430-3, Paragraph 1 of the Companies Act to cover damages that the insured, including Directors who are Audit and Supervisory Committee members of the Company, may be liable for. (However, excluding cases that were caused by intention and grave negligence). The Company is responsible for paying the premium in full, and the insure are effectively not subject to payment. Provided that each candidate is elected and takes office, they will become insured. The

Company plans to renew the insurance with the same terms and conditions before it expires.

7. The Company designated Ms. Sakae Komiyama and Mr. Tetsu Hirowatari as Independent Directors in conformity with the regulations of Tokyo Stock Exchange, Inc. and submitted a notification to the said exchange. Provided that both of them are approved for re-election as Director, they will continue to be Independent Directors.


Agenda No. 4: Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member

In order to prepare for a vacancy arising in the legally required number of Directors who are Audit and Supervisory Committee Members, the Company proposes the election of one (1) substitute Audit and Supervisory Committee Member.

In appointing a candidate for Director who is a Substitute Audit and Supervisory Committee Member, the voluntary Nomination and Remuneration Advisory Committee, which is chaired by an Outside Director and the majority of whose members are Independent Outside Directors, deliberated and consulted on the matter.

With respect to this agenda, consent by the Audit and Supervisory Committee has been obtained.

The candidate for Director who is a Substitute Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
 <p>Kanako Sato (January 16, 1972) Outside</p>	<p>May 1999 Passed the U.S. Certified Public Accountant examination in California</p> <p>October 2005 Senior Specialist, Principal Investment Department, Merrill Lynch Japan Securities Co., Ltd.</p> <p>July 2007 Assistant Vice President, Product Control Department, Lehman Brothers Japan, Inc.</p> <p>October 2008 Legal Entity Controller, Finance and Administration Department, JPMorgan Securities Japan Co., Ltd.</p> <p>March 2012 Vice President, Accounting Department, Natixis Japan Securities Co. Ltd</p> <p>January 2018 Finance Director, Finance and Administration Department, Edelman Japan Co., Ltd.</p> <p>March 2019 Representative Director, K.K. You Need (incumbent)</p> <p>June 2019 Senior Manager, Business Process Solutions Department, Deloitte Tohmatsu Tax Co.</p> <p>June 2025 Outside Director serving as Audit and Supervisory Committee member, RIX CORPORATION (incumbent)</p> <p>(Significant concurrent positions) Representative Director, K.K. You Need Outside Director serving as Audit and Supervisory Committee member, RIX CORPORATION</p>	—		
<p>Reason for the Election of Substitute Outside Director and Expected Role</p> <p>Ms. Kanako Sato has over 20 years of experience in capital markets, finance and accounting, mainly gained through working at foreign financial institutions and consulting firms, including Merrill Lynch Japan Securities Co., Ltd., JPMorgan Securities Japan Co., Ltd. and Deloitte Tohmatsu Tax Co. Moreover, currently serving as Representative Director of K.K. You Need and Outside Director serving as Audit and Supervisory Committee member of RIX</p>				

Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee
<p>CORPORATION, she has an extensive track record of providing advice on financial strategies as well as reviewing financial reports and strengthening governance from an auditing perspective, etc., in addition to abundant experience and knowledge of corporate management. Moreover, since June 2025 until the present, Ms. Kanako Sato has served as an observer at the Nomination and Remuneration Advisory Committee as a Director who is a Substitute Audit and Supervisory Committee member of the Company. The Company expects that Ms. Sato will make use of her experience and knowledge in areas related to capital markets, finance and accounting gained over the years, and audit and supervise the Company's execution of business from an objective point of view. Accordingly, we propose that she be a candidate for Outside Director who is a substitute Audit and Supervisory Committee Member.</p>				

Notes:

1. There are no special conflicts of interest between the candidate and the Company.
2. Ms. Kanako Sato is a candidate for substitute Outside Director.
3. If Ms. Kanako Sato assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a contract with her to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 thereof. The limited amount of liability under such contract is the amount stipulated in laws and regulations.
4. Ms. Kanako Sato satisfies the requirements for Independent Director as per the regulations of Tokyo Stock Exchange, Inc. The Company plans to designate her as an Independent Director and submit a notification to the said exchange if she assumes office as a Director who is an Audit and Supervisory Committee Member.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company based on the provisions of Article 430-3, Paragraph 1 of the Companies Act to cover damages that the insured, including Directors who are Audit and Supervisory Committee Members of the Company, may be liable for. (However, excluding cases that were caused by intention and grave negligence.) The Company is responsible for paying the premium in full, and the insured are effectively not subject to payment. If Ms. Kanako Sato takes office as a Director who is an Audit and Supervisory Committee Member, she will become insured. The Company plans to renew the insurance with the same terms and conditions before it expires.

