

(Note) This is an English translation of the cover letter and attached reference documents for the annual general meeting of shareholders, which comprise a part of our notice of convocation of annual general meeting of shareholders originally written in Japanese, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Notice of Convocation of the 24th (FY2025) Annual General Meeting of Shareholders



Date and time:

Friday, March 27, 2026, at 10:00 a.m. (JST)

(The reception will commence at 9:00 a.m. (JST))

Venue:

Conference Room, 6th floor,

Head office of PILOT Corporation

6-21, Kyobashi 2-chome, Chuo-ku, Tokyo

PILOT Corporation

Securities code: 7846

To Our Shareholders, _____

I would like to offer my deepest gratitude to our valued shareholders for their continued kind support of the PILOT Group's business activities.

FY2025 was a year in which the global economic outlook remained uncertain and we had to flexibly adapt our business operations in response to dramatically fluctuating conditions in each region and market.

In this environment, the PILOT Group launched its 2025–2027 Medium-Term Management Plan (the “Medium-Term Management Plan”) and worked hard on various measures in line with the theme of “reinforcing the Group's management foundation for adapting to changes.” However, we failed to sufficiently adapt to changes in the business environment, etc. and our results for the first fiscal year of the Medium-Term Management Plan fell short of our initial targets. Our FY2025 results were a stark reminder of the importance of management foundations for perceiving changes in markets and customers more quickly and reflecting these changes in business operations and decision-making.

Based on the PILOT Group's Purpose “Our Creations Inspire Creativity,” we will steadily implement each of the measures set out in the Medium-Term Management Plan, and we will work together as a group to meet the expectations of shareholders through medium-to-long-term improvement in our corporate value.

We look forward to your continued support.

Representative Director and President
Fumio Fujisaki



Our Creations Inspire Creativity

We innovate for all who think, learn, play, create, communicate.

We generate original technology and great ideas so creativity can be freely unleashed.

We inspire joyful thinking and facilitate visionary experiences for everyone.



Securities code: 7846

Sending date: March 6, 2026

Start date of measures for electronic provision: March 4, 2026

To Our Shareholders with Voting Rights,

Fumio Fujisaki, Director and President

PILOT Corporation

6-21, Kyobashi 2-chome, Chuo-ku, Tokyo

Notice of Convocation of the 24th (FY2025) Annual General Meeting of Shareholders

We are pleased to announce the 24th (FY2025) Annual General Meeting of Shareholders of PILOT Corporation (the “Company”) to be held as described below.

When convening this general meeting of shareholders, the Company takes measures for electronic provision and posts the matters subject to measures for electronic provision as “Notice of Convocation of the 24th (FY2025) Annual General Meeting of Shareholders and Informational Materials for a General Shareholders Meeting” on the Company’s website.

[The Company’s website]	https://www.pilot.co.jp/company/english/ir/stock/meeting.html
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In addition to the above, the information is also posted on the following website on the Internet.

TSE website (Listed Company Search)	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do? Show=Show Access the TSE website by using the Internet address shown above, enter “PILOT Corporation” in “Issue name (company name)” or the Company’s securities code “7846” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”
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[The website where materials for the general meeting of shareholders are posted]	https://s.srdb.jp/7846/ (in Japanese)
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If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing. Please review Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:35 p.m. on Thursday, March 26, 2026 (JST).

Details

- 1. Date and time:** Friday, March 27, 2026, at 10:00 a.m. (JST)
(The reception will commence at 9:00 a.m. (JST))
- 2. Venue:** Conference Room, 6th floor, Head office of PILOT Corporation
6-21, Kyobashi 2-chome, Chuo-ku, Tokyo

3. Purpose of the meeting:

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and Audit Reports on the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee for the 24th fiscal year (from January 1, 2025 to December 31, 2025)
2. The Non-consolidated Financial Statements for the 24th fiscal year (from January 1, 2025 to December 31, 2025)

Matters to be resolved:

- Proposal 1:** Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 2:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 3:** Revision to Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 4:** Revision to Amount and Details of Share-Based Remuneration, etc. for Directors, etc.
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- If you attend the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk upon your arrival at the meeting.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the following websites on the previous page: the Company's website, the TSE website, and the website where materials for the general meeting of shareholders are posted.
- Irrespective of whether a request for the delivery of paper-based documents has been made, the Company will deliver documents including the items subject to measures for electronic provision for the general meeting of shareholders. The following items subject to measures for electronic provision are not included in accordance with provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company.
 - "Matters Related to Outside Officers, including Outline of Content of Liability Limitation Agreement and Outline of Content of Contract of Directors and Officers Liability Insurance, in the Status of the Company's Officers, the Status of the Financial Auditor, Systems to Ensure Proper Business Activities and Outline of the Operational Status of those Systems, and Basic Policy on Control of the Stock Company" in the Business Report
 - Notes to Consolidated Financial Statements and Consolidated Statement of Changes in Equity
 - Notes to Non-consolidated Financial Statements and Statement of Changes in EquityAccordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included in these documents are part of the documents included in the scope of audits by the Financial Auditor when preparing the financial audit report and the Audit & Supervisory Committee when preparing its audit report.
- When voting rights are exercised in duplicate via the Internet, etc. and by a Voting Rights Exercise Form, the vote via the Internet, etc. is considered effective. When voting rights are exercised multiple times via the Internet, etc., the last vote is considered effective.
- If you indicate neither your approval nor disapproval of a proposal on a Voting Rights Exercise Form when exercising voting rights in writing (by mail), your answer will be deemed to be approval
- If you plan to cast contradictory votes, please inform the Company of your plan and the reason for that in writing or via electronic means at least three days before the date of the general meeting of shareholders.

Proposal 1:	Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
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The terms of office of all the current seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the conclusion of this meeting. We request the election of seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members). The Audit & Supervisory Committee exchanged opinions regarding the nomination of the candidates for directors and determined them to be appropriate after deliberating on them.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

No.		Name	Gender	Attribute of candidate	Current positions in the Company	Number of years as a Director	Attendance at Board of Directors meetings
1	Reappointment	Fumio Fujisaki	Male		Representative Director and President	4 years	17/17
2	Reappointment	Takeshi Kodaira	Male		Representative Director	4 years	17/17
3	New appointment	Toshiyuki Kikawa	Male		Executive Officer	–	–
4	Reappointment	Masanobu Muramatsu	Male	Outside Independent	Outside Director	6 years	17/17
5	Reappointment	Misuzu Shibata	Female	Outside Independent	Outside Director	3 years	17/17
6	Reappointment	Hiroshi Kawano	Male	Outside Independent	Outside Director	1 year	13/13
7	New appointment	Yoshimi Ogata	Female	Outside Independent	–	–	–

	No. 1	Fumio Fujisaki	(July 20, 1960)	Reappointment
	Career summary, positions and responsibilities in the Company Apr. 1984 Joined The Pilot Pen Co., Ltd. (currently PILOT Corporation) Sep. 2011 General Manager of Corporate Planning Office, the Company Mar. 2015 Executive Officer, the Company Mar. 2019 Senior Executive Officer, the Company Mar. 2022 Director and Senior Executive Officer, the Company Mar. 2024 Representative Director and President, the Company (present)			
Number of years as a Director 4 years	(Responsibilities for the fiscal year) Overall supervision			
Attendance at Board of Directors meetings 100% (17/17)	Reasons for the nomination The candidate possesses extensive experience and achievement in a wide range of areas, including accounting and finance, planning, and international sales, in the Company. From 2019, he served as the President of an overseas subsidiary, making significant contributions. From 2022, he served as the Director in charge of domestic and international sales. He has been Representative Director since 2024. The Company judges him a suitable candidate based on his aforementioned achievements and request that he be re-elected as Director.			
Number of the Company's shares held 12,900				

