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(Stock Exchange Code 4275)

Date of sending by postal mail: June 11, 2025

Start date of measures for electronic provision: June 4, 2025

**To Shareholders with Voting Rights:**

Hirofumi Kaneko  
Representative Director and President &  
CEO  
Carlit Co., Ltd.  
1-17-10, Kyobashi, Chuo-ku, Tokyo, Japan

**NOTICE OF THE 12TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce the 12th Annual General Meeting of Shareholders of Carlit Co., Ltd. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items subject to measures for electronic provision). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

The Company’s website:

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

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/4275/teiji/> (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 “Carlit” in “Issue name (company name)” or the Company’s securities code “4275” 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].”)

Instead of attending the meeting in person, you may exercise your voting rights in writing or via the Internet or similar means. Please review the attached Reference Documents for the General Meeting of Shareholders on pages 5 to 16, and exercise your voting rights by 5 p.m. on Thursday, June 26, 2025, Japan time, in accordance with “Guidance on Exercising Voting Rights” on pages 3 to 4.

- 1. Date and Time:** Friday, June 27, 2025, at 10 a.m. Japan time  
Reception start time: 9:30 a.m.
- 2. Place:** Conference room at the Head Office located at  
Sumitomo Corporation Kyobashi Bldg. 7F,  
1-17-10, Kyobashi, Chuo-ku, Tokyo, Japan

### 3. Meeting Agenda:

- Matters to be reported:** (1) The Business Report, the Consolidated Financial Statements for the Company's 12th Fiscal Year (April 1, 2024–March 31, 2025), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
- (2) The Non-Consolidated Financial Statements for the Company's 12th Fiscal Year (April 1, 2024–March 31, 2025)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven (7) Directors
- Proposal 3:** Election of Three (3) Audit & Supervisory Board Members

- In the event that no vote for or against the proposals is indicated in the Voting Rights Exercise Form, it will be handled as a vote in favor of the proposal.
- When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk.
- When attending the meeting, please bring this Notice with you for resource saving purposes.
- In the event of a correction to the items subject to measures for electronic provision, a notice that the correction was made, together with the information before and after the correction, will be posted on the websites where the information is provided.
- At this General Meeting of Shareholders, we will send you a document detailing the measures for electronic provision, regardless of whether or not you have requested a delivery of documents. In addition, among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents that are sent.
  - (i) "Main places of business and plants," "Status of employees," "Share Acquisition Rights," "Status of the Accounting Auditor," and "System for Ensuring the Appropriateness of Operations and the Operation Status of this System" in the Business Report
  - (ii) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
  - (iii) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements




Therefore the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements listed in these documents constitute a portion of the documents which are audited when the accounting audit report is prepared by the Accounting Auditor and the audit report is created by the Audit & Supervisory Board Members.

## Guidance on Exercising Voting Rights

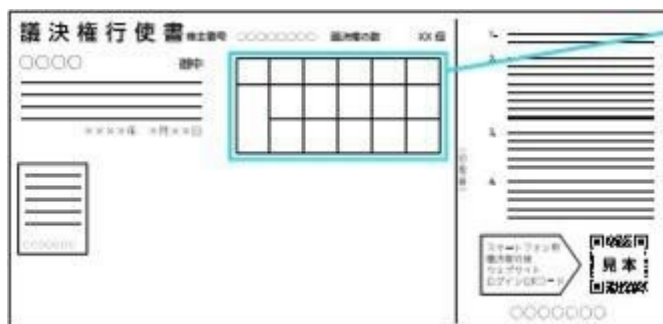
Voting at the general meeting of shareholders is an important right for all shareholders.

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

Please exercise your voting rights in one of the following three ways.

|   |  |   |
|---|--|---|
|  <p><b>For General Meeting of Shareholders attendees</b></p> <p>Please submit the Voting Rights Exercise Form at the reception desk.</p> <p>Date and time</p> <p><b>Friday, June 27, 2025,<br/>at 10 a.m. Japan time<br/>(reception start time: 9:30 a.m.)</b></p> |  <p><b>For exercising your voting rights in writing (by mail)</b></p> <p>Please indicate your vote for or against the proposals on the Voting Rights Exercise Form and return it.</p> <p>Note: Please use the enclosed sticker to cover the information you enter.</p> <p>Deadline for exercising voting rights</p> <p><b>Thursday, June 26, 2025,<br/>at 5 p.m. Japan time</b></p> |  <p><b>For exercising your voting rights online, etc.</b></p> <p>Please follow the directions on the next page to enter your vote for or against the proposals.</p> <p>Deadline for exercising voting rights</p> <p><b>Thursday, June 26, 2025,<br/>at 5 p.m. Japan time</b></p> |
|---|--|---|

## How to Fill Out the Voting Rights Exercise Form



Note: The actual Voting Rights Exercise Form may differ from the image.

**Please indicate your approval or disapproval of each proposal.**

### Proposal 1

- To mark your approval → Circle “Approve.”
- To mark your disapproval → Circle “Disapprove.”

### Proposals 2 and 3

- To mark your approval for all candidates → Circle “Approve.”
- To mark your disapproval for all candidates → Circle “Disapprove.”
- To mark your disapproval for certain candidates → Circle “Approve” and write the number of the candidate(s) you wish to disapprove.

If you exercise your voting rights by mail and online, etc., only your online, etc. votes are valid. If you exercise your voting rights multiple times online, etc., only the votes from the final instance are valid.

## Exercising Voting Rights Online, Etc.

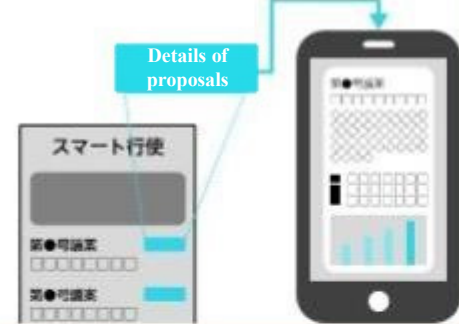
### “Smart Voting®” by scanning the login QR Code

Please scan the QR Code provided at the bottom right of the Voting Rights Exercise Form.



You can simply log in to the Voting Rights Exercise Website without entering your voting rights exercise code and password.

The agendas for the General Meeting of Shareholders are available for reference on the Smart Voting page.



**You can only use Smart Voting once to exercise your voting rights.**

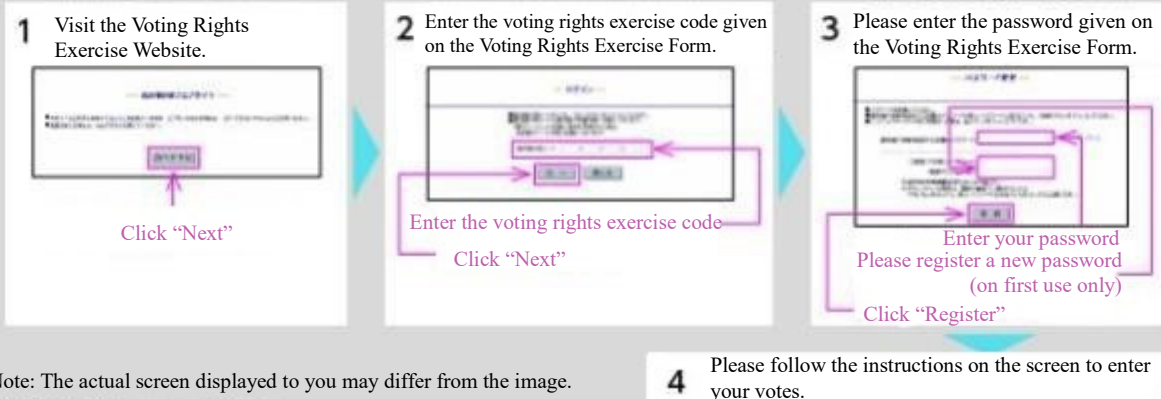
If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and exercise your voting rights again using the method explained below.

\* You can access the website for personal computer by scanning the login QR Code again.

\* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

### Voting rights exercise code/password entry

Voting Rights Exercise Website <https://soukai.mizuho-tb.co.jp/>



Note: The actual screen displayed to you may differ from the image.

If you have any questions about how to exercise your voting rights online using a personal computer, smartphone, or cell phone, please contact:

Internet Help Dial, Stock Transfer Agency Department,  
Mizuho Trust & Banking Co., Ltd.

☎0120-768-524

(Hours: 9 a.m.–9 p.m. Japan time every day except New Year holidays)

- Institutional investors may use the platform for institutional investors to exercise voting rights electronically operated by ICJ, Inc.
- Shareholders will be responsible for the expense of connecting to the Internet, etc. when exercising voting rights online.
- Although we have checked that common Internet-enabled devices work properly with the online voting options, the options may not be available with some devices or in some circumstances.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

We believe that providing an appropriate return of profits to shareholders is one of our most important management tasks. We therefore abide by the basic policy of maintaining a total return ratio of 30% and promote a performance-linked dividends, while endeavoring to secure internal reserves required to take effective measures to address future-oriented initiatives: R&D efforts to develop original businesses with growth potential, the vitalization of existing businesses, and the expansion of business fields.

In light of the Company's results for the fiscal year ended March 31, 2025 and these initiatives, we hereby propose to pay a year-end ordinary dividend of ¥36 per share for the fiscal year as follows.

- (1) Type of dividend property: Cash
- (2) Matters concerning allotment of dividend property to shareholders and the total amount thereof  
Amount for each common share of the Company: ¥36 per share  
Total amount to be distributed: ¥862,478,676
- (3) Effective date for the dividends of surplus: June 30, 2025

**Proposal 2:** Election of Seven (7) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. We hereby propose that seven (7) Directors be elected, including two (2) Directors to be newly appointed.

