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Securities Code: 6333

Dispatch date: June 8, 2026

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To Shareholders:

Kiyoshi Murata, President and CEO

TEIKOKU CORPORATION

60 Hirano, Shingu-cho, Tatsuno City, Hyogo Prefecture

Notice of the 122nd Annual General Meeting of Shareholders

You are cordially invited to attend the 122nd Annual General Meeting of Shareholders of TEIKOKU CORPORATION (the “Company”). The meeting will be held for the purposes as described 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 the measures for providing information in electronic format will be taken) in electronic format, and posts this information on the Company’s website. Please access the Company’s website using the internet address shown below to review the information.

<https://www.teikokucp.co.jp/ir/library/annualmeeting.html> (in Japanese)

https://www.teikokucp.co.jp/english/ir/general_meetings/index.html (in English)

In addition to the Company’s website, the matters for which measures for providing information in electronic format are to be taken are also posted on the website of the Tokyo Stock Exchange (TSE), which you can review at the following link.

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website by using the Internet address shown above, enter “TEIKOKU CORPORATION” in “Issue name (company name)” or the Company’s securities code “6333” (single-byte characters) 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 are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. on Friday, June 26, 2026 (JST) in accordance with the instructions below.

- 1. Date and Time:** Monday, June 29, 2026 at 10:00 a.m. (JST)
2. Venue: Seiwa Hall on the 3rd floor of the Company's factory office building
60 Hirano, Shingu-cho, Tatsuno City, Hyogo Prefecture

3. Agenda

Items to be reported:

1. The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company's 122nd Fiscal Year (April 1, 2025, to March 31, 2026)
2. Results of audits by the Independent Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements for the Company's 122nd Fiscal Year

Matters to be resolved:

<Company Proposals (Proposal Nos. 1 to 3)>

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Three Directors (Excluding Directors Who Are Members of Audit & Supervisory Committee)

Proposal No. 3 Election of Four Directors Who Are Members of Audit & Supervisory Committee

<Shareholder Proposal (Proposal No. 4)>

Proposal No. 4 Amendment to the Articles of Incorporation (Establishment of a Strategic Alternatives Committee for Strategic Review Including Going-Private Alternatives)

<p>The Board of Directors of the Company opposes Proposal No. 4. The gist of this shareholder proposal (Proposal No. 4) and the Board of Directors' opinion on it are as described in the "Reference Documents for the General Meeting of Shareholders" starting on page 12.</p>

1. If you attend the meeting in person, please submit the voting form sent out with this convocation notice at reception.
2. Among items for which the measures for providing information in electronic format will be taken, the information concerning items to be disclosed in the Notes on Consolidated Financial Statements and the Notes on Non-consolidated Financial Statements is not included in the paper-based documents delivered to shareholders who have requested the delivery of paper-based documents (for this General Meeting of Shareholders, the same paper-based documents will also be delivered to shareholders who have not requested delivery) in accordance with laws and regulations and the Articles of Incorporation.
The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Independent Auditor and the Audit & Supervisory Committee in preparing the audit reports include, in addition to the items set forth in those documents, the items to be mentioned as the "Notes on Consolidated Financial Statements" and the "Notes on Non-consolidated Financial Statements."
3. If revisions to the items for which the measures for providing information in electronic format will be taken arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's aforementioned website and the TSE website.

Proposal No. 2 Election of Three Directors (Excluding Directors Who Are Members of Audit & Supervisory Committee)

