

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code 3302

March 6, 2026

To Our Shareholders:

Tsuyoshi Shiraiwa,
Chairman & CEO and Executive Officer
TEIKOKU SEN-I Co., Ltd.
5-1, Nihonbashi 2-Chome, Chuo-Ku, Tokyo

**NOTICE OF ORDINARY GENERAL MEETING OF SHAREHOLDERS
FOR THE 100TH FISCAL YEAR**

The Ordinary General Meeting of Shareholders for the 100th Fiscal Year will be held as described below.

In convening this general meeting of shareholders, the Company has provided the information contained in the reference documents, etc. (matters to be provided electronically) by electronic means, by uploading to the Company's website as the "Notice of the Ordinary General Meeting of Shareholders for the 100th Fiscal Year." Please go to the website at the following URL to view those documents.

Company website:

<https://www.teisen.co.jp/ir/soukai.html> (in Japanese)

In addition to the above website, the matters to be provided electronically are available on the Tokyo Stock Exchange (TSE) website, and can be viewed by going to the TSE website (Listed Company Search) at the following URL, entering and searching for the issue name (company name) "TEIKOKU SEN-I" or code "3302," and selecting "Basic information," "Documents for public inspection/PR information," and "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting."

TSE website (Listed Company Search):

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

If you are unable to attend the meeting, you are able to exercise your voting rights online or in writing (by post). Please review the reference documents and exercise your voting rights by 5:00 p.m. on Thursday, March 26, 2026.

[Exercising voting rights online]

Please access the website for exercising voting rights designated by the Company (<https://soukai.mizuho-tb.co.jp/>), use the "Voting Code" and "Password" indicated on the voting form sent with this notice, and follow the instructions onscreen to enter your vote in favor or against the agenda items by the deadline for exercising voting rights indicated above.

When voting online, please see the "Guide to Exercising Voting Rights Online" below (available in Japanese only).

[Exercising voting rights in writing (by post)]

Please indicate your vote in favor or against the agenda items on the voting form sent with this notice and return it by post such that it arrives by the deadline for exercising voting rights indicated above.

- 1. Date and Time:** Friday, March 27, 2026 at 10:00 a.m.
- 2. Venue:** Nihonbashi Hall, Nihonbashi Takashimaya Mitsui Building 9F,
5-1, Nihonbashi 2-Chome, Chuo-Ku, Tokyo

3. Meeting Agenda:

Matters to be Reported

- (1) 100th Fiscal Year (January 1, 2025 to December 31, 2025)
Business Report, Consolidated Financial Statements, and Audit Reports on the Consolidated Financial Statements prepared by the Accounting Auditor and the Board of Auditors
- (2) 100th Fiscal Year (January 1, 2025 to December 31, 2025)
Non-consolidated Financial Statements

Matters to be Resolved

<Proposals of the Company (Proposals Nos. 1 to 5)>

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Seven Directors
- Proposal No. 3** Election of One Member of the Board of Auditors
- Proposal No. 4** Election of One Substitute Member of the Board of Auditors
- Proposal No. 5** Revision to the Performance-Linked and Share-Based Compensation Plan for Directors, Etc.

<Shareholder Proposals (Proposals Nos. 6 to 8)>

- Proposal No. 6** Approval of the Amount of Compensation to be Paid under the Restricted Stock Compensation Plan
- Proposal No. 7** Acquisition of Treasury Stock
- Proposal No. 8** Amendment to the Articles of Incorporation Regarding the Number of Outside Directors

4. Handling of Votes:

- (i) When exercising voting rights in writing (by post), if you fail to indicate your vote in favor of or against an agenda item, it will be deemed that you have voted in favor of the Company's proposals and against the shareholder proposals.
- (ii) If you exercise your voting rights both in writing (by post) and online, we will treat the exercise of voting rights online as the valid exercise of voting rights. If you exercise your voting rights online multiple times, we will treat the most recent exercise of voting rights as valid.
- (iii) If you exercise your voting rights by proxy, one other shareholder with voting rights may attend the general meeting of shareholders as your proxy. However, please note that the proxy will be required to submit document in evidence of their authority to act on your behalf.

- If you will attend the meeting in person, please submit the voting form sent with this notice to the reception desk on the day of the meeting.
- The matters to be provided electronically are to be sent in writing only to those shareholders who make a written request to that effect by the record date, but for this general meeting of shareholders, we will send the matters to be provided electronically in writing to all shareholders, irrespective of whether a written request was made. The following matters are not included in the documents in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation.
 - a. "Outline of the System to Ensure the Appropriateness of Operations and its Status" and "Basic Policy on Control of the Company" in the Business Report
 - b. "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - c. "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Accordingly, the Business Report, and Consolidated and Non-consolidated Financial Statements included in this document are a part of the documents audited by the Accounting Auditor and the Member of the Board of Auditors in preparing their Audit Report.

- If there are any changes to the matters to be provided electronically, a notice to that effect will be posted on the Company's website and on the TSE's website, with the matters before and after the change.

Reference Documents for the General Meeting of Shareholders

<Proposals of the Company (Proposals Nos. 1 to 5)>

Proposal No. 1 Appropriation of Surplus

The appropriation of surplus is proposed as follows.

Year-end dividends

The Company's policy is basically to pay dividends in proportion to earnings, while also seeking to further strengthen the corporate structure and increase retained earnings to prepare for future business development.

In order to reflect the improved performance, the Company proposes to increase the ordinary dividend by ¥5, which will result in a year-end dividend of ¥55 per share for the 100th fiscal year.

We will continue our efforts to sustainably increase profitability.

Type of dividend property

Cash

Allotment of dividend property and their aggregate amount

¥55 per common share of the Company

Total dividends: **¥1,438,989,640**

Effective date of dividends of surplus

March 30, 2026

Proposal No. 2 Election of Seven Directors

The terms of office of all seven Directors will expire at the conclusion of this meeting. In this regard, the Company proposes the election of seven Directors (three of whom are Outside Directors).

The candidates for Director are as follows:

Candidate No.	Name	Position and responsibility in the Company (Significant concurrent positions outside the Company)	
1	Tsuyoshi Shiraiwa	Chairman & CEO and Executive Officer	Reelection
2	Toru Masutani	Representative Director and President & COO, and Executive Officer	Reelection
3	Tatsuru Okamura	Director, Vice President, and Executive Officer General Management Assistant, Officer in charge of Planning & Administration Department General Disaster Prevention & Preparedness Business, Officer in charge of Disaster Prevention Management Department	Reelection
4	Toru Nakao	Director and Managing Executive Officer Manager of Drainage Systems Group, Disaster Prevention Management Department	Reelection
5	Nobuko Narita	Outside Director	Reelection Outside Independent
6	Masanori Nishi	Special Advisor to Nippon Life Insurance Company	New Outside Independent
7	Masaharu Kubota	Senior Fellow of Japan Airlines Co., Ltd.	New Outside Independent

