

Securities code 1430

August 5, 2025

(Start date of electronic provision measures: August 4, 2025)

To our shareholders

30-16, Ogikubo 4-chome, Suginami-ku, Tokyo, Japan

First-corporation Inc.

Toshiaki Nakamura

President & Chief Executive Officer

## Notice of Convocation of the 14th Ordinary General Meeting of Shareholders

We hereby inform you that the 14th Ordinary General Meeting of Shareholders of First-corporation Inc. will be held as described below.

For the convening of this Ordinary General Meeting of Shareholders, we will be using electronic provision, and matters concerning the measures for the electronic provision are posted on the following website on the Internet as the Notice of the 14th Ordinary General Meeting of Shareholders.

### **The Company's website**

<https://www.1st-corp.com/ir/shareholder.html>

In addition to the above, the information is also posted on the following website on the Internet.

### **TSE website**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=ShowTo> view information regarding the convocation of the Ordinary General Meeting of Shareholders, please visit the website above, enter/search the name of the Company or its securities code, and choose “Basic information,” “Documents for public inspection / PR information.”

Voting rights may be exercised via the Internet or in writing, if you do not attend the meeting in person. Please read the reference documents for the general meeting of shareholders under the matters subject to measures for electronic provision and exercise your voting rights by following the guidance for exercising voting rights via the Internet or by postal mail no later than 5:45 p.m. on Monday, August 25, 2025 (JST).

1. Date: Tuesday, August 26, 2025, 10:00 a.m. (Reception is scheduled to start at 9:30 a.m.)
2. Place: Akasaka Intercity Conference, 3F Akasaka Intercity AIR,  
1-8-1 Akasaka, Minato-ku, Tokyo

### 3. Purpose of meeting

- Matters to be reported:
1. Contents of the business report and consolidated financial statements, and reports on the results of audits of the consolidated financial statements performed by Accounting Auditor and Audit & Supervisory Committee for the 14th fiscal year (June 1, 2024 to May 31, 2025)
  2. Report of the financial statements for the 14th fiscal year (from June 1, 2024 to May 31, 2025)

- Matters to be resolved:
- Proposal No. 1 Election of six Directors (excluding Directors serving as Audit and Supervisory Committee members)
  - Proposal No. 2 Election of three Directors serving as Audit and Supervisory Committee members
  - Proposal No. 3 Revision of the amount of the remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee members)
  - Proposal No. 4 Revision of the amount of the remuneration, etc. for Directors serving as Audit and Supervisory Committee members

Proposal No. 5 Revision of the stock remuneration system for Directors (excluding Directors serving as Audit and Supervisory Committee members) and the introduction of a stock remuneration system for Directors serving as Audit and Supervisory Committee members

4. Items decided for the convocation of meeting

- (1) If you intend to exercise your voting rights at the meeting through a proxy, the proxy must be another shareholder of the Company with voting rights.
  - (2) If you wish to exercise your voting rights diversely, you are required to send notice providing details and your reasons. Please note that you must ensure the notice arrives three days prior to the day of the General Meeting of Shareholders.
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- Please be sure to bring this Notice of Convocation to the meeting.
  - It is kindly requested that you present the enclosed voting form to the receptionist when you attend the meeting.
  - We will be dressed casually (Cool Biz, or casual business attire) at the meeting, and we request that you follow suit if you attend the meeting in person.
  - If there are any changes to the matters concerning the measures for the electronic provision, we will post the corrections on each website.
  - For the General Meeting of Shareholders, paper-based documents containing matters concerning the measures for the electronic provision will be sent to all shareholders, whether or not they request the delivery of paper-based documents. In accordance with the relevant laws and Article 16 of the Company's Articles of Incorporation, the following items are not included in the documents accompanying this convocation notice.
    - (i) Systems for ensuring appropriate business operations noted in the business report and status of operation of the above system
    - (ii) Consolidated Financial Statements: Consolidated Statements of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements
    - (iii) Financial Statements: Statements of Changes in Shareholders' Equity and Notes to Financial Statements
  - There will be no souvenirs provided to the shareholders who attend the General Meeting of Shareholders. We ask for your kind understanding.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Election of six Directors (excluding Directors serving as Audit and Supervisory Committee members)

The term of office of all of the eight incumbent Directors (excluding those serving as the Audit and Supervisory Committee members; the same applies to this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to appoint six Directors.

The selection of director candidates is discussed based on the following selection criteria in advance at the Nomination Review Meeting, in which independent Outside Directors serve as its members and have a majority, and a decision on such matters is made by the meeting of the Board of Directors after further examination. - Appropriately fulfilling the duty of care and the duty of loyalty in business execution. - Has the qualities that can contribute to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term. - Has the ability to appropriately perform the Company's management

The candidates for director are as shown below.

No.	Name	Current Position and Responsibilities at the Company	Attendance at the Board of Directors' Meetings	Specialization					
				Corporate Management	Construction	Real Estate	Financial Accounting	Legal Affairs/ Risk Management	Governance
Reappointment 1	Toshiaki Nakamura	Representative Director and CEO, Head of Development Business Division	22/22 (100%)	•	•	•	—	—	•
Reappointment 2	Yutaka Saiga	Senior Managing Director, Head of Construction Division, in charge of Redevelopment Business and Administrative Division	22/22 (100%)	—	•	•	—	—	•
Reappointment 3	Ryo Oto	Director, General Manager, Construction Dept., Construction Division	17/17 (100%)	—	•	—	—	—	—
Reappointment 4	Satoshi Fujimoto	Outside Director Independent Director Director	21/22 (95%)	•	—	—	—	•	•
Reappointment 5	Hisao Shibayama	Outside Director Independent Director Director	22/22 (100%)	•	—	•	—	—	•
Reappointment 6	Takaki Ono	Outside Director Director	17/17 (100%)	•	—	•	—	—	•

\* For Mr. Ryo Oto and Mr. Takaki Ono, who were newly appointed as Directors at the Ordinary General Meeting of Shareholders held on August 23, 2024, attendance at the Board of Directors' Meetings represents their attendance at the meetings held after they took the position.