Agenda No. 5: Partial Amendment and Extension of the Stock-based Compensation Plan for Directors

1. Reason for proposal and rationale for the compensation

The compensation of the Company's Directors (excluding Directors who are Outside Directors or Audit and Supervisory Committee Members) consists of "basic remuneration" and a "cash bonus," as well as "performance-linked stock-based compensation." Of these, the performance-linked stock-based compensation was introduced as a stock-based compensation plan using a trust with the approval of shareholders at the 101st Annual Meeting of Shareholders held on June 28, 2017. Subsequently, at the 107th Annual Meeting of Shareholders held on June 27, 2023, approval was obtained to partially amend the specifics of the Plan (specifically, the method for calculating the number of shares to be delivered to Directors) (the performance-linked stock-based compensation plan as so amended is hereinafter referred to as the "Plan," and the resolution of said approval is hereinafter referred to as the "Previous Resolution by Meeting of Shareholders"), and the Plan has remained in operation since then. Under this agenda item, the Company proposes to partially amend and extend the term of the Plan.

The Company also asks you to leave the specifics of the amendment to the discretion of the Board of Directors within the scope described in 2 below.

Designed to clearly link Directors' remuneration with the Company's business performance and stock value, the Plan allows Directors to not only receive the benefits of a stock price increase but also share the risks associated with a fall in the stock price. The Plan aims to motivate them to enhance the Company's performance and corporate value over the medium to long run, by allowing Directors to share the benefits and risks of stock price fluctuations on an equal footing with shareholders. By adding a clawback clause to the Plan, the Company aims to prevent serious legal violations or misconduct and clarify management responsibility in the event such violations occur, thereby further strengthening governance.

As before, remuneration under the Plan after amendment shall be in addition to the remuneration limit (up to 250 million yen per year; however not including salary paid as an employee) set for Directors (excluding Directors who are Audit and Supervisory Committee Members) that was approved at the 100th Annual Meeting of Shareholders held on June 28, 2016. Further, Directors (excluding Directors who are Outside Directors or Audit and Supervisory Committee Members; hereinafter the same applies in this agenda item) who will be in office during the five business years from the business year ending on March 31, 2027, to the business year ending on March 31, 2031 (hereinafter the "Plan Period") shall be eligible for the remuneration under the Plan after amendment under the Agenda Item (however, the Plan Period may be extended as described below). As before, remuneration under the Plan after amendment shall be in addition to the remuneration limit (up to 250 million yen per year; however not including salary paid as an employee) set for Directors (excluding Directors who are Audit and Supervisory Committee Members) that was approved at the 100th Annual Meeting of Shareholders held on June 28, 2016. Further, Directors (excluding Directors who are Outside Directors or Audit and Supervisory Committee Members; hereinafter the same applies in this agenda item) who will be in office during

An outline of the policy for determining the details of remuneration, etc. for individual Directors of the Company is as described in "(v) Remuneration, etc. for Directors," in "(3) Company Officers Status" under "2 Current Status of the Company" of the Business Report and, provided that this agenda item is approved, the meeting of the Board of Directors held on May 12, 2026, resolved that such details be amended as stated in this agenda item. Since the details of this agenda item are necessary and reasonable to pay remuneration, etc. in line with the said policy after amendment, the details of this agenda item have been judged to be appropriate.

Once "Agenda No. 2: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)" is approved as drafted, the number of Directors who are eligible for the Plan will be 4 (four).

The Audit and Supervisory Committee confirmed that, after reviewing this agenda item, it found no areas that warranted particular objection.

- * If the Agenda Item is approved as originally proposed, a similar clawback clause will be added to the performance-linked stock-based compensation plan introduced for the Company's executive officers.