The candidates for Director are as follows:

| No. | Name                | Current position and responsibilities in the Company  |   |
|-----|---------------------|---|---|
| 1   | Hirofumi Kaneko     | Representative Director and President & CEO<br>In charge of the Internal Audit Office   | Reappointment                             |
| 2   | Hideo Okamoto       | Director and Executive Officer<br>In charge of Finance Division, Legal Affairs & Compliance Division, and Metal Working segment | Reappointment                             |
| 3   | Shigenobu Takahashi | Director and Executive Officer<br>In charge of Production Headquarters, Nagano Plant, and Production Quality Control Department | Reappointment                             |
| 4   | Ryuichi Nakatsu     | Executive Officer<br>In charge of Corporate Planning Department and Bottling segment  | New appointment                           |
| 5   | Yukari Murayama     | Outside Director  | Reappointment<br>Outside<br>Independent   |
| 6   | Yasuhiro Fujiwara   | Outside Director  | Reappointment<br>Outside<br>Independent   |
| 7   | Harutoshi Sato      | —   | New appointment<br>Outside<br>Independent |

Reappointment Candidate for reappointment as Director

New appointment Candidate for new appointment as Director

Outside Candidate for Outside Director

Independent Independent Director as stipulated by stock exchanges

| No.   | Name<br>(Date of birth)                                | Past experience, positions, and responsibilities (significant concurrent positions)  | Number of<br>shares of the<br>Company held |
|---|--|--|--|
| 1   | [Reappointment]<br>Hirofumi Kaneko<br>(April 30, 1960) | <p>April 1984      Joined Japan Carlit Co., Ltd.</p> <p>June 2015      Executive Officer of the Company<br/>President and Representative Director, General Manager, Sales Headquarters, Japan Carlit Co., Ltd.</p> <p>June 2016      Director, Executive Officer, Supervisor, Group Sales of the Company<br/>President and Representative Director, Japan Carlit Co., Ltd.</p> <p>April 2018      Director, Managing Executive Officer, Supervisor, Group Sales Department of the Company</p> <p>June 2020      President and Representative Director, in charge of Research &amp; Development Center, Internal Audit Office of the Company</p> <p>April 2023      Representative Director and President &amp; CEO, in charge of Corporate Planning Department and Internal Audit Office of the Company</p> <p>April 2024      Representative Director and President &amp; CEO, in charge of Internal Audit Office of the Company (to present)</p> | 34,500                                     |
| <p>[Reason for selection as a candidate for Director]<br/>Mr. Hirofumi Kaneko has served the position of Representative Director and President &amp; CEO of the Company after he served as President and Representative Director at Japan Carlit Co., Ltd., and Director, Managing Executive Officer, and Supervisor, Group Sales Department and Group Strategy Department of the Company. Since becoming Representative Director, he has demonstrated outstanding leadership in formulating and implementing “Challenge 2024,” the Medium-term Management Plan, and has been a driving force for the Group. The new plan “Challenge 2027” starts this year, and he is leading the management team to ensure its achievement. He has a proven track record in the overall management of the Group and the formulation of management strategies, as well as a wealth of management experience. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors’ supervisory and decision-making functions as well as increasing the Group’s corporate value through his participation in deliberations and decision-making.</p> |  |  |  |

| No. | Name<br>(Date of birth)                             | Past experience, positions, and responsibilities (significant concurrent positions)   | Number of<br>shares of the<br>Company held |
|-----|---|---|--|
| 2   | [Reappointment]<br>Hideo Okamoto<br>(July 15, 1961) | <p>April 1985      Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>August 2006    Assistant Director, Group Strategy Department, Mizuho Financial Group, Inc.</p> <p>April 2012      General Manager, Legal Affairs Office, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>October 2013    General Manager, Legal Affairs Division, Head of Internal Audit Office of the Company</p> <p>June 2019      Director, Executive Officer, Supervisor, Group Management Department, and General Manager, Legal Affairs &amp; Compliance Division of the Company</p> <p>June 2020      Director, Executive Officer, in charge of Finance Division, IT Systems Promotion Division, Legal Affairs &amp; Compliance Division, and General Manager, Legal Affairs &amp; Compliance Division of the Company</p> <p>October 2023    Executive Officer, in charge of Metal Working segment of the Company</p> <p>                     In charge of Finance Division, Legal Affairs &amp; Compliance Division of the Company</p> <p>                     Director, Executive Officer, Japan Carlit Co., Ltd.</p> <p>June 2024      Director, Executive Officer, in charge of Finance Division, Legal Affairs &amp; Compliance Division, and Metal Working segment of the Company (to present)</p> | 7,300                                      |
|     |   | <p>[Reason for selection as a candidate for Director]</p> <p>Mr. Hideo Okamoto has experience in corporate planning in the trust and asset management divisions of Mizuho Financial Group, Inc. as well as overseas operations at Mizuho Bank, Ltd. He has been involved in the Company's legal affairs, compliance, intellectual property, and internal audit since 2013, and currently serves as a Director and Executive Officer of the Company in charge of the Finance and Legal Affairs &amp; Compliance Divisions, as well as the Metal Working segment (Namitakiko Co., Ltd. and Toyo Spring Industrial Co., Ltd.). He has extensive knowledge and experience in finance and accounting gained during his time in banking, and has a proven track record of raising the level of legal compliance of the Group as an officer in charge of the Compliance Committee. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p>   |  |



| No. | Name<br>(Date of birth)  | Past experience, positions, and responsibilities (significant concurrent positions)  | Number of<br>shares of the<br>Company held |
|-----|--|--|--|
| 3   | [Reappointment]<br>Shigenobu<br>Takahashi<br>(October 6, 1962) | <p>April 1983      Joined Japan Carlit Co., Ltd.</p> <p>April 2016      General Manager, Gunma Plant, Production Headquarters, Japan Carlit Co., Ltd.</p> <p>April 2019      Director, Silicon Technology Corporation</p> <p>April 2020      Executive Officer, General Manager, Production Headquarters, Japan Carlit Co., Ltd.</p> <p>April 2021      Executive Officer of the Company<br/>Director, General Manager, Production Headquarters, Japan Carlit Co., Ltd.</p> <p>November 2023      Executive Officer, in charge of Carbon Neutral Promotion and Production Quality Control Departments of the Company<br/>Director, Executive Officer, in charge of Production Headquarters, Japan Carlit Co., Ltd.</p> <p>June 2024      Director, Executive Officer, in charge of Production Headquarters and Production Quality Control Department of the Company</p> <p>April 2025      Director, Executive Officer, in charge of Production Headquarters, Nagano Plant, and Production Quality Control Department of the Company (to present)</p> <p>[Reason for selection as a candidate for Director]<br/>Mr. Shigenobu Takahashi has served in the position of Director and Executive Officer in charge of the Production Headquarters, Nagano Plant, and Production Quality Control Department of the Company after he served as Director of Silicon Technology Corporation as well as the Director and General Manager of the Production Headquarters of Japan Carlit Co., Ltd. He has a proven track record of leading vigorous capital investment in growth areas at the Company's plant, as well as extensive knowledge and experience in production technologies and quality assurance. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p> | 7,500                                      |
| 4   | [New appointment]<br>Ryuichi Nakatsu<br>(March 10, 1968)       | <p>April 1991      Joined Japan Carlit Co., Ltd.</p> <p>January 2017      General Manager, Personnel Division, Head of Secretary's Office of the Company</p> <p>April 2019      General Manager, General Affairs Division of the Company</p> <p>April 2020      Director, JC Bottling Co., Ltd.</p> <p>June 2022      Managing Director, JC Bottling Co., Ltd.</p> <p>April 2023      President and Representative Director, JC Bottling Co., Ltd. (to present)</p> <p>April 2024      Executive Officer, in charge of Bottling segment of the Company</p> <p>April 2025      Executive Officer, in charge of Corporate Planning Department and Bottling segment of the Company (to present)</p> <p>[Reason for selection as a candidate for Director]<br/>Mr. Ryuichi Nakatsu has served in the position of President and Representative Director at JC Bottling Co., Ltd. as well as Executive Officer in charge of Corporate Planning Department and Bottling segment of the Company after he served as General Manager of the Personnel Division, Head of Secretary's Office, and General Manager of the General Affairs Division of the Company. He has extensive knowledge and experience in the implementation of business management and corporate strategy as a manager, in addition to administrative duties including personnel and general affairs, and he promotes environmentally responsible and sustainable management in the Bottling segment. He is selected as a candidate for Director because he is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p>  | 4,100                                      |

| No. | Name<br>(Date of birth)  | Past experience, positions, and responsibilities (significant concurrent positions)  | Number of<br>shares of the<br>Company held |
|-----|--|--|--|
| 5   | [Reappointment]<br>[Outside Director]<br>[Independent]<br>Yukari Murayama<br>(August 4, 1972)    | <p>April 2000 Registered as an attorney at law<br/>Attorney at law, Bingham Sakai Mimura Aizawa (foreign law joint enterprise) (formerly Hideyuki Sakai Law Firm)</p> <p>January 2010 Seconded to Supervision Bureau, Financial Services Agency (Non-Bank Finance Companies Office and Financial System Stabilization Management Office)</p> <p>April 2012 Counsel, Bingham Sakai Mimura Aizawa (foreign law joint enterprise)</p> <p>January 2013 Partner at Bingham Sakai Mimura Aizawa</p> <p>April 2015 Partner at Anderson Mori &amp; Tomotsune (currently Anderson Mori &amp; Tomotsune Foreign Law Joint Enterprise) (to present)</p> <p>June 2015 Outside Audit &amp; Supervisory Board Member, Information Services International-Dentsu, Ltd. (currently DENTSU SOKEN INC.)</p> <p>June 2022 Outside Director of the Company (to present)</p> <p>March 2023 Outside Director (Audit and Supervisory Committee Member), Information Services International-Dentsu, Ltd. (currently DENTSU SOKEN INC.) (to present)</p> <p>(Significant concurrent positions)<br/>Partner at Anderson Mori &amp; Tomotsune Foreign Law Joint Enterprise<br/>Outside Director (Audit and Supervisory Committee Member), DENTSU SOKEN INC.</p> <p>[Reason for selection as a candidate for Outside Director and a summary of expected roles]<br/>While Ms. Yukari Murayama does not have past experience of direct involvement in corporate management other than as an outside officer, she has a high degree of expertise as a lawyer. Since her appointment as an Outside Director of the Company, she has contributed to ensuring the transparency and fairness of the Board of Directors by providing appropriate recommendations and advice from an independent standpoint and from a multifaceted perspective based on her wealth of knowledge and broad experience. Based not only on her experience and knowledge, but also on her proven track record of making proposals and implementing measures to promote DE&amp;I, she is selected as a candidate for Outside Director because she is expected to contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through her participation in deliberations and decision-making.</p> | —  |
| 6   | [Reappointment]<br>[Outside Director]<br>[Independent]<br>Yasuhiro Fujiwara<br>(January 3, 1972) | <p>April 1995 Joined Mitsui Home Co., Ltd.</p> <p>July 1998 Left Mitsui Home Co., Ltd.</p> <p>October 2001 Joined ChuoAoyama Audit Corporation</p> <p>July 2007 Joined Shin Nihon &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>January 2021 Representative, Fujiwara Accounting Office (to present)<br/>Representative Director, Kaikei Oen Kobo Co., Ltd. (to present)</p> <p>June 2021 Outside Director (Audit), Fukoku Co., Ltd. (to present)</p> <p>June 2023 Outside Audit &amp; Supervisory Board Member of the Company</p> <p>June 2024 Outside Director of the Company (to present)</p> <p>(Significant concurrent positions)<br/>Representative, Fujiwara Accounting Office<br/>Representative Director, Kaikei Oen Kobo Co., Ltd.<br/>Outside Director (Audit), Fukoku Co., Ltd.</p> <p>[Reason for selection as a candidate for Outside Director and a summary of expected roles]<br/>Mr. Yasuhiro Fujiwara has a high degree of expertise as a certified public accountant and experience as an Outside Director (Audit) at other companies. Based on his performance in appropriately fulfilling the role of supervising the execution of duties by Directors from an independent standpoint since his appointment as an Outside Audit &amp; Supervisory Board Member of the Company, he is selected as a candidate for Outside Director because he is expected to contribute more directly to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making from the perspective of financial strategy.</p>  | —  |

