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(Stock Exchange Code 2296)

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**To Shareholders with Voting Rights:**

Isao Miyashita  
President and Chief Executive Officer  
ITOHAM YONEKYU HOLDINGS INC.  
1-6-21 Mita, Meguro-ku, Tokyo, Japan

**NOTICE OF THE 9TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the 9th Ordinary General Meeting of Shareholders of ITOHAM YONEKYU HOLDINGS INC. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format will be taken) in electronic format, and posts this information on the following websites. Please access either website by using the internet address shown below to review the information.

[Company website] \*in Japanese only

[https://www.itoham-yonekyu-holdings.com/ir/sh\\_meeting.html](https://www.itoham-yonekyu-holdings.com/ir/sh_meeting.html)

(Please visit the Company’s website above to confirm the information.)

[Tokyo Stock Exchange website] (Listed Company Search)

<https://www.jpx.co.jp/english/listing/co-search/index.html>

(Access the TSE website by using the internet address shown above, enter “ITOHAM YONEKYU HOLDINGS” in “Issue name (company name)” or the Company’s securities code “2296” 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].”)

- 1. Date and Time:** Wednesday, June 25, 2025 at 10:00 a.m. Japan time  
(Reception Desk will open at 9:15 a.m.)
- 2. Place:** Hotel Gajoen Tokyo, 2nd Floor, Hanatsudoi Room  
1-8-1 Shimomeguro, Meguro-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 9th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 9th Fiscal Year (April 1, 2024 - March 31, 2025)
- Matters to be resolved:**
- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Election of 6 Directors Who Are Audit and Supervisory Committee Members
- Proposal 4:** Determination of Remuneration Amount of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 5:** Determination of Remuneration Amount of Directors Who Are Audit and Supervisory Committee Members
- Proposal 6:** Determination of Remuneration for Allotment of Restricted Shares to Directors (Excluding Directors (Outside) and Directors Who Are Audit and Supervisory Committee Members)

## Reference: Key Points of the Proposals

### Proposal 1: Partial Amendments to the Articles of Incorporation

The Company is transitioning to a Company with an Audit and Supervisory Committee to strengthen the supervisory function of the Board of Directors and further enhance corporate governance.

To transition to a Company with an Audit and Supervisory Committee, the Company proposes to newly establish provisions related to Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and to delete provisions related to Auditors and the Board of Auditors. The Company also proposes to newly establish a provision that enables delegating the authority to make important business execution decisions to Directors, from the Board of Directors, in order to promote separation of business execution and supervision.

In addition, the Company has set forth accelerating growth of overseas business and expanding into growing businesses as goals under its Long-Term Management Strategy 2035, and along with streamlining the business purpose stipulated under Article 2 (Purpose) of the current Articles of Incorporation, amendments will be made to the article numbers following the change.

These amendments to the Articles of Incorporation shall take effect at the conclusion of this General Meeting of Shareholders.

Proposal 2: Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and the terms of office of all current Directors (8) will expire when the changes to the Articles of Incorporation take effect. Accordingly, we propose the election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members).

No.	Name	Positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	<span>Reelection</span> Isao Miyashita (Age: 57)	President and Chief Executive Officer	100% (15/15)
2	<span>New candidate</span> Hiroyuki Urata (Age: 50)	Executive Vice President	-
3	<span>Reelection</span> Koichi Ito (Age: 50)	Director, Managing Executive Officer Senior General Manager of Processed Foods Division, in charge of Quality Assurance Division	93.3% (14/15)
4	<span>Reelection</span> Katsumi Nozawa (Age: 60)	Director, Managing Executive Officer Chief Financial Officer In charge of Corporate Strategy CCO	100% (12/12)
5	<span>New candidate</span> Ken Harada (Age: 49)	Managing Executive Officer Senior General Manager of Meat Division	-

### Proposal 3: Election of 6 Directors Who Are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of 6 Directors who are Audit and Supervisory Committee Members.

No.	Name	Positions and responsibilities in the Company	Attendance at the Board of Directors meetings	Attendance at the Board of Auditors meetings
1	<u>New candidate</u> Shin Takahashi (Age: 64)	Standing Auditor	100% (15/15)	100% (13/13)
2	<u>New candidate</u> Akihisa Horiuchi (Age: 65)	Director In charge of Meat Division	100% (15/15)	-
3	<u>New candidate</u> Mikiko Morimoto (Age: 51) <u>Director (Outside)</u> <u>Independent Officer</u>	Director (Outside)	100% (15/15)	-
4	<u>New candidate</u> Yasuko Nishimura (Age: 57) <u>Director (Outside)</u> <u>Independent Officer</u>	Director (Outside)	100% (12/12)	-
5	<u>New candidate</u> Hiroshi Matsumura (Age: 65) <u>Director (Outside)</u> <u>Independent Officer</u>	Auditor (Outside)	100% (15/15)	100% (13/13)
6	<u>New candidate</u> Akira Arimatsu (Age: 44) <u>Director (Outside)</u> <u>Independent Officer</u>	-	-	-

### Proposal 4: Determination of Remuneration Amount of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 1st Ordinary General Meeting of Shareholders held on June 27, 2017, an annual remuneration amount for the Company’s Directors not exceeding ¥400 million per annum (not exceeding ¥40 million per annum for Directors (Outside)) was approved.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes setting an annual remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) not exceeding ¥400 million per annum (not exceeding ¥40 million per annum for Directors (Outside)).

### Proposal 5: Determination of Remuneration Amount of Directors Who Are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes setting an annual remuneration amount for Directors who are Audit and Supervisory Committee Members not exceeding ¥130 million per annum.

Proposal 6: Determination of Remuneration for Allotment of Restricted Shares to Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members)

At the 2nd Ordinary General Meeting of Shareholders held on June 26, 2018, an annual remuneration amount not exceeding ¥80 million per annum to grant restricted shares to the Company's Directors (excluding Directors (Outside)) was approved. If Proposal 1 "Partial Amendments to the Articles of Incorporation" is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee and plans to provide remuneration for allotment of restricted shares to Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members). The Company proposes setting the amount of such remuneration not exceeding ¥80 million per annum.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### **Proposal 1:** Partial Amendments to the Articles of Incorporation

The Company proposes to make partial amendments to the Articles of Incorporation.

##### 1. Reasons for the proposal

- (1) Amendments for transitioning to a Company with an Audit and Supervisory Committee  
The Company is transitioning to a Company with an Audit and Supervisory Committee to strengthen the supervisory function of the Board of Directors and further enhance corporate governance.  
(See <Reference> Transition to a Company with an Audit and Supervisory Committee for the purpose of the transition, its overview, etc.)  
Provisions related to Audit and Supervisory Committee Members and the Audit and Supervisory Committee will be newly established while provisions related to Auditors and Board of Auditors will be deleted for transitioning to a Company with an Audit and Supervisory Committee. At the same time, a provision that enables delegating the authority to make important business execution decisions to Directors, from the Board of Directors, will also be newly established in order to promote separation of business execution and supervision.
- (2) Amendments to the Purpose  
The Company has set forth accelerating growth of overseas business and expanding into growing businesses as goals under its Long-Term Management Strategy 2035, and along with streamlining the business purpose stipulated under Article 2 (Purpose) of the current Articles of Incorporation, amendments will be made to the article numbers following the change.

## 2. Details of the amendments

The details of amendments are as follows: These amendments to the Articles of Incorporation shall take effect at the conclusion of this General Meeting of Shareholders.

(The underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (Text omitted)	Article 1 (Unchanged)
Article 2 (Purpose)	Article 2 (Purpose)
The purpose of the Company is to control and manage the business activities of companies engaged in the following businesses and of foreign companies engaged in the businesses equivalent to the following businesses through ownership of their shares or equities, as well as to operate the following businesses:	The purpose of the Company is to control and manage the business activities of companies engaged in the following businesses and of foreign companies engaged in the businesses equivalent to the following businesses through ownership of their shares or equities, as well as to operate the following businesses:
1. Manufacture and sale <u>of processed meat products</u>	1. Manufacture and sale <u>of processed meat products and food products</u>
2.-3. (Text omitted)	2.-3. (Unchanged)
4. <u>Manufacture and sale of frozen foods</u>	(Deleted)
5. <u>Manufacture and sale of processed marine products</u>	(Deleted)
6. <u>Manufacture and sale of canned and bottled foods</u>	(Deleted)
7. <u>Manufacture and sale of preserved nutritional foods</u>	(Deleted)
8. <u>Manufacture and sale of dairy products, convenience foods, and side dishes</u>	(Deleted)
9. <u>Manufacture and sale of rice and cereals, noodles, bread and confectionery</u>	(Deleted)
10. <u>Manufacture and sale of sauce, condiment and extract-based condiment</u>	(Deleted)
11. <u>Manufacture and sale of edible oils and fats</u>	(Deleted)
12. <u>Manufacture and sale of pharmaceuticals, quasi-drugs, diagnostic reagents, and veterinary drugs</u>	4. <u>Manufacture and sale of pharmaceuticals, quasi-drugs, diagnostic reagents, and veterinary drugs</u>
13. <u>Manufacture and sale of health foods</u>	(Deleted)
14. <u>Manufacture and sale of compost</u>	5. <u>Manufacture and sale of compost</u>
15. <u>Manufacture and sale of salt and bittern</u>	(Deleted)
16. <u>Production, manufacture and sale of agricultural products and processed agricultural products</u>	6. <u>Production, manufacture and sale of agricultural products and processed agricultural products</u>
17. <u>Export and import business ancillary and related to all above articles</u>	7. <u>Export and import business ancillary and related to all above articles</u>
18. <u>Technical and management guidance regarding processing of meat and manufacture and sale of processed meat products</u>	8. <u>Technical and management guidance regarding processing and sale of meat and manufacture and sale of processed meat products and food products</u>
19. <u>Management of restaurants</u>	9. <u>Management of restaurants</u>
20. <u>Warehousing business, general motor truck transportation business, consigned motor truck transportation business</u>	10. <u>Warehousing business, general motor truck transportation business, consigned motor truck transportation business</u>
21. <u>Real estate buying, selling, renting, management, and intermediary business</u>	11. <u>Real estate buying, selling, renting, management, and intermediary business</u>
22. <u>Agent for personnel, administrative, and clerical work as well as consultation service related to those services</u>	12. <u>Agent for personnel, administrative, and clerical work as well as consultation service related to those services</u>
23. <u>Planning, development, sale, maintenance, and management of computer systems as well as carrying out such work on contract</u>	13. <u>Planning, development, sale, maintenance, and management of computer systems as well as carrying out such work on contract</u>
24. <u>Mail order business</u>	14. <u>Mail order business</u>
25. <u>Acquisition and management of securities</u>	15. <u>Acquisition and management of securities</u>
26. <u>Monetary loans and loan guarantees</u>	16. <u>Monetary loans and loan guarantees</u>
27. <u>Investments ancillary to the above items or all related operations</u>	17. <u>Investments ancillary to the above items or all related operations</u>
Article 3 (Text omitted)	Article 3 (Unchanged)
Article 4 (Bodies)	Article 4 (Bodies)