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
1	<div>Reappointment</div>  Toshiaki Nakamura (November 21, 1950)	May 1979	Director of Nakamura Bisou Co., Ltd.
		October 1982	Established Nakawa Kogyo Co., Ltd. (current “First Cardea Co., Ltd.”), Representative Director
		February 1990	Representative Director of Land Works Co., Ltd.
		May 2007	Established Nakamura Corp., Representative Director (to present)
		June 2011	Established First-corporation Inc., Representative Director and CEO
		November 2020	Director of First Evolution Inc.
		April 2021	Representative Director and CEO of the Company, Head of Development Business Division (to present)
		October 2021	Representative Director of First Evolution Inc.
		August 2023	Director of First Evolution Inc.
	May 2024	Representative Director and President of First Evolution Inc. (to present)	
No. of Company shares owned		2,141,560 shares	
<Reasons for nomination as a candidate for Director> Since its founding, Mr. Toshiaki Nakamura has served as Representative Director and CEO, appropriately fulfills roles such as deciding important management matters and supervising business execution, while exerting leadership to expand the business of the Company and improve corporate value, and achieve great results. He has broad experience and knowledge, and achievement as a management, the Company has determined that he is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes him as a candidate for director.			

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
2	<div>Reappointment</div>  Yutaka Saiga (February 6, 1956)	April 1979	Joined Tokai Kogyo Co., Ltd.
		May 2009	General Manager, Construction Dept., Tokyo Head Office of Tokai Kogyo Co., Ltd.
		November 2010	Executive Officer, Deputy Head of Tokyo Head Office of Tokai Kogyo Co., Ltd.
		November 2012	Executive Officer, Head of Construction Division of Tokai Kogyo Co., Ltd.
		March 2016	Joined the Company, General Manager, Sales & Technical Support Group, Construction Dept.
		June 2018	Head of Construction Division of the Company
		August 2018	Director of the Company, Head of Construction Division
		August 2019	Managing Director of the Company, Head of Construction Division
		June 2021	Managing Director of the Company, Head of Construction Division, General Manager of Redevelopment Business Dept.
		June 2022	Managing Director of the Company, Head of Construction Division, in charge of Redevelopment Business
	June 2024	Senior Managing Director of the Company, Head of Construction Division, in charge of Redevelopment Business and Administrative Division (to present)	
No. of Company shares owned		13,400 shares	
<Reasons for nomination as a candidate for Director > As a Director, Mr. Yutaka Saiga appropriately fulfills roles such as deciding important management matters and supervising business execution, also, as the head of construction division, he has contributed significantly to the expansion of our business and the enhancement of corporate value. He has high expertise and knowledge, broad experience and achievement, the Company has determined that he is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes him as a candidate for director.			

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
3	<div>Reappointment</div>  Ryo Oto (October 21, 1971)	April 1992	Joined UDK Construction Inc.
		July 2007	Joined First Cardea Co., Ltd., Manager, Construction Department
		February 2012	Joined the Company, General Manager, Construction Group, Construction Department
		June 2018	General Manager, Construction Department, Construction Division of the Company
		June 2022	Executive Officer of the Company, General Manager, Construction Department, Construction Division
		August 2024	Director of the Company, General Manager, Construction Department, Construction Division (to present)
	No. of Company shares owned	6,100 shares	
<Reasons for nomination as a candidate for Director> Mr. Ryo Oto has contributed significantly to the expansion of our business and the enhancement of corporate value by planning and implementing measures to increase corporate value, serving as Director, a field director of the construction department, and an administrative representative of the construction department of the head office. He has high expertise and knowledge, broad experience and achievement, the Company has determined that he is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes him as a candidate for director.			

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
4	<div>Reappointment</div> <div>Satoshi Fujimoto (July 28, 1957)</div>	April 1980	Joined The Fuji Bank, Ltd. (current “The Mizuho Bank, Ltd.”)
		July 1994	Senior Manager, Legal Dept. of The Fuji Bank, Ltd.
		April 2002	Deputy General Manager, Ootemachi 7th Sales Dept. of The Mizuho Corporate Bank, Ltd. (current “The Mizuho Bank, Ltd.”)
		May 2004	General Manager, 1st Corporate Dept., General Manager, 3rd Corporate Dept. of The Mizuho Corporate Bank, Ltd.
		April 2008	Executive Officer, General Manager, 2nd Sales Dept. of The Mizuho Corporate Bank, Ltd.
		April 2010	Managing Executive Officer, in charge of Sales of The Mizuho Corporate Bank, Ltd.
		March 2012	Managing Director of Tokyo Tatemono Co., Ltd.
		March 2013	Administration Officer of The Mizuho Corporate Bank, Ltd. (current “The Mizuho Bank, Ltd.”)
		June 2013	Director, Managing Executive Officer of Sharp Corp.
		June 2015	Outside Corporate Auditor of Fuyo Auto Lease Co., Ltd.
		August 2015	Outside Director of the Company (to present)
		June 2017	Outside Corporate Auditor of Yasuda Logistics Corp. (to present)
		Outside Corporate Auditor of Nakamura Co., Ltd.	
	June 2022	Outside Director of Nakamura Co., Ltd. (to present)	
No. of Company shares owned		5,000 shares	
<Reasons for nomination as a candidate for Outside Director and overview of expected roles> Mr. Satoshi Fujimoto has deep insight and extensive knowledge based on his abundant experience as a management in financial institutions and business companies. Also, as an outside director, he is able to appropriately supervise the management of the Company and provide beneficial opinions. The Company expects that he will fulfill his duties, including advice on the Company’s business management and the appropriate supervision of its operations. Accordingly, the Company proposes that he be re-elected as an Outside Director.			



No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
5	<div>Reappointment</div>  Hisao Shibayama (June 2, 1953)	April 1977	Joined Tokai Kogyo Co., Ltd.
		October 1987	Joined Tokyo Tatemono Co., Ltd.
		March 2005	Director, General Manager of Urban Redevelopment Promotion Department of Tokyo Tatemono Co., Ltd.
		June 2008	Managing Director, Division Director of Residential Development Division of Tokyo Tatemono Co., Ltd.
		June 2010	Managing Director, Division Director of International Business Division & Division Director of Residential Development Division of Tokyo Tatemono Co., Ltd.
		March 2012	Managing Director, Division Director of Residential Development Division of Tokyo Tatemono Co., Ltd.
		March 2013	Director, Senior Executive Managing Officer, Division Director of Residential Development Division of Tokyo Tatemono Co., Ltd.
		March 2015	Representative Director, Senior Executive Managing Officer, Division Director of Residential Development Division of Tokyo Tatemono Co., Ltd.
		December 2018	Director of Tokyo Tatemono Co., Ltd.
		August 2023	Outside Director of the Company (to present)
No. of Company shares owned		– shares	
<div>&lt;Reasons for nomination as a candidate for Outside Director and overview of expected roles&gt;</div> <p>Mr. Hisao Shibayama has deep insight and extensive knowledge based on his abundant experience as a management in business companies. Also, as an outside director, he is able to appropriately supervise the management of the Company and provide beneficial opinions. The Company expects that he will fulfill his duties, including advice on the Company’s business management and the appropriate supervision of its operations. Accordingly, the Company proposes that he be re-elected as an Outside Director.</p>			