	No. 2	Takeshi Kodaira	(April 26, 1961)	Reappointment
	Career summary, positions and responsibilities in the Company Apr. 1985 Joined The Pilot Pen Co., Ltd. (currently PILOT Corporation) Mar. 2015 General Manager of Hiratsuka Plant, the Company Mar. 2015 Executive Officer, the Company Mar. 2022 Director and Senior Executive Officer, the Company Mar. 2025 Representative Director and Senior Managing Executive Officer, the Company (present)			
Number of years as a Director 4 years	(Responsibilities for the fiscal year) In charge of Non-Writing Instruments Business (IS, Toys, Future Creations) and IT and Special Assignments			
Attendance at Board of Directors meetings 100% (17/17)	Reasons for the nomination The candidate possesses a wealth of experience and achievements in the areas of production and planning in the Company, and after assuming the position of Executive Officer in 2015, he had led the area of production as General Manager of Hiratsuka Plant, and then has served as General Manager of the Corporate Planning Office since 2016, making significant contributions to improving corporate value. He has been serving as Representative Director since 2025. Accordingly, the Company judges him a suitable candidate based on his aforementioned achievements and requests that he be re-elected as Director.			
Number of the Company's shares held 5,400				

	No. 3	Toshiyuki Kikawa	(October 30, 1964)	New appointment
	Career summary, positions and responsibilities in the Company Apr. 1989 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.) Oct. 2012 General Manager of Namba Department II, Namba Branch, Mizuho Bank, Ltd. Apr. 2014 General Manager of Umeda Corporate Banking Department, Umeda Branch, Mizuho Bank, Ltd. Jan. 2018 Joined PILOT Corporation Jul. 2018 General Manager of Information Systems Office, the Company Mar. 2022 Executive Officer and General Manager of General Affairs Department, the Company (present)			
Number of years as a Director –	(Responsibilities for the fiscal year) General Manager of General Affairs Department and in charge of Compliance and Special Assignments			
Attendance at Board of Directors meetings –	Reasons for the nomination The candidate possesses a wealth of experience and achievements at a financial institution, and has also made significant contributions to the Company with his abundant experience and achievements gained in corporate areas. He has been responsible for general affairs and in charge of Special Assignments as an Executive Officer since 2022. Accordingly, the Company judges him a suitable candidate based on his aforementioned achievements and requests that he be elected as Director.			
Number of the Company's shares held 400				

 <p>Number of years as a Director 6 years</p> <p>Attendance at Board of Directors meetings 100% (17/17)</p> <p>Number of the Company's shares held 1,200</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>
	<p>No. 4 Masanobu Muramatsu (September 9, 1955)</p> <p>Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company</p> <p>Mar. 1983 Registered as a certified public accountant Nov. 1989 Registered as a certified public tax accountant (deregistered in November 2021) Nov. 2012 Tax Partner, Gyosei Tax Corporation Jun. 2013 Outside Audit and Supervisory Board Member, Yachiyo Industry Co., Ltd. Mar. 2020 Outside Director, the Company Dec. 2021 Standing Advisor, Azabu Partners Tax & Accounting Co. (present) Mar. 2022 Outside Director (Audit & Supervisory Committee Member), the Company Mar. 2024 Outside Director, the Company (present)</p> <p>(Significant concurrent positions outside the Company) Standing Advisor, Azabu Partners Tax & Accounting Co.</p> <p>Reasons for the nomination and outline of expected role He was appointed as Outside Director of the Company in 2020 to utilize his expertise as a certified public accountant and Audit & Supervisory Board Member of a business company. Since then, he has provided the Company with appropriate advice. He was appointed as Outside Director (Audit & Supervisory Committee Member) of the Company in 2022 and has been Outside Director of the Company since 2024. In addition, the Company wishes to continue benefiting from his contributions to strengthening the supervisory function of the Board of Directors and ensuring transparency. For the reasons stated above, the Company believes that he can fairly and appropriately perform his duties as an Outside Director of the Company and requests that he be elected as Outside Director. After his election, we expect him to make use of his professional knowledge as a certified public accountant to strengthen the supervisory functions concerning overall management, mainly from an accounting perspective.</p>