| No. | Name<br>(Date of birth)  | Past experience, positions, and responsibilities (significant concurrent positions)   | Number of<br>shares of the<br>Company held |
|-----|--|---|--|
| 7   | [New appointment]<br>[Outside Director]<br>[Independent]<br>Harutoshi Sato<br>(June 1, 1961) | <p>April 1984      Joined TOKYO OHKA KOGYO CO., LTD.</p> <p>December 1992      Seconded to TOKYO OHKA KOGYO AMERICA, INC.</p> <p>February 1999      Returned to TOKYO OHKA KOGYO CO., LTD.</p> <p>April 2004      General Manager, Quality Assurance Department, TOKYO OHKA KOGYO CO., LTD.</p> <p>April 2007      General Manager, Advanced Material Development Department 2, TOKYO OHKA KOGYO CO. LTD.</p> <p>June 2009      Executive Officer, Deputy Division Manager, Research and Development Division, and General Manager, Advanced Material Development Department 3, TOKYO OHKA KOGYO CO., LTD.</p> <p>June 2012      Director, Executive Officer, Division Manager, Research and Development Division, TOKYO OHKA KOGYO CO., LTD.</p> <p>June 2017      Director, Managing Executive Officer, Division Manager, Research and Development Division, TOKYO OHKA KOGYO CO., LTD.</p> <p>March 2019      Director, Senior Managing Executive Officer, Division Manager, Research and Development Division, TOKYO OHKA KOGYO CO., LTD.</p> <p>March 2022      Director, TOKYO OHKA KOGYO CO., LTD. (to present)</p> <p>(Significant concurrent positions)<br/>Director, TOKYO OHKA KOGYO CO., LTD.</p> <p>[Reason for selection as a candidate for Outside Director and a summary of expected roles]<br/>Mr. Harutoshi Sato has experience in overseas business at TOKYO OHKA KOGYO CO., LTD., has held important positions as General Manager of Quality Assurance Department and Division Manager of Research and Development Division, and has a wealth of knowledge and experience regarding product development and quality assurance. Based on his experience, knowledge, and performance, he is selected as a candidate for Outside Director because he is expected to provide appropriate recommendations and advice from a development strategy perspective and from an independent standpoint and contribute to improving the effectiveness of the Board of Directors' supervisory and decision-making functions as well as increasing the Group's corporate value through his participation in deliberations and decision-making.</p> | —  |

(Notes)

1. There is no special interest between each of the candidates for Director and the Company.
2. Ms. Yukari Murayama and Mr. Yasuhiro Fujiwara are candidates for Outside Director. The Company has designated these two candidates as Independent Directors as prescribed in the regulations of the Tokyo Stock Exchange. If they are re-elected and assume the position of Independent Director, the Company intends to continue with the appointment submitted to the same Exchange.
3. Mr. Harutoshi Sato is a candidate for Outside Director. If he is elected and assumes the position of Outside Director, the Company intends to notify the Tokyo Stock Exchange that he is an Independent Director as prescribed in the regulations of the Tokyo Stock Exchange.
4. The Company has prescribed in its Articles of Incorporation that the Company may enter into a liability limitation agreement with Directors (excluding Directors with executive authority over operations) to limit their liability for damages to the Company within a certain limited amount to enable the Company to attract talented human resources as Outside Directors. Accordingly, if Ms. Yukari Murayama and Mr. Yasuhiro Fujiwara are re-elected and assume the position of Outside Director, the Company intends to continue the said agreement with them.  
Additionally, if Mr. Harutoshi Sato is elected and assumes the position of Outside Director, the Company intends to enter into the said agreement with him.  
The outline of the liability limitation agreement is as follows.
  - Should the candidate cause any damage to the Company as an Outside Director, provided that the candidate has executed his or her duties in good faith without gross negligence, the candidate shall be liable for compensation for damages to the Company, with the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act as the maximum amount of such liability.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages and litigation expenses to be paid for shareholders or other third parties by the insured including the Company's Directors. If the candidates are elected and assume the office of Director, they will be insured under the insurance contract. Additionally, the Company plans to renew the insurance contract with the same contents at the next renewal.
6. Mr. Hideo Okamoto has served as Director of the Company in the past and has served for a total of five (5) years.

7. Ms. Yukari Murayama will have served as an Outside Director of the Company for three (3) years at the conclusion of this General Meeting of Shareholders.
8. Mr. Yasuhiro Fujiwara will have served as an Outside Director of the Company for one (1) year at the conclusion of this General Meeting of Shareholders.
9. Ms. Yukari Murayama's name on the family register is Yukari Hagiwara.
10. Ms. Yukari Murayama is scheduled to be appointed as an Outside Director (Audit and Supervisory Committee Member) of MS&AD Insurance Group Holdings, Inc. at their annual general meeting of shareholders to be held in June 2025.

**Proposal 3:** Election of Three (3) Audit & Supervisory Board Members

The terms of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this Annual General Meeting of Shareholders. We hereby propose that three (3) Audit & Supervisory Board Members be elected.

This proposal has received the consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

| No.           | Name  | Current position in the Company                    |   |
|---------------|---|--|---|
| 1             | Shinichi Iwamura  | Full-Time Outside Audit & Supervisory Board Member | Reappointment<br>Outside<br>Independent |
| 2             | Reiko Mitamura  | Outside Audit & Supervisory Board Member           | Reappointment<br>Outside<br>Independent |
| 3             | Akinori Aoki  | Audit & Supervisory Board Member                   | Reappointment                           |
| Reappointment | Candidate for reappointment as Audit & Supervisory Board Member               |  |   |
| Outside       | Candidate for Outside Audit & Supervisory Board Member                        |  |   |
| Independent   | Independent Audit & Supervisory Board Member as stipulated by stock exchanges |  |   |

| No. | Name<br>(Date of birth)   | Past experience and positions (significant concurrent positions)  | Number of<br>shares of the<br>Company held |
|-----|---|---|--|
| 1   | [Reappointment]<br>[Outside Audit &<br>Supervisory Board<br>Member]<br>[Independent]<br>Shinichi Iwamura<br>(February 19, 1965) | <p>April 1989      Joined Yasuda Trust &amp; Banking Co., Ltd. (currently Mizuho Trust &amp; Banking Co., Ltd.)</p> <p>April 2012      General Manager, Pension Trust Department, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>April 2015      Deputy General Manager, Asset Management Coordination Department, Mizuho Financial Group, Inc.<br/>General Manager, Investment Department, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>April 2017      Executive Officer and General Manager, Integrated Strategy Department, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>June 2019      Vice President, Japan Pension Operation Service, Ltd.</p> <p>April 2020      Managing Executive Officer, Asset Management One Co., Ltd.</p> <p>June 2023      Director (Member of Audit and Supervisory Committee), Asset Management One Co., Ltd.</p> <p>June 2024      Full-Time Outside Audit &amp; Supervisory Board Member of the Company (to present)</p> <p>[Reason for selection as a candidate for Outside Audit &amp; Supervisory Board Member]<br/>Mr. Shinichi Iwamura has served the position of Vice President of Japan Pension Operation Service, Ltd., Managing Executive Officer of Asset Management One Co., Ltd., and Director (Member of Audit and Supervisory Committee) of Asset Management One Co., Ltd. He is nominated as a candidate for Outside Audit &amp; Supervisory Board Member because he is expected to provide appropriate advice from an independent standpoint and contribute to highly effective auditing with respect to ensuring the transparency and fairness of the Board of Directors as well as the appropriateness of its decision-making and supervisory functions, based on his extensive knowledge of overall management, including organizational management and governance, and from a multifaceted perspective based on his broad experience.</p> | —  |
| 2   | [Reappointment]<br>[Outside Audit &<br>Supervisory Board<br>Member]<br>[Independent]<br>Reiko Mitamura<br>(August 26, 1971)     | <p>October 2000      Joined ChuoAoyama Audit Corporation</p> <p>April 2006      Representative, Reiko Nakamura Certified Public Accountant Office</p> <p>September 2010      Joined Seisen Audit Corporation</p> <p>July 2016      Changed the name of Reiko Nakamura Certified Public Accountant Office to Reiko Mitamura Certified Public Accountant Office (to present)</p> <p>June 2024      Outside Audit &amp; Supervisory Board Member of the Company (to present)</p> <p>(Significant concurrent positions)<br/>Representative, Reiko Mitamura Certified Public Accountant Office</p> <p>[Reason for selection as a candidate for Outside Audit &amp; Supervisory Board Member]<br/>While Ms. Reiko Mitamura does not have past experience in corporate management, she has extensive experience in auditing firms as well as a high level of expertise in finance and accounting as a certified public accountant. Based on her expertise, she is nominated as a candidate for Outside Audit &amp; Supervisory Board Member because she is expected to provide appropriate advice and contribute to highly effective auditing with respect to ensuring the transparency and fairness of the Board of Directors as well as the appropriateness of its decision-making and supervisory functions from an independent standpoint as an Outside Audit &amp; Supervisory Board Member.</p>  | —  |

| No. | Name<br>(Date of birth)                               | Past experience and positions (significant concurrent positions)  | Number of<br>shares of the<br>Company held |
|-----|---|---|--|
| 3   | [Reappointment]<br>Akinori Aoki<br>(January 26, 1956) | <p>April 1978      Joined Japan Carlit Co., Ltd.</p> <p>June 2009      Executive Officer, Japan Carlit Co., Ltd.<br/>President and Representative Director, Daiichi Yakuhin Kogyo Co., Ltd.</p> <p>October 2013    Executive Officer of the Company<br/>Director and Vice President, JAPEX CO., LTD.</p> <p>June 2017      Audit &amp; Supervisory Board Member of the Company (to present)<br/>Audit &amp; Supervisory Board Member, Japan Carlit Co., Ltd.</p> <p>June 2019      Full-Time Audit &amp; Supervisory Board Member, Japan Carlit Co., Ltd.</p> <p>[Reason for selection as a candidate for Audit &amp; Supervisory Board Member]<br/>Mr. Akinori Aoki has served the position of Audit &amp; Supervisory Board Member of the Company after he served as Executive Officer of the Company, President and Representative Director at Daiichi Yakuhin Kogyo Co., Ltd., Director and Vice President at JAPEX CO., LTD., and Director and General Manager of Administration Division at Japan Carlit Co., Ltd. He also serves as the Full-Time Audit &amp; Supervisory Board Member at Japan Carlit Co., Ltd. and has a wealth of experience and knowledge across various fields, including the management, business, finance, and accounting of the Group. Therefore, he is nominated as a candidate for Audit &amp; Supervisory Board Member, as he is expected to provide appropriate advice and contribute to highly effective auditing with respect to ensuring the transparency and fairness of the Board of Directors as well as the appropriateness of its decision-making and supervisory functions.</p> | 8,600                                      |

(Notes)

1. There is no special interest between each of the candidates for Audit & Supervisory Board Member and the Company.
2. Mr. Shinichi Iwamura and Ms. Reiko Mitamura are candidates for Outside Audit & Supervisory Board Member. The Company has designated these two candidates as Independent Audit & Supervisory Board Members as prescribed in the regulations of the Tokyo Stock Exchange. If they are re-elected and assume the position of Outside Audit & Supervisory Board Members, the Company intends to continue with the appointment submitted to the same Exchange.
3. The Company has prescribed in its Articles of Incorporation that the Company may enter into a liability limitation agreement with Audit & Supervisory Board Members to limit their liability for damages to the Company within a certain limited amount to enable the Company to attract talented human resources as Audit & Supervisory Board Members. Accordingly, if Mr. Shinichi Iwamura, Ms. Reiko Mitamura, and Mr. Akinori Aoki are re-elected and assume the position of Audit & Supervisory Board Member, the Company intends to continue the said agreement with them.  
The outline of the liability limitation agreement is as follows.
  - Should the candidate cause any damage to the Company as an Audit & Supervisory Board Member, provided that the candidate has executed his or her duties in good faith without gross negligence, the candidate shall be liable for compensation for damages to the Company, with the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act as the maximum amount of such liability.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages and litigation expenses to be paid for shareholders or other third parties by the insured including the Company's Audit & Supervisory Board Members. If the candidates are elected and assume the office of Audit & Supervisory Board Member, they will be insured under the insurance contract. Additionally, the Company plans to renew the insurance contract with the same contents at the next renewal.
5. Mr. Shinichi Iwamura will have served as an Outside Audit & Supervisory Board Member of the Company for one (1) year at the conclusion of this General Meeting of Shareholders.
6. Ms. Reiko Mitamura will have served as an Outside Audit & Supervisory Board Member of the Company for one (1) year at the conclusion of this General Meeting of Shareholders.

