

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

Securities Code: 6745

Start date of measures for electronic provision: June 3, 2025

To our shareholders:

Hajime Hosoi
Representative Director, President and CEO
HOCHIKI CORPORATION
2-10-43 Kamiosaki Shinagawa-ku, Tokyo,
Japan

Notice of the 129th Annual General Meeting of Shareholders

We are pleased to announce the 129th Annual General Meeting of Shareholders of Hochiki Corporation (the “Company”), which will be held as indicated below.

If you will not attend the meeting in person, you may exercise your voting rights in either way described below. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights.

[Exercise of voting rights in writing]

Please indicate your approval or disapproval of the proposals in the voting right exercise form and then return the form to the Company by postal mail so that your vote is received by 5:30 p.m. on Wednesday, June 25, 2025 (JST).

[Exercise of voting rights via the internet]

Please access the dedicated website for exercising voting rights (<https://evote.tr.mufg.jp/>) (in Japanese), and follow the instructions on the display to indicate your approval or disapproval of the proposals by 5:30 p.m., Wednesday, June 25, 2025 (JST).

Details

- 1. Date and Time:** Thursday, June 26, 2025, at 10:00 a.m. (JST)
- 2. Venue:** Conference Room on 5th floor of main building, Head Office of Hochiki Corporation
2-10-43 Kamiosaki Shinagawa-ku, Tokyo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 129th fiscal year (from April 1, 2024 to March 31, 2025), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board
2. The Non-consolidated Financial Statements for the 129th fiscal year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 4 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 5 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |
| Proposal No. 6 | Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 7 | Determination of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 8 | Determination of Amount and Content of Performance-Linked Stock Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and External Directors) |

- ◎ When you attend the meeting in person, please submit the voting right exercise form at the reception counter.
- ◎ When convening the General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company's website. Please access the Company's website by using the internet address shown below to review the information. Please access the Company's website by using the internet address shown below to review the information.

The Company's website: <https://www.hochiki.co.jp/ir/stock/soukai/> (in Japanese)

In addition to posting items subject to measures for electronic provision on the Company's website, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE).

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter "HOCHIKI" in "Issue name" or the Company's securities code "6745" 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].")

- ◎ Note that, for this General Meeting of Shareholders, paper-based documents stating items subject to measures for electronic provision will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents. Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations of the Articles of Incorporation of the Company, the following items are not provided in such documents.
 - Systems to ensure appropriate business operations and overview of operational status of such systems
 - Basic views on measures for eliminating anti-social forces and status of development
 - Basic policy on company control
 - Notes to the Consolidated Financial Statements
 - Notes to the Non-consolidated Financial Statements
- ◎ If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the TSE website shown above.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Group recognizes return of profit to shareholders as one of its important management issues. While following the principle of maintaining stable dividend payments, we give comprehensive consideration to our financial position and level of profit.

When paying dividends, we will strive to maintain a progressive dividend policy, considering payout ratio and dividend on equity ratio (DOE) among other indicators, after making investments required for continuous growth over the medium- to long-term.

The Company has given comprehensive consideration to matters including the business performance of the fiscal year and future business development, and it proposes to pay a year-end dividend for the fiscal year of ¥51 per share.

(1) Type of dividend property

To be paid in cash

(2) Allotment of dividend property to shareholders and their aggregate amount

Dividend of ¥51 per common share of the Company

Total dividend amount: ¥1,279,109,784

An interim dividend of ¥29 per share has been paid, so the annual dividend for the fiscal year will be ¥80 per share.

(3) Effective date of dividends of surplus

June 27, 2025

Reference Information Common to Proposals No. 2 to No. 8

The Group is committed to realizing its management philosophy of “Safety for All,” “Quality and Value,” and “Community Welfare” by enhancing the effectiveness of corporate governance. We position this as a key priority for improving corporate value and contributing to a sustainable society.

The Company has promoted the separation of execution and supervision by introducing an executive officer system and establishing a Nomination and Compensation Committee along with a Management Committee, among others. We promoted the enhancement of the corporate governance structure by strengthening the business execution and supervisory functions and ensuring management transparency. The Company requests approval for Proposals No. 2 to No. 8 to transition to a “Company with an Audit and Supervisory Committee.” This aims to further enhance corporate governance and facilitate prompt management decision-making. For details, please refer to the following.

Features of a “Company with an Audit and Supervisory Committee”

- In a “Company with an Audit and Supervisory Committee,” it is possible to delegate decision-making on the execution of important business operations to Directors. By narrowing the agenda of the Board of Directors meetings, the Company can improve its deliberation on significant issues.
- Directors who are Audit and Supervisory Committee Members will have voting rights at the Board of Directors meetings. Furthermore, the “Audit and Supervisory Committee,” which is composed of Directors who are Audit and Supervisory Committee Members, consists of a majority of External Directors.
- If the proposals after Proposal No. 2 are approved, the “Audit and Supervisory Committee,” which includes two External Directors, will be responsible for audit functions and will also be involved in the selection, dismissal, and remuneration of Directors, which is expected to strengthen the supervisory function further.

In addition, the majority of the Board of Directors, with six out of 11 members, will be External Directors with voting rights, which will strengthen governance functions.

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reason for amendments

- (1) The Company has decided to transition to a Company with an Audit and Supervisory Committee in order to further enhance corporate governance and accelerate management decision-making. Accordingly, the Company will amend its Articles of Incorporation, such as establishing new provisions regarding the Audit and Supervisory Committee and its members and deleting the provisions regarding the Audit and Supervisory Board and its members.
- (2) The convener and the Chairperson of the Board of Directors meetings as provided in Article 23 of the current Articles of Incorporation will be changed in order to ensure flexible management of the Board of Directors in accordance with the Company's management structure.
- (3) Following the introduction of the system for additional purchase of shares less than one unit, Article 8 (Additional Purchase of Shares Less than One Unit) of the Articles of Incorporation will be newly established pursuant to the provisions of Article 194, Paragraph 1 of the Companies Act, and, accordingly, the wording of Article 7 of the current Articles of Incorporation will be partially amended.
- (4) In addition, necessary revisions and other changes will be made in accordance with each of the above amendments.

2. Details of amendments

Details of the amendments are shown below.

The amendments to the Articles of Incorporation in this proposal shall take effect at the conclusion of this meeting.

(Underlined parts indicate changes.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 to 4 <Omitted>	Articles 1 to 4 <Unchanged>
Chapter 2 Shares	Chapter 2 Shares
Articles 5 to 6 <Omitted>	Articles 5 to 6 <Unchanged>
(Restrictions on Rights of Holder of Shares Less than One Unit)	(Restrictions on Rights of Holder of Shares Less than One Unit)
Article 7 Holders of shares less than one unit of the Company may not exercise any rights other than those listed below.	Article 7 Holders of shares less than one unit of the Company may not exercise any rights other than those listed below.
1. Rights set forth in the items of Article 189, Paragraph 2 of the Companies Act;	1. Rights set forth in the items of Article 189, Paragraph 2 of the Companies Act;
2. Rights to demand acquisition of shares with put option;	2. Rights to demand acquisition of shares with put option;
3. Rights to receive the allotment of shares for subscription or share acquisition rights for subscription	3. Rights to receive the allotment of shares for subscription or share acquisition rights for subscription
< Newly established >	<u>4. Rights to make the requests prescribed in the following article</u>
< Newly established >	<u>(Additional Purchase of Shares Less than One Unit)</u>

Current Articles of Incorporation	Proposed amendments
<p>(Shareholder Register Administrator) Article <u>8</u> The Company shall have a shareholder register administrator. 2) The shareholder register administrator and its place of business shall be determined by resolution of the Board of Directors and shall be publicly announced. 3) The preparation and keeping of the register of shareholders and the register of share acquisition rights of the Company and other administrative matters relating to the register of shareholders and the register of share acquisition rights shall be entrusted to the shareholder register administrator and shall not be performed by the Company. (Rules for Handling Shares) Article <u>9</u> The handling of the shares and fees of the Company and the procedures for exercising shareholders' rights shall be governed by laws and regulations, the Articles of Incorporation and the Rules for Handling Shares established by the Board of Directors. Chapter 3 General Meetings of Shareholders Articles <u>10</u> to <u>16</u> <Omitted> Chapter 4 Directors, Executive Officers and the Board of Directors Article <u>17</u> <Omitted> (Number of Directors) Article <u>18</u> The Directors of the Company shall not exceed <u>twenty (20)</u>. < Newly established > (Election of Directors) Article <u>19</u> Directors shall be elected by resolution of a general meeting of shareholders. 2) Resolutions on the election of directors shall be adopted by a majority of the votes of the shareholders present at the meeting, provided that shareholders</p>	<p><u>Article 8 In accordance with the provisions of the Rules for Handling Shares, any shareholder of the Company shall be entitled to request the Company to sell the number of shares that will, together with the number of shares less than one unit held by the shareholder, constitute the number of one unit of shares.</u> (Shareholder Register Administrator) Article <u>9</u> The Company shall have a shareholder register administrator. 2) The shareholder register administrator and its place of business shall be determined by resolution of the Board of Directors <u>or by a decision of a Director delegated by the Board of Directors</u> and shall be publicly announced. 3) The preparation and keeping of the register of shareholders and the register of share acquisition rights of the Company and other administrative matters relating to the register of shareholders and the register of share acquisition rights shall be entrusted to the shareholder register administrator and shall not be performed by the Company. (Rules for Handling Shares) Article <u>10</u> The handling of the shares and fees of the Company and the procedures for exercising shareholders' rights shall be governed by laws and regulations, the Articles of Incorporation and the Rules for Handling Shares established by the Board of Directors <u>or a Director delegated by the Board of Directors.</u> Chapter 3 General Meetings of Shareholders Articles <u>11</u> to <u>17</u> <Unchanged> Chapter 4 Directors, Executive Officers and the Board of Directors Article <u>18</u> <Unchanged> (Number of Directors) Article <u>19</u> The Directors of the Company shall not exceed <u>twelve (12) (excluding those who are Audit and Supervisory Committee Members).</u> <u>2) The number of Directors who are Audit and Supervisory Committee Members of the Company (the "Audit and Supervisory Committee Members") shall not exceed five (5).</u> (Election of Directors) Article <u>20</u> Directors shall be elected by resolution of a general meeting of shareholders, <u>distinguishing between Audit and Supervisory Committee Members and other Directors.</u> 2) Resolutions on the election of directors shall be adopted by a majority of the votes of the shareholders present at the meeting, provided that shareholders</p>

Current Articles of Incorporation	Proposed amendments
<p>holding one-third (1/3) or more of the votes of shareholders entitled to exercise votes are present.</p> <p>3) Resolutions of the election of directors shall not be decided by cumulative voting.</p> <p>(Term of Office of Directors)</p> <p>Article <u>20</u> The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within one year from the time of their election.</p> <p style="text-align: center;">< Newly established ></p> <p style="text-align: center;">< Newly established ></p> <p style="text-align: center;">< Newly established ></p> <p>(Representative Director and Chairperson)</p> <p>Article <u>21</u> The Board of Directors, by resolution, appoint one or more Representative Directors and, if necessary, may appoint one Chairperson from among Directors.</p> <p>(Executive Officers)</p> <p>Article <u>22</u> The Board of Directors may, by resolution, appoint executive officers and assign them to conduct the business of the Company in accordance with their respective responsibilities.</p> <p>2) The Board of Directors may, by resolution, appoint one President and CEO and, if necessary, <u>Chairperson and CEO</u>, Vice President and CEO, Senior Managing Executive Officer, Managing Executive Officer, Senior Executive Officer and other Executive Officer who concurrently serves in senior management positions.</p> <p>3) The President and CEO shall represent the Company.</p> <p>(Convener and Chairperson of Board of Directors)</p>	<p>holding one-third (1/3) or more of the votes of shareholders entitled to exercise votes are present.</p> <p>3) Resolutions of the election of directors shall not be decided by cumulative voting.</p> <p>(Term of Office of Directors)</p> <p>Article <u>21</u> The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within one year from the time of their election.</p> <p><u>2) Notwithstanding the provisions of the preceding paragraph, the term of office of Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within two (2) years from the time of their election.</u></p> <p><u>3) The term of office of Audit and Supervisory Committee Members elected to fill vacancies created by the retirement of Audit and Supervisory Committee Members before the expiration of their term of office shall continue until the expiration of the term of office of the retired Audit and Supervisory Committee Members.</u></p> <p><u>4) The effective period of a resolution for the election of a substitute Audit and Supervisory Committee member elected pursuant to Article 329, Paragraph 3 of the Companies Act shall, unless shortened by the resolution, end at the commencement of the Annual General Meeting of Shareholders for the last business year ending within two (2) years from the time of their election.</u></p> <p>(Representative Director and Chairperson)</p> <p>Article <u>22</u> The Board of Directors, by its resolution, appoint one or more Representative Directors <u>from among Directors who are not Audit and Supervisory Committee Members</u>, and if necessary, may appoint one Chairperson from among Directors <u>who are not Audit and Supervisory Committee Members</u>.</p> <p>(Executive Officers)</p> <p>Article <u>23</u> The Board of Directors may, by resolution, appoint executive officers and assign them to conduct the business of the Company in accordance with their respective responsibilities.</p> <p>2) The Board of Directors may, by resolution, appoint one President and CEO and, if necessary, Vice President and CEO, Senior Managing Executive Officer, Managing Executive Officer, Senior Executive Officer and other Executive Officer who concurrently serves in senior management positions.</p> <p>3) The President and CEO shall represent the Company.</p> <p>(Convener and Chairperson of Board of Directors)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>maximum amount of liability for damages under such an agreement shall be the amount specified by laws and regulations.</u></p> <p>< Newly established ></p> <p>< Newly established ></p> <p>< Newly established ></p> <p>< Newly established ></p> <p>< Newly established ></p> <p>< Newly established ></p>	<p><u>Chapter 5 Audit and Supervisory Committee</u> <u>(Establishment of an Audit and Supervisory Committee)</u> <u>Article 32 The Company shall have an Audit and Supervisory Committee.</u> <u>(Full-time Audit and Supervisory Committee Members)</u> <u>Article 33 The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Members from among Audit and Supervisory Committee Members.</u> <u>(Notice of Calling of Meetings of the Audit and Supervisory Committee)</u> <u>Article 34 A notice of calling of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member no later than one week prior to the date of the meeting. However, this period may be shortened in case of urgent necessity.</u> <u>(Method of Resolution by the Audit and Supervisory Committee)</u> <u>Article 35 Unless otherwise provided for by laws and regulations, resolutions of the Audit and Supervisory Committee shall be adopted by a majority of the Audit and Supervisory Committee Members present at the meeting where a majority of the Audit and Supervisory Committee Members entitled to participate in the vote are present.</u> <u>(Minutes of Audit and Supervisory Committee Meetings)</u> <u>Article 36 Minutes proceedings and the resultant actions taken at each meeting of the of Audit and Supervisory Committee and such other matters stipulated by laws and regulations shall be stated or recorded in the minutes of the meeting, and the Audit and Supervisory Committee Members present at the meeting shall affix their names and seals or affix their electronic signatures thereto.</u></p>
<p>Chapter 6 Accounting Auditor</p> <p>Article <u>40 – 42</u> < Omitted > (Remuneration, etc. for Accounting Auditor)</p> <p>Article <u>43</u> Remuneration, etc. for Accounting auditor shall be determined by the Representative Director with the consent of <u>the Audit and Supervisory Board.</u></p>	<p>Chapter 6 Accounting Auditor</p> <p>Article <u>37 – 39</u> < Unchanged > (Remuneration, etc. for Accounting Auditor)</p> <p>Article <u>40</u> Remuneration, etc. for Accounting auditor shall be determined by the Representative Director with the consent of <u>the Audit and Supervisory Committee.</u></p>
<p>Chapter 7 Accounting</p> <p>Article <u>44 – 47</u> < Omitted ></p>	<p>Chapter 7 Accounting</p> <p>Article <u>41 – 44</u> < Unchanged ></p>

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.

Proposal No. 3 Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

When Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and all eight Directors will retire upon the expiration of their terms of office when the amendment to the Articles of Incorporation takes effect. Accordingly, the Company requests approval for the election of eight Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this proposal) following the transition to a Company with an Audit and Supervisory Committee.

In addition, the consent of the Nomination and Compensation Committee, a majority of whose members are External Directors, has been obtained for this proposal.

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

The candidates for Directors are as follows:

Candidate No.	Gender	Name	Position and responsibility in the Company	Notes
1	Male	Hajime Hosoi	Director, President and CEO	Reelection
2	Male	Yasuharu Kobayashi	Director, Senior Managing Executive Officer General Manager of Business Administration Division	Reelection
3	Male	Michihiro Yonezawa	Director, Managing Executive Officer General Manager of Engineering and Production Division	Reelection
4	Male	Masahiro Kai	Director, Managing Executive Officer General Manager of Sales Division	Reelection
5	Female	Hideyo Nakano	External Director	Reelection External Director Independent Director
6	Male	Masaaki Matsunaga	External Director	Reelection External Director Independent Director
7	Male	Hikomitsu Noji	External Director	Reelection External Director Independent Director
8	Female	Minako Sakuma		New Election External Director Independent Director

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions external the Company		Number of the Company's shares owned
1	Hajime Hosoi (December 31, 1964) Reelection	Feb. 1989	Joined the Company	40,870 shares (Including 29,659 shares scheduled to be delivered regarding the performance-linked stock compensation plan)
		June 2013	Director, Head of Business Planning Office	
		Apr. 2018	Director, General Manager of Sales Division	
		June 2018	Managing Director, General Manager of Sales Division	
		Apr. 2019	Managing Director, General Manager of Sales Division, in charge of Maintenance Business and Engineering Group	
		June 2019	Director, Managing Executive Officer, General Manager of Sales Division, in charge of Maintenance Business and Engineering Group	
		Apr. 2020	Director, Senior Managing Executive Officer, General Manager of International Business Division	
		June 2023	Representative Director, President and CEO, General Manager of International Business Division	
		Apr. 2024	Representative Director, President and CEO (present position)	
	[Reasons for nomination as candidate for Director] Hajime Hosoi has appropriate experience and ability to serve as the Company's Director such as having experience and extensive knowledge as corporate manager, having shown his leadership as the representative of the management of the Company and being well-versed in various areas of the Company's business.			
2	Yasuharu Kobayashi (January 19, 1962) Reelection	June 2011	Executive Officer, General Manager of Kyoto Branch of Mitsubishi UFJ Trust and Banking Corporation	28,136 shares (Including 18,544 shares scheduled to be delivered regarding the performance-linked stock compensation plan)
		June 2013	Representative Director and Vice President of Mitsubishi UFJ Trust Business Co., Ltd.	
		June 2014	Director, Deputy General Manager of Sales Division, in charge of Sales Promotion Group of the Company	
		June 2019	Director, Senior Executive Officer, Deputy General Manager of Sales Division, in charge of Sales Promotion Group	
		Apr. 2021	Director, Managing Executive Officer, Deputy General Manager of Sales Division, in charge of Sales Promotion Group	
		June 2021	Managing Executive Officer, Deputy General Manager of Sales Division, in charge of Sales Promotion Group	
		June 2023	Director, Managing Executive Officer, Deputy General Manager of Sales Division, in charge of Sales Promotion Group	
		Apr. 2024	Director, Senior Managing Executive Officer, General Manager of Business Administration Division	
		June 2024	Representative Director, Senior Managing Executive Officer, General Manager of Business Administration Division (present position)	
	[Reasons for nomination as candidate for Director] Yasuharu Kobayashi has appropriate experience and ability to serve as the Company's Director such as having experience and extensive knowledge as a corporate manager and having shown his leadership mainly in the fields of sales and business administration.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions external the Company		Number of the Company's shares owned
3	Michihiro Yonezawa (October 25, 1960) Reelection	Apr. 1984	Joined the Company	21,033 shares (Including 17,220 shares scheduled to be delivered regarding the performance-linked stock compensation plan)
		Apr. 2015	Executive Officer, Head of Quality Management Office	
		Apr. 2016	Executive Officer, General Manager of Engineering and Production Division	
		June 2016	Director, General Manager of Engineering and Production Division	
		June 2019	Director, Senior Executive Officer, General Manager of Engineering and Production Division	
		Apr. 2021	Director, Managing Executive Officer, General Manager of Engineering and Production Division	
		June 2021	Managing Executive Officer, General Manager of Engineering and Production Division	
		June 2024	Director, Managing Executive Officer, General Manager of Engineering and Production Division (present position)	
[Reasons for nomination as candidate for Director] Michihiro Yonezawa has appropriate experience and ability to serve as the Company's Director such as having abundant experience in sales, R&D, production and quality assurance, and having shown his leadership mainly in the R&D, production and quality assurance fields.				
4	Masahiro Kai (March 5, 1964) Reelection	Apr. 1986	Joined the Company	11,806 shares (Including 9,322 shares scheduled to be delivered regarding the performance-linked stock compensation plan)
		Apr. 2011	General Manager of Business Development Department II	
		Apr. 2017	General Manager of Sales Management Department	
		Apr. 2020	Executive Officer, Deputy General Manager of Sales Division, General Manager of Sales Management Department	
		Apr. 2024	Managing Executive Officer, General Manager of Sales Division	
		June 2024	Director, Managing Executive Officer, General Manager of Sales Division (present position)	
[Reasons for nomination as candidate for Director] Masahiro Kai has appropriate experience and ability to serve as the Company's Director such as having abundant experience in sales and having shown his leadership mainly in the field of domestic business development as well as in overall sales management.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions external the Company		Number of the Company's shares owned
5	Hideyo Nakano (September 13, 1959) Reelection External Director Independent Director	Nov. 1991	Vice President of Cititrust and Banking Corporation	—
		Oct. 1993	Senior Portfolio Manager and Head of Private Investment	
		Jan. 2000	Director and Head of Investment Division of FuNNeX Asset Management Inc.	
		Mar. 2004	CEO of Trias Corporation (present position)	
		Mar. 2020	External Director of OUTSOURCING Inc.	
		June 2021	External Director of the Company (present position)	
		June 2022	External Director of DKS Co. Ltd. (present position)	
		June 2023	External Director of NS TOOL CO., LTD. (present position)	
[Reasons for nomination as candidate for External Director and expected roles] Hideyo Nakano is well versed in overseas business in addition to having abundant experience and extensive knowledge as a corporate manager of an IR/PR consulting company, and from this expert standpoint, she has made appropriate remarks contributing to the Company's management at meetings of the Board of Directors. The Company has nominated her as a candidate for External Director, as it expects her to continue to play a role in providing advice and supervision.				
6	Masaaki Matsunaga (August 7, 1960) Reelection External Director Independent Director	June 2013	Director of The Toa Reinsurance Company, Limited	842 shares
		June 2016	Managing Director	
		June 2020	President and Chief Executive (present position)	
		June 2022	External Director of the Company (present position)	
[Reasons for nomination as candidate for External Director and expected roles] Masaaki Matsunaga has experience and extensive knowledge as a corporate manager and has made appropriate remarks contributing to the Company's management from his expert standpoint at meetings of the Board of Directors. The Company has nominated him as a candidate for External Director, as it expects him to continue to play a role in providing advice and supervision.				
7	Hikomitsu Noji (October 30, 1958) Reelection External Director Independent Director	June 2009	Member of the Board and Officer of The Yokohama Rubber Co., Ltd.	166 shares
		June 2011	President, Chairman of the Board	
		Mar. 2017	Vice Chairman of The Yokohama Rubber Co., Ltd. and Chairman of the Board of Alliance Tire Group B.V.	
		Apr. 2021	Advisor	
		Apr. 2024	Honorary Advisor (present position)	
		June 2024	External Director of the Company (present position)	
			External Director of RICOH LEASING COMPANY, LTD. (present position)	
			External Director of KASAI KOGYO CO., LTD. (present position)	
[Reasons for nomination as candidate for External Director and expected roles] Hikomitsu Noji has abundant experience and extensive knowledge as a corporate manager, in addition to being well versed in research and development and production fields, and from this expert standpoint, he has made appropriate remarks contributing to the Company's management at meetings of the Board of Directors. The Company has nominated him as a candidate for External Director, as it expects him to continue to play a role in providing advice and supervision.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions external the Company	Number of the Company's shares owned
8	Minako Sakuma (August 23, 1968) New Election External Director Independent Director	<p>Apr. 2017 General Manager of Human Resources (for Capability Development) Department., Mitsui Sumitomo Insurance Company, Limited, Human Resources and General Affairs Department., MS&AD Insurance Group Holdings, Inc.</p> <p>Apr. 2019 General Manager of Corporate Quality Management Department.</p> <p>Apr. 2021 Executive Officer, General Manager of Corporate Quality Management Department.</p> <p>Apr. 2022 Executive Officer, General Manager of Contact Center Planning Department. Director (part-time), Mitsui Direct General Insurance Company, Limited</p> <p>Apr. 2024 Managing Executive Officer, Mitsui Sumitomo Insurance Company, Limited (present)</p>	—
<p>[Reasons for nomination as candidate for External Director and summary of expected roles]</p> <p>Minako Sakuma has many years of experience and extensive knowledge in financial institutions, in addition to being well versed in the fields of sustainability and DE&I. The Company expects her to contribute to strengthening the Company's management supervision functions from an objective and neutral standpoint, as well as to provide valuable advice based on her experience, and has nominated her as a candidate for External Director.</p>			

- Notes:
- There is no special interest between any of the candidates and the Company.
 - The Company requests approval for the election of Hideyo Nakano, Masaaki Matsunaga, Hikomitsu Noji, and Minako Sakuma as External Directors, with the expectation that they can provide effective advice from their objective viewpoint independent from other Directors and from their expert standpoint based on experience and knowledge as corporate managers, among others. Hideyo Nakano, Masaaki Matsunaga, and Hikomitsu Noji have been appropriately supervising the Company's management.
Hideyo Nakano has been serving as an External Director of the Company since June 2021. At the conclusion of this meeting, her tenure will be four years. Masaaki Matsunaga has been serving as an External Director of the Company since June 2022. At the conclusion of this meeting, his tenure will be three years. Hikomitsu Noji has been serving as an External Director of the Company since June 2024. At the conclusion of this meeting, his tenure will be one year.
 - The Company has submitted notification to Tokyo Stock Exchange, Inc. that Hideyo Nakano, Masaaki Matsunaga, and Hikomitsu Noji have been appointed as independent directors. Additionally, Minako Sakuma satisfies the requirements for an independent director as provided for by Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent director if her election is approved.
 - Pursuant to Article 427, paragraph 1 of the Japanese Companies Act and provisions of the Articles of Incorporation of the Company, the Company has entered into an agreement with each of Hideyo Nakano, Masaaki Matsunaga, and Hikomitsu Noji to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations. Upon approval of the reelection of Hideyo Nakano, Masaaki Matsunaga, and Hikomitsu Noji, the Company plans to continue the same liability limitation agreement with each of them. Upon approval of the election of Minako Sakuma, the Company plans to enter into a similar liability limitation agreement with her.
 - As provided for in Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy, in which the Directors of the Company are insureds, with an insurance company, and the full amount of insurance premiums is borne by the Company. An overview of the details is as follows. The insurance company covers, under this policy, losses that arise through a subject officer, who is an insured, assuming liability related to their execution of duties or through claims pertaining to the pursuit of such liability, and if each candidate assumes office as a Director, each Director will be included as an insured in this policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
 - The number of the Company's shares owned by each candidate includes the number of shares scheduled to be delivered upon retirement pursuant to the performance-linked stock compensation plan introduced in fiscal year 2018. Note that the voting rights attached to the shares scheduled to be delivered pursuant to the Plan are non-exercisable during the period until they are delivered to each candidate in the future. In addition, shares constituting an equivalent of 40% of said shares scheduled to be delivered shall be sold on the market and the proceeds are scheduled to be delivered to each candidate to secure funds for payment of taxes.

Proposal No. 4 Election of Three Directors Who Are Audit and Supervisory Committee Members

When Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. The Company therefore requests approval for the election of three Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Board and the approval of the Nomination and Compensation Committee, a majority of whose members are External Directors, have been obtained for this proposal.

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Gender	Name	Position and responsibility in the Company	Notes
1	Male	Yuji Hirai	Audit and Supervisory Board Member	New Election
2	Male	Masahide Nakamura	External Audit and Supervisory Board Member	New Election External Audit and Supervisory Committee Member Independent Director
3	Male	Kenichi Nakamura	External Audit and Supervisory Board Member	New Election External Audit and Supervisory Committee Member Independent Director

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions external the Company		Number of the Company's shares owned
1	Yuji Hirai (October 5, 1953) New Election	Apr. 1974	Joined the Company	26,900 shares
		Apr. 2008	Executive Officer, Deputy General Manager of Sales Division	
		June 2009	Director, Deputy General Manager of Sales Division	
		June 2013	Managing Director, General Manager of Sales Division	
		Apr. 2018	Managing Director, in charge of Sales Division	
		June 2018	Audit and Supervisory Board Member (present position)	
[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Yuji Hirai has appropriate experience and ability to serve as the Company's Director who is an Audit and Supervisory Committee Member, having abundant experience mainly in the domestic business field and having appropriately carried out effective audits that contribute to the Company's management as a full-time Audit and Supervisory Board Member.				
2	Masahide Nakamura (August 27, 1963) New Election External Audit and Supervisory Committee Member Independent Director	Oct. 2006	General Manager of Credit Department of Mitsubishi UFJ Trust and Banking Corporation	4,041 shares
		May 2012	General Manager of Osaka Branch	
		July 2013	General Manager of Nagano Branch	
		Apr. 2015	General Manager of Shinjuku Branch	
		June 2017	Executive Officer, General Manager of Umeda Branch	
		Apr. 2018	Executive Officer, General Manager of Umeda Branch and Osaka Branch	
		Apr. 2019	Advisor of MU Trust Apple Planning Company, Ltd.	
		June 2019	External Audit and Supervisory Board Member of the Company (present position)	
[Reasons for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and summary of expected roles] Though Masahide Nakamura has never in the past been directly involved in the management of a company, he has many years of experience and extensive knowledge in financial institutions and has conducted effective audits that contribute to the Company's management as a full-time Audit and Supervisory Board Member. The Company has nominated him as a candidate for External Director who is an Audit and Supervisory Committee Member, as it expects him to play a role in conducting audits and supervision.				
3	Kenichi Nakamura (July 9, 1975) New Election External Audit and Supervisory Committee Member Independent Director	Oct. 2002	Joined ChuoAoyama Audit Corporation	831 shares
		Aug. 2007	Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)	
		July 2009	Representative of Kenichi Nakamura CPA Office (currently Kenichi Nakamura CPA & TAX Office) (present position)	
		May 2013	External Audit and Supervisory Board Member of TMS Co., Ltd. (present position)	
		May 2016	Supervisory Director of CRE Logistics REIT, Inc. (present position)	
		June 2024	External Audit and Supervisory Board Member of the Company (present position)	
[Reasons for nomination as candidate for External Director who is an Audit and Supervisory Committee Member and summary of expected roles] Though Kenichi Nakamura has never in the past been directly involved in the management of a company, he has leveraged the specialized knowledge and experience he has cultivated as a certified public accountant and certified public tax accountant to conduct effective audits that contribute to the Company's management. The Company has nominated him as a candidate for External Director who is an Audit and Supervisory Committee Member, as it expects him to play a role in conducting audits and supervision.				

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Masahide Nakamura and Kenichi Nakamura are candidates for External Directors.
 3. Masahide Nakamura and Kenichi Nakamura satisfy the requirements for an independent director as provided for by Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning their designation as independent directors if their election is approved.
 4. Pursuant to Article 427, paragraph 1 of the Japanese Companies Act and provisions of the Articles of Incorporation of the Company, the Company has entered into an agreement with each of Yuji Hirai, Masahide Nakamura, and Kenichi Nakamura to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations. Upon approval of their election, the Company plans to continue a similar liability limitation agreement with them.
 5. As provided for in Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy, in which the Directors and Audit and Supervisory Board Members of the Company are insureds, with an insurance company, and the full amount of insurance premiums is borne by the Company.
An overview of this policy is as follows. The insurance company covers, under this policy, losses that arise through a subject officer, who is an insured, assuming liability related to his or her execution of duties or through claims pertaining to the pursuit of such liability, and if each candidate assumes office as a Director who is an Audit and Supervisory Committee Member, he or she will continue to be included as an insured in this policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 5 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Therefore, the Company requests approval for the election of one substitute Director who is an Audit and Supervisory Committee Member in the event that the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations.

The consent of the Audit and Supervisory Board and the approval of the Nomination and Compensation Committee, a majority of whose members are External Directors, have been obtained for this proposal.

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

The validity of the election of Megumi Yasuda can be nullified by resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that it is only in a time before assuming office.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions external the Company	Number of the Company’s shares owned
Megumi Yasuda (January 21, 1973) External Director Independent Director	<p>Oct. 1999 Joined Chuo Audit Corporation</p> <p>Apr. 2004 Registered as a certified public accountant</p> <p>Sept. 2006 Joined PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)</p> <p>July 2008 Joined Seisen Audit Corporation</p> <p>July 2016 Director of Megumi Yasuda Certified Public Accountant Office (present position)</p> <p>June 2021 Audit & Supervisory Board Member of Soken Chemical & Engineering Co., Ltd. (present position)</p> <p>Apr. 2023 Visiting Associate Professor, Department of Accounting and Finance, Faculty of Global Business, Showa Women’s University (present position)</p> <p>Sept. 2023 External Audit & Supervisory Board Member of The Monogatari Corporation (present position)</p> <p>June 2024 External Director (Audit and Supervisory Committee Member) of Avex Inc. (present position)</p> <p>Apr. 2025 Adjunct Lecturer, Department of Business Administration, Faculty of Economics, Meiji Gakuin University (present position)</p>	—
<p>[Reasons for nomination as candidate for substitute External Director who is an Audit and Supervisory Committee Member and summary of expected roles]</p> <p>Though Megumi Yasuda has never in the past been directly involved in the management of a company, the Company believes that she can appropriately fulfill her duties as a Director who is an Audit and Supervisory Committee Member as she has sufficient knowledge regarding auditing operations due to being well versed in corporate accounting as certified public accountant.</p>		

- Notes:
1. There is no special interest between Megumi Yasuda and the Company.
 2. Megumi Yasuda is a candidate for substitute External Director who is an Audit and Supervisory Committee Member.
 3. If Megumi Yasuda assumes office as an External Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with her to limit her liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to Article 427, paragraph 1 of the same Act and provisions of the Articles of Incorporation of the Company. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
 4. As provided for in Article 430-3, paragraph 1 of the Companies Act, the Company plans to enter into a directors and officers liability insurance policy with the Company’s Directors who are Audit and Supervisory Committee Members as insureds with an insurance company, and the full amount of insurance premiums is planned to be borne by the Company. An overview of this policy is as follows. The insurance company covers, under this policy, losses that arise through a subject officer, who is an insured, assuming liability related to their execution of duties or through claims pertaining to the pursuit of such liability, and if the candidate assumes office as a Director who is an Audit and Supervisory Committee Member, the Director who is an Audit and Supervisory Committee Member will be included as an insured in this policy.

5. Megumi Yasuda satisfies the requirements for an independent director as provided for by Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent director if she assumes office as an External Director who is an Audit and Supervisory Committee Member.

(Reference) Skill Matrix if the Proposals No. 3 and No. 4 are approved as originally proposed

Directors (excluding Directors who are Audit and Supervisory Committee Members)

Candidate No.	Gender	Name	Classification	Corporate Management and ESG	Sales and Marketing	Organizational Human Resources Strategy	Global Experience	Technological Innovation	Risk Management and Compliance	Finance and Accounting
1	Male	Hajime Hosoi*	Internal Director	•	•	•	•		•	
2	Male	Yasuharu Kobayashi*	Internal Director	•	•	•			•	•
3	Male	Michihiro Yonezawa	Internal Director		•		•	•		
4	Male	Masahiro Kai	Internal Director		•			•		
5	Female	Hideyo Nakano*	External Director	•	•		•		•	•
6	Male	Masaaki Matsunaga*	External Director	•	•	•	•		•	•
7	Male	Hikomitsu Noji*	External Director	•	•	•	•	•	•	
8	Female	Minako Sakuma*	External Director	•		•		•	•	

Directors who are Audit and Supervisory Committee Members

Candidate No.	Gender	Name	Classification	Corporate Management and ESG	Sales and Marketing	Organizational Human Resources Strategy	Global Experience	Technological Innovation	Risk Management and Compliance	Finance and Accounting
1	Male	Yuji Hirai	Internal Director		•			•	•	
2	Male	Masahide Nakamura	External Director			•		•	•	•
3	Male	Kenichi Nakamura	External Director	•					•	•

* Is a member of the Nomination and Compensation Committee.

Proposal No. 6 Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

With regard to the amount of remuneration for Directors of the Company, it was approved at the 122nd Annual General Meeting of Shareholders held on June 27, 2018, that the annual amount shall be not more than ¥550 million (of which, up to ¥50 million per year is allocated for External Directors), and this remains in effect to this day.

The Company will transition to a Company with an Audit and Supervisory Committee, conditional upon the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

With regard to the transition to a Company with an Audit and Supervisory Committee, the Company proposes to abolish the current provision on the remuneration for Directors and set a new remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members). Taking into account various factors such as the economic situation, it is proposed that the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be not more than ¥560 million per year (of which, up to ¥60 million per year is allocated for External Directors).

The policy for determining the details of individual remuneration for the Company’s Directors is as stated in the Business Report (on pages 40 to 41 of this Notice of Convocation; in Japanese). After transitioning to a Company with an Audit and Supervisory Committee, it is planned that the policy for Directors (excluding Directors who are Audit and Supervisory Committee Members) will generally remain the same. The amount of remuneration in this proposal is determined to be reasonable because the Company pays fixed remuneration and performance-linked remuneration based on the revised policy, and because the Nomination and Compensation Committee, the majority of whose members are External Directors, has reported that it is appropriate. The remuneration amount does not include the portion of employee salaries of directors who concurrently serve as employees.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and passed as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be eight (including four External Directors).

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

Proposal No. 7 Determination of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a Company with an Audit and Supervisory Committee, conditional upon the approval and passing of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.” With regard to the transition to a Company with an Audit and Supervisory Committee, taking into account the duties and responsibilities of Directors who are Audit and Supervisory Committee Members, the Company proposes that the remuneration amount for these Directors be set at not more than ¥110 million per year.

The amount of remuneration in this proposal is determined to be reasonable because it is set at a rational level considering the responsibilities of Directors who are Audit and Supervisory Committee Members and the remuneration levels of other Directors (excluding Directors who are Audit and Supervisory Committee Members), and because the Nomination and Compensation Committee, the majority of whose members are External Directors, has reported that it is appropriate.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” and Proposal 4 “Election of Three Directors Who Are Audit and Supervisory Committee Members,” are approved and passed as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three.

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

Proposal No. 8 Determination of Amount and Content of Performance-Linked Stock Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and External Directors)

1. Reason for the proposal and reasons why said compensation is appropriate

The Company received the approval of shareholders at the 122nd Annual General Meeting of Shareholders held on June 27, 2018 for a performance-linked stock compensation plan (hereinafter the “Plan”) for Company Directors (excludes External Directors and non-residents in Japan), which was subsequently introduced. Additionally, at the 125th Annual General Meeting of Shareholders held on June 25, 2021, the Company obtained shareholders’ approval for a partial revision of this Plan, and this remains in effect to this day.

The Company requests approval to amend the scope of this Plan’s beneficiaries to Directors (excluding Directors who are Audit and Supervisory Committee Members, External Directors, and non-residents in Japan; hereinafter “Eligible Directors” in this proposal) and to continue the Plan by setting a new compensation limit for Eligible Directors based on this Plan, provided that Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, which will enable the Company to transition to a Company with an Audit and Supervisory Committee. This compensation limit will be set separately from the remuneration limit we are requesting approval for in Proposal No. 6 “Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” similar to the existing compensation limit under the current Plan. The purpose of the Plan is to raise the motivation of Eligible Directors to contribute to the Group’s sustainable growth and to increasing medium- to long-term corporate value, and it is considered to be reasonable. Additionally, the Company has established a policy for determining the details of individual remuneration for Directors at the Board of Directors. In line with the transition to a Company with an Audit and Supervisory Committee, necessary amendments to this policy are planned. The content of this proposal is deemed necessary and reasonable in light of the aforementioned policy.

If Proposal No. 3 “Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved and passed as originally proposed, the number of Eligible Directors will be four.

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

2. Amount and content of compensation under the Plan

(1) Details of the Plan

The Plan is a stock compensation plan under which the Company’s shares shall be acquired by a trust using compensation for Eligible Directors that will be contributed by the Company as funds, and the Company’s shares etc. shall be granted to Eligible Directors through the Trust (Details are as presented below in (2) onward.).

(i) Individuals for delivery of the Company’s shares subject to this proposal	• Directors (excluding Directors who are Audit and Supervisory Committee Members, External Directors, and non-residents in Japan)
(ii) Effect of the Company’s shares subject to this proposal on the total number of shares issued	
Maximum amount of money to be contributed by the Company	• The maximum amount of money to be contributed during the three fiscal years is a total of ¥310 million
Maximum number of the Company’s shares etc. to be delivered from the Trust to Eligible Directors and the method of acquiring the Company’s shares	• The maximum total number of points (number of shares) to be granted to Eligible Directors during the three fiscal years is 195,000 points (shares), which is an average of 65,000 points (shares) per fiscal year equivalent to roughly 0.3% of total shares issued (as of March 31, 2025, excluding treasury shares). • The Company’s shares are planned to be acquired from the Company (disposal of treasury shares) or the stock market.

(iii) Details of conditions for achieving performance targets	<ul style="list-style-type: none"> • Performance-linked points vary in the range between 0 and 200%, depending on the degree of achievement of performance targets for each fiscal year of the applicable period • Indicators for evaluating the degree of achievement of performance targets etc. are consolidated net sales, consolidated operating profit, consolidated OPM, ROE, etc.
(iv) Timing of delivery of the Company's shares to Eligible Directors	<ul style="list-style-type: none"> • Upon retirement

(2) Maximum amount of money to be contributed by the Company

The Plan applies to three consecutive fiscal years (from the fiscal year ended March 31, 2025 through the fiscal year ending March 31, 2027) and if the entrustment period is extended, the applicable period will be the three fiscal years after that (hereinafter the “applicable period”), and the maximum amount of money to be contributed for compensation to Eligible Directors for each applicable period is a total of ¥310 million, and a trust with an entrustment period of three years (hereinafter the “Trust”) shall be established for Eligible Directors who satisfy beneficiary requirements as beneficiaries, into which money shall be contributed (including extension of the entrustment period of the Trust in the second paragraph of (2). Same applies below.). The Trust shall acquire the Company's shares from the Company (disposal of treasury shares) or the stock market using the entrusted money as a source of funds in accordance with the instructions of the trust administrator. During the entrustment period, the Company will award points to Eligible Directors (as described in (3) below), and the Trust will deliver the Company's shares when Eligible Directors satisfy beneficiary requirements.

After the end of the applicable period covered by the Trust, the Trust may be continued by changing the trust agreement and by making an additional trust instead of establishing a new Trust. In that case, the entrustment period of the Trust will be extended by three years, and the three fiscal years following the extension shall be the new applicable period. The Company will make additional contributions within a total of ¥310 million for each new applicable period, and it will continue to award points to Eligible Directors during the extended entrustment period, and the Trust will continue to deliver the Company's shares etc. during the extended entrustment period. However, in the case of making such additional contributions, if there are the Company's shares remaining in the trust property at the time of the change of the trust agreement (excluding the Company's shares equivalent to points granted to Eligible Directors that have not yet been delivered) and money (hereinafter “remaining shares etc.”), the total amount of the remaining shares etc. and trust funds to be additionally contributed shall be within ¥310 million. The extension of the entrustment period is not limited to one time, and the entrustment period of the Trust may be similarly extended thereafter.

At the expiration of the entrustment period of the Trust, if the trust agreement is not changed and an additional trust is not established, and if there are Eligible Directors who potentially satisfy beneficiary requirements, thereafter, granting points to Eligible Directors will no longer be conducted. However, when said Eligible Directors retire, and the delivery of the Company's shares to said Eligible Directors concludes, or 10 years pass from the expiration of the entrustment period, whichever comes first, the entrustment period of the Trust can be extended.

(3) Calculation method and maximum number of the Company's shares etc. to be delivered to Eligible Directors

The Company's shares to be delivered to Eligible Directors are determined to be 1 share per 1 point according to the cumulative value of points (hereinafter “cumulative number of points”) from below fixed points and performance-linked points awarded during his or her term in office. In the event of a stock split or stock consolidation of the Company's shares during the entrustment period, the number of the Company's shares per one point shall be adjusted according to the split ratio or consolidation ratio.

<Rules for awarding points>

For the amount of stock-based compensation for Eligible Directors each year set according to position etc., 50% is set as fixed points, out of the number obtained by dividing by the 1-month average stock price for

the Company's shares in the month of March each year, and 50% is granted as performance-linked points (*1) (*2), by multiplying the value for each fiscal year during the applicable period by the performance-linked coefficient according to the degree of achievement of targets (which shall vary within the range of 0% to 200%), which shall be respectively added cumulatively.

- (*1) Performance targets for each fiscal year during the applicable period are consolidated net sales, consolidated operating profit, consolidated OPM, ROE, etc.
- (*2) For Eligible Directors who retire midway through a fiscal year, the performance-linked coefficient shall be determined based on the degree of achievement of targets for the fiscal year immediately prior.

The total maximum number of points to be granted to Eligible Directors during the three fiscal years shall be 195,000 points. This maximum number of points was set taking into account the above (2) maximum amount of money to be entrusted, with reference to the latest stock price, etc.

(4) Timing of delivery of the Company's shares to Eligible Directors

An Eligible Director who satisfies the beneficiary requirements shall receive delivery of the Company's shares etc. after said Eligible Director retires (excluding upon death), equivalent to the cumulative number of points calculated based on (3) above. At such time, said Eligible Director shall receive delivery of the Company's shares equivalent to 60% of said cumulative number of points (rounded down to the nearest full unit), and the remainder shall be converted into cash within the Trust, and he or she shall receive a monetary payment of an amount equivalent to the conversion. However, if said Eligible Director does not have a securities account for handling Japanese stocks, all cumulative points shall be converted into cash within the Trust, and he or she shall receive monetary.

If an Eligible Director dies, the number of the Company's shares corresponding to the cumulative number of points calculated at that time shall be converted into cash within the Trust, and the legal heir of said Eligible Director shall receive monetary payment of an amount equivalent to the converted proceeds. In addition, if an Eligible Director is posted overseas, the Company's shares corresponding to the cumulative number of points calculated at that time shall be converted into cash within the Trust, and said Eligible Director shall receive monetary payment of an amount equivalent to the converted proceeds. Also, if the entrustment period described in the third paragraph of (2) above is extended and the person subject to The Plan is still a Director at the end of the extension period, the Trust will be terminated at that point, and the Company's shares etc. shall be delivered while said Eligible Director is in office.

(5) Exercise of voting rights related to the Company's shares held in the Trust

The voting rights of the Company's shares held in the Trust shall not be exercised during the entrustment period in order to ensure management neutrality.

(6) Treatment of dividends of the Company's shares held by the Trust

Dividends paid for the Company's shares held in the Trust will be used for trust compensation fees and expenses of the Trust after the Trust receives them.

(7) Other details of the Plan

Other details regarding the Plan shall be determined by the Board of Directors each time the Trust is established, the trust agreement is changed, and additional contributions are made to the Trust.

Business Report

(From April 1, 2024 to March 31, 2025)

1. Current Status of the Corporate Group

(1) Business Progress and Results

During the consolidated fiscal year ended March 31, 2025, while the Japanese economy experienced a moderate recovery trend due to improvement in employment and income environments and rising demand from inbound tourism, an uncertain outlook has continued to prevail, including the geopolitical risks in Ukraine and the Middle East, and rising prices of raw materials and resources.

In the fire prevention and security system industries, the risks that have a negative impact on earnings, such as compliance with overtime work limits, an increase in labor costs, and rising raw material prices and logistics costs, have become apparent.

Under these circumstances, the Group launched the new Medium-to-Long-Term Management Plan “GLOBAL VISION 2030” and promoted sales activities on a company-wide basis. In the Domestic Business, in addition to refurbishment/retrofit installations and maintenance proceeding smoothly, price revisions for products and installation costs also contributed to business performance. In the Overseas Business, despite weak sales in the North American region, overall sales remained firm due to the impact of exchange rates and growth in the European and Southeast Asian regions. As a result, the order received increased to ¥100,572 million (up 6.6% year on year) and net sales increased to ¥100,900 million (up 7.9% year on year). As for profit, the selling, general and administrative expenses increased due to factors such as the execution of development investment and reinvigorating of recruitment activities based on the management plan, and improvement in working conditions reflecting rising prices. However, due to an increase in the sales of highly profitable refurbishment/retrofit installations and maintenance, as well as the promotion of order-taking activities, conscious of the cost of sales ratio, the Group recorded an operating profit of ¥9,553 million (up 29.5% year on year), an ordinary profit of ¥9,736 million (up 25.1% year on year), and a profit attributable to owners of parent of ¥7,650 million (up 35.1% year on year), which all reached record highs.

The overview of each segment is as follows.

In conjunction with the promotion of capital profitability through optimization of our business portfolio in the new Medium-To-Long-Term Management Plan “GLOBAL VISION 2030,” from the consolidated fiscal year ended March 31, 2025, the reporting segments that had previously been “Fire Prevention Business” and “Information and Communication Business” were reclassified as “Fire Alarm Systems,” “Maintenance,” “Fire Extinguishing Systems,” and “Security Systems.”

The segment information for the previous consolidated fiscal year is presented based on the revised reporting segment classification.

(Fire Alarm Systems)

The expansion of the domestic Refurbishment/Retrofit and Overseas businesses resulted in orders received totaling ¥63,280 million (up 11.4% year on year), net sales of ¥62,486 million (up 9.1% year on year), and segment profit (operating profit) of ¥8,974 million (up 24.7% year on year).

(Maintenance)

As a result of efforts to steadily increase the backlog of regular inspections and obtain orders for improvement work, orders received amounted to ¥21,119 million (up 4.3% year on year), net sales were ¥21,085 million (up 5.6% year on year), and segment profit (operating profit) was ¥5,044 million (up 14.3% year on year).

(Fire Extinguishing Systems)

Taking into account the installation workload and promoting sales activities with a focus on cost ratios, orders received amounted to ¥10,115 million (down 8.9% year on year), net sales were ¥11,179 million

(up 11.1% year on year), and segment profit (operating profit) was ¥1,607 million (up 53.0% year on year).

(Security Systems)

In addition to conducting sales activities with consideration of the installation workload, the decrease in the volume of OEM supplies sold resulted in orders received totaling ¥6,057 million (down 1.8% year on year) and net sales of ¥6,149 million (down 0.3% year on year). However, due to the revised pricing of products and installation costs, segment profit (operating profit) increased to ¥634 million (up 69.2% year on year).

Order Received and Net Sales by Business Segment

By Business Segment	Order Received			Net Sales		
	FY3/2024	FY3/2025	YoY Change	FY3/2024	FY3/2025	YoY Change
	¥ million	¥ million	%	¥ million	¥ million	%
Fire Alarm Systems	56,808	63,280	111.4	57,289	62,486	109.1
Maintenance	20,249	21,119	104.3	19,968	21,085	105.6
Fire Extinguishing Systems	11,099	10,115	91.1	10,061	11,179	111.1
Security Systems	6,171	6,057	98.2	6,165	6,149	99.7
Total	94,327	100,572	106.6	93,485	100,900	107.9

(2) Issues to be Addressed

The circumstances surrounding the Group remain uncertain due to the geopolitical risks in Ukraine and the Middle East, rising prices of raw materials and resources, compliance with restrictions on overtime work, the impact of the Trump administration's tariff policies on other countries, and other factors.

Under these circumstances, the Group has outlined its Medium- to Long-Term Management Plan "GLOBAL VISION 2030" to further contribute to the enhancement of its corporate value and to a sustainable society. With the Vision we want to realize being "Creating Life Safety worldwide through the power of people and technology," we will aim to solve social issues through our business activities, with the desire to provide a safe and comfortable life and lifestyle for people around the world, while maintaining the core mission of "protecting people's lives and properties from fire."

(Management Goals)

We will steadily carry out business investments for the future and aim to improve the operating profit margin and maintain ROE by promoting structural reforms to enhance profitability.

Target Indicators FY3/2026 (Consolidation)	Net sales	¥100.9 billion
	Operating profit	¥10.0 billion
	Operating profit margin	9.9%
	ROE	11.7%

(Prioritized Policies)

(1) Improvement of Return on Capital by Optimizing a Business Portfolio

We will position our business portfolio to optimize business structures and the allocation of management resources at the core of group management, and, in accordance with the assessment through ROIC, by enhancing the value of each individual business and linking those businesses, we will work to

improve profitability for business as a whole. In addition, we are moving forward with the development of an administration system that enables strategic investment decisions, which we will link to growth investments for the future. As our growth strategy, we will regard “overseas,” “renovation,” and “maintenance” as our focus areas, and implement priority measures aimed at “expanding system sales overseas,” “enhancing capability to address renovation demand in line with the building life cycle,” and “expanding maintenance operations as the foundation for our relationship with customers.”

(2) Promotion of Human Capital Management

We will, based on the Behavioral Guidelines of “good faith,” “passion and challenge” and “teamwork,” implement measures to evolve our personnel system and personnel training system into systems that enable our employees all over the world with diverse individuality and ability to play an active role, so that each employee can grow with work satisfaction.

We will promote the “rebuilding of a personnel system that fosters work satisfaction and growth of each employee,” “provision of training opportunities that support personal career development and improvement of organizational competitiveness,” and “creation of an environment that fosters various forms of teamwork,” and aim to maximize the value of human capital to build a human resource portfolio linked with management strategy.

(3) Promotion of Innovation by DX

By promoting further efficiency of business processes through the effective use of digital technologies, we will enhance productivity at various sites that support existing businesses, and also strive to create new value in a business field that exceeds the conventional framework for fire prevention solutions.

The Group has been developing its business globally pursuant to its management philosophy of providing “Safety for All,” “Quality and Value,” and “Community Welfare.” As a manufacturer, the Group has been enhancing its “manufacturing ability” in the mid- and long-term perspectives, including by strengthening its basic research and elemental technology development for the future. In addition, in order to provide high-quality and cost-competitive products with an appropriate delivery time, the Group has established a system for global supply chains.

Moreover, towards the achievement of a sustainable society, the Group will strive to strengthen its market presence and enhance its corporate value by improving highly transparent corporate governance and proceeding with measures for prevention of global warming in accordance with the “Group’s ESG Basic Policy.”