

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: 7482

June 4, 2026

To our shareholders:

Yoshihiko Kasai, CEO  
**SHIMOJIMA Co., Ltd.**  
5-29-8, Asakusabashi, Taito-ku, Tokyo

## Notice of the 65th Annual General Meeting of Shareholders

We invite you to join the 65th Annual General Meeting of Shareholders of SHIMOJIMA Co., Ltd., which will be held as indicated below.

The information on this convocation is available in electronic format, on the following websites. (in Japanese)

- Our corporate website:

<https://www.shimojima.co.jp/ir/stock/convocation.html> (in Japanese)

\* For the Listed Company Search, please enter the issue name (company name) “SHIMOJIMA” or the Company’s securities code “7482,” click “Search,” click “Basic information” and select “Documents for public inspection/PR information.”

- The website of Tokyo Stock Exchange (Listed Company Search)\*:

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

Please exercise your voting rights either by attending the meeting, in writing (postal mail) or via the internet. And we encourage you to review the attached Reference Documents for the General Meeting of Shareholders and vote by 5:30 p.m. on Wednesday, June 24, 2026 (JST) before your vote.

And please exercise your voting rights in one of the following ways.

- 1) Postal mail: Sending the voting rights exercise form so that it can reach us before the deadline, which is 5:30 p.m. on Tuesday, June 25, 2024 (JST).
- 2) Online access: Scanning the QR code on the voting rights exercise form, or accessing to the website for voting (<https://evote.tr.mufg.jp>), and follow the instructions on the screen. The voting deadline is the same as shown in 1). Voting must be completed before the deadline shown in 1).
- 3) In person: Attending the meeting at the venue on schedule shown below.

**1. Date and Time:** Thursday, June 25, 2026 at 10:00 a.m. (JST)

**2. Venue:** NEXT-1, 4F, AKIHABARA UDX  
4-14-1, Soto-Kanda, Chiyoda-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 65th fiscal year (from April 1, 2025 to March 31, 2026), 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 65th fiscal year (from April 1, 2025 to March 31, 2026)

#### Matters to be resolved

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Appropriation of Surplus  |
| <b>Proposal No. 2</b> | Amendment to the Articles of Incorporation  |
| <b>Proposal No. 3</b> | Election of Nine Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members) |
| <b>Proposal No. 4</b> | Election of Four Directors Serving As Audit and Supervisory Committee Members                           |

- Proposal No. 5** Election of One Substitute Director Serving As an Audit and Supervisory Committee Member
- Proposal No. 6** Establishment of Remuneration Limit for the Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members)
- Proposal No. 7** Establishment of Remuneration Limit for the Directors Serving As Audit and Supervisory Committee Members
- Proposal No. 8** Determination of Remuneration for the Grant of Restricted Stock to Directors

- We have no plans for handing out souvenirs at the venue.
- We will upload any revision or amendment to relevant information, if needed, on the same websites as shown above. We will keep you posted on any major changes of the operation of the meeting on the same websites.
- We have shipped paper materials including both Reference Materials on proposals and the Business Report for the shareholders who have requested them by the record date pursuant to the Companies Act, and we have shipped summarized paper materials which focus on the Reference Materials for the rest of the shareholders with voting rights. Full information concerning materials on this meeting is available in both cases on our website (in Japanese), which includes the following issues: (1) the details of the Business Report: including the list of principal offices, the status of our accounting auditor, and our internal control systems, and (2) both consolidated and non-consolidated information on Statements of Changes in Shareholders' Equity, and notes to the financial statements. The audit by our accounting auditor and our Audit and Supervisory Board also cover these details.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company's basic policy on distribution of profits is to consider our performance and financial position each fiscal year while paying attention to the stability of dividends. Regarding the dividends of surplus, the Company will determine the amount of dividends to shareholders by targeting more than either a consolidated dividend payout ratio of 50% or a consolidated dividend on equity ratio (DOE)\* of 3%.

\* Consolidated dividend on equity (DOE) = (total of annual dividend / consolidated shareholders' equity) x 100

The Company proposes the appropriation of surplus as follows:

#### 1. Year-end dividend

Based on our business performance of the fiscal year and our business outlook, we propose to pay year-end dividends as follows:

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and its aggregate amount

We propose to pay a dividend of ¥32 per common share of the Company.

In this event, the total dividends will be ¥748,673,024. As we have paid an interim dividend of ¥27 per share on December 1, 2025, the annual dividend for the fiscal year will be ¥59 per share.

(3) Effective date of dividends of surplus

The effective date of dividends will be June 26, 2026.

#### 2. Other appropriation of surplus

Regarding other appropriation of surplus, we propose to increase the general reserve by ¥100,000,000 and decrease the retained earnings brought forward by ¥100,000,000, for the reinforcement of our management base and our future development.

(1) Item of surplus to be increased and amount of increase

General reserve: ¥100,000,000

(2) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥100,000,000

**Proposal No. 2**      Amendment to the Articles of Incorporation

1. Reason for the amendments

(1) Addition to business objectives

The Company proposes adding new business objectives to Article 2 of the current Articles of Incorporation in light of the current state of the Company’s business operations, in order to prepare for both the expansion of its business activities and future business development.

(2) Transition to a company with an audit and supervisory committee

As announced separately on March 23, 2026 in the “Notice of Transition to Company with Audit and Supervisory Committee,” the Company has decided to transition to a company with an audit and supervisory committee, subject to approval at the 65th Annual General Meeting of Shareholders, so as to manage business with more transparency and to make decisions with more agility. Accordingly, the Company shall make amendments to its Articles of Incorporation as follows.

- (i) The Company shall establish new provisions concerning the Audit and Supervisory Committee and its members, and repeal provisions concerning the Audit & Supervisory Board and its members.
- (ii) The Company shall establish a new provision allowing the Board of Directors, by its resolution, to delegate to Directors all or part of the authority to decide on important business execution matters, excluding the matters set forth in each item of Article 399-13, Paragraph (5) of the Companies Act.
- (iii) The Company shall add necessary changes regarding the above-mentioned amendments, the clarifications of the articles, the renumbering, and minor adjustments to wording.

(3) The amendments to the Articles of Incorporation under this Proposal shall take effect upon the conclusion of this General Meeting of Shareholders.

2. Details of amendments to the Articles of Incorporation

Details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1. (Omitted)	Article 1. (Unchanged)
(Purpose)	(Purpose)
Article 2. The purpose of the Company shall be to engage in the following business activities: i. - ii. (Omitted) iii. Following businesses: (1) - (22) (Omitted)  (Newly Established)  (Newly Established)	Article 2. The purpose of the Company shall be to engage in the following business activities: i. - ii. (Unchanged) iii. Following businesses: (1) - (22) (Unchanged) <u>(23) The exercise, use, licensing, brokerage, maintenance, and management of intellectual property rights (including copyrights, trademark rights, etc.)</u> <u>(24) The planning and grant of usage or reproduction of designs</u>
iv. - vi. (Omitted)	iv. - vi. (Unchanged)
Article 3. (Omitted)	Article 3. (Unchanged)
(Corporate Bodies)	(Corporate Bodies)
Article 4. The Company shall have the following corporate bodies. 1. Board of Directors 2. <u>Audit &amp; Supervisory Board Members</u> 3. <u>Audit &amp; Supervisory Board</u> 4. Accounting Auditor	Article 4. The Company shall have the corporate bodies.s: 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> (Deleted) 3. Accounting Auditor
Article 5. (Omitted)	Article 5. (Unchanged)

Chapter II Shares	Chapter II Shares
Article 6. (Omitted)	Article 6. (Unchanged)
(Acquisition of Treasury Shares) Article 7.	(Acquisition of Treasury Shares) Article 7.
The Company may acquire treasury shares by a resolution of its Board of Directors pursuant to the provisions of Article 165, paragraph (2) of the Companies Act.	The Company may acquire treasury shares <u>through market transactions, etc.</u> , by a resolution of its Board of Directors pursuant to the provisions of Article 165, paragraph (2) of the Companies Act.
Articles 8. - 10. (Omitted)	Articles 8. - 10. (Unchanged)
(Transfer Agent) Article 11.	(Transfer Agent) Article 11.
<ol style="list-style-type: none"> <li>1. The Company shall have a transfer agent.</li> <li>2. The transfer agent and its handling office shall be <u>designated by resolution of the Board of Directors</u>, and public notice thereof shall be given.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company shall have a transfer agent.</li> <li>2. The transfer agent and its handling office shall be <u>designated by the Board of Directors or by a Director delegated pursuant to a resolution of the Board of Directors</u>, and public notice thereof shall be given.</li> </ol>
(Share Handling Regulations) Article 12.	(Share Handling Regulations) Article 12.
The handling and the fees for the entries or records in the shareholder register and the register of share acquisition rights, the purchase or additional purchase of shares less than one unit, and any other matters concerning shares or share acquisition rights and the procedures for the exercise of shareholder rights etc., shall be governed by laws, regulations, these Articles of Incorporation, and the Share Handling Regulations <u>established by the Board of Directors</u> .	The handling and the fees for the entries or records in the shareholder register and the register of share acquisition rights, the purchase or additional purchase of shares less than one unit, and any other matters concerning shares or share acquisition rights and the procedures for the exercise of shareholder rights etc., shall be governed by laws, regulations, these Articles of Incorporation, and the Share Handling Regulations <u>established by the Board of Directors or by the Directors delegated pursuant to a resolution of the Board of Directors</u> .
Chapter III General Meetings of Shareholders	Chapter III General Meetings of Shareholders
Articles 13. - 14. (Omitted)	Articles 13. - 14. (Unchanged)
(Convener and Chairperson of General Meetings of Shareholders) Article 15.	(Convener and Chairperson of General Meetings of Shareholders) Article 15.
<ol style="list-style-type: none"> <li>1. Unless otherwise provided for by laws and regulations, the Director and President shall convene general meetings of shareholders and chair the meetings.</li> <li>2. In cases where the Director and President is unable to do so, another Director who is designated in accordance with an order of priority determined by the Board of Directors in advance shall chair the general meeting of shareholders.</li> </ol>	<ol style="list-style-type: none"> <li>1. Unless otherwise provided for by laws and regulations, the Director and President shall convene general meetings of shareholders and chair the meetings. (Change in Japanese only; English unchanged)</li> <li>2. In cases where the Director and President is unable to do so, another Director who is designated in accordance with an order of priority determined by the Board of Directors in advance shall chair the general meeting of shareholders. (Change in Japanese only; English unchanged)</li> </ol>
Articles 16. - 18. (Omitted)	Articles 16. - 18. (Unchanged)

<p>(Minutes) Article 19.</p> <ol style="list-style-type: none"> <li>1. The minutes of general meetings of shareholders shall contain the substance and the results of the proceedings and shall be signed and sealed or electronically signed by the chairperson and the Directors in attendance.</li> <li>2. The original minutes of general meetings of shareholders shall be kept at the head office for a period of ten years from the date of the resolution.</li> </ol> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p>	<p>(Minutes) Article 19.</p> <ol style="list-style-type: none"> <li>1. The minutes of general meetings of shareholders shall contain the substance and the results of the proceedings and shall be signed and sealed or electronically signed by the chairperson and the Directors in attendance. (Change in Japanese only; English unchanged)</li> <li>2. The original minutes of general meetings of shareholders shall be kept at the head office for a period of ten years from the date of the resolution.</li> </ol> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p>
<p>(Number of Directors) Article 20.</p> <p>The Company shall have not more than 15 Directors. (Newly Established)</p>	<p>(Number of Directors) Article 20.</p> <ol style="list-style-type: none"> <li><u>1.</u> The Company shall have not more than 15 Directors.</li> <li><u>2.</u> <u>Of the Directors referred to in the preceding paragraph, the Company shall have no more than four Directors who are Audit and Supervisory Committee Members, and their majority shall be outside Directors.</u></li> </ol>
<p>(Resolution for election of Directors) Article 21.</p> <ol style="list-style-type: none"> <li>1. Directors of the Company shall be elected by a resolution of a general meeting of shareholders.</li> <li>2. Resolutions on the election of Directors of the Company shall be adopted by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their voting rights at such meetings are present. However, the election of Directors of the Company shall not be conducted by cumulative voting. (Newly Established)</li> </ol>	<p>(Resolution for election of Directors) Article 21.</p> <ol style="list-style-type: none"> <li>1. Directors of the Company shall be elected by a resolution of a general meeting of shareholders separately for <u>the Directors who are Audit and Supervisory Committee Members and for other Directors.</u></li> <li>2. Resolutions on the election of Directors of the Company shall be adopted by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their voting rights at such meetings are present. However, the election of Directors of the Company shall not be conducted by cumulative voting.</li> <li><u>3. The effectiveness of the election of a substitute Director who is an Audit and Supervisory Committee Member shall remain valid until the commencement of the ordinary general meeting of shareholders for the last business year of the Company ending within two years after their election, unless shortened by the applicable resolution.</u></li> </ol>
<p>(Term of office of Directors) Article 22.</p> <ol style="list-style-type: none"> <li>1. The term of office of Directors shall expire at the closing of the ordinary general meeting of shareholders to be held for the last business year of the Company ending within <u>two</u> years after their election.</li> <li>2. <u>The term of office of a Director elected as a substitute shall expire when the terms of office of the incumbent Directors expire.</u></li> </ol>	<p>(Term of office of Directors) Article 22.</p> <ol style="list-style-type: none"> <li>1. The term of office of Directors <u>(excluding the Directors who are Audit and Supervisory Committee Members)</u> shall expire at the closing of the ordinary general meeting of shareholders to be held for the last business year of the Company ending within <u>one</u> year after their election.</li> <li>2. <u>The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the closing of the ordinary general meeting of shareholders for the last business year of the Company ending within two years after their election.</u></li> </ol>

3. The term of office of a Director who is elected to increase the number of Directors shall expire when the terms of office of other incumbent Directors expire.

(Representative Directors and Directors with Special Titles)  
Article 23.

1. The Company's Representative Director shall be appointed by a resolution of the Board of Directors.
2. The Company may appoint one President, and, as necessary, one Chair, one Vice Chair, and a number of Vice Presidents, Senior Managing Directors, and Managing Directors, from among its Directors by the resolution of the Board of Directors.

(Convener and Chairperson of Board of Directors Meetings)  
Article 24.

1. Unless otherwise provided for by laws and regulations, the Director and President shall convene the Board of Directors meetings and chair the meetings. In cases where the Director and President is unable to do so, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene and chair the Board of Directors.

(Newly Established)

(Procedures for Convening Board of Directors Meetings)  
Article 25.

1. The convocation notice of a Board of Directors meeting shall be dispatched to each Director and each Audit & Supervisory Board Member at least three days prior to the scheduled date of such a provided, however, that this period may be reduced in case of urgency.

(Newly Established)

(Method of Resolutions of the Board of Directors)  
Article 26.

1. Resolutions of the Board of Directors shall be adopted by a majority vote of the Directors present at the meeting where a majority of the Directors are present.
2. The Company shall deem that a resolution approving a matter to be resolved by the Board of Directors has been adopted when all directors consent thereto in writing or by electromagnetic record provided, however, that this shall not apply if any Audit and Supervisory Board Member expresses an objection thereto.

3. The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member and retired from office before the expiration of the term of office shall continue until the expiration of the term of the retired Director.

(Representative Directors and Directors with Special Titles)  
Article 23.

1. The Company's Representative Director(s) shall be appointed by a resolution of the Board of Directors from among the Directors (excluding those who are Audit and Supervisory Committee Members).
2. The Company may appoint one President, and, if necessary, one Chair, one Vice Chair, and a number of Vice Presidents, Senior Managing Directors, and Managing Directors from among its Directors (excluding those who are Audit and Supervisory Committee Members), by the resolution of the Board of Directors.

(Convener and Chairperson of Board of Directors Meetings)  
Article 24.

1. Unless otherwise provided for by laws and regulations, the Director and President shall convene the Board of Directors meetings and chair the meetings.

2. In cases where the Director and President is unable to do so, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene and chair the Board of Directors.

(Procedures for Convening Board of Directors Meetings)  
Article 25.

1. The convocation notice of a Board of Directors meeting shall be dispatched to each Director at least three days prior to the scheduled date of such meeting, provided, however, that this period may be reduced in case of urgency.
2. With the consent of all Directors, a Board of Directors meeting may be held without following the convening procedures.

(Method of Resolutions of the Board of Directors)  
Article 26.

1. Resolutions of the Board of Directors shall be adopted by a majority vote of the Directors present at the meeting where a majority of the Directors entitled to vote are present.
2. The Company shall deem that a resolution approving a matter to be resolved by the Board of Directors has been adopted when all directors consent thereto in writing or by electromagnetic record.

<p>(Minutes of Board of Directors Meetings) Article 27.</p> <ol style="list-style-type: none"> <li>Minutes shall be prepared with respect to the proceedings of meetings of the Board of Directors in accordance with applicable laws and regulations, and <u>the Directors and Audit &amp; Supervisory Board Members in attendance</u> shall affix their names and seals thereto or attach their electronic signatures thereto.</li> <li>Minutes of Board of Directors meetings shall be kept at the head office for a period of ten years from the date of the meeting.</li> </ol> <p style="text-align: center;">(Newly Established)</p> <p>Article <u>28</u>. (Omitted)</p> <p>(Regulations of the Board of Directors) Article <u>29</u>. Matters concerning the Board of Directors shall be in accordance with the Regulations of the Board of Directors established by the Board of Directors, in addition to laws and regulations and the Articles of Incorporation.</p> <p>(Remunerations for Directors) Article <u>30</u>. Remuneration, bonuses and other economic benefits received from the Company by the Directors as consideration for the execution of their duties (<u>hereinafter, the "Remuneration, etc."</u>) shall be determined by resolution of a general meeting of shareholders.</p> <p style="text-align: center;">Chapter V <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p> <p>(<u>Number of Audit &amp; Supervisory Board Members</u>) Article <u>31</u>. <u>The Company shall have not more than four Audit &amp; Supervisory Board Members.</u></p> <p>(<u>Resolution for election of Audit &amp; Supervisory Board Members</u>) Article <u>32</u>. <ol style="list-style-type: none"> <li><u>Audit &amp; Supervisory Board Members of the Company shall be elected by a resolution of a general meeting of shareholders.</u></li> <li><u>Resolutions on the election of Audit &amp; Supervisory Board Members shall be adopted by a majority vote of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to vote at such meeting are present.</u></li> </ol></p>	<p>(Minutes of Board of Directors Meetings) Article 27.</p> <ol style="list-style-type: none"> <li>Minutes shall be prepared with respect to the proceedings of meetings of the Board of Directors in accordance with applicable laws and regulations, and <u>the Directors in attendance</u> shall affix their names and seals thereto or attach their electronic signatures thereto.</li> <li>Minutes of Board of Directors meetings shall be kept at the head office for a period of ten years from the date of the meeting.</li> </ol> <p>(<u>Delegation of Decisions on Execution of Important Operations</u>) Article <u>28</u>. <u>Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions regarding important business execution (excluding the matters listed in each item of paragraph (5) of the same Article) to Directors.</u></p> <p>Article <u>29</u>. (Unchanged)</p> <p>(Regulations of the Board of Directors) Article <u>30</u>. Matters concerning the Board of Directors shall be in accordance with the Regulations of the Board of Directors established by the Board of Directors, in addition to laws and regulations and <u>these</u> Articles of Incorporation.</p> <p>(Remunerations for Directors) Article <u>31</u>. Remuneration, bonuses and other economic benefits received from the Company by the Directors as consideration for the execution of their duties shall be determined by resolution of a general meeting of shareholders, <u>with distinction between the Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p style="text-align: center;">Chapter V <u>Audit and Supervisory Committee</u></p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p>
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3. Pursuant to Article 329, paragraph (3) of the Companies Act, the Company may elect substitute Audit & Supervisory Board Members at general meetings of shareholders as a precaution against falling short of the number of Audit & Supervisory Board Members required by laws and regulations.

4. Resolutions electing substitute Audit & Supervisory Board Members as described in the preceding paragraph shall remain in effect until the commencement of the ordinary general meeting of shareholders for the last business year ending within four years after the resolution.

(Term of office of Audit & Supervisory Board Members)

(Deleted)

Article 33.

1. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year ending within four years after the election of the Audit & Supervisory Board Member.

2. The term of office of an Audit & Supervisory Board Member who is elected as a substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time when the term of the retired Audit & Supervisory Board Member expires, provided, however, that if a substitute Audit & Supervisory Board Member elected pursuant to paragraph (3) of the preceding Article assumes the position of Audit & Supervisory Board Member, the term of office shall not extend beyond the closing of the ordinary general meeting of shareholders for the last business year ending within four years after the election as such substitute Audit & Supervisory Board Member.

(Full-time Audit & Supervisory Board Members)

(Deleted)

Article 34.

Full-time Audit & Supervisory Board Members shall be appointed by a resolution of the Audit & Supervisory Board.

(Restriction of liability of Audit & Supervisory Board Members)

(Deleted)

Article 35.

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member, limiting liability for damages under Article 423, paragraph (1) of the Act. However, the maximum amount of liability for damages under the agreement shall be the amount provided for under laws and regulations.

(Procedures for Convening Audit & Supervisory Board Meetings)

Article 36.

1. The convocation notice of an Audit & Supervisory Board meeting shall be dispatched to each Audit & Supervisory Board Member at least three days prior to the scheduled date of such meeting, provided, however, that this due date may be reduced in case of urgency.

(Procedures for Convening Audit and Supervisory Committee Meetings)

Article 32.

1. The convocation notice of an Audit and Supervisory Committee meeting shall be dispatched to each Audit and Supervisory Committee Member at least three days prior to the scheduled date of such meeting, provided, however, that this period may be reduced in case of urgency.

<p style="text-align: center;">(Newly Established)</p> <p>(Method of Resolutions of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Article <u>37</u>.  <u>Unless otherwise provided by laws and regulations, resolutions of the Audit &amp; Supervisory Board shall be adopted by a majority vote of the Audit &amp; Supervisory Board Members.</u></p> <p>(Minutes of <u>Audit &amp; Supervisory Board Meetings</u>)</p> <p>Article <u>38</u>.  Minutes shall be prepared with respect to the proceedings of meetings of the <u>Audit &amp; Supervisory Board</u> in accordance with applicable laws and regulations, and <u>the Audit &amp; Supervisory Board Members</u> in attendance shall affix their names and seals thereto or attach their electronic signatures thereto. <u>Minutes of Audit &amp; Supervisory Board meetings shall be kept at the head office for a period of ten years from the date of the resolution.</u></p> <p style="text-align: center;">(Newly Established)</p> <p>(Regulations of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Article <u>39</u>.  Matters concerning the <u>Audit &amp; Supervisory Board</u> shall be in accordance with the <u>Regulations of the Audit &amp; Supervisory Board</u> established by the <u>Audit &amp; Supervisory Board</u>, in addition to laws and regulations and these Articles of Incorporation.</p> <p>(<u>Remunerations for Audit &amp; Supervisory Board Members</u>)</p> <p>Article <u>40</u>.  <u>The Remuneration, Etc. to Audit &amp; Supervisory Board Members of the Company shall be determined by resolution of a general meeting of shareholders.</u></p> <p style="text-align: center;">Chapter VI Accounts</p> <p>Articles <u>41</u>. - <u>44</u>. (Omitted)</p>	<p><u>2</u>. <u>With the consent of all Audit and Supervisory Committee Members, an Audit and Supervisory Committee meeting may be held without following the convening procedures.</u></p> <p>(Method of Resolutions of the <u>Audit and Supervisory Committee</u>)</p> <p>Article <u>33</u>.  Resolutions <u>of the Audit and Supervisory Committee shall be adopted by a majority vote of the Audit and Supervisory Committee Members, where a majority of the Members entitled to vote are present.</u></p> <p>(Minutes of <u>Audit and Supervisory Committee Meetings</u>)</p> <p>Article <u>34</u>.  <u>1</u>. Minutes shall be prepared with respect to the proceedings of meetings of the <u>Audit and Supervisory Committee</u> in accordance with applicable laws and regulations, and <u>the Audit and Supervisory Committee Members</u> in attendance shall affix their names and seals thereto or attach their electronic signatures thereto.</p> <p><u>2</u>. <u>Minutes of Audit and Supervisory Committee meetings shall be held at the head office for a period of ten years from the date of the meeting.</u></p> <p>(Regulations of the <u>Audit and Supervisory Committee</u>)</p> <p>Article <u>35</u>.  Matters concerning the <u>Audit and Supervisory Committee</u> shall be in accordance with the <u>Regulations of the Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>, in addition to laws and regulations and these Articles of Incorporation.</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">Chapter VI Accounts</p> <p>Articles <u>36</u>. - <u>39</u>. (Unchanged)</p>
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**Proposal No. 3** Election of Nine Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of our eight Directors will expire (CEO Masayuki Shimojima retired from office due to resignation as of December 31, 2025). In addition, if Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee.

Accordingly, we propose the election of nine Directors (excluding the Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal), including two outside Directors, increasing the number of Directors by one from eight currently serving Directors. This proposal shall take effect on the condition that the changes to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” become effective. The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility	Attribute	Attendance at Board of Directors meetings
1	Yoshihiko Kasai	CEO	Reelection	14/14 (100%)
2	Hitoshi Onodera	Senior Managing Director, Senior Executive Officer, General Manager of Corporate Planning Division, and General Manager of Administration Division	Reelection	14/14 (100%)
3	Manabu Onuki	Director, Senior Executive Officer and General Manager of Sales Headquarters Division	Reelection	14/14 (100%)
4	Shoichi Watanabe	Director, Senior Executive Officer and Deputy General Manager of Sales Headquarters Division	Reelection	14/14 (100%)
5	Hiroko Ikeda	Executive Officer and Deputy General Manager of Administration Division	New election	–
6	Shingo Ojiri	Executive Officer and General Manager of Purchasing Headquarters Division	New election	–
7	Masashi Takano	Executive Officer and General Manager of Corporate Planning Department	New election	–
8	Tsutomu Umeno	Outside Director	Reelection Outside Independent	14/14 (100%)
9	Takeyuki Iwasaki	Outside Director	Reelection Outside Independent	14/14 (100%)

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Independent officer as defined by the securities exchange, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Yoshihiko Kasai (January 21, 1959)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1981      Joined SHIMOJIMA Co., Ltd.</p> <p>Mar. 2007      General Manager of West Japan Sales Department</p> <p>Feb. 2008      Representative Director and President of a subsidiary of the Company, Sanwa Co., Ltd.</p> <p>May 2012      Deputy General Manager of Sales Division and General Manager of West Japan Sales Department of the Company</p> <p>June 2012      Director and Deputy General Manager of Sales Division</p> <p>June 2014      Executive Officer and Deputy General Manager of Sales Division</p> <p>June 2015      Executive Officer and General Manager of Sales Division</p> <p>June 2016      Director, Senior Executive Officer and General Manager of Sales Division</p> <p>Aug. 2017      Director, Managing Executive Officer, General Manager of Sales Headquarters Division, and General Manager of Sales Division</p> <p>June 2018      Senior Managing Director, Senior Executive Officer, General Manager of Sales Headquarters Division, and General Manager of Sales Division</p> <p>June 2019      Representative Senior Managing Director, Senior Executive Officer, General Manager of Sales Headquarters Division, and General Manager of Sales Division</p> <p>Apr. 2021      CEO (current position)</p>	45,278 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>The candidate is well-versed in sales and marketing, and has plenty of experience and strategic insight cultivated through subsidiary management. To improve the efficiency and effectiveness of decision-making and monitoring by the Board of Directors, we have nominated him again as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Hitoshi Onodera (June 18, 1960)  Reelection	Apr. 1983      Joined SHIMOJIMA Trading Co., Ltd. Apr. 2005      General Manager of Corporate Planning Office of the Company June 2014      Executive Officer and General Manager of Corporate Planning Office June 2016      Director, Senior Executive Officer and General Manager of Corporate Planning Office Apr. 2018      Director, Senior Executive Officer and General Manager of Purchasing Headquarters Division Oct. 2018      Director, Senior Executive Officer, General Manager of Purchasing Headquarters Division, and General Manager of SCM Department June 2022      Managing Director, Senior Executive Officer and General Manager of Corporate Planning Division June 2024      Senior Managing Director, Senior Executive Officer and General Manager of Corporate Planning Division Aug. 2024      Senior Managing Director, Senior Executive Officer, General Manager of Corporate Planning Division, and General Manager of Administration Division (current position)	23,305 shares
[Significant concurrent positions outside the Company] Representative Director and Chairman of Shimojima Logistics Co., Ltd. [Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in corporate planning, and is well-versed in budget control, listing-related legislation and matters related to IR, etc. In addition, he has experience managing a subsidiary, and is well-acquainted with matters related to logistics and information technology. To improve the decision-making function and monitoring function of the Board of Directors, we have nominated him again as a candidate for Director.			
3	Manabu Onuki (July 20, 1965)  Reelection	Apr. 1988      Joined SHIMOJIMA Trading Co., Ltd. June 2003      General Manager of Saitama Sales Office of the Company Nov. 2011      General Manager of Business Model Development Department June 2018      Executive Officer, Deputy General Manager of Sales Division and General Manager of Second Sales Department Apr. 2020      Executive Officer and Deputy General Manager of Purchasing Division June 2020      Executive Officer and General Manager of Purchasing Division Mar. 2021      Executive Officer, General Manager of Purchasing Division and General Manager of Quality Control Department June 2022      Director, Senior Executive Officer and General Manager of Purchasing Division Jan. 2026      Director, Senior Executive Officer and General Manager of Sales Headquarters Division (current position)	11,545 shares
[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in sales and product procurement at the Company, and is well versed in our overall business including business processes, product portfolio, and business development. To improve the decision-making function and monitoring function of the Board of Directors, we have nominated him again as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
4	Shoichi Watanabe (July 22, 1969)  Reelection	Mar. 1993	Joined SHIMOJIMA Trading Co., Ltd.	12,834 shares
		Apr. 2014	General Manager of Takamatsu Sales Office of the Company	
		Apr. 2017	General Manager of Fukuoka Sales Office	
		Jan. 2019	General Manager of Third Sales Department	
		Apr. 2020	Deputy General Manager of Sales Headquarters Division	
		June 2020	Executive Officer and Deputy General Manager of Sales Headquarters Division	
		June 2024	Director, Senior Executive Officer and Deputy General Manager of Sales Headquarters Division (current position)	
<p>[Significant concurrent positions outside the Company] Representative Director and Chairman of Okura Sangyo Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in sales at the Company, and is also well versed in sales promotion at the Company and new industry trends such as environmentally friendly products and services. To improve the decision-making function and monitoring function of the Board of Directors, we have nominated him again as a candidate for Director.</p>				
5	Hiroko Ikeda (May 11, 1966)  New election	Apr. 1989	Joined Mizuho Bank, Ltd.	– shares
		Oct. 2020	Joined SHIMOJIMA Co., Ltd.	
		Sept. 2021	Deputy General Manager of Administration Division and General Manager of Accounting Department	
		June 2022	Executive Officer, Deputy General Manager of Administration Division and General Manager of Accounting Department	
		Apr. 2026	Executive Officer and Deputy General Manager of Administration Division (current position)	
<p>[Reasons for nomination as a candidate for Director] The candidate has engaged in corporate lending, personal asset management, and consulting services for 30 years at a city bank, and is also well-versed in human resources strategy and organizational management as a branch manager. Given this wealth of experience and sound judgment, we have nominated her as a candidate for Director to improve the decision-making and monitoring function of the Board of Directors.</p>				
6	Shingo Ojiri (December 27, 1970)  New election	Mar. 1994	Joined SHIMOJIMA Trading Co., Ltd.	8,900 shares
		Apr. 2015	General Manager of Sales Strategy Office of the Company	
		Apr. 2016	General Manager of Sales Planning Department	
		Apr. 2018	General Manager of Marketing Operations Department	
		June 2021	Executive Officer and General Manager of Marketing Operations Division	
		June 2022	Executive Officer and Deputy General Manager of Sales Headquarters Division	
		Jan. 2026	Executive Officer and General Manager of Purchasing Headquarters Division (current position)	
<p>[Reasons for nomination as a candidate for Director] The candidate has a wealth of experience in the Company's sales division, and is well-acquainted with the latest marketing trends such as DX promotion and e-commerce expansion. To improve the decision-making function and monitoring function of the Board of Directors, we have nominated him as a new candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Masashi Takano (July 31, 1971)  New election	<p>Mar. 1994      Joined SHIMOJIMA Trading Co., Ltd.</p> <p>May 2013      General Manager of Sales Planning Office, Sales Division, of the Company</p> <p>Apr. 2015      General Manager of Sales Promotion Office, Sales Headquarters Division</p> <p>Feb. 2017      Assistant to General Manager of Sales Headquarters Division</p> <p>Apr. 2018      General Manager of Strategy Office, Sales Headquarters Division</p> <p>Mar. 2021      General Manager of Public Relations Office, Corporate Planning Department</p> <p>June 2022      Executive Officer and General Manager of Corporate Planning Department (current position)</p>	5,500 shares
<p>[Reasons for nomination as a candidate for Director] The candidate not only has a wealth of experience in the Company's sales division, but has also improved corporate communications including IR and PR, and is well-versed in sustainability trends. To improve the decision-making function and monitoring function of the Board of Directors, we have nominated him as a candidate for Director.</p>			
8	Tsutomu Umeno (March 6, 1951)  Reelection Outside Independent	<p>Sept. 1976      Joined Honda Motor Co., Ltd.</p> <p>Sept. 1995      Managing Director and CEO of Honda Australia Pty., Ltd.</p> <p>June 1998      General Manager of East Asia and Oceania Division</p> <p>Apr. 2000      Representative Director of VOLKSWAGEN Group Japan KK</p> <p>July 2001      President and CEO of VOLKSWAGEN Group Japan KK and Group Top Management Member of Volkswagen AG</p> <p>May 2005      Chairman of Japan Automobile Importers Association</p> <p>Feb. 2008      Representative Director and Chairman of VOLKSWAGEN Group Japan KK</p> <p>July 2009      Managing Partner of M&amp;C SAATCHI TOKYO</p> <p>June 2010      Outside Director of Mitsui Kinzoku ACT Corporation</p> <p>June 2014      Special Advisor of the Company</p> <p>June 2015      Outside Director (current position)</p> <p>June 2020      Director (Audit and Supervisory Committee Member, Outside) of NIPPO LTD. (current position)</p>	5,843 shares
<p>[Significant concurrent positions outside the Company] Director (Audit and Supervisory Committee Member, Outside) of NIPPO LTD.</p> <p>[Reasons for nomination as a candidate for outside Director and overview of expected roles] The candidate has a wealth of experience as a manager of an automobile company. We believe that he can provide objective opinions and advice on the Company's management, make decisions from the perspective of general shareholders, and ensure the effectiveness of the monitoring function of the Board of Directors. Accordingly, we have nominated him again.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Takeyuki Iwasaki (February 18, 1969)  Reelection Outside Independent	<p>Apr. 1991      Joined Funai Consulting Incorporated</p> <p>Apr. 2008      Senior Consultant</p> <p>Apr. 2015      Part-time Lecturer of College of Business at Rikkyo University</p> <p>June 2017      Director of Business Wrapping Association (current position)</p> <p>Apr. 2019      Established Mugamae, Inc. Representative Director and President (current position)</p> <p>Jan. 2020      Director (Audit and Supervisory Committee Member, Outside) of EARLY AGE CO., LTD. (current position)</p> <p>June 2020      Outside Director of the Company (current position)</p>	4,925 shares
<p>[Significant concurrent positions outside the Company] Representative Director and President of Mugamae, Inc., Director (Audit and Supervisory Committee Member, Outside) of EARLY AGE CO., LTD.</p> <p>[Reasons for nomination as a candidate for outside Director and overview of expected roles] The candidate has a wealth of knowledge and experience as a management consultant, and provides objective opinions and advice on our management based on that wealth of knowledge and experience. We believe that this can ensure sharing the perspectives of our general shareholders in the course of our decision-making and thus make the monitoring function of the Board of Directors effective. Accordingly, we have nominated him again.</p>			

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
  2. Tsutomu Umeno and Takeyuki Iwasaki are candidates for outside Director.
  3. At the conclusion of this meeting, the tenure of Tsutomu Umeno and Takeyuki Iwasaki as outside Directors will have been 11 years and 6 six years, respectively.
  4. We have submitted notification to the Tokyo Stock Exchange that Tsutomu Umeno and Takeyuki Iwasaki have been designated as independent officers as provided for by Tokyo Stock Exchange, Inc. If they are reelected, we plan for those designations to continue.
  5. In addition to the independence standards for outside directors stipulated by Tokyo Stock Exchange, Inc., we have established our own independence standards, taking into account the relationships with the Group, our officers and major shareholders, and Tsutomu Umeno and Takeyuki Iwasaki satisfy the independence standards. (For the Company's own "independence standards," please see page 22.)
  6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation, we have entered into an agreement with Tsutomu Umeno and Takeyuki Iwasaki to limit their liability for damages pursuant to Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations. We plan to renew this agreement after the approval of their reelection.
  7. The Company has entered into "Directors and Officers Liability Insurance Policy" pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act, according to which the insurer has promised to pay compensation for damages arising from officers, etc. bearing liability in relation to the execution of duties or the receipt of a demand pursuing relevant liability (excluding cases of unjust acts etc. such as illegally gaining benefits or advantages, violations of laws and regulations, insider trading, and gross negligence), where officers, etc. including the Company's Directors are the insureds. If a candidate is elected and assumes office as a Director, he or she will be insured in this manner. The insurance policy is scheduled to be renewed on the same terms and conditions upon its next renewal.

**Proposal No. 4** Election of Four Directors Serving As Audit and Supervisory Committee Members

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee. Therefore, we propose the election of four Directors who are Audit and Supervisory Committee Members, including three outside Directors. For this proposal, the Audit & Supervisory Board has already given its consent. This proposal shall take effect on the condition that the changes to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” become effective. The candidates for Director who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company’s shares owned
1	Takao Furuhashi (May 14, 1960)	Mar. 1984	Joined SHIMOJIMA Trading Co., Ltd.	19,437 shares
	New election	Apr. 2013	General Manager of Information Systems Department of the Company	
	Attendance at Audit & Supervisory Board meetings (for the fiscal year ended March 31, 2026)	July 2014	General Manager of QC Promotion Department	
	16/16 (100%)	Apr. 2015	General Manager of Internal Audit Office	
		June 2015	Full-time Audit & Supervisory Board Member (current position)	
[Reasons for nomination] The candidate is well versed in the merchandise purchasing process of the Company, and has operational experience in information system management and quality control. In addition, having served as a Full-time Audit & Supervisory Board Member from June 2015 and having a wealth of experience regarding the Company’s business and management, as well as expertise in laws and regulations, we have nominated him as a new candidate for Director who is an Audit and Supervisory Committee Member to ensure the legality and appropriateness of business execution.				
2	Takao Karasawa (September 29, 1959)	Apr. 1990	Registered as an attorney (Daini Tokyo Bar Association)	1,465 shares
	New election	Apr. 1990	Joined Kaneko & Iwamatsu	
	Outside Independent	July 2004	Securities Inspector of Kanto Local Finance Bureau, Ministry of Finance	
	Attendance at Audit & Supervisory Board meetings (for the fiscal year ended March 31, 2026)	Mar. 2006	Returned to Kaneko & Iwamatsu (current position)	
	16/16 (100%)	June 2010	Outside Statutory Auditor of New Real Property Corporation	
		June 2024	Outside Audit & Supervisory Board Member of the Company (current position)	
[Significant concurrent positions outside the Company] Kaneko & Iwamatsu [Reasons for nomination and overview of expected roles] The candidate has advanced expert knowledge of and a wealth of experience in corporate legal affairs. We expect that he will provide advice on the Company’s management, oversight of business execution, and audits from a neutral standpoint, all from an objective and expert perspective. Accordingly, we request his election as an outside Director who is an Audit and Supervisory Committee Member. Although Takao Karasawa has never been involved in the management of businesses in ways other than serving as outside Director or outside Audit & Supervisory Board Member, for the reasons stated above, we have judged that he will be able to perform duties as an outside Director who is an Audit and Supervisory Committee Member appropriately.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Tomohiro Oki (October 13, 1962)	Nov. 1987	Joined Sanyo Securities Co., Ltd.	780 shares
	New election Outside Independent	Jan. 1991	Joined Chuo Audit Corporation	
	Attendance at Audit & Supervisory Board meetings (for the fiscal year ended March 31, 2026)	Aug. 1992	Registered as Certified Public Accountant	
	11/11 (100%)	July 2001	Partner of ChuoAoyama Audit Corporation	
		Aug. 2007	Partner of Audit Corporation Taiyo ASG (currently Grant Thornton Taiyo LLC)	
		Aug. 2023	Auditor of JA Zenchu (current position)	
		Oct. 2024	Advisor of Grant Thornton Taiyo LLC (current position)	
		June 2025	Outside Audit & Supervisory Board Member of the Company (current position)	
<p>[Significant concurrent positions outside the Company] Auditor of JA Zenchu, Advisor of Grant Thornton Taiyo LLC</p> <p>[Reasons for nomination and overview of expected roles] The candidate has advanced expert knowledge of and a wealth of experience in finance and accounting. We expect that he will provide advice on the Company's management, oversight of business execution, and audits from a neutral standpoint, all from an objective and expert perspective. Accordingly, we request his election as an outside Director who is an Audit and Supervisory Committee Member. Although Tomohiro Oki has never been involved in the management of businesses in ways other than serving as outside Director or outside Audit &amp; Supervisory Board Member, for the reasons stated above, we have judged that he will be able to perform duties as an outside Director who is an Audit and Supervisory Committee Member appropriately.</p>				
4	Chihiro Kanai (July 1, 1961)	Apr. 1984	Joined Citibank, N.A.	3,907 shares
	New election Outside Independent	Oct. 1990	Joined Chuo Audit Corporation	
	Attendance at Board of Directors meetings (for the fiscal year ended March 31, 2026)	Mar. 1994	Registered as Certified Public Accountant	
	14/14 (100%)	Aug. 2000	Established Chihiro Kanai Certified Public Accountant Office (current position)	
		Dec. 2019	Outside Auditor of Inose Logistics Service Co., Ltd. (currently ONE LOGISTICS Inc.) (current position)	
		Aug. 2020	Partner of Seirei Audit Corporation (current position)	
		June 2021	Outside Director of the Company (current position)	
		May 2023	Director (Audit and Supervisory Committee Member, Outside) of NOMURA Co., Ltd. (current position)	
<p>[Significant concurrent positions outside the Company] Representative of Chihiro Kanai Certified Public Accountant Office, Outside Auditor of ONE LOGISTICS Inc., Partner of Seirei Audit Corporation, Director (Audit and Supervisory Committee Member, Outside) of NOMURA Co., Ltd.</p> <p>[Reasons for nomination and overview of expected roles] The candidate has advanced expert knowledge of and a wealth of experience in finance and accounting. We expect that she will provide advice on the Company's management, oversight of business execution, and audits from a neutral standpoint, all from an objective and expert perspective. Accordingly, we request her election as an outside Director who is an Audit and Supervisory Committee Member. Although Chihiro Kanai has never been involved in the management of businesses in ways other than serving as outside Director or outside Audit &amp; Supervisory Board Member, for the reasons stated above, we have judged that she will be able to perform duties as an outside Director who is an Audit and Supervisory Committee Member appropriately.</p>				

New election: Candidate for Director who is an Audit and Supervisory Committee Member to be newly elected

Outside: Candidate for outside Director who is an Audit and Supervisory Committee Member

Independent: Independent officer as defined by the securities exchange, etc.

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. Takao Karasawa, Tomohiro Oki, and Chihiro Kanai are candidates for outside Director who are Audit and Supervisory Committee Members.

3. At the conclusion of this meeting, the tenure of Takao Karasawa and Tomohiro Oki as outside Audit & Supervisory Board Members will have been two years and one year, respectively.
4. At the conclusion of this meeting, the tenure of Chihiro Kanai as outside Director will have been five years.
5. We have submitted notification to the Tokyo Stock Exchange that Takao Karasawa, Tomohiro Oki, and Chihiro Kanai have been designated as independent officers. If they are elected, we plan for those designations to continue.
6. In addition to the independence standards for outside directors stipulated by Tokyo Stock Exchange, Inc., we have established our own independence standards, taking into account the relationships with the Group, our officers and major shareholders, and Takao Karasawa, Tomohiro Oki, and Chihiro Kanai satisfy the independence standards. (For the Company's own "independence standards," please see page 22.)
7. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation, we have entered into an agreement with Takao Karasawa, Tomohiro Oki, and Chihiro Kanai to limit their liability for damages pursuant to Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations. If the election of Takao Karasawa, Tomohiro Oki, and Chihiro Kanai is approved, we plan to enter into an agreement of equivalent content with each of them.
8. The Company has entered into "Directors and Officers Liability Insurance Policy" pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act, according to which the insurer has promised to pay compensation for damages arising from officers, etc. bearing liability in relation to the execution of duties or the receipt of a demand pursuing relevant liability (excluding cases of unjust acts etc. such as illegally gaining benefits or advantages, violations of laws and regulations, insider trading, and gross negligence), where officers, etc. are the insureds. If a candidate is elected and assumes office as a Director who is an Audit and Supervisory Committee Member, he or she will be insured in this manner. The insurance policy is scheduled to be renewed on the same terms and conditions upon its next renewal.

## Skills Matrix

Name	1	2	3	4	5	6	7	8	9	10
	Corporate Management (Leadership)	Sales Marketing	International Strategy	Legal Affairs Risk Management	Finance Accounting M&A	Human Resources Talent Development	DX (IT)	SCM (Logistics)	R&D Product Development	Sustainability
Yoshihiko Kasai	●	●	●						●	●
Hitoshi Onodera	●			●	●		●	●		
Manabu Onuki	●	●	●						●	●
Shoichi Watanabe	●	●						●	●	●
Hiroko Ikeda				●	●	●	●			●
Shingo Ojiri	●	●	●				●	●	●	
Masashi Takano	●	●		●	●					●
Tsutomu Umeno	●	●	●			●			●	
Takeyuki Iwasaki	●	●				●	●			
Takao Furuhashi				●		●	●		●	●
Takao Karasawa				●	●	●				
Tomohiro Oki				●	●					
Chihiro Kanai	●			●	●			●		●

Skill Item	Skill Definition
Corporate Management (Leadership)	A wealth of knowledge and experience in corporate management, with the ability to contribute to the formulation of management strategy and important management decisions from a medium- to long-term perspective.
Sales/Marketing	Knowledge and experience in sales and marketing strategy, with the ability to contribute to the development of strategies aimed at business growth and improved profitability.
International Strategy	Knowledge and experience in international business and overseas markets, with the ability to contribute to management decisions reflecting global business expansion and the international business environment.
Legal Affairs/Risk Management	Knowledge and experience in legal affairs, compliance, and risk management, with the ability to contribute to the establishment of appropriate governance structures and the strengthening of risk management.
Finance/Accounting/M&A	Knowledge and experience in finance, accounting, and M&A, with the ability to contribute to the consideration of financial strategy and investment decisions aimed at enhancing corporate value.
Human Resources/Talent Development	Knowledge and experience in human resources, labor management, and talent development, with the ability to contribute to the consideration of measures aimed at strengthening human capital and enhancing organizational capability.
DX (IT)	Knowledge and experience in the use of IT and digital technology, with the ability to contribute to the consideration of enhancing corporate value through digitalization and operational reform.
SCM (Logistics)	Knowledge and experience in supply chain management and logistics, with the ability to contribute to the consideration of the optimization of the entire supply chain, including procurement, inventory management, and logistics networks, and business efficiency improvement.
R&D/Product Development	Knowledge and experience in product planning and product development, with the ability to contribute to the consideration of product strategies aimed at creating new value reflecting market needs.
Sustainability	Knowledge and experience in ESG and sustainability, with the ability to contribute to the consideration of sustainable enhancement of corporate value reflecting responses to environmental and social challenges.

**Proposal No. 5** Election of One Substitute Director Serving As an Audit and Supervisory Committee Member

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee. Accordingly, we propose the election of one substitute Director who is to serve as an Audit and Supervisory Committee Member to prepare for cases in which the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated in laws and regulations. For this proposal, the Audit & Supervisory Board has already given its consent. This proposal shall take effect on the condition that the changes to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” become effective. The candidate for substitute Director serving as an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company’s shares owned
Satoshi Matsui (September 24, 1984)  Outside Independent	Dec. 2011 Registered with a bar association (Tokyo Bar Association) Jan. 2012 Joined Mineo Enomoto Law Office Sept. 2017 Registered as Small and Medium-sized Enterprise Consultant May 2019 Partner of Enomoto and Matsui Law Office (current position) May 2023 Director (Audit & Supervisory Committee Member, Outside) of Newtech Co., Ltd. (current position)	– shares
<p>[Significant concurrent positions outside the Company] Partner of Enomoto and Matsui Law Office, Director (Audit &amp; Supervisory Committee Member, Outside) of Newtech Co., Ltd.</p> <p>[Reasons for nomination and overview of expected roles] The candidate has advanced expert knowledge of and a wealth of experience in corporate legal affairs. We expect that he will provide advice on the Company’s management, oversight of business execution, and audits from a neutral standpoint, all from an objective and expert perspective. Accordingly, we request his election as a substitute outside Director who is an Audit and Supervisory Committee Member. Although Satoshi Matsui has never been involved in the management of businesses in ways other than serving as outside Director or outside Audit &amp; Supervisory Board Member, for the reasons stated above, we have judged that he will be able to perform duties as an outside Director who is an Audit and Supervisory Committee Member appropriately.</p>		

Outside: Candidate for substitute outside Audit & Supervisory Board Member

Independent: Independent officer as defined by the securities exchange, etc.

- Notes:
1. There is no special interest between Satoshi Matsui and the Company.
  2. Satoshi Matsui is a candidate for substitute outside Director who is an Audit and Supervisory Committee Member.
  3. In addition to the independence standards for outside directors stipulated by Tokyo Stock Exchange, Inc., we have established our own independence standards, taking into account the relationships with the Group, our officers and major shareholders, and Satoshi Matsui satisfies these independence standards (please see the following page for details). If he assumes office as an outside Director who is an Audit and Supervisory Committee Member, we plan to submit notification to the Tokyo Stock Exchange designating him as an independent officer.
  4. If Satoshi Matsui assumes office as an outside Director who is an Audit and Supervisory Committee Member, we plan to enter into an agreement with him to limit his liability for damages pursuant to Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the provisions of our Articles of Incorporation. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations.
  5. The Company has entered into “Directors and Officers Liability Insurance Policy” pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act, according to which the insurer has promised to pay compensation for damages arising from officers, etc. bearing liability in relation to the execution of duties or the receipt of a demand pursuing relevant liability (excluding cases of unjust acts etc. such as illegally gaining benefits or advantages, violations of laws and regulations, insider trading, and gross negligence), where officers, etc. are the insureds. The insurance policy is scheduled to be renewed on the same terms and conditions upon its next renewal. If Satoshi Matsui assumes office as an outside Director who is an Audit and Supervisory Committee Member, he will be insured in this manner.

(Reference) Independence of outside Directors

The Company's own independence standards are as follows.

- (1) The candidate is not a person who is or was a person executing business at the Company, its subsidiaries, etc. or its associates, as of the date they are scheduled to assume their position or in the past.
- (2) The candidate is not a person who currently belongs to the Company's subsidiaries or its associates.
- (3) For items (1) and (2) above, ten years or more will have passed since the candidate's retirement as of the date they are scheduled to assume their position.
- (4) The candidate is not a person who, in the three most recent fiscal years, was one of the top ten major shareholders in the Company's shareholder register or belonged to an organization that is a major shareholder.
- (5) The candidate is not a person who currently belongs to a business partner whose business transactions with the Group in the three most recent fiscal years account for 1% or more of the consolidated net sales annually for the Group or the business partner.
- (6) The candidate is not an accounting professional, legal professional, or consulting or advisory agreement partner (in cases where the partner is a corporation or other organization, a person who currently belongs to that organization) who, in the three most recent fiscal years, has received an average of ¥10 million or more annually in monetary consideration or other economic benefits from the Company besides officer remuneration, etc.
- (7) The candidate is not a person who belongs to a non-profit organization that has received donations from the Group in the three most recent fiscal years accounting for 1% or more of its annual average total income.
- (8) Regarding (4), (5), (6) and (7), five years or more will have passed since the candidate has retired from the organization, business partner, etc. as of the date they are scheduled to assume their position.
- (9) The candidate is not the spouse or a relative within the third degree of kinship of a person executing business at the Company or a specified affiliated business operator for the Company.

**Proposal No. 6** Establishment of Remuneration Limit for the Directors (Excluding the Directors Who Are Audit and Supervisory Committee Members)

The 33rd Annual General Meeting of Shareholders held on June 30, 1994 has approved that the total annual remuneration for the Company's Directors is to be no more than ¥500 million, which remains in effect to this day.

However, the current provisions on Directors' remuneration will have to be repealed after the approval of Proposal No. 2 "Amendment to the Articles of Incorporation," which transforms the Company to be a company with an audit and supervisory committee. Accordingly, subject to this approval, we propose to establish the total annual remuneration limit for Directors (excluding the Directors serving as Audit and Supervisory Committee Members) to be ¥500 million (which includes the allotment for outside Directors, the limit of which is to be ¥100 million), taking into account current economic conditions and other circumstances. Our Board of Directors has plans to revise after the approval of this proposal our remuneration policy described on our Business Report, which will replace (a) references to "Directors" with "Directors (excluding the Directors serving as Audit and Supervisory Committee Members)," and (b) references to "Audit & Supervisory Board Members" with "Directors serving as Audit and Supervisory Committee Members."

The Board deems this proposal as not only necessary to determine the content of individual Director remuneration, etc. in line with said policy, but also rational, taking into account economic conditions, the size of the Company, the number of Directors, and the situation of other companies, and even appropriate, after consultation with our voluntary Nomination and Remuneration Committee and reception of its recommendation.

The above-mentioned remuneration shall not include the salaries received as employees. The number of Directors (excluding the Directors serving as Audit and Supervisory Committee Members) will be nine, if this meeting approves the Proposal No. 2 "Amendment to the Articles of Incorporation" and Proposal No. 3 "Election of Nine Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members)" (two among them will be outside Directors) as originally proposed.

This proposal shall take effect on the condition that the changes to the Articles of Incorporation in Proposal No. 2 "Amendment to the Articles of Incorporation" become effective.

**Proposal No. 7**      Establishment of Remuneration Limit for the Directors Serving As Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee subject to approval of Proposal No. 2 “Amendment to the Articles of Incorporation.”

Accordingly, we propose to set the total annual remuneration limit for Directors serving as Audit and Supervisory Committee Members at no more than ¥100 million, with regards to the weight of their duties and responsibilities.

As described in Proposal No. 6 “Establishment of Remuneration Limit for the Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members),” the Board shall revise the policy on their remuneration subject to the approval of this proposal.

The Board deems this proposal as not only necessary and reasonable, but also appropriate, after its consultation with the voluntary Nomination and Remuneration Committee and the reception of its recommendation. The number of Directors Serving As Audit And Supervisory Committee Members will be four, after the approval of the Proposal No. 2 and Proposal No. 4. (three among them will be outside Directors).

This proposal shall take effect on the condition that the changes to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” become effective.

## **Proposal No. 8** Determination of Remuneration for the Grant of Restricted Stock to Directors

The 33rd Annual General Meeting of Shareholders held on June 30, 1994 has approved (i) total annual remuneration limit of no more than ¥500 million for the Company's Directors (excluding the salaries received as employees) and (ii) total annual remuneration limit of no more than ¥100 million for the Company's Audit & Supervisory Board Members. Subsequently, the 60th Annual General Meeting of Shareholders held on June 23, 2021 has approved that, for the Directors and Audit & Supervisory Board Members, they can receive remuneration for the grant of restricted stock within the framework of the aforementioned remuneration limit, by converting part of the cash payment (up to 20%) to shares, up to ¥100 million per year for Directors (including up to ¥7 million per year for outside Directors) and up to ¥20 million per year for Audit & Supervisory Board Members, after the specific allocation to each eligible officer determined by resolution of the Board of Directors for Directors and by resolution of the Audit & Supervisory Board for Audit & Supervisory Board Members.

If Proposal No. 2 "Amendment to the Articles of Incorporation" is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee. Accordingly, the Company wishes to introduce anew a restricted stock remuneration plan (hereinafter referred to as the "Plan") for the Company's Directors (including Directors who are Audit and Supervisory Committee Members and outside Directors; hereinafter referred to as the "Eligible Directors"), as a mechanism to share the benefits and risks of stock price increases and changes in corporate value, within the remuneration limit for which approval is being sought under Proposal No. 6 "Establishment of Remuneration Limit for the Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members)" and Proposal No. 7 "Establishment of Remuneration Limit for the Directors Serving As Audit and Supervisory Committee Members." Accordingly, the total amount of monetary remuneration claims to be provided to the Eligible Directors for the allotment of restricted stock, by converting part of the cash payment (up to 20%) to shares, shall be no more than ¥100 million per year for Directors (excluding the Directors serving as Audit and Supervisory Committee Members) (including no more than ¥7 million per year for outside Directors) and no more than ¥20 million per year for Directors serving as Audit and Supervisory Committee Members (including no more than ¥7 million per year for outside Directors). The specific allocation to each eligible officer shall be determined by resolution of the Board of Directors for Directors (excluding the Directors serving as Audit and Supervisory Committee Members), and by resolution of the Audit and Supervisory Committee for Directors serving as Audit and Supervisory Committee Members.

If Proposal No. 3 "Election of Nine Directors (Excluding the Directors Serving As Audit and Supervisory Committee Members)" and Proposal No. 4 "Election of Four Directors Serving As Audit and Supervisory Committee Members" are approved as originally proposed, the number of Directors (excluding the Directors serving as Audit and Supervisory Committee Members) will be nine (two of them will be outside Directors), and the number of Directors who are Audit and Supervisory Committee Members will be four (three of them are outside Directors).

Pursuant to a resolution of the Company's Board of Directors, the Eligible Directors shall contribute all monetary remuneration claims granted pursuant to this proposal as property contributed in kind, and shall receive the issuance or disposition of the Company's common shares. The total number of common shares of the Company to be issued or disposed of shall be no more than 80,000 shares per year for Directors (excluding the Directors serving as Audit and Supervisory Committee Members) (including no more than 5,600 shares per year for outside Directors), and no more than 16,000 shares per year for Directors serving as Audit and Supervisory Committee Members (including no more than 5,600 shares per year for outside Directors) (provided that the Company shall adjust such total number within a reasonable range, if the Company's common shares are subject to a stock split (including a gratis allotment of the Company's common shares) or a reverse stock split, or any other event arises requiring adjustment of the total number of the Company's common shares to be issued or disposed of as restricted stock, on or after the date of approval of this proposal). The Board of Directors shall determine the amount to be paid per share, within a range that is not particularly advantageous to the Eligible Directors, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution (or, if no transaction has been concluded on that day, the closing price on the most recent transaction day). The Company and each Eligible Director shall enter into an agreement on allotment of restricted stock that includes the provisions as summarized below (the "Allotment Agreement") for the issuance or disposal of the common shares of the Company.

- (1) The Eligible Director shall not transfer to any third party, create a pledge or security interest by way of transfer in, make any inter vivos gift or bequest of, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") during the period from the date of allotment under the Allotment Agreement until the later of (i) the date on which the Eligible Director loses his or her position as a Director of the Company or (ii) the date on which the Company submits its annual securities report pertaining to the fiscal year to which the issuance date belongs (or its semiannual securities report pertaining to the fiscal year if the issuance date falls within six months after the commencement of the

fiscal year) (hereinafter referred to as the “Transfer Restriction Period”), (hereinafter referred to as the “Transfer Restriction”).

- (2) The Company shall automatically acquire such Allotted Shares without contribution, if an Eligible Director loses the position referred to in (1) above before the expiration of the period determined beforehand by the Company’s Board of Directors (hereinafter referred to as the “Service Period”), unless there is a reason the Company’s Board of Directors deems justifiable.
- (3) The Company shall lift the Transfer Restriction on all of the Allotted Shares upon the expiration of the Transfer Restriction Period on the condition that the Eligible Director has continuously held the position determined by the Company’s Board of Directors throughout the Service Period. However, the Company shall reasonably adjust the number of Allotted Shares on which the Transfer Restriction is to be lifted and the timing of lifting as needed, if the Eligible Director loses the position designated in (1) above before the expiration of the Service Period due to a reason the Company’s Board of Directors deems justifiable as set forth in (2) above.
- (4) The Company shall automatically acquire without contribution the Allotted Shares excluded from the lift of the Transfer Restriction at the expiration of the Transfer Restriction Period in accordance with the provisions of (3) above.
- (5) Notwithstanding the provisions of (1) above, the Board of Directors shall resolve to lift the Transfer Restriction on the Allotted Shares prior to the date on which the Company’s reorganization, etc. becomes effective. If the Company’s General Meeting of Shareholders (or the Board of Directors in cases where the its approval is not required) resolves during the Transfer Restriction Period the approval of matters relating to the Company’s reorganization etc., such as a merger agreement in which the Company is to disappear, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, etc., the Board shall reasonably determine the number of such Allotted Shares in light of the period from the start date of the Transfer Restriction Period to the approval date of the above-mentioned reorganization etc. of the Company.
- (6) In cases specified in (5) above, the Company shall automatically acquire without contribution the Allotted Shares excluded from the lift of the Transfer Restriction, if there are such shares immediately after the lift pursuant to the provisions of (5) above.
- (7) The Board of Directors shall lay out in the Allotment Agreement other matters to be determined including the method for expressing intentions, giving notifications, or amending the Allotment Agreement, etc.

Since the Plan is to be introduced within the approved remuneration limit, the Board decided that the Plan shall allow each Eligible Director to choose whether to (i) receive common shares of the Company as remuneration by paying in kind the monetary remuneration claims provided, or (ii) receive monetary remuneration by simply exercising those monetary remuneration claims.

Subject to approval of this proposal at the 65th Annual General Meeting of Shareholders scheduled for June 25, 2026, the Company plans to revise the basic policy on the determination of individual Director remuneration, etc. in line with this proposal at the Board of Directors meeting to be held after the said meeting. We consider the grant of this restricted stock to be appropriate, for the amount to be paid for this restricted stock shall be within a range that is not particularly advantageous to the Eligible Directors, and the dilution ratio shall be also minor. The Board of Directors has determined this Proposal after the consultation with the voluntary Nomination and Remuneration Committee and the reception of the recommendations therefrom.