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Stock Code: 3924

Date of issuance: June 2, 2025

Start date of measures for electronic provision: May 30, 2025

To Our Shareholders:

Yoshiaki Fukushima
President and Representative Director
R&D COMPUTER CO., LTD.
4-13-23 Shibaura, Minato-ku, Tokyo

Notice of the 55th Annual General Meeting of Shareholders

We hereby announce that the 55th Annual General Meeting of Shareholders of R&D COMPUTER CO., LTD. (the “Company”) will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet etc. or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders, refer to “Exercise of voting rights” (in Japanese only), and exercise your voting rights by 6:00 p.m. on Thursday, June 19, 2025 (JST).

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 are to be taken) in electronic format, and posts this information as “Notice of the 55th Annual General Meeting of Shareholders” on the Company’s website. Please access the Company’s website by using the internet address shown below to review the information.

■ The Company’s website:

<https://www.rand.co.jp/ir/stock/meeting> (in Japanese)

■ TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “R&D COMPUTER” in “Issue name (company name)” or the Company’s securities code “3924” 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:** Friday, June 20, 2025, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
2. **Venue:** First Basement, Mita NN Building
4-1-23 Shiba, Minato-ku, Tokyo

3. Purposes:

Items to be reported:

1. The Business Report, Consolidated Financial Statements for the 55th fiscal year (from April 1, 2024 to March 31, 2025) and results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 55th fiscal year (from April 1, 2024 to March 31, 2025)

Items to be resolved:

<Company Proposals (Proposals No. 1 and No. 2)>

Proposal No. 1 Amendment to the Articles of Incorporation (Partial Amendments to the Provisions Concerning Representative Director and Directors with Special Titles as well as Convener and Chairperson of the Board of Directors)

Proposal No. 2 Election of Seven Directors

<Shareholder Proposals (Proposals No. 3 to No. 7)>

Proposal No. 3 Amendment to the Articles of Incorporation (Prohibition, etc. on the Acquisition of the Company's Shares by Companies Related to Directors or Audit & Supervisory Board Members of the Company)

Proposal No. 4 Amendment to the Articles of Incorporation (Establishment and Duties of the Compliance Committee)

Proposal No. 5 Amendment to the Articles of Incorporation (Prohibition of Concurrent Positions)

Proposal No. 6 Amendment to the Articles of Incorporation (Disclosure of Individual Remuneration, etc.)

Proposal No. 7 Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

- When attending the meeting in person, please submit the voting form which is sent with this notice at the reception.
 - On the day of the meeting, the Company's staff will be dressed in more casual attire (cool biz: no jacket or tie). Your understanding will be highly appreciated. The Company asks shareholders to wear casual clothing to attend the meeting.
 - In the event of any corrections to items subject to measures for electronic provision, a notification to that effect, and the corrected and pre-corrected versions of these items will be made available on the Company's website and the TSE website.
 - For this general meeting of shareholders, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders.

- The status of Financial Auditors
- Overview of the system to ensure the properness of operations and its operational status
- Basic policy on company control
- Policy on decisions on dividends and other appropriation of surplus
- "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Consequently, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements stated in the paper-based documents consist of part of the documents that were audited by the Financial Auditor in preparing the accounting audit report, and by the Audit & Supervisory Board Members in preparing the audit report.

- If you exercise your voting rights by proxy, you may appoint one other shareholder holding voting rights of the Company as your proxy to exercise your voting rights. However, you must submit your voting form or documents for identity verification (such as a copy of seal registration certificate, driver's license, etc.) at the reception along with a proxy document signed by, or bearing their printed name and seal of the delegating shareholder.

Reference Documents for the General Meeting of Shareholders

<Company Proposals (Proposals No. 1 and No. 2)>

Proposal No. 1 Amendment to the Articles of Incorporation (Partial Amendments to the Provisions Concerning Representative Director and Directors with Special Titles as well as Convener and Chairperson of the Board of Directors)

1. Reasons for the Amendments

As part of a review of the business execution system, amendments are proposed to Article 22 (Representative Director and Directors with Special Titles) of the current Articles of Incorporation.

In addition, to enable more flexible management of the Board of Directors, amendments are proposed to Article 23 (Convener and Chairperson of the Board of Directors) of the current Articles of Incorporation to designate a Representative Director who fully understands and recognizes the Company's business content and management issues as Convener and Chairperson of the Board of Directors.

2. Details of the Amendments

The details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 22 (Representative Director and Directors with Special Titles)</p> <p>1. (Text omitted)</p> <p>2. (Text omitted)</p> <p>3. The Board of Directors shall, by its resolution, <u>elect one Chairman and Director and one President and Director, and</u> may elect several persons as Vice President and Director, Senior Managing Director, and Managing Director, respectively, <u>as necessary</u>.</p> <p>Article 23 (Convener and Chairperson of the Board of Directors)</p> <p>Unless otherwise specified by laws and regulations, the Board of Directors shall be convened by the <u>Chairman and Director</u>, who shall also serve as the Chairperson. In cases where the <u>Chairman and Director</u> is unable to do so, another Director shall convene the meeting and act as Chairperson in accordance with the order determined in advance by the Board of Directors.</p>	<p>Article 22 (Representative Director and Directors with Special Titles)</p> <p>1. (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. The Board of Directors may, by its resolution, elect several persons as Chairman and Director, President and Director, Vice President and Director, Senior Managing Director, and Managing Director, respectively.</p> <p>Article 23 (Convener and Chairperson of the Board of Directors)</p> <p>Unless otherwise specified by laws and regulations, the Board of Directors shall be convened by the <u>Representative Director</u>, who shall also serve as the Chairperson. In cases where the <u>Representative Director</u> is unable to do so, another Director shall convene the meeting and act as Chairperson in accordance with the order determined in advance by the Board of Directors.</p>

Proposal No. 2 Election of Seven Directors

The terms of office of all eight Directors will expire at the conclusion of this annual general meeting of shareholders. Therefore, the Company proposes to elect seven Directors including three outside Directors.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Yoshiaki Fukushima (May 5, 1969) Reelection	<div> <div>Apr. 1995</div> <div>Joined Mitsui Toatsu Chemicals, Inc. (currently Mitsui Chemicals, Inc.)</div> </div> <div> <div>Mar. 2010</div> <div>Temporarily transferred to Mitsui Chemicals (Shanghai) Co., Ltd. General Manager of Electronic Information and Functional Material Sales Division</div> </div> <div> <div>Feb. 2014</div> <div>Joined the Company Executive Officer and General Manager of Sales Division</div> </div> <div> <div>June 2014</div> <div>Director and General Manager of Sales Division</div> </div> <div> <div>Apr. 2016</div> <div>Director and General Manager of Industrial Public Works Division 1</div> </div> <div> <div>Apr. 2017</div> <div>Director and General Manager of Industrial Public Works Supervisory Division</div> </div> <div> <div>Apr. 2018</div> <div>Managing Director</div> </div> <div> <div>June 2018</div> <div>President and Representative Director (current position)</div> </div>	2,073,100
[Reasons for nomination as candidate for Director] The candidate has steadily worked on management issues to contribute to enhancing corporate value as the Company's Representative Director. He engaged actively in selection and concentration of the business structure and DX business promotion. The Company has judged that his strong leadership continues to be expected and therefore proposes his reelection as Director.			
2	Keiichi Yamamura (November 5, 1957) Reelection	<div> <div>Apr. 1980</div> <div>Joined Fujitsu Limited</div> </div> <div> <div>Apr. 2008</div> <div>Director of Fujitsu Nagano Systems Engineering Limited</div> </div> <div> <div>Apr. 2012</div> <div>Corporate Executive Officer and EVP of IT Solutions Unit of Fujitsu Systems East Limited (currently Fujitsu Limited)</div> </div> <div> <div>Apr. 2014</div> <div>Corporate Executive Officer and Head of IT Solutions Unit</div> </div> <div> <div>Apr. 2016</div> <div>Head of IT Solutions Unit of Eastern Japan BG of GSI Business Unit of Fujitsu Limited</div> </div> <div> <div>Apr. 2017</div> <div>Head of IT Systems Unit of Global Delivery Group</div> </div> <div> <div>Apr. 2018</div> <div>Joined the Company</div> </div> <div> <div>June 2018</div> <div>Managing Director and General Manager of Administration Division</div> </div> <div> <div>Apr. 2019</div> <div>Managing Director</div> </div> <div> <div>June 2020</div> <div>Director, Managing Executive Officer and General Manager of the DX Promotion Division (current position)</div> </div>	5,800
[Reasons for nomination as candidate for Director] The candidate has extensive experience and a track record in the management and business execution of Fujitsu Limited and its group. Currently, he is working to promote the establishment of new business fields and so forth, including serving as General Manager of the DX Promotion Division as Director and Managing Executive Officer of the Company. The Company has judged that his extensive experience and deep discernment gained through his career will be utilized in the Company's management and therefore proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Isao Hironaga (September 20, 1970) Reelection	Apr. 1995	Joined the Company	79,590
		Oct. 2007	General Manager of Service Business Department 1	
		Apr. 2008	General Manager of Business Department 1	
		Apr. 2010	General Manager of Industrial Public Works Supervisory Department 1	
		Apr. 2011	Executive Officer and General Manager of Industrial Public Works Division	
		Apr. 2012	Executive Officer and General Manager of Business Innovation Division	
		June 2012	Director, Executive Officer and General Manager of Business Innovation Division (current position)	
		[Reasons for nomination as candidate for Director] The candidate has long had business execution experience mainly in the industrial IT solutions business field and promotes the launch of the Company's new businesses by serving as General Manager of the cloud area as well as the solution development area. The Company has judged that his experience and discernment gained through his career will be utilized in the Company's management and therefore proposes his reelection as Director.		
4	Fumitoshi Okuno (January 5, 1971) Reelection	Apr. 1994	Joined Green House Foods Co., Ltd.	6,262
		May 2006	Joined Club iT Corporation (currently Broadmedia Corporation)	
		Feb. 2009	Joined the Company	
		Apr. 2009	General Manager of Accounting and Finance Department of Administration Division	
		Apr. 2015	Executive Officer and General Manager of Corporate Administration Supervisory Department of Administration Division	
		Apr. 2019	Executive Officer and General Manager of Corporate Administration Division	
		June 2019	Director, Executive Officer and General Manager of Corporate Administration Division (current position)	
		[Reasons for nomination as candidate for Director] The candidate has overseen the Company's accounting and financial strategy, and has extensive experience and a track record in accounting and finance. He has promoted preparation for an initial public offering, management control, reinforcement of governance and others as the Company's Executive Officer since April 2015. He is currently also working on M&A promotion, IR and the establishment of internal control as General Manager of Corporate Administration Division. The Company has judged that he will continue to contribute to enhancing the Company's corporate value and therefore proposes his reelection as Director.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
5	Ichiro Akita (June 2, 1966) Reelection Outside	July 2001	First elected as a Tokyo Metropolitan Assembly Member	—
		July 2005	Elected as a Tokyo Metropolitan Assembly Member for a second term	
		Oct. 2006	Chair of the Public Enterprise Committee	
		Apr. 2007	Chair of the Urban Development Committee	
		July 2013	Elected as a Tokyo Metropolitan Assembly Member for a third term	
		Aug. 2013	Executive Acting Secretary-General of Tokyo Togikai Jiminto	
		Oct. 2014	Chair of the Police/Fire Fighting Committee	
		Mar. 2015	Director of Special Committee on Measures to Promote Olympic & Paralympic Games	
		June 2015	Outside Director of the Company (current position)	
		July 2017	Elected as a Tokyo Metropolitan Assembly Member for a fourth term	
		Aug. 2017	Secretary-General of Tokyo Togikai Jiminto	
[Reasons for nomination as candidate for outside Director and outline of expected roles] The candidate has never been directly involved in the management of a company other than as an outside officer in the past; however, he has deep discernment based on his extensive experience gained as a Tokyo Metropolitan Assembly Member. The Company expects that he will properly play a role in supporting the Company's overall management as well as monitoring and supervising the management as outside Director based on the discernment, and therefore proposes his reelection as outside Director. If Mr. Akita is elected, he is expected to be involved in the selection of candidates for the Company's officers and determination of remuneration for officers from an objective and neutral perspective as a voluntary Nomination and Remuneration Advisory Committee member.				
6	Hiromi Kimura (December 4, 1959) Reelection Outside	Apr. 1982	Joined The Sumitomo Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)	300
		Apr. 1985	Joined Retail Information Systems Co., Ltd.	
		Oct. 1986	Joined Needs Well Inc.	
		Oct. 2002	General Manager of Corporate Planning Office	
		Apr. 2011	General Manager of Internal Audit Office	
		Dec. 2013	Director and General Manager of Corporate Management Planning Office	
		Dec. 2020	Director and Executive Officer and in charge of CC Office	
		Mar. 2022	Retired from Needs Well Inc.	
		Apr. 2022	Audit & Supervisory Board Member of Penetrate of Limits Co., Ltd.	
		June 2023	Outside Director of the Company (current position)	
[Reasons for nomination as candidate for outside Director and outline of expected roles] The candidate has been involved in the IT service industry for many years, and has extensive industry knowledge. Moreover, she also has experience in corporate management. The Company expects that she will use her extensive knowledge and management experience appropriately in decision making in the Company's corporate operations and in the role of monitoring and supervising the execution of duties by the Board of Directors, and therefore proposes her reelection as outside Director. If Ms. Kimura is elected, she is expected to be involved in the selection of candidates for the Company's officers and determination of remuneration for officers from an objective and neutral perspective as the Chairperson of the voluntary Nomination and Remuneration Advisory Committee.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Kazuhiro Kido (March 6, 1958) Reelection Outside	<p>Oct. 1980 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>May 1996 Partner of Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)</p> <p>May 2003 Senior Partner</p> <p>Sept. 2020 Retired from Deloitte Touche Tohmatsu LLC</p> <p>Oct. 2020 Established Kido Certified Public Accountant Office (current position)</p> <p>June 2022 Outside Director of KASAI KOGYO CO., LTD. (Audit & Supervisory Committee Member) (current position)</p> <p>June 2024 Outside Director of the Company (current position)</p>	—
<p>[Reasons for nomination as candidate for outside Director and outline of expected roles]</p> <p>The candidate has extensive insight, having been involved in corporate audits for about 40 years as a certified public accountant. The candidate has never been directly involved in the management of a company other than as an outside officer in the past; however, he has been involved with a number of diverse companies and corporations, and with his experience and insight from conducting accurate audits with an emphasis on quality, the Company expects him to play an appropriate role in decision making in the Company's corporate operations and in monitoring and supervising the execution of duties by the Directors, and therefore proposes his election as outside Director. If Mr. Kido is elected, he is expected to be involved in the selection of candidates for the Company's officers and determination of remuneration for officers, etc. from an objective and neutral perspective as a voluntary Nomination and Remuneration Advisory Committee member.</p>			

- Notes:
1. Of the candidates for Directors, Ichiro Akita, Hiromi Kimura, and Kazuhiro Kido are candidates for outside Directors. The Company has submitted notification to the Tokyo Stock Exchange that Ichiro Akita, Hiromi Kimura, and Kazuhiro Kido have been designated as independent officers as provided for by the aforementioned exchange. If their election is approved, the Company plans to continue to designate them as independent officers.
 2. Ichiro Akita is currently an outside Director of the Company, and at the conclusion of this annual general meeting of shareholders, his tenure as outside Director will have been ten years.
 3. Hiromi Kimura is currently an outside Director of the Company, and at the conclusion of this annual general meeting of shareholders, her tenure as outside Director will have been two years.
 4. Kazuhiro Kido is currently an outside Director of the Company, and at the conclusion of this annual general meeting of shareholders, his tenure as outside Director will have been one year.
 5. The Company has, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, entered into agreements with Ichiro Akita, Hiromi Kimura, and Kazuhiro Kido to limit their liability for damages under Article 423, paragraph (1) of the same Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the minimum liability amount stipulated by laws and regulations. If the reelection of Ichiro Akita, Hiromi Kimura, and Kazuhiro Kido is approved, the Company plans to renew the aforementioned agreements with them.
 6. The Company has entered into a directors and officers liability insurance policy with an insurance company. An outline of the insurance policy is as described on page 38 of the Business Report (available in Japanese only). If the election of candidates for Directors is approved, they will be included as the insured in the policy. The Company plans to renew the policy with the same terms at the next renewal.

(Reference) Skill Matrix of the Board of Directors After the General Meeting of Shareholders (Scheduled)

In the event that all of the candidates listed in Proposal No. 2 of this notice are elected as originally proposed, the composition and expertise of the Board of Directors will be as shown in the table below.

Name	Corporate Management	Legal Affairs/ Internal Control/ Governance	Finance (Finance/ Accounting/ M&A)	Engineering/ Research and Development	IT/ DX/ Technology	Sales/ Marketing	Organization/ Human Resources/ Management
Yoshiaki Fukushima	○				○	○	○
Keiichi Yamamura	○			○	○		
Isao Hironaga	○			○	○		
Fumitoshi Okuno		○	○				○
Ichiro Akita		○					
Hiromi Kimura		○	○				
Kazuhiro Kido		○	○				○
Toshihiko Hirose	○	○			○		○
Tomohisa Shinagawa		○	○				
Norihiko Taniguchi	○	○			○		○
Yasuo Ishikawa		○				○	○

<Shareholder Proposals (Proposals No. 3 to No. 7)>

Proposals No. 3 to No. 7 are made by two shareholders (hereinafter referred to as “Proposing Shareholders”). Please note that the summary of the proposals and the reasons for the proposals are presented as they appear in the original text.

Proposal No. 3 Amendment to the Articles of Incorporation (Prohibition, etc. on the Acquisition of the Company’s Shares by Companies Related to Directors or Audit & Supervisory Board Members of the Company)

1. Summary of the Proposal

The following chapters shall be added to the current Articles of Incorporation, and the following provisions shall be added.

Chapter XX: Prohibition of Directors or Audit & Supervisory Board Members of the Company From Acquiring the Company’s Shares Through a Related Company

Article XX: (Prohibition and Reporting on Directors or Audit & Supervisory Board Members of the Company From Acquiring the Company’s Shares Through a Related Company)

When a Director or Audit & Supervisory Board Member of the Company (hereinafter referred to as “Company’s Officers”) intends to acquire or has acquired shares of the Company through a company with which they are associated (meaning a company in which a Company’s Officer serves as a Director or Audit & Supervisory Board Member, or a company in which a Company’s Officer owns 10% or more of the shares; hereinafter referred to as a “Director Affiliated Company”), they must act in accordance with the following.

(1) Before a Director Affiliated Company acquires shares of the Company, the Company’s Officers must take action to indicate their disapproval and work toward passing a resolution to that effect.

(2) If a Director Affiliated Company has acquired shares of the Company, the Company’s Officer must report the fact, details of the transaction, and the reasons for the acquisition of the Company’s shares by the Director Affiliated Company to the shareholders of the Company.

2. Reasons for the Proposal

Fukushima Sangyou Corporation (a major shareholder listed on page 8 of the semi-annual report dated November 24, 2024, hereinafter referred to as “Fukushima Sangyou”) is a company whose Representative Director is the mother of Representative Director Mr. Yoshiaki Fukushima (hereinafter referred to as “Mr. Fukushima”) and the wife of Chairman and Director Mr. Hideo Tamura, and of which Mr. Fukushima himself currently owns 40% of the company’s shares.

Fukushima Sangyou is a company with total assets of approximately 500 million yen and annual sales of approximately 40 million yen. However, since 2018, as a result of actively purchasing shares of the Company on the market, approximately 220 million yen, or about half of its total assets, is now in the form of shares of the Company. In addition, when Fukushima Sangyou acquired shares of the Company, Mr. Fukushima personally lent 50 million yen to Fukushima Sangyou to finance the acquisition.

Following Fukushima Sangyou’s acquisition of shares of the Company, the Company announced positive developments (information likely to lead to a rise in share), including revisions related to an increase in profit and dividend increase, as well as changes to the shareholder benefits system and the introduction of a new system. At the general meeting of shareholders in June 2024, some attending shareholders pointed out that the acquisition of shares in Fukushima Sangyou may have violated insider trading regulations, or even if not, may have constituted a breach of fiduciary duty toward other shareholders.

Therefore, based on this proposal, it is deemed essential to prevent future transactions as pointed out above. Furthermore, if such transactions do occur, enhancing the transparency of the Company’s stock transactions by disclosing the facts, transaction details, and reasons to shareholders is crucial.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company is against this shareholder proposal (Proposal No. 3).

The Proposing Shareholders are submitting this proposal based on the fact that Fukushima Sangyou Corporation (hereinafter referred to as “Fukushima Sangyou”), an asset management company of the family of Yoshiaki Fukushima, President and Representative Director of the Company, has been acquiring shares of the Company

through market transactions since 2018, and that doubts have been raised regarding whether the acquisition of shares by Fukushima Sangyou may violate insider trading regulations at the annual general meeting of shareholders of the Company in June 2024.

As explained to shareholders at the annual general meeting of shareholders of the Company in June 2024, however, concerns that the acquisition of shares by Fukushima Sangyou may violate insider trading regulations are based on a misunderstanding of the facts by the Proposing Shareholders, and it has been confirmed that there was no violation of insider trading regulations.

As stated above, this shareholder proposal (Proposal No. 3) is based on a misunderstanding of the facts underlying the proposal, and there is little necessity for imposing restrictions that exceed the scope of applicable laws and regulations, and such restrictions are therefore deemed inappropriate.

Furthermore, the Company fully recognizes the importance that the Company itself and its Directors and Audit & Supervisory Board Members comply with various laws and regulations, including insider trading regulations, and will continue to strive to conduct business with an emphasis on compliance.

Proposal No. 4 Amendment to the Articles of Incorporation (Establishment and Duties of the Compliance Committee)

1. Summary of the Proposal

The following chapters and articles shall be newly established in the current Articles of Incorporation.

Chapter XX: Establishment and Duties of the Compliance Committee

Article XX: (Establishment and Duties of the Compliance Committee)

1. The Company shall establish a Compliance Committee.
2. The Compliance Committee shall have the authority and obligation to investigate matters necessary to ensure that the Company's management complies with laws and regulations and social norms, and to gain the trust of stakeholders.
3. For the purpose of fulfilling the objectives set forth in the preceding paragraph, the Compliance Committee shall be authorized to investigate whether any Directors or Audit & Supervisory Board Members of the Company (hereinafter referred to as "Company's Officers") who concurrently serve as a director or auditor of another company have engaged in any conduct that violates compliance at such other company, and shall investigate the details of such conduct.
4. The Company's Officers shall cooperate fully with the investigation specified in the preceding paragraph.

2. Reasons for the Proposal

Although the Company already has a Compliance Committee, it is believed necessary to stipulate the establishment of this committee in the Company's Articles of Incorporation, and clearly demonstrate to stakeholders that the Company is committed to conducting management with a keen awareness of compliance. For this reason, the Compliance Committee should also investigate acts that constitute compliance violations committed by the Company's Officers in companies where they concurrently serve as Directors or Audit & Supervisory Board Members.

At the general meeting of shareholders held in June 2023 and June 2024, shareholders asked whether Mr. Fukushima, President and Representative Director, and Mr. Hideo Tamura, Chairman and Director, had caused compliance violations such as abuse of authority at a company where they concurrently serve as Directors, and the Company refused to respond on the grounds that the incidents occurred at other companies.

However, in order for the Company to implement compliance-oriented management, it is unacceptable to overlook any problematic conduct or statements made by the Company's Officers in their concurrent positions. Needless to say, individuals who cause compliance violations at a company where they have concurrent positions lack the qualifications to serve as Company's Officers. Therefore, it is essential for the Compliance Committee to conduct an investigation into whether such violations occurred and, if so, to ascertain the details.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company is against this shareholder proposal (Proposal No. 4).

The Proposing Shareholders are submitting this proposal based on their suspicions that Yoshiaki Fukushima, President and Representative Director, and Hideo Tamura, Chairman and Director, may have caused compliance violations such as abuse of authority at a company where they concurrently serve as Directors.

However, it has been confirmed that these concerns are based on a misunderstanding of the facts by the Proposing Shareholders, and that there were no compliance violations by Yoshiaki Fukushima, President and Representative Director, and Hideo Tamura, Chairman and Director. The Proposing Shareholders had filed a lawsuit for the revocation of a resolution regarding the 53rd annual general meeting of shareholders of the Company held on June 27, 2023 on the grounds that the Company had failed to fulfill its obligation to provide an explanation. The Tokyo District Court and the Tokyo High Court both ruled that there was no breach of the obligation to provide an explanation, and the judgment dismissing the Proposing Shareholders' claim has become final.

In addition, the Company has established a Compliance Committee as an organization to discuss and promote measures and plans for raising awareness of compliance and ensuring smooth and efficient implementation of compliance, and holds meetings, as necessary.

As stated above, this shareholder proposal (Proposal No. 4) is based on a misunderstanding of the facts underlying the proposal, and given that the Company has already established a Compliance Committee and is

operating it appropriately, there is little necessity for this proposal (Proposal No. 4), and it is therefore deemed inappropriate.

Proposal No. 5 Amendment to the Articles of Incorporation (Prohibition of Concurrent Positions)

1. Summary of the Proposal

The following chapters and articles shall be newly established in the current Articles of Incorporation.

Chapter XX: Prohibition of Concurrent Positions

Article XX: (Prohibition of Concurrent Positions)

Directors of the Company (excluding outside Directors) shall not concurrently serve as Directors (excluding outside Directors) and employees of other companies.

2. Reasons for the Proposal

It goes without saying that Directors of the Company (excluding outside Directors) must devote themselves exclusively to the business of the Company and promote its interests.

However, Mr. Fukushima, President and Representative Director, concurrently serves on the boards of three other companies (Tamura Holdings Ltd., Sanpo Kigyo Co. Ltd., and Sanpo Ltd.), and Mr. Hideo Tamura, Chairman, concurrently serves on the boards of Tamura Holdings Ltd., Sanpo Kigyo Co. Ltd., and Sanpo Ltd. (in all instances, not as outside Directors). Furthermore, Mr. Fukushima receives payments from Fukushima Sangyou in the form of salary and allowances as an employee (not as remuneration for officers).

The situation in which the President and Representative Director and the Chairman and Director of the Company concurrently hold many of the previously mentioned positions cannot reasonably be considered as dedicating themselves to the Company's business.

Given that profits are declining and falling stock prices dominate the current situation, it is believed to be appropriate to prohibit full-time Directors from holding concurrent positions.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company is against this shareholder proposal (Proposal No. 5).

The Proposing Shareholders are submitting this proposal because Yoshiaki Fukushima, President and Representative Director, and Hideo Tamura, Chairman and Director, concurrently serve as Directors of other companies, and such concurrent positions cannot be deemed to allow them to devote themselves to the business of the Company.

However, the concurrent positions held by Yoshiaki Fukushima, President and Representative Director, and Hideo Tamura, Chairman and Director, are both at companies that manage the assets of their families, and they do not devote excessive time or effort to their duties at these companies. The concurrent positions are held to the extent that they do not interfere with the performance of duties as Directors of the Company.

In light of these situations, there is little necessity for imposing restrictions that exceed the scope of applicable laws and regulations, and such restrictions are therefore deemed inappropriate.

Furthermore, the Company recognizes that it is necessary for Directors and Audit & Supervisory Board Members to devote the time and effort required to fulfill their roles and responsibilities as Directors and Audit & Supervisory Board Members, and will endeavor to appropriately understand the situation of Directors and Audit & Supervisory Board Members holding concurrent positions at other companies.

Proposal No. 6 Amendment to the Articles of Incorporation (Disclosure of Individual Remuneration, etc.)

1. Summary of the Proposal

The following chapters and articles shall be newly established in the current Articles of Incorporation.

Chapter XX: Disclosure of Individual Remuneration, etc.

Article XX: (Disclosure of Individual Remuneration, etc.)

The Company shall disclose the amount and details of remuneration, bonuses, and other monetary benefits paid to individual Directors and Audit & Supervisory Board Members of the Company in consideration for the performance of their duties as soon as the specific details of such payments are determined.

2. Reasons for the Proposal

At the previous general meetings of shareholders, only the maximum amount of total remuneration for Directors and Audit & Supervisory Board Members was decided, and the authority to determine the amount of remuneration for each individual Director was delegated, pursuant to a resolution of the Board of Directors, to Mr. Hideo Tamura, Chairman and Representative Director (currently Chairman and Director).

However, under this arrangement, it is unclear whether Mr. Hideo Tamura, Chairman, is making appropriate decisions regarding the allocation of Directors remuneration. In addition, it is stated that in making the decision, recommendations from Nomination and Remuneration Advisory Committee, which is established on a voluntary basis are obtained; however, the nature of the committee's activities is also unclear.

In the first place, the specific amount of remuneration received by individual Directors reflects the results of mutual evaluation of each other's performance within the Board of Directors. In other words, those who receive a high internal evaluation among the Directors will likely receive a relatively large remuneration allocation, and vice versa.

The term of office for Directors of the Company is one year, with resolutions for the appointment of Directors submitted annually. The issue of whether Mr. Hideo Tamura, Chairman, has appropriately determined and distributed remuneration is crucial for evaluating his qualifications as a Director. Furthermore, if appropriate remuneration has been distributed, the evaluation (or the amount of remuneration received) by the individual during the previous term is also a critical factor in deciding the reappointment of other Directors. Therefore, this proposal is submitted.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company is against this shareholder proposal (Proposal No. 6).

The Company's basic policy for remuneration of the Directors of the Company is to pay Directors at an appropriate level based on their responsibilities while ensuring objectivity and transparency through a remuneration system that fully functions as an incentive to sustainably enhance corporate value. Specifically, remuneration, etc. for Directors (excluding outside Directors) consists of fixed basic remuneration, performance-linked remuneration, and stock remuneration, and for outside Directors, it consists solely of basic remuneration, in consideration of their responsibilities. The amount of remuneration, etc. shall be determined after deliberation by the voluntary Nomination and Remuneration Advisory Committee, which is chaired by the outside Director and is made up by a majority of outside Directors.

In addition, the remuneration, etc. for the Audit & Supervisory Board Members of the Company consists solely of fixed basic remuneration, the amount of which is determined by discussion with the Audit & Supervisory Board Members.

The Company, in accordance with the provisions of laws and regulations, etc., appropriately discloses the total amount, etc. of remuneration for each officer category, the total amount, etc. by type of remuneration, the number of eligible officers and other related matters, and the policy, etc. for determining the content of officer remuneration, etc. in the Business Report, securities report and corporate governance report for each fiscal year. In addition, the amount of remuneration, etc. for Directors is determined after deliberation by the voluntary Nomination and Remuneration Advisory Committee as described above. In consideration of the points stated above, we believe there is little necessity for imposing restrictions that exceed the scope of the applicable laws and regulations as stated in this shareholder proposal (Proposal No. 6).

Proposal No. 7 Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

1. Summary of the Proposal

Revision of Remuneration for Directors and Audit & Supervisory Board Members

The total amount of remuneration for the Directors of the Company shall not exceed 200 million yen per year (including 10 million yen for outside Directors), and that for Audit & Supervisory Board Members shall not exceed 20 million yen per year.

2. Reasons for the Proposal

Until the general meeting of shareholders in June 2023, the total amount of remuneration for Directors was up to 200 million yen per year (including 10 million yen for outside Directors) and the amount of remuneration for Audit & Supervisory Board Members was 20 million yen per year. However, at the general meeting of shareholders in June 2024, the Company resolved to double the total amount of remuneration for Directors to up to 400 million yen per year (including 20 million yen for outside Directors) and the amount of remuneration for Audit & Supervisory Board Members was 40 million yen per year.

The reason for the increase was cited as the expansion of roles and responsibilities for the Directors and Audit & Supervisory Board Members. However, both operating and ordinary profits decreased significantly in the fiscal year ended March 2025, and the stock price has also fallen significantly since last year's general meeting of shareholders.

Under these circumstances, it is clearly unreasonable to maintain the doubled amount approved at the general meeting of shareholders held in June 2024.

In this situation, it is considered that it is essential to keep remuneration at least at the same level as at the general meeting of shareholders held in June 2023 in order to fulfill the management responsibilities.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company is against this shareholder proposal (Proposal No. 7).

At the 54th annual general meeting of shareholders held on June 25, 2024, the Company made a proposal to revise the amount of remuneration for Directors to no more than 400 million yen per year (including 20 million yen for outside Directors) and the amount of remuneration for Audit & Supervisory Board Members to no more than 40 million yen per year. This proposal was approved and passed by a substantial number of shareholders due to the increasing roles and responsibilities of Directors and Audit & Supervisory Board Members in the situation of more complex business management caused by the recent global landscape and dramatic economic changes.

As the pace of changes in global affairs and economic conditions accelerates further, the Company has determined it appropriate to maintain the current remuneration structure, taking into consideration the importance of continuously securing human resources who will contribute to enhancing the Company's corporate value over the medium-to-long term.

Please note that all of the above remuneration caps represent maximum limits, and the actual remuneration for each individual has been appropriately determined, taking into account the policies and other factors stated on page 38 of the Business Report.

We sincerely ask for your continued understanding, as all Directors and Audit & Supervisory Board Members remain fully committed to further enhancing corporate value of the Company over the medium-to-long term.