New: New candidate for election as Director

Reelection: Candidate for reelection as Director

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	 <p data-bbox="304 779 572 837">Tsuyoshi Shiraiwa (September 25, 1946)/Male</p> <p data-bbox="384 875 493 902">Reelection</p>	<p data-bbox="619 275 1078 302">Apr. 1969 Joined The Fuji Bank, Limited</p> <p data-bbox="619 315 1177 342">May 1990 General Manager of Kita-kyushu Branch</p> <p data-bbox="619 356 1163 383">June 1992 Administrative Officer of the Company</p> <p data-bbox="619 396 1219 456">Apr. 1993 Administrative Officer and General Manager of Corporate Management Division</p> <p data-bbox="619 470 1222 591">Apr. 1998 Administrative Officer, General Manager of Corporate Management Division and General Manager of Special Public Sector Demand Division</p> <p data-bbox="619 604 1214 701">Mar. 1999 Director, General Manager of Corporate Management Division and General Manager of Special Public Sector Demand Division</p> <p data-bbox="619 714 967 741">Mar. 2001 Managing Director</p> <p data-bbox="619 754 1035 781">Apr. 2003 Senior Managing Director</p> <p data-bbox="619 795 1050 822">Feb. 2007 Director and Vice President</p> <p data-bbox="619 835 1230 862">Mar. 2012 Representative Director and President & COO</p> <p data-bbox="619 875 1228 902">Mar. 2020 Representative Director and President & CEO</p> <p data-bbox="619 916 956 943">Mar. 2021 Chairman & CEO</p> <p data-bbox="619 956 1174 1016">Mar. 2022 Chairman & CEO and Executive Officer (current position)</p> <p data-bbox="619 1030 1142 1057">Significant concurrent positions outside the Company</p> <p data-bbox="619 1070 635 1097">—</p>	40,900 shares
<p data-bbox="284 1115 810 1142">[Reasons for nomination as candidate for Director]</p> <p data-bbox="284 1146 1433 1330">Mr. Tsuyoshi Shiraiwa, after holding key positions in the Company's Corporate Management and Sales Divisions, served as Representative Director and President of the Company from 2012 to 2020, and was appointed Chairman & CEO in 2021. He has contributed to the growth of the Group based on his extensive experience as a corporate manager. Based on this experience, track record and his broad insight into the business of the Group, the Company has judged that he will contribute to enhancing the corporate value of the Group, and therefore again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	 Toru Masutani (July 26, 1948)/Male Reelection	Apr. 1975 Joined the Company Apr. 1999 General Manager of Disaster Prevention Management Department Apr. 2004 Administrative Officer Mar. 2007 Director and General Manager of Disaster Prevention Management Department Mar. 2015 Managing Director, General Disaster Prevention & Preparedness Business and General Manager of Disaster Prevention Management Department Mar. 2020 Director and Vice President Mar. 2021 Representative Director and President & COO Mar. 2022 Representative Director and President & COO, and Executive Officer (current position) Significant concurrent positions outside the Company –	25,100 shares
<p>[Reasons for nomination as candidate for Director] Mr. Toru Masutani, after holding key positions in the Company's Sales Division, currently serves as Representative Director and President of the Company. Based on his broad experience and knowledge regarding the products and business of the Group, the Company has judged that his experience and ability will contribute to enhancing the corporate value of the Group, and therefore again nominates him as a candidate for Director.</p>			
3	 Tatsuhiro Okamura (March 26, 1964)/Male Reelection	Apr. 1987 Joined The Fuji Bank, Limited Apr. 2012 General Manager of Corporate Strategy Department No. 2 of Mizuho Bank, Ltd. June 2016 Administrative Officer of the Company Apr. 2017 General Manager of Planning & Administration Department Mar. 2018 Director and General Manager of Planning & Administration Department Mar. 2019 Managing Director and General Manager of Planning & Administration Department Mar. 2021 Director and Vice President Mar. 2022 Director, Vice President, and Executive Officer (current position) Significant concurrent positions outside the Company –	3,400 shares
<p>[Reasons for nomination as candidate for Director] Mr. Tatsuhiro Okamura has extensive experience at financial institutions. Since joining the Company, he has been in charge of the Corporate Management and Sales Divisions and currently assists in the overall management of the Company. Accordingly, he has extensive knowledge of corporate management. The Company has judged that his experience and ability will contribute to enhancing the corporate value of the Group, and therefore again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
4	 <p data-bbox="336 763 539 819">Toru Nakao (July 11, 1966)/Male</p> <p data-bbox="384 857 491 882">Reelection</p>	<p data-bbox="619 275 979 300">Apr. 1990 Joined the Company</p> <p data-bbox="619 315 1114 340">May 1996 Seconded to TEISHO Trading Inc.</p> <p data-bbox="619 356 1209 380">Apr. 2010 Manager of Disaster Prevention Department</p> <p data-bbox="619 396 1219 452">Mar. 2011 Director and Manager of Disaster Prevention Department</p> <p data-bbox="619 468 1190 524">Mar. 2014 Staff Manager of Disaster Prevention Management Department of the Company</p> <p data-bbox="619 539 1182 629">Mar. 2017 Director and Manager of Business Development Group, Disaster Prevention Management Department</p> <p data-bbox="619 645 1203 734">Nov. 2019 Director and Manager of Drainage Systems Group, Disaster Prevention Management Department</p> <p data-bbox="619 750 1222 840">Mar. 2020 Managing Director and Manager of Drainage Systems Group, Disaster Prevention Management Department</p> <p data-bbox="619 855 1225 978">Mar. 2022 Director and Managing Executive Officer Manager of Drainage Systems Group, Disaster Prevention Management Department (current position)</p> <p data-bbox="619 994 1139 1019">Significant concurrent positions outside the Company</p> <p data-bbox="619 1034 635 1059">-</p>	12,500 shares
<p data-bbox="284 1084 810 1108">[Reasons for nomination as candidate for Director]</p> <p data-bbox="284 1115 1430 1232">Mr. Toru Nakao has held key positions in the Company's Sales Division for many years, and has extensive experience and knowledge of the Group's products and businesses. The Company has judged that his experience and ability will contribute to enhancing the corporate value of the Group, and therefore again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	 <p data-bbox="300 689 576 745">Nobuko Narita (September 4, 1947)/Female</p> <p data-bbox="379 786 499 875">Reelection Outside Independent</p>	<p data-bbox="619 275 1201 365">Apr. 1972 Appointed as public prosecutor, Prosecutor assigned to the Litigation Department, Ministry of Justice</p> <p data-bbox="619 383 1201 439">Mar. 1973 Prosecutor assigned to the Litigation Department, Sapporo Legal Affairs Bureau</p> <p data-bbox="619 456 1201 512">Mar. 1976 Prosecutor assigned to the Litigation Department, Tokyo Legal Affairs Bureau</p> <p data-bbox="619 530 1201 586">Jan. 1981 Prosecutor assigned to the Litigation Department, Nagoya Legal Affairs Bureau</p> <p data-bbox="619 604 1074 631">May 1981 Resigned as public prosecutor</p> <p data-bbox="619 642 1153 698">Aug. 1981 Joined the Tokyo Aoyama Law Office (currently Baker & McKenzie)</p> <p data-bbox="619 716 962 743">Oct. 1995 Appointed Partner</p> <p data-bbox="619 754 1026 781">Dec. 2010 Stepped down as Partner</p> <p data-bbox="619 792 874 819">Oct. 2023 Resigned</p> <p data-bbox="619 831 1193 898">Mar. 2024 Outside Director of the Company (current position)</p> <p data-bbox="619 909 1145 976">Significant concurrent positions outside the Company –</p>	600 shares
<p data-bbox="284 994 1217 1021">[Reasons for nomination as candidate for Outside Director and overview of expected roles]</p> <p data-bbox="284 1025 1425 1249">Ms. Nobuko Narita has no past experience in corporate management, but she has abundant experience and broad professional knowledge as a public prosecutor and an attorney at law, which she is expected to leverage to provide supervision, advice, and the like on Directors' execution of duties from an objective standpoint. The Company has judged that she has been appropriately executing her duties as an Outside Director of the Company, and therefore again nominates her as a candidate for Director. If elected, she will lead the selection of candidates for Director and reporting on compensation and other matters as the chairperson of the Nomination and Compensation Committee. At the conclusion of this meeting, her tenure as Outside Director of the Company will have been two years.</p>			
6	 <p data-bbox="323 1563 555 1619">Masanori Nishi (March 18, 1954)/Male</p> <p data-bbox="379 1659 499 1749">New Outside Independent</p>	<p data-bbox="619 1261 1050 1288">Apr. 1978 Joined the Defense Agency</p> <p data-bbox="619 1299 1161 1355">Aug. 1981 Director General, Bureau of Finance & Equipment, Ministry of Defense</p> <p data-bbox="619 1373 1209 1400">Aug. 2011 Director General, Bureau of Defense Policy</p> <p data-bbox="619 1411 1177 1438">Apr. 2013 Administrative Vice-Minister of Defense</p> <p data-bbox="619 1449 1185 1476">Oct. 2015 Policy Advisor to the Minister of Defense</p> <p data-bbox="619 1487 1185 1554">Mar. 2016 Special Advisor to Nippon Life Insurance Company (current position)</p> <p data-bbox="619 1572 1145 1639">Significant concurrent positions outside the Company Special Advisor to Nippon Life Insurance Company</p>	– shares
<p data-bbox="284 1760 1217 1787">[Reasons for nomination as candidate for Outside Director and overview of expected roles]</p> <p data-bbox="284 1792 1433 2018">Mr. Masanori Nishi has no past experience in corporate management, but he has held key positions, including Administrative Vice-Minister of Defense, and possesses advanced expertise and broad insight in areas such as national security, crisis management, and information security measures. He is expected to leverage this knowledge to provide supervision, advice, and the like on Directors' execution of duties from an objective standpoint. The Company has judged that he will be able to appropriately execute his duties as an Outside Director of the Company, and therefore nominates him as a candidate for Director. If elected, he will be involved in the selection of candidates for Director and reporting on compensation and other matters as a member of the Nomination and Compensation Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
7	 Masaharu Kubota (August 8, 1964)/Male New Outside Independent	Apr. 1988 Joined the Ministry of Transport July 2017 Director-General of Network Department, Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism July 2019 Deputy Vice-Minister for Policy Coordination, Minister's Secretariat July 2020 Deputy Vice-Minister for Public Transport and Logistics Policy July 2021 Director-General, Civil Aviation Bureau Dec. 2023 Advisor, the Company Jan. 2026 Senior Fellow of Japan Airlines Co., Ltd. (current position) Significant concurrent positions outside the Company Senior Fellow of Japan Airlines Co., Ltd.	– shares
<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles] Mr. Masaharu Kubota has no past experience in corporate management, but he has held key positions, including Director-General of the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, and possesses advanced expertise and abundant administrative experience in areas such as aviation safety, airport policy, and international airport administration. He is expected to leverage this knowledge to provide supervision, advice, and the like on Directors' execution of duties from an objective standpoint. The Company has judged that he will be able to appropriately execute his duties as an Outside Director of the Company, and therefore nominates him as a candidate for Director. If elected, he will be involved in the selection of candidates for Director and reporting on compensation and other matters as a member of the Nomination and Compensation Committee.</p>			

- Notes
1. There is no special interest between any of the candidates and the Company.
 2. Ms. Nobuko Narita, Mr. Masanori Nishi and Mr. Masaharu Kubota are candidates for Outside Director.
 3. The Company has notified the Tokyo Stock Exchange of Ms. Nobuko Narita as an independent officer who is unlikely to have any conflict of interest with the general shareholders, and she will continue to be an independent officer if her election is approved. If elections of Mr. Masanori Nishi and Mr. Masaharu Kubota are approved, their designation as independent officers will also be notified.
 4. The Company has entered into an agreement with Ms. Nobuko Narita limiting her liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount specified in Article 425, Paragraph 1 of the Companies Act, provided that the Outside Director has performed her duties in good faith and without gross negligence. If her election is approved, the Company will continue those agreements. If elections of Mr. Masanori Nishi and Mr. Masaharu Kubota are approved, the Company will enter into a similar agreement with each of them.
 5. Summary of directors' and officers' liability insurance policy
 The Company has taken out a directors' and officers' liability insurance policy with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with the Directors as the insured, and that policy will be renewed in May 2026. If their election is approved under this agenda item, each will continue to be insured under this policy.
 - (1) Summary of insured events eligible for coverage
 The policy covers losses that may be incurred by insured directors and officers who are held liable in the performance of their duties or who are subject to claims related to the pursuit of such liability (however, losses caused by criminal acts or intentional misconduct are not covered).
 - (2) The full amount of the insurance premiums is paid by the Company.

(Reference)

If the candidates stated in this notice are elected as proposed, the skill matrix of the Board of Directors will be as follows:

Name	Position	Corporate Management	Sales/ Marketing	Global affairs	Finance/ Accounting	Production/ Technology/ IT	Legal/ Governance	Human resources/ Labor management
Tsuyoshi Shiraiwa	Chairman & CEO and Executive Officer	○	○	○	○		○	○
Toru Masutani	Representative Director and President & COO, and Executive Officer	○	○	○		○		
Tatsuru Okamura	Director, Vice President, and Executive Officer	○	○		○		○	○
Toru Nakao	Director and Managing Executive Officer		○			○		
Nobuko Narita	Director (Outside)			○			○	
Masanori Nishi	Director (Outside)			○	○		○	○
Masaharu Kubota	Director (Outside)			○			○	○

Proposal No. 3 Election of One Member of the Board of Auditors

Member of the Board of Auditors Kazuyoshi Yamaguchi will resign and retire at the conclusion of this meeting. Therefore, the Company proposes the election of one Member of the Board of Auditors. In addition, the consent of the Board of Auditors has been obtained for this proposal.

The candidate for Member of the Board of Auditors is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
 <p data-bbox="236 994 427 1050">Tomoyasu Kikuno (July 7, 1966)/Male</p> <p data-bbox="308 1088 355 1115">New</p>	<p data-bbox="531 539 1158 566">Apr. 1989 Joined the Yasuda Trust and Banking Co., Ltd.</p> <p data-bbox="531 580 1190 636">Jan. 2013 General Manager of Hamamatsu Branch, Mizuho Trust & Banking Co., Ltd.</p> <p data-bbox="531 651 1190 678">Apr. 2014 General Manager, Branch Operations Department</p> <p data-bbox="531 692 1147 748">Apr. 2016 Deputy General Manager, Branch Operations Department, Mizuho Financial Group, Inc.</p> <p data-bbox="531 763 1174 853">Apr. 2017 Executive Officer and General Manager of Fukuoka Branch, Mizuho Trust & Banking Co., Ltd.</p> <p data-bbox="531 869 1158 925">Apr. 2020 Executive Officer and General Manager, Head Office Sales Department</p> <p data-bbox="531 940 1201 1064">Apr. 2022 Vice President of Japan Stockholders Data Service Company, Limited Director and President of Mizuho Trust Operations Co., Ltd.</p> <p data-bbox="531 1079 1166 1135">Apr. 2024 Representative Director and President of Japan Stockholders Data Service Company, Limited</p> <p data-bbox="531 1151 1102 1178">Mar. 2026 Advisor, the Company (current position)</p> <p data-bbox="531 1193 1051 1220">Significant concurrent positions outside the Company</p> <p data-bbox="531 1236 544 1263">-</p>	<p data-bbox="1353 887 1434 913">- shares</p>
<p data-bbox="164 1279 943 1305">[Reasons for nomination as candidate for Member of the Board of Auditors]</p> <p data-bbox="164 1310 1434 1400">Mr. Tomoyasu Kikuno has a track record and experience in corporate management at other companies. Based on this, the Company has judged that he will be able to appropriately execute his duties as a Standing Member of the Board of Auditors of the Company, and therefore nominates him as a candidate for Member of the Board of Auditors.</p>		

- Notes
1. There is no special interest between the candidate and the Company.
 2. Mr. Tomoyasu Kikuno is a new candidate for election.
 3. The Company has taken out a directors' and officers' liability insurance policy with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with the Member of the Board of Auditors as the insured, and that policy will be renewed in May 2026. If his election is approved under this agenda item, Mr. Tomoyasu Kikuno will be insured under this policy.
 - (1) Summary of insured events eligible for coverage

The policy covers losses that may be incurred by insured directors and officers who are held liable in the performance of their duties or who are subject to claims related to the pursuit of such liability (however, losses caused by criminal acts or intentional misconduct are not covered).
 - (2) The full amount of the insurance premiums is paid by the Company.

Proposal No. 4 Election of One Substitute Member of the Board of Auditors

To prepare for circumstances in which the number of Members of the Board of Auditors falls below the number required by laws and regulations, the Company proposes the election of one substitute Member of the Board of Auditors. In addition, the consent of the Board of Auditors has been obtained for this proposal.

The candidate for substitute Member of the Board of Auditors is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
<p style="text-align: center;">Takeshi Isogai (August 6, 1963)/Male</p>	<p>Apr. 1988 Joined Citibank, N.A.</p> <p>Oct. 1993 Joined Showa Ota & Co.</p> <p>May 2000 General Manager of Administrative Division and General Manager of Management Planning Department, PeopleSoft Japan, Inc.</p> <p>Jan. 2002 General Manager of Planning Office, TOSHO COMPUTER SYSTEMS Co., Ltd.</p> <p>Oct. 2004 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>July 2009 Appointed Partner</p> <p>June 2025 Left Ernst & Young ShinNihon LLC</p> <p>July 2025 Established Takeshi Isogai CPA Office (current position)</p> <p>Significant concurrent positions outside the Company Certified Public Accountant, Takeshi Isogai CPA Office</p>	<p style="text-align: center;">– shares</p>
<p>[Reasons for nomination as candidate for substitute Member of the Board of Auditors] Mr. Takeshi Isogai has no past experience in corporate management, but he possesses extensive experience and broad professional knowledge from his time at an auditing firm. Based on this, the Company has judged that he will be able to appropriately execute his duties as a Member of the Board of Auditors of the Company.</p>		

- Notes
1. There is no special interest between the candidate and the Company.
 2. Mr. Takeshi Isogai is a candidate for a substitute Outside Member of the Board of Auditors.
 3. If Mr. Takeshi Isogai assumes office as a Member of the Board of Auditors, the Company plans to enter into agreements limiting his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount specified in Article 425, Paragraph 1 of the Companies Act, provided that the Outside Member of the Board of Auditors has performed his duties in good faith and without gross negligence.
 4. The Company has taken out a directors' and officers' liability insurance policy with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with the Directors and Members of the Board of Auditors as the insured. If Mr. Takeshi Isogai assumes office as a Member of the Board of Auditors, he will be insured under the directors' and officers' liability insurance policy.
 - (1) Summary of insured events eligible for coverage
The policy covers losses that may be incurred by insured directors and officers who are held liable in the performance of their duties or who are subject to claims related to the pursuit of such liability (however, losses caused by criminal acts or intentional misconduct are not covered).
 - (2) The full amount of the insurance premiums is paid by the Company.

Proposal No. 5 Revision to the Performance-Linked and Share-Based Compensation Plan for Directors, Etc.

1. Reasons for the proposal and basis for its appropriateness

The Company received approval to introduce the Board Benefit Trust (BBT), a performance-linked and share-based compensation system for Directors (excluding outside Directors; the same applies throughout this proposal unless otherwise specified) and Executive Officers (hereinafter collectively referred to as “Directors, etc.”) of the Company (hereinafter the “Current BBT System”) at the Ordinary General Meeting of Shareholders for the 96th Fiscal Year held on March 30, 2022, and it has been in effect to this day. (The resolution approved at the above General Meeting of Shareholders is hereinafter the “Original Resolution.”)

This proposal seeks approval to revise the Current BBT System and transition to Board Benefit Trust-Restricted Stock (BBT-RS) which delivers shares with transfer restrictions until retirement (hereinafter the “System”). It aims to maximize the benefits obtained from both the trust scheme and the RS scheme, while clarifying the link between the compensation of Directors, etc. and the Company’s performance and share value by granting shares during their tenure, and by sharing with shareholders not only the benefits of a rising share price but also the risk of a falling share price, the proposal seeks to raise awareness among Directors, etc. that they must contribute to the improvement of the Company’s performance and the increase of its corporate value over the medium to long term.

Taking into account the above objective, and the fact that if this proposal is approved as originally proposed, it aligns with the policy (mentioned below) regarding the determination of individual compensation details for the Directors of the Company which is scheduled to be resolved by the Company’s Board of Directors after the conclusion of this Ordinary General Meeting of Shareholders, we consider the content of this proposal to be appropriate.

This proposal seeks approval for the specific calculation method and details regarding the amount of compensation, etc., to be paid to Directors of the Company in accordance with the System, which is separate from the amount of compensation for Directors (a maximum annual amount of ¥600 million (of which the maximum annual amount for outside Directors shall be ¥50 million); however, employee salaries are not included) approved at the Ordinary General Meeting of Shareholders for the 91st Fiscal Year held on March 30, 2017 and the Ordinary General Meeting of Shareholders for the 96th Fiscal Year held on March 30, 2022. The Company requests that the determination of details of the System be delegated to the Board of Directors within the framework of 2. below.

Subject to the approval and adoption of Proposal No. 2 as originally proposed, the number of Directors eligible for the System will be four.

Notwithstanding this amendment, under the Current BBT System, the delivery of Company shares and cash equivalent to the market price of the Company’s shares based on points granted to Directors, etc. by the end of March 2026 (hereinafter the “Company’s Shares, etc.”) will, as before and in principle, be made at the time of retirement for Directors, etc. in accordance with the Original Resolution. After this proposal is approved and the amendment is implemented, the Current BBT System will be closed, and thereafter, granting of new points to Directors, etc. under the Current BBT System will not be made.

2. Specific calculation methods and specific details of the amount of compensation, etc. under the System

(1) Overview of the System

The System is a performance-linked share-based compensation system under which Company’s shares are acquired through a trust (hereinafter, the trust established based on the Current BBT System and the System is referred to as the “Trust”) using money contributed by the Company, and Company’s shares, etc. are delivered to Directors, etc. through the Trust in accordance with the rules for the delivery of restricted stock to officers established by the Company. In addition, Directors, etc. shall receive delivery of Company shares, in principle, at a fixed time each year, and shall receive delivery of the monetary amount equivalent to the market value of the Company shares, in principle, at the time of their retirement. If Directors, etc. receive delivery of the Company’s shares during their tenure, they shall, prior to such delivery, enter into a comprehensive transfer restriction agreement with the Company as set forth in 3. below. The conclusion of

this comprehensive transfer restriction agreement imposes restrictions on the transfer or other disposal of the Company shares delivered to Directors, etc. during their tenure until their retirement.

(2) Individuals eligible for the System

Directors (Outside Directors and Members of the Board of Auditors are ineligible for the System.) and Executive Officers

(3) Trust period

From May 2022 until the Trust is terminated (no specific end date has been set for the Trust, and the Trust shall continue as long as the System continues. The System will be terminated upon delisting of the Company's shares or abolition of the rules for the delivery of restricted stock to officers.)

(4) Trust amount

The Company has established the Trust by contributing funds necessary to enable the Trust to acquire, in advance, the number of the Company's shares reasonably expected to be required for granting shares under the Current BBT System for a certain period. The Company made a contribution of ¥604 million to the Trust at the start of the trust period (May 2022) for the fiscal year ended December 31, 2022, to the extent approved by the Original Resolution. Afterward, the Company made additional contributions of ¥111 million and ¥392 million to the Trust in May 2023 and August 2025, respectively. The Trust shall continue to exist as the trust for the System following the amendment resulting from the resolution of this proposal.

Subject to the approval of this proposal, the Company will revise the Current BBT System to the System for the fiscal year ending December 31, 2026 (hereinafter the "BBT-RS Initial Fiscal Year") and for each subsequent fiscal year. In order to deliver Company's Shares, etc. to the Directors, etc., the Trust shall acquire such shares using funds contributed by the Company under the Current BBT System, and the Company shares and cash remaining in the trust assets shall then be used as the source of benefits under the System following the revision of the System upon approval of this proposal.

Also, after the BBT-RS Initial Fiscal Year has passed and until the System ends, the Company will, in principle, each fiscal year, make additional contributions of funds to the Trust deemed necessary for the advance acquisition of shares reasonably expected to be necessary, based on the System, for provision to Directors, etc. Provided, however, if, at the time of such additional contributions, there remain the Company's shares (excluding the Company's shares corresponding to the points granted to Directors, etc. but not yet delivered to Directors, etc. for each fiscal year to date) and money (hereinafter the "Remaining Shares, etc.") in the trust assets, the Remaining Shares, etc. shall be used as funds for payments under the System during the subsequent fiscal year, and the additional contribution amount shall be calculated taking into account the Remaining Shares, etc.

Note: The actual amount of money that the Company will contribute to the Trust will include the sum of the aforementioned funds for share acquisition and the estimated amount of necessary expenses, such as trust fees.

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

The Trust shall acquire Company shares by using the funds contributed in accordance with (4) above, through a securities exchange market or by subscribing to the disposal of the Company's treasury stock.

Given that the upper limit of points to be granted to Directors, etc. is 139,350 per fiscal year as defined in (6) below, the upper limit of the number of Company shares to be acquired by the Trust for each fiscal year is 139,350.

The Company will make appropriate and timely disclosure of the details of acquisitions of Company shares by the Trust.

(6) Upper limit of the number of the Company's Shares, etc. to be delivered to Directors, etc.

Directors, etc. are awarded a number of points each fiscal year based on the rules for the delivery of restricted stock to officers, taking into consideration their position, performance level, and other factors. The total number of points granted to Directors per fiscal year shall be limited to 66,840 points. The total number of points granted to Executive Officers per fiscal year shall be limited to 72,510 points. This has been determined based on comprehensive consideration of the current level of compensation for Directors, the trend in number of Directors, etc. and future prospects, and is considered to be appropriate.

Each point to be granted to Directors, etc. is converted into one Company common share on the occasion of the delivery of Company's Shares, etc. mentioned in (7) below. (If, however, Company shares are subjected to a share split, gratis share allocation or share consolidation after this proposal is approved, the Trust will make a reasonable adjustment to the upper limit of the points, granted points, or conversion ratio, according to the applicable percentage figures.)

The number of points for Directors, etc., used as a basis for delivering Company's Shares, etc. in (7) below, shall, in principle, be the number of points granted to those Directors, etc. by the time the beneficial interest in (7) below vests (hereinafter, points thus calculated will be referred to as "Vested Points").

(7) Specific calculation methods for delivery of the Company's shares and the amount of compensation, etc.

A Director, etc. who has satisfied the beneficiary requirements shall, in principle, receive from the Trust at a certain time each year the number of Company's shares calculated according to a specific percentage of the "Vested Points" under (6) above by following the prescribed beneficiary vesting procedures. For the remaining shares corresponding to the Vested Points, the Director, etc. shall, in principle, receive monetary provisions equivalent to the market value of the Company's shares at the time of retirement, instead of delivery of the Company's shares. The Trust may sell the Company's shares in order to make monetary provisions.

Additionally, if Directors, etc., receive delivery of the Company's shares during their tenure, they shall, prior to receiving such shares, enter into a comprehensive transfer restriction agreement with the Company, as outlined in section 3 below. This will impose restrictions on the transfer or other disposal of the Company shares received by Directors, etc. during their tenure, until the retirement of those Directors, etc.

Even a Director, etc. to whom points are granted shall not be able to obtain the right to receive delivery of the Company's shares if a resolution to dismiss them is passed at a general meeting of shareholders.

The amount of compensation that Directors receive shall be based on the amount obtained by multiplying the total number of points granted to Directors by the per share book value of the Company's shares held in the Trust at the time the points are granted (provided, however, that if Company shares are subject to a share split, allotment of shares without contribution, consolidation of shares, or other similar actions, reasonable adjustments shall be made in accordance with this rate or other factors). In addition, if it is deemed appropriate to make an exceptional cash payment pursuant to the rules for the delivery of restricted stock to officers, the amount shall include such cash amount.

(8) Exercise of voting rights

The voting rights of the Company shares held in the Trust shall be uniformly non-exercisable based on the instructions of the trust administrator. By adopting this approach, the Company intends to ensure the neutrality towards the management of the Company with respect to the exercise of the voting rights attached to the Company's shares in the Trust's account.

(9) Handling of dividends

Dividends from the Company's shares held in the Trust account will be received by the Trust and used for the purchase of Company shares, payment of fees to the Trustee responsible for administering the Trust, and other related purposes. If the Trust is terminated, the dividends, etc. remaining in the Trust at that time will be distributed to Directors, etc. then in office in proportion to the number of points held by each Director, etc. in accordance with the provisions in the rules for the delivery of restricted stock to officers.

(10) Treatment upon termination of the trust

The Trust will terminate if the Company's shares are delisted or the rules for the delivery of restricted stock to officers are repealed or otherwise discontinued.

Of the residual assets of the Trust at the time of termination, it is expected that all Company shares will be acquired by the Company at no cost and then cancelled by a resolution of the Board of Directors. Upon termination of the Trust, any cash remaining in the residual assets of the Trust after payment of the cash to be delivered to Directors, etc. pursuant to (9) above shall be delivered to the Company.

3. Outline of the Comprehensive Transfer Restriction Agreement Pertaining to Company's Shares Granted to Directors, etc.

If Directors, etc. receive delivery of the Company's shares during their tenure, they shall, prior to delivery of Company shares, enter into a comprehensive transfer restriction agreement (hereinafter the "Transfer Restriction Agreement") with the Company, which includes the following details (Directors, etc. shall receive delivery of the Company's shares contingent on entering into the Transfer Restriction Agreement). However, if Directors, etc. have already resigned by the time of share delivery, the Company may deliver shares to them without requiring them to enter into the Transfer Restriction Agreement.

(i) Details of the transfer restriction

Directors, etc. may not transfer, create a security interest in, or otherwise dispose of the Company shares delivered to them from the day they receive delivery of the shares until the day they retire from all positions as Director, etc. of the Company

(ii) Acquisition by the Company at no cost

In the event of specific misconduct by Directors, etc., or if Directors, etc. fail to meet the criteria for lifting the transfer restrictions as outlined in (iii) below, the Company will acquire the relevant shares at no cost.

(iii) Lifting of the transfer restriction

Where a Director, etc. retires from all positions as Director, etc. of the Company for any justifiable reason or retires due to death, transfer restrictions shall be lifted at the time of retirement.

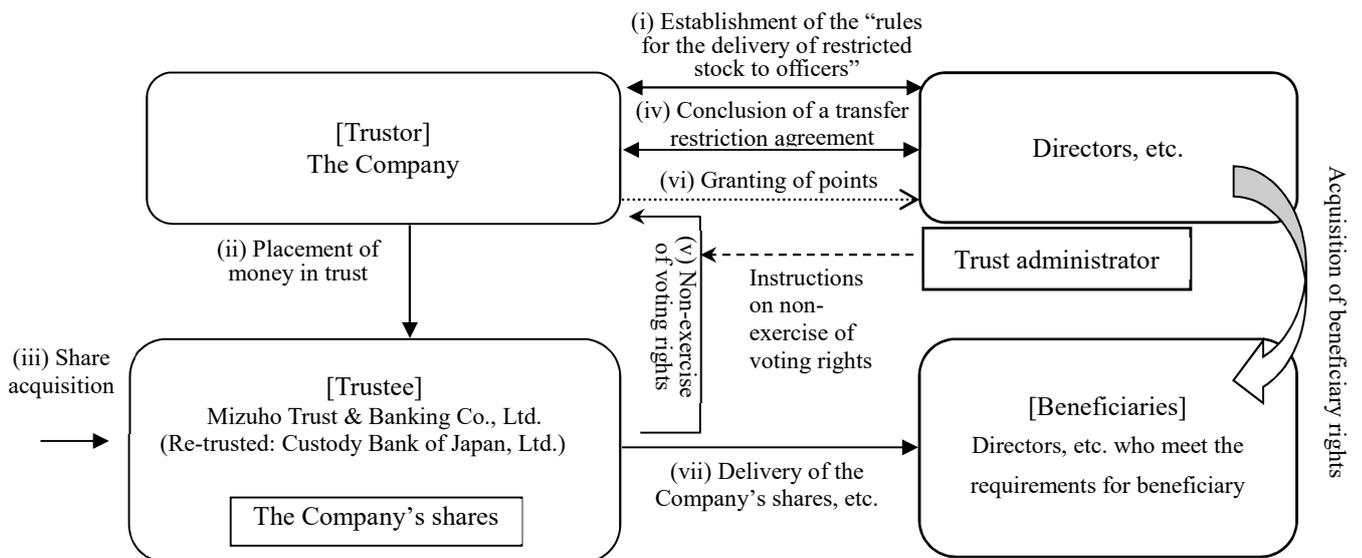
(iv) Treatment in reorganization, etc.

If, during the transfer restriction period, matters related to a merger agreement in which the Company is the disappearing company, or other forms of reorganization, etc. are approved at a General Meeting of Shareholders of the Company, the Company, by a resolution of the Board of Directors, will lift the transfer restrictions immediately as of the close of business on the business day immediately preceding the effective date of such reorganization, etc.

Company shares subject to transfer restrictions under the Transfer Restriction Agreement will be managed in a dedicated account, to be opened by the applicable Directors, etc. at a securities company designated by the Company, during the transfer restriction period to ensure that the shares cannot be transferred, subjected to any security interest or otherwise disposed of during the transfer restriction period.

In addition to the above, the methods for expressions of intent and notices under the Transfer Restriction Agreement, the method by which the Transfer Restriction Agreement shall be amended, and any other matter as determined by the Board of Directors shall be set forth in the Transfer Restriction Agreement.

<Reference: Structure of the System>



- (i) The Company will establish the “rules for the delivery of restricted stock to officers” within the framework approved under this proposal.
- (ii) The Company shall place money in trust within the limit approved by this proposal.
- (iii) The Trust shall acquire Company shares through a securities exchange market or by subscribing to the disposal of the Company’s treasury stock using the money placed in trust in (ii).
- (iv) Directors, etc. shall enter into a transfer restriction agreement with the Company that includes a provision that restricts the transfer or other disposal of the Company shares received during their tenure, until the retirement of those Directors, etc.
- (v) At the direction of a trust administrator independent of the Company, the Trust shall not exercise any voting rights attached to the Company’s shares in the Trust’s account.
- (vi) The Company will grant points to Directors, etc. based on the rules for the delivery of restricted stock to officers.
- (vii) The Trust shall, at a certain time each year, deliver Company shares to those Directors, etc. who meet the beneficiary requirements stipulated in the rules for the delivery of restricted stock to officers (hereinafter the “Beneficiaries”), in accordance with a specified proportion of the points granted to such Beneficiaries. Additionally, in principle, a monetary provision equivalent to the market value of Company shares at the time of retirement will be made in lieu of Company shares corresponding to the number of remaining points.

<Reference: Policy on Determining the Details of Compensation, Etc. for Individual Directors after Introduction of the System>

Policy on Determining the Details of Compensation, Etc. for Individual Directors

1. Basic policy

The compensation and other matters for the Company's Directors are structured by combining basic compensation with performance-linked compensation to function effectively as an incentive for the sustainable enhancement of corporate value. Specifically, the compensation shall consist of basic compensation as a fixed compensation, bonuses as short-term performance-linked compensation, and the Board Benefit Trust as a stock-based compensation system for medium-to-long-term performance-linked compensation. Only basic compensation will be paid to Outside Directors.

2. Policy on determining the amounts of basic compensation for each Director (monetary compensation) (including policy for determining the timing or conditions for granting compensation, etc.)

The basic compensation for Directors is a regular salary that is paid monthly based on the responsibilities and positions of each Director.

3. Policy on determining the details and the method for calculating the amount or quantity of performance-linked compensation and non-monetary compensation, etc. (including policy for determining the timing or conditions for granting compensation, etc.)

Bonuses which constitute performance-linked compensation will use consolidated operating profit as an indicator, and the total payment amount will be determined based on an evaluation of the degree of achievement against this indicator and paid out at a fixed time each year in accordance with responsibilities and positions of each Director. The Board Benefit Trust, as a non-monetary, performance-linked and share-based compensation system, was introduced with the aim of clarifying the link between the compensation of Directors and the Company's performance and share value. Points calculated for each position based on consolidated operating profit as an indicator and the degree of achievement as the evaluation criterion will be granted at a fixed time each year. Restricted stock corresponding to a certain percentage of the points will be provided at a fixed time each year, and cash corresponding to the remaining percentage of the points will be paid out upon a Director's retirement. Furthermore, entering into a transfer restriction agreement with each Director will impose restrictions on the transfer or other disposal of the Company shares delivered, until the retirement of the Director.

4. Policy for determining the ratio of the amounts of monetary compensation, performance-linked compensation, and non-monetary compensation to the amount of compensation for each individual director

The ratio between fixed compensation, which consists of basic compensation, and performance-linked compensation, which consists of bonuses and Board Benefit Trust, is set to be approximately 50:50.

5. Matters relating to delegation of decision-making on the details of compensation, etc. for individual Directors

Compensation for Directors shall be determined by the Board of Directors, within the limits of the compensation framework approved by the General Meeting of Shareholders, based on the deliberations and recommendations of the Nomination and Compensation Committee. Furthermore, basic compensation shall be determined by the Chairman, to whom the Board of Directors has delegated such authority, within the compensation range for each position resolved by the Board of Directors.

<Shareholder Proposals (Proposals Nos. 6 to 8)>

Proposals Nos. 6 to 8 were submitted by shareholders.

As described below, the Board of Directors opposes all shareholder proposals.

The summary of the proposals and the reasons for the proposals are presented in their original form.

Proposal No. 6 Approval of the Amount of Compensation to be Paid under the Restricted Stock Compensation Plan

(1) Summary of the proposal

Pursuant to the resolution of the 93rd Ordinary General Meeting of Shareholders held on March 28, 2019, the maximum annual compensation for the Company's Directors is ¥600 million (of which the maximum annual compensation for Outside Directors shall be ¥12 million). At the 91st Ordinary General Meeting of Shareholders held on March 30, 2022, the maximum amount of compensation for Outside Directors was set at ¥50 million, and the Board Benefit Trust (BBT) system was approved at the same meeting. In order to provide an incentive for the continuous improvement of the Company's corporate value and to further promote the value sharing between the Company's Directors (including Outside Directors, hereinafter the "Eligible Directors") and the Company's shareholders, the Company should newly grant the monetary compensation claims for the Restricted Stock Compensation to the Eligible Directors within an annual amount of ¥600 million (of which, ¥50 million for Outside Directors), and with a maximum number of shares of 150,000 (of which, 12,500 for Outside Directors), instead of the BBT as mentioned above. The Board of Directors will determine the specific criteria for payment, timing, and allocation.

(2) Reason for proposal

The Company has not adopted a restricted stock compensation plan (the "Plan"), and therefore value sharing between the Directors and shareholders cannot be said to be sufficient. Accordingly, the Company proposes to introduce the system for its Directors and to make all Directors of the Company, including Outside Directors, eligible for the Plan. In order to promote value sharing between Directors and shareholders, it is necessary that stock-based compensation be granted to Directors during their tenure until it reaches an amount equivalent to three times their fixed compensation, which is regarded as an effective benchmark for stock-based compensation, and that a certain scale of restricted stock be granted over a relatively short period.

Therefore, it is proposed that the scope of this plan be extended to all Directors (including Outside Directors) of the Company and restricted shares be granted in the amount of three times the fixed compensation cumulatively over the next three years.

[Opinion of the Company's Board of Directors]

The Board of Directors opposes this proposal.

The compensation and other matters for the Company's Directors are structured by combining basic compensation with performance-linked compensation to function effectively as an incentive for the sustainable enhancement of corporate value, and our basic policy is to determine appropriate levels of the compensation based on responsibilities and positions. Specifically, the compensation consists of basic compensation as a fixed compensation, bonuses as short-term performance-linked compensation, and the Board Benefit Trust (BBT) as a stock-based compensation system for medium-to-long-term performance-linked incentives (hereinafter the "Current BBT System"). Regarding the Current BBT System, a proposal has been presented to this Ordinary General Meeting of Shareholders to amend the Current BBT System and transition to Board Benefit Trust-Restricted Stock (BBT-RS), which grants shares during a Director's tenure and subjects those shares to transfer restrictions until the Director's retirement (hereinafter the "BBT-RS System"). Only basic compensation is provided for Outside Directors. In addition, to ensure objectivity and fairness in determining the compensation of Directors, the Company has established the Nomination and Compensation Committee as a voluntary advisory body of the Board of Directors, chaired by an independent director and with a majority of its members being independent directors. The decision to propose the transition to the BBT-RS System at this Ordinary General

Meeting of Shareholders, as well as the compensation structure described above, is made based on the deliberations and recommendations of the Nomination and Compensation Committee.

This shareholder proposal proposes the introduction of a restricted stock compensation plan as a stock-based compensation system. However, as described above, the Company introduced the Current BBT System after obtaining approval at the Ordinary General Meeting of Shareholders held in March 2022, and furthermore, at this Ordinary General Meeting of Shareholders, a proposal to transition to the BBT-RS System has been submitted. The BBT-RS System aims to maximize the benefits obtained from both the trust scheme and the RS scheme, while clarifying the link between the compensation of Directors and the Company's performance and share value by granting shares during their tenure. By sharing with shareholders not only the benefits of a rising share price but also the risk of a falling share price, the system seeks to raise awareness among Directors that they must contribute to the improvement of the Company's performance and the increase of its corporate value over the medium to long term. We believe that the value sharing between the Directors and the shareholders is adequately promoted. In addition, this shareholder proposal proposes that, instead of the Board Benefit Trust, the Eligible Directors will be granted monetary compensation claims for the purpose of newly granting them restricted stock, and that they will be granted restricted stock equivalent to three times their fixed compensation over the next three years. However, the Company has determined, based on the deliberations and recommendations of the Nomination and Compensation Committee, that the ratio between fixed compensation, which consists of basic compensation, and performance-linked compensation, which consists of bonuses and stock-based compensation (Board Benefit Trust, including the BBT-RS System to which transition is to be made at this Ordinary General Meeting of Shareholders), should be approximately 50:50, at the Company's Board of Directors, with the aim of sharing interests with shareholders and continuously enhancing corporate value. We believe that this shareholder proposal is inappropriate because it provides an excessively high proportion of stock-based compensation and is significantly unbalanced in its allocation among base compensation, performance-linked bonuses, and stock-based compensation. Furthermore, this shareholder proposal proposes the introduction of a restricted stock compensation system for Outside Directors as well. However, as described above, we expect Outside Directors to play a role in monitoring and supervising management from a position independent of business execution, and we believe that providing these individuals with performance-linked incentives is not appropriate.

The Company's Board of Directors opposes this shareholder proposal for the reasons stated above.

Proposal No. 7 Acquisition of Treasury Stock

(1) Summary of the proposal

Pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, the Company should repurchase its common shares by means of a cash payment within one year from the conclusion of this Ordinary General Meeting of Shareholders, up to a total of 2,758,440 shares and a total acquisition cost of ¥11,033,760,000.

(2) Reason for proposal

As a reflection of the Company's initiatives focused on its business performance and stock price, the Company's stock price has grown steadily during 2025. Additionally, the fact that the Company resolved to purchase 500,000 treasury shares at the Board of Directors Meeting held on February 14, 2025, and implemented this purchase on February 17, 2025, is worthy of certain recognition. However, with approximately ¥16.7 billion in cash and approximately ¥31.0 billion in shares of strategic shareholdings, the Company's capital efficiency remains inadequate. To further enhance shareholder returns and improve capital efficiency, we propose the Company acquire approximately 10% of its total number of issued shares as treasury stock and cancel them pursuant to Article 178 of the Companies Act.

[Opinion of the Company's Board of Directors] The Board of Directors opposes this proposal.

The Company is working to enhance its corporate value by allocating management funds in a way that achieves a balance between growth investments and shareholder returns, based on the medium- to long-term policy announced in the medium-term management plan "Teisen 2028" (the "Medium-Term Management Plan") released on February 13, 2026. First, with regard to growth investments, as indicated in the Medium-Term Management Plan, we have set an investment limit of ¥20 billion for the five-year period from 2024, and we are aiming to enhance ROE and corporate value by improving the effectiveness of M&As, as well as human resource investment, system and DX investment, R&D investment, and renewal investment within this investment limit. Moreover, the Company considers the return of profits to shareholders to be an important management issue, and aims to achieve a total return ratio of 50% or more, continuously expanding shareholder returns and maintaining stable dividends. Based on this policy, as one means of returning profits, the Company has been flexibly acquiring treasury stock while considering factors such as capital demand and share price levels. The Company resolved at a meeting of the Board of Directors held in February 14, 2025, to acquire treasury stock, and the acquisition of treasury stock was carried out for a total of 500,000 shares at an acquisition cost of ¥1,170 million. This shareholder proposal proposes the acquisition of up to 2,758,440 shares of treasury stock within one year, with a total acquisition cost of up to ¥11,033 million. However, we believe that this would not contribute to the medium- to long-term enhancement of the Company's corporate value, even if it would improve ROE in the short term. In addition, we believe that the medium- to long-term utilization of strategic shareholdings held by the Company would contribute to the enhancement of the Company's corporate value. Based on the above policy regarding profit distribution, the Company believes that it is appropriate to flexibly acquire treasury stock from time to time, taking into account the trading conditions and share price trends for the Company's shares. The Board of Directors therefore opposes this shareholder proposal. Currently, disaster management-gearred initiatives involving both public and private sectors, such as the formulation of the 1st National Resilience Implementation Mid-Term Plan covering the next five years, are being strengthened in anticipation of the establishment of a Disaster Management Agency. On our part, we will promote the deepening and expansion of our disaster prevention initiatives to prepare for potential major earthquakes and increasingly severe natural disasters such as typhoons and heavy rains, and through our response to and utilization of environmental changes and technological innovation, we will work to contribute to the strengthening of Japan's disaster prevention response capabilities to expand our business domain and achieve sustainable growth in profitability.

Proposal No. 8 Amendment to the Articles of Incorporation Regarding the Number of Outside Directors

(1) Summary of the proposal

Article 20 of the Company's Articles of Incorporation should be amended as follows to ensure a majority of Outside Directors.

Before Amendment	After Amendment
(Authorized number) Article 20 The Company has not more than seventeen (17) Directors. <u>(Newly established)</u>	(Authorized number) Article 20 <u>1</u> The Company has not more than seventeen (17) Directors. <u>2</u> <u>The majority of the Company's Directors shall be Outside Directors as provided in Article 2, Paragraph 1, Item 15 of the Companies Act.</u>

(2) Reason for proposal

Principle 4.8 of the Japan's Corporate Governance Code states that "Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors." In addition, Principle 4.7 of the Corporate Governance Code states that one of the roles and responsibilities of independent directors is to "appropriately represent the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders."

Among the Company's seven Directors, three are Outside Directors, meeting the requirement of more than one-third of the total. However, the Company can further improve capital efficiency, increase shareholder returns, and develop a governance system that supports the Company's growth and medium- to long-term corporate value improvement by actively appointing more than half of the Directors as Outside Directors.

In addition to the number of Outside Directors, the Company should also consider the qualifications of these individuals. It is essential to appoint analysts with advanced experience and skills, as the Company requires human resources to drive sustainable growth and enhance corporate value over the medium to long term. The appointment of "individuals with advanced experience and skills as analysts" is considered an effective means of bringing the perspective of external investors and shareholders to the Board of Directors while at the same time contributing to the enhancement of corporate value through sound risk-taking. In principle, the Board of Directors of listed companies and investors/shareholders share a common goal of enhancing corporate value over the long term. Unfortunately, in Japan, there is often a perception that these two parties are at odds. However, the involvement of Directors with the above-mentioned experience and skills in Board discussions and decision-making can foster healthy risk-taking and more effective capital allocation, better communication with the markets, and ultimately cultivate a more constructive relationship between the Board and the stock market. It is often observed that former bankers and accountants are credited with the financial oversight within the Director's skill matrix. However, to effectively foster sound risk-taking, it is not enough to rely solely on expertise in accounting and the debt market. Consequently, the inclusion of specialists in the equity market is regarded as a meaningful contribution.

[Opinion of the Company's Board of Directors] The Board of Directors opposes this proposal.

In order to ensure objectivity and fairness in the election of Directors, the Company has established the Nomination and Compensation Committee as a voluntary advisory body of the Board of Directors, chaired by an independent director and with a majority of its members being independent directors. The selection of candidates for Directors is decided by the Board of Directors based on deliberations and recommendations by

the Nomination and Compensation Committee, and the same decision-making process is followed for the candidates for Directors to be submitted to this Ordinary General Meeting of Shareholders. The Company considers corporate management, sales, marketing and industry knowledge, technology, R&D and production, finance and accounting, and legal and compliance matters to be skills that contribute to the exercise of the supervisory function of the Board of Directors to continuously enhance the Company's corporate value. If the Company's proposal for the election of Directors (including Outside Directors) is approved at this Ordinary General Meeting of Shareholders, the Board of Directors will be formed of three independent directors and one female Director out of seven, which would fulfill satisfy the requirement of having at least one-third independent directors as stipulated in the Corporate Governance Code. The four candidates for Director (excluding Outside Directors) are all familiar with the Company's business, and each has expertise in sales, marketing and industry knowledge, technology, R&D and production, finance and accounting, and legal and compliance, and has the skills and experience that contribute to the exercise of appropriate management and supervisory functions to enhance corporate value. In addition, the three candidates for Outside Director are all independent directors, and are composed of two individuals from government backgrounds and one attorney at law, each of whom has specialized knowledge and an outstanding sense of management based on variety of experiences, as well as in-depth knowledge of corporate governance, and they provide frank and active appropriate opinions on the Company's management, etc., from an objective perspective based on their wealth of knowledge and experience. As described above, because the management oversight function is being exercised, and the effectiveness of governance aimed at sustainable growth and enhancement of corporate value is being sufficiently secured under the current structure of the Board of Directors, we do not necessarily believe that it is essential to have a majority of Outside Directors. Moreover, we believe that establishing a provision such as the one in this shareholder proposal in the Articles of Incorporation would impair the flexibility of the selection of candidates for Directors, and as a result, there is a risk that it would interfere with the optimal composition of the Board of Directors and improvement of its effectiveness. The Board of Directors therefore opposes this shareholder proposal.