No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
6	<div>Reappointment</div> <div>Takaki Ono (April 9, 1965)</div>	April 1988	Joined Sumitomo Bank (current Sumitomo Mitsui Banking Corporation)
		April 2009	Branch Manager, Kanazawa Branch and General Manager, Kanazawa Corporate Business Office of Sumitomo Mitsui Banking Corporation
		April 2015	General Manager, First Sales Division, Shinjuku Corporate Business Office of Sumitomo Mitsui Banking Corporation
		April 2016	Executive Officer, General Manager, First Sales Division, Shinjuku Corporate Business Office of Sumitomo Mitsui Banking Corporation
		April 2017	Executive Officer, General Manager, Wholesale Banking Unit of Sumitomo Mitsui Banking Corporation
			Executive Officer, General Manager, Planning Department, Wholesale Banking Unit of Sumitomo Mitsui Financial Group, Inc.
		April 2018	Managing Executive Officer, General Manager, Wholesale Banking Unit of Sumitomo Mitsui Banking Corporation
			Managing Executive Officer, Deputy Head of Wholesale Banking Unit of Sumitomo Mitsui Financial Group, Inc.
		April 2019	Managing Executive Officer in charge as Deputy Head of Wholesale Banking Unit (West Japan) of Sumitomo Mitsui Banking Corporation
			Managing Executive Officer, Deputy Head of Wholesale Banking Unit of Sumitomo Mitsui Financial Group, Inc.
		April 2021	Managing Executive Officer in charge as Deputy Head of Wholesale Banking Unit and General Manager, Corporate Banking Division of Sumitomo Mitsui Banking Corporation
			Managing Executive Officer, Deputy Head of Wholesale Banking Unit of Sumitomo Mitsui Financial Group, Inc.
	April 2022	Managing Executive Officer in charge of Private Advisory Division and Transaction Business Division of Sumitomo Mitsui Banking Corporation	
		Managing Executive Officer in charge of Planning Department, Payments Division of Sumitomo Mitsui Financial Group, Inc.	
	April 2024	Advisor of Sumitomo Mitsui Banking Corporation	
	August 2024	Outside Director of the Company (to present)	
	September 2024	Outside Director (Audit and Supervisory Committee Member) of Pan Pacific International Holdings Corporation (to present)	
No. of Company shares owned		— shares	
<Reasons for nomination as a candidate for Outside Director and overview of expected roles> Mr. Takaki Ono has deep insight and extensive knowledge acquired in financial institutions. He has provided advice on the Company’s business management and appropriate supervision of its operations while also sharing his valuable views. He is expected to fulfill his duties, such as providing advice on the Company’s business management and appropriate supervision of its operations. Accordingly, the Company proposes that he be re-elected as an Outside Director.			

- (Notes)
1. No candidate has any relationship of special interest with the Company.
  2. Mr. Satoshi Fujimoto, Mr. Hisao Shibayama and Mr. Takaki Ono are nominees for the Outside Directors stipulated in item (vii), paragraph (3), Article 2 of the Ordinance for Enforcement of the Companies Act.
  3. Mr. Satoshi Fujimoto and Mr. Hisao Shibayama fulfill the requirements for independent directors specified by the Tokyo Stock Exchange and have been designated as the Company's independent directors, which have been reported to the Tokyo Stock Exchange.
  4. The Company has signed an agreement with Mr. Satoshi Fujimoto, Mr. Hisao Shibayama, and Mr. Takaki Ono which limits the liability for damages in paragraph (1), Article 423 of the Companies Act to the minimum amount specified by law. If Mr. Satoshi Fujimoto, Mr. Hisao Shibayama, and Mr. Takaki Ono are elected, the Company will maintain this agreement with them.
  5. Mr. Satoshi Fujimoto has been serving as an Outside Director of the Company since August 2015 and his term of office will be ten years at the conclusion of this Ordinary General Meeting of Shareholders. Mr. Hisao Shibayama has been serving as an Outside Director of the Company since August 2023 and his term of office will be two years at the conclusion of this Ordinary General Meeting of Shareholders. Mr. Takaki Ono has been serving as an Outside Director of the Company since August 2024 and his term of office will be one year at the conclusion of this Ordinary General Meeting of Shareholders.
  6. The Company has signed a liability insurance policy for directors and officers specified in paragraph (1), Article 430-3 of the Companies Act with an insurance company and will supplement the legal compensation for damage and litigation expenses to be paid by an insured person using the insurance. The candidates will be included in those insured by the policy. The insurance policy is scheduled to be renewed with the same coverage in the next renewal.

**Proposal No. 2: Election of three Directors serving as Audit and Supervisory Committee members**

The term of office of all of the three incumbent Directors serving as Audit and Supervisory Committee members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to appoint three Directors serving as Audit and Supervisory Committee members.

The selection of candidates for Directors serving as Audit and Supervisory Committee members is discussed based on the following selection criteria in advance at the Nomination Review Meeting, in which independent Outside Directors serve as its members and have a majority, and a decision on such matters is made by the meeting of the Board of Directors after further examination.

- Has deep insight and broad knowledge and expertise to appropriately supervise the Company's management.
- Has the ability to properly and fairly audit the execution of duties by Directors and express objective audit opinions from an impartial standpoint.

This proposal has been approved by the Audit and Supervisory Committee.

The candidates for Directors serving as Audit and Supervisory Committee members are as shown below.

No.	Name	Current Position and Responsibilities at the Company	Attendance at the Board of Directors' Meetings	Specialization					
				Corporate Management	Construction	Real Estate	Financial Accounting	Legal Affairs/ Risk Management	Governance
Newly appointed 1	Noriyuki Yabutani	—	—/— (—%)	•	—	•	—	—	•
Reappointment 2	Takaaki Morohashi	Outside Director Independent Director	Director (Audit and Supervisory Committee member)	21/22 (95%)	•	—	—	•	•
Reappointment 3	Kazuhiro Ueno	Outside Director Independent Director	Director (Audit and Supervisory Committee member)	22/22 (100%)	•	—	•	—	•

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
1	<div>Newly appointed</div> <div>Noriyuki Yabutani (April 11, 1950)</div>	April 1969	Joined Sumitomo Bank (current Sumitomo Mitsui Banking Corporation)
		April 2001	General Manager, Fujisawa Block and Branch Manager, Fujisawa Branch of Sumitomo Mitsui Banking Corporation
		April 2002	Senior Manager, Operation Audit Division of Sumitomo Mitsui Banking Corporation
		June 2003	Managing Director of TK Buildings Co., Ltd.
		October 2008	Managing Director of Sun Realty Co., Ltd.
		May 2013	Full-time Corporate Auditor of the Company
		September 2021	Established Sunrise Corporation Co., Ltd., Representative Director and President
		April 2022	Representative Director and President of First Evolution Inc.
		June 2025	Director of Sunrise Corporation Co., Ltd. (to present)
No. of Company shares owned		20,000 shares	
<Reasons for nomination as a candidate for Director> Mr. Noriyuki Yabutani has deep insight and extensive knowledge acquired in financial institutions. He is expected to appropriately provide advice on and supervision of the Company's business management as an Audit and Supervisory Committee member, and, therefore, the Company proposes that he be newly elected as a Director serving as an Audit and Supervisory Committee member.			

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
2	<div>Reappointment</div>  Takaaki Morohashi (July 6, 1975)	October 2003	Passed the National Bar Examination
		April 2004	Entered the Legal Training and Research Institute of Japan
		October 2005	Registered as a lawyer, joined Tadashi Shimizu Law Firm
		May 2013	Outside Corporate Auditor of the Company
		June 2014	Outside Director of RVH Inc.
		October 2015	Founded Rising Law Office Representative Partner (to present)
		August 2021	Audit and Supervisory Committee member of the Company (to present)
		June 2023	Outside Director (Audit & Supervisory Committee) of Polaris Holdings Co., Ltd. (to present)
	No. of Company shares owned	76,320 shares	
<div>&lt;Reasons for nomination as a candidate for Outside Director and overview of expected roles&gt;</div> <p>Mr. Takaaki Morohashi has deep insight and broad knowledge and expertise regarding corporate legal affairs as a lawyer. He has appropriately supervised the Company’s business management while also sharing his valuable views as an Outside Director serving as an Audit and Supervisory Committee member.</p> <p>He is expected to appropriately provide advice on and supervision of the Company’s business management, and, therefore, the Company proposes that he be re-elected as an Outside Director serving as an Audit and Supervisory Committee member.</p>			

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)
3	<div>Reappointment</div> <p>Kazuhiro Ueno (March 8, 1977)</p>	<p>October 2001      Joined ShinNihon Audit Firm (current Ernst &amp; Young Shinnihon LLC)</p> <p>January 2006      Joined Fuji Television Network, Inc.</p> <p>September 2009      Joined ShinNihon LLC (current Ernst &amp; Young Shinnihon LLC)</p> <p>April 2019          Founded Kazuhiro Ueno CPA Office, President (to present)</p> <p>July 2019          Founded Kazuhiro Ueno Tax Accountant Office, President (to present)</p> <p>March 2020          External Auditor of Giftee, Inc. (to present)</p> <p>July 2020          Representative Partner of ES Next Audit Corporation (current “ES Next LLC”)</p> <p>October 2020          Representative Director of Leagress (to present)</p> <p>August 2021          Audit and Supervisory Committee member of the Company (to present)</p> <p>February 2022          Partner of ES Next Audit Corporation (current “ES Next LLC”)</p> <p>March 2022          Outside Director of KIYO Learning Co., Ltd. (to present)</p> <p>October 2024          Outside Director (Audit and Supervisory Committee Member) of WILLPLUS Holdings Corporation (to present)</p>
	No. of Company shares owned	— shares
	<p>&lt;Reasons for nomination as a candidate for Outside Director and overview of expected roles&gt;</p> <p>Mr. Kazuhiro Ueno has a wealth of expertise and experience regarding finance and accounting as a certified public accountant and a certified tax accountant. He has appropriately supervised the Company’s business management while also sharing his valuable views as an Outside Director serving as an Audit and Supervisory Committee member.</p> <p>He is expected to appropriately provide advice on and supervision of the Company’s business management, and, therefore, the Company proposes that he be re-elected as an Outside Director serving as an Audit and Supervisory Committee member.</p>	

- (Notes)
1. No candidate has any relationship of special interest with the Company.
  2. Mr. Takaaki Morohashi and Mr. Kazuhiro Ueno are nominees for the Outside Directors stipulated in item (vii), paragraph (3), Article 2 of the Ordinance for Enforcement of the Companies Act.
  3. Mr. Takaaki Morohashi and Mr. Kazuhiro Ueno fulfill the requirements for independent directors specified by the Tokyo Stock Exchange and have been designated as the Company’s independent directors, which have been reported to the Tokyo Stock Exchange.
  4. The Company has signed an agreement with Mr. Takaaki Morohashi and Mr. Kazuhiro Ueno which limits the liability for damages in paragraph (1), Article 423 of the Companies Act to the minimum amount specified by law. If Mr. Takaaki Morohashi and Mr. Kazuhiro Ueno are elected, the Company will maintain this agreement with them.
  5. Mr. Takaaki Morohashi’s term of office as an Outside Director serving as an Audit and Supervisory Committee member will be four years at the conclusion of this Ordinary General Meeting of Shareholders. He had served as an Outside Corporate Auditor of the Company for eight years and three months before taking the position of Outside Director.
  6. Mr. Kazuhiro Ueno’s term of office as an Outside Director serving as an Audit and Supervisory Committee member will be four years at the conclusion of this Ordinary General Meeting of Shareholders.
  7. The Company has signed a liability insurance policy for directors and officers specified in paragraph (1), Article 430-3 of the Companies Act with an insurance company and will supplement the legal compensation for damage and litigation expenses to be paid by an insured person using the insurance. The candidates will be included in those insured by the policy. The insurance policy is scheduled to be renewed with the same coverage in the next renewal.



**Proposal No. 3: Revision of the amount of the remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee members)**

At the 7th Ordinary General Meeting of Shareholders held on August 24, 2018 it was approved that the amount of the remuneration, etc. for Directors shall be 200 million yen or less per year (including 20 million yen or less for Outside Directors). Afterward, as the Company transitioned to a company with an Audit and Supervisory Committee, it was approved at the 10th Ordinary General Meeting of Shareholders held on August 26, 2021 that the amount of the remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee members) shall be 200 million yen or less per year (including 20 million yen or less per year for Outside Directors), and it remains effective to date. Considering recent economic conditions and other various circumstances, the Company proposes that the amount of the remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee members) shall be 200 million yen or less per year (including 30 million yen or less per year for Outside Directors), provided, however, that the amount of the remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee members) shall not include the employee's salary for a Director who concurrently holds an employee post.

This proposal was discussed at the Compensation Review Meeting, in which independent Outside Directors serve as its members and have a majority, before it was further examined and decided at the meeting of the Board of Directors. In addition, the Company plans to revise its policy regarding determination of the content of remuneration, etc. for individual Directors (excluding Directors serving as Audit and Supervisory Committee members) as stated below after the conclusion of this Ordinary General Meeting of Shareholders, subject to resolution by the Board of Directors, pursuant to the provisions of paragraph (7), Article 361 of the Companies Act. The Company considers that this proposal is compliant with the policy to be revised and reasonable.

If the proposal No. 1 "Election of six Directors (excluding Directors serving as Audit and Supervisory Committee members)" is approved as originally proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee members), which is currently eight (including three Outside Directors), will be six (including three Outside Directors).



**Proposal No. 4: Revision of the amount of the remuneration, etc. for Directors serving as Audit and Supervisory Committee members**

At the 10th Ordinary General Meeting of Shareholders held on August 26, 2021 it was approved that the amount of the remuneration, etc. for Directors serving as Audit and Supervisory Committee members shall be 20 million yen or less per year, and it remains effective to date. Considering recent economic conditions and other various circumstances, the Company proposes that the amount shall be 30 million yen or less per year.

This proposal was discussed at the Compensation Review Meeting, in which independent Outside Directors serve as its members and have a majority, before it was further examined and decided at the meeting of the Board of Directors. The Company considers this proposal reasonable.

The Company proposes that the amount of remuneration, etc. for each individual Director serving as an Audit and Supervisory Committee member, the payment schedule and method, etc. be left to the discretion of Directors serving as Audit and Supervisory Committee members.

If the proposal No. 2 “Election of three Directors serving as Audit and Supervisory Committee members” is approved as originally proposed, the number of Directors serving as Audit and Supervisory Committee members, which is currently three (including two Outside Directors), will be three (including two Outside Directors).

**Proposal No. 5: Revision of the stock remuneration system for Directors (excluding Directors serving as Audit and Supervisory Committee members) and the introduction of a stock remuneration system for Directors serving as Audit and Supervisory Committee members**

**1. Reason for the proposal and reasonable grounds for the proposal**

It was approved at the 8th Ordinary General Meeting of Shareholders held on August 23, 2019 that the Company would introduce Board Benefit Trust (BBT) (hereinafter, the “BBT”) as its stock remuneration system for Directors (excluding Outside Directors). Afterward, as the Company transitioned to a company with an Audit and Supervisory Committee, it was approved at the 10th Ordinary General Meeting of Shareholders held on August 26, 2021 that the BBT portion of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee members, as well as Outside Directors) would be re-established. In addition, it was approved at the 12th Ordinary General Meeting of Shareholders held on August 25, 2023 that part of the BBT would be revised to Board Benefit Trust-Restricted Stock (BBT-RS) (hereinafter, the “Plan”), which applies transfer restriction on shares to be provided to Directors (excluding Directors serving as Audit and Supervisory Committee members, as well as Outside Directors) for the period until their retirement from the position of director. It was also approved at the 13th Ordinary General Meeting of Shareholders held on August 23, 2024 that the remuneration framework under the Plan would be re-established. The stock remuneration with these revisions remains effective to date. (The resolution adopted at the 13th Ordinary General Meeting of Shareholders shall be hereinafter referred to as the “Original Resolution.”)

In order to bolster the motivation of Outside Directors (excluding Directors serving as Audit and Supervisory Committee members; the same shall hereinafter apply unless otherwise stated) toward contributing through supervision to increasing the Company’s corporate value in the medium to long term by further clarifying the linkage between their remuneration and the Company’s stock value and by ensuring that they share with shareholders not only advantages of stock price rises but also stock price declines, the Company proposes that its Outside Directors be included in the Plan as eligible parties and the remuneration framework under the Plan be re-established. In addition, in order to bolster the motivation of Directors serving as Audit and Supervisory Committee members toward contributing through supervision to increasing the Company’s corporate value in the medium to long term by further clarifying the linkage between their remuneration and the Company’s stock value and by ensuring that they share with shareholders not only advantages of stock price rises but also stock price declines, the Company proposes that its Directors serving as Audit and Supervisory Committee members be included in the Plan as eligible parties and their remuneration framework under the Plan be established.

As with the Original Resolution, this proposal is intended to bolster the motivation of Directors (excluding Directors serving as Audit and Supervisory Committee members, as well as Outside Directors) toward contributing to improving the Company’s business performance and increasing its corporate value in the medium to long term by further clarifying the linkage between their remuneration and the Company’s business performance and stock value and by ensuring that they share with shareholders not only advantages of stock price rises but also stock price declines. In addition, as for Outside Directors and Directors serving as Audit and Supervisory Committee members, this proposal is intended to bolster their motivation toward contributing through supervision to increasing the Company’s corporate value in the medium to long term. The Company’s Compensation Review Meeting has reported that it considers the revision of the Plan reasonable in view of the purpose of the Plan, effects of granting an incentive toward improving the Company’s business performance in the medium to long term, etc. As for Directors (excluding Directors serving as Audit and Supervisory Committee members), if this proposal is approved as originally proposed, this proposal will be compliant with the Company’s policy regarding determination of the content of remuneration, etc. for individual Directors to be resolved by the Board of Directors after the conclusion of this Ordinary General Meeting of Shareholders (as stated below). For these reasons, the Company considers this proposal reasonable.

This proposal is outside the framework of the amount of the remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee members) put forward in the proposal No. 3 for this Ordinary General Meeting of Shareholders (200 million yen or less per year (including 30 million yen or less per year for Outside Directors)), provided, however, that the amount shall not include the employee’s salary for

a Director who concurrently holds an employee post) and the amount of the remuneration, etc. for Directors serving as Audit and Supervisory Committee members put forward in the proposal No. 4 for this Ordinary General Meeting of Shareholders (30 million yen or less per year), and approval on the actual calculation method for amounts of remuneration, etc. and actual content of remuneration, etc. is requested, in order to provide remuneration based on the Plan to the Company's Directors. The Company proposes that the details of the Plan for Directors (excluding Directors serving as Audit and Supervisory Committee members) be left to the discretion of the Company's Board of Directors, and the details of the Plan for Directors serving as Audit and Supervisory Committee members be left to the discretion of Directors serving as Audit and Supervisory Committee members, within the range indicated in the 2. below.

If proposal No. 1 is approved as originally proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee members) who are eligible for the Plan will be six (including three Outside Directors), and if proposal No. 2 is approved as originally proposed, the number of Directors serving as Audit and Supervisory Committee members who are eligible for the Plan will be three.

The Audit and Supervisory Committee expressed its opinion to the effect that the revision of the Plan related to Directors (excluding Directors serving as Audit and Supervisory Committee members) is reasonable in light of the purpose of the Plan and the decision process for the proposal at the Compensation Review Meeting.

## **2. Specific calculation method and details of the amounts of remuneration, etc. under the Plan**

(Major changes made to the Original Resolution are underlined.)

### **(1) Overview of the Plan**

The Plan is a stock remuneration system, under which the Company's shares are acquired through a trust established based on the Plan (hereinafter referred to as the "Trust") using funds provided by the Company and the Company's shares and cash equivalent to the market value of the Company's shares (hereinafter collectively referred to as the "Company's Shares") are provided to the Directors through the Trust according to the director share-based remuneration rules specified by the Company (provided, however, that the remuneration, etc. provided to Directors serving as Audit and Supervisory Committee members are determined at the discretion of Directors serving as Audit and Supervisory Committee Members). The time when Directors shall receive the provision of shares of the Company's stock shall be a certain fixed period every year, and the time when a Director receives the payment of money in an amount equivalent to shares of the Company's stock calculated on a market price basis shall be at the time of his/her retirement from the position of Director, in principle. If a Director receives the provision of shares of the Company's stock during his/her tenure of office, the Director shall conclude a Transfer Restriction Agreement with the Company prior to such provision as described in 3. below. Based on the agreement, disposition by transfer, etc. of shares of Company's stock provided to the Director during his/her tenure shall be restricted until his/her retirement from the position of Director.

### **(2) Persons eligible for the remuneration, etc. under the Plan related to the proposal**

Directors (Directors serving as Audit and Supervisory Committee members and the other Directors)

### **(3) Trust period**

From October 2019 until termination of the Trust (No specific termination date shall be laid down for the trust period of the Trust, and the Trust shall continue as long as the Plan continues. The Plan shall be terminated if the Company's stock is delisted or if the director share-based remuneration rules are cancelled.)

### **(4) Amount of trust**

The Company has adopted the BBT and the Plan for the five business years from the fiscal year ended May 31, 2020 to the fiscal year ended May 31, 2024 (this five-year-period shall be referred to as the "Initial Applicable Period" and each five-year-period that starts from the Initial Applicable Period shall be referred to as an "Applicable Period") and subsequent Applicable Periods. The Company has set up the Trust in order to provide Directors (excluding Directors serving as Audit and Supervisory Committee members and other Directors who are Outside Directors) with shares of the Company's stock, etc., and contributed a sum of 111,600,000 yen in October 2019 and an additional sum of 263,025,000 yen in January 2025 as the fund

for acquiring such shares through the Trust. The Trust shall continue to exist as the trust based on the revised and introduced Plan, pending approval.

After the end of the Initial Applicable Period, we will rationally estimate the number of shares required for the Directors' compensation under the Plan and provide the Trust with additional funds deemed necessary for the advance acquisition by the Trust for, in principle, each Applicable Period until the end of the Plan.

In the case of providing such additional funds, if the Company's shares (those corresponding to the number of points given to Directors, excluding shares yet to be given to Directors) and funds remain in the Trust assets (hereinafter referred to as the "Remaining Shares"), the Remaining Shares will be allocated to the compensation under the Plan in each subsequent Applicable Period and the additional funds for the subsequent Applicable Periods will be calculated, taking into account the Remaining Shares.

We will announce any decision to provide additional funds in a timely and appropriate manner.

(5) Method of acquisition and number of shares of the Company's stock to be acquired by the Trust

The acquisition of shares of the Company's stock by the Trust shall be implemented using funds contributed based on (4) above by the method of acquisition of the Company's own shares through stock exchanges or of disposal of treasury shares.

As described in (6) below, the upper limit for the number of points to be granted to Directors will be 109,800 points per fiscal year, and the upper limit for the number of shares of the Company's stock to be acquired by the Trust for each Applicable Period shall be 549,000 shares. We will disclose information about the acquisition of the Company's shares by the Trust in a timely and appropriate manner.

(6) Maximum number of shares of the Company's stock, etc. to be provided to Directors

The Directors (excluding Directors serving as Audit and Supervisory Committee members, as well as Outside Directors) receive points for each fiscal year in the number determined by considering their positions, level of achievement, and other factors pursuant to the director share-based remuneration rules. Outside Directors and Directors serving as Audit and Supervisory Committee members receive points for each fiscal year in the number determined by considering their positions pursuant to the director share-based remuneration rules. The maximum number of points given to Directors in each fiscal year is 109,800 (including 76,800 for Directors (excluding Directors serving as Audit and Supervisory Committee members, as well as Outside Directors), 18,000 for Outside Directors, and 15,000 for Directors serving as Audit and Supervisory Committee members). We have determined this number by comprehensively considering such factors as the level of remuneration currently paid to the Directors and the current and future trends in the number of the Directors, and we consider such a number appropriate.

Each point given to the Directors is converted to one common share of the Company when the Company's Shares are provided as stated in the (7) below (the maximum number of points and the number of points already given or the conversion ratio will be rationally adjusted for any stock split, allotment without contribution, or reverse stock split of the Company's shares after approval for the Proposal is given).

The ratio of the number of voting rights (1,098) that is equivalent to the upper limit for the number of points to be granted to Directors per fiscal year to the number of voting rights (126,924) for total outstanding shares (as of May 31, 2025) is approximately 0.87%.

The number of points that is the basis for providing shares of the Company's stock described in (7) below shall be the number of points that have been granted to Directors until the time when beneficiary right is determined in (7) below, in principle (points calculated in this manner shall hereinafter be referred to as "Determined Number of Points").

(7) Specific calculation method for the provision of the Company's shares, etc. and amount of remuneration, etc.

Directors who meet the beneficiary requirements receive the Company's shares, in principle, in the number corresponding to the Finalized Number of Points specified in the above (6) from the Trust at a certain time of each year by going through specified procedure for finalizing a beneficiary. Provided, however, that a Director who meets the requirements specified in the director share-based remuneration rules shall receive, at the time he/she retires from the position of Director, money equivalent to the market price of the Company's shares in lieu of the Company's shares, in principle. We may sell the Company's shares

through the Trust to acquire funds for such monetary compensation.

If a Director receives the provision of shares of Company's stock during his/her tenure of office, the Director shall conclude a Transfer Restriction Agreement with the Company prior to such provision as described in 3. below. Based on the agreement, disposition by transfer, etc. of shares of Company's stock provided to the Director during his/her tenure shall be restricted until his/her retirement from the position of Director, in principle.

Any Director who has been dismissed by resolution of the General Meeting of Shareholders, has retired due to misconduct committed during his/her term of office, or has inflicted damage on the Company due to an inappropriate act during his/her term of office will not be entitled to the compensation even after receiving points.

The amount of compensation received by the Directors will generally be determined by multiplying the total number of points given to the Directors by the book value per share of the Company's shares held by the Trust (the amount will be rationally adjusted for any stock split, allotment without contribution, or reverse stock split of the Company's shares based on the ratios in such transactions). In an exceptional case of paying money pursuant to the director share-based remuneration rules, the money will be added to the compensation if it is deemed appropriate.

(8) Exercise of voting rights

Voting rights relating to the shares of the Company's stock in the Trust shall not be uniformly exercised based on the trust administrator's instruction by using this method, the neutrality of Company management shall be ensured in relation to the exercise of voting rights for shares of the Company's stock in the Trust.

(9) Handling of dividends

Dividends of the Company's shares held in the Trust account will be received by the Trust and used to acquire the Company's shares and pay the trust fees, etc. to the trustee of the Trust. Any dividends, etc. remaining with the Trust when the Trust comes to an end will be distributed proportionally to Directors holding office at that time based on the number of points held by each of them pursuant to the director share-based remuneration rules.

(10) Handling when the Trust is terminated

The Trust shall be terminated in cases of delisting of the Company's stock or abolishment of the director share-based remuneration rules or for other reasons.

Of the residual assets of the Trust when it is terminated, all shares of the Company's stock shall be acquired by the Company and shall be cancelled by resolution of the Board of Directors. Of the residual assets of the Trust when it is terminated, money is planned to be delivered to the Company excluding the amount of money provided to Directors based on (9) above.

### **3. Outline of transfer restriction agreement concerning shares of the Company's stock to be provided to Directors**

If a Director receives the provision of shares of Company's stock during his/her tenure, the Director shall conclude a transfer restriction agreement with the Company prior to such provision. The said agreement (hereinafter referred to as the "Transfer Restriction Agreement") shall include the following content in outline. (Directors shall receive the provision of shares of the Company's stock on condition that they conclude a Transfer Restriction Agreement.) Provided, however, that shares of the Company's stock may be provided without concluding a Transfer Restriction Agreement to a Director who has already resigned from his post as Director at the time of such provision.

(i) Content of transfer restriction

A Director may not transfer, establish a security interest on, or otherwise dispose of shares of the Company's stock received during the period starting on the day of such provision and ending on the day of his/her resignation from all his/her executive positions in the Company.

(ii) Acquisition by the Company without compensation

In the event that there were certain illegal activities, etc. or that requirements to terminate the transfer restriction stated in (iii) below are not satisfied, the Company shall acquire the shares without

compensation.

(iii) Termination of transfer restriction

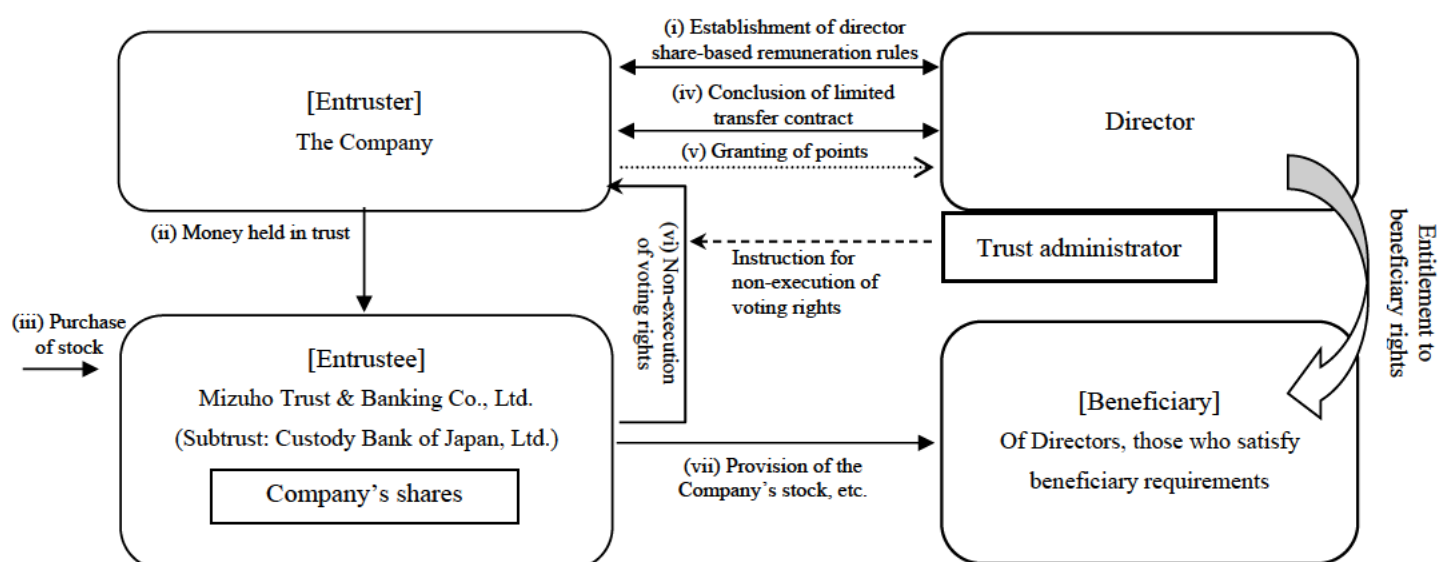
If a Director resigns from all his/her executive positions in the Company due to appropriate reasons or due to his/her death, the transfer restriction shall be terminated at the time of such resignation, in principle.

(iv) Handling in the event of organizational restructuring, etc.

If a general meeting of shareholders, etc. of the Company approves a merger agreement under which the Company will become a non-surviving company or other matters regarding organizational restructuring during the transfer restriction period, the transfer restriction shall be terminated immediately prior to the start of the business day immediately preceding the effective date of such organizational restructuring, etc. based on a resolution of the Board of Directors.

The shares of the Company's stock subject to transfer restriction based on the Transfer Restriction Agreement shall be managed in a dedicated account opened by the Director with a securities firm designated by the Company, so as not to allow the establishment of a security interest or disposition of the shares during the transfer restriction period.

In addition to the above, the content of the Transfer Restriction Agreement shall include methods of indication of intention and notification, method of revision of the Transfer Restriction Agreement, and other matters determined by the Board of Directors.



- (i) The Company shall establish director share-based remuneration rules within the framework of the proposal approved by the Ordinary General Meeting of Shareholders.
- (ii) The Company shall entrust money within the framework of the proposal approved by the Ordinary General Meeting of Shareholders.
- (iii) Under the Trust, shares of the Company's stock shall be acquired using funds entrusted based on (ii) above by the method of acquiring its shares through stock exchanges or of disposing of treasury shares.
- (iv) An eligible Director and the Company shall enter into a limited transfer contract to the effect that the transfer or other disposal of shares of the Company's stock provided to him/her during his/her tenure of office as director shall be restricted and that provisions regarding acquisition of shares by the Company without compensation to a certain extent be stipulated, among other things.
- (v) The Company shall grant points to Directors pursuant to the director share-based remuneration rules.
- (vi) Voting rights relating to the shares of the Company's stock in the Trust shall not be exercised based on the instruction of the trust administrator who is independent from the Company.
- (vii) The Trust shall provide a Director who satisfies the beneficiary requirements prescribed in the director share-based remuneration rules (a "Beneficiary") shares of its stock in accordance with the number of points granted to him/her at a certain period every year. Provided, however, that in the case where a Director satisfies the requirements prescribed in the director share-based remuneration rules, he/she shall receive money equivalent to the market price of the Company's shares in lieu of the Company's shares for a certain ratio of the points at the time he/she retires from his/her position as Director.



[Reference 2]

Policy regarding determination of the content of remuneration, etc. for individual Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members) to be resolved at a meeting of the Company's Board of Directors upon approval of the proposal

#### 1. Basic policy

The Company's basic policy for the remuneration of Directors (excluding Directors serving as Audit and Supervisory Committee members) is to operate a system linked to shareholder returns that effectively functions as an incentive for Directors to ensure the achievement of the Group's sustainable growth and the increase of its medium- and long-term corporate value, within the range approved by resolution of the General Meeting of Shareholders.

#### 2. Composition of remuneration

The remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee members) consists of basic compensation, bonuses, and performance-linked stock remuneration. However, the stock remuneration that Outside Directors receive is not linked to the Company's business performance in view of their independence from business execution and their function of overseeing the Board of Directors.

#### 3. Policy for determining the amount of basic compensation paid individually to Directors

The basic compensation is a monthly fixed amount, which is determined based on criteria such as the Director's title, responsibilities, business management capabilities, an evaluation of performance and results of each Director and the levels of employee salaries. However, the amount of basic compensation paid to Outside Directors is determined while comprehensively taking into account the background, experience, and other qualifications of each Outside Director.

#### 4. Policy for determining the amounts of bonuses paid individually to Directors

Bonuses are performance-linked remuneration distributed in June of each year using consolidated ordinary income for each fiscal year as the performance indicator (reference indicator). The amounts are determined based on the basic compensation of each Director not serving as an Audit and Supervisory Committee member using the level of achievement of targeted consolidated ordinary income as a reference.

#### 5. Policy for determining the details of performance-linked remuneration (stock remuneration) and the method of calculating the amounts of this remuneration

Performance-linked remuneration is provided in the form of shares of the Company's stock (Board Benefit Trust (BBT-RS)), which is intended to be an incentive motivating Directors to contribute to the medium- and long-term improvement of the Group's business performance and the increase of its corporate value by clearly connecting the remuneration of Directors (excluding Directors serving as Audit and Supervisory Committee members and Outside Directors) to the Company's performance and stock value. The performance indicator shall be ordinary income on a consolidated basis for each fiscal year, and points calculated by multiplying the number of points awarded based on the title of each Director by a coefficient of achievement of the targeted ordinary income shall be given to each Director (excluding Directors concurrently serving as Audit and Supervisory Committee members and Outside Directors) on the day of general meeting of shareholders in each year. Transfer restriction shall be placed on the shares of the Company's stock corresponding to the number of points until the Director resigns (provided, however, a certain portion shall be paid in cash in the amount equivalent to the realization value of the Company's shares, and the time for such payment shall be the time of the Director's resignation, in principle), and such shares shall be delivered every September.

6. Policy for determining the details of non-performance-linked remuneration (stock remuneration) and the method of calculating the amounts of this remuneration

Non-performance-linked remuneration is provided in the form of shares of the Company's stock, which is intended to be an incentive motivating Outside Directors to contribute through supervision to the medium- and long-term improvement of the Group's business performance and the increase of its corporate value by clearly connecting their remuneration to the Company's stock value. Points shall be given to each Outside Director on the day of general meeting of shareholders in each year. Transfer restriction shall be placed on the shares of the Company's stock corresponding to the number of points until the Outside Director resigns, and such shares shall be delivered every September.

7. Policy for determining the percentage of each type of remuneration paid individually to Directors

The percentage of each type of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee members) is not specified due to fluctuations corresponding to changes in the Company's business performance and stock value.

8. Matters concerning decisions on the details of the remuneration paid individually to Directors

The Compensation Review Meeting, a majority of whose members are independent Outside Directors, examines the details of the remuneration paid individually to Directors (excluding Directors serving as Audit and Supervisory Committee members) based on criteria such as the Director's title, responsibilities, and performance, the accumulation of internal reserves, and the results of evaluations of medium-term prospects and the Director's contribution to the Company. The Board of Directors then determines the amount of remuneration, taking into account the reports on the Compensation Review Meeting's evaluations to ensure objectivity, transparency and fairness. The remuneration, etc. for Directors serving as Audit and Supervisory Committee members shall be determined at the discretion of Audit and Supervisory Committee members.

### Criteria for Determining the Independence of Independent Outside Directors

We assess the independence of our Outside Directors based on the criteria for independence established by financial instrument exchanges and acknowledge their independence if they meet all of the following requirements.

1. is not an executive of the Company or any of its subsidiaries,
2. is not a Director or accounting adviser if he/she is an Audit and Supervisory Committee member, who is not an executive of the Company or any of its subsidiaries,
3. is not an executive, including a Director who is not an executive, of the parent company of the Company,
4. is not a Corporate Auditor of the Company's parent company,
5. is not an executive or Director who is not an executive of a sister company of the Company,
6. is not currently a principal shareholder or an executive of a principal shareholder of the Company,
7. is not a major business partner or an executive of a major business partner of the Company,
8. is not a party for which the Company is its major business partner or an executive of such a party,
9. is not receiving a large amount of remuneration as a consultant, accounting expert, or legal expert from the Company other than director compensation (including a case in which a corporation, association, or other organizations, to which an Outside Director of the Company belongs, is receiving remuneration), and
10. is not a spouse or a relative within the second degree of kinship of an executive, etc. corresponding to the above 1. to 9.