 <p>Number of years as a Director 3 years</p> <p>Attendance at Board of Directors meetings 100% (17/17)</p> <p>Number of the Company's shares held 0</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>
	<p>No. 5 Misuzu Shibata (July 25, 1974)</p> <p>Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company</p> <p>Oct. 2000 Registered as an attorney at law Nov. 2001 Partner, Attorney at law, NS Law Office (present) Oct. 2007 Fixed-term civil servant, Deposit Insurance and Resolution Framework Office, Planning and Management Division, Supervision Bureau, Financial Services Agency Apr. 2017 Practicing-attorney-professor for civil advocacy, The Legal Training and Research Institute of Japan Jun. 2017 Outside Director, DELICA FOODS HOLDINGS CO., LTD. (present) Jun. 2020 Outside Director, Sompo Holdings, Inc. (present) Jun. 2020 Outside Director, SPACE VALUE HOLDINGS CO., LTD. Mar. 2023 Outside Director, the Company (present)</p> <p>(Significant concurrent positions outside the Company) Partner, Attorney at law, NS Law Office Outside Director, DELICA FOODS HOLDINGS CO., LTD. Outside Director, Sompo Holdings, Inc.</p> <p>Reasons for the nomination and outline of expected role The candidate has provided the Company with appropriate advice since her appointment as Outside Director of the Company in 2023 in order to utilize her abundant knowledge, experience and broad insight as an attorney at law and outside director of industrial corporations. In addition, the Company wishes to continue benefiting from her contributions to strengthening the supervisory function of the Board of Directors and ensuring transparency. For the reasons stated above, the Company believes that she can fairly and appropriately perform her duties as an Outside Director of the Company and requests that she be elected as Outside Director. After her election, we expect her to make use of her professional knowledge as an attorney at law to strengthen the supervisory functions concerning overall management, mainly from a legal perspective.</p>

 <p>Number of years as a Director 1 year</p> <p>Attendance at Board of Directors meetings 100% (13/13)</p> <p>Number of the Company's shares held 0</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>
	No. 6 Hiroshi Kawano (June 11, 1962)
	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company</p> <p>Apr. 1985 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>Apr. 2003 SVP, Sony Electronics Inc. (USA)</p> <p>Apr. 2012 Representative Director, President, Sony Marketing Inc.</p> <p>Jun. 2012 Board of member, Sony Computer Entertainment Inc.</p> <p>Apr. 2018 Representative Director and Deputy President, Sony Imaging Products & Solutions Inc.</p> <p>Apr. 2021 Executive Vice President, Sony Corporation</p> <p>Apr. 2024 Representative, Office K, LLC (currently Representative Director, Office K, Inc.)</p> <p>Jun. 2024 Outside Director, Interworks Confidence Inc.(present)</p> <p>Mar. 2025 Outside Director, the Company (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director, Office K, Inc.</p> <p>Outside Director, Interworks Confidence Inc.</p> <p>Reasons for the nomination and outline of expected role</p> <p>The candidate has provided the Company with appropriate advice since his appointment as Outside Director of the Company in 2025 in order to utilize his abundant knowledge, experience and broad insight as an officer at a private-sector operating company. The Company believes that he can fairly and appropriately perform his duties as an Outside Director of the Company by leveraging his extensive insights and requests that he be elected as Outside Director. After his election, we anticipate he will oversee overall management and provide advice by leveraging his experience as a management member at operating companies and his wide-ranging insights.</p>

 <p>Number of years as a Director -</p> <p>Attendance at Board of Directors meetings -</p> <p>Number of the Company's shares held 100</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>
	No. 7 Yoshimi Ogata (June 30, 1960)
	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company</p> <p>Apr. 1984 Joined Tokyu Department Store Co., Ltd.</p> <p>Oct. 2001 Head of Sales, Parfums Givenchy Japan K.K. (LVMH Group)</p> <p>Jun. 2007 Managing Director / President, Swatch Group Japan K.K.</p> <p>Sep. 2010 President & Representative Director, Luxury Timepieces Japan K.K. (currently KERING JAPAN LIMITED)</p> <p>Oct. 2018 Founder & CEO, Office Ogata Co., Ltd. (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Founder & CEO, Office Ogata Co., Ltd.</p> <p>Reasons for the nomination and outline of expected role</p> <p>The candidate possesses extensive knowledge and experience and a wide range of insights as a director and officer at private operating companies. The Company believes that she can fairly and appropriately perform her duties as an Outside Director of the Company by leveraging her extensive insights and requests that she be elected as Outside Director. After her election, we anticipate she will oversee overall management and provide advice by leveraging her wide-ranging insights in relation to brand business.</p>