Current Articles of Incorporation	Proposed amendments
<p>The Company shall have the following bodies in addition to the General Meeting of Shareholders:</p> <ol style="list-style-type: none"> <li>1. Board of Directors</li> <li>2. <u>Auditor</u></li> <li>3. <u>Board of Auditors</u></li> <li>4. <u>Accounting Auditor</u></li> </ol> <p>Article 5 (Text omitted)</p> <p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6 - Article 10 (Text omitted)</p> <p>Article 11 (Share Handling Regulations and Shareholder Registry Administrator)</p> <ol style="list-style-type: none"> <li>(1) The handling of shares of the Company, and the handling fees thereof, shall be governed by applicable laws and regulations or these Articles of Incorporation, <u>as well as the share handling regulations established by the Board of Directors.</u></li> <li>(2) (Text omitted)</li> <li>(3) The shareholder registry administrator and the place for handling the administration thereof shall be determined <u>by a resolution of the Board of Directors.</u></li> <li>(4) (Text omitted)</li> </ol> <p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Article 12 - Article 17 (Text omitted)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors</p> <p>Article 18 (Number of Directors)</p> <p>The Company shall have no more than 15 Directors. (Newly established)</p> <p>Article 19 (Election of Directors and Their Terms of Office)</p> <ol style="list-style-type: none"> <li>(1) Directors shall be elected by a resolution of the General Meeting of Shareholders.</li> <li>(2) (Text omitted)</li> <li>(3) (Text omitted)</li> <li>(4) The term of office for a Director shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 1 year after his/her election.  (Newly established)  (Newly established)</li> </ol>	<p>The Company shall have the following bodies in addition to the General Meeting of Shareholders:</p> <ol style="list-style-type: none"> <li>1. Board of Directors (Deleted)</li> <li>2. <u>Audit and Supervisory Committee</u></li> <li>3. <u>Accounting Auditor</u></li> </ol> <p>Article 5 (Unchanged)</p> <p style="text-align: center;">Chapter 2 Shares</p> <p>Article 6 - Article 10 (Unchanged)</p> <p>Article 11 (Share Handling Regulations and Shareholder Registry Administrator)</p> <ol style="list-style-type: none"> <li>(1) The handling of shares of the Company, and the handling fees thereof, shall be governed by applicable laws and regulations or these Articles of Incorporation, <u>as well as the share handling regulations established by the Board of Directors or a Director delegated by a resolution of the Board of Directors.</u></li> <li>(2) (Unchanged)</li> <li>(3) The shareholder registry administrator and the place for handling the administration thereof shall be determined <u>by the Board of Directors or a Director delegated by a resolution of the Board of Directors.</u></li> <li>(4) (Unchanged)</li> </ol> <p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Article 12 - Article 17 (Unchanged)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors</p> <p>Article 18 (Number of Directors)</p> <ol style="list-style-type: none"> <li>(1) The Company shall have no more than 15 Directors.</li> <li>(2) <u>Of the Directors mentioned in the preceding paragraph, the number of Directors who are Audit and Supervisory Committee Members shall be no more than 7.</u></li> </ol> <p>Article 19 (Election of Directors and Their Terms of Office)</p> <ol style="list-style-type: none"> <li>(1) Directors shall be elected by a resolution of the General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and those who are not upon appointment.</u></li> <li>(2) (Unchanged)</li> <li>(3) (Unchanged)</li> <li>(4) The term of office for a Director <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 1 year after his/her election.</li> <li>(5) <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 2 years after his/her election.</u></li> <li>(6) <u>The period for which the resolution, electing a Substitute Director who is an Audit and Supervisory Committee Member in accordance with Article 329, paragraph 3 of the Companies Act, remains in effect shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 2 years after his/her election.</u></li> </ol>

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>Article 20 (Representative Directors and Directors with Titles)</p> <p>(1) The Company shall appoint Representative Directors by a resolution of the Board of Directors.</p> <p>(2) The Board of Directors, by its resolution, may appoint 1 Chairman and 1 President as well as several Vice Presidents, Senior Managing Directors, and Executive Directors.</p> <p>Article 21 (Notice of Convocation of Board of Directors Meeting)</p> <p>For convening a Board of Directors meeting, a notice of convocation shall be sent <u>to each Director and Auditor</u> at least 3 days prior to the meeting. Such period, however, may be shortened when there is an urgent need.</p> <p>Article 22 (Text omitted)</p> <p>(Newly established)</p> <p><u>Article 23</u> (Text omitted)</p> <p><u>Article 24.</u> (Advisors and Counselors)</p> <p><u>The Company may appoint Advisors and Counselors by a resolution of the Board of Directors.</u></p> <p>Article 25 (Regulations of the Board of Directors)</p> <p>Matters related to the Board of Directors shall be governed by applicable laws and regulations or these Articles of Incorporation, <u>as well as</u> regulations of the Board of Directors established by the Board of Directors.</p> <p style="text-align: center;"><u>Chapter 5</u> <u>Auditors and Board of Auditors</u></p> <p><u>Article 26</u> (Number of Auditors)</p> <p><u>The Company shall have no more than 5 Auditors.</u></p> <p><u>Article 27</u> (Election of Auditors and Their Terms of Office)</p> <p>(1) <u>Auditors shall be elected by a resolution of the General Meeting of Shareholders.</u></p> <p>(2) <u>A resolution for the election of Audit and Supervisory Committee Members shall be adopted by a majority of the votes of the shareholders present at the meeting where shareholders holding one-third or more of the votes, of the shareholders who are entitled to exercise their voting rights, are present.</u></p>	<p><u>(7) The term of office of a Director who is an Audit and Supervisory Committee Member, elected as a substitute for a Director who is an Audit and Supervisory Committee Member retiring before the expiration of his/her term of office, shall continue until the expiration of the term of office of the retiring Director who is an Audit and Supervisory Committee Member.</u></p> <p>Article 20 (Representative Directors and Directors with Titles)</p> <p>(1) The Company shall appoint Representative Directors <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by a resolution of the Board of Directors.</p> <p>(2) The Board of Directors, by its resolution, may appoint, <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>, 1 Chairman and 1 President as well as several Vice Presidents, Senior Managing Directors, and Executive Directors.</p> <p>Article 21 (Notice of Convocation of Board of Directors Meeting)</p> <p>For convening a Board of Directors meeting, a notice of convocation shall be sent <u>to each Director</u> at least 3 days prior to the meeting. Such period, however, may be shortened when there is an urgent need.</p> <p>Article 22 (Unchanged)</p> <p><u>Article 23</u> (Delegation of Important Business Execution Decisions)</p> <p><u>The Board of Directors may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, by its resolution, delegate all or part of the decisions on the execution of important business (excluding the matters listed in the items of Paragraph 5 of the same Article) to the Directors.</u></p> <p><u>Article 24</u> (Unchanged)</p> <p style="text-align: center;">(Deleted)</p> <p>Article 25 (Regulations of the Board of Directors)</p> <p>Matters related to the Board of Directors shall be governed by applicable laws and regulations or these Articles of Incorporation, <u>as well as</u> regulations of the Board of Directors established by the Board of Directors.</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p>(3) <u>The term of office for an Auditor shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year ending within 4 years after his/her election.</u></p> <p>(4) <u>The period for which the resolution, electing a Substitute Auditor in accordance with Article 329, paragraph 3 of the Companies Act, remains in effect shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within 4 years after his/her election.</u></p> <p>(5) <u>The term of office of the substitute Auditor in the preceding paragraph, if appointed as an Auditor, shall continue until the expiration of the term of office of the retiring Auditor.</u></p> <p><u>Article 28</u>  <u>(Notice of Convocation of Board of Auditors)</u>  <u>For convening a Board of Auditors meeting, a notice of convocation shall be sent to each Auditor at least 3 days prior to the meeting. Such period, however, may be shortened when there is an urgent need.</u></p> <p><u>Article 29</u>  <u>(Exemption from Liability of Auditors)</u>  (1) <u>The Company may, pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, exempt Auditors (including former Auditors) from liability for damages caused by negligence of duties within the limits of laws and regulations by a resolution of the Board of Directors.</u>  (2) <u>The Company may, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, enter into agreements with Auditors limiting the liability from damages caused by negligence of duties. However, the limits on liability under these agreements shall be the amount set forth by laws and regulations.</u></p> <p><u>Article 30</u>  <u>(Regulations of the Board of Auditors)</u>  <u>Matters related to the Board of Auditors shall be governed by applicable laws and regulations or these Articles of Incorporation, as well as regulations of the Board of Auditors established by the Board of Auditors.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Chapter 6  Accounts</p> <p><u>Article 31 - Article 33</u> (Text omitted)  (Newly established)</p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>Chapter 5  <u>Audit and Supervisory Committee</u>  <u>Article 26</u>  <u>(Notice of Convocation of Audit and Supervisory Committee)</u>  <u>For convening an Audit and Supervisory Committee meeting, a notice of convocation shall be sent to each Audit and Supervisory Committee Member at least 3 days prior to the meeting. Such period, however, may be shortened when there is an urgent need.</u>  <u>Article 27</u>  <u>(Regulations of the Audit and Supervisory Committee)</u>  <u>Matters related to the Audit and Supervisory Committee shall be governed by applicable laws and regulations or these Articles of Incorporation, as well as regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u></p> <p>Chapter 6  Accounts</p> <p>Article 28 - Article 30 (Unchanged)  <u>Supplementary Provisions (Transitional Measures Concerning Exemption from Liability of Auditors)</u></p>

Current Articles of Incorporation	Proposed amendments
	<p>(1) <u>The exemption by a resolution of the Board of Directors, pursuant to Article 426, paragraph 1 of the Companies Act, to Auditors (including former Auditors) from liability of damages concerning acts committed prior to the conclusion of the 9th Ordinary General Meeting of Shareholders shall be governed by Article 29, paragraph 1 of the Articles of Incorporation prior to the amendments by the resolution of the said Ordinary General Meeting of Shareholders.</u></p> <p>(2) <u>The agreement, pursuant to Article 427, paragraph 1 of the Companies Act, limiting the liability from damages of Auditors (including former Auditors) concerning acts committed prior to the conclusion of the 9th Ordinary General Meeting of Shareholders shall be governed by Article 29, paragraph 2 of the Articles of Incorporation prior to the amendments by the resolution of the said Ordinary General Meeting of Shareholders.</u></p>

<Reference>

Transition to a Company with an Audit and Supervisory Committee

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition from a Company with a Board of Auditors to a Company with an Audit and Supervisory Committee.