[Reference] Skill matrix of each Director after the conclusion of this General Meeting of Shareholders  
The main expertise and experience that the Company expects from each Director and Audit & Supervisory Board Member if the candidates listed in this Notice are elected as proposed, are as follows.

|                                   | Name                |        | Corporate management | Finance and accounting | Research and development, manufacturing, and technology | Legal affairs, risk management, and governance | Planning and marketing | Global experience | Environment and sustainability | Human resources and diversity |
|-----------------------------------|---------------------|--------|----------------------|------------------------|---|--|------------------------|-------------------|--------------------------------|-------------------------------|
| Directors                         | Hirofumi Kaneko     | Male   | ○                    |                        | ○   | ○  | ○                      | ○                 |                                | ○                             |
|                                   | Hideo Okamoto       | Male   |                      | ○                      |   | ○  |                        | ○                 |                                | ○                             |
|                                   | Shigenobu Takahashi | Male   |                      |                        | ○   | ○  |                        |                   | ○                              | ○                             |
|                                   | Ryuichi Nakatsu     | Male   | ○                    |                        |   |  | ○                      |                   | ○                              | ○                             |
|                                   | Yukari Murayama     | Female |                      |                        |   | ○  |                        |                   |                                | ○                             |
|                                   | Yasuhiro Fujiwara   | Male   |                      | ○                      |   | ○  | ○                      |                   |                                |                               |
|                                   | Harutoshi Sato      | Male   | ○                    |                        | ○   |  |                        | ○                 |                                |                               |
| Audit & Supervisory Board Members | Shinichi Iwamura    | Male   | ○                    | ○                      |   | ○  |                        |                   |                                |                               |
|                                   | Reiko Mitamura      | Female |                      | ○                      |   | ○  |                        |                   |                                |                               |
|                                   | Akinori Aoki        | Male   |                      | ○                      | ○   |  | ○                      |                   |                                |                               |



# Business Report

(April 1, 2024–March 31, 2025)

## 1. The Present State of the Group

### (1) Progress and outcomes of business

We have formulated our Medium-term Management Plan entitled “Challenge 2024,” which concluded in fiscal year 2024. Under this plan, our management policy was to pursue improvements in corporate value through the optimization of our business portfolio, and to achieve this, we implemented the following five strategies: (1) accelerating growth businesses; (2) expanding R&D; (3) improving the profitability of existing businesses; (4) increasing the sophistication of ESG management; and (5) reconstructing of business infrastructure. In addition to these, we formulated the “Rolling Plan 2023” and the “Grow Up Plan 2024,” upon having revised “Challenge 2024” on a rolling basis in order to better ensure that we will achieve the goals of the Medium-term Management Plan by responding flexibly to changes in the business environment.

Going forward, we will promote our new Medium-term Management Plan entitled “Challenge 2027” announced in March 2025, with the aim of continuing to improve corporate value.

In the current fiscal year, we recorded net sales of ¥36,914 million (+¥337 million/+0.9% YoY). Operating profit was ¥3,046 million (-¥305 million/-9.1%), ordinary profit was ¥3,320 million (-280 million/-7.8%), and profit attributable to owners of the parent company was ¥2,570 million (-¥28 million/-1.1%).

Regarding our performance in the current fiscal year, sales were strong in the Chemical Products segment (explosives, chemicals, electronics, ceramics) and the Engineering Services segment.

However, the silicon wafer sector of the Chemical Products segment recorded lower profits due to production and inventory adjustments by customers, while the Bottling segment also saw a decline in profit due to delays in equipment restoration during periodic factory maintenance and reduced production volume. Although sales were strong in certain business segments and sectors, profit margins declined due to rising labor and energy costs, resulting in higher overall revenue but lower profits.

Effective October 1, 2024, the Company transitioned from a holding company to an operating company through the absorption-type merger of our wholly-owned subsidiaries Japan Carlit Co., Ltd. and Silicon Technology Corporation, which were dissolved as a result, and the Company became the surviving entity. In line with this, we revised our segment classifications, and the Company’s financial information, which had been included under “Other,” is now presented under “Chemical Products.” Figures for the previous fiscal year have been reclassified into the new reportable segments for comparative analysis.

The following is information about the main fluctuations in net sales.

### Chemicals Products segment

In the explosives sector, industrial explosives recorded an increase in both sales and profit due to the reflection of fair prices. Automotive emergency flares saw sales remain mostly unchanged due to a decline in new car production volume accompanying type certification issues, despite a recovery effort in the fourth quarter. However, profits declined due to increased production costs. Smoke fires for highway use experienced an increase in both sales and profit due to higher demand despite car traffic volume remaining unchanged, as well as the reflection of fair prices. Sales and profit of raw materials for fireworks increased due to higher demand driven by a rise in fireworks displays.

In the material assessments sector, material hazard assessment testing and battery testing sales performed well due to continued strength in various research and development markets. Despite rising labor and energy costs, orders for large-scale special testing increased, resulting in higher sales and profit.

In the chemicals sector, sodium chlorate sales and profit increased as we maintained stable supply to meet demand for pulp bleaching applications. Ammonium perchlorate (the raw material in propellants for rockets and defense missiles) saw sales and profit increase due to strong sales of space rocket applications.

Electrodes experienced an increase in sales and profit due to strong demand for replacement of electrodes for oxygen generation. Perchloric acid sales and profit decreased due to sluggish overseas demand despite strong sales for major domestic users.

In the electronics sector, sales and profit increased due to strong demand for ancillary parts for artificial intelligence (AI) servers, despite a slowdown in electric vehicle (EV) market growth.

In the ceramics sector, sales and profit increased due to the maintenance of fair prices, the handling of a wider range of products, and sales promotions, despite continued sluggish demand from domestic grindstone and abrasive paper manufacturers.

In the silicon wafer sector, although sales recovered amid excessive customer inventories and production adjustments caused by a sluggish semiconductor market, profit declined due to weak sales of high-margin products. We will continue to focus on activities such as new development and expansion of market share in the small-diameter wafer market as well as productivity improvement of existing product lines.

As a result, net sales for the Chemical Products segment were ¥22,423 million (+¥1,558 million/+7.5% YoY), while operating profit was ¥1,478 million (-¥42 million/-2.8%).

### **Bottling segment**

In the Bottling segment, PET recorded a decline in sales and profit due to delays in equipment restoration after periodic maintenance in the first quarter and a decline in orders in the third quarter.

As a result, net sales for the Bottling segment were ¥4,524 million (-¥625 million/-12.2% YoY), while operating profit was ¥345 million (-¥264 million/-43.3%).

### **Metal Working segment**

In the Metal Working segment, heat-resistant metal parts for furnaces (anchors) and dust collector retainers saw an increase in both sales and profit thanks to strong sales performance. For various metal spring and pressed products, sales and profit decreased due to a drop in demand among our major customers in construction machinery and autos. We will continue activities such as productivity improvement and maintaining fair prices.

As a result, net sales for the Metal Working segment were ¥7,230 million (-¥73 million/-1.0% YoY), while operating profit was ¥508 million (+¥47 million/+10.2%).

### **Engineering Services segment**

For engineering and construction work, despite continued intensifying competition for external construction work, sales and profit increased in construction work. For industrial paints and painting work, sales increased due to strong paint and equipment sales, but profit decreased due to a fall in demand for construction machinery in high-margin painting work. As for structural design, sales and profits increased due to successful acquisition of public projects.

As a result, net sales for the Engineering Services segment were ¥4,411 million (+¥65 million/+1.5% YoY), while operating profit was ¥822 million (+¥3 million/+0.5%).

## **(2) Capital investments**

The total of capital investments made during the current fiscal year was ¥3,376 million.

### **(i) Main facilities completed during the current fiscal year**

Chemicals Products segment  
Carlit Co., Ltd.

Introduction of material assessment testing facility,  
construction of new solar power generation facility

(ii) New construction/enhancement of main facilities during the current fiscal year

Chemicals Products segment

Carlit Co., Ltd.

Expansion of propellant raw material manufacturing facility, construction of material assessment testing building, renewal of industrial chemical products manufacturing facility, construction and renewal of office building, renewal of laboratory building

Metal Working segment

Toyo Spring Industrial Co., Ltd.

Introduction of large press machine

Engineering Services segment

Fuji Shoji Co., Ltd.

Reconstruction of head office

(iii) Sale/removal/loss of material non-current assets

No items to report.

(3) Financing

Regarding financing for facilities and other projects during the current fiscal year, we procured necessary funds mainly from own capital and loans from financial institutions. Consolidated interest-bearing liabilities amounted to ¥1,280 million, a decrease of ¥734 million from the previous year.

(4) Issues to address

1. Fundamental management policy

Management philosophy: For Confidence and Infinite Challenge

Based on “Strenuous Efforts,” which is the spirit of our founder, Soichiro Asano, we established the management philosophy “For Confidence and Infinite Challenge” in light of our current reason for existence and ambitious development for the future.

We believe it is our mission to contribute to both society and individual people. To achieve this mission, we must establish a sustainable business foundation and develop enduring technology. We intend to develop new products and make forays into new business segments while improving our research and development structure, striving to proactively develop new businesses with the priority placed on maintaining trust from stakeholders.

Aiming to create a 200-year company, all employees of the Carlit Group will work together to earn the world’s trust by tackling countless challenges.

2. Medium- and long-term management strategies

We have determined that our vision for the Group in 2030 to 2035 is “To contribute to a sustainable society by combining the power of “chemistry” and “technology” to support people’s happy lives,” and we have promoted our Medium-term Management Plan entitled “Challenge 2024,” with the fiscal year 2024 as its final year. Our management policy is to pursue improvements in corporate value through the optimization of our business portfolio, and we carried out the following five strategies: (1) accelerating growth businesses; (2) expanding R&D; (3) improving the profitability of existing businesses; (4) increasing the sophistication of ESG management; and (5) reconstructing of business infrastructure.

Going forward, we will promote our new Medium-term Management Plan entitled “Challenge 2027,” which was announced in March 2025, while promoting capital investment in growth businesses, realizing new businesses through research and development, improving capital profitability, and continuing to promote initiatives related to our human resources strategy and other efforts that support these strategies.