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Masanobu Muramatsu, Misuzu Shibata, Hiroshi Kawano and Yoshimi Ogata are candidates for Outside Directors.
 3. Masanobu Muramatsu, Misuzu Shibata and Hiroshi Kawano currently serve as Outside Directors of the Company, and Muramatsu's, Shibata's and Kawano's terms of office as Outside Directors will be six (6) years, three (3) years and one (1) year respectively, at the conclusion of this meeting.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Masanobu Muramatsu, Misuzu Shibata and Hiroshi Kawano to limit their liability for damages set forth in Article 423, paragraph (1) of the said act. According to the agreement, the limit of liability for damages shall be the minimum liability amount stipulated by laws and regulations. If they are re-elected, the Company will continue this agreement with them. If the proposal is approved as originally stated, the Company will enter into the same agreement to limit Yoshimi Ogata's liability for damages.
 5. The Company has entered into a contract of directors and officers liability insurance with an insurance company, as set forth in Article 430-3, paragraph (1) of the Companies Act. The insurance premiums are fully borne by the Company. The insurance covers damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or claims pertaining to the pursuit of such liability. If the election of each candidate for Director

is approved and adopted in this proposal, each candidate will continue to be insured under the said insurance contract. The Company plans to renew the contract with the same terms and conditions at the next renewal.

6. The Company has reported Masanobu Muramatsu, Misuzu Shibata and Hiroshi Kawano as independent directors under the provisions set forth by the Tokyo Stock Exchange. If they are re-elected, the Company will continue to designate them as independent directors. In addition, if the proposal for election of Yoshimi Ogata is approved and adopted as originally proposed, the Company will designate her as an independent director under the provisions set forth by the Tokyo Stock Exchange.
7. The officially registered name of Misuzu Shibata is Misuzu Koyama.
8. At Sampo Japan Insurance Inc., a subsidiary of Sampo Holdings Co., Ltd., where Misuzu Shibata has been appointed as Outside Director from June 2020 to the present, during her time in office, an incident related to actions likely to have violated the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and inappropriate actions in light of the intent of the same occurred, as well as an incident concerning an inappropriate response to fraudulent automotive insurance claims by a second-hand car dealership and an incident concerning the leakage, etc. of customer information. The details of these incidents are described in published materials such as the content of the administrative sanctions by the Financial Services Agency against the two companies and a report by an external investigation committee consisting of third parties, but Shibata has appropriately executed her responsibilities, including regularly offering suggestions concerning model initiatives related to ensuring group compliance as appropriate, and suggestions for compliance with laws and regulations and the prevention of recurrence after these incidents came to light.
9. Director Hiroshi Kawano was newly appointed at the 23rd Annual General Meeting of Shareholders held on March 28, 2025, and his attendance at Board of Directors' meetings is, therefore, different from that of other Directors.

Proposal 2:	Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
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The terms of office of all three (3) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, we request the election of three (3) Directors who are Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has previously given its approval to this proposal.