◆ Purpose of the transition

By transitioning to a Company with an Audit and Supervisory Committee and including Directors who serve as Audit and Supervisory Committee Members in the Board of Directors, we aim to further strengthen the supervisory function of the Board of Directors and enhance management transparency and objectivity.

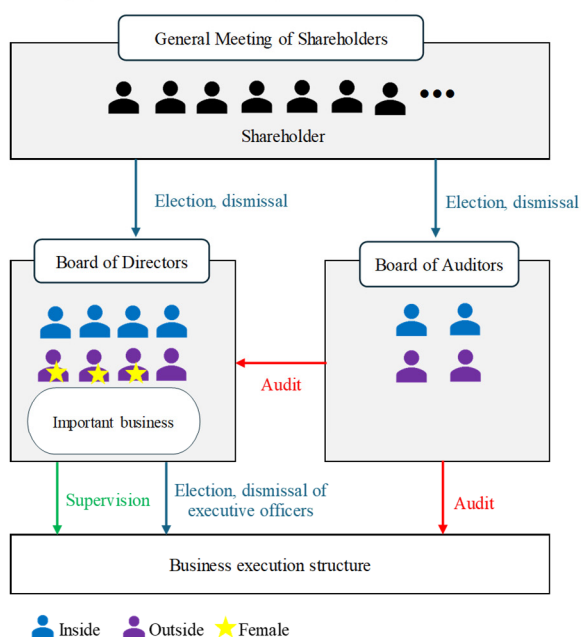
To promote the separation of business execution and supervision, we will significantly delegate the authority to make business execution decisions from the Board of Directors to Executive Directors, thereby accelerating decision-making and business execution.

As a result, the Board of Directors will be able to focus on discussing medium- to long-term management strategies, sustainability, and other highly important management issues.

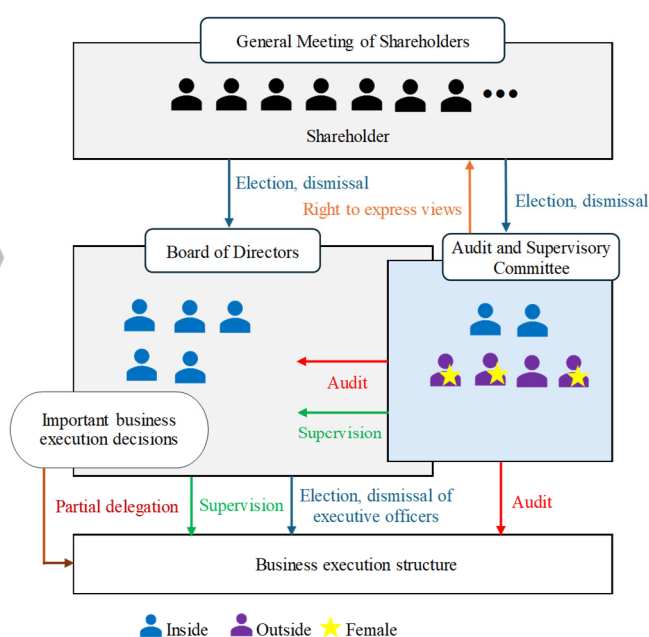
Through these initiatives, we aim to further strengthen our corporate governance system and achieve sustainable growth and enhancement of corporate value for our group.

## ◆ Overview of the transition

◆ Company with Board of Auditors (current structure)



◆ Company with an Audit and Supervisory Committee (structure after transition)



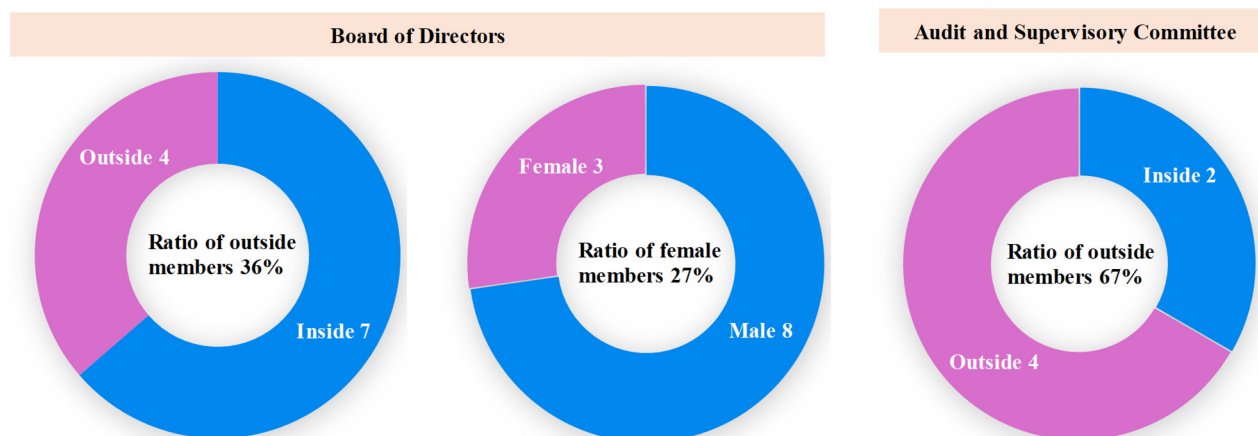
Company with Board of Auditors (current structure)

Bodies subject to change	Board of Auditors		
Scale and structure	Director	8 (of which 4 are Directors (Outside))	Total of 12
	Auditor	4 (of which 2 are Auditors (Outside))	
Term of office	Director	1 year	
	Auditor	4 years	
Important business execution decisions	Decided by the Board of Directors (delegation not possible)		
Right to express views regarding personnel matters (nomination and remuneration) of Directors at the General Meeting of Shareholders	None		

Company with an Audit and Supervisory Committee

Audit and Supervisory Committee			
Director (excluding Directors who are Audit and Supervisory Committee Members)	5		
Directors who are Audit and Supervisory Committee Members	6 (of which 4 are Directors (Outside))	Total of 11	
Director (excluding Directors who are Audit and Supervisory Committee Members)	1 year		
Directors who are Audit and Supervisory Committee Members	2 years		
Delegate part of the business execution decisions to Executive Directors from the Board of Directors			
Audit and Supervisory Committee Members elected by the Audit and Supervisory Committee can express the views of the Audit and Supervisory Committee regarding personnel matters of Directors (excluding Directors who are Audit and Supervisory Committee Members) at the General Meeting of Shareholders.			

◆ Composition after the transition



◆ Changes to corporate governance system from the transition

(1) Integration of Governance Committee and Nomination Advisory Committee

We will integrate the Governance Committee and the Nomination Advisory Committee into the Governance and Nomination Advisory Committee to enhance the effectiveness of the Board of Directors and build a more optimal governance system.

The Governance and Nomination Advisory Committee and the Remuneration Advisory Committee will continue to have a majority of Independent Directors (Outside).

(2) Compliance Committee

From the perspective of strengthening compliance, we will elevate the Compliance Committee from a reporting body to the Board of Directors to an advisory body to the Board of Directors.

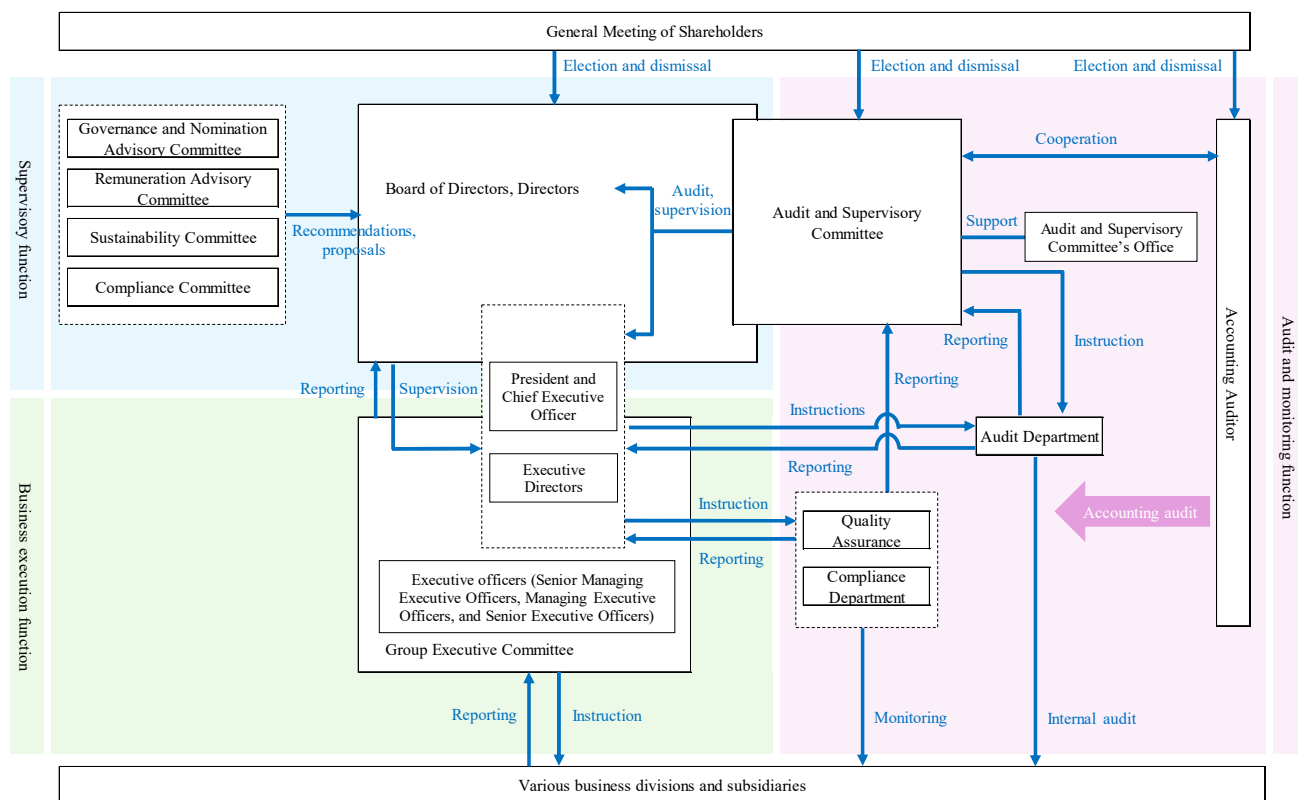
(3) Establishment of the Audit and Supervisory Committee's Office

We will establish the Audit and Supervisory Committee's Office as an entity directly under the Audit and Supervisory Committee to support the duties of the committee and its members. The Audit and Supervisory Committee's Office shall have a full-time manager.

