

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

Securities code: 5851

Date of sending by postal mail: March 7, 2025

Date of posting online: March 4, 2025

To our shareholders:

Akira Urakami
President and CEO
RYOBI LIMITED
762 Mesaki-cho, Fuchu-shi, Hiroshima, Japan

NOTICE OF THE 113TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We hereby announce the 113th Annual General Meeting of Shareholders of Ryobi Limited (the “Company”), which will be held as described below.

This Notice of the 113th Annual General Meeting of Shareholders will be posted online in electronic format on the following websites. Please access either of these websites using the Internet addresses shown below to review the information.

The Company’s website:

https://www.ryobi-group.co.jp/ir/shareholders_meeting.html (in Japanese)

In addition to posting items for which measures for providing information in electronic format are to be taken on the Company’s website listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address given below, input the issue name (company name) or securities code, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

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

If you do not attend the meeting in person, please exercise your voting rights via the Internet and other means or in writing (by postal mail) by 5:00 p.m. on Tuesday, March 25, 2025.

The General Meeting of Shareholders will also be broadcast live on the Internet for shareholders to view the meeting from their homes (in Japanese only).

- 1. Date and Time:** Wednesday, March 26, 2025 at 10:00 a.m. (Japan Standard Time) (The reception will start at 9:00 a.m.)
- 2. Venue:** Fuchu Chamber of Commerce and Industry Hall
445-1 Motomachi, Fuchu-shi, Hiroshima, Japan

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 113th Term (from January 1, 2024 to December 31, 2024)
2. The results of audit of the Consolidated Financial Statements for the 113th Term by the Accounting Auditor and the Board of Corporate Auditors

Items to be resolved:

Company Proposal(s)

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendment to the Articles of Incorporation
Proposal 3: Election of Seven (7) Directors

Shareholder Proposal(s)

Proposal 4: Appropriation of Surplus

Proposal 5: Partial Amendment to the Articles of Incorporation Regarding the Establishment of a Study Committee to Continuously Work on the Optimization of Prices for Japanese Business

Other Items Related to Convocation Procedures of Ordinary General Meeting of the Shareholders

1. Regarding the delivery of paper-based documents in response to request for delivery of paper-based documents

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 delivered to shareholders who have made a request for delivery of such documents.

i) Items Pertaining to Accounting Auditors and System for Ensuring the Appropriateness of Operations in the Business Report; ii) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements; and iii) Non-Consolidated Statement of Changes in Equity and Notes to Non-Consolidated Financial Statements

The Corporate Auditors and the Accounting Auditor have audited the documents subject to audit, including the above items.

2. Regarding amendments to the items subject to measures for electronic provision

If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the TSE website.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

<Company Proposal(s) (Proposal 1 to Proposal 3)>

Proposal 1: Appropriation of Surplus

The Company's basic stance is to improve its medium- and long-term consolidated operating performance, while maintaining investment for growth and a stable return of profits to our shareholders.

The Company would like the year-end dividend per common share to be ¥42.50, considering the operating performance for the current fiscal year and business development in the future.

Combined with the interim dividend (¥42.50 per share), this brings the annual dividend to ¥85 per share.

Year-end dividends

1. Type of dividend property
Cash
2. Allotment of dividend property to shareholders and their aggregate amount
¥42.50 per common share of the Company; the total amount is ¥1,375,651,815.
3. Effective date for the distribution of dividends from surplus
March 27, 2025

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reason for the proposal

To clarify management responsibility of directors and establish a management structure that can promptly respond to changes in the business environment, the Company proposes to shorten the term of office of directors from two years to one year.

The amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this Annual General Meeting of Shareholders.

2. Details of the amendment

The amendments are as follows.

(Underline shows changed parts.)

Current Articles of Incorporation	New Articles of Incorporation Proposed
Article 21. (Term of Office of Directors) The term of office of Directors shall extend until the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within <u>two</u> years following the election.	Article 21. (Term of Office of Directors) The term of office of Directors shall extend until the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within <u>one</u> year following the election.

