

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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 6670)

June 10, 2025

(Electronic Provision Measures Commencement Date: May 30, 2025)

**To Shareholders with Voting Rights:**

Motoyasu Yasui  
Representative Director, President  
MCJ Co., Ltd.  
6-14-53, Midori-cho, Kasukabe-shi,  
Saitama

## **NOTICE OF CONVOCATION OF THE 27TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 27th Annual General Meeting of Shareholders of MCJ Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In convening this meeting, the Company has taken measures for electronic provision, and matters for which it takes electronic provision measures (Electronic Provision Measures Matters) are posted on the following website.

The Company’s website: <https://www.mcj.jp/en/ir/stock.html>

In addition to the above, these matters are posted on the following website.

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do>

Please access the above-mentioned website, enter the issue name (company name) or stock exchange Code (6670) to search, and select “Basic information” and “Documents for public inspection/PR information” in this order to confirm the information.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders provided in Electronic Provision Measures Matters, then either indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us, or enter your vote on the website for the exercise of voting rights designated by the Company (<https://evote.tr.mufg.jp/>). In either case, please exercise your voting rights such that they are received no later than 6:00 p.m. Japan time on Tuesday, June 24, 2025.

The Company also participates in the platform for exercising voting rights for institutional investors operated by ICJ, Inc.

**1. Date and Time:** Wednesday, June 25, 2025 at 10:30 a.m. Japan time  
(Venue opens at 9:30 a.m.)

- 2. Place:** 2F Hall B at Otemachi PLACE HALL & CONFERENCE at  
2-3-1, Otemachi, Chiyoda-ku, Tokyo, Japan

\* As the number of available seats is limited, we would like to apologize in advance that we may have to deny your entry if seats in Hall B are fully occupied. We appreciate your understanding in advance.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 27th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Board of Auditors on the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 27th Fiscal Year (April 1, 2024 - March 31, 2025)

**Proposals to be resolved:**

**[Company Proposals]**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Nine (9) Directors  
**Proposal 3:** Election of One (1) Substitute Auditor  
**Proposal 4:** Revision of Amounts of Remuneration for Directors  
**Proposal 5:** Amount and Partial Revision of the Performance-linked Stock Remuneration Plan for Directors

**[Shareholder Proposal]**

- Proposal 6:** Appropriation of Surplus

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue.

**4. Documents Sent to Shareholders**

The Reference Documents for the General Meeting of Shareholders are sent together to shareholders who have not requested the delivery of written documents.

To shareholders who have requested the delivery of written documents, we have sent written documents that include the Electronic Provision Measures Matters, except for the following items which are excluded pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation.

- (1) Business Report: "System to Ensure the Appropriateness of Business Activities and Outline of the Operating Status of the System"
- (2) Notes to the Consolidated Financial Statements in Consolidated Financial Statements
- (3) Notes to the Non-consolidated Financial Statements in Non-Consolidated Financial Statements
- (4) Audit Report: Accounting Audit Report on the Consolidated Financial Statements, Accounting Audit Report on the Non-Consolidated Financial Statements, and Audit Report of the Board of Auditors.

Accordingly, the written documents that were delivered to shareholders who have requested the delivery of written documents are a portion of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by Auditors in their preparation of the Auditors' Report, and the Consolidated Financial Statements and Non-consolidated Financial Statements audited by Accounting Auditors in their preparation of the Accounting Auditors' Report.

**5. Information on Exercising Your Voting Rights**

If you are attending the General Meeting of Shareholders:

If you are attending the meeting, please bring the enclosed Voting Rights Exercise Form with you and submit it at the reception desk of the venue.

Attendees are kindly advised to arrive early at the venue to avoid congestion.

**Date and time of the General Meeting of Shareholders:**

**10:30 a.m. Japan time on Wednesday, June 25, 2025 (Venue opens at 9:30 a.m.)**

If you are not attending the General Meeting of Shareholders:

**Exercising your voting rights in writing:**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Administrator of Shareholder Registry of the Company so that it is received by the voting rights exercise deadline. If there is no indication of a vote for or against a specific proposal on the Voting Rights Exercise Form, it shall be deemed as an indication of approval to that proposal if it is a Company proposal, and as an indication of disapproval if it is a shareholder proposal.

**Voting rights exercise deadline:**

**Votes received by 6:00 p.m. Japan time on Tuesday, June 24, 2025**

**Exercising your voting rights via the Internet:**

Please access the **voting rights exercise website (<https://evote.tr.mufg.jp/>)** from your computer or smartphone, enter the code and password for exercising your voting rights, which are indicated on the enclosed Voting Rights Exercise Form, and register your vote for or against the proposals by following the on-screen instructions.

**Voting rights exercise deadline:**

**Votes exercised by 6:00 p.m. Japan time on Tuesday, June 24, 2025**

Any revisions to the Electronic Provision Measures Matters will be posted on each website where these matters are posted.

# Reference Documents for the General Meeting of Shareholders

## [Company Proposals (Proposal 1 to Proposal 5)]

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

Matters regarding year-end dividend:

The Company considers the enhancement of shareholder returns as one of its important management issues, and upholds the policy of performance-based dividend payment in accordance with the Company's business performance, aiming for a total payout ratio to become 30 to 40%, with the dividend payout ratio to be 30% or above of profit attributable to owners of parent.

In light of the Company's business performance for the 27th fiscal year and the above policy, the Company proposes a year-end dividend of ¥43 per share of the common stock.

- (1) Type of dividend property  
Cash
- (2) Matters related to the allocation of dividend property and the total amount thereof  
¥43 per share of the Company's common stock  
Total amount: ¥4,223,582,163
- (3) Effective date of the dividends of surplus  
Thursday, June 26, 2025

**Proposal 2:** Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, to strengthen the management team for future business expansion, the Company proposes to increase the number of Directors by one (1) and to elect nine (9) Directors.

