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Securities Code: 4973

Date of sending by postal mail: June 8, 2026

Start date of measures for electronic provision: June 2, 2026

To our shareholders:

Tomoyuki Kojima
Representative Director and President
JAPAN PURE CHEMICAL CO., LTD.
3-10-18 Kitamachi, Nerima-ku, Tokyo

Notice of the 55th Annual General Meeting of Shareholders

We are pleased to announce the 55th Annual General Meeting of Shareholders of JAPAN PURE CHEMICAL CO., LTD. (the “Company”), which will be held as indicated below.

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

The Company’s website: <https://www.netjpc.com/> (in Japanese)

(From the above website, select “IR Information,” “IR Library,” and then “Other Reference Materials.”)

Tokyo Stock Exchange (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 “JAPAN PURE CHEMICAL” in “Issue name (company name)” or the Company’s securities code “4973” 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].”)

If you will not attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing (by postal mail), so please study the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:45 p.m. on Tuesday, June 23, 2026 (Japan Standard Time).

[Exercising your voting rights in writing (by postal mail)]

Please indicate your approval or disapproval of the proposals on the Voting Right Exercise Form, and return it by postal mail to reach us no later than 5:45 p.m. on Tuesday, June 23, 2026 (Japan Standard Time).

[Exercising your voting rights via the Internet, etc.]

Please refer to “Instructions for the Exercise of Voting Rights via the Internet, etc.” no later than 5:45 p.m. on Tuesday, June 23, 2026 (Japan Standard Time).

[Disclosure on the Internet website]

For this General Meeting of Shareholders, the Company will uniformly send paper-based documents stating items for which measures for providing information in electronic format are to be taken, regardless of whether or not a request for delivery of the document has been made. Please note that, among the items for which measures for providing information in electronic format are to be taken, the following matters will not be included in the document to be sent in accordance with laws and regulations and the provisions of Article 16, paragraph (2) of the Company's Articles of Incorporation.

1. "Share acquisition rights, etc. of the Company" included in the Business Report
2. "Notes to the Non-consolidated Financial Statements" included in the Non-consolidated Financial Statements

The Non-consolidated Financial Statements audited by the Audit & Supervisory Committee and the Accounting Auditor and the Business Report audited by the Audit & Supervisory Board Members consist of each document mentioned in this Notice, and the "Share acquisition rights, etc. of the Company" and "Notes to the Non-consolidated Financial Statements" posted on the Company website.

The Company's website <https://www.netjpc.com/> (in Japanese)

1. Date and Time: Wednesday, June 24, 2026, at 10:00 a.m. (Japan Standard Time) (The reception will start at 9:20 a.m.)

2. Venue: Banquet Room Sakura, 4th floor, Hotel Metropolitan
6-1 Nishi-Ikebukuro 1-chome, Toshima-ku, Tokyo

3. Purpose of the Meeting

Matter to be reported:

The Business Report and the Non-consolidated Financial Statements for the 55th Fiscal Year
(From April 1, 2025 to March 31, 2026)

Matter to be resolved:

Proposal Election of Seven Directors (excluding Directors who are Audit & Supervisory
Committee Members)

- If you have not indicated your approval or disapproval of each proposal in the returned voting form, the Company will assume that you have indicated approval for a Company's proposal and disapproval for a shareholder's proposal.
- When you attend the meeting, you are kindly requested to present the Voting Right Exercise Form at the reception.
- When attending by proxy, please submit a document authorizing the proxy with the Voting Right Exercise Form at the reception. As per Article 18 of the Company's Articles of Incorporation, the proxy shall be limited to one other shareholder who has the voting right at this General Meeting of Shareholders.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's aforementioned website and the TSE website.

Reference Documents for General Meeting of Shareholders

Proposal and Reference Information

Proposal Election of Seven Directors (excluding Directors who are Audit & Supervisory Committee Members)

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all seven Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply throughout this proposal) will expire. Therefore, the Company proposes the election of seven Directors.

This proposal is submitted based on the report from the Nomination and Remuneration Committee, which is chaired by an independent outside Director. In addition, after review by the Audit & Supervisory Committee, there were no matters requiring expression of opinion.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
1	<div style="background-color: #cccccc; padding: 2px; display: inline-block; margin-bottom: 5px;">Reelection</div> Tomoyuki Kojima (August 9, 1972)	Apr. 1996 Joined the Company Oct. 2014 Deputy General Manager of Corporate Planning Division and Deputy General Manager of Business Planning Division Apr. 2016 General Manager of Corporate Planning Division Aug. 2016 General Manager of Corporate Planning Division and General Manager of Manufacturing Division Apr. 2019 General Manager of Corporate Planning Division and General Manager of Quality Assurance Division June 2020 Director and General Manager of Corporate Planning Division and General Manager of Quality Assurance Division June 2021 Senior Director Apr. 2022 Representative Director and President (current position)	39,400
[Reasons for nomination as candidate for Director] Since joining the Company, Tomoyuki Kojima has been involved in the technical, quality assurance and corporate planning divisions, etc., and has contributed to the Company. The Company expects that he will contribute to the sustainable improvement of the Company's corporate value. Therefore, the Company proposes his election as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
2	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Motoki Watanabe (September 25, 1960)</p>	<p>Apr. 1983 Joined Fujitsu Limited</p> <p>Oct. 2004 General Manager of Second Accounting Division, Product Business Promotion Headquarters</p> <p>June 2008 Deputy General Manager of Management Audit Division</p> <p>June 2010 General Manager of Management Audit Division</p> <p>Apr. 2012 Director and CFO of Fujitsu Systems East Limited</p> <p>June 2014 Director and Managing Executive Officer and CFO of Fujitsu Marketing Limited</p> <p>Oct. 2020 Executive Officer and CFO of Fujitsu Japan Limited</p> <p>Apr. 2021 Director, Executive Officer, Managing CFO</p> <p>Apr. 2022 Senior Advisor of the Company</p> <p>June 2022 Director</p> <p>June 2024 Senior Director (current position)</p>	9,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Motoki Watanabe is expected to contribute to the sustainable improvement of the Company's corporate value by making use of the knowledge and experience in finance and accounting cultivated at other companies, as well as the knowledge of risk management and corporate governance in the Company's management. Therefore, the Company proposes his election as Director.</p>			
3	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Masao Watanabe (January 26, 1940)</p>	<p>Apr. 1965 Joined Nihon Trading Co., Ltd.</p> <p>Oct. 1977 Deputy General Manager of Machinery Construction Division</p> <p>May 1986 Joined the Company; Director and President</p> <p>May 1999 Representative Director and President</p> <p>June 2009 Representative Director and Chairman</p> <p>Apr. 2020 Representative Director, Chairman and President</p> <p>Apr. 2022 Representative Director and Chairman</p> <p>June 2023 Director and Senior Adviser (current position)</p>	52,300
<p>[Reasons for nomination as candidate for Director]</p> <p>Masao Watanabe has contributed to the development of the Company by making use of his abundant experience as a corporate manager. The Company expects that he will continue to contribute to further vitalization of the Company based on his abundant experience, track record, strong leadership and decisiveness. Therefore, the Company proposes his election as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
4	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Outside Director</p> <p style="text-align: center;">Independent Officer</p> <p style="text-align: center;">Yasutoshi Ohata (August 28, 1951)</p>	<p>Sept. 2006 Representative Director of Mizuho Capital Partners Co., Ltd.</p> <p>Apr. 2011 Representative Director of Avergence Incorporated</p> <p>Nov. 2011 Representative Director and President of West Holdings Corporation</p> <p>Apr. 2012 Audit & Supervisory Board Member of Avergence Incorporated (current position)</p> <p>Sept. 2012 Director of Kawanishi Holdings Inc.</p> <p>Sept. 2015 Managing Director</p> <p>Jan. 2016 Representative Director and President of EXSOLA MEDICAL Inc.</p> <p>Sept. 2017 Senior Managing Director of Kawanishi Holdings Inc.</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>Sept. 2020 Senior Managing Executive Officer of OLBA HEALTHCARE HOLDINGS, Inc.</p>	5,500
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>The Company proposes Yasutoshi Ohata's election as outside Director in order to have him contribute to the management of the Company, by making use of his broad knowledge and abundant experience related to international business, financial business and corporate management.</p> <p>By continuing in his role as outside Director, he is expected to continue to make use of his broad knowledge and experience related to corporate management and management strategy to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
5	<div style="text-align: center;"> <p>Reelection</p> <p>Outside Director</p> <p>Independent Officer</p> </div> <p>Isamu Kawashima (February 20, 1959)</p>	<p>Apr. 1981 Joined NEC Corporation</p> <p>Apr. 2009 General Manager of Accounting Division</p> <p>June 2011 Director, General Manager of Accounting Division, General Manager of Financial Internal Control Promotion Division</p> <p>July 2011 Senior Vice President, CFO and Member of the Board</p> <p>Apr. 2015 Director, Executive Officer, Managing CFO</p> <p>Apr. 2017 Executive Vice President (Representative Director), CFO and Member of the Board</p> <p>June 2018 Full-time Audit & Supervisory Board Member</p> <p>Nov. 2020 Vice Chairperson of Japan Audit & Supervisory Board Members Association, Accounting Committee Chairperson</p> <p>June 2022 Outside Director of the Company (current position)</p> <p>June 2022 Outside Director of Sansei Technologies, Inc. (current position)</p> <p>Mar. 2023 Audit & Supervisory Board Member of AGC Inc.</p> <p>Mar. 2026 Director, Audit & Supervisory Committee Member of AGC Inc. (on a full-time basis) (current position)</p>	1,500
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>Isamu Kawashima has abundant knowledge and experience in finance and accounting in addition to abundant knowledge and experience in management as a manager of a business firm. The Company proposes his election as outside Director in order to have him contribute to the management of the Company.</p> <p>By continuing in his role as outside Director, he is expected to continue to make use of his broad knowledge and experience related to corporate management and management strategy to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
6	<div style="text-align: center;"> <div style="background-color: #cccccc; padding: 2px; margin-bottom: 2px;">Reelection</div> <div style="background-color: #cccccc; padding: 2px; margin-bottom: 2px;">Outside Director</div> <div style="background-color: #cccccc; padding: 2px; margin-bottom: 2px;">Independent Officer</div> </div> <p>Momoe Kuromatsu (August 22, 1974)</p>	<p>Dec. 2001 Registered with the Daini Tokyo Bar Association</p> <p>Mar. 2004 Joined Tamura, Ohashi & Yokoi Law Offices (currently Harumi-Kyowa Law Offices) (current position)</p> <p>July 2011 Member of the Dispute Resolution Committee of the Sonpo ADR Center (current position)</p> <p>Apr. 2014 Lecturer in Legal Affairs, Graduate School of Law, Rikkyo University</p> <p>Nov. 2015 Outside Audit & Supervisory Board Member of Strike Co., Ltd.</p> <p>Dec. 2015 Member of the Harassment Prevention Committee of the University of Tokyo (current position)</p> <p>Apr. 2019 Part-time Lecturer of Graduate School of Law, Rikkyo University</p> <p>Apr. 2019 Chair of Children's Rights Committee, Daini Tokyo Bar Association</p> <p>Apr. 2021 Professor of Civil Defense at the Legal Training and Research Institute of the Supreme Court</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>Apr. 2024 Director of National Center of Neurology and Psychiatry (current position)</p>	500
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>Momoe Kuromatsu has abundant knowledge and experience in legal and risk management in addition to extensive supervisory and auditing experience and knowledge as an Audit & Supervisory Board Member at other companies. The Company proposes her election as outside Director in order to have her contribute to the management of the Company.</p> <p>In her role as outside Director, she is expected to continuously make use of her broad knowledge and experience in legal affairs and risk management to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, or significant concurrent positions outside the Company	Number of the Company's shares owned by the candidate
7	<div style="text-align: center;"> <div style="background-color: #cccccc; padding: 2px; margin-bottom: 2px;">Reelection</div> <div style="background-color: #cccccc; padding: 2px; margin-bottom: 2px;">Outside Director</div> <div style="background-color: #cccccc; padding: 2px; margin-bottom: 2px;">Independent Officer</div> </div> <p>Hiroshi Hayashi (February 9, 1960)</p>	<p>Apr. 1983 Joined Fujitsu Limited</p> <p>June 2006 General Manager of Global Human Resources Division, General Affairs and Human Resources Division</p> <p>Apr. 2014 VP, Head of Human Resources Division</p> <p>Apr. 2015 SVP, Head of Human Resources Division</p> <p>Apr. 2016 Executive Officer SVP, Head of Human Resources Division</p> <p>Apr. 2018 Executive Officer SEVP, CHRO/CHO and Head of Human Resources Division</p> <p>June 2019 Senior Advisor</p> <p>June 2022 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2025 Outside Director of the Company (current position)</p>	1,500
<p>[Reasons for nomination as candidate for outside Director and summary of expected roles]</p> <p>Hiroshi Hayashi has expert knowledge and experience in international business, life overseas and human resources development and has worked as Corporate Auditor of the Company. The Company proposes his election as outside Director so he can leverage this knowledge and experience in the management of the Company.</p> <p>In his role as outside Director, he is expected to make use of his broad knowledge and experience in international business and human resources development to enhance the Company's corporate value in the medium- to long-term by contributing to oversight of the management of the Company from an independent standpoint.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Yasutoshi Ohata, Isamu Kawashima, Momoe Kuromatsu and Hiroshi Hayashi are candidates for outside Director.
 3. Yasutoshi Ohata is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been seven years.
 4. Isamu Kawashima is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four years.
 5. Momoe Kuromatsu is currently an outside Director of the Company, and at the conclusion of this meeting, her tenure will have been three years.
 6. Hiroshi Hayashi is currently an outside Audit & Supervisory Board Member and an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four years. Hiroshi Hayashi is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been one year.
 7. Although Momoe Kuromatsu has no experience of being involved in management other than being an outside officer, as stated in the above "Reasons for nomination as candidate for outside Director and summary of expected roles," the Company believes that she will be able to properly perform her duties as an outside Director.
 8. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company entered into agreements with Yasutoshi Ohata, Isamu Kawashima, Momoe Kuromatsu, and Hiroshi Hayashi to limit their liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If the election of each candidate is approved, the Company plans to continue the agreements with each.
 9. The Company has entered into a Directors and Officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position including Director of the Company, or receipt of claims pertaining to the pursuit of such liability (however, there are certain reasons for coverage exclusion, such as losses incurred from claims for damages arising from performance of an illegal act with full knowledge of its illegality). If each candidate is elected and assumes the office, the Company will include every such Director as an insured in the insurance policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.
 10. The Company has notified the Tokyo Stock Exchange that Yasutoshi Ohata, Isamu Kawashima, Momoe Kuromatsu and Hiroshi Hayashi are independent officers as defined by the Tokyo Stock Exchange.

Reference: Skills Matrix for Directors (if each candidate is elected at this General Meeting of Shareholders)

	Directors (excluding Directors who are Audit & Supervisory Committee Members)							Directors who are Audit & Supervisory Committee Members		
	Kojima	Watanabe, Mo.	Watanabe, Ma.	Ohata	Kawashima	Kuromatsu	Hayashi	Tomikuni	Takano	Otake
				Outside	Outside	Outside	Outside	Outside	Outside	Outside
	Male	Male	Male	Male	Male	Female	Male	Male	Male	Female
Corporate management, management strategy	○	○	○	○	○	○	○	○	○	○
Life overseas, global business	○	○	○	○	○		○			
Legal affairs, risk management		○			○	○				○
Finance, accounting		○		○	○			○		○
Financial and capital markets, M&A				○						○
Human resources development	○						○		○	
Sales, marketing	○		○						○	
Technology, development, manufacturing, quality	○		○							

■ Reasons for the selection of skills matrix

Skill	Reasons for selection
Corporate management, management strategy	The demonstration of strong leadership to uphold the corporate philosophy and develop and execute business strategies for the sustainable improvement of corporate value is particularly required.
Life overseas, global business	The knowledge and experience to understand the economic and cultural aspects of overseas customers, business partners, etc. and negotiate with them to establish and sustain cooperative relationships are required.
Legal affairs, risk management	Legal knowledge and experience for the proper risk management of business operations, compliance and the improvement of effectiveness of the Board of Directors are necessary.
Finance, accounting	Knowledge and experience in finance and accounting are required for the reinforcement of a financial base to support the foundation of management and the development of financial strategies to realize both growth investment, and shareholder return.
Financial and capital markets, M&A	Insight and experience in the financial and capital markets are essential to determine and execute capital allocation to realize management that is conscious of capital cost and share price.
Human resources development	Knowledge and insight for the arrangement of human resources measures and workplace environment are required to secure and develop human resources, which is the most crucial capital of the Company, and improve their engagement.

Skill	Reasons for selection
Sales, marketing	It is necessary to fully understand the business environment and how to build a relationship with stakeholders, including business partners, and have insight to develop new markets and prepare and execute product planning and sales strategies.
Technology, development, manufacturing, quality	The driving force of the growth of a research and development-type company is the technology and development areas to develop products, and the provision of high-quality products and technology support for customers is the lifeblood.

Reference: Policy for determining the content of individual directors' remuneration

Upon transitioning to a Company with an Audit & Supervisory Committee, the Company resolved its policy, etc. for determining executive remuneration, etc. at the 54th Annual General Meeting of Shareholders on June 20, 2025.

1. Basic policy

With its executive remuneration system, the Company aims to accelerate the realization of sustainable growth through the initiatives set forth in the Medium-Term Management Plan and the enhancement of the motivation of Directors to contribute to the improvement of performance and the enhancement of medium- to long-term corporate value of the Company, and sets the basic policy as follows:

- 1) The plan emphasizes the linkage between short-term performance and the enhancement of medium- to long-term corporate value, and is designed to promote value sharing with shareholders.
- 2) The level of remuneration shall be sufficient to attract and retain outstanding human resources with a global perspective.
- 3) The remuneration determination process shall be objective and transparent.

2. Policy on Remuneration Levels

Remuneration levels are determined to motivate the achievement of the Medium-Term Management Plan and to attract and retain talented individuals. To ensure this, benchmark companies are selected using objective remuneration survey data provided by external institutions. Based on this, fixed and variable remuneration levels are considered comprehensively.

3. Remuneration Structure by Position

(i) Executive Directors

In addition to basic remuneration, the Company pays performance-linked remuneration as incentives for the execution of business and share-based remuneration to further enhance Executive Directors' motivation and morale to improve operating results and enhance corporate value in the medium to long term by sharing the benefits and risks of fluctuations in share price with shareholders. As for share-based remuneration for Executive Directors, the Company grants restricted share-based remuneration (hereinafter referred to as "RS"), taking into account position and job responsibilities, etc., at a set time each year. The issuance of stock acquisition rights as tax-qualified share options has been discontinued, with the final allocation occurring in the 55th fiscal year.

(ii) Non-Executive Directors who are not Audit & Supervisory Committee Members

In addition to basic remuneration, non-performance-linked share-based remuneration is provided. This is designated to share perspectives with shareholders and serve as an incentive for the sustainable enhancement of corporate value.

(iii) Directors who are Audit & Supervisory Committee Members

Only basic remuneration is provided in light of their independence from business execution.

The amount of basic remuneration for each Director and the details of share-based remuneration shall be determined after the Board of Directors receives a report from the Nomination and Remuneration Committee.

4. Composition of Remuneration

(i) Basic remuneration (cash)

Monthly cash remuneration based on position and responsibilities (fixed)

(ii) Performance-linked remuneration (cash)

- This is annual cash remuneration paid based on the performance and strategic initiatives of a single fiscal year.
- The amount is calculated by applying a coefficient—based on the achievement level of financial indicators (performance) and non-financial indicators (key initiatives) from the prior year—to the position-based basic remuneration.
- The remuneration framework is designed to maintain a 1:1 ratio between financial and non-financial performance indicators when targets are achieved. The performance targets are set by the Nomination and Remuneration Committee at the beginning of each fiscal year during the budget planning process.

(iii) Share-based remuneration for Executive Directors

- Share-based remuneration for executive directors shall be restricted shares (RS) that are paid in proportion to the achievement level of financial targets (ROE and TSR) under the Medium-Term Plan. The number of RS to be granted is determined by multiplying the pre-set allocation per role with a coefficient based on the achievement of annual targets and progress on initiatives during the applicable period.
- Allocations of restricted shares by role are reviewed periodically, and targets are set by the Nomination and Remuneration Committee at the time of formulating the Medium-Term Plan.

(iv) Share-based remuneration for Non-Executive Directors who are not Audit & Supervisory Committee Members

- Since Non-Executive Directors who are not Audit & Supervisory Committee Members play a role in making decisions on important matters with the viewpoint of a representative of minority shareholders and a role to supervise the management to prevent excessive risk-taking aiming at achieving performance targets, the Company pays RS that is not linked to performance as share-based remuneration to eligible Directors.

(Supplementary information)

- Transfer restrictions on RS are lifted when Director of the Company loses the position.
- The composition of remuneration is designed to be roughly 50% to 60% of basic remuneration, 20% to 30% of short-term performance-linked remuneration and 20% of share-based remuneration when the target achievement level of Executive Director is 100%.

Remuneration system of executive director

Type of Remuneration	Description	Fixed/Variable
Basic remuneration	<ul style="list-style-type: none"> Cash remuneration based on position and responsibilities. 	Fixed
Performance-linked remuneration	<ul style="list-style-type: none"> This is annual cash remuneration paid based on the performance and strategic initiatives of a single fiscal year. The amount is calculated by applying a coefficient—based on the achievement level of financial indicators (e.g. operating profit) and non-financial indicators (e.g., key initiatives) from the prior fiscal year—to the position-based basic remuneration. The remuneration framework is designed to maintain a 1:1 ratio between financial and non-financial performance indicators when targets are achieved. The performance targets are set by the Nomination and Remuneration Committee at the beginning of each fiscal year during the budget planning process. 	Variable
Share-based remuneration	<ul style="list-style-type: none"> Restricted shares (RS) that are paid in proportion to the achievement level of financial targets (ROE and TSR) under the Medium-Term Plan The number of restricted shares to be granted is determined by multiplying the pre-set allocation per role with a coefficient based on the achievement of annual targets and progress on initiatives during the applicable period. Allocations of restricted shares by role are reviewed periodically, and targets are set by the Nomination and Remuneration Committee at the time of formulating the Medium-Term Plan. Transfer restrictions on RS are lifted when the Director loses their position. 	Variable

Remuneration mix for executive directors (design value)

Cash remuneration		Share-based remuneration
Fixed	Performance-linked	
Basic remuneration	Performance-linked remuneration	Restricted share-based remuneration
50 to 60%	20 to 30%	20%

5. Remuneration determination process

In order to ensure the objectivity and transparency of the executive remuneration determination process, the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, shall deliberate and make a report on basic executive remuneration policies, systems, calculation methods, and the content of individual remunerations, etc.

Regarding specific details of remuneration for Directors, the Nomination and Remuneration Committee deliberates on individual remuneration amounts within the scope of limits approved at the General Meeting of Shareholders, and the Board of Directors makes decisions based on the Committee's recommendations.

Remuneration for Directors who are Audit & Supervisory Committee Members is determined through discussions among those Directors.