2. Amount and specifics of remuneration, etc. to be paid under the Plan

The amount and specifics of remuneration, etc. in relation to the Plan after amendment are as below.

(1) Overview of the Plan

The Plan is a stock-based compensation plan under which a trust created using the money contributed by the Company (hereinafter referred to as the "Trust") acquires the Company's shares. These shares will be granted to eligible Directors through the Trust in a quantity equivalent to the number of points the Company will have awarded them.

As a general rule, such shares will be granted to Directors upon their retirement.

(i) Eligible persons for the Plan	Directors (excluding Directors who are Outside Directors or Audit and Supervisory Committee Members) of the Company
(ii) Plan Period	From the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2031
(iii) Maximum amount of money to be contributed by the Company as funds to acquire the Company's shares necessary to be granted to eligible persons in (i) for the Plan Period of five business years in (ii)	200 million yen in total
(iv) Method of acquiring the Company's shares	To acquire via disposal of treasury shares or through the stock market (including off-floor trading)
(v) Maximum number of points to be awarded to eligible persons in (i)	Up to 60,000 points per business year
(vi) Criteria for awarding points	To award points according to position, the degree of achievement of performance targets, and others
(vii) Timing of granting the Company's shares to eligible persons in (i)	Upon retirement as a general rule
(viii) Clawback clause (newly established)	In the event that it is discovered within three years of a Director's retirement that the Director had committed a serious violation of laws or regulations or misconduct that had a material impact on the Company (including cases where a material revision of financial statements (including consolidated financial statements) is announced and the Board of Directors determines that the assets delivered under the Plan prior to the revision were excessive), the Company may demand that the Director pay back all or part of the equivalent value of the assets that the Director received under the Plan, taking into account the nature of the relevant conduct.

(2) Maximum amount of money to be contributed by the Company

In addition to extending the duration of the Trust already established, the Company will additionally contribute up to 200 million yen in total to the Trust as stock compensation for Directors during the Plan Period. The money will be used to acquire the necessary number of the Company's shares to be granted to Directors under the Plan. The Trust will use the money deposited by the Company (including any money remaining in the Trust before the additional deposit, in addition to the money to be additionally deposited by the Company as above) as the source of funds to acquire the Company's shares either via disposal of its treasury shares or through the stock market (including off-floor trading).

* The actual amount of money to be additionally deposited to the Trust by the Company will be the sum of the above-mentioned funds used to acquire shares and for the estimated amount of necessary expenses, including a trust fee and a trust administrator fee.

The Company's Board of Directors may resolve to continue the Plan by extending the Plan Period for up to five business years as determined each time and, as a result, further extending the trust period of the Trust (including a case where the trust period is effectively extended by transferring the trust assets of the Trust to a trust created by the Company for the purpose identical to that of the Trust; hereafter the same applies). In such a case, the Company will additionally deposit money to the Trust in an amount up to 80 million yen multiplied by the number of business years during the extended portion of the Plan Period as funds for acquiring additional shares of the Company to be granted to Directors under the Plan during the said extended portion of the Plan Period, and will continue awarding points and granting the Company's shares as described in (3) below.

Further, even in the case where the Company does not continue the Plan due to not extending the Plan Period as above, if there is any Director who has been awarded points but has not yet retired upon expiration of the trust period, the Company may extend the period of the Trust until he/she retires and has been granted the Company's shares in full.

(3) Method of calculating the number of shares to be granted to Directors and the upper limit

(i) Method of awarding points to Directors, etc.

Pursuant to the stock grant rules stipulated by the Board of Directors, the Company will award points to Directors at a point awarding date as provided in the stock grant rules during the trust period according to the position held by each Director and the degree of achievement of the performance targets (in the first year following the amendment made by this agenda item, points will be based on the achievement rate of the performance-linked indicators (ROE and profit) (the rate of performance-linked payout).

However, the total number of points the Company will award to Directors in each business year will not exceed 60,000.