The terms of office of all four Directors (excluding Directors Who Are Members of Audit & Supervisory Committee; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Consequently, the Company proposes the reduction of that number by one Director, and the election of three Directors. The Audit & Supervisory Committee of the Company has no particular opinion on this proposal.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kiyoshi Murata (July 18, 1962)	<p>April 1985 Joined The Taiyo Kobe Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>February 2015 Joined the Company General Manager, General Affairs Dept. of Administration H.Q.</p> <p>September 2015 General Manager, Corporate Planning Dept. of Administration H.Q.</p> <p>April 2018 Chief of Corporate Planning H.Q., General Manager of Corporate Planning Dept.</p> <p>June 2018 Executive Officer, Chief of Corporate Planning H.Q., General Manager of Corporate Planning Dept.</p> <p>June 2019 Director and Executive Officer, Chief of Corporate Planning H.Q., General Manager of Corporate Planning Dept.</p> <p>September 2019 Director and Executive Officer, Chief of Administration H.Q., General Manager of Corporate Planning Dept.</p> <p>June 2021 Director and Managing Executive Officer, Chief of Administration H.Q., General Manager of Corporate Planning Dept.</p> <p>April 2023 Director and Managing Executive Officer, Chief of Administration H.Q.</p> <p>June 2023 Director and Senior Managing Executive Officer, Chief of Administration H.Q.</p> <p>June 2024 President and CEO (current position)</p>	21,400 shares
<p>Reasons for nomination as candidate for Director</p> <p>After engaging in management planning, corporate governance, tightening internal control, promoting investor relations, etc. as a Director overseeing general affairs, corporate planning, and information system departments, Kiyoshi Murata took office as President and CEO in June 2024. Since then, he has been leading the development of Group vision, defining the direction of the Company, and otherwise striving to raise the organizational strength of the entire Group. As the Company judged, in light of such a track record, that he can continue to provide appropriate supervision of the management of the Group and contribute to the enhancement of the Company's corporate value, the Company nominated him as a candidate for Director again.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Tetsuzo Sato (February 28, 1964)	<p>April 1986 Joined the Company</p> <p>October 2007 General Manager, East Japan Sales Dept. of Domestic Sales H.Q.</p> <p>April 2009 General Manager, Procurement Dept. of Production H.Q.</p> <p>January 2012 General Manager, West Japan Sales Dept. of Domestic Sales H.Q.</p> <p>October 2013 General Manager, Production Control Dept. of Production H.Q.</p> <p>April 2018 Deputy Chief of Production Control H.Q., General Manager of Procurement Dept.</p> <p>January 2019 Chief of Procurement H.Q., General Manager of Procurement Dept.</p> <p>June 2019 Executive Officer, Chief of Procurement H.Q., General Manager of Procurement Dept.</p> <p>September 2019 Executive Officer, Deputy Chief of Production H.Q., General Manager of R&D Dept.</p> <p>April 2020 Executive Officer, Chief of Technical Development H.Q., General Manager of R&D Dept.</p> <p>June 2020 Director and Executive Officer, Chief of Sales H.Q. Chairman of DALIAN TEIKOKU CANNED MOTOR PUMP CO., LTD. (current position)</p> <p>January 2024 Chairman of TAIWAN TEIKOKU PUMP CO., LTD. (current position)</p> <p>June 2024 Director and Managing Executive Officer, Chief of Sales H.Q., General Manager of International Business Dept.</p> <p>April 2025 Director and Managing Executive Officer, Chief of Sales H.Q.</p> <p>June 2025 Director and Managing Executive Officer, Chief of Sales H.Q., Chief of Production H.Q. (current position)</p> <p>Significant concurrent positions outside the Company Chairman of DALIAN TEIKOKU CANNED MOTOR PUMP CO., LTD.</p>	104,800 shares
<p>Reasons for nomination as candidate for Director</p> <p>Besides overseeing sales operations in Japan and other countries and production for the entire Group as Director in charge of sales and production, Tetsuzo Sato has held positions of responsibility in internal units in charge of technical development, production management, procurement, etc. and is thus well acquainted with the Company's operations. In addition, he has served as Chairman of a Chinese subsidiary since June 2020 and worked vigorously to expand the business and reinforce the corporate governance of the Chinese subsidiary.</p> <p>As the Company judged, in light of such a track record and experience, that he is a person capable of contributing to the enhancement of its corporate value, the Company nominated him as a candidate for Director again.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Takashi Abe (October 18, 1964)	<p>April 1987 Joined The Taiyo Kobe Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2020 Joined the Company General Manager, Assistant to Chief of Administration H.Q.</p> <p>June 2021 Director [Member of Audit & Supervisory Committee]</p> <p>June 2024 Director and Executive Officer, Chief of Administration H.Q. (current position)</p>	2,400 shares
<p>Reasons for nomination as candidate for Director</p> <p>As Director in charge of Administration, Takashi Abe oversees internal units for general affairs, corporate planning, and information systems and is working vigorously to develop a management plan, promote corporate governance, hire and develop human resources, and improve public relations, investor relation activities, etc. Also, as a Director who is a Member of Audit & Supervisory Committee, he has audited business operations and supervised business management and engaged in the development of overseas subsidiaries' management systems using his rich experience in overseas operations.</p> <p>As the Company judged, in light of such a track record and experience, that he is a person capable of contributing to the enhancement of its corporate value, the Company nominated him as a candidate for Director again.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The Company has entered into an indemnity agreement as specified in Article 430-2, paragraph (1) of the Companies Act with each candidate. A summary of the details of this indemnity agreement is provided in "2. Current Status of the Company (3) Status of Company Officers (ii) Summary of Terms of Indemnity Agreement" of the Business Report. If the election of each candidate is approved, the Company plans to renew the aforementioned indemnity agreement with each of them.
 3. The Company has entered into a directors and officers liability insurance contract as specified in Article 430-3, paragraph (1) of the Companies Act with an insurance company. A summary of the details of this insurance contract is provided in "2. Current Status of the Company (3) Status of Company Officers (iii) Summary of Terms of Officers' Liability Insurance Policies" of the Business Report. If the election of each candidate is approved, each candidate will be insured by the said insurance contract. The said insurance contract is planned to be renewed under equivalent terms and conditions when it is renewed next time.