(5) Recent trends in Group assets, profits and losses of the Group

| Category   | Year 9<br>(Year ended<br>March 2022) | Year 10<br>(Year ended<br>March 2023) | Year 11<br>(Year ended<br>March 2024) | Year 12<br>Current fiscal<br>year<br>(Year ended<br>March 2025) |
|--|--------------------------------------|---------------------------------------|---------------------------------------|---|
| Net sales (Millions of yen)                                      | 33,894                               | 36,008                                | 36,577                                | 36,914  |
| Ordinary profit (Millions of yen)                                | 2,742                                | 2,910                                 | 3,600                                 | 3,320   |
| Profit attributable to owners of the parent<br>(Millions of yen) | 2,336                                | 2,246                                 | 2,598                                 | 2,570   |
| Profit per share (Yen)   | 98.31                                | 94.55                                 | 109.91                                | 109.07  |
| Total assets (Millions of yen)                                   | 50,078                               | 51,230                                | 55,146                                | 53,012  |
| Net assets (Millions of yen)                                     | 30,903                               | 33,179                                | 36,775                                | 37,479  |
| Net assets per share (Yen)                                       | 1,300.41                             | 1,402.70                              | 1,560.32                              | 1,590.20  |

(6) Status of the parent company and significant subsidiaries (as of March 31, 2025)

(i) Relationship with the parent company

No items to report.

(ii) Status of significant subsidiary companies

| Company name                      | Share capital<br>(Millions of yen) | Ownership<br>equity | Description of main businesses  |
|-----------------------------------|------------------------------------|---------------------|---|
| JC Bottling Co., Ltd.             | 400                                | 100%                | Bottling and selling soft drinks  |
| Fuji Shoji Co., Ltd.              | 12                                 | 100%                | Selling industrial paints, performing painting work   |
| Namitakiko Co., Ltd.              | 33                                 | 100%                | Manufacturing and selling heat-resistant furnace hardware   |
| General Design Co., Ltd.          | 10                                 | 100%                | Designing and supervising buildings, structures, water supply and wastewater systems, wastewater treatment facilities, etc. |
| Toyo Spring industrial Co., Ltd.  | 40                                 | 100%                | Manufacturing and selling springs for automobiles and construction machinery  |
| Carlit Sangyo Co., Ltd.           | 30                                 | 100%                | Engineering, construction-related services, termite control   |
| Minamisawa Construction Co., Ltd. | 60                                 | 100%                | Construction projects, civil engineering design and construction  |
| Japan Carlit (Shanghai) Co., Ltd. | 70                                 | 100%                | Selling, exporting and importing electronics, etc.  |

Notes: 1. We have 11 consolidated subsidiary companies and one company accounted for using the equity method.  
2. Japan Carlit Co., Ltd. and Silicon Technology Corporation were removed from the list of significant subsidiaries following their absorption into the Company through the merger on October 1, 2024.

(iii) Status of specified wholly-owned subsidiary companies on March 31, 2025

No items to report.

## (7) Description of main businesses (as of March 31, 2025)

| Business segment             | Main products and services  |
|------------------------------|---|
| Chemicals Products segment   | <p>&lt; Explosives &gt;<br/>Industrial explosives, Signal flares for automobile use, Smoke fires, Raw materials for fireworks</p> <p>&lt; Material assessments &gt;<br/>Material hazard assessment testing, Battery testing</p> <p>&lt; Chemicals &gt;<br/>Sodium chlorate, Ammonium perchlorate, Agrichemicals, Electrodes, Perchloric acid, Plastic raw materials</p> <p>&lt; Electronics &gt;<br/>Organic conducting materials, Optical function materials, Ion conducting materials</p> <p>&lt; Ceramics &gt;<br/>Abrasives</p> <p>&lt; Silicon wafer &gt;<br/>Silicon wafers</p> |
| Bottling segment             | Bottling and packaging  |
| Metal Working segment        | Heat-resistant refractories, Springs  |
| Engineering Services segment | Engineering and construction work, Sales of industrial paints and painting work, Design and administration of buildings   |

## (8) Main lenders (as of March 31, 2025)

(Millions of yen)

| Lender                           | Borrowings |
|----------------------------------|------------|
| Mizuho Bank, Ltd.                | 137        |
| The Gunma Bank, Ltd.             | 113        |
| Mizuho Trust & Banking Co., Ltd. | 66         |
| Resona Bank, Limited             | 61         |

## (9) Status of business transfers, absorption-type company splits, and incorporation-type company splits

No items to report.

## (10) Status of acquisitions of businesses

No items to report.

## (11) Status of succession of the rights and obligations of the businesses of other corporations under absorption-type mergers or absorption-type company splits

On October 1, 2024, the Company carried out an absorption-type merger, whereby the Company was the surviving company and its wholly-owned subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, were the absorbed entities. Through this merger, the Company has succeeded to all rights and obligations held by the absorbed entities.

## (12) Status of acquisition or disposition of shares or other equity, share acquisition rights of other companies

No items to report.

## 2. The Company's Shares (as of March 31, 2025)

- (1) Total number of authorized shares: 80,000,000
- (2) Total number of issued shares: 23,957,741 (excluding 92,259 treasury shares)
- (3) Number of shareholders: 32,261
- (4) Major shareholders

| Shareholder name  | Number of shares owned<br>(Thousands of shares) | Ownership ratio (%) |
|---|---|---------------------|
| The Master Trust Bank of Japan, Ltd. (trust account)  | 2,779   | 11.6                |
| Custody Bank of Japan, Ltd. (Marubeni retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)    | 1,997   | 8.3                 |
| Custody Bank of Japan, Ltd. (trust account)   | 1,107   | 4.6                 |
| NOF CORPORATION   | 915   | 3.8                 |
| Custody Bank of Japan, Ltd. (Mizuho Bank retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.) | 913   | 3.8                 |
| Meiji Yasuda Life Insurance Company   | 700   | 2.9                 |
| NAGASE & CO., LTD.  | 700   | 2.9                 |
| Fuyo General Lease Co., Ltd.  | 522   | 2.2                 |
| Daiso Chemical Co., Ltd.  | 418   | 1.7                 |
| Carlit Employee Stock Ownership Association   | 405   | 1.7                 |

- Notes:
1. Ownership ratios were calculated after excluding the 92,259 treasury shares.
  2. The shares owned by the Marubeni retirement benefit trust account with Mizuho Trust & Banking Co., Ltd. were purchased by Marubeni Corporation as a retirement benefit trust.
  3. The shares owned by the Mizuho Bank retirement benefit trust account with Mizuho Trust & Banking Co., Ltd. were purchased by Mizuho Bank, Ltd. as a retirement benefit trust.
  4. Treasury shares do not include shares held by Custody Bank of Japan, Ltd. (Trust Account E) related to the "Board Benefit Trust (BBT)" and the "Japanese version of Employee Stock Ownership Plan (J-ESOP)."

- (5) Status of shares issued to Company Officers as compensation for execution of duties during the current fiscal year

| Type of Officer                         | Number of shares<br>(Hundreds of shares) | Recipients<br>(Number of people) |
|---|--|----------------------------------|
| Directors (excluding Outside Directors) | —  | —                                |
| Outside Directors                       | —  | —                                |
| Audit & Supervisory Board Members       | —  | —                                |

Note: Details of the Company's stock compensation plan can be found under "3. Company Officers, (4) Compensation, etc. of Directors and Audit & Supervisory Board Members" on page 25 of the Business Report.

- (6) Important matters pertaining to other shares

- (i) Introduction of the Board Benefit Trust (BBT)

At the 2nd Annual General Meeting of Shareholders held on June 26, 2015, the shareholders passed a resolution to introduce a performance-linked stock compensation plan (BBT) which limits compensation to Directors (excluding Outside Directors) to a maximum of ¥60 million in a single fiscal year. In addition to the above limit, at the 8th Annual General Meeting of Shareholders held on June 29, 2021, the shareholders passed a resolution to establish a maximum of 120,000 points granted to Directors (excluding Outside Directors) under the performance-linked stock compensation plan (BBT) during a single fiscal year. The number of such shares owned by the Trust Account as of the end of the fiscal year was 256,800.

(ii) Introduction of the Japanese version of Employee Stock Ownership Plan (J-ESOP)

Based on a resolution passed at the Board of Directors meeting held on November 28, 2023, the Company has introduced the “Japanese version of Employee Stock Ownership Plan (J-ESOP),” effective December 12, 2023, which is an incentive plan to provide employees of the Company as well as directors and employees of certain subsidiaries of the Company with Company shares. The number of such shares owned by the Trust Account as of the end of the fiscal year was 131,800.

### 3. Company Officers

#### (1) Names, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2025)

| Position in the Company                    | Name                | Areas of responsibility and significant concurrent positions  |
|--|---------------------|---|
| Representative Director                    | Hirofumi Kaneko     | In charge of the Internal Audit Office  |
| Director                                   | Fumio Ogawa         | In charge of the Corporate Planning Department and General Manager of Corporate Planning Department   |
| Director                                   | Yoji Yamaguchi      | In charge of Research & Development Division  |
| Director                                   | Hideo Okamoto       | In charge of Finance Division, Legal Affairs & Compliance Division, and Metal Working segment   |
| Director                                   | Shigenobu Takahashi | In charge of Production Headquarters and Production Quality Control Department  |
| Director                                   | Seiichi Shimbo      |   |
| Director                                   | Yukari Murayama     | Partner at Anderson Mori & Tomotsune Foreign Law Joint Enterprise; Outside Director (Audit and Supervisory Committee Member), DENTSU SOKEN INC. |
| Director                                   | Yasuhiro Fujiwara   | Representative, Fujiwara Accounting Office; Representative Director, Kaikei Oen Kobo Co., Ltd.; Outside Director (Audit), Fukoku Co., Ltd.      |
| Full-Time Audit & Supervisory Board Member | Shinichi Iwamura    |   |
| Audit & Supervisory Board Member           | Reiko Mitamura      | Representative, Reiko Mitamura Certified Public Accountant Office   |
| Audit & Supervisory Board Member           | Akinori Aoki        |   |
| Audit & Supervisory Board Member           | Tsunemichi Iwai     |   |

- Notes:
1. Directors Seiichi Shimbo, Yukari Murayama, and Yasuhiro Fujiwara are Outside Directors as defined in Article 2, Paragraph 15 of the Companies Act.
  2. Full-Time Audit & Supervisory Board Member Shinichi Iwamura and Audit & Supervisory Board Member Reiko Mitamura are Outside Audit & Supervisory Board Members as defined in Article 2, Paragraph 16 of the Companies Act.
  3. Directors Seiichi Shimbo, Yukari Murayama, and Yasuhiro Fujiwara; Full-Time Audit & Supervisory Board Member Shinichi Iwamura; and Audit & Supervisory Board Member Reiko Mitamura have been reported to the Tokyo Stock Exchange as independent officers.
  4. Director Kazuo Yamamoto retired at the conclusion of the 11th Annual General Meeting of Shareholders held on June 27, 2024, due to the expiration of his term of office.
  5. Audit & Supervisory Board Member Reiko Mitamura is a certified public accountant and has considerable knowledge of finance and accounting.
  6. On October 1, 2024, the Company carried out an absorption-type merger, whereby the Company was the surviving company and its consolidated subsidiaries, Japan Carlit Co., Ltd. and Silicon Technology Corporation, were the absorbed entities. Accordingly, the following changes have been made to the officers who held concurrent positions:
    - Director Fumio Ogawa concurrently served as Representative Director at Japan Carlit Co., Ltd., Directors Hideo Okamoto and Shigenobu Takahashi concurrently served as Directors at Japan Carlit Co., Ltd., and Audit & Supervisory Board Members Akinori Aoki and Tsunemichi Iwai concurrently served as Audit & Supervisory Board Members at Japan Carlit Co., Ltd.; however, they have all retired following the above absorption-type merger.
    - Director Yoji Yamaguchi concurrently served as Representative Director of Silicon Technology Corporation, but he has retired following the above absorption-type merger.
  7. Full-Time Audit & Supervisory Board Member Katsunori Nozawa retired from office at the conclusion of the 11th Annual General Meeting of Shareholders held on June 27, 2024, due to his resignation.
  8. Audit & Supervisory Board Member Yasuhiro Fujiwara retired from his position as Outside Audit & Supervisory Board Member at the conclusion of the 11th Annual General Meeting of Shareholders held on June 27, 2024, due to his resignation following his appointment as Outside Director.
  9. The following changes have been made to the areas of responsibility and significant concurrent positions held by the Directors, effective April 1, 2025.



| Position in the Company | Name                | Before amendments   | After amendments  |
|-------------------------|---------------------|---|---|
| Director                | Fumio Ogawa         | In charge of the Corporate Planning Department and General Manager of Corporate Planning Department | General Manager of Research & Development Division  |
| Director                | Shigenobu Takahashi | In charge of Production Headquarters and Production Quality Control Department                      | In charge of Production Headquarters, Nagano Plant, and Production Quality Control Department |

(2) Summary of the content of liability limitation agreements

The Company and the Directors (excluding those who are Directors with executive authority over operations) and Audit & Supervisory Board Members have entered into agreements limiting the Directors' and Audit & Supervisory Board Members' liability for compensation for damages to the Company when they cause damage to the Company to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that they have executed their duties in good faith without gross negligence.

(3) Summary of the content of the directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insured parties under the insurance contract are the Directors and Audit & Supervisory Board Members of the Company and those of its subsidiary companies under the Companies Act; the insured parties do not pay insurance premiums. The insurance covers damage (legal damages and litigation expenses) suffered by Officers of the Company when shareholders or other third parties seek compensatory damages during the term of the insurance as a result of the Officers' actions or inaction.

(4) Compensation, etc. of Directors and Audit & Supervisory Board Members

(i) Policies for determining the details of Officer compensation, etc.

The Company determines policies for determining the details of compensation for individual Directors as follows through resolutions by the Board of Directors. Before reaching these resolutions, the Board of Directors requests and receives advice about the details from the Governance Committee.

Additionally, the Board of Directors judges whether compensation for individual Directors for the current fiscal year aligns with policies for determining the details of the compensation by verifying the methods of determining the details, whether such determined details are consistent with the policies, and whether the advice from the Governance Committee has been properly regarded.

The following are the details of policies for determining the details of compensation for individual Directors.

I. Basic policy

Our basic policy for determining compensation for individual Directors is to set it at appropriate levels for their responsibilities under a system linked to shareholders' interests so that the compensation serves as a sufficient incentive for the Directors to persistently strive to improve the value of the Company. Specifically, compensation for Directors with executive authority over operations comprises basic compensation, which serves as their fixed compensation, and bonuses, while Outside Directors, who are tasked with supervisory functions, are only paid the basic compensation in light of their duties.

II. Policies for determining amounts of basic compensation (monetary compensation) for individuals (including policies for determining the timing and conditions for providing the compensation)

As basic compensation, Company Directors are paid a fixed monthly amount determined based on many factors, including their position, responsibilities, what other companies are paying, the Company's

performance, and Company employees' wage levels as well as assessments of their duties. In these assessments, the Representative Director assesses the status of each Director's duties and consults with the Governance Committee, which reports to the Board of Directors, which then deliberates over and finalizes the assessments.

### III. Policies for determining details about bonuses and methods of calculating amounts and figures (including policies for determining the timing and conditions for providing the compensation)

Regarding bonuses, the performance-linked stock compensation plan aims to raise Directors' motivation to contribute to improving performance and increasing corporate value over the medium and long term by clarifying the link between Director compensation and the Company's performance and share price. The maximum total performance-linked stock compensation for a single fiscal year is ¥60 million. Directors (excluding Outside Directors) are awarded points corresponding to their level of achievement based on Company regulations for granting shares to Officers. Consolidated ordinary profit serves as the baseline for assessing their level of achievement. Consolidated ordinary profit was selected as the baseline metric rather than operating profit, which reflects business activities and fluctuates in response to financing activities, because it expresses the overall profitability of management activities. Directors are granted shares of the Company corresponding to the number of points awarded when they acquire rights to receive benefits under certain conditions. In principle, they receive the shares when they step down from their positions as Directors. The granted shares are acquired from the market or through disposal of the Company's treasury shares using money set in trust in advance.

#### a. Eligible recipients of bonuses

Directors (excluding Outside Directors)

#### b. Assets provided as performance-linked remuneration

Common shares of the Company and cash

#### c. Method of calculating stock compensation payments

The number of points to be awarded is calculated using the following formula, and points are awarded to the scheduled recipients each year on the day on which the Annual General Meeting of Shareholders concludes.

Number of points = Funds for distribution (Table 1) x (Scheduled recipient's point percentage (Table 2) ÷ Total number of points to be awarded) ÷ Share price when the trust acquires the shares (Points are rounded down to the nearest whole number)

Table 1: Funds for Distribution

| Level of performance  | Funds for distribution   |
|---|--|
| Consolidated ordinary profit of ¥2,000 million or greater, and profit of ¥1,500 million or greater  | 1.0% of consolidated ordinary profit<br>(Maximum for Directors: ¥60 million) |
| Consolidated ordinary profit of less than ¥2,000 million, or profit of less than ¥1,500 million when ordinary profit is ¥2,000 million or greater | No payments  |

Notes: 1. Consolidated ordinary profit and funds for distribution are rounded down to the nearest million yen.  
2. If suitable reasons exist, the Board of Directors may pass a resolution to award no points.

Table 2: Point Percentages

| Position                        | Point percentage |
|---------------------------------|------------------|
| Chair of the Board of Directors | 2.5              |
| President                       | 4.0              |
| Vice President                  | 2.5              |
| Senior Managing Director        | 2.0              |
| Managing Director               | 1.5              |
| Director                        | 1.0              |

Notes: 1. A maximum total of 120,000 points can be awarded to Directors in a single fiscal year.  
2. Monetary amounts allocated according to point percentages are rounded down to the nearest ¥10,000.

When a scheduled recipient steps down from their position, they acquire the right to receive the number of shares calculated using the following formula and based on the cumulative number of points awarded to them over the years using the aforementioned formula. Note that when the number of shares to be provided involves a fraction, a monetary payment corresponding to the fraction will be provided. Additionally, when a scheduled recipient has died, their surviving family will be provided with a monetary payment corresponding to the number of shares owed to the recipient multiplied by the closing price or the indicative price of the stock on the day of the recipient's death.

Number of shares to be provided = Cumulative points x 1.0

#### IV. Policies for determining percentages of amounts of monetary compensation, performance-linked compensation, non-monetary compensation, and other forms of compensation for individual Directors

The Governance Committee examines percentages of compensation for each type of Director based on levels of compensation benchmarked against those of companies with scales, lines, and categories of business similar to the Company's. The Board of Directors regards advice from the Governance Committee and determines the details of individual Director compensation such that they fall within the scope of the compensation percentage for each type of Director advised by the Governance Committee.

Specifically, as outlined in Section I, compensation for Directors with executive authority over operations comprises basic compensation, which serves as their fixed compensation, and bonuses, while Outside Directors, who are tasked with supervisory functions, are only paid the basic compensation in light of their duties. In addition to the basic compensation, which serves as fixed compensation, Directors with executive authority over operations are awarded points corresponding to the Company's performance each fiscal year as outlined in Section III as performance-linked stock compensation. In principle, they receive the number of shares corresponding to their cumulative point total as a bonus when they step down from their positions as Directors. Accordingly, the percentages of compensation of Directors with executive authority over operations may fluctuate in response to the number of points awarded as performance-linked stock compensation.

#### V. Determining the details of individual Director compensation

In pursuit of transparency and objectivity with regard to amounts of compensation for individual Directors, the Board of Directors requests and receives advice from the Governance Committee and then deliberates over and determines the amounts. Regarding the performance-linked stock compensation plan, points are calculated in line with the details in Section III and finalized by resolution of the Board of Directors.

##### (ii) Total amount of compensation for the year ended March 31, 2025

| Type of Officer                   | Total amount of compensation (Millions of yen)                     | Total amount by type of compensation (Millions of yen)             |   |  | Number of eligible recipients                                    |
|-----------------------------------|--|--|---|--|--|
|                                   |  | Basic compensation   | Performance-linked compensation           | Of the amount at left, the amount of non-monetary compensation |  |
| Directors                         | 145<br>(including 21 for Outside Directors)                        | 119<br>(including 21 for Outside Directors)                        | 26<br>(including 0 for Outside Directors) | 26<br>(including 0 for Outside Directors)                      | 9<br>(including 4 for Outside Directors)                         |
| Audit & Supervisory Board Members | 37<br>(including 23 for Outside Audit & Supervisory Board Members) | 37<br>(including 23 for Outside Audit & Supervisory Board Members) | —   | —  | 6<br>(including 4 for Outside Audit & Supervisory Board Members) |

Notes: 1. At the 6th Annual General Meeting of Shareholders held on June 27, 2019, the shareholders passed a resolution to limit Director compensation to ¥300 million per year (of which the limit per year for Outside Directors is ¥30 million). (However this does not include portions of wages corresponding to services as an employee for individuals concurrently serving as Directors.) The number of Directors at the conclusion of the General Meeting of Shareholders was nine (including three Outside Directors). Separate from the above, at the 2nd

Annual General Meeting of Shareholders held on June 26, 2015, the shareholders passed a resolution to introduce a performance-linked stock compensation plan which limits compensation to Directors (excluding Outside Directors) to a maximum of ¥60 million in a single fiscal year. The number of Directors (excluding Outside Directors) at the conclusion of the General Meeting of Shareholders was five. In addition to the above limit, at the 8th Annual General Meeting of Shareholders held on June 29, 2021, the shareholders passed a resolution to establish a maximum of 120,000 points granted to Directors (excluding Outside Directors) under the performance-linked stock compensation plan during a single fiscal year. The number of Directors (excluding Outside Directors) at the conclusion of the General Meeting of Shareholders was six. Details of the performance-linked stock compensation plan are as described in Section III “Policies for determining details about bonuses and methods of calculating amounts and figures (including policies for determining the timing and conditions for providing the compensation)” in “(i) Policies for determining the details of Officer compensation, etc.” on page 26 of the Business Report.