(ii) Granting of the Company's shares according to the number of points awarded

In accordance with the procedures described in (iii) below, eligible Directors will be granted the Company's shares in the quantity corresponding to the number of points awarded to them pursuant to (i) above. However, in cases such as where a Director retires for personal reasons, all or some of the points awarded shall be forfeited, and the Director shall not be granted the Company's shares corresponding to the points forfeited. In addition, even after the grant of shares, in the event that it is discovered within three years of a Director's retirement that the Director had committed a serious violation of laws or regulations or misconduct that had a material impact on the Company (including cases where a material revision of financial statements (including consolidated financial statements) is announced and the Board of Directors determines that the assets delivered under the Plan prior to the revision were excessive), the Company shall demand that the Director pay back (claw back) all or part of the equivalent value of the assets that the Director received under the Plan, taking into account the nature of the relevant conduct.

One point shall correspond to one share of the Company. Provided, however, that in the event of a share split, reverse share split, or any other cause for which it would be considered reasonable to adjust the number of the Company's shares to be granted, the said number of shares per point will be adjusted to the extent reasonable depending on the split or reverse split ratio, etc.

(iii) Granting of the Company's shares to Directors

Each Director will, as a general rule, acquire the beneficiary interests of the Trust by following the prescribed procedures upon his/her retirement, and will be granted the Company's shares (including the Company's shares corresponding to the points awarded under the Plan prior to the Previous Resolution by Meeting of Shareholders) as described in (ii) above from the Trust as a beneficiary of the Trust. However, an eligible Director may receive a certain percentage of these shares in money in lieu of the Company's shares after they are sold and converted into cash by the Trust for the purpose of the Company withholding income taxes, etc. An eligible Director may also receive money instead of shares if the Company's shares held in the Trust have been sold through a takeover bid, or in other circumstances where the Company's shares held in the Trust have been converted into cash.

(4) Exercise of voting rights

In accordance with the instructions of the trust administrator who will be independent of the Company and its Directors, the voting rights associated with the shares held in the Trust shall not be exercised without exception. This will assure the neutrality of the Company's management in relation to exercising voting rights associated with the Company's shares held in the Trust.

(5) Handling of dividends

Dividends for the Company's shares held in the Trust will be received by the Trust and will be used to pay for the acquisition of the Company's shares, trustee fees payable to the trustee of the Trust, etc.

Reference)

The policy on the determination of the details of Directors' remuneration, etc. was revised at the meeting of the Board of Directors held on May 12, 2023, as follows.

(Fundamental philosophy of Directors' remuneration)

- (i) It should allow superior and talented people to be secured and retained;
- (ii) It should promote initiatives for increasing the corporate value; and
- (iii) It should facilitate sharing interests with shareholders.

- The level of Directors' remuneration of the Company is set after confirming the levels of other companies in business size similar to the Company's based on directors' remuneration data provided by external research agencies.
- Remuneration of Executive Directors consists of basic remuneration, cash bonus as a short-term incentive, and performance-linked stock compensation as a long-term incentive, designed to provide incentives for growth over the medium term in addition to sustainable improvements in performance each fiscal year. The ratio of each component of remuneration is roughly 60:20:20 when the target performance is achieved. The ratio is reviewed as necessary after deliberation by the Nomination and Remuneration Advisory Committee.
- Outside Directors and Directors who are Audit and Supervisory Committee Members, both of whom are independent from business execution, are paid basic remuneration only.
- The policy for determining Directors' remuneration and the remuneration paid to Directors each year are decided by the Board of Directors after discussions at the Nomination and Remuneration Advisory Committee. In addition, the level of remuneration for Directors who are Audit and Supervisory Committee Members is determined by the Audit and Supervisory Committee after

discussions at the Nomination and Remuneration Advisory Committee.