Proposal 3: Election of Seven (7) Directors

If Proposal 2, “Partial Amendment to the Articles of Incorporation,” is approved as proposed, the terms of office of all Directors (7 Directors) will come to an end at the conclusion of this Annual General Meeting of Shareholders. Therefore, subject to the approval of Proposal No. 2, “Partial Amendment to the Articles of Incorporation,” the Company proposes the election of seven (7) Directors based on the decision of the voluntary Nominating and Remuneration Advisory Committee.

The candidates for Directors are as follows:

No.	Name	Gender	Current position and responsibilities in the Company	
1	Akira Urakami	Male	Representative Director and President	Reelection
2	Kazuhiko Fujii	Male	Director Divisional General Manager of Corporate Planning Division of the Company	Reelection
3	Hideki Tanifuji	Male	Director Divisional General Manager of Die Casting Planning and Development Division of the Company Chairman of Ryobi Die Casting Dalian Co., Ltd. Chairman of Ryobi Die Casting Changzhou Co., Ltd. Chair of Ryobi (Shanghai) Sales, Ltd.	Reelection
4	Satoshi Ohoka	Male	Outside Director	Reelection Outside Independent
5	Masahiko Ikaga	Male	Outside Director	Reelection Outside Independent
6	Mami Ito	Female	Outside Director	Reelection Outside Independent
7	Yoichi Arai	Male	Outside Director	Reelection Outside Independent

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
1	Akira Urakami (May 20, 1965) Reelection Male	<p>Apr. 1989 Joined the Company</p> <p>Jul. 1989 Assigned to overseas subsidiary (Arizona, United States) of the Company for three (3) years</p> <p>Jun. 2003 Corporate Officer of the Company</p> <p>Jun. 2005 Director and Corporate Officer Divisional Deputy General Manager and General Manager of Planning and Administration Department of Die Casting Division and in charge of Marketing Development of the Company</p> <p>Jun. 2007 Director of the Company President, Ryobi Imagix Co.</p> <p>Jun. 2011 President of the Company (present position) (Significant concurrent positions outside the Company) No significant concurrent positions.</p>	<p>1. 57,100</p> <p>2. None</p>
<p>[Reasons for nomination as candidate for Director]</p> <p>He is engaged in determining the Company's management policy, the establishment of its management system, and the development of management personnel as President and CEO. He also practices management based on the Company's corporate philosophy and is guiding the Group under his strong leadership. Given his track record and experience, the Company believes that he will contribute to sustainable growth and medium- and long-term improvements of corporate value, and asks you to continue appointing him as a Director.</p> <p>(Note) The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
2	Kazuhiko Fujii (October 24, 1963) Reelection Male	Apr. 1988 Joined the Company May 2019 Corporate Officer and Divisional General Manager of Die Casting Planning and Development Division of the Company Jan. 2021 Corporate Officer and Divisional General Manager of Corporate Planning Division of the Company (present position) Mar. 2024 Director of the Company (present position) (Significant concurrent positions outside the Company) No significant concurrent positions.	1. 4,600 2. None
		[Reasons for nomination as candidate for Director] He has engaged in the operations of the Die Casting business, has engaged in the management of the entire company in the Corporate Planning Division, and has accumulated extensive business experiences; therefore, the Company expects that he will suitably perform his duties related to the improvement of corporate value and sustainable growth for the Group, and asks you to continue appointing him as a Director. (Note) The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.	

