

Note: This document is a partial translation of the Japanese original provided for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Securities Code: 6920

September 4, 2025

To Our Shareholders:

Tetsuya Sendoda
Representative Director
President & Chief Executive Officer
Lasertec Corporation
2-10-1 Shin-yokohama, Kohoku-ku,
Yokohama, Kanagawa, Japan

Notice of the 63rd Ordinary General Meeting of Shareholders

The 63rd Ordinary General Meeting of Shareholders of Lasertec Corporation (the “Company”) will be held as indicated below.

Upon the issuance of this notice of Ordinary General Meeting of Shareholders, the content of Reference Documents and others will be provided electronically via the Internet on the websites listed below.

The Company’s website:

<https://www.lasertec.co.jp/en/ir/stock/session.html>

Website where the documents related to Ordinary General Meeting of Shareholders are posted:

<https://d.sokai.jp/6920/teiji/> (in Japanese)

The Tokyo Stock Exchange website (Listed Company Search):

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

To access the documents from the Tokyo Stock Exchange website above, enter “Lasertec Corporation” for the issue name (company name) or “6920” for the stock code and click the Search button. On the results page, click “Basic information” and select “Documents for public inspection/PR information” and “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

If you are unable to attend the meeting in person, please exercise your voting rights in writing or via the Internet. After reviewing the Reference Documents for the General Meeting of Shareholders, please exercise your voting rights either by indicating your approval or disapproval in the enclosed voting form and returning it or by entering your approval or disapproval using the voting website designated by the Company (<https://www.web54.net>) so that the Company receives your vote by 5:30 p.m. on Thursday, September 25, 2025.

1. Date and Time Friday, September 26, 2025, at 2:00 p.m. (Reception desk opens at 1:00 p.m.)

2. Venue Shin Yokohama Prince Hotel, 5th floor, Sinfonia room
3-4 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, Japan

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 63rd fiscal year (from July 1, 2024, to June 30, 2025), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 63rd fiscal year (from July 1, 2024, to June 30, 2025)

Matters to be resolved

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Eight (8) Directors

Proposal No. 3 Payment of Bonuses to Directors

Proposal No. 4 Introduction of Restricted Stock Unit Plan and Revision of Restricted Stock Compensation Plan for Directors

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 Company's basic policy concerning dividends is to flexibly pay dividends based on performance, with a dividend payout ratio of 35% being the guideline on a consolidated basis.

Following this basic policy, the Company proposes to pay year-end dividends for the fiscal year under review as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property and total amount thereof

¥214 per common share of the Company

Total amount: ¥19,300,736,612

(3) The effective date of dividends of surplus

September 29, 2025

Proposal No. 2 Election of Eight (8) Directors

The terms of office of all eight Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of eight Directors, including four Outside Directors.

The candidates for Director are as follows:

Candidate No.	Name	Gender	Current Position in the Company	Candidate Attributes
1	Osamu Okabayashi	M	Director, Chairman & Executive Officer	Reappointment
2	Haruhiko Kusunose	M	Director, Vice Chairman & Executive Officer	Reappointment
3	Tetsuya Sendoda	M	Representative Director, President & Chief Executive Officer	Reappointment
4	Atsushi Tajima	M	Director, Managing Executive Officer	Reappointment
5	Koji Mihara	M	Outside Director	Reappointment Outside Independent
6	Yoshiko Iwata	F	Outside Director	Reappointment Outside Independent
7	Miyuki Ishiguro	F	Outside Director	Reappointment Outside Independent
8	Takashi Yuri	M	Outside Director	Reappointment Outside Independent

Reappointment Candidate for Reappointed Director

Outside Candidate for Outside Director

Independent To be appointed as Independent Officer as provided for by the Stock Exchange

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
1	Osamu Okabayashi (May 16, 1958) Reappointment	July 2001 Joined Lasertec Corporation	83,530
		Jan. 2002 General Manager, Sales Department	
		Sept. 2003 Director	
		Mar. 2005 President, Lasertec U.S.A., Inc.	
		Sept. 2005 Managing Director	
		Sept. 2005 President, Lasertec Korea Corp.	
		July 2006 Chief Sales Officer	
		Sept. 2007 Representative Director and Managing Executive Officer	
		Jan. 2008 Executive Vice President & Representative Director	
		July 2009 President & Representative Director	
		Sept. 2022 Representative Director, President & Chief Executive Officer	
		July 2024 Representative Director, Chairman & Executive Officer	
		Sept. 2024 Director, Chairman & Executive Officer (current)	
		(Areas of Responsibility) Corporate Planning and Control Department, Export and Safety Compliance Planning Office, Compliance	
		(Significant Concurrent Positions outside the Company) Director, Lasertec U.S.A., Inc. Director, Lasertec Korea Corp. Director, Lasertec Taiwan, Inc. Director, Lasertec China Co., Ltd. Director, Lasertec Singapore Pte. Ltd.	
		(Reasons for nomination as candidate for Director) Since joining the Company, Osamu Okabayashi has engaged in sales promotion and managed a department before assuming the office of Director in September 2003. Since becoming a Director, he has broadened his knowledge of management, and has served the office of Representative Director and President for many years since July 2009. From September 2024, he is promoting management reform as Director, Chairman & Executive Officer. He is nominated for Director because the Company expects that his abundant experience and knowledge will contribute to the further sustainable growth of the Group.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
2	Haruhiko Kusunose (October 26, 1958) <u>Reappointment</u>	April 1995 Joined Lasertec Corporation	83,530
		Jan. 1998 General Manager, Technology Department II	
		Mar. 2001 General Manager, Engineering Department II	
		Sept. 2001 Director	
		Sept. 2003 Managing Director	
		Sept. 2003 General Manager, R&D Department	
		July 2005 General Manager, Technical Activities Promotion Office	
		July 2006 General Manager, Operation Division I and General Manager, Semiconductor Group I	
		Sept. 2007 Director and Managing Executive Officer	
		July 2009 Chief Technology Officer	
		Sept. 2009 Executive Vice President & Representative Director	
		July 2014 General Manager, Marketing Department	
		Dec. 2014 General Manager, Advanced Technology Development Office	
		Aug. 2021 Chairman of the Board of Directors	
		Sept. 2022 Director, Chairman & Executive Officer	
		July 2024 Director, Vice Chairman & Executive Officer (current)	
		(Areas of Responsibility) HR and General Affairs Department, Advanced Development Office, Production Administration Department	
		(Significant Concurrent Positions outside the Company) Director, Lasertec U.S.A., Inc. Director, Lasertec Korea Corp. Director, Lasertec Taiwan, Inc. Director, Lasertec China Co., Ltd. Director, Lasertec Singapore Pte. Ltd.	
		(Reasons for nomination as candidate for Director) Since joining the Company, Haruhiko Kusunose has engaged in technology development and managed departments before assuming the office of Director in September 2001. Since becoming a Director, he has broadened his knowledge of management, and has served the office of Executive Vice President & Representative Director for many years since September 2009. From July 2024, he is engaged in the effort to strengthen the Company's technology development and production infrastructure as Director, Vice Chairman & Executive Officer. He is nominated for Director because the Company expects that his abundant experience and knowledge will contribute to the further sustainable growth of the Group.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
3	Tetsuya Sendoda (April 26, 1977) Reappointment	Jan. 2008 Joined Lasertec Corporation	9,982
		June 2020 General Manager, Technology Department 2	
		July 2022 Sales Officer; General Manager, Technology Department 2; and General Manager, Solution Sales Department I	
		Sept. 2022 Executive Officer; Sales Officer; General Manager, Technology Department 2; and General Manager, Solution Sales Department I	
		April 2023 Executive Officer; Sales Officer; and General Manager, Solution Sales Department I	
		Sept. 2023 Director, Vice President & Executive Officer Chief Sales Officer	
		July 2024 Representative Director, President & Chief Executive Officer (current) Chief Sales Officer (current)	
		(Areas of Responsibility) Auditing Office, Sales Division, Technology Department 2, Quality Assurance Department	
		(Significant Concurrent Positions outside the Company) Director, Lasertec U.S.A., Inc. Director, Lasertec Korea Corp. Director, Lasertec Taiwan, Inc. Director, Lasertec China Co., Ltd. Director, Lasertec Singapore Pte. Ltd.	
		(Reasons for nomination as candidate for Director) Since joining the Company, Tetsuya Sendoda has engaged in technology development and managed departments before assuming the office of Executive Officer in September 2022, Director, Vice President & Executive Officer in September 2023, and Representative Director, President & Chief Executive Officer in July 2024. He is well-versed in mask inspection equipment, one of the Company's mainstay products, has in-depth knowledge about customers in Japan and abroad, and has accumulated various experience through communication with them in his sales efforts. He is nominated for Director because the Company expects that his abundant knowledge, experience and strong leadership will contribute to the Company's sustainable growth and the promotion of a management structure for the next generation.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
4	Atsushi Tajima (January 11, 1978) <u>Reappointment</u>	Jan. 2004 Joined Lasertec Corporation	10,055
		Feb. 2020 General Manager, Technology Department 3	
		Nov. 2021 Technology Officer and General Manager, Technology Department 3	
		July 2022 Technology Officer	
		Sept. 2022 Executive Officer and Technology Officer	
		April 2023 Executive Officer; Technology Officer; and General Manager, Technology Department 5	
		Sept. 2023 Director, Executive Officer	
		Jan. 2024 Director, Executive Officer & Chief Technology Officer	
		July 2024 Director, Managing Executive Officer, and Chief Technology Officer (current)	
		(Areas of Responsibility) Technology Division, DX Planning Department, Customer Engineering Department, Information Security	
		(Significant Concurrent Positions outside the Company) Director, Lasertec U.S.A., Inc. Director, Lasertec Korea Corp. Chairman, Lasertec Taiwan, Inc. Chairman, Lasertec China Co., Ltd. Director, Lasertec Singapore Pte. Ltd.	
		(Reasons for nomination as candidate for Director) Since joining the Company, Atsushi Tajima has engaged in technology development and managed departments before assuming the office of Executive Officer in September 2022, Director, Executive Officer in September 2023, and Director, Managing Executive Officer in July 2024. He has a wide range of knowledge and understanding about the Company's various technologies and experience in new business areas. He is nominated for Director because the Company expects that his abundant experience and knowledge will contribute to technology enhancement and new business development necessary for the Company's sustainable growth.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
5	Koji Mihara (December 4, 1958) Reappointment Outside Independent	April 1985 Joined Sony Corporation (currently Sony Group Corporation)	0
		June 2005 Representative Director, MYNUAGES Co., Ltd. (current)	
		April 2012 Associate Professor, Faculty of Informatics, Shizuoka Institute of Science and Technology Visiting Professor, the Nagoya University of Commerce and Business Graduate School	
		April 2017 Professor, Department of Management Information Science, Faculty of Social Systems Science, Chiba Institute of Technology	
		April 2020 Professor, School of Creative Science and Engineering, Waseda University (current)	
		Sept. 2020 Outside Director, Lasertec Corporation (current)	
		(Significant Concurrent Positions outside the Company) Professor, School of Creative Science and Engineering, Waseda University (Reason for Nomination as Outside Director and Outline of Expected Role) Koji Mihara has years of experience in planning management, factory operation, and other fields at business enterprises. Mr. Mihara is currently engaged in education in the field of management system engineering. He is nominated for Outside Director because the Company expects his experience and wide-ranging knowledge to be reflected in its management. His expected role is to give beneficial opinions based on his professional knowledge in academia and experience in business enterprises to enhance the management oversight function of the Board and to vitalize the Board.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
6	Yoshiko Iwata (July 15, 1956) Reappointment Outside Independent	April 1979 Joined Bank of America, Tokyo Branch	0
		June 1989 Joined Visa International	
		Jan. 1992 Joined Dewe Rogerson Japan	
		Nov. 1994 Joined Technimetrics (currently Thomson Reuters), Tokyo Subsidiary	
		Feb. 2001 Joined J-Eurus IR Co., Ltd.	
		May 2001 Representative Director, J-Eurus IR Co., Ltd.	
		Nov. 2014 Outside Director, Yamato International Inc.	
		June 2021 Outside Director, SMC Corporation (current)	
		June 2021 Outside Director, Fund Corporation for the Overseas Development of Japan's ICT and Postal Services, Inc.	
		Sept. 2022 Outside Director, Lasertec Corporation (current)	
		April 2023 Chairperson, Member of the Board, J-Eurus IR Co., Ltd. (current)	
		(Significant Concurrent Positions outside the Company) Chairperson, Member of the Board, J-Eurus IR Co., Ltd. Outside Director, SMC Corporation	
		(Reason for Nomination as Outside Director and Outline of Expected Role) Yoshiko Iwata has years of experience in corporate governance and IR consulting, abundant international experience, and management experience and knowledge. She is nominated for Outside Director because the Company expects her expert knowledge and abundant experience to be reflected in its management. She is expected to offer beneficial advice and insights from a neutral, objective perspective based on her experience in corporate governance and her knowledge accumulated through dialogues with investors in Japan and abroad to enhance the management oversight function of the Board and to improve management transparency.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
7	Miyuki Ishiguro (October 26, 1964) Reappointment Outside Independent	April 1991 Registered as attorney at law (Tokyo Bar Association) Joined Tsunematsu Yanase & Sekine	0
		Jan. 1999 Partner, Tsunematsu Yanase & Sekine	
		Jan. 2000 Partner, Nagashima Ohno & Tsunematsu (current)	
		June 2006 Outside Director, Sony Communication Network Corporation (currently Sony Network Communications Inc.)	
		June 2013 Outside Director, Miraca Holdings Inc. (currently H.U. Group Holdings, Inc.)	
		Sept. 2016 Outside Audit & Supervisory Board Member, Lasertec Corporation	
		June 2017 Outside Audit & Supervisory Board Member, Benesse Holdings, Inc.	
		April 2018 Vice President, Tokyo Bar Association	
		June 2023 Outside Director, Nomura Holdings, Inc. (current)	
		April 2024 President, Inter-Pacific Bar Association (IPBA) (current)	
		Sept. 2024 Outside Director, Lasertec Corporation (current)	
		(Significant Concurrent Positions outside the Company) Partner, Nagashima Ohno & Tsunematsu Outside Director, Nomura Holdings, Inc.	
		(Reason for Nomination as Outside Director and Outline of Expected Role) Miyuki Ishiguro has extensive experience as an attorney at law, including as President of the Inter-Pacific Bar Association (IPBA) in the past and also as a Partner at the law firm Nagashima Ohno & Tsunematsu currently. She is nominated as Outside Director because the Company expects her experience and knowledge to be reflected in its management. She is expected to offer beneficial advice and insights from a neutral, objective perspective based on her abundant experience, deep expertise, and professional knowledge as an attorney at law to enhance the management oversight function of the Board and to improve management transparency.	

Candidate No.	Name (Date of Birth)	Career Summary, and Positions and Responsibilities in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
8	Takashi Yuri (September 24, 1960) Reappointment Outside Independent	April 1983 Joined Nichimen Corporation (currently Sojitz Corporation)	0
		June 1987 Seconded to TechMatrix Corporation	
		Mar. 1998 Director, TechMatrix Corporation	
		April 2000 President and CEO, TechMatrix Corporation Director, FinancialCAD Corporation	
		July 2004 Representative Director, President, and CEO, TechMatrix Corporation	
		Aug. 2007 Executive member, Ichigo LLC	
		Sept. 2007 Director, CROSS HEAD	
		Aug. 2009 Director, CASAREAL, Inc.	
		April 2024 Director, TechMatrix Corporation	
		June 2024 Outside Director, RISKMONSTER.COM (current)	
		Aug. 2024 Representative Director, TY Insight (current)	
		Sept. 2024 Outside Director, Lasertec Corporation (current)	
		Dec. 2024 Outside Director, Internetworking & Broadband Consulting Co., Ltd. (IBC) (current)	
		(Significant Concurrent Positions outside the Company) Outside Director, RISKMONSTER.COM Outside Director, Internetworking & Broadband Consulting Co., Ltd. (IBC) Representative Director, TY Insight	
		(Reason for Nomination as Outside Director and Outline of Expected Role) Takashi Yuri has served as the Representative Director of the TechMatrix Corporation for many years and has propelled the expansion of the company's operations through management policies and strategies based on his keen assessments of the business environment. He is nominated for Outside Director because the Company expects his experience to be reflected in its management. He is expected to enhance the management oversight function of the Board and to improve management transparency in his independent capacity as an Outside Director, based on his expertise and other knowledge.	

(Notes)

- There is no special interest between any of the candidates and the Company.
- The Company has entered into a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure its Directors and Audit & Supervisory Board Members. The insurance covers damages that may arise as a result of an officer being held liable for an act or omission in the course of business, or being sued for such liability. If the candidates assume the office of Director, they will become the insured under the insurance contract. The term of the insurance contract is one year, and the contract is scheduled to be renewed upon resolution by the Board of Directors before expiration of its term.
- Notes concerning the candidates for Outside Director are as follows:
 - Koji Mihara, Yoshiko Iwata, Miyuki Ishiguro, and Takashi Yuri are candidates for Outside Director.
 - Koji Mihara, Yoshiko Iwata, Miyuki Ishiguro, and Takashi Yuri are currently Outside Directors of the Company. At the conclusion of this meeting, the tenure of Koji Mihara will have been five years, while that of Yoshiko Iwata will have been three years, and that of Miyuki Ishiguro and Takashi Yuri will have been one year.
 - Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, and the provision of the Company's Articles of Incorporation, the Company has entered into agreements with Koji Mihara, Yoshiko Iwata, Miyuki Ishiguro, and Takashi Yuri to limit their liabilities 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. If their appointments are approved, the Company plans to continue the limited liability agreements with them.
 - Koji Mihara, Yoshiko Iwata, Miyuki Ishiguro, and Takashi Yuri fulfill the Company's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members" (<https://www.lasertec.co.jp/en/sustainability/governance.html>), which were formulated on basis of the independence criteria of the Tokyo Stock Exchange Inc. If their appointments are approved, the Company intends to keep the said notification in effect.

Waseda University, where Koji Mihara is a professor, is a business partner of the Company. However, the Company's sales to Waseda University in each of the last three fiscal years were minimal, accounting for less than 0.01% of the Company's consolidated net sales.

Also, TechMatrix Corporation, where Takashi Yuri served as a Director until June 2024, has sales to the Company. However, the TechMatrix Corporation's sales to the Company in each of the last three fiscal years were minimal, accounting for less than 0.04% of TechMatrix Corporation's consolidated net sales.

(Reference) The skill matrix of the Company’s executives (Directors and Audit & Supervisory Board Members) at the conclusion of this meeting, if Proposal No. 2 is approved

In light of our corporate strategies, we believe our Directors and Audit & Supervisory Board Members should possess knowledge, experience, and skills as categorized in the areas of “corporate management,” “R&D and production,” “sales,” “global business,” “human capital and sustainability,” “finance and accounting,” and “legal affairs and risk management.” The specific areas of knowledge, experience, and skills we expect from each of Directors and Audit & Supervisory Board Members are summarized in the matrix below. Please note, however, that these are not necessarily all the areas in which they possess knowledge, experience, and skills.

		Corporate management	R&D and production	Sales	Global business	Human capital and sustainability	Finance and accounting	Legal affairs and risk management
Directors	Osamu Okabayashi	●		●	●		●	
	Haruhiko Kusunose	●	●		●	●		
	Tetsuya Sendoda	●	●	●	●			
	Atsushi Tajima		●		●			
	Koji Mihara ¹	●	●		●	●		
	Yoshiko Iwata ¹	●			●	●	●	
	Miyuki Ishiguro ¹					●		●
	Takashi Yuri ¹	●		●	●		●	
Audit & Supervisory Board Members	Masakatsu Asano					●		●
	Eiichi Izumo ²						●	●
	Ayumi Michi ²					●		●

1. Independent Outside Director

2. Independent Outside Audit & Supervisory Board Member

(Note) Since Audit & Supervisory Board Member Koichi Asami is scheduled to resign at the conclusion of the 63rd Ordinary General Meeting of Shareholders held on September 26, 2025, he is not included in this skill matrix.

Proposal No. 3 Payment of Bonuses to Directors

The Company proposes to pay bonuses in the total amount of ¥907,040,155 to the four Directors (excluding Outside Directors) in office as of the end of the fiscal year under review, as well as to the two Directors who retired upon expiration of their term of office as Director on September 26, 2024, taking into consideration the performance of the fiscal year and other factors.

This proposal was adopted by the Board of Directors based on the recommendation of the Nomination and Compensation Committee after a comprehensive review of the Company's performance, the performance of departments for which each Director is responsible, and other factors. The Company, therefore, finds it appropriate.

The Company's policy for determining the content of compensation, etc. for individual Directors is as described in "4. Matters Concerning Company Officers (2) Compensation, etc. for Directors and Audit & Supervisory Board Members (i) Policies, etc. for Determining the Content of Compensation, etc. for Individual Directors" in the Business Report.

Proposal No. 4 Introduction of Restricted Stock Unit Plan and Revision of Restricted Stock Compensation Plan for Directors

The amount of compensation for Directors of the Company was approved at the 62nd Ordinary General Meeting of Shareholders held on September 26, 2024 to be no more than ¥400 million per year (of which, ¥100 million or less for Outside Directors). In addition, at the 59th Ordinary General Meeting of Shareholders held on September 28, 2021, the Company received approval to limit the total amount of monetary compensation claims to be awarded to the Company's Directors (excluding Outside Directors) as compensation, etc. related to restricted stock (hereinafter "RS") to ¥300 million per year, separate from the above-mentioned amount of compensation for directors, and to limit the number of RS to be allotted in each fiscal year to 30,000 shares. The background for this is so that the Directors share the risks and rewards of stock price fluctuations with shareholders and become more strongly motivated to contribute to raising the stock price and improving enterprise value, the Company has decided to allot its common share to the Directors (excluding Outside Directors), subject to certain transfer restrictions and conditions, including the Company's right to acquire such shares without compensation.

As part of this effort, this proposal seeks your approval to introduce new restricted stock units (hereinafter "RSUs") as part of the stock compensation plan for the Company's Directors (excluding Outside Directors), who currently are eligible for RS only. (The maximum amount of RS and RSUs will be set within the limits currently approved for RS.)

Current Stock-based Compensation		Revised Stock-based Compensation
RS (Restricted Stock)	▶	RS
		RSU (Restricted Stock Units)

This proposal seeks your approval to grant monetary compensation claims to be used for payment in exchange for the Company's shares or for payment for the Company's shares, within the limits of the total amount and maximum number of shares under the current plan, as compensation, etc. related to RS and RSUs. The specific details will be determined by the Board of Directors within the scope of such approval. When the Board of Directors of the Company determines the specific details, it shall obtain a report from the Nomination and Compensation Committee, which consists of three Executive Directors and four Outside Directors, totaling seven members, with an independent Outside Director serving as chairperson.

This proposal was decided by the Board of Directors upon advice from the Nomination and Compensation Committee, and is considered to be appropriate.

If Proposal No. 2 of this meeting is approved and adopted as proposed, the number of Directors will be eight (including four Outside Directors) at the conclusion of this meeting, which means there will be four eligible Directors.

The amount of compensation for Outside Directors of the Company was approved at the 62nd Ordinary General Meeting of Shareholders held on September 26, 2024 to be no more than ¥100 million per year, and no revision will be made about this by this proposal.

1. Purpose and Details of the Revision

The Company has been granting stock-based compensation to the Company's Directors (excluding Outside Directors) with the aim of motivating them to continuously enhance the enterprise value of the Company and further promote value sharing with shareholders. Going forward, the Company believes it is desirable to further enhance the operational efficiency of the stock-based compensation plan and would like to introduce RSUs with the purpose of securing funds for tax payments upon the lifting of transfer restrictions on RS.

RSUs are compensation paid in the form of cash upon retirement from the position of Director, etc., of the Company, with one unit converted into one share of common stock. (For an overview of RSUs, please refer to 2. (2) Overview of RSUs.)

Under the current plan, stock-based compensation is granted only in the form of RS allotments with transfer restrictions lifted upon the retirement of eligible Directors and the issuance of monetary compensation claims to be paid to such Directors upon the allotment of RS. However, under the new plan (hereinafter "the Plan"), stock-based compensation will also consist of cash payments made based on RSUs.

2. Scheme of the Plan

(1) Overview of RS

Eligible Directors shall pay in all monetary compensation claims received from the Company under the Plan as in-kind contributions and receive RS through new issuance or disposal. The specific timing and allotment of payments to each eligible Director shall be determined by the Board of Directors.

Under the Plan, the subscription price per share of RS newly issued or disposed of by the Company shall be determined by the Board of Directors within the range that does not result in an amount particularly favorable to the Directors eligible to receive RS, based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day prior to the date of each Board of Directors' resolution.

In addition, in connection with the issuance or disposal of RS under the Plan, the Company and the eligible Director shall enter into a restricted stock allotment agreement stipulating conditions that, (1) the eligible Director shall not transfer, pledge as collateral, or otherwise dispose of RS to any third party during the period until the eligible Director resigns from his or her position as a Director, etc., of the Company, (2) in the event of resignation for reasons other than valid grounds, or the occurrence of a serious violation of laws and regulations or other specified circumstances, the Company shall have the right to acquire the RS without compensation.

Other matters concerning the restricted stock allotment agreement shall be determined by the Board of Directors of the Company.

(2) Overview of RSUs

Under the Plan, eligible Directors shall be granted restricted stock units (RSUs), which are rights economically similar to the Company's common share, by the Company, and after retiring from their positions as Directors, etc., they will receive cash payments equal to the number of RSUs granted multiplied by the closing price of the Company's common share on the Tokyo Stock Exchange on the date of retirement. The specific timing and allotment of RSUs to each eligible Director shall be determined by the Board of Directors.

In addition, in connection with the grant of RSUs under the Plan, the Company and the eligible Director shall enter into a restricted stock unit allotment agreement stipulating conditions that, (1)

the eligible Director shall not transfer, pledge as collateral, or otherwise dispose of RSUs to any third party, (2) in the event of resignation for reasons other than valid grounds, or the occurrence of a serious violation of laws and regulations or other specified circumstances, the RSUs will automatically be forfeited.

Other matters concerning the restricted stock unit allotment agreement shall be determined by the Board of Directors of the Company.