- The Nomination and Remuneration Advisory Committee is comprised of Executive Directors, Outside Directors, and Directors who are Audit and Supervisory Committee Members, with a majority of the members being Independent Outside Directors.
 - There is no retirement benefit plan for Directors and Directors who are Audit and Supervisory Committee Members
- a. Basic remuneration
 - b. Short-term incentive remuneration (cash bonus)
 - In order to strengthen the linkage between corporate value creation and Directors' remuneration, the cash bonus consists of a portion linked to operating profit and ROE (generally 50%) and a portion linked to indicators other than operating profit and ROE (including non-financial indicators) (generally 50%). The portion linked to operating profit and ROE is calculated based on a comparison of the actual result vs. the plan at the beginning of the year (to be disclosed at the beginning of the year) and a comparison against the previous year's result, using consolidated operating profit as a performance indicator, a comparison of the actual result vs. the plan at the beginning of the year (disclosed in the Medium-term Management Plan) and a comparison against the previous year's result, using nonconsolidated operating profit as a performance indicator, and a comparison of the long-term ROE target with actual ROE.. The portion linked to indicators other than operating profit and ROE (including non-financial indicators) is calculated by setting categories (management strategy, safety, ESG, etc.) and indicators for each category and evaluating the degree of achievement. The indicators are set and evaluated each year, with their suitability confirmed by the Nomination and Remuneration Advisory Committee. The degree of achievement shall be 100% when the target performance is achieved, and will vary within the range of 0 to 150%.
 - c. Long-term incentive remuneration (stock-based compensation)
 - Performance-linked stock compensation is paid with the aim of providing increased motivation to help enhance the Company's performance and corporate value over the medium to long run and increasing awareness of shareholder-focused management, by strengthening the linkage between Directors' remuneration with the Company's stock value to share not only the benefits of a stock price increase but also the risks associated with a fall in the stock price with the shareholders.
 - Share points are awarded each fiscal year during a period from each Director's taking office to his/her retirement as Director, and accumulated points are converted into shares and delivered to her/him upon retirement. Stock compensation consists of fixed and variable portions; the fixed portion (50%) is pre-determined based on the position whereas points are awarded according to the degree of achievement of performance targets (ROE and profit) (the rate of performance-linked payout) for the variable portion (50%). The degree of achievement shall be 100% when the target performance is achieved, and will vary within the range of 0 to 150%.
 - Stock compensation is paid upon retirement as Director in order to continue to incentivize the Director while (s)he is in office
 - The rights are awarded by no later than the end of June following a general meeting of shareholders each year, and the amount of awarding is calculated based on the position during a business year immediately preceding the meeting.
 - In the event that it is discovered within three years of a Director's retirement that during his or her term in office the Director had committed a serious violation of laws or regulations or misconduct that had a material impact on the Company (including cases where a material revision of financial statements (including consolidated financial statements) is announced and the Board of Directors determines that the assets delivered under the Plan prior to the revision were excessive), the Company may demand that the Director return all or part of the compensation granted under the Plan, taking into account the nature of the relevant conduct.
 - The amount of awarding each year is decided by the Board of Directors after discussions at the Nomination and Remuneration Advisory Committee.

[Reference]

Basic policy for election of candidates for Director

Defining “Connect people and society with technology for an exciting future” as a purpose, which is one of the elements of the Company’s corporate philosophy, the “PIOLAX WAY”, the Company aspires to be a development/creation-oriented enterprise that leverages the “elasticity” in raw materials as our core technology, across fields including the automotive, medical, daily life-related sectors. Having already expanded into the global market centering on the U.S. and Asia, the Company sets an eye on the new movements of the automotive industry represented by “CASE,” and is determined to aggressively deepen and expand its business domain and aims at the sustainable growth and the medium to long-term enhancement of corporate value through incorporating “ESG” into its corporate management. Based on this basic policy, the Company has set forth the election criteria for candidates for Director.

Procedure for election of candidates for Director

In appointing candidates for Director, the Nomination and Remuneration Advisory Committee will make a proposal to the Board of Directors, and the Board of Directors will deliberate, decide on the proposal of the Nomination and Remuneration Advisory Committee, and submit an agenda item for election of Directors to a general meeting of shareholders.

Independence criteria for Outside Director

The Company has formulated the “independence criteria for Outside Director” and will select Independent Directors who do not fall under any of the following items to lack independence.