2. At the 1st Annual General Meeting of Shareholders held on June 27, 2014, the shareholders passed a resolution to limit Audit & Supervisory Board Member compensation to ¥60 million per year. The number of Audit & Supervisory Board Members at the conclusion of the General Meeting of Shareholders was four.
3. Included in the above is one Outside Director who retired from office at the conclusion of the 11th Annual General Meeting of Shareholders held on June 27, 2024, due to the expiration of term of office.
4. Included in the above is two Outside Audit & Supervisory Board Members who retired from office at the conclusion of the 11th Annual General Meeting of Shareholders held on June 27, 2024, due to their resignation. Yasuhiro Fujiwara, one of the Outside Audit & Supervisory Board Members who retired, was elected and appointed as an Outside Director at the 11th Annual General Meeting of Shareholders. Accordingly, the above figures for compensation and personnel reflect his tenure as an Audit & Supervisory Board Member under that category and his tenure as a Director under the director category.
5. Performance-linked compensation and non-monetary compensation show the upper limits for recording of expenses related to the performance-linked stock compensation Plan in that fiscal year. Consolidated ordinary profit has been selected as the performance indicator for calculating performance-linked stock compensation, and the result for the current fiscal year was ¥3,320 million. The reason for selecting consolidated ordinary profit as the performance indicator for the compensation plan and the method for calculating the compensation amount are as described in Section III “Policies for determining details about bonuses and methods of calculating amounts and figures (including policies for determining the timing and conditions for providing the compensation)” in “(i) Policies for determining the details of Officer compensation, etc.” on page 26 of the Business Report.

#### (5) Outside Officers

- (i) Significant concurrent positions with other companies, and the Company’s relationship with the other companies

Outside Director Yukari Murayama is concurrently serving as Partner at Anderson Mori & Tomotsune Foreign Law Joint Enterprise, as well as Outside Director (Audit and Supervisory Committee Member) at DENTSU SOKEN INC. Notably, there is no special interest between the Company and Anderson Mori & Tomotsune Foreign Law Joint Enterprise or DENTSU SOKEN INC.

Outside Director Yasuhiro Fujiwara is concurrently serving as a Representative at Fujiwara Accounting Office, Representative Director at Kaikei Oen Kobo Co., Ltd., as well as Outside Director (Audit) at Fukoku Co., Ltd. Notably, there is no special interest between the Company and Fujiwara Accounting Office, Kaikei Oen Kobo Co., Ltd., or Fukoku Co., Ltd.

Outside Audit & Supervisory Board Member Reiko Mitamura is concurrently serving as Representative at Reiko Mitamura Certified Public Accountant Office. Notably, there is no special interest between the Company and Reiko Mitamura Certified Public Accountant Office.

## (ii) Status of main activities during the current fiscal year

| Name              | Position                                 | Status of main activities and summary of duties performed with regard to their expected role as an Outside Director  |
|-------------------|--|--|
| Seiichi Shimbo    | Outside Director                         | Of the 17 meetings of the Board of Directors held during the year, Mr. Seiichi Shimbo attended 16. With efforts highlighted by proactive contributions to discussions based on his experience from successive service in posts as an outside officer at several companies, he is fulfilling his role, which is to ensure the relevance and appropriateness of the decisions of the Board of Directors. Additionally, as the chair of the Governance Committee, he attended all six of the committee's meetings held this year, and is serving a supervisory function over the process of determining the Company's policies for electing and dismissing senior management and for determining compensation plans and amounts of compensation for Directors.  |
| Yukari Murayama   | Outside Director                         | Ms. Yukari Murayama attended all 17 meetings of the Board of Directors held during the year. With efforts highlighted by proactive contributions to discussions based on her expert knowledge and experience as an attorney, she is fulfilling her role, which is to ensure the relevance and appropriateness of the decisions of the Board of Directors. Additionally, as a member of the Governance Committee, she attended all six of the committee's meetings held this year, and is serving a supervisory function over the process of determining the Company's policies for electing and dismissing senior management and for determining compensation plans and amounts of compensation for Directors.   |
| Yasuhiro Fujiwara | Outside Director                         | Of the 17 meetings of the Board of Directors held during the year, Mr. Yasuhiro Fujiwara attended 16 (including four as an Outside Audit & Supervisory Board Member and 12 as an Outside Director). With efforts highlighted by proactive contributions to discussions based on his expert knowledge and experience as a certified public accountant, he is fulfilling his role, which is to ensure the relevance and appropriateness of the decisions of the Board of Directors. Additionally, as a member of the Governance Committee, he attended all four of the committee's meetings held since his appointment as an Outside Director of the Company, and is serving a supervisory function over the process of determining the Company's policies for electing and dismissing senior management and for determining compensation plans and amounts of compensation for Directors. |
| Shinichi Iwamura  | Outside Audit & Supervisory Board Member | Mr. Shinichi Iwamura attended all 13 meetings of the Board of Directors held after he assumed the position of Outside Audit & Supervisory Board Member of the Company, and attended all 15 of the Audit & Supervisory Board meetings. His contributions to discussions are based on the knowledge and perspectives he has cultivated at financial institutions, where he started his career.   |
| Reiko Mitamura    | Outside Audit & Supervisory Board Member | Ms. Reiko Mitamura attended all 13 meetings of the Board of Directors held after she assumed the position of Outside Audit & Supervisory Board Member of the Company, and attended all 15 of the Audit & Supervisory Board meetings. Her contributions to discussions are based on her expertise and experience as a certified public accountant.  |

Note: All monetary amounts and numbers of shares in this Business Report have been rounded down to the nearest whole unit.

# Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2025)

|                     |  | (Millions of yen) |
|---------------------|--|-------------------|
| Accounts            |  | Amounts           |
| <b>Assets</b>       |  |                   |
| <b>I</b>            | <b>Current assets</b>                                      |                   |
|                     | Cash and deposits  | 4,945             |
|                     | Notes and accounts receivable - trade, and contract assets | 9,649             |
|                     | Merchandise and finished goods                             | 3,503             |
|                     | Work in process  | 628               |
|                     | Raw materials and supplies                                 | 2,045             |
|                     | Other  | 2,146             |
|                     | Allowance for doubtful accounts                            | (12)              |
|                     | Total current assets                                       | 22,906            |
| <b>II</b>           | <b>Non-current assets</b>                                  |                   |
| 1                   | Property, plant, and equipment                             |                   |
|                     | Buildings and structures                                   | 7,950             |
|                     | Machinery, equipment, and vehicles                         | 3,280             |
|                     | Land   | 5,751             |
|                     | Leased assets  | 759               |
|                     | Construction in progress                                   | 1,484             |
|                     | Other  | 257               |
|                     | Total property, plant, and equipment                       | 19,482            |
| 2                   | Intangible assets  |                   |
|                     | Other  | 480               |
|                     | Total intangible assets                                    | 480               |
| 3                   | Investments and other assets                               |                   |
|                     | Investment securities                                      | 8,631             |
|                     | Deferred tax assets  | 541               |
|                     | Retirement benefit asset                                   | 425               |
|                     | Other  | 565               |
|                     | Allowance for doubtful accounts                            | (21)              |
|                     | Total investments and other assets                         | 10,142            |
|                     | Total non-current assets                                   | 30,105            |
| <b>Total assets</b> |  | <b>53,012</b>     |

|                    |   | (Millions of yen) |
|--------------------|---|-------------------|
| Accounts           |   | Amounts           |
| <b>Liabilities</b> |   |                   |
| <b>I</b>           | <b>Current liabilities</b>                            |                   |
|                    | Notes and accounts payable - trade                    | 5,164             |
|                    | Current portion of long-term borrowings               | 235               |
|                    | Income taxes payable                                  | 1,347             |
|                    | Provision for bonuses                                 | 815               |
|                    | Other   | 2,372             |
|                    | Total current liabilities                             | 9,935             |
| <b>II</b>          | <b>Non-current liabilities</b>                        |                   |
|                    | Long-term borrowings                                  | 235               |
|                    | Lease obligations                                     | 660               |
|                    | Deferred tax liabilities                              | 2,939             |
|                    | Provision for share awards                            | 42                |
|                    | Provision for share awards for directors              | 111               |
|                    | Retirement benefit liability                          | 342               |
|                    | Other   | 1,265             |
|                    | Total non-current liabilities                         | 5,597             |
|                    | <b>Total liabilities</b>                              | <b>15,533</b>     |
| <b>Net assets</b>  |   |                   |
| <b>I</b>           | <b>Shareholders' equity</b>                           |                   |
|                    | Share capital   | 2,099             |
|                    | Capital surplus                                       | 1,190             |
|                    | Retained earnings                                     | 29,271            |
|                    | Treasury shares                                       | (333)             |
|                    | Total shareholders' equity                            | 32,228            |
| <b>II</b>          | <b>Accumulated other comprehensive income</b>         |                   |
|                    | Valuation difference on available-for-sale securities | 4,838             |
|                    | Deferred gains or losses on hedges                    | (10)              |
|                    | Foreign currency translation adjustment               | 198               |
|                    | Remeasurements of defined benefit plans               | 224               |
|                    | Total accumulated other comprehensive income          | 5,251             |
|                    | <b>Total net assets</b>                               | <b>37,479</b>     |
|                    | <b>Total liabilities and net assets</b>               | <b>53,012</b>     |

**Consolidated Statements of Income** (from April 1, 2024 to March 31, 2025)

(Millions of yen)

| Accounts    |   | Amounts |               |
|-------------|---|---------|---------------|
| <b>I</b>    | <b>Net sales</b>  |         | <b>36,914</b> |
| <b>II</b>   | <b>Cost of sales</b>  |         | <b>27,662</b> |
|             | Gross profit  |         | 9,252         |
| <b>III</b>  | <b>Selling, general and administrative expenses</b>           |         |               |
|             | Selling, general and administrative expenses                  |         | 6,205         |
|             | <b>Operating profit</b>                                       |         | <b>3,046</b>  |
| <b>IV</b>   | <b>Non-operating income</b>                                   |         |               |
|             | Dividend income   | 256     |               |
|             | Share of profit of entities accounted for using equity method | 19      |               |
|             | Other   | 102     | 378           |
| <b>V</b>    | <b>Non-operating expenses</b>                                 |         |               |
|             | Interest expenses   | 43      |               |
|             | Inactive facility expenses                                    | 56      |               |
|             | Other   | 4       | 104           |
|             | <b>Ordinary profit</b>  |         | <b>3,320</b>  |
| <b>VI</b>   | <b>Extraordinary income</b>                                   |         |               |
|             | Gain on sale of non-current assets                            | 33      |               |
|             | Gain on sale of investment securities                         | 2,055   | 2,088         |
| <b>VII</b>  | <b>Extraordinary losses</b>                                   |         |               |
|             | Loss on sale of non-current assets                            | 0       |               |
|             | Loss on retirement of non-current assets                      | 456     |               |
|             | Impairment losses   | 943     | 1,400         |
|             | <b>Profit before income taxes</b>                             |         | <b>4,008</b>  |
|             | Income taxes - current  | 1,822   |               |
|             | Income taxes - deferred                                       | (384)   | 1,437         |
|             | <b>Profit</b>   |         | <b>2,570</b>  |
| <b>VIII</b> | <b>Profit attributable to owners of parent</b>                |         | <b>2,570</b>  |



# Non-consolidated Financial Statements

Non-consolidated Balance Sheets (as of March 31, 2025)

|               |  | (Millions of yen) |
|---------------|--|-------------------|
| Accounts      |  | Amounts           |
| <b>Assets</b> |  |                   |
| <b>I</b>      | <b>Current assets</b>  |                   |
|               | Cash and deposits  | 3,708             |
|               | Notes and accounts receivable - trade, and contract assets   | 6,164             |
|               | Merchandise and finished goods                               | 2,911             |
|               | Work in process  | 354               |
|               | Raw materials and supplies                                   | 1,402             |
|               | Short-term loans receivable from subsidiaries and associates | 652               |
|               | Other  | 622               |
|               | Allowance for doubtful accounts                              | (36)              |
|               | Total current assets   | 15,779            |
| <b>II</b>     | <b>Non-current assets</b>                                    |                   |
| 1             | Property, plant, and equipment                               |                   |
|               | Buildings and structures                                     | 7,322             |
|               | Machinery, equipment, and vehicles                           | 1,921             |
|               | Tools, furniture, and fixtures                               | 197               |
|               | Land   | 4,873             |
|               | Leased assets  | 719               |
|               | Construction in progress                                     | 1,591             |
|               | Total property, plant, and equipment                         | 16,627            |
| 2             | Intangible assets  |                   |
|               | Software   | 28                |
|               | Software in progress   | 368               |
|               | Other  | 7                 |
|               | Total intangible assets                                      | 405               |
| 3             | Investments and other assets                                 |                   |
|               | Investment securities  | 8,100             |
|               | Shares of subsidiaries and associates                        | 3,555             |
|               | Long-term loans receivable from subsidiaries and associates  | 1,711             |
|               | Prepaid pension costs  | 90                |
|               | Other  | 227               |
|               | Total investments and other assets                           | 13,686            |
|               | Total non-current assets                                     | 30,719            |
|               | <b>Total assets</b>  | <b>46,498</b>     |

|                    |   | (Millions of yen) |
|--------------------|---|-------------------|
| Accounts           |   | Amounts           |
| <b>Liabilities</b> |   |                   |
| <b>I</b>           | <b>Current liabilities</b>                            |                   |
|                    | Notes and accounts payable - trade                    | 1,426             |
|                    | Current portion of long-term borrowings               | 235               |
|                    | Deposits received                                     | 1,828             |
|                    | Provision for bonuses                                 | 521               |
|                    | Other   | 3,046             |
|                    | Total current liabilities                             | 7,059             |
| <b>II</b>          | <b>Non-current liabilities</b>                        |                   |
|                    | Long-term borrowings                                  | 235               |
|                    | Lease obligations                                     | 628               |
|                    | Long-term deposits received                           | 1,614             |
|                    | Deferred tax liabilities                              | 2,610             |
|                    | Provision for share awards                            | 42                |
|                    | Provision for share awards for directors              | 111               |
|                    | Other   | 82                |
|                    | Total non-current liabilities                         | 5,325             |
|                    | <b>Total liabilities</b>                              | <b>12,384</b>     |
| <b>Net assets</b>  |   |                   |
| <b>I</b>           | <b>Shareholders' equity</b>                           |                   |
| 1                  | Share capital   | 2,099             |
| 2                  | Capital surplus                                       |                   |
|                    | (1) Legal capital surplus                             | 1,196             |
|                    | (2) Other capital surplus                             | 13,715            |
|                    | Total capital surplus                                 | 14,911            |
| 3                  | Retained earnings                                     |                   |
|                    | (1) Other retained earnings                           |                   |
|                    | Retained earnings brought forward                     | 12,719            |
|                    | Total other retained earnings                         | 12,719            |
|                    | Total retained earnings                               | 12,719            |
| 4                  | Treasury shares                                       | (333)             |
|                    | Total shareholders' equity                            | 29,397            |
| <b>II</b>          | <b>Valuation and translation adjustments</b>          |                   |
|                    | Valuation difference on available-for-sale securities | 4,727             |
|                    | Deferred gains or losses on hedges                    | (10)              |
|                    | Total valuation and translation adjustments           | 4,716             |
|                    | <b>Total net assets</b>                               | <b>34,113</b>     |
|                    | <b>Total liabilities and net assets</b>               | <b>46,498</b>     |

**Non-consolidated Statements of Income** (from April 1, 2024 to March 31, 2025)

(Millions of yen)

| Accounts   |   | Amounts |               |
|------------|---|---------|---------------|
| <b>I</b>   | <b>Net sales</b>                                    |         | <b>11,894</b> |
| <b>II</b>  | <b>Cost of sales</b>                                |         | <b>8,469</b>  |
|            | Gross profit  |         | 3,425         |
| <b>III</b> | <b>Selling, general and administrative expenses</b> |         |               |
|            | Selling, general and administrative expenses        |         | 2,761         |
|            | <b>Operating profit</b>                             |         | <b>664</b>    |
| <b>IV</b>  | <b>Non-operating income</b>                         |         |               |
|            | Interest income                                     | 63      |               |
|            | Dividend income                                     | 1,450   |               |
|            | Other   | 20      | 1,534         |
| <b>V</b>   | <b>Non-operating expenses</b>                       |         |               |
|            | Interest expenses                                   | 32      |               |
|            | Depreciation of idle assets                         | 70      |               |
|            | Other   | 3       | 106           |
|            | <b>Ordinary profit</b>                              |         | <b>2,091</b>  |
| <b>VI</b>  | <b>Extraordinary income</b>                         |         |               |
|            | Gain on sale of investment securities               | 2,082   |               |
|            | Gain on extinguishment of tie-in shares             | 2,480   | 4,562         |
| <b>VII</b> | <b>Extraordinary losses</b>                         |         |               |
|            | Loss on retirement of non-current assets            | 501     |               |
|            | Impairment losses                                   | 943     |               |
|            | Adjustment of gain on sale of investment securities | 1,621   | 3,066         |
|            | <b>Profit before income taxes</b>                   |         | <b>3,588</b>  |
|            | Income taxes - current                              | 915     |               |
|            | Income taxes - deferred                             | (785)   | 130           |
|            | <b>Profit</b>                                       |         | <b>3,457</b>  |

# Audit Reports

## Certified copy of Accounting Auditor's Report on Consolidated Financial Statements

### Independent Auditor's Report (Translation)

May 26, 2025

The Board of Directors

Carlit Co., Ltd.

**Ernst & Young ShinNihon LLC**

**Tokyo Office, Japan**

Designated Engagement Partner,  
Certified Public Accountant

Eri Sekiguchi

Designated Engagement Partner,  
Certified Public Accountant

Tetsuya Kawawaki

#### *Audit Opinion*

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of Carlit Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

#### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the maintenance and operation of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Plan and perform the audit of consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries,

which serves as the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards that have been taken to remove obstruction factors or to reduce them to an acceptable level.

#### *Conflicts of Interest*

Our firm and the designated engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

**Certified copy of Accounting Auditor's Report on Financial Statements: translation**

**Independent Auditor's Report (Translation)**

May 26, 2025

The Board of Directors

Carlit Co., Ltd.

**Ernst & Young ShinNihon LLC**

**Tokyo Office, Japan**

Designated Engagement Partner,  
Certified Public Accountant

Eri Sekiguchi

Designated Engagement Partner,  
Certified Public Accountant

Tetsuya Kawawaki

*Audit Opinion*

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements and the related supplemental schedules (collectively, "non-consolidated financial statements, etc.") of Carlit Co., Ltd. (the "Company") applicable to the 12th fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

*Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the maintenance and operation of the reporting process for the other information.

Our opinion on the non-consolidated financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.*

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies



in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards that have been taken to remove obstruction factors or to reduce them to an acceptable level.

*Conflicts of Interest*

Our firm and the designated engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

## Certified copy of Audit & Supervisory Board's Audit Report

### Audit Report

The Audit & Supervisory Board has received the reports of the business performance of the Directors during the 12th fiscal year from April 1, 2024 through March 31, 2025 from each of the Audit & Supervisory Board Members. After discussing the reports, we have prepared this Audit Report and report as follows.

1. Method and Content of Audit Conducted by Audit & Supervisory Board Members and Audit & Supervisory Board

(1) The Audit & Supervisory Board established auditing policies, allocation of duties and other relevant matters and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and the accounting auditors regarding performance of their duties, and sought explanations as necessary.

(2) Each Audit & Supervisory Board Member complied with the auditing standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the audit policies, allocation of duties, etc., communicated with Directors, the internal audit department, and other employees, through web conferences, as well as worked to enhance environment for information collection and auditing, while conducting the audit by the following methods:

1) Audit & Supervisory Board Members attended the meetings of the Board of Directors and other important meetings of the Company, received reports from Directors and employees, etc. on the status and results of the execution of their duties and asked them for explanations as necessary, reviewed important approval documents, etc. and conducted investigation on the status of business operations and assets regarding Head Office and at major offices. As for the subsidiaries, each Audit & Supervisory Board Member promoted communications with the Directors and the Audit & Supervisory Board Members, etc. and received reports on the business of the subsidiaries, physically visiting some of them as necessary.

2) Each Audit & Supervisory Board Member periodically received reports from the Directors, employees, and others; requested explanation as necessary; inspected important documents supporting decisions and other records; and expressed opinions regarding the details of the Board of Directors' resolutions and the system that is developed and operated in accordance with such resolutions concerning the development of systems to ensure that Directors' performance of duties provided in the Business Report are in compliance with laws and regulations, the Articles of Incorporation, and the system to ensure the adequacy of operations of the Group, consisting of Kubota Corporation and its subsidiaries, as stipulated under Article 100, Paragraphs 1 and 3 of the Regulations for Enforcement of the Companies Act (internal control system). For internal control associated with the Company's financial reporting, each Audit & Supervisory Board Member received reports from the Directors and Ernst & Young ShinNihon LLC on the evaluation of the relevant internal control as well as the status of the accounting audit and sought clarification when necessary.

3) We also observed and verified that the Accounting Auditors implemented appropriate audits while maintaining independence, received reports from the Accounting Auditors on the execution of their duties, and sought explanations whenever necessary. In addition, each Audit & Supervisory Board Member was informed of the establishment of the "System for ensuring that duties are performed appropriately" (matters stipulated in the items of Article 131 of the Corporate Calculation Regulations) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council), etc. by the Accounting Auditor and requested explanations as necessary.

Based on the methods mentioned above, we have reviewed the Business Report and its supplementary schedules, the Non-consolidated Financial Statements (Balance Sheets, Statements of Income, Non-consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements)

and their supplementary schedules and the Consolidated Financial Statements (Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements) related to the fiscal year.

## 2. Results of Audit

### (1) Results of Audit of Business Report

(i) In our opinion, the Business Report and supplementary schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.

(ii) We found no wrongful act or material fact in violation of law or regulations or in violation of the Company's Articles of Incorporation with respect to the execution of duties by the Directors.

(iii) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, there are no matters that we should point out regarding the contents of the Business Report and execution of duties by the Directors related to internal control systems, including internal control systems over financial reporting.

### (2) Results of Audit of Financial Statements and the Accompanying Supplementary Schedules

In our opinion, the methods and results of the audit conducted by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results of the audit conducted by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 28, 2025

Audit & Supervisory Board,  
Carlit Co., Ltd.

|  |                         |
|--|-------------------------|
| Full-Time Audit & Supervisory Board Member | Shinichi Iwamura (Seal) |
| Audit & Supervisory Board Member           | Reiko Mitamura (Seal)   |
| Audit & Supervisory Board Member           | Akinori Aoki (Seal)     |
| Audit & Supervisory Board Member           | Tsunemichi Iwai (Seal)  |

(Note) Full-Time Audit & Supervisory Board Member Shinichi Iwamura and Audit & Supervisory Board Member Reiko Mitamura are Outside Audit & Supervisory Board Members provided for by Article 2, item 16 and Article 335, Paragraph 3 of the Companies Act.