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
3	Hideki Tanifuji (October 1, 1961) Reelection Male	Apr. 1985 Joined the Company Nov. 2014 Senior Vice President of Ryobi Die Casting (USA), Inc. (seconded) May 2019 Corporate Officer and Divisional General Manager of the Die Casting Die Design and Manufacturing Division of the Company May 2022 Corporate Officer and Divisional General Manager of Die Casting Planning and Development Division of the Company (present position) Jan. 2024 Chair of Ryobi (Shanghai) Sales, Ltd. (present position) Mar. 2024 Director of the Company (present position) Chairman of Ryobi Die Casting Dalian Co., Ltd. (present position) Chairman of Ryobi Die Casting Changzhou Co., Ltd. (present position) (Significant concurrent positions outside the Company) Chairman of Ryobi Die Casting Dalian Co., Ltd. Chairman of Ryobi Die Casting Changzhou Co., Ltd. Chair of Ryobi (Shanghai) Sales, Ltd.	1. 5,900 2. None
<p>[Reasons for nomination as candidate for Director]</p> <p>He has engaged in the operations of the Die Casting Business and the management of Die Casting group companies in and outside Japan, and has accumulated extensive business experiences and expertise that can help to develop the Die Casting business; therefore, the Company expects that he will suitably perform his duties related to the improvement of corporate value and sustainable growth for the Group, and asks you to continue appointing him as a Director.</p> <p>(Note) The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
4	Satoshi Ohoka (April 24, 1951) Reelection Male Outside Independent	Apr. 1975 Joined The Japan Development Bank (currently Development Bank of Japan Inc.) May 2002 Managing Director of The Development Bank of Japan Apr. 2003 Professor of Nihon University Apr. 2003 Lecturer of Keio University Apr. 2003 Lecturer of Graduate School of Chuo University Jun. 2003 Outside Corporate Auditor of the Company Jun. 2006 Outside Director of the Company (present position) Jun. 2012 Outside Director of LINTEC Corporation (Significant concurrent positions outside the Company) No significant concurrent positions.	1. 4,400 2. None
	<p>[Reasons for nomination as candidate for Outside Director and expected role, etc.]</p> <p>Drawing on his wealth of international experience and deep academic expertise, he has provided useful suggestions and opinions for the Company's management. In particular, the Company expects him to supervise and provide advice on the execution of duties by Directors from a specialist perspective with respect to the appropriateness and propriety of decision-making by the Board of Directors, and asks you to continue appointing him as an Outside Director in the belief that he will contribute to the Company's strengthening of governance.</p> <p>(Notes) 1. Satoshi Ohoka is a candidate for Outside Director. 2. If his reelection is approved and adopted, the Company plans to continue to notify the Tokyo Stock Exchange of his status as an Independent Director. 3. He is currently an Outside Director of the Company and will have served for eighteen (18) years and nine (9) months at the conclusion of this Annual General Meeting of Shareholders. 4. The Company has concluded an agreement with Satoshi Ohoka, who is a candidate for Outside Director, limiting his liability for damages to the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act for the damages stipulated in Article 423, paragraph (1) of the same Act. If his reelection is approved and adopted, the Company plans to renew the aforementioned agreement with him. 5. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.</p>		

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
5	Masahiko Ikaga (May 14, 1955) Reelection Male Outside Independent	<p>Mar. 2000 Representative Director and President, Tohmatsu Consulting Co., Ltd. (current Deloitte Tohmatsu Consulting LLC)</p> <p>Oct. 2010 Representative Director and Chairman, Tohmatsu Consulting Co., Ltd. (current Deloitte Tohmatsu Consulting LLC)</p> <p>Nov. 2013 CSO (Chief Strategy Officer), Deloitte Touche Tohmatsu LLC</p> <p>Apr. 2016 Representative Accountant, Masahiko Ikaga C.P.A. Office (present position)</p> <p>May 2016 Representative Director, PrajnaLink Co., Ltd. (present position)</p> <p>Jun. 2016 Outside Corporate Auditor, Morinaga Milk Industry Co., Ltd.</p> <p>Mar. 2017 Outside Corporate Auditor, Yamaha Motor Co., Ltd.</p> <p>Jun. 2017 Outside Director of the Company (present position)</p> <p>Jun. 2022 Outside Auditor, Santen Pharmaceutical Co., Ltd.</p> <p>Jun. 2024 Outside Director, Santen Pharmaceutical Co., Ltd. (present position)</p> <p>(Significant concurrent positions outside the Company) Representative Accountant, Masahiko Ikaga C.P.A. Office Representative Director, PrajnaLink Co., Ltd. Outside Director, Santen Pharmaceutical Co., Ltd.</p>	<p>1. 3,000 2. None</p>
<p>[Reasons for nomination as candidate for Outside Director and expected role, etc.] The Company expects him to use his wealth of expertise in finance and accounting as a certified public accountant and his extensive experience and broad insight as a corporate manager to provide appropriate guidance and opinions on the management of the Company, and asks you to continue appointing him as an Outside Director.</p> <p>(Notes) 1. Masahiko Ikaga is a candidate for Outside Director. 2. If his reelection is approved and adopted, the Company plans to continue to notify the Tokyo Stock Exchange of his status as an Independent Director. 3. He is currently an Outside Director of the Company and will have served for seven (7) years and nine (9) months at the conclusion of this Annual General Meeting of Shareholders. 4. The Company has concluded an agreement with Masahiko Ikaga, who is a candidate for Outside Director, limiting his liability for damages to the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act for the damages stipulated in Article 423, paragraph (1) of the same Act. If his reelection is approved and adopted, the Company plans to renew the aforementioned agreement with him. 5. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
6	Mami Ito (November 24, 1967) Reelection Female Outside Independent	<p>Mar. 2000 CEO&President, Nihon Dento Kougyo Co., Ltd. (present position)</p> <p>Apr. 2012 Representative Director and President, Nihon Accessory Co., Ltd. (present position)</p> <p>Jul. 2012 Representative Director and President, Julico Co., Ltd. (present position)</p> <p>May 2015 Vice President, Saitama Employers Association (present position)</p> <p>Jun. 2020 Outside Director, Kimoto Co., Ltd. (present position)</p> <p>Apr. 2021 Deputy Representative Director, Monozukuri Nadeshiko (present position)</p> <p>May 2021 Chairperson, Saitama Plating Industry Association (present position)</p> <p>Mar. 2023 Outside Director of the Company (present position)</p> <p>Jun. 2023 Outside Director, Mandom Corporation (present position)</p> <p>(Significant concurrent positions outside the Company) CEO&President, Nihon Dento Kougyo Co., Ltd. Representative Director and President, Nihon Accessory Co., Ltd. Representative Director and President, Julico Co., Ltd. Outside Director, Kimoto Co., Ltd. Outside Director, Mandom Corporation</p>	<p>1. 0 2. None</p>
<p>[Reasons for nomination as candidate for Outside Director and expected role, etc.] The Company benefits from her use of her broad experience as a female corporate manager, and her international experience to provide useful guidance and opinion on the management of the Company, and expecting her to perform the role of supervisor of the status of operations, asks you to continue appointing her as an Outside Director.</p> <p>(Notes) 1. Mami Ito is a candidate for Outside Director. 2. If her reelection is approved and adopted, the Company plans to continue to notify the Tokyo Stock Exchange of her status as an Independent Director. 3. She is currently an Outside Director of the Company and will have served for two (2) years at the conclusion of this Annual General Meeting of Shareholders. 4. The Company has concluded an agreement with Mami Ito, who is a candidate for Outside Director, limiting her liability for damages to the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act for the damages stipulated in Article 423, paragraph (1) of the same Act. If her reelection is approved and adopted, the Company plans to renew the aforementioned agreement with her. 5. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	1. Number of the Company's shares owned 2. Special interest with the Company
	Yoichi Arai (April 25, 1944) Reelection Male Outside Independent	<div>Apr. 1977 Senior Partner of Yoichi Arai Law Firm (currently Arai Sogo Legal Firm) (established) (present position)</div> <div>Jan. 1990 Outside Audit & Supervisory Board Member of Zuken Inc.</div> <div>Jun. 2012 Outside Corporate Auditor of the Company</div> <div>Jun. 2016 Outside Director of Zuken Inc.</div> <div>Mar. 2024 Outside Director of the Company (present position)</div> <div>(Significant concurrent positions outside the Company)</div> <div>Senior Partner of Arai Sogo Legal Firm</div>	<div>1. 1,800</div> <div>2. None</div>
7	<p>[Reasons for nomination as candidate for Outside Director and expected role, etc.]</p> <p>The Company expects that his knowledge as an attorney and his broad perspective and experience as senior partner of his law firm, and his experience as Outside Corporate Auditor of the Company can be applied to audits of the Company, and that he will provide appropriate guidance and opinions for the management of the Company, and asks you to continue appointing him as an Outside Director.</p> <p>(Note) 1. Yoichi Arai is a candidate for Outside Director.</p> <p>2. At the conclusion of the 112th Annual General Meeting of Shareholders held on March 27, 2024, he resigned as Corporate Auditor due to the expiry of this term and was appointed as a Director.</p> <p>3. If his reelection is approved and adopted, the Company plans to continue to notify the Tokyo Stock Exchange of his status as an Independent Director.</p> <p>4. He is currently an Outside Director of the Company and will have served as an Outside Director for one (1) year at the conclusion of this Annual General Meeting of Shareholders.</p> <p>5. The Company has concluded an agreement with Yoichi Arai, who is a candidate for Outside Director, limiting his liability for damages to the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act for the damages stipulated in Article 423, paragraph (1) of the same Act. If his reelection is approved and adopted, the Company plans to renew the aforementioned agreement with him.</p> <p>6. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages borne by the insured person when that insured person receives a claim for compensation for damages originating from actions in the execution of their duties as an officer and bears legal responsibility for the compensation of damages for the Company. Candidates are included as insured persons under this insurance policy. Moreover, the Company plans to renew this insurance policy with the same details at the time of the next renewal.</p>		

(Reference)

If Proposal 3 is approved and adopted as proposed, the composition of the Board of Directors and the Board of Corporate Auditors and the expertise of each officer are as below.

Knowledge/ experience	Director							Corporate Auditor		
	Internal			Outside				Full-time	Outside	
	Akira Urakami	Kazuhiko Fujii	Hideki Tanifuji	Satoshi Ohoka	Masahiko Ikaga	Mami Ito	Yoichi Arai	Takashi Suzuki	Takashi Hatagawa	Takashi Hirano
Corporate management	●	●	●		●	●		●	●	
Global experience	●	●	●	●		●			●	●
Marketing	●					●		●		
Technology		●	●		●			●		
Finance & accounting				●	●				●	
Human resource development	●			●						
Risk management, governance, and compliance				●	●	●	●		●	●
Main qualifications, etc.				Academic expert	CPA Corporate manager	Corporate manager	Attorney		Corporate manager	Lawyer

(Note) The above skills matrix does not represent all the expertise of each person, but up to four (4) items that are particularly expected.

<Shareholder Proposals (Proposal 4 and Proposal 5)>

Proposals 4 and 5 are proposals made by one (1) shareholder (hereinafter the “Shareholder Proposal” or the “Shareholder Proposals”).

The details of the proposals and the reasons for the proposals are as stated in the original text.

Proposal 4: Appropriation of Surplus

1. Details of the proposal

(1) Type of dividend property

Cash

(2) Allocation of dividend property and the total amount thereof

The Company shall pay a dividend per share of common stock (the “dividend per share”), the amount of which shall be obtained by deducting from ¥206 the dividend per share based on the proposal for appropriation of surplus submitted by the Board of Directors and approved at the 113th Annual General Meeting of Shareholders (the “Company’s proposal for appropriation of surplus”).

If the amount obtained by rounding down less than one yen of the amount of 4/100 of net assets per share for the fiscal year ended December 31, 2024 is different from ¥206, the amount of ¥206 at the beginning of the sentence shall be read as the amount obtained by rounding down less than one yen of the amount of 4/100 of net assets per share for the fiscal year ended December 31, 2024.

The total dividend amount will be the amount obtained by multiplying the number of shares eligible for dividends as of the record date for voting rights at the 113th Annual General Meeting of Shareholders of the Company.

(3) The effective date of the surplus dividend

The day following the date of the Company’s 113th Annual General Meeting of Shareholders

This Proposal is an additional proposal that is independent of and compatible with the Company’s proposal for the appropriation of profits at the 113th Annual General Meeting of Shareholders.

2. Reason for the proposal

This Proposal is designed for a dividend equivalent to 4/100 of net assets per share, i.e., a 4% Dividend on Equity Ratio (the “DOE”).

“Summary of the Discussion Points for the Follow-up Meeting on the Review of Market Segmentation” published by the Listing Department of the Tokyo Stock Exchange in January 2023, states that companies that have continuously had a PBR of less than x1.0 must have policies and specific measures in place to improve it.

In the financial results presentation material for the fiscal year ended December 31, 2023, the Company announced the release titled “Measures to realize management conscious of cost of capital and stock price.” However, the Company’s P/B ratio has been well below x1.0 for more than 10 years. As of January 10, 2025, the P/B ratio was x0.44, which is at an unusually low level.

The Company’s return on equity (ROE) remains at approximately 5% compared to its cost of equity of approximately 8–9%. This is because the Company has not been able to generate sufficient profits despite its expansionary investment policy in the past, and it has not been able to sufficiently increase shareholder value, with its low return level of 30% dividend payout ratio. As long as this policy continues, shareholders of the Company cannot expect to see corporate value continue to improve. In terms of shareholder returns, the proposing shareholder believes it is desirable to clearly state a policy of actively returning profits to shareholders and controlling the Company’s owned capital without excessive accumulation of it, in order to increase corporate value over the medium to long term.

To this end, the proposing shareholder proposes that the Company guarantee a certain level of return to shareholders in order to improve the valuation of the Company’s stock, i.e., to introduce the dividend on equity ratio (DOE) into the shareholder return policy and to set the dividend at an amount equivalent to a 4% DOE.

Opinion of the Directors of the Company

The Board of Directors is against this Shareholder Proposal (Proposal No. 4).

(Reason for opposition)

Returning profits to our shareholders is one of our key management principles. Our basic profit distribution policy is to maintain a stable return of profits to shareholders while securing funds for growth investment along with a medium- to long-term improvement in operating performance. In addition, we determine profit distribution after considering various factors, using a dividend payout ratio of 30% as a guide, in addition to maintaining stable dividends.

Based on this policy, we have continued to increase the dividend per share for the fiscal years ended December 31, 2022 and December 31, 2023. For the fiscal year ended December 31, 2024, we also plan to further increase the dividend to ¥85 (with the payout ratio of 39.7%), significantly exceeding the payout ratio of 30%.

Based on this recognition, we have clarified our long-term vision for the Company setting the target for FY2035. On February 13, 2025, we announced our “Medium-Term Management Plan (2025–2027)” (“MTMP”). Under the slogan “Paving the Future with Our Wisdom and Actions —Challenge 2027—,” we will invest approximately ¥70 billion in growth over the next three years, further strengthen and stabilize our management foundation, and aim to build a corporate structure that is resilient to changes in the external environment.

Under MTMP, we will improve capital efficiency by utilizing debt and selling cross-held shares, while ensuring financial stability centered on operating cash flows. We will continue to make investments that contribute to increasing corporate value while maintaining financial stability, including investments for growth of our core Die Castings business, infrastructure development, responding to new business for strategic products through weight reduction and electrification, and investing in future-oriented technology development for large components (giga casting.)

We believe that these measures are essential to further strengthen and stabilize our management foundation and ensure continued growth, and that they will contribute to the interests of our shareholders by increasing our long-term corporate value. Of course, we will consider the future direction and profitability of our businesses when making investments, and we will implement them after fully reviewing and selecting the details.

In addition, we aim to achieve management that is conscious of cost of capital and stock price. To this end, it is urgent for us to improve the P/B ratio and the equity spread by increasing ROE and decreasing the cost of capital. Our ROE is currently below the cost of capital of 8–9% we recognize, and it is crucial not only to improve returns on capital and but also to foster expectations of future profit growth to enhance corporate value in the future. We will work to improve our P/B ratio by improving our earning power through the steady implementation of MTMP, while at the same time working on our capital policy and engaging in dialogue with the capital markets.

In this context, we consider shareholder returns as one of our top management priorities, and we will strengthen our shareholder returns. Specifically, during the MTMP period, we will adopt a progressive dividend policy, with a minimum dividend of ¥100 per share in the first year. Thereafter, we will maintain or increase the dividend to achieve a total return ratio of 40%. In addition, we will flexibly buy back shares at appropriate times and in appropriate amounts, comprehensively taking into account factors such as the stock price and others while also keeping in mind the optimal capital structure.

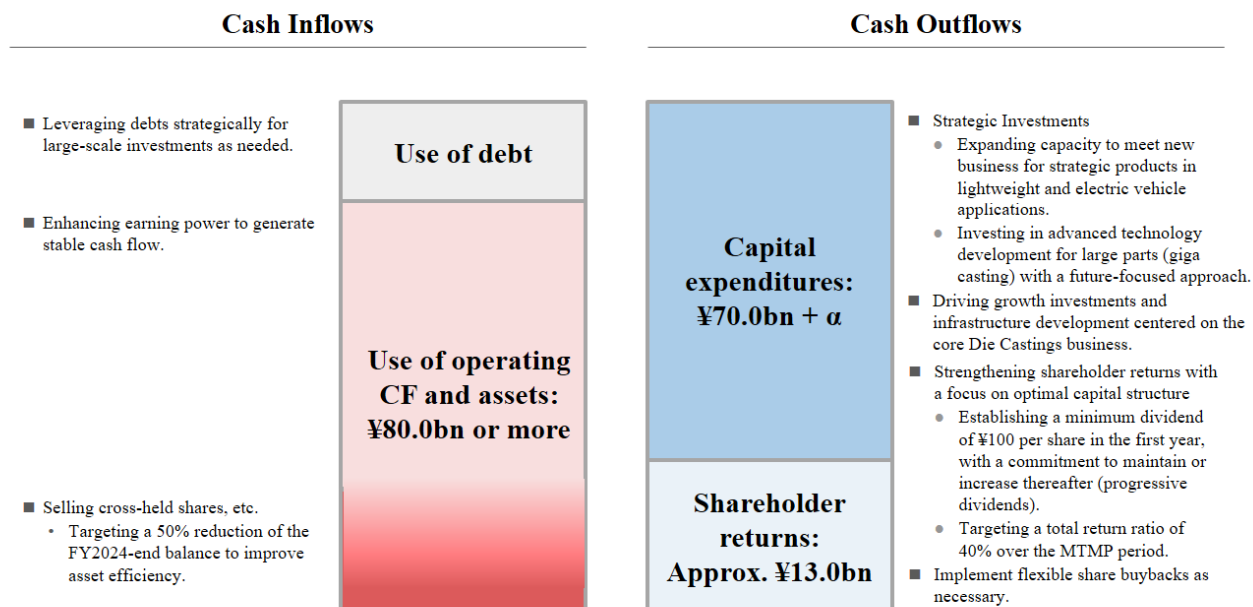
Thus, we believe that business growth is key to increasing corporate value, and that balancing growth investments and shareholder returns is essential to enhance ROE and P/B ratio.

Meanwhile, if the shareholder return based on this Shareholder Proposal is implemented, substantially all of profits will be allocated to dividends and reduce the funds for growth investment, which is the basis for increasing corporate value. It also carries a high risk of jeopardizing financial stability. As a result, we recognize that it may lead to damage to the medium- to long-term interests of our shareholders. Therefore, we believe that this Shareholder Proposal is not appropriate for the Company to pursue its growth strategy.

For the reasons stated above, the Company’s Board of Directors opposes this Shareholder Proposal.

Cash Allocation (FY2025-FY2027 Cumulative)

Prioritizing growth investments and enhancing shareholder returns.



Proposal 5: Partial Amendment to the Articles of Incorporation Regarding the Establishment of a Study Committee to Continuously Work on the Optimization of Prices for Japanese Business

1. Details of the proposal

Add a provision to the Articles of Incorporation to establish a study committee to improve profitability Japanese businesses through sales price hikes, with the director in charge and outside directors as members, while also utilizing the knowledge of outside consultants.

2. Reason for the proposal

Looking back at the Company's capital investment over the past 10 years, it has invested large amounts of money in capital investment for new business for future growth. Meanwhile, despite increased sales to some extent, operating income and operating margin have remained stagnant.

(Reference) Development of business performance for FY2015/3 and beyond

	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY12/2018	FY12/2019	FY12/2020	FY12/2021	FY12/2022	FY12/2023	FY12/2024
Net sales	227,163	254,508	241,251	247,192	216,187	220,519	170,973	198,073	249,521	282,693	292,000
Operating income	9,122	12,832	12,624	13,212	13,579	8,495	(1,789)	(1,524)	6,969	12,214	8,500
Operating margin	4.0%	5.0%	5.2%	5.3%	6.3%	3.9%	(1.0)%	(0.8)%	2.8%	4.3%	2.9%

Depreciation has been increasing year on year, and came to be 1.3 times higher in the fiscal year ended December 31, 2023 (¥18.5 billion) than in the fiscal year ended March 31, 2015 (¥14.3 billion). Meanwhile, operating income has not increased, with an ¥8.5 billion in the fiscal year ended December 31, 2024, compared to ¥9.1 billion in the fiscal year ended March 31, 2015. The operating margin has been sluggish, averaging 4.4% over the past 10 years (excluding the fiscal years ended December 31, 2020 and December 31, 2021, when the Company recorded losses), and the Company has been unable to generate sufficient profits to match capital investment due to uncontrolled expansion.

Taking a glance by region, while the profit margin in North America is relatively high due to the high evaluation of the Company's product superiority, the profit margin of the Japanese businesses is estimated to be less than 4%. Despite this, the Company has invested approximately ¥5.0 billion in capital investment in the Japanese businesses every year for the past five years, and in the fiscal year ended December 2024, it invested approximately ¥12.0 billion in capital investment. This is not appropriate from the perspective of return on capital. When making capital investments, the Company should thoroughly review whether the investment will exceed the cost of equity, and seek appropriate price increases from its business partners. Furthermore, costs such as logistics and fuel costs, as well as wages, have recently increased. In light of this situation, the Company should pass on appropriate price increases and work to increase its profit margin as a listed company. In addition, despite the fact that the profit margin for the Builders' Hardware business and the Printing Equipment business is generally low at 5% or less, progress in business restructuring has been slow and capital efficiency has not been optimized.

For the reasons above, the proposing shareholder proposes that the Company review its investment plans to match its return on capital and establish a study committee to improve the profitability of its Japanese businesses through sales price hikes.

Opinion of the Directors of the Company

The Board of Directors is against this Shareholder Proposal (Proposal No. 5).

(Reason for opposition)

We have appointed four independent outside directors who have experience in participating in corporate management to form a majority of the Company's Board of Directors, and we receive advice on management from an objective standpoint. In addition, in formulating MTMP, we take into account the opinions and expertise of outside experts and formulate the Plan after sufficient discussion, including with outside directors.

Additionally, the outside directors attend management meetings on a quarterly basis to discuss matters for major decisions, and based on these discussions, consult with the Board of Directors. In particular, regarding proposals for capital investments, we clarify the background and purpose of the investment, consider the effects and efficiency, and make a decision to implement the investment after sufficient review to ensure a certain payback period and internal rate of return.

In addition, the Company is working to enhance its IR and SR activities to deepen the dialogue with its shareholders and investors. It has also put in place a system for the Board of Directors to receive reports on the views received through these activities, as appropriate.

Thus, we believe that we have already established a system for making appropriate decisions on our overall strategy, reflecting the perspectives of third parties such as outside directors, outside experts, and shareholders and investors. In order to address changes in the external environment, such as increased costs including rising energy prices and others, and to further increase a sustainable corporate value, we believe it is of the utmost importance to continue to conduct deliberations and consultations through the above corporate governance system.

In MTMP, we have identified appropriate pricing and productivity improvement as key priorities for our Die Castings business, and we believe that implementing these measures will lead to improvements in the profitability of our businesses, including the appropriate pricing of transactions.

The articles of incorporation, in the first place, set out the fundamental principles of a company's organization and management. The matters mentioned in this Shareholder Proposal include specific details such as the decision on capital investment and appropriate pricing of transactions that should be left to managerial judgment by the Board of Directors. Furthermore, the Board of Directors, which has the most knowledge, ability and information necessary for managerial judgment, should decide on the internal systems and processes for reviewing and deciding on these matters, as well based on the circumstances at the time. In this way, the Partial Amendment to the Articles of Incorporation sought by this Shareholder Proposal to establish "a Study Committee to Continuously Work on the Optimization of Prices for Japanese Business" is, by its very nature, inappropriate to the Articles of Incorporation and goes beyond the scope of typical articles of incorporation. We believe that such an amendment to the Articles of Incorporation could lead to rigidity in managerial judgment and processes, and even impair their agility and flexibility. For the reasons stated above, the Company's Board of Directors opposes this Shareholder Proposal.