- (1) Any person who currently belongs or at any point in the past has belonged to the Company, subsidiaries, and affiliates as one who executes business
- (2) Any person who currently belongs to an organization, such as a corporation of which the Company is a main shareholder, as one who executes business
- (3) Any person who currently belongs to an organization, such as a corporation of which the Company is a main shareholder or one that is a main shareholder of the Company, as one who executes business
- (4) Any person who currently is a main business partner of the Company or to whom the Company is a main business partner (in the case of an organization, such as corporations, any person who currently belongs to that organization and executes business.)
- (5) Any person who currently is a main lender or an important creditor to the Company (in the case of an organization, such as corporations, any person who currently belongs to that organization and executes business.).
- (6) Any person who currently is the accounting auditor of the Company or a certified public accountant who is the accounting advisor to the Company or currently belongs to the accounting firm of the Company
- (7) Any person who currently receives a large amount of compensation through providing legal, financial, tax and other professional services or consulting to the Company (in the case of an organization, such as corporations, any person who currently belongs to that organization)
- (8) Any person who currently receives a large amount of donations from the Company (in the case of an organization, such as corporations, any person who currently belongs to that organization)
- (9) Any person who has been Outside Director whose number of years in office exceeds the period stipulated by the Company
- (10) Any person who falls under any of (2) to (8) above in the past five years.
- (11) Any person who has a special reason that may be judged as likely to cause a conflict of interest with general shareholders, notwithstanding the provisions of the preceding paragraphs.

Notes:

- 1: Main shareholder: A shareholder who has 10% or more of the total voting rights
- 2: Main business partner: A business partner whose transactions with the Company total a monetary amount exceeding 2% or more of the consolidated net sales of the Company
- 3: Main lender (other large creditor): A lender whose lending exceeds 2% or more of the total consolidated assets of the Company (Large creditor)
- 4: Large amount of compensation: A monetary amount exceeding an annual 10 million yen in average in the past three fiscal years.
- 5: Large amount of donations: A monetary amount exceeding an annual 10 million yen in the past fiscal year
- 6: Number of years in office: The tenure for Outside Director who is not an Audit and Supervisory Committee Member and who is an Audit and Supervisory Committee Member is six years and 12 years, respectively.

[Reference] The structure of the Board of Directors if Agenda No. 2 and No. 3 are approved

If Agenda No. 2 and No. 3 are approved as proposed, the structure of the Board of Directors at the close of the Annual General Meeting of Shareholders will be as below:

	Name	Independence	Gender	Tenure as Director	Position at the Company (Planned)
Re-election	Satoshi Yamada			2 years	President and Representative Director
Re-election	Masaaki Kaji		Male	4 years	Managing Director
Re-election	Shigeru Masuda		Male	5 years and 10 months	Managing Director
Newly appointed	Yuri Yamamoto		Female	—	Director
Re-election	Hiroyuki Ochiai	Independent Director	Male	4 years	Outside Director
Re-election	Makiko Akabane	Independent Director	Female	4 years	Outside Director
Re-election	Genichi Ishikawa		Male	4 years	Director Full-time Audit and Supervisory
Re-election	Sakae Komiyama	Independent Director	Female	5 years and 10 months	Outside Director Audit and Supervisory Committee Member
Re-election	Tetsu Hirowatari	Independent Director	Male	2 years	Outside Director Audit and Supervisory Committee Member

- *1. The tenure of each Director is described as the total number of years in office regardless of their titles.
2. Ms. Sakae Komiyama worked at the predecessor (EY Ota Showa Audit Corporation) of Ernst & Young ShinNihon LLC, the Accounting Auditor of the Company, in the past. However, she was not in charge of the Company while in office, and a reasonable number of years have passed since she resigned from EY Ota Showa Audit Corporation in 2014. Accordingly, she is judged to be independent in light of the Company's independence criteria.

[Reference] Skill matrix of the Board of Directors if Agenda No. 2 and No. 3 are approved

If Agenda No. 2 and No. 3 are approved as proposed, the skill matrix of the Board of Directors at the close of the Annual General Meeting of Shareholders will be as below:

Position at the Company (Planned)	Name	Corporate management	Sales/marketing	Technology/development	Manufacturing/quality	Finance/accounting	Legal/risk management	Global business	ESG/sustainability	DX/IT	Innovation/new business
President and Representative Director	Satoshi Yamada	●		●				●		●	●
Managing Director	Masaaki Kaji	●				●		●		●	
Managing Director	Shigeru Masuda			●	●					●	
Director	Yuri Yamamoto	●	●					●			●
Outside Director	Hiroyuki Ochiai	●			●			●	●		
Outside Director	Makiko Akabane	●							●		
Director Full-time Audit and Supervisory	Genichi Ishikawa	●				●		●			
Outside Director Audit and Supervisory Committee Member	Sakae Komiyama					●					
Outside Director Audit and Supervisory Committee Member	Tetsu Hirowatari						●				