Proposal No. 3 Election of Four Directors Who Are Members of Audit & Supervisory Committee

The terms of office of all four Directors who are Members of Audit & Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of Four Directors who are Members of Audit & Supervisory Committee. In addition, the consent of the Audit & Supervisory Committee of the Company has been obtained for this proposal.

Candidates for the role of Director who is a Member of Audit & Supervisory Committee are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Takashi Kagen (August 7, 1963)	<p>April 1986 Joined the Company</p> <p>October 2007 General Manager, Sales Planning Dept. of Domestic Sales H.Q.</p> <p>April 2009 General Manager, East Japan Sales Dept. of Domestic Sales H.Q.</p> <p>April 2012 General Manager, International Business Dept. of International Sales H.Q.</p> <p>October 2012 General Manager, International Business Dept. of International Sales H.Q. Vice President of TEIKOKU USA INC.</p> <p>January 2014 General Manager, Project Dept. of International Sales H.Q.</p> <p>September 2015 Chief of Project H.Q., General Manager of Project Dept.</p> <p>April 2017 Chief of Procurement H.Q., General Manager of Procurement Dept.</p> <p>June 2017 Executive Officer, Chief of Procurement H.Q., General Manager of Procurement Dept.</p> <p>October 2017 Executive Officer, Chief of Procurement H.Q., General Manager of Procurement Dept., General Manager of Cost Control Dept.</p> <p>April 2018 Executive Officer, Chief of Manufacturing H.Q.</p> <p>January 2019 Executive Officer, Chief of Sales H.Q.</p> <p>September 2019 Office Manager of Internal Audit Office</p> <p>June 2020 Director [Member of Audit & Supervisory Committee]</p> <p>June 2021 Director, Executive Officer, Chief of Technical Development H.Q.</p> <p>February 2022 Director, Executive Officer, Chief of Technical Development H.Q., General Manager of Project Dept.</p> <p>April 2024 Director, Executive Officer, Chief of Technical Development H.Q.</p> <p>June 2024 Director [Member of Audit & Supervisory Committee] (current position)</p>	19,200 shares
<p>Reasons for nomination as candidate for Director who is a Member of Audit & Supervisory Committee</p> <p>Besides overseeing internal units for technology, development, and projects as Director in charge of technical development, Takashi Kagen has held positions of responsibility in internal units in charge of domestic and oversea sales, projects, procurement, manufacturing, etc. and is thus well acquainted with the Company's operations. In addition, he has acquired knowledge on the Group's corporate governance while serving as a Member of Audit & Supervisory Committee. As the Company judged, in light of his adequate track record and experience in a wide range of areas, that he can play a sufficient role in conducting highly effective audit, etc. of the management of the Group as a whole, the Company nominated him again as a candidate for a Director who is a Member of Audit & Supervisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Yoshimasa Oki (February 13, 1967)	<p>July 1989 Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>March 1992 Registered as certified public accountant</p> <p>July 1996 Joined Kawakami Certified Public Accountant Office</p> <p>July 1998 Established Oki Certified Public Accountant Office (current position)</p> <p>June 2010 Director, the Hyogo Chapter of the Japanese Institute of Certified Public Accountants</p> <p>April 2011 Comprehensive Outside Auditor of Himeji City</p> <p>June 2011 Outside Auditor of Okano Food Holdings Co., Ltd.</p> <p>June 2018 Outside Director of the Company [Member of Audit & Supervisory Committee] (current position)</p> <p>July 2022 Outside Auditor of Novac Co., Ltd.</p> <p>November 2025 Full-time Auditor of Novac Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company Certified public accountant (Oki Certified Public Accountant Office) Full-time Auditor of Novac Co., Ltd.</p>	19,900 shares
<p>Reasons for nomination as candidate for Outside Director who is a Member of Audit & Supervisory Committee and overview of expected role</p> <p>Yoshimasa Oki, who has abundant experience as a certified public accountant and a wide range of knowledge, supervises the Company's management and provides advice on its management in general primarily in areas of finance, accounting, etc. from an independent standpoint. Expecting him to play the role of reinforcing the supervisory function of the Board of Directors of the Company, supervising the execution of business, etc. from the said perspective of his, the Company nominated him again as a candidate for an Outside Director who is a Member of Audit & Supervisory Committee.</p> <p>He has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Director who is a Member of Audit & Supervisory Committee based on the above reasons.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	* Chie Tomari (May 29, 1961)	<p>April 1984 Joined TOKYU HANDS INC. (currently Hands Inc.)</p> <p>August 1999 Joined Senshukai Co., Ltd.</p> <p>January 2014 Executive Officer, Division Director of General Affairs Division of Senshukai Co., Ltd.</p> <p>January 2016 Executive Officer, Deputy Division Director of Product Development Division of Senshukai Co., Ltd.</p> <p>April 2017 Seconded to Planet Work, Co., Ltd. Director, General Manager of Administration Dept. and Director of Dears Brain Co., Ltd.</p> <p>May 2019 Joined Asahi Light Metal Industry Co., Ltd. General Manager of Business Planning Office of Asahi Light Metal Industry Co., Ltd.</p> <p>April 2023 Outside Director, TOHO Co., Ltd. (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>June 2024 Outside Director, Chino Corporation (current position)</p> <p>Significant concurrent positions outside the Company Outside Director, TOHO Co., Ltd. Outside Director, Chino Corporation</p>	500 shares
<p>Reasons for nomination as candidate for Outside Director who is a Member of Audit & Supervisory Committee and overview of expected role</p> <p>Chie Tomari has held key positions in operating companies and has extensive experience in marketing and administrative operations. As an Outside Director of the Company, she has provided advice on human resource development initiatives, including women's advancement and promotion at the Company, based on her experience in developing many female managers. As the Company judged, in light of her experience and knowledge, that she can play a sufficient role in conducting highly effective audit, etc. of the management of the Group as a whole, the Company nominated her as a new candidate for an Outside Director who is a Member of Audit & Supervisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	* Yoshiko Hosoda (August 14, 1973)	<p>April 2000 Registered as an attorney with the Osaka Bar Association Joined Asada Law Office</p> <p>April 2006 Partner at Asada Law Office (current position)</p> <p>April 2017 Conciliation Commissioner, Osaka Family Court</p> <p>November 2021 Outside director, SANBO CHEMICAL IND. CO., LTD. (current position)</p> <p>June 2022 Outside Director [Audit and Supervisory Committee Member], Shikibo Ltd. (current position)</p> <p>April 2023 Governor of the Japan Federation of Bar Associations</p> <p>Significant concurrent positions outside the Company Attorney (Partner at Asada Law Office) Outside director, SANBO CHEMICAL IND. CO., LTD. Outside Director [Audit and Supervisory Committee Member], Shikibo Ltd.</p>	-
<p>Reasons for nomination as candidate for Outside Director who is a Member of Audit & Supervisory Committee and overview of expected role</p> <p>Yoshiko Hosoda has extensive experience and expertise as an attorney at law. Expecting her to play the role of reinforcing the supervisory function of the Board of Directors of the Company, supervising the execution of business, etc. from the said perspective of hers, primarily in areas of legal affairs and compliance, the Company nominated her as a new candidate for an Outside Director who is a Member of Audit & Supervisory Committee.</p> <p>She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director who is a Member of Audit & Supervisory Committee based on the above reasons.</p>			

- (Notes)
1. New candidates are indicated by an asterisk (*).
 2. There is no special interest between any of the candidates and the Company.
 3. Yoshimasa Oki, Chie Tomari, and Yoshiko Hosoda are candidates for Outside Director.
 4. At the conclusion of this General Meeting of Shareholders, Yoshimasa Oki will have served as an Outside Director of the Company for eight years and Chie Tomari will have served for three years.
 5. Pursuant to Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into agreements with Takashi Kagen and Yoshimasa Oki to limit their liability for damages as provided for in Article 423, paragraph (1) of the Companies Act to the amount provided for in laws and regulations. If the reelection of them is approved, the Company plans to renew the aforementioned agreements with them.
 6. If the election of Chie Tomari and Yoshiko Hosoda is approved, pursuant to Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into an agreement with them, to limit their liability for damages as provided for in Article 423, paragraph (1) of the Companies Act to the amount provided for in laws and regulations.
 7. The Company has entered into an indemnity agreement as specified in Article 430-2, paragraph (1) of the Companies Act with Takashi Kagen, Yoshimasa Oki, and Chie Tomari. A summary of the details of this indemnity agreement is provided in "2. Current Status of the Company (3) Status of Company Officers (ii) Summary of Terms of Indemnity Agreement" of the Business Report. If the reelection of them is approved, the Company plans to renew the aforementioned indemnity agreements with them. If the election of Yoshiko Hosoda is approved, the Company will enter into an indemnity agreement with her with the same terms.
 8. The Company has entered into a directors and officers liability insurance contract as specified in Article 430-3, paragraph (1) of the Companies Act with an insurance company. A summary of the details of this insurance contract is provided in "2. Current Status of the Company (3) Status of Company Officers (iii) Summary of Terms of Officers' Liability Insurance Policies." If the election of each candidate is approved, each candidate will be insured by the said insurance contract. The said insurance contract is planned to be renewed under equivalent terms and conditions when it is renewed next time.
 9. The Company has registered Yoshimasa Oki and Chie Tomari with the Tokyo Stock Exchange, Inc. as independent officers pursuant to the regulations of the Tokyo Stock Exchange, Inc. If the election of Yoshiko Hosoda is approved, the Company plans to register her as an independent officer as stipulated by the Tokyo Stock Exchange, Inc.

[For your information: skill matrix of Directors]

If Proposals 2 and 3 are approved and adopted as originally proposed, the skill matrix of Directors as of the conclusion of this General Meeting of Shareholders will be as given below.

Name	SDGs & corporate management	Finance, accounting & human resources management	Legal affairs & risk management	Global	Sales & marketing	Technical development & manufacturing	IT
Kiyoshi Murata	○	○	○				
Tetsuzo Sato			○	○	○	○	
Takashi Abe	○	○	○	○			○
Takashi Kagen			○	○	○	○	
Yoshimasa Oki	○	○					○
Chie Tomari	○	○			○		
Yoshiko Hosoda	○		○				

* The above list does not represent all specialties and experience that each Director candidate has.

<Shareholder Proposal (Proposal No. 4)>

Proposal No. 4 Amendment to the Articles of Incorporation (Establishment of a Strategic Alternatives Committee for Strategic Review Including Going-Private Alternatives)

Proposal No. 4 is a proposal from a single shareholder (the “Proposing Shareholder”).

Below, the proposal details and reasons for the shareholder proposal submitted by the Proposing Shareholder are presented exactly as written in the original text, along with the opinion of the Board of Directors of the Company.

PROPOSAL

Amendment to the Articles of Incorporation (Establishment of a Strategic Alternatives Committee for Strategic Review Including Going-Private Alternatives)

RESOLVED:

That the Company amend its Articles of Incorporation by adding the following new provisions:

Chapter 7: Strategic Alternatives Committee for Strategic Review

Article 35 (Establishment of Strategic Alternatives Committee for Strategic Review Including Going-Private Alternatives)

1. The Company shall establish a Strategic Alternatives Committee as an advisory body to the Board of Directors, consisting of at least three members selected from among the Company’s independent directors registered with the Tokyo Stock Exchange (including directors who are Audit and Supervisory Committee members).
 2. The Board of Directors shall grant the Strategic Alternatives Committee the authority to appoint, at its discretion, financial advisors, legal advisors, and other external experts, as well as an appropriate budget necessary for the execution of its duties.
 3. The Strategic Alternatives Committee shall comprehensively review and evaluate the Company’s market valuation, intrinsic corporate value, costs of maintaining listed status, capital policy, growth investments, and measures for protecting shareholder value. Based on such review, the Committee shall fairly and objectively examine the rationale for maintaining the Company’s listed status, as well as strategic alternatives including management buyouts (MBOs), third-party sales, and other going-private transactions (including proactive market checks with potential acquirers), and submit its recommendations to the Board of Directors.
 4. The Board of Directors shall disclose the contents of such recommendations to the extent permitted by applicable laws and confidentiality obligations.
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Supplementary Provisions

1. The initial recommendation set forth in Article 35, Paragraph 3 shall be delivered within nine (9) months from the effective date of this amendment.
 2. The Board of Directors shall disclose such recommendation within seven (7) days from receipt thereof.
 3. These supplementary provisions shall be deleted upon such disclosure.
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SUPPORTING STATEMENT

The Company is a global niche leader in canned motor pump technology, characterized by its proprietary leak-free structure, and has built a highly differentiated business with strong technological capabilities and reliability over many years. The Company’s business foundation remains extremely solid, as evidenced by record-high revenue and profits achieved through a focused strategy on its core business.

However, despite such intrinsic corporate value, the current market valuation does not appear to fully reflect the Company’s true potential, and the rationale for maintaining its listed status should be reexamined.

1. Gap Between Intrinsic Value and Market Valuation

The Company maintains a highly robust financial position, with substantial cash reserves of approximately JPY 12–14.5 billion (representing roughly 30% of total assets) and an equity ratio approaching 80%, effectively operating without debt. Furthermore, its core canned motor pump business holds a dominant market share (approximately 60% in Japan and 40% globally), demonstrating strong profitability.

Despite these strengths, the Company’s valuation remains modest, with a Price Book-value Ratio (PBR) of approximately 1.5x, which appears insufficient relative to its underlying quality.

Such persistent undervaluation suggests that the current listed status may not be optimal for realizing the Company’s intrinsic value or enabling sufficient managerial flexibility.

2. Challenges in Balancing Long-Term Growth and Shareholder Value

Management has announced an ambitious target of achieving JPY 70 billion in revenue by 2035. However, current production capacity is nearing saturation (approximately 80–90% utilization), and achieving this target would require substantial capital expenditures.

Discussions with management indicate that such investments may constrain shareholder returns in the near term. While large-scale capital investments are expected to lead to increased depreciation and upfront costs, there remains limited visibility into improvements in profitability or return on equity under the current expansion strategy. In such circumstances, a slowdown in near-term earnings growth and shareholder returns may be perceived negatively by the market, creating a significant risk that the Company may fall into a “growth paradox,” where long-term strategic investments weigh on its share price. To execute effectively a long-term group vision over a ten-year horizon, it is reasonable to consider securing greater managerial flexibility through a transition to a private ownership structure, free from the pressures of quarterly earnings expectations and short-term market evaluations.

3. Insufficient Measures for Near-Term Shareholder Value Protection

While management emphasizes long-term growth strategies, it has not clearly articulated measures to address near-term factors directly affecting shareholder value, including the Company’s continued inclusion in the TOPIX index. The upcoming periodic reviews of TOPIX constituents in 2026 and 2027 pose a tangible risk of exclusion, which would likely reduce passive investment flows and negatively impact the Company’s share price.

The absence of a clear strategy to address such risks may result in significant value erosion for existing shareholders. If the Company intends to maintain its listed status, it should present concrete measures to address such changes in market structure. On the other hand, if doing so proves difficult and there are inherent limitations in balancing these considerations with long-term investment objectives, the Company should reexamine the rationale for remaining listed and objectively evaluate all strategic alternatives, including going-private transactions.

CONCLUSION

In light of the above, I believe it is necessary to establish a framework that does not presume the continuation of the Company’s listed status, but instead enables a fair and objective evaluation of all strategic alternatives, including going-private transactions.

The Board should rigorously reassess the rationale for maintaining listed status on an ongoing basis and objectively evaluate the feasibility and economic merits of strategic alternatives such as MBOs or third-party sales, including the provision of appropriate premiums to shareholders.

This proposal does not advocate for a predetermined outcome such as going private, but rather seeks to ensure the establishment of an independent and robust process to determine the most value-enhancing path for all shareholders.

I. **Opinion of the Board of Directors concerning the Shareholder Proposal**

1. Opinion of the Board of Directors

The Board of Directors opposes the Shareholder Proposal.

2. Reasons for Opposition

The Board of Directors consists of executive directors who have various knowledge and experience in corporate management and the sustainable development goals (SDGs), finance, accounting, and human resources, legal affairs and risk management, global management, DEI promotion and the like, and who are familiar with the Company's business, as well as independent outside directors who provide advice and proposals based on their sophisticated expertise. As a listed company, it is considered that the Board of Directors can sufficiently perform the management decision making and supervisory functions that will lead to the protection of the interests of minority shareholders and sustainable improvement of the Company's shareholder value. According to the Shareholder Proposal, the "Strategic Alternatives Committee" will "consist of at least three members selected from among the Company's independent directors" and will be granted the authority to appoint external experts and a budget. However, the Board of Directors believes that even without establishing such new committee, advice and proposals for the benefit of shareholders provided by independent outside directors with a variety of knowledge will contribute to improving the Company's shareholder value.

In addition, the Company has made management decisions by taking into consideration the opinions of shareholders and institutional investors expressed at shareholders meetings, financial results briefings, IR meetings, and other occasions, as well as advice from external experts and the like. Specifically, the Company has withdrawn from the electronic parts business and focused on the pump business after reviewing its business portfolio, and has significantly reduced the cross-shareholding to a minimal level. Also, the Company regards shareholder return as one of its most important management themes and has set out a plan for and has been carrying out an active measure of shareholder return, with the goal of paying dividends at the dividend payout ratio of approximately 50% and achieving a total payout ratio of 100% over three years from FY2024 to FY2026. In addition, the Company is working on strengthening its organizational capabilities in order to actively conduct M&As for future growth.

Based thereon, the Company has set a target to achieve "the business scale of 70 billion yen in terms of consolidated revenue and the dominant number one position in the canned motor pump industry by 2035" from the viewpoint of sustainable improvement of the shareholder value. In order to fully leverage the Company's strength as a global market leader in environmentally-friendly leak-free canned motor pumps, in a business environment where the use of canned motor pumps is expected to expand along with future expansion of the market for carbon-free products and the like, the Company plans a large-scale capital investment for the development of a foundation for the stable procurement of materials, improvement of technical capacities, and improvement of sales abilities aiming at deepening market penetration and exploring new markets. The plan includes the acquisition of a new plant site and the construction of a new plant in anticipation of future business expansion, as announced in "Notice Concerning the Acquisition of Fixed Assets (Plant Site)" dated December 23, 2025.

Concerning the Company's investments for future growth described above, the Shareholder Proposal points out concerns regarding a slowdown in near-term earnings growth and shareholder returns related to the capital investment. However, the Company does not foresee any particular adverse effect on shareholders because the Company has been committed to improving the corporate value in the medium to long term based on its stable financial base, keeping in mind the balance between the growth strategy and shareholder return. Many institutional investors that the Company has continuously communicated with have voiced their support for the Company's active investment for its medium- to long-term growth. While the Shareholder Proposal says it "does not advocate for a predetermined outcome such as going private," it regards the investments, which are necessary and appropriate for the future growth, as a "growth paradox," and says, "[I]t is reasonable to consider securing greater managerial flexibility" and "free from (...) short-term market evaluations." However, the Board of Directors believes that such measure would harm the interests of many shareholders that expect sustainable growth of the Company. Maintaining a listed status is

considered not merely a means of funding but also is valuable for improvement of corporate value in the medium to long term from a non-financial point of view, such as securing management transparency, securing excellent human resources based on worldwide credibility, and being disciplined by the capital market in terms of governance. Regarding the fluctuation of demand for shares caused by reviews of TOPIX constituents pointed out by the Proposing Shareholder or other factors, the Company will address such issue by increasing the market capitalization through fundamentally improving the corporate value as described above.

In addition, the Articles of Incorporation set forth basic principles regarding corporate structure and management. Therefore, provisions regarding individual management issues limited to a certain period or matters on establishment, operating details, and examination processes of advisory bodies would not be a good fit for the characteristics of the Articles of Incorporation. There is a concern that having uniform and fixed rules in the Articles of Incorporation that go as far as to cover the committee composition, authority to appoint external experts, granting of budget, examination period, and an obligation to disclose the contents of recommendations as described in the Shareholder Proposal may impede the flexible and expeditious decision-making of the Board of Directors in case of rapid changes in the business environment. The Board of Directors understands that examination of a medium- to long-term strategy for improvement of the corporate value is one of its essential roles. At the Company, the Board of Directors proactively discusses strategies and ensures their effectiveness under the current governance structure, and therefore, it has concluded that there is no need to establish the Strategic Alternatives Committee.

For these reasons, the Board of Directors opposes the Shareholder Proposal.