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

No.		Name	Gender	Attribute of candidate	Current positions in the Company	Number of years as a Director	Attendance at Board of Directors meetings
							Attendance at Audit & Supervisory Committee meetings
1	<u>New appointment</u>	Harunobu Terada	Male		Executive Officer	-	-
2	<u>Reappointment</u>	Toshizo Kamiyama	Male	<u>Outside</u> <u>Independent</u>	Outside Director (Audit & Supervisory Committee Member)	4 years	17/17 13/13
3	<u>Reappointment</u>	Tsugukiyo Fujita	Male	<u>Outside</u> <u>Independent</u>	Outside Director (Audit & Supervisory Committee Member)	4 years	17/17 13/13

	No. 1 Harunobu Terada (August 15, 1965) New appointment
	<p>Career summary, positions and responsibilities in the Company</p> <p>Apr. 1988 Joined The Pilot Pen Co., Ltd. (currently PILOT Corporation) Mar. 2022 General Manager of Accounting & Finance Department, the Company (present) Jul. 2024 Executive Officer, the Company (present)</p> <p>Reasons for the nomination</p> <p>The candidate has made significant contributions to the Company with his abundant experience and achievements gained through the management of group companies in the area of planning and through overseas assignments and managerial positions in the areas of finance and accounting. He has been in charge of the area of accounting as an Executive Officer since 2024. Accordingly, the Company judges him a suitable candidate based on his aforementioned achievements and requests that he be elected as a Director who is an Audit & Supervisory Committee Member.</p>
<p>Number of years as a Director -</p> <p>Number of years as an Audit & Supervisory Committee Member -</p> <p>Attendance at Board of Directors meetings -</p> <p>Attendance at Audit & Supervisory Committee meetings -</p> <p>Number of the Company's shares held 3,500</p>	

	No. 2 Toshizo Kamiyama (November 6, 1968) Reappointment Outside Independent
	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company</p> <p>Apr. 2001 Registered as a certified public accountant Nov. 2010 Registered as a certified public tax accountant Nov. 2010 Representative Partner, Kamiyama Accounting TAX CO. (present) Jul. 2013 Audit & Supervisory Board Member, ATL Systems, Inc. (present) Oct. 2015 Representative Partner, ALT Tsukiji Audit LLC (present) Mar. 2020 Outside Audit & Supervisory Board Member, the Company Mar. 2022 Outside Director (Audit & Supervisory Committee Member), the Company (present) Jun. 2023 Audit & Supervisory Board Member, Heibonsha Co., Ltd. (present) Oct. 2025 Auditor, NEXT Arc United, Inc. (present)</p> <p>(Significant concurrent positions outside the Company) Representative Partner, Kamiyama Accounting TAX CO. Audit & Supervisory Board Member, ATL Systems, Inc. Representative Partner, ALT Tsukiji Audit LLC Audit & Supervisory Board Member, Heibonsha Co., Ltd. Auditor, NEXT Arc United, Inc.</p> <p>Reasons for the nomination and outline of expected role</p> <p>In addition to expertise as a certified public accountant, tax accountant and the auditor of an operating company, the candidate possesses practical international accounting experience. Since his appointment as an Outside Audit & Supervisory Board Member of the Company in 2020 and an Outside Director (Audit & Supervisory Committee Member) of the Company in 2022, the candidate has used his wide range of insights to properly execute his duties as a Director of the Company, and the Company requests that he be re-elected as an Outside Director who is an Audit & Supervisory Committee Member.</p> <p>For the reasons stated above, the Company believes that he can appropriately perform his duties as an Outside Director. After his election, the Company expects that he will make use of his expertise as certified public accountant and tax accountant to strengthen the supervisory function of overall management and the supervisory function of conflicts of interest, mainly from a tax and accounting perspective.</p>
<p>Number of years as a Director 4 years</p> <p>Number of years as an Audit & Supervisory Committee Member 4 years</p> <p>Attendance at Board of Directors meetings 100% (17/17)</p> <p>Attendance at Audit & Supervisory Committee meetings 100% (13/13)</p> <p>Number of the Company's shares held 700</p>	