The candidates for Directors are as follows:

No.	Name		Gender	Current Positions and Responsibilities in the Company
1	Yuji Takashima	[Reappointment]	Male	Representative Director, Chairman CEO
2	Motoyasu Yasui	[Reappointment]	Male	Representative Director, President, and COO
3	Takeshi Asagai	[Reappointment]	Male	Director, Chief Administrative Officer
4	Kenji Ishito	[Reappointment]	Male	Director, CFO
5	Katsunori Ura	[Reappointment] [Outside Director Candidate] [Independent Director]	Male	Director
6	Gideon Franklin	[Reappointment] [Outside Director Candidate] [Independent Director]	Male	Director
7	Shoichi Miyatani	[Reappointment] [Outside Director Candidate] [Independent Director]	Male	Director
8	Unemi Yamaguchi	[Reappointment] [Outside Director Candidate] [Independent Director]	Female	Director
9	Yasushi Miyata	[New Appointment]	Male	Executive Officer, Management Planning Office

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Yuji Takashima (April 2, 1974)  [Reappointment]  [Attendance at the Board of Directors meetings] 100%	Apr. 1993	Joined Takashimaya Clothing Store Co., Ltd. (name changed to Takashima Co., Ltd. and then to Mouse Computer Japan Co., Ltd. before being acquired by MCJ Co., Ltd.)	32,457,060
		May 1996	President & CEO, Takashimaya Clothing Store Co., Ltd. (name changed to Takashima Co., Ltd. and then to Mouse Computer Japan Co., Ltd. before being acquired by MCJ Co., Ltd.)	
		Aug. 1998	President & CEO, MCJ Ltd. (currently MCJ Co., Ltd.)	
		Sep. 2005	Director, Synnex Co., Ltd. (currently Tekwind Co., Ltd.)	
		Sep. 2005	Director, Arosystem Co., Ltd. (currently UNIT.COM INC.)	
		Mar. 2006	Chairman & CEO, MCJ Co., Ltd.	
		July 2006	Chairman & Director, MCJ Co., Ltd.	
		Oct. 2006	Director, Mouse Computer Co., Ltd.	
		June 2008	Chairman & President & CEO, MCJ Co., Ltd.	
		Nov. 2012	President & CEO, UNIT.COM INC.	
		Aug. 2013	President & CEO, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.)	
		Apr. 2017	Representative Director, Chairman CEO, MCJ Co., Ltd. (to present)	
		July 2017	Representative Director, General Incorporated Foundation TKG Association (currently Public Interest Incorporated Foundation TKG Association) (to present)	
		[Reason for nomination as candidate for Director] Mr. Yuji Takashima, as the founder of the Company, has been playing a crucial role in the management of the Group since the establishment of the Company. Currently, as the Representative Director, Chairman CEO of the Company, he has been directing and overseeing the overall management of the Group as well as realizing a medium- to long-term growth in earnings. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
2	Motoyasu Yasui (July 23, 1978)  [Reappointment]  [Attendance at the Board of Directors meetings] 100%	July 2001	Joined GDH, Co., Ltd. (currently GONZO K.K.)	32,900
		Sep. 2002	Joined MCJ Co., Ltd.	
		June 2004	Manager, Finance and Accounting Department, MCJ Co., Ltd.	
		Apr. 2005	Executive Officer, Management Planning Department, MCJ Co., Ltd.	
		Aug. 2007	Manager, Industrial Growth Platform, Inc.	
		June 2008	Executive Officer, PIA Corporation	
		July 2011	Director, Industrial Growth Platform, Inc.	
		Oct. 2013	Senior Specialist, Inspection Bureau of Financial Services Agency	
		Oct. 2014	Principal, Industrial Growth Platform, Inc.	
		Mar. 2016	Executive Officer, President’s Office, MCJ Co., Ltd.	
		June 2016	Director, Head of Business Development & IR, MCJ Co., Ltd.	
		Apr. 2017	President & COO, MCJ Co., Ltd.	
		Jan. 2018	Director, R-Logic International Pte Ltd (to present)	
		Oct. 2018	Director, UNIT.COM INC. (to present)	
		Jan. 2020	Director, iiyama Benelux B.V. (to present)	
June 2021	Representative Director, President, and COO, MCJ Co., Ltd. (to present)			
[Reason for nomination as candidate for Director] Mr. Motoyasu Yasui, as Representative Director, President, and COO, has been leveraging his extensive experience in corporate management and his knowledge of management as well as accounting and finance to promote the Group’s strategic business development based on the Mid-term Management Plan. Also, as IR officer, he is proactively launching initiatives in the disclosure of information, including non-financial information, which would contribute to a better understanding of the Company and the Group. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				
3	Takeshi Asagai (December 21, 1966)  [Reappointment]  [Attendance at the Board of Directors meetings] 100%	Apr. 1990	Joined The Kyowa Bank, Ltd. (currently Saitama Resona Bank, Limited)	1,198,200
		Apr. 2001	Director, MCJ Co., Ltd.	
		Mar. 2006	President & CEO, MCJ Co., Ltd.	
		Oct. 2006	Director, Mouse Computer Co., Ltd. (to present)	
		June 2008	Director & Chief Administrative Officer, MCJ Co., Ltd. (to present)	
		Aug. 2013	Director, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) (to present)	
		June 2018	Director, MID Inc. (to present)	
[Reason for nomination as candidate for Director] Mr. Takeshi Asagai, as Director & Chief Administrative Officer, has been overseeing the administration divisions including general affairs, personnel affairs and legal affairs, and has been working to develop and operate an effective internal control system for the Group as well as enhancing its corporate governance framework. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Kenji Ishito (April 18, 1968)  [Reappointment]  [Attendance at the Board of Directors meetings] 100%	Apr. 1991 Nov. 2000 Dec. 2003  Apr. 2004  July 2005 May 2006 June 2007 June 2007 Aug. 2007  June 2008 Oct. 2008 June 2011 June 2012 Aug. 2013  June 2016 June 2018	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Head of Management Planning Department, Parquetech Co., Ltd. Assistant Manager, Management Department, Yokohama Jisho Co., Ltd. Director & Head of Administrative Department, Yokohama Jisho Co., Ltd. Head of Administrative Department, Alive Community Co., Ltd. (currently, RUDEN HOLDINGS Co., Ltd.) Director & Head of Administrative Department, Alive Community Co., Ltd. (currently, RUDEN HOLDINGS Co., Ltd.) Head of Management Planning Department, MCJ Co., Ltd. Director, ADTEC Corporation Executive officer, Head of Finance & Accounting Department, MCJ Co., Ltd. Director & Head of Finance & Accounting Department, MCJ Co., Ltd. Director & CFO, MCJ Co., Ltd. (to present) Director, Synnex Co., Ltd. (currently Tekwind Co., Ltd.) (to present) Director, MVK Corporation (currently Aiuto Co., Ltd.) (to present) Director, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) (to present) Director, UNIT.COM INC. (to present) Director, MID Inc. (to present)	73,500
[Reason for nomination as candidate for Director] Mr. Kenji Ishito, as Director & CFO, has been formulating and executing finance strategies in response to the changes in the business environment surrounding the Group, and continues to make ongoing improvements to the Company's finance and accounting functions. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				
5	Katsunori Ura (March 14, 1978)  [Reappointment] [Outside Director Candidate] [Independent Director]  [Attendance at the Board of Directors meetings] 100%	Oct. 2003 Sep. 2007  July 2011 Jan. 2012 June 2015 Aug. 2017 Dec. 2017 May 2018  Aug. 2018  Aug. 2019 Oct. 2019 Apr. 2020 June 2021  Dec. 2021	Certified as an attorney, joined Blakemore & Mitsuki Auditor, SVC Securities Co., Ltd. (currently DMM.com Securities Co., Ltd.) Outside Director, STYLE LINK Partner, Blakemore & Mitsuki Outside Director, MCJ Co., Ltd. (to present) Outside Auditor, Feedforce Inc. (currently Feedforce Group Inc.) Auditor, STYLE PORT Inc. Outside Auditor, Fan's Inc. (currently FANTAS technology Inc.) (to present) Outside Director (Audit and Supervisory Committee Member), Feedforce Inc. (to present) (currently Feedforce Group Inc.) Representative Director, Gaia Co., Ltd. (to present) Outside Director, Web Co., Ltd. Partner, The Tokyo-Marunouchi Law Offices (to present) Outside Director (Audit and Supervisory Committee Member), DAIYA TSUSHO CO., LTD.(currently CAPITA Inc.) Outside Director (Audit and Supervisory Committee Member), STYLE PORT Inc. (to present)	-
[Reason for nomination as candidate for Outside Director] Mr. Katsunori Ura is extremely knowledgeable in corporate management, based on his extensive experience and high level of insight as an attorney, as well as his experience serving as Outside Director of other companies. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice to the Company's management, the Company requests his election as Outside Director.				



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Gideon Franklin (June 28, 1962)	Sep. 1984	Joined Cazenove (currently JPMorgan Chase & Co.)	-
		Oct. 1986	Joined UBS Phillips & Drew (currently UBS AG)	
		Jan. 1993	Director, Schweizerische Bankgesellschaft (Deutschland) AG (currently UBS Europe SE)	
	[Reappointment [Outside Director Candidate]	Feb. 1994	Managing Director, Morgan Stanley Group Inc. (currently Morgan Stanley)	
	[Independent Director]	Jan. 2004	Outside Director, Culham Prints and Drawings Ltd.	
		July 2006	President, Gideon Franklin Limited	
		Nov. 2007	Managing Director, Mizuho International plc	
	[Attendance at the Board of Directors meetings] 100%	Aug. 2013	CEO, Gideon Franklin Limited (to present)	
		June 2019	Outside Director, MCJ Co., Ltd. (to present)	
		Apr. 2021	CEO, Culham Prints and Drawings Ltd (to present)	
		Apr. 2022	Outside Director, UMI Technology Holdings PLC	
		June 2023	Outside Director, Daifuku Co., Ltd. (to present)	
[Reason for nomination as candidate for Outside Director] Mr. Gideon Franklin is extremely knowledgeable in corporate management, based on his extensive experience as analyst, M&A advisor, and corporate manager of global financial institutions. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice to the Company’s management, the Company requests his election as Outside Director.				
7	Shoichi Miyatani (February 1, 1957)	Apr. 1979	Joined NISSAN MOTOR CO., LTD.	-
		Jan. 2000	Head of Africa and Iran Department, NISSAN MOTOR CO., LTD.	
		Apr. 2003	Head of Sales Department VI, Japan Sales Division, NISSAN MOTOR CO., LTD.	
		Apr. 2004	Vice President, NISSAN MOTOR CO., LTD.	
		Jan. 2006	Corporate Officer, NISSAN MOTOR CO., LTD.	
	[Reappointment [Outside Director Candidate]	Apr. 2010	President, Nissan Motorsports International Co., Ltd. (currently NISSAN MOTORSPORTS & CUSTOMIZING CO., LTD.)	
	[Independent Director]	Apr. 2012	President and Chief Executive Officer (CEO), AUTECH JAPAN, Inc. (currently NISSAN MOTORSPORTS & CUSTOMIZING CO., LTD.)	
	[Attendance at the Board of Directors meetings] 100%	June 2016	Outside Statutory Auditor, NISSAN SHATAI CO., LTD.	
		Apr. 2018	Executive Director, MM Group Holdings Co., Ltd.	
		Apr. 2019	Vice President, MM Group Holdings Co., Ltd.	
		Apr. 2021	Representative Director & President, MM Group Holdings Co., Ltd. (to present)	
		Apr. 2021	Representative Director & President, MM Creative Connect Co., Ltd. (to present)	
	June 2021	Outside Director, MCJ Co., Ltd. (to present)		
[Reason for nomination as candidate for Outside Director] Mr. Shoichi Miyatani is extremely knowledgeable in corporate management, based on his extensive experience as corporate manager of companies engaged in the development of businesses globally. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice on the Group’s overseas expansion and its corporate governance as well as on overall management, the Company requests his election as Outside Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
8	Unemi Yamaguchi (November 26, 1962)  [Reappointment] [Outside Director Candidate] [Independent Director]  [Attendance at the Board of Directors meetings] 100%	Apr. 1985 June 1993  Jan. 1998  Oct. 2002 July 2003  June 2005 Feb. 2008  July 2010 Jan. 2018 Apr. 2018 Apr. 2020 June 2022 Mar. 2024 Mar. 2024 June 2024	Joined John Swire & Sons (Japan) Ltd. Section chief, Sales Promotion Section, Sales Headquarters, Apple Computer Co., Ltd. (currently Apple Japan, Inc.) Head of Corporate Planning Headquarters Advertising Department, Compaq Computer Co., Ltd. (currently HP Japan Inc.) Head of Marketing Headquarters, Japan People Software Co., Ltd. (currently Oracle Corporation Japan) Head of Consumer Business Headquarters Marketing Department, Japan Telecom Co., Ltd. (currently SoftBank Group Corp.) Head of New Business Development Department, LogiCool Co., Ltd. General Manager, General Business Marketing General Headquarters, Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.) Head of Partner Business Promotion Department, Partner Sales Headquarters, EMC Japan Co., Ltd. (currently Dell Technologies Japan Inc.) Executive Officer and Deputy General Manager, ICT Business Headquarters, Ricoh Company, Ltd. Representative Director, Ricoh IT Solutions Co., Ltd. Representative, U. Academy (to present) Outside Director, MCJ Co., Ltd. (to present) External Director, Broadleaf Co., Ltd. (to present) Outside Director, OKABE CO., LTD. (to present) Outside Director, Broadmedia Corporation	-
[Reason for nomination as candidate for Outside Director] Ms. Unemi Yamaguchi has extensive experience in business planning, marketing, and project management operations at global companies within the ICT field, as well as thorough knowledge of corporate management from her work. She draws on her knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that she will continue to provide beneficial advice on the Group's growth strategy and future business expansion as well as on overall management, the Company requests her election as Outside Director.				
9	Yasushi Miyata (January 14, 1979)  [New Appointment]  [Attendance at the Board of Directors meetings] -%	Apr. 2001 May 2006  Apr. 2010  Mar. 2017 Jan. 2019 Jan. 2019 Apr. 2020 Apr. 2021  June 2023	Joined Idealink Inc. (currently SUMI Group Inc.) Deputy General Manager, Internet Cafe Business Department, SUMI Group Inc. (formerly Idealink Inc.) General Manager, Content and Consulting Business Department, SUMI Group Inc. Head of Chairman's Office, MCJ Co., Ltd. Director, aprecio Co., Ltd. (to present) Director, MID Inc. (to present) Head of Management Planning Department, MCJ Co., Ltd. Executive Officer, Head of Management Planning Department, MCJ Co., Ltd. (to present) Director, UNIT.COM INC. (to present)	4,200
[Reason for nomination as candidate for Director] Mr. Yasushi Miyata, as Executive Officer in charge of management planning, is responsible for formulating the Group's business strategies and driving its growth strategies, including synergy creation, M&A and business alliances, and new business development. He also oversees the business management of domestic and overseas subsidiaries, including budget control, as well as ESG and IR operations. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				

(Notes)

1. There are no special interests between the candidates and the Company.
2. Ms. Unemi Yamaguchi's name in the family register is Unemi Sekine.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company, as

stipulated in Article 430-3, Paragraph 1 of the Companies Act, designating Directors, Auditors, executive officers and employees in managerial or supervisory positions at the Company (hereinafter “Directors, etc.”) as well as Directors, etc. of the Company's subsidiaries as the insured. In the event of the Directors, etc. being liable for damages arising from their duties, the said insurance contract shall compensate for damages and legal expenses to be borne by them. Provided, however, that there are certain exemptions so that the appropriateness of the execution of duties by the Directors, etc. is not impaired; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. The candidates for Directors will be insured under the insurance contract.

The Company bears the entire premium. The term of the contract is one year, and the Company plans to renew the contract before its expiration in accordance with the resolution of the Board of Directors.

4. Roles expected to be played by the candidates for Outside Directors, Mr. Katsunori Ura, Mr. Gideon Franklin, Mr. Shoichi Miyatani, and Ms. Unemi Yamaguchi, if elected as Outside Directors of the Company

The Company expects Outside Directors to assume the roles and responsibilities of: reviewing, from the perspective of general shareholders independent of the management team, if the business plans and strategies for achieving such plans developed by the management team in charge of the execution of business operations are acceptable or not, and providing beneficial advice based on his/her insight that he/she acquired through his/her experience in corporate management in other companies; verifying and evaluating the validity of the outcomes of the management, and appropriately reflecting the evaluation results in the election and dismissal of the management team members and decision on their remuneration; and supervising important decision-making of the Board of Directors and proposals from the management team in terms of whether there are any issues including conflicts of interests and biased decisions.

5. Terms of office of Outside Directors of the Company

- 1) At the conclusion of this General Meeting of Shareholders, Mr. Katsunori Ura will have served 10 years as Outside Director of the Company.
- 2) At the conclusion of this General Meeting of Shareholders, Mr. Gideon Franklin will have served 6 years as Outside Director of the Company.
- 3) At the conclusion of this General Meeting of Shareholders, Mr. Shoichi Miyatani will have served 4 years as Outside Director of the Company.
- 4) At the conclusion of this General Meeting of Shareholders, Ms. Unemi Yamaguchi will have served 3 years as Outside Director of the Company.

6. Liability limitation agreement with Outside Directors

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Katsunori Ura, Mr. Gideon Franklin, Mr. Shoichi Miyatani, and Ms. Unemi Yamaguchi to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the greater of a predetermined amount of ¥300,000 or more or an amount stipulated by laws and regulations. If their reelection is approved, the Company plans to continue the said agreements with them.

7. Independent Directors

Mr. Katsunori Ura, Mr. Gideon Franklin, Mr. Shoichi Miyatani, and Ms. Unemi Yamaguchi are Independent Directors as stipulated by the Tokyo Stock Exchange and are registered as such at the said exchange. If their reelection is approved, the Company plans to continue their designation as Independent Directors.

(Reference)

Major skills (knowledge, ability, and experience) and specialties of the candidates for Directors and the current Auditors

No.	Name	Position and Role at the Company	Major Skills and Specialties							
			Corporate Management	Experience in Core Business and Industry	Global Experience	Finance & Accounting	Legal & Compliance	Personnel & Talent Development	IT & Digital	ESG (Environmental, Social, and Governance)
1	Yuji Takashima	Representative Director, Chairman, CEO	●	●					●	
2	Motoyasu Yasui	Representative Director, President, and COO	●	●	●	●				●
3	Takeshi Asagai	Director Chief Administrative Officer	●				●	●		●
4	Kenji Ishito	Director CFO	●			●	●			
5	Katsunori Ura	Outside Director Advisory Member	●				●			●
6	Gideon Franklin	Outside Director Advisory Member	●		●	●				●
7	Shoichi Miyatani	Outside Director Advisory Member	●		●			●	●	●
8	Unemi Yamaguchi	Outside Director Advisory Member	●	●	●			●	●	
9	Yasushi Miyata	(New Appointment) Head of Management Planning Department Executive Officer	●	●				●	●	●
10	Hikaru Miyamoto	Permanent Auditor	●	●					●	
11	Hiroyuki Aso	Outside Auditor Advisory Member	●			●				●
12	Kazuma Yasuda	Outside Auditor Advisory Member	●		●			●		●

(Notes)

1. The skills in the above table do not represent all the skills and specialties that each person possesses.
2. No. 1 to No. 9 are candidates for Director in this proposal.
3. Mr. Yasushi Miyata, listed as No. 9, is a new candidate for Director.

(Reference)

### **Standards for Independence for Election of Outside Directors or Outside Auditors**

The Company established the following requirements as standards to determine whether Outside Directors or Outside Auditors (hereinafter referred to collectively as “Outside Officers”) are qualified to be regarded as independent of the Company's management with no concerns of conflict of interests with general shareholders.

1. An Outside Officer shall not be a person who is, or who has been within the 10 years preceding appointment, an executive director, executive officer, manager or other employee (hereinafter referred to collectively as “Executive, etc.”) of the Company or its current affiliated company (hereinafter referred to collectively as the “Group”), or be a spouse, relative within the second degree of kinship or cohabiting relative of such person.
2. An Outside Officer shall not be a person who falls under any of the following categories.
  - 1) A person who is, or who has been within the last 5 years, an Executive, etc. of a company that is currently a major shareholder (a shareholder holding 10% or more of voting rights; the same applies below) of the Company
  - 2) A person who is, or has been within the last 5 years, an Executive, etc. of a company for which the Company is currently a major shareholder
  - 3) A person who has directly received ¥10 million or more of remuneration or monies or other properties, including as a consideration for execution of business or transaction, from the Group in any of the last 5 fiscal years

Note that the actual situation will be carefully reviewed if the person indirectly received such remuneration, monies or other properties.

- 4) An Executive, etc. of a company or other entity whose amount of payment or receipt of consideration for business or transactions with the Group accounts for 2% or more of the annual consolidated gross sales of the company or other entity in any of the last 5 fiscal years
- 5) An Executive, etc. of a company or other entity that has received donations or subsidies of ¥10 million or more from the Group in any of the last 5 fiscal years
- 6) An Executive, etc. of a company or other entity or its subsidiary that accepts a director or auditor from the Group
- 7) An Executive, etc. of a financial institution or other major creditor that is critical for the Company's financing and upon which the Company is dependent to a degree that it is irreplaceable (hereinafter referred to as “Major Creditor, etc.”), or a person who was an Executive, etc. of a current Major Creditor, etc. of the Company within the last 3 years
- 8) A certified public accountant currently serving as Accounting Auditor of the Group, or a member, partner or employee of an audit corporation currently serving as Accounting Auditor of the Group
- 9) A certified public accountant who served as Accounting Auditor of the Group within the last 3 years, or a member, partner or employee of an audit corporation that served as Accounting Auditor of the Group within the last 3 years who was actually in charge of auditing of the Group (including those who have already resigned or retired)
- 10) An attorney, certified public accountant, tax accountant or other consultant who does not fall under the category of 8) or 9) above, and who has received ¥10 million or more per year of monetary or other property benefits other than remuneration as an officer from the Group in any of the last 3 fiscal years
- 11) A person who is a member, partner or employee of a law firm, audit corporation, tax accountant corporation, consulting firm or other professional advisory firm (hereinafter referred to collectively as “Firm”) that does not fall under the category of 8) or 9) above, that has received payment of 2% or more of its consolidated gross sales from the Group in the immediately preceding fiscal year, and that has the Group as its major client
- 12) A spouse, relative within the second degree of kinship or cohabiting relative, or a person similar to the foregoing, of a person stipulated in any of 1) through 7) above (excluding employees) (“A person similar to the foregoing” means a person who has a relationship, such as having a personal interest, that is reasonably considered to prevent him/her from fulfilling his/her duties as Independent Director or Independent Auditor; the same applies below)

- 13) A spouse, relative within the second degree of kinship or cohabiting relative, or a person similar to the foregoing, of a person stipulated in any of 8) through 11) above
3. An Outside Officer shall not be an interested individual who shares the same livelihood as those falling under 1 above.
  4. In addition, an Outside Officer shall not have any other circumstances that are reasonably considered to prevent him/her from fulfilling his/her duties as Independent Director or Independent Auditor.
  5. An Outside Officer shall continue to maintain the requirements for independence and neutrality stipulated in 1 through 4 above after assuming the office.

**Proposal 3: Election of One (1) Substitute Auditor**

The Company proposes the election of one (1) Substitute Auditor to prepare for any potential shortfall in the number of Auditors as stipulated by laws and regulations.

With respect to the validity of this appointment, it may be revoked by a resolution of the Board of Directors with the consent of the Board of Auditors, provided such revocation occurs prior to the appointee's assumption of office.

The Board of Auditors has given its consent to this proposal.

The candidate for Substitute Auditor is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Kazuyuki Togo (January 20, 1957)	<p>Apr. 1980      Joined Chuo Accounting Office</p> <p>Mar. 1983      Registered as a certified public accountant</p> <p>July 1990      Joined Sanyu Accounting Office (currently BDO Sanyu &amp; Co.)</p> <p>Sep. 2001      Representative Partner, Sanyu Accounting Office</p> <p>Mar. 2005      Registered as a certified public tax accountant</p> <p>July 2008      Established and Representative, Togo Certified Public Accountant Office (to present)</p> <p>Jan. 2009      Established and Representative Director, RTB Consulting Co, Ltd.</p> <p>Jan. 2009      Established and Representative Partner, SSJ Tax Accountant Corporation (to present)</p> <p>June 2009      Outside Director, OOTOYA Holdings Co., Ltd.</p> <p>June 2009      External Auditor, Kakaku.com, Inc.</p> <p>June 2010      Outside Auditor, EXCEL CO., LTD.</p> <p>June 2016      Outside Director (Audit and Supervisory Committee Member), EXCEL CO., LTD.</p>	-
<p>[Reason for nomination as candidate for Substitute Outside Auditor]</p> <p>Mr. Kazuyuki Togo has professional knowledge and experience as a certified public accountant as well as deep insight into corporate management through his service as a Director and Auditor at the other companies. The Company believes that he is well-qualified to appropriately fulfill his duties as an Outside Auditor.</p>		

**(Notes)**

- There are no special interests between the candidates and the Company.
- Mr. Kazuyuki Togo is a candidate for Substitute Outside Auditor.
- If Mr. Kazuyuki Togo is appointed as an Outside Auditor, the Company plans to enter into an agreement with him, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the greater of a predetermined amount of ¥300,000 or more or an amount stipulated by laws and regulations.
- The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, designating Directors, Auditors, executive officers and employees in managerial or supervisory positions at the Company (hereinafter "Directors, etc.") as well as Directors, etc. of the Company's subsidiaries as the insured. In the event of the Directors, etc. being liable for damages arising from their duties, the said insurance contract shall compensate for damages and legal expenses to be borne by them. Provided, however, that there are certain exemptions so that the appropriateness of the execution of duties by the Directors, etc. is not impaired; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.  
The Company bears the entire premium. The term of the contract is one year, and the Company plans to renew the contract before its expiration in accordance with the resolution of the Board of Directors.  
If Mr. Kazuyuki Togo assumes office as an Auditor, he will be covered under Company's directors and officers liability insurance.
- If Mr. Kazuyuki Togo is elected as an Outside Auditor, he will serve as an Independent Auditor as stipulated by the Tokyo Stock Exchange and is registered as such at the said exchange.

**Proposal 4:** Revision of Amounts of Remuneration for Directors

The amount of remuneration for Directors of the Company is ¥500 million or less per year (including ¥50 million or less for Outside Directors and excluding the employee salary portion for Directors who also serve as employees), as resolved at the 23rd Annual General Meeting of Shareholders held on June 24, 2021. (There were seven (7) Directors, including three (3) Outside Directors, in office when that resolution was passed.) In order to prepare for further expansion of the business of the Group and the enhancement and strengthening of the management structure, and to achieve a more effective remuneration structure for recruiting and retaining talent, the Company plans to revise the relative proportions of Directors' basic remuneration, bonuses, and performance-linked stock remuneration from 60%:20%:20%, respectively, to 60%:30%:10%, respectively. (These are the proportions assuming a 100% achievement rate for performance-linked remuneration.) Accordingly, the Company proposes to revise the amount of remuneration for Directors to ¥600 million or less per year (including remuneration of ¥50 million or less per year for Outside Directors).

Please note that the remuneration for Directors will not include the employee salary portion for Directors who also serve as employees, as has been the case in the past.

This revision is based on the above-mentioned purpose, and the Company believes that the content of this proposal is necessary and reasonable. If this proposal and Proposal 5 are approved, the Company plans to partially amend the Policy on Decisions on the Content of Remuneration, etc. of Individual Directors of the Company to conform with the approved content. (Please refer to pages 44 to 54 of the Business Report, in Japanese).

The number of Directors to whom remuneration will be paid will be nine (9) (including four (4) Outside Directors) if Proposal 2 is approved as proposed.



**Proposal 5:** Amount and Partial Revision of the Performance-linked Stock Remuneration Plan for Directors

1. Reason and justification for the proposal

The Company has introduced a “Board Benefit Trust (BBT),” a performance-linked stock remuneration plan (hereinafter referred to as “the Plan”) for the Company’s Directors (excluding Outside Directors; the same applies hereinafter unless otherwise indicated) and Executive Officers, as well as some Directors of the Company’s subsidiaries (excluding Outside Directors; hereinafter referred to collectively as “Eligible Officers”), for which approval was received at the 22nd Annual General Meeting of Shareholders on June 24, 2020. The amount and partial revision of the Plan was subsequently approved at the 24th Annual General Meeting of Shareholders on June 24, 2022. (There were eight (8) Directors, including four (4) Outside Directors, in office when that resolution was passed.)

The Plan is aimed at increasing Eligible Officers’ awareness of enhancing performance and contributing to growing corporate value, by clarifying the link between Eligible Officers’ remuneration and the Company’s performance and share price, and allowing them to share with all shareholders in both the merits of increases in share price and the risks of share price declines.

The Company has recently reviewed the officers’ remuneration plan and, as explained in Proposal 4, will revise the relative proportions of Directors’ basic remuneration, bonuses, and performance-linked stock remuneration to achieve a more effective remuneration structure for recruiting and retaining talent. In conjunction with this, the Company requests approval to revise the maximum amount of funds to be contributed and the maximum number of points to be granted in each Plan Period (hereinafter referred to as the “maximum number of funds to be contributed and maximum number of points in each Plan Period”) as described in 2. below. (“Plan Period” refers to each period of three fiscal years as defined in 3. (4) below.) In addition, the Company requests approval to revise the formula for performance-linked stock remuneration and the method used to calculate the number of shares to be granted (hereinafter referred to as “the calculation method”).

This proposal is based on the above-mentioned purpose, and the Company believes that its content is necessary and appropriate.

If this proposal is approved, the Company plans to partially change its Policy on Decisions on the Content of Remuneration, etc. of Individual Directors so that it is consistent with the approved content. (Please refer to pages 44 to 54 of the Business Report, in Japanese, for an overview of this policy).

If Proposal 2 is approved as proposed, the Company will have five (5) Directors (excluding Outside Directors) eligible for the Plan.

2. Details of the revision

(1) Revision of the maximum number of funds to be contributed and maximum number of points in each Plan Period

Shares of the common stock of the Company (hereinafter “the Company’s shares”) and money equivalent to the fair value of shares of the Company (hereinafter “the Company’s shares, etc.”) are acquired by a trust (the trust established based on the Plan, hereinafter “the Trust”) in the number that is reasonably estimated to be required for granting the Company’s shares, etc. in each Plan Period. The Company proposes to revise the maximum amount of funds to be contributed by the Company from 920 million yen (of which 540 million yen shall be for Directors of the Company) to 820 million yen (of which 400 million yen shall be for Directors of the Company), and the total number of points to be granted to Eligible Officers in each Plan Period from 760,000 points (of which 450,000 points shall be for the Directors of the Company) to 330,000 points (of which 150,000 points shall be for the Directors of the Company).

(2) Revision of the calculation method for performance-linked stock remuneration

Previously, the number of points granted to Eligible Officers for performance-linked stock remuneration (hereinafter the “confirmed number of points”) was determined based on their rank and the results for each indicator in the final fiscal year of each Plan Period. A number of the Company’s shares, etc. were granted after the end of the Plan Period, based on the confirmed number of points. This will be revised as follows. The number of points granted to Eligible Officers in each fiscal year of the Plan Period will be determined based on their rank and the results for each indicator in each fiscal year of the Plan Period, and number of the Company’s shares, etc. will be granted after the end of the Plan Period, based on the total of the confirmed number of points granted for each fiscal year of the Plan Period.

### 3. Overview after the revision of the Plan

#### (1) Overview

The Plan is a performance-linked stock remuneration plan, where the Company's shares are acquired by the Trust using funds contributed by the Company. Through the Trust, Eligible Officers shall receive the Company's shares based on the Regulations on the Granting of Shares to Officers established by the Company.

As a rule, Eligible Officers shall receive the Company's shares, etc. after the conclusion of each Plan Period indicated in (4) below.

#### (2) Officers eligible under the Plan

The Company's Directors and Executive Officers, and some Directors of the Company's subsidiaries. (Outside Directors shall not be eligible under the Plan.)

#### (3) Trust period

The trust period shall be from November 24, 2020 until the Trust terminates. (No specific termination date shall be set for the trust period, and the Trust shall continue to exist until the Plan is terminated. The Plan shall be terminated in the event that the Company's shares are delisted, or through the abolition of the Regulations on the Granting of Shares to Officers, etc.)

#### (4) Trust amount

Subject to approval of this proposal, the Company will contribute money to the Trust as additional funds necessary for the Trust to acquire shares of the Company ahead of the defined period in the number that is reasonably estimated to be required for granting the Company's shares, etc. in accordance with (6) and (7) below. The Trust will use the additional funds contributed by the Company to acquire the Company's shares as described in (5) below.

Specifically, the Company shall implement the Plan for the period of three fiscal years comprising the fiscal year ending on March 31, 2026 through the fiscal year ending on March 31, 2028, and each three fiscal year period thereafter (hereinafter each three fiscal year period is referred to as a "Plan Period"). The Company shall contribute the following amounts of money as additional funds for the acquisition of shares of the Company by the Trust, for the purposes of granting the Company's shares, etc. to Eligible Officers.

As a rule, the Company shall contribute additional funds not exceeding 820 million yen (of which 400 million yen shall be for Directors of the Company) in each subsequent Plan Period, until such time as the Plan terminates. However, where, at the time of contribution of additional funds, the assets held by the Trust still contain shares of the Company (except in the case of shares of the Company equivalent to confirmed points in (6) below, where these have not yet been granted to Eligible Officers) or money (hereinafter "Remaining Shares, etc."), the sum of the value of the Remaining Shares, etc. (the book value on the final day of the Plan Period immediately preceding, in the case of the Company's shares) and the additional funds contributed, shall not exceed 820 million yen (of which 400 million yen shall be for Directors of the Company).

The Company may contribute funds to the Trust in multiple installments to the extent that the cumulative amount of contributions during the Plan Period reaches the maximum limit described above. The Company shall make appropriate and timely disclosure of any decision to contribute additional funds.

#### (5) Methods of acquiring the Company's shares, and the number of shares to be acquired

The Company's shares shall be acquired by the Trust in open market transactions on a stock exchange, or through acceptance of the disposal of the Company's treasury stock, and funded using the money contributed in accordance with the provisions of (4) above.

The details of the acquisition of the Company's shares by the Trust shall be disclosed in an appropriate and timely manner.

#### (6) Method for calculating the number of the Company's shares, etc. to be granted to Eligible Officers

For each fiscal year, the confirmed number of points, which is the number of points granted to each Eligible Officer, shall be determined based on rank and the results for each indicator in each fiscal year of the Plan Period, in accordance with the Regulations on the Granting of Shares to Officers. The total number of points granted to Eligible Officers in all fiscal years of the Plan Period shall be no more than 330,000 points (of which 150,000 points shall be for Directors of the Company) in each Plan Period. These numbers have been determined upon comprehensive consideration of the current levels of officers' remuneration, trends in the number of Eligible Officers, and forecasts for the future, and are deemed appropriate.

The number of points granted to Eligible Officers shall be converted into the number of the Company's shares, etc. granted in accordance with the provisions of (7) below, at the ratio of 1 share of the Company's

common stock for 1 point. (However, where, subsequent to approval of this proposal, the shares of the Company undergo a stock split, allotment of shares without contribution or stock consolidation, etc., the maximum number of points and the number of points already granted, or the ratio for conversion into shares, shall be adjusted within reasonable bounds based on the ratio of the stock split, etc.)

As a rule, the number of points pertaining to each Eligible Officer, that forms the basis for the granting of the Company's shares, etc. in accordance with the provisions of (7) below, shall be the number of points granted to the Eligible Officer during each Plan Period (hereinafter the "confirmed number of points").

(7) Granting the Company's shares, etc.

Eligible Officers who have fulfilled the requirements for eligible beneficiaries shall, as a rule, receive from the Trust a number of the Company's shares based on the confirmed number of points determined in accordance with the provisions of (6) above, after the conclusion of the Plan Period. However, in cases where the requirements established in the Regulations on the Granting of Shares to Officers have been fulfilled, Eligible Officers shall receive a certain proportion of money in place of the Company's shares, in an amount equivalent to the fair value of the shares. The Trust may sell the Company's shares in order to pay this money.

Even if an Eligible Officer has been granted points, he or she will not be entitled to the right to receive benefits, or the confirmed number of points will be reduced, if a General Meeting of Shareholders or a meeting of the Board of Directors resolves to dismiss him or her, if he or she resigns due to certain improper conduct during his or her term, or if he or she engages in inappropriate behavior that causes damages to the Company during his or her term.

(8) Exercise of voting rights

The voting rights of the Company's shares held within the account of the Trust shall not be exercised, under the direction of the administrator of the Trust. This method is designed to ensure the neutrality of the exercise of voting rights of the Company's shares held in the Trust account, with respect to the Company's management.

(9) Treatment of dividends

Dividends pertaining to the Company's shares held within the account of the Trust shall be received by the Trust, and shall be allocated to pay for the acquisition of the Company's shares, as well as for trust fees payable to the trustee of the Trust. On the termination of the Trust, any dividend monies, etc. remaining in the Trust shall be distributed to the Eligible Officers in office at that time, in proportion to the number of points held by each.

(10) Treatment on termination of the Trust

The Trust shall terminate in the event that the Company's shares are delisted, or due to reasons such as the abolition, etc. of the Regulations on the Granting of Shares to Officers.

At the time of the termination of the Trust, it is planned that all of the Company's shares among the residual assets of the Trust shall be acquired by the Company free of charge, and canceled by resolution of the Board of Directors. All money among the residual assets of the Trust shall be paid to the Company, with the exception of the money to be paid to Eligible Officers in accordance with the provisions of (9) above.

## [Shareholder Proposal]

Proposal 6 is a proposal from a single shareholder.

Apart from certain formal adjustments, the content and reason for the proposal submitted by the shareholder are presented here verbatim.

### **Proposal 6:** Appropriation of Surplus

#### 1. Details of the proposal

- (1) Type of dividend property  
Cash

- (2) Matters related to the allocation of dividend property and the total amount thereof

A dividend amount per share of the Company's common stock equal to ¥129, minus the dividend amount per share of the Company's common stock proposed by the Company's Board of Directors and approved by the 27th Annual General Meeting of Shareholders (hereinafter, the "Company's proposed dividend amount" and the "Company's profit distribution proposal") and the acquisition of treasury stock announced on February 27, 2025 (equivalent to ¥20 per share of common stock), shall be distributed in addition to the Company's proposed dividend amount (the amount thus calculated is hereinafter referred to as the "dividend amount per share of the Company's common stock based on this proposal").

If the amount of profit per share in the fiscal year ended March 31, 2025, presented to the 27th Annual General Meeting of Shareholders, rounded down to the nearest whole number of yen (hereinafter, the "EPS result") is not ¥129, then ¥129 in the paragraph above shall be replaced with the EPS result.

The total dividend amount based on this proposal shall be the dividend amount per share of the Company's common stock based on this proposal, multiplied by the number of shares eligible to receive dividends as of the voting rights record date for the Company's 27th Annual General Meeting of Shareholders.

- (3) Effective date of the dividends of surplus

The day following the day of the Company's 27th Annual General Meeting of Shareholders.

If a Company's profit distribution proposal is submitted to the 27th Annual General Meeting of Shareholders, this proposal shall be made independently of, and concurrently with, the Company's proposal.

#### 2. Reason for the proposal

The amount of ¥129 in this proposal represents the Company's latest forecast profit per share as of February 5, 2025. This proposal is for the return of all profit, regardless of the size of the Company's proposed dividend amount. In other words, it proposes a total return ratio of 100%.

The Company has not made any substantial expenditures, such as capital investments or corporate acquisitions, over the past ten years, and the net cash balance after deducting liabilities has increased by more than ¥30.0 billion. As a result, the Company's equity ratio has risen from approximately 43% to over 65% during the same period. If the Company persists with a total return ratio of no more than around 50%, it is feared that the net cash balance will continue to grow, leading to the progressive dilution of ROE.

Therefore, if no substantial capital investments or corporate acquisitions are on the horizon, we believe that it is crucial that the Company adopt a total return ratio of 100% as its capital policy to prevent the further accumulation of shareholders' equity.

We look forward to an increase in the Company's corporate value through further business expansion and enhanced capital policy.

### ◆ **Opinion of the Board of Directors on this Shareholder Proposal**

#### **The Board of Directors opposes Proposal 6**

The content of this shareholder proposal is as follows:

- 1) Premised on concern over the progressive dilution of ROE in the future,
- 2) If no substantial capital investments or M&A deals are on the horizon,
- 3) The Company should pay a dividend with a total return ratio of 100%

We regard ROE as one of the Company's most important KPIs. We target ROE of 15% or above: a level that significantly exceeds the cost of capital. During the previous Mid-term Management Plan period, from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2025, we not only consistently exceeded this KPI target but also increased ROE from 15.3% to 16.7%.

Under the Mid-term Management Plan announced on May 14, 2025 (hereinafter referred to as the "current Mid-term Management Plan"), which spans the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, we have disclosed our approach to ROE, which is based on the principle of maintaining a level that substantially exceeds the cost of capital. We will aim to maintain and increase the level of ROE primarily through improved profitability, as well as the optimization of the capital structure through flexible share buybacks and other measures, depending on the circumstances.

In this context, we achieved the aforementioned increase in ROE during the previous Mid-term Management Plan period primarily through improved profitability, including two consecutive fiscal years of record-high profits.

On the other hand, with profit expected to decrease based on the consolidated financial results forecast for the fiscal year ending March 31, 2026, announced on May 14, 2025, we aim to flexibly optimize the capital structure based on the policy described above. We will do this through the buyback of the equivalent of ¥4.0 billion of the Company's shares, also announced on May 14, 2025, together with the ¥2.0 billion share buyback announced on February 27, 2025.

In this way, we are implementing measures to address the risk of a future or temporary decline in ROE, based on the policy above. Moreover, we have set targets under the current Mid-term Management Plan to increase profit in the fiscal year ending March 31, 2027, and achieve our highest-ever level of profit in the fiscal year ending March 31, 2028. Therefore, we believe that the fear of a "progressive dilution of ROE in the future," on which this shareholder proposal is premised, is without basis.

Furthermore, as disclosed in the briefing materials for the current Mid-term Management Plan and previous financial results briefings, the period from the COVID-19 pandemic through the previous Mid-term Management Plan saw dramatic changes in the environment for procurement, mainly due to a shortage of raw materials and components, including semiconductors, as well as the impact of a weaker yen, while the domestic PC market shrink by half (in terms of the number of units). In this business environment, we consciously reduced the priority we placed on M&A activities and focused our internal resources on ensuring the defensive operation of existing businesses. Even as revenue declined, we made it our management priority to secure an increase in profit.

By contrast, having overcome the business environment described above, we have made resuming the consideration of large-scale M&A projects a high priority under the current Mid-term Management Plan. Going forward, we expect our funding needs for these activities will increase. Therefore, we believe that the secondary assumption made in the proposal, "if no substantial capital investments or M&A deals are on the horizon," is also not reasonable.

Moreover, this shareholder proposal calls for a total return ratio of 100%. We perceive the total return ratio as an important KPI, targeting a ratio of between 30% and 50%, with a maximum of around 80% based on factors such as the flexible share buybacks described above.

In addition to the anticipated M&A funding needs mentioned above, the diverse regional spread of our businesses, encompassing regions such as Japan, Europe, and Southeast Asia, as well as the continuing tight demand worldwide for some of our main products, including graphic-related products, mean that in many cases, we have to raise funds quickly. As a result, our need for working capital has risen higher than normal.

Given these circumstances, we have set a maximum total return ratio of 80% on consideration of the risks involved in paying out all of the Company's annual cash flow to shareholders. Including the share buybacks mentioned above, we anticipate a total return ratio of 79.5% in the fiscal year ending March 31, 2026.

It is also worth noting that we have progressively increased the ordinary dividend per share each year for 12 consecutive years until the previous fiscal year. We will continue to strive to expand business revenue and further enhance shareholder returns.

In addition to our results so far, we are focused on providing our shareholders with stable and ongoing returns going forward, through progressive dividends in line with the policies on shareholder returns and cash allocation set forth in our current Mid-term Management Plan. We will strive to secure shareholder profits through the flexible implementation of share buybacks, depending on the circumstances. At the same time, we will progressively strengthen our business foundation, balancing investment in growth infrastructure with internal reserves.

We believe that enhancing corporate value over the medium and long term through these measures will ultimately contribute to an increase in shareholder profits.

For these reasons, **the Company's Board of Directors opposes this shareholder proposal.**