(4) Strengthening Cooperation between the Audit and Supervisory Committee and the Audit Department

We will establish the Internal Audit Department as an entity integrating the Internal Audit Office and the department in charge of internal control supporting the measures to improve internal control. The Audit Department will be directly under the Audit and Supervisory Committee from the perspective of enhancing the effectiveness of audits by the Audit and Supervisory Committee.

## Corporate governance system after the transition





**Proposal 2:** Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee and the terms of office of all Directors (8) will expire when the changes to the Articles of Incorporation take effect.

Accordingly, the Company proposes the election of 5 Directors (excluding Directors who are Audit and Supervisory Committee Members; same hereafter in this proposal).

The candidates are as follows:

This Proposal, however, shall come into effect after the changes to the Article of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

The election of candidates for Director has been made after the deliberation by the Nomination Committee, the majority of whose members are Independent Directors (Outside).

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
1	<p>[Reelection]</p> <p>Isao Miyashita (February 15, 1968) (Age: 57)</p> <p>Term of office as Director 9 years and 3 months</p> <p>Attendance at the Board of Directors meetings 100% (15/15)</p>	<p>April 1990 August 2002 June 2003 May 2006 May 2007 May 2008 May 2013 April 2016</p>	<p>Joined Mitsubishi Corporation Director, Foodlink Corporation Director, Japan Farm Co., Ltd. Worked in Mitsubishi Corporation Executive Officer, YONEKYU CORPORATION Director, YONEKYU CORPORATION Chief Executive Officer, YONEKYU CORPORATION President and Chief Executive Officer, the Company (current position) Director, ITOHAM FOODS INC. Director, YONEKYU CORPORATION</p>	31,869
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Isao Miyashita has a proven record in leading the entire Group as President and Chief Executive Officer of the Company after the business integration of ITOHAM FOODS INC. and YONEKYU CORPORATION, including working to establish a Group-wide business execution system and organizational structure, as well as generating and promoting the competitiveness of the Group as a whole.</p> <p>He is nominated as a candidate for Director in the belief that he will contribute to the realization of the Group's sustainable growth and medium- and long-term enhancement of corporate value through performing his duties as Director and Chairman of the Board by capitalizing on his abundant experience and broad knowledge as a corporate manager.</p>			
2	<p>[New candidate]</p> <p>Hiroyuki Urata (September 5, 1974) (Age: 50)</p> <p>Term of office as Director -</p> <p>Attendance at the Board of Directors meetings -</p>	<p>April 1997 March 2005 April 2015 March 2017 March 2019 April 2020 June 2020 March 2021 April 2021 April 2023 April 2025</p>	<p>Joined Mitsubishi Corporation Indiana Packers Corporation Executive Officer, ITOHAM FOODS INC. Director, Managing Executive Officer, YONEKYU CORPORATION Worked in Mitsubishi Corporation General Manager, Livestock &amp; Meat Products Dept., Mitsubishi Corporation Non-Executive Director, KFC Holdings Japan, Ltd. (current Kentucky Fried Chicken Japan, Ltd.) Non-Executive, Director, ROKKO BUTTER CO., LTD. General Manager, Livestock, Meat &amp; Dairy Products Dept., Mitsubishi Corporation Division COO, Farm, Dairy &amp; Meat Produce Division, Mitsubishi Corporation Executive Vice President, the Company (current position) Director, ITOHAM FOODS INC. (current position) Director, YONEKYU CORPORATION (current position)</p>	-
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hiroyuki Urata has diversified work experience at a general trading company and its overseas subsidiary, and has served as Executive Officer and Executive Director at ITOHAM FOODS INC. and YONEKYU CORPORATION, giving him abundant experience and broad knowledge in the livestock &amp; meat products business, as well as processed foods.</p> <p>He also has knowledge and abundant experience gained through his career as an outside director of multiple listed companies.</p> <p>He is nominated as a candidate for Director in the belief that he will contribute to the realization of the Group's sustainable growth and medium- and long-term enhancement of corporate value through performing his duties as the President and Chief Executive Officer by capitalizing on his abundant experience and broad knowledge.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
3	[Reelection]	April 1997	Joined ITOHAM FOODS INC.	551,302
	Koichi Ito (March 16, 1975) (Age: 50)  Term of office as Director 3 years  Attendance at the Board of Directors meetings 93.3% (14/15)	July 2006	Executive Officer, ITOHAM FOODS INC.	
		June 2010	Director, ITOHAM FOODS INC.	
		April 2016	Director of Board, ANZCO FOODS Ltd.	
		April 2018	Senior Executive Officer, the Company	
		March 2019	Executive Director, YONEKYU CORPORATION	
		April 2020	COO Group Meat Division, the Company	
			Director, ITOHAM FOODS INC.	
		April 2022	Managing Executive Officer, Senior General Manager of Processed Foods Division, the Company (current position)	
			President and Chief Executive Officer, ITOHAM FOODS INC. (current position)	
	Director, YONEKYU CORPORATION (current position)			
	June 2022	Director, the Company (current position)		
	April 2023	In charge of Quality Assurance Division (current position)		
[Reason for nomination as candidate for Director] Mr. Koichi Ito, as Senior General Manager of Processed Foods Division, provides strong leadership in the reorganization of the Group’s processed food business, optimizing logistics, and strengthening and growing our brands. He is nominated as a candidate for Director in the belief that he will contribute to the realization of the Group’s sustainable growth and medium- and long-term enhancement of corporate value through performing his duties as an Executive Director by capitalizing on his abundant experience and broad knowledge gained by serving as President and Chief Executive Officer of ITOHAM FOODS INC. and in various other important positions in the Group.				
4	[Reelection]	March 1983	Joined ITOHAM FOODS INC.	17,184
	Katsumi Nozawa (March 29, 1965) (Age: 60)  Term of office as Director 1 year  Attendance at the Board of Directors meetings 100% (12/12)	April 2016	General Manager of Corporate Strategy Planning Department, the Company	
			Executive Officer, ITOHAM FOODS INC.	
		February 2017	Director and Executive Officer, YONEKYU CORPORATION	
		April 2018	Executive Officer, the Company	
			Executive Director, YONEKYU CORPORATION	
		April 2022	Deputy Senior General Manager of Administrative Division and General Manager of PMI Office, the Company	
		April 2023	General Manager of Corporate Strategy Planning Office, Corporate Strategy Department, the Company	
		April 2024	Managing Executive Officer, Chief Financial Officer, CCO, the Company (current position)	
			Director, the Company (current position)	
	June 2024	Director, ITOHAM FOODS INC. (current position)		
		Director, YONEKYU CORPORATION (current position)		
	April 2025	In charge of Corporate Strategy, the Company (current position)		
[Reason for nomination as candidate for Director] Mr. Katsumi Nozawa has demonstrated strong leadership as Chief Financial Officer in strengthening corporate governance, including improving the effectiveness of the Board of Directors, and in pursuing sustainability management. He is nominated as a candidate for Director in the belief that he will contribute to the realization of the Group’s sustainable growth and medium- and long-term enhancement of corporate value through his duties as an Executive Director, by capitalizing on his many years of experience in the accounting department of ITOHAM FOODS INC. and his abundant experience and broad knowledge as an Executive Director and Executive Officer of the Company and as the person in charge of the Group’s corporate strategy, corporate strategy planning, and administrative departments.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
5	[New candidate]  Ken Harada (November 18, 1975) (Age: 49)  Term of office as Director -  Attendance at the Board of Directors meetings -	April 2000 October 2010	Joined Mitsubishi Corporation Feed, Meat & Livestock Unit, Produce & Marine Products Div., Mitsubishi Corporation	-
		April 2013 July 2017	Executive Officer, Kentucky Fried Chicken Japan, Ltd. Team Leader, Livestock & Meat Products Dept., Fresh Foods Products Div., Mitsubishi Corporation	
		January 2022 April 2025	ASIAN BEST CHICKEN Co., Ltd. CEO Managing Executive Officer, Senior General Manager of Meat Division, the Company (current position) Director, ITOHAM FOODS INC. (current position) Director, YONEKYU CORPORATION (current position)	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Ken Harada has diversified work experience at a general trading company and as CEO of an overseas company, giving him abundant experience and broad knowledge in the livestock &amp; meat products business.</p> <p>He is nominated as a candidate for Director in the belief that he will contribute to the realization of the Group's sustainable growth and medium- and long-term enhancement of corporate value through performing his duties as an Executive Director by capitalizing on his abundant experience and broad knowledge.</p>				

(Notes)

- The age and positions and responsibilities in the Company of each candidate are as of this year's Ordinary General Meeting of Shareholders.
- The attendance at the Board of Directors meetings is for those meetings held during fiscal year 2024.
- The number of Board of Directors meetings attended by Mr. Katsumi Nozawa only covers the Board of Directors meetings held after his appointment as Director on June 26, 2024.
- There are no special interests between each candidate and the Group.
- The Company has entered into an indemnity agreement with Mr. Isao Miyashita, Mr. Koichi Ito, and Mr. Katsumi Nozawa as provided for in Article 430-2, Paragraph 1 of the Companies Act, whereby the Company will indemnify them for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the same Paragraph to the extent provided by laws and regulations. However, the expenses under Item 1 of the same Paragraph, which pertain to cases in which liability is sought against the Company (excluding shareholder representative actions), are not covered by the indemnity, so that the appropriateness of the execution of duties by the indemnitee will not be impaired.  
If the reelection of each of these Directors is approved at this Ordinary General Meeting of Shareholders, the Company intends to continue the said compensation agreement, and plans to enter into the same indemnity agreement with Mr. Hiroyuki Urata and Mr. Ken Harada if their election is approved at this Ordinary General Meeting of Shareholders.
- The Company has entered into a directors' and auditors' liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act, insuring Directors, Auditors, and Executive Officers, etc. The insurance policy covers compensation for damages and litigation expenses in the event of a claim against the insured. However, by excluding from coverage losses resulting from criminal or intentionally illegal acts, measures are taken to ensure that the insured's adequacy in the execution of their duties is not impaired. The insured does not bear the cost of insurance premiums. If the election of each of these Directors is approved at this Ordinary General Meeting of Shareholders, each Director will be named as the insured under the said insurance contract.  
The term of the insurance contract is 1 year, and will be renewed by a resolution of the Board of Directors prior to the expiration of the contract period.

**Proposal 3:** Election of 6 Directors Who Are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes the election of 6 Directors who are Audit and Supervisory Committee Members. Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

Further, the consent of the Board of Auditors has been obtained for this Proposal.

This Proposal shall come into effect after the changes to the Article of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

The election of candidates for Directors who are Audit and Supervisory Committee Members has been made after the deliberation by the Nomination Committee, the majority of whose members are Independent Directors (Outside).

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
1	<p>[New candidate]</p> <p>Shin Takahashi (July 25, 1960) (Age: 64)</p> <p>Term of office as Corporate Auditor 4 years</p> <p>Attendance at the Board of Directors meetings 100% (15/15)</p> <p>Attendance at the Board of Auditors meetings 100% (13/13)</p>	<p>April 1984</p> <p>April 2015</p> <p>April 2016</p> <p>April 2017</p> <p>April 2018</p> <p>August 2020</p> <p>June 2021</p>	<p>Joined ITOHAM FOODS INC.</p> <p>Executive Officer, ITOHAM FOODS INC.</p> <p>General Manager, Accounting &amp; Finance Department, the Company</p> <p>Executive Officer, Headquarters management, ITOHAM FOODS INC.</p> <p>Senior Vice President (“riji”), the Company</p> <p>Advisor, the Company</p> <p>Standing Auditor, the Company (current position)</p> <p>Auditor, ITOHAM FOODS INC. (current position)</p> <p>Auditor, YONEKYU CORPORATION (current position)</p>	2,440
<p>[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member]</p> <p>Mr. Shin Takahashi, since assuming office as an Auditor in June 2021, has appropriately conducted audits based on his deep insight and extensive experience in finance and accounting gained from his duties and background as the person in charge of the Group’s Accounting &amp; Finance Department, as well as the insight and wealth of experience he has gained through his activities as an Auditor of the Company.</p> <p>He is nominated as a candidate for Director who is an Audit and Supervisory Committee Member in the belief that he will continue to contribute to the realization of the Group’s sustainable growth and medium- and long-term enhancement of corporate value through appropriate supervision and audit of business execution from an objective and practical perspective based on his knowledge and experience.</p>				
2	<p>[New candidate]</p> <p>Akihisa Horiuchi (June 6, 1960) (Age: 65)</p> <p>Term of office as Director 2 years</p> <p>Attendance at the Board of Directors meetings 100% (15/15)</p>	<p>April 1979</p> <p>May 2003</p> <p>May 2006</p> <p>May 2015</p> <p>April 2018</p> <p>June 2018</p> <p>April 2023</p> <p>June 2023</p> <p>April 2025</p>	<p>Joined YONEKYU CORPORATION</p> <p>Director, YONEKYU CORPORATION</p> <p>Executive Officer, YONEKYU CORPORATION</p> <p>Director, YONEKYU CORPORATION</p> <p>Managing Executive Officer, the Company</p> <p>President and Chief Executive Officer, YONEKYU CORPORATION</p> <p>Director, the Company</p> <p>Senior General Manager of Meat Division, the Company</p> <p>Director, ITOHAM FOODS INC.</p> <p>Director, the Company (current position)</p> <p>In charge of Meat Division, the Company (current position)</p>	12,938
<p>[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member]</p> <p>Mr. Akihisa Horiuchi has abundant experience and broad knowledge gained by serving as Senior General Manager of Meat Division of the Company and President and Chief Executive Officer of YONEKYU CORPORATION, as well as the insight and abundant experience he has gained through various other important positions in the Group.</p> <p>He is nominated as a candidate for Director who is an Audit and Supervisory Committee Member in the belief that he will contribute to the realization of the Group’s sustainable growth and medium- and long-term enhancement of corporate value through appropriate supervision and audit of business execution from an objective and practical perspective based on his knowledge and experience.</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
3	[New candidate] [Director (Outside)] [Independent Officer]  Mikiko Morimoto (July 26, 1973) (Age: 51)  Term of office as Director (Outside): 2 years  Attendance at the Board of Directors meetings 100% (15/15)	April 1996 March 1997 April 1998 July 2000 September 2014 May 2015  January 2018 February 2021  June 2023	Joined The Japan Research Institute, Limited On assignment to Japan Center for Economic Research The Japan Research Institute, Limited Nagashima Ohno & Tsunematsu Embassy of Islamic Republic of Pakistan Tokyo Asuka Asset Management Co., Ltd. (currently Aizawa Asset Management Co., Ltd.) Executive Officer, SDG Partners, Inc. President and Chief Executive Officer, karna ltd. (current position) Director (Outside), the Company (current position) Director (Outside), NEC Networks & System Integration Corporation	-
	[Reasons for nomination as candidate for Director (Outside) who is an Audit and Supervisory Committee Member and the outline of expected role] Ms. Mikiko Morimoto uses her proven record and abundant experience as a corporate manager, as well as her expertise as a sustainability consultant and the insight and abundant experience she has gained through her career as a Director (Outside) at listed companies to provide management advice and appropriate supervision of the business execution to the Company from an objective and professional perspective. She also has attended meetings of various advisory committees as a member and has actively expressed her opinions, making a significant contribution to the supervision of business execution from an independent standpoint. By continuing to fulfill these roles and conducting audit from an objective and professional perspective, we believe that she will be able to contribute to the sustainable growth of our Group and a medium- to long-term enhancement of corporate value. Therefore, we have nominated her as a candidate for Director (Outside) who is an Audit and Supervisory Committee Member.			
4	[New candidate] [Director (Outside)] [Independent Officer]  Yasuko Nishimura (June 4, 1968) (Age: 57)  Term of office as Director (Outside): 1 year  Attendance at the Board of Directors meetings 100% (12/12)	May 1997  January 2008  July 2015  June 2016 October 2017  June 2024	Registered as a judicial scrivener Opened the Nishimura Judicial Scrivener Office Senior Partner, Tsukasa Judicial Scrivener Corporation (current position) Director, Japan General Incorporated Association of Professionals for Medium and Small Sized Business Management Ltd Chief Executive Officer, CREA FARM Co., Ltd. (current position) Director (Outside), Akasaka Diesels Limited (current position) Chief Executive Officer, Fujinokuni Trading Japan Corporation (current position) Director (Outside), the Company (current position)	-
	[Reasons for nomination as candidate for Director (Outside) who is an Audit and Supervisory Committee Member and the outline of expected role] Ms. Yasuko Nishimura has a proven record and abundant experience as a corporate manager, as well as the insight and abundant experience acquired through her career as a management consultant, a legal consultant, and an outside director of a listed company, to provide management advice and appropriate supervision of the business execution to the Company from an objective and professional perspective. She also has attended meetings of various advisory committees as a member and has actively expressed her opinions, making a significant contribution to the supervision of business execution from an independent standpoint. By continuing to fulfill these roles and conducting audit from an objective and professional perspective, we believe that she will be able to contribute to the sustainable growth of our Group and a medium- to long-term enhancement of corporate value. Therefore, we have nominated her as a candidate for Director (Outside) who is an Audit and Supervisory Committee Member.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
5	<p>[New candidate] [Director (Outside)] [Independent Officer]</p> <p>Hiroshi Matsumura (August 4, 1959) (Age: 65)</p> <p>Term of office as Corporate Auditor (Outside) 2 years</p> <p>Attendance at the Board of Directors meetings 100% (15/15)</p> <p>Attendance at the Board of Auditors meetings 100% (13/13)</p>	<p>March 1984</p> <p>August 1987</p> <p>July 1999</p> <p>August 2020</p> <p>September 2020</p> <p>March 2022</p> <p>June 2023</p>	<p>Joined Audit Department, Tohmatsu Awoki &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Registered as a Certified Public Accountant</p> <p>Partner, Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Left Deloitte Touche Tohmatsu LLC</p> <p>Representative, Hiroshi Matsumura Certified Public Accountant Office (current position)</p> <p>Auditor, G.D. Jidokikai K.K. (current position)</p> <p>Auditor (Outside), the Company (current position)</p>	-
<p>[Reasons for nomination as candidate for Director (Outside) who is an Audit and Supervisory Committee Member and the outline of expected role]</p> <p>Mr. Hiroshi Matsumura, since assuming office as an Auditor in June 2023, has appropriately conducted audits based on his expertise and abundant experience in finance and accounting as a certified public accountant as well as the insight and wealth of experience he has gained through his activities as an Auditor of the Company.</p> <p>Once elected, he is expected to serve as a member of advisory committees.</p> <p>By continuing to utilize his expertise, insight, and experience, and by providing management advice and appropriate supervision and audit of the business execution from an objective and professional perspective, we believe that he will contribute to the realization of the Group's sustainable growth and medium- and long-term enhancement of corporate value. Therefore, we have nominated him as a candidate for Director (Outside) who is an Audit and Supervisory Committee Member.</p>				



No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
6	<p>[New candidate] [Director (Outside)] [Independent Officer]</p> <p>Akira Arimatsu (September 27, 1980) (Age: 44)</p> <p>Term of office as Director (Outside): -</p> <p>Attendance at the Board of Directors meetings -</p>	<p>January 2009 Registered as an attorney at law Nishimura &amp; Asahi (currently Nishimura &amp; Asahi (Gaikokuho Kyodo Jigyo))</p> <p>September 2018 Seconded to Consumer Affairs Agency</p> <p>March 2023 Nishimura &amp; Asahi (currently Nishimura &amp; Asahi (Gaikokuho Kyodo Jigyo))</p> <p>January 2025 Partner, Nishimura &amp; Asahi (currently Nishimura &amp; Asahi (Gaikokuho Kyodo Jigyo)) (current position)</p>	-
<p>[Reasons for nomination as candidate for Director (Outside) who is an Audit and Supervisory Committee Member and the outline of expected role]</p> <p>Ms. Akira Arimatsu has expertise and abundant experience in corporate legal affairs in general as an attorney-at-law and also has insight and wealth of experience gained through her secondment to the Consumer Affairs Agency.</p> <p>The Company judges that she will provide management advice and appropriate supervision and audit of the business execution to the Company from an objective and professional perspective based on her expertise, insight, and experience.</p> <p>Once elected, she is expected to serve as a member of advisory committees.</p> <p>She is nominated as a candidate for Director (Outside) who is an Audit and Supervisory Committee Member based on the expectation that she will contribute to the realization of the Group's sustainable growth and medium- and long-term enhancement of corporate value by fulfilling these roles.</p> <p>She has never been involved in the management of a company. However, the Company judges that she will appropriately fulfill her duties as a Director (Outside) based on the above reasons.</p>			

[Independent Officer]

Ms. Mikiko Morimoto, Ms. Yasuko Nishimura, and Mr. Hiroshi Matsumura are Independent Officers as prescribed in the regulations of the Tokyo Stock Exchange. They satisfy the requirements for independent officers as provided for by the Tokyo Stock Exchange, and the standards set by the Company for Independence Criteria for Directors (Outside). The Company plans to reappoint them as Independent Officers if their election as Directors who are Audit and Supervisory Committee Members is approved at this Ordinary General Meeting of Shareholders.

Ms. Akira Arimatsu satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the standards set by the Company for Independence Criteria for Directors (Outside). The Company plans to appoint her as an Independent Officer if her election as a Director who is an Audit and Supervisory Committee Member is approved at this Ordinary General Meeting of Shareholders.

The Group has transactions related to legal consultations with Nishimura & Asahi (Gaikokuho Kyodo Jigyo), where Ms. Akira Arimatsu is concurrently employed. However, as stipulated in the Company's Independence Criteria for Directors (Outside), "the average amount of transactions for the past three years is less than 2% of the total revenue for the firm" and the amount of the transactions is also less than 2% of the total revenue for the current business year. Therefore, the Company judges that she has sufficient independence to ensure that no conflicts of interest arise with general shareholders.

(Notes)

1. The age and positions and responsibilities in the Company of each candidate are as of this year's Ordinary General Meeting of Shareholders.
2. Ms. Yasuko Nishimura's name is listed in the family register as Yasuko Okumura.
3. The attendance at the Board of Directors meetings is for those meetings held during fiscal year 2024.
4. The attendance at the Board of Auditors meetings is for those meetings held during fiscal year 2024.
5. The number of Board of Directors meetings attended by Ms. Yasuko Nishimura only covers the Board of Directors meetings held after her appointment as Director on June 26, 2024.
6. There are no special interests between each candidate and the Group.
7. Ms. Mikiko Morimoto, Ms. Yasuko Nishimura, Mr. Hiroshi Matsumura, and Ms. Akira Arimatsu are candidates for Director (Outside) who are Audit and Supervisory Committee Members.
8. The Company has entered into an agreement with Mr. Shin Takahashi, Ms. Mikiko Morimoto, Ms. Yasuko Nishimura, and Mr. Hiroshi Matsumura in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act to limit their

liability for damages under Article 423, Paragraph 1 of the said Act. The maximum amount of their liability for damages under the said agreement is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act. The Company plans to renew the said agreement if their elections as Directors who are Audit and Supervisory Committee Members are approved at this Ordinary General Meeting of Shareholders. In addition, the Company plans to enter into the same indemnity agreement with Mr. Akihisa Horiuchi and Ms. Akira Arimatsu if their elections are approved at this Ordinary General Meeting of Shareholders.

9. The Company has entered into an indemnity agreement with Mr. Shin Takahashi, Mr. Akihisa Horiuchi, Ms. Mikiko Morimoto, Ms. Yasuko Nishimura, and Mr. Hiroshi Matsumura as provided for in Article 430-2, Paragraph 1 of the Companies Act, whereby the Company will indemnify them for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the same Paragraph to the extent provided by laws and regulations. However, the expenses under Item 1 of the same Paragraph, which pertain to cases in which liability is sought against the Company (excluding shareholder representative actions), are not covered by the indemnity, so that the appropriateness of the execution of duties by the indemnitee will not be impaired. If their elections as Directors who are Audit and Supervisory Committee Members are approved at this Ordinary General Meeting of Shareholders, the Company intends to continue the said compensation agreement and plans to enter into the same indemnity agreement with Ms. Akira Arimatsu if her election is approved.
10. The Company has entered into a directors' and auditors' liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act, insuring Directors, Auditors, and Executive Officers, etc. The insurance policy covers compensation for damages and litigation expenses in the event of a claim against the insured. However, by excluding from coverage losses resulting from criminal or intentionally illegal acts, measures are taken to ensure that the insured's adequacy in the execution of their duties is not impaired. The insured does not bear the cost of insurance premiums. If the elections of Directors who are Audit and Supervisory Committee Members are approved at this Ordinary General Meeting of Shareholders, each Director will be named as the insured under the said insurance contract. The term of the insurance contract is 1 year, and will be renewed by a resolution of the Board of Directors prior to the expiration of the contract period.

# <Reference>

## Skills matrix for Directors

The Board of Directors is composed of a diverse group of directors with different backgrounds of gender, career, age, expertise, and experience for fulfilling the functions of the Board of Directors as a whole.

The Board of Directors is composed of a number of members that enables it to function most effectively and efficiently, and the ratio of Independent Directors (Outside) is at least one-third.

The skills matrix for Directors if Proposals 2 and 3 are approved as proposed is as follows.

		Skills matrix						
Name	Gender	Corporate management	Global	Business strategy	ESG, human resources development	DX, IT	Finance, accounting	Legal affairs, risk management
Directors	Isao Miyashita	Male	•	•	•		•	•
	Hirofumi Urata	Male	•	•	•			•
	Koichi Ito	Male	•	•	•			•
	Katsumi Nozawa	Male	•		•	•	•	•
	Ken Harada	Male	•	•	•			•
Directors who are Audit and Supervisory Committee Members	Shin Takahashi	Male	•				•	
	Akihisa Horiuchi	Male	•	•				•
	Mikiko Morimoto Independent Officer	Female	•	•	•			
	Yasuko Nishimura Independent Officer	Female	•	•				•
	Hiroshi Matsumura Independent Officer	Male	•		•		•	•
	Akira Arimatsu Independent Officer	Female		•				•

## Definition of Skills

The definitions of the skills stipulated in the skills matrix are as follows:

Skill and experience		Definition
Business	Corporate management	-Skills to decide the strategic direction and to effectively manage the entire organization to achieve strategic growth and enhance competitiveness
	Global	-Skills to support a company's growth from a global perspective
	Business strategy	-Skills to develop new business models and products and enhancing competitiveness along with responding to consumer values, raising the brand value, and strengthening the relationship with customers by understanding market needs
Non-financial	ESG, human resources development	-Skills to solve social issues towards realizing a sustainable society through business by effectively promoting sustainability strategy -Skills to enable each employee to maximize their performance by formulating human resources strategy and promoting human resources development and nurturing
	DX, IT	-Skills to innovate business processes and business model leveraging digital technologies by promoting efficient operations and digitalization through the effective utilization of information technology
Audit, supervision	Finance, accounting	-Skills to manage finances by maintaining financial soundness and strategically procuring funds after accurately grasping the financial condition
	Legal affairs, risk management	-Skills to sustainably enhance corporate value through legal compliance and corporate governance by managing and assessing legal and business risks and taking appropriate measures

<Reference>

Policy and procedure for the nomination of candidates for Director

(1) Nomination criteria

<Common criteria>

- (i) Having an excellent character, knowledge and high ethical standards.
- (ii) Having the capability and quality to contribute to sustainable growth and medium- to long-term enhancement of corporate value by understanding the Group Philosophy and Vision and taking into account the corporate strategy and business characteristics.
- (iii) Having high expertise and abundant experience in either one or more skills in corporate management, etc. required of a board of directors.
- (iv) Having an excellent ability to objectively analyze and judge from a company-wide perspective, based on a correct understanding of the legal responsibilities of management.
- (v) Not falling under the category of grounds for disqualification of directors stipulated in the Companies Act, and there being no obstacle in terms of health or other factors.

<Executive Director>

- (i) Having the ability to propose detailed management plans and business strategies for the Group and to perform those duties.
- (ii) Having the ability to lead the organization by demonstrating strong leadership based on appropriate understanding of the situation within and outside the company.

<Director (Outside)>

- (i) Having the ability to audit and supervise the management from an objective perspective based on insight and abundant experience in corporate management or specialized fields.
- (ii) Having the ability to appropriately reflect the views of stakeholders, including minority shareholders, from a position independent of management.

<Audit and Supervisory Committee Member>

- (i) Having the ability to contribute to improving the soundness and transparency of management by auditing the execution of duties by Directors from a fair and impartial standpoint.
- (ii) Being well-versed in the Group's business and having the ability to carry out highly effective audit upon appropriately collecting information from within and outside the Group. (Excluding Directors (Outside))

(2) Nomination procedure

Based on the nomination criteria, the Nomination Committee shall fully deliberate on the appropriateness of candidates and the optimal composition of the Board of Directors, and then the Board of Directors shall adopt a resolution with regard to the nomination.

(Note) The Nomination Advisory Committee will be integrated with the Governance Committee on June 25, 2025 and change its name to Governance and Nomination Advisory Committee.

<Reference>

Independence Criteria for Directors (Outside)

In order to objectively judge the independence of Directors (Outside), the Company has established the following Independence Criteria for Directors (Outside).

In addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange, a Director (Outside) shall be deemed to be independent if, as a result of a reasonable scope of investigation by the Company, it is judged that they do not fall under any of the following categories.

- (i) An executive <sup>Note (1)</sup> of the Company and its associated companies (hereinafter referred to as the “Group”) during the current or past 10 fiscal years
- (ii) A major business partner of the Group <sup>Note (2)</sup> in the current or most recent fiscal year or an executive thereof
- (iii) A major business partner of the Group <sup>Note (3)</sup> in the current or most recent fiscal year or an executive thereof
- (iv) A major shareholder (a party who owns at least 10% of the total of voting rights directly or indirectly) of the Company in the current fiscal year or the past 3 fiscal years or an executive thereof
- (v) An entity in which the Group owns at least 10% of the total of voting rights directly or indirectly in the current fiscal year or the past 3 fiscal years or an executive thereof
- (vi) An individual belonging to an audit corporation that is the Accounting Auditor of the Group in the current fiscal year or the past 3 fiscal years
- (vii) A consultant, an accountant professional such as a certified public accountant or a certified public tax accountant, or a legal professional such as an attorney at law, who receives a large amount of monetary consideration or other property <sup>Note (4)</sup> from the Group in addition to compensation as an officer (in case it is an organization such as a corporation or an association that receives such property, an individual who belongs to such organization)
- (viii) An individual, or a director or other executive of an organization such as a corporation or an association, who receives a large amount of donations or subsidies <sup>Note (5)</sup> from the Group
- (ix) An individual from a company with which the Group has a mutual appointment relationship of officers <sup>Note (6)</sup>
- (x) Close relatives <sup>Note (8)</sup> of important individuals <sup>Note (7)</sup> executing the Group’s business or close relatives of non-executive directors in the current or most recent fiscal year
- (xi) A close relative of a person falling under any of (ii), (iii), (vii) or (viii) above

Notes

- (1) “Executive” means an executive director, an operating officer, an executive officer, a manager or any other employee of a stock company, a member who executes the business of a membership company, or an individual or employee (staff, etc.) who executes the business of a corporation or an organization other than a company.
- (2) “Entity whose major business partner is the Group” means an entity which receives payment from the Group in an amount exceeding 2% of its consolidated sales.
- (3) “Major business partner of the Group” means an entity which pays to the Group an amount exceeding 2% of the Group’s consolidated sales or which provides loans to the Group in an amount exceeding 2% of the Group’s consolidated total assets.
- (4) “Large amount” as used in the context of “a large amount of monetary consideration or other property” means an amount exceeding ¥10 million per year in the case of an individual, or an amount exceeding 2% of the consolidated sales or total revenue in the case of an organization, on average for the past 3 years.
- (5) “Large amount” as used in the context of “a large amount of donations or subsidies” means an amount exceeding the higher of ¥10 million per year or 30% of the organization’s total annual cost, on average for the past 3 years.
- (6) “Mutual appointment relationship of officers” means a relationship where an individual from the Group (an individual who is or used to be a member of the Group in the current fiscal year or the past 10 fiscal years) currently serves as an officer or executive officer of a company, and the Company brings in the individual as an officer or executive officer of the Company from the company.
- (7) “Important individuals” means an executive director, an operating officer, an executive officer, a manager or any other employee in the office of senior management not lower than general manager.
- (8) “Close relatives” means a spouse or relatives up to the second degree of kinship.

#### <Reference>

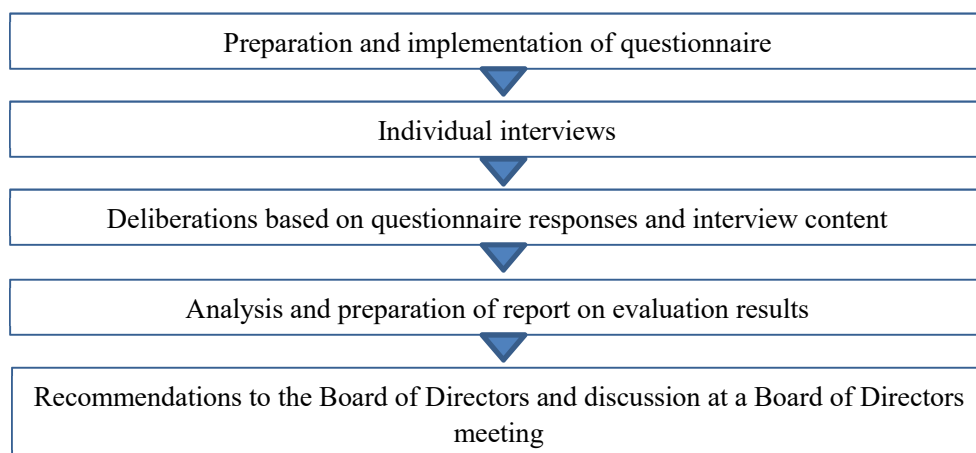
#### Evaluation of the Effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors each year between September and December in order to create and maintain an optimal governance system by clarifying issues and continuing to address them through self-assessment.

A summary of the results of the Evaluation of the Effectiveness of the Board of Directors for fiscal 2024 is as follows.

#### Evaluation Process

The Governance Committee used the evaluation process below to assess the Evaluation of the Effectiveness of the Board of Directors.



#### Evaluation Items

A questionnaire consisting of 8 evaluation items, 20 questions, and an open-ended section was conducted with all Directors and all Auditors. The evaluation items were as follows.

- (1) Structure of the Board of Directors
- (2) Operation of the Board of Directors
- (3) Discussions at Board of Directors meetings
- (4) Supervision by the Board of Directors
- (5) Appointment and dismissal of members of the management team
- (6) Executive remuneration
- (7) Dialogue with shareholders
- (8) Structure, role, and operation of advisory committees

#### Evaluation Results

Of the issues identified in the Evaluation of the Effectiveness of the Board of Directors in fiscal 2024, the following 3 items have been identified as areas to be strengthened.

- (1) Deepening of discussions on human capital and discussions on intellectual capital
- (2) Analysis of progress of measures to implement management with an awareness of cost of capital and stock price
- (3) Review of role and structure of Nomination Advisory Committee and of development of management human resources policy and succession plan

### Status of Initiatives on Previous Areas of Focus

Of the issues identified by the results of the fiscal 2023 evaluation, 4 were designated as priority areas of focus and efforts were strengthened. The following is a summary of priority areas of focus and related initiatives.

Priority areas of focus	Outline of initiatives (January 2024 to December 2024)
(1) Sustainability linked to long-term strategy	Discussions were held multiple times at Board of Directors meetings and off-site meetings attended by members of the Board of Directors in formulating the Long-Term Management Strategy 2035. The Long-Term Management Strategy 2035 aims to achieve dramatic growth with profit expansion through growth investments and sustainable improvement of earning power as the dual drivers and sets forth strengthening of management base to support the growth centered on DX and sustainability.
(2) Discussions at the Board of Directors on human capital and intellectual capital	Discussions were held multiple times at Board of Directors meetings and off-site meetings attended by members of the Board of Directors regarding human capital. Human Capital Initiatives under the Medium-Term Management Plan 2026 aim to increase employee engagement and enhance corporate value by nurturing human resources that create new value and take initiative in facing challenges to transform the future and fostering a corporate culture that respects diverse values and encourages employees to grow through new challenges.
(3) Enhanced discussions on development of management human resources.	The Company's development of management human resources was discussed at the off-site meetings, taking into account the explanations from the Chair of the Nomination Advisory Committee. Based on a comparative analysis of the Company's cost of capital, capital efficiency, and PBR, we recognized (1) Profitability and capital efficiency and (2) Expectations of future sustainable growth as issues to be addressed.
(4) Initiatives to implement management with an awareness of cost of capital and stock price	In response to these 2 issues, the Company will enhance corporate value by increasing ROE through improvement of basic earning power, business management using ROIC as an indicator, and optimal financial leverage as set forth in the Medium-Term Management Plan 2026 as well as through improvement of P/E ratio by steadily increasing profits through growth investments and strengthening of management base to support sustainable growth as set out in the Long-Term Management Strategy 2035.

<Reference>

Cross-Shareholdings

The Company's basic policy is not to hold any cross-shareholdings unless they meet certain conditions and are deemed to contribute to the "maintenance and development of business transactions."

After the end of the fiscal year, the rationale for holding all cross-shareholdings is confirmed in a prompt manner, and the results are verified by the Group Management Meeting and reported to the Board of Directors.

Shares for which the rationale for holding is determined to be no longer valid are sold through dialogue and negotiations with the issuing company.

Regarding the exercise of voting rights, the Company decides whether to approve or disapprove proposals based on a comprehensive assessment of whether a submitted proposal would contribute to the sustainable growth of the issuing company and the enhancement of its corporate value.

When a company that holds the Company's shares as cross-shareholdings expresses an intention to sell such shares, the Company will not take any action that would prevent them from doing so.

Number of shares held by the Group for purposes other than pure investment and the total amount recorded on the consolidated balance sheet

Category	6th fiscal year (Fiscal year ended March 31, 2022)	7th fiscal year (Fiscal year ended March 31, 2023)	8th fiscal year (Fiscal year ended March 31, 2024)	9th fiscal year (Current fiscal year) (Fiscal year ended March 31, 2025)
Number of stocks	95	91	82	71
Among them, stocks of listed companies	56	52	46	37
Total amount on consolidated balance sheet (millions of yen)	14,303	14,269	17,791	17,295
Among which, total for listed companies (millions of yen)	12,664	12,630	16,419	15,960



**Proposal 4:** Determination of Remuneration Amount of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

At the 1st Ordinary General Meeting of Shareholders held on June 27, 2017, an annual remuneration amount for the Company’s Directors not exceeding ¥400 million per annum (not exceeding ¥40 million per annum for Directors (Outside), which does not include the portion of employee salaries of Directors who concurrently serve as employees) was approved, which has continued until today. However, following the transition to a Company with an Audit and Supervisory Committee, the Company proposes abolishing this and newly establishing an annual remuneration amount for the Directors (excluding Directors who are Audit and Supervisory Committee Members) not exceeding ¥400 million (not exceeding ¥40 million per annum for Directors (Outside)).

This remuneration amount will not include the portion of employee salaries of Directors who concurrently serve as employees.

If Proposals 1, 4, 5 and 6 are approved and passed as proposed at this Ordinary General Meeting of Shareholders, the overview of the Company’s policy for determining matters such as remuneration of individual Directors will be as described later in “<Reference> Overview of Director Remuneration System.” This Proposal is necessary and reasonable from the perspective of granting the individual remuneration in accordance with the contents of the said policy. In addition, this proposal and the said policy have been decided by the Board of Directors after deliberations by the Remuneration Advisory Committee, the majority of whose members are Independent Directors (Outside), in order to guarantee the transparency and objectivity of the process of determining the remuneration.

Based on the above, the Company judges that the contents of this Proposal are appropriate.

The current number of Directors is 8 (of whom 4 are Directors (Outside)), and the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) in relation to this Proposal will be 5 (of whom none are Directors (Outside)) if Proposal 1 and Proposal 2 are approved and passed as proposed.

This Proposal, however, shall come into effect after the changes to the Article of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

**Proposal 5:** Determination of Remuneration Amount of Directors Who Are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, we propose an annual remuneration not exceeding ¥130 million for Directors who are Audit and Supervisory Committee Members.

This Proposal has been decided by the Board of Directors after deliberations by the Remuneration Advisory Committee, the majority of whose members are Independent Directors (Outside), and comprehensively takes into account the future composition of the Audit and Supervisory Committee, the roles and responsibilities of the Audit and Supervisory Committee Members in the Company’s governance, the Company’s scope of business, current economic conditions, and the compensation levels at other companies.

Based on the above, the Company judges that the contents of this Proposal are appropriate.

The number of Directors who are Audit and Supervisory Committee Members pertaining to this Proposal will be 6 if Proposal 1 and Proposal 3 are approved and passed as proposed.

This Proposal, however, shall come into effect after the changes to the Article of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

**Proposal 6:** Determination of Remuneration for Allotment of Restricted Shares to Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members)

At the 2nd Ordinary General Meeting of Shareholders held on June 26, 2018, the Company, separate to the monetary remuneration not exceeding ¥400 million per annum (not exceeding ¥40 million per annum for Directors (Outside), which does not include the portion of employee salaries of Directors who concurrently serve as employees), had approved a remuneration not exceeding ¥80 million per annum to grant restricted shares to Directors (excluding Directors (Outside)) so that they can further share the benefits and risks associated with share price fluctuations with shareholders and consequently be motivated to contribute more than ever to share price increases and enhancement of corporate value.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Therefore, the Company proposes continuation of the remuneration to grant restricted shares to its Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members; hereinafter referred to as “Eligible Directors”) so that they can further share the benefits and risks associated with share price fluctuations with shareholders and consequently be motivated to contribute more than ever to share price increases and enhancement of corporate value subject to Proposal 1 “Partial Amendments to the Articles of Incorporation” being approved and passed as proposed at this General Meeting of Shareholders. The remuneration paid to Eligible Directors based on this Proposal is set as monetary claims (hereinafter referred to as “Monetary Remuneration Claims”), and the Company proposes a total amount not exceeding ¥80 million per annum for Monetary Remuneration Claims to be provided as remuneration, etc. related to restricted shares granted to Eligible Directors, separate to the remuneration amount approved under Proposal 4 “Determination of Remuneration Amount of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).” In addition, the specific timing of payment and distribution to each Eligible Director will be decided by the Board of Directors after deliberations by the Remuneration Advisory Committee, the majority of whose members are Independent Directors (Outside).

If Proposals 1, 4, 5 and 6 are approved and passed as proposed at this Ordinary General Meeting of Shareholders, the overview of the Company’s policy for determining matters such as remuneration of individual Directors will be as described later in “<Reference> Overview of Director Remuneration System.” This Proposal is necessary and reasonable from the perspective of granting the individual remuneration in accordance with the contents of the said policy. In addition, this Proposal is subject to the transition of the Company to a Company with an Audit and Supervisory Committee, and the contents of the remuneration are essentially the same as those approved at the 2nd Ordinary General Meeting of Shareholders held on June 26, 2018, and has been decided by the Board of Directors after deliberations by the Remuneration Advisory Committee, the majority of whose members are Independent Directors (Outside).

Based on the above, the Company judges that the contents of this Proposal are appropriate.

While the current number of Directors is 8 (of whom 4 are Directors (Outside)), if Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and passed as proposed, the number of Eligible Directors will be 5.

The contents of this Proposal shall come into effect after the changes to the Article of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

**Specific Details and Upper Limit of the Number of Restricted Shares Granted to Eligible Directors**

**1. Allotment of restricted shares and payment**

The Company will provide Monetary Remuneration Claims within the above annual amount as remuneration related to restricted shares to Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members) based on a resolution by its Board of Directors, and each Director (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members) pays all the said Monetary Remuneration Claims in the form of property contributed in kind and is allotted restricted shares in return.

The amount to be paid for restricted shares shall be determined by the Company’s Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors concerning the issue or disposal of such shares (if there is no closing price on such date, the closing price on the closest preceding trading day) or any

other amount within the extent that the amount will not be particularly advantageous to the Company's Directors who receive the said restricted shares.

The above Monetary Remuneration Claims are provided subject to the Company's Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members) consent to the above property contributed in kind and signing of a restricted share allotment agreement including the contents stipulated in 3. below.

## 2. Total number of restricted shares

The total number of restricted shares to be allotted to the Company's Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members) is 20,000 shares, which is set as the upper limit of the restricted shares allotted in each business year.

However, if a stock split (including a gratis allotment) or a reverse stock split of the Company's common shares is carried out after the resolution of this Proposal, or in case of events that otherwise require an adjustment to the total number of restricted shares to be allotted, such total number of restricted shares can be adjusted to a reasonable extent.

## 3. Contents of the restricted share allotment agreement

Upon allotting restricted shares, the restricted share allotment agreement signed between the Company and its Directors receiving the restricted shares, based on a resolution by the Board of Directors, shall include the following:

### (1) Details of transfer restrictions

The Directors who are allotted the restricted shares may not transfer, pledge, assign, gift, bequeath, or otherwise dispose of the said restricted shares to third parties during the period between 20 to 30 years determined by the Company's Board of Directors (hereinafter referred to as the "Transfer Restriction Period").

### (2) Free acquisition of restricted shares by the Company

If a Director of the Company receiving the restricted shares has resigned from any position as a director or executive officer of the Company from the beginning of the transfer restriction period through the day before the first Ordinary General Meeting of Shareholders of the Company after the beginning of the transfer restriction period, the Company shall acquire the restricted shares allotted (hereinafter referred to as "Allotted Shares") to the said Director free of charge as a matter of course at the time of losing the position, unless there is a legitimate reason as accepted by the Board of Directors.

Also, if any of the Allotted Shares have not been released from the transfer restriction period specified in (1) above at the time of its expiration, in accordance with the provisions of (3) below, the Company shall rightfully acquire such Allotted Shares free of charge immediately following the lifting of transfer restrictions.

### (3) Lifting of transfer restrictions

Upon expiry of the transfer restriction period, the Company shall lift the restrictions on all the Allotted Shares held by Directors who received the restricted shares at that point, provided that the person has retained the position either as a director or executive officer of the Company from the beginning of the transfer restriction period through the day before the first Ordinary General Meeting of Shareholders of the Company after the beginning of the transfer restriction period.

However, if the concerned Director of the Company retires from the position as a director or executive officer of the Company before the expiration of the transfer restriction period for a legitimate reason as accepted by the Board of Directors of the Company, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting as needed.

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

If, during the transfer restriction period, a merger agreement in which the Company becomes the dissolving company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary of another company, or any other proposal related to reorganization, etc. was approved by the general meeting of shareholders of the Company (or by the Board of Directors in case it does not require approval of the general meeting of shareholders), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the transfer restriction period to the date of approval of the reorganization, etc. prior to the

date on which the reorganization, etc. becomes effective, by a resolution of the Board of Directors of the Company.

In such cases, the Company shall acquire free of charge as a matter of course the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted in accordance with the above provisions.

(Reference)

The Company plans to allot similar restricted shares as above to its executive officers after the conclusion of this General Meeting of Shareholders.

<Reference>

Overview of Director Remuneration System

The basic policy on remuneration system and composition of remuneration, if Proposal 1 and Proposal 4 to 6 of this General Meeting of Shareholders are approved as proposed, are as described below:

◆ Basic Policy

1. Make it a system that functions as a sound incentive that ensures sharing of values with shareholders, employees, and other stakeholders for sustainable improvement in performance and corporate value.
2. Make it a system with an appropriate remuneration level reflecting the Company's business domain and scale and rewards the responsibilities, roles, and results of each position in order to recruit and retain excellent human resources.
3. Take decisions through an appropriate process that is objective and rational so as to ensure accountability to stakeholders.

◆ Composition of Remuneration

(1) Directors (excluding Directors (Outside) and Directors who are Audit and Supervisory Committee Members)

The composition ratio is a model based on standard business performance and will fluctuate according to the Company's performance.

Composition of Remuneration	Contents		Composition ratio
Basic remuneration	Fixed monthly remuneration with amount determined according to position		60%
Performance-linked remuneration	Performance-linked bonus	Performance-linked remuneration funds x Multiplier by position (performance portion)	25%
	Additional performance bonus	Performance-linked remuneration funds x Multiplier by position (individual evaluation portion) x Individual evaluation multiplier x Adjustment ratio	
	Non-financial evaluation bonus	Performance-linked remuneration funds x Multiplier by position (non-financial evaluation portion) x Non-financial evaluation multiplier	
Share-based remuneration	Restricted shares		15%

- Performance-linked remuneration funds = Consolidated ordinary income x 0.01%

If consolidated ordinary income is ¥40 billion or more, calculation is carried out with ¥40 billion. If it is less than ¥5 billion, there is no payment.

- Multiplier by position

Position	Multiplier by position			
	Performance portion	Individual evaluation portion	Non-financial evaluation portion	Total
Chairperson	5.040	–	1.260	6.300
President	6.640	–	1.660	8.300
Vice President	5.040	–	1.260	6.300
Senior Managing Executive Officer	2.880	0.960	0.960	4.800
Managing Executive Officer	2.280	0.760	0.760	3.800
Senior Executive Officer	1.800	0.600	0.600	3.000

- Individual evaluation multiplier fluctuation range: 0% to 200%
- Adjustment ratio is a multiplier to correct fluctuations based on individual performance evaluations in the payment funds, which is determined by consolidated ordinary income.

Total sum of the multiplier by position for the additional performance bonus of eligible officers

Adjustment ratio =  $\frac{\text{Total sum (multiplier by position for the additional performance bonus x individual evaluation multiplier)}}{\text{for the eligible officers}}$

- The non-financial evaluation multiplier varies within a range of 0.8 to 1.2 according to the total score (15 to 0) of an evaluation of (1) GHG emissions, (2) percentage of women in management positions and (3) employee engagement awareness survey scores, where each item is scored on a 6-rank scale (5 to 0).

(Non-financial evaluation multiplier conversion table)

Total score	0~3	4~7	8~10	11~13	14~15
Non-financial evaluation multiplier	0.8	0.9	1.0	1.1	1.2

The non-financial evaluation multiplier is applied uniformly for all positions.

(2) Directors (Outside) (excluding Directors who are Audit and Supervisory Committee Members)

Basic remuneration	Fixed monthly remuneration
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(3) Directors who are Audit and Supervisory Committee Members

Basic remuneration	Fixed monthly remuneration determined through discussions among Audit and Supervisory Committee Members
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