	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>
	No. 3 Tsugukiyo Fujita (October 17, 1969)
Number of years as a Director 4 years Number of years as an Audit & Supervisory Committee Member 4 years Attendance at Board of Directors meetings 100% (17/17) Attendance at Audit & Supervisory Committee meetings 100% (13/13) Number of the Company's shares held 700	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company</p> <p>Apr. 2000 Registered as an attorney at law Apr. 2000 Attorney at law, Nagatacho Law Office Nov. 2003 Partner, Attorney at law, Nagatacho Law Office (present) Mar. 2022 Outside Director (Audit & Supervisory Committee Member), the Company (present)</p> <p>(Significant concurrent positions outside the Company) Partner, Attorney at law, Nagatacho Law Office</p> <p>Reasons for the nomination and outline of expected role The candidate possesses abundant experience and broad insight as a legal expert. Since his appointment as an Outside Director (Audit & Supervisory Committee Member) of the Company in 2022, he has used his wide range of insights to properly execute his duties as a Director of the Company, and the Company requests that he be re-elected as an Outside Director who is an Audit & Supervisory Committee Member. For the reasons stated above, the Company believes that he can appropriately perform his duties as an Outside Director. After his election, the Company expects that he will make use of his expertise as an attorney-at-law to strengthen the supervisory function of overall management and strengthen the supervisory function of conflicts of interest, mainly from a legal perspective.</p>

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Toshizo Kamiyama and Tsugukiyo Fujita are candidates for Outside Director (Audit & Supervisory Committee Member).
 3. Toshizo Kamiyama and Tsugukiyo Fujita currently serve as Outside Directors of the Company, and Kamiyama's and Fujita's terms of office as Outside Directors will be four (4) years and four (4) years respectively, at the conclusion of this meeting.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Toshizo Kamiyama and Tsugukiyo Fujita to limit their liability for damages set forth in Article 423, paragraph (1) of the said act. According to the agreement, the limit of liability for damages shall be the minimum liability amount stipulated by laws and regulations. If the proposal is approved and adopted as originally proposed and both candidates are re-elected, the Company will continue this agreement with them.
 5. The Company has entered into a contract of directors and officers liability insurance with an insurance company, as set forth in Article 430-3, paragraph (1) of the Companies Act. The insurance premiums are fully borne by the Company. The insurance covers damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or claims pertaining to the pursuit of such liability. If the election of each candidate for Director who is an Audit & Supervisory Committee Member is approved and adopted in this proposal, each candidate will be insured under the said insurance contract. The Company plans to renew the contract with the same terms and conditions at the next renewal.
 6. The Company has reported Toshizo Kamiyama and Tsugukiyo Fujita as independent directors under the provisions set forth by the Tokyo Stock Exchange. If the proposal is approved and adopted as originally proposed and both candidates are re-elected, the Company will continue to designate them as independent directors.

If the candidates listed in this Notice of Convocation are elected as proposed, the skill matrix expected of the Board of Directors will be as follows:

[Legend] ○: Expected skills, ★: Member of Nomination and Remuneration Advisory Committee

Name	Directors						
	Fumio Fujisaki	Takeshi Kodaira	Toshiyuki Kikawa	Masanobu Muramatsu	Misuzu Shibata	Hiroshi Kawano	Yoshimi Ogata
Outside, Independent director				Outside Independent	Outside Independent	Outside Independent	Outside Independent
Nomination and Remuneration Advisory Committee	★				★ (Chairperson)		
Skills	Group governance	○	○	○	○	○	○
	Long-term strategic thinking	○	○	○		○	○
	Sustainability	○	○	○		○	○
	Human resources management	○				○	○
	Global management	○			○	○	○
	Marketing and sales	○				○	○
	Manufacturing, technology, development, intellectual property	○	○				
	DX, IT	○	○	○			
	Risk management	○	○	○		○	
Financial affairs, accounting	○		○	○			

(Note) In order to achieve our purpose, “Our Creations Inspire Creativity,” and ensure the sustainable growth and development of the Group, the Company believes that the Board of Directors should consist of persons who possess knowledge and pride concerning technology and quality, which are the backbone of the Group, and who are resourceful enough to enable them to utilize abundant management and practical experience to enhance the engagement of employees and promote advanced business management.

The Company has set forth these personal criteria and the expected skills that Directors should exercise to fulfill their roles in the form of the “skill matrix expected of the Board of Directors.”

[Legend] ○: Expected skills, ★: Member of Nomination and Remuneration Advisory Committee

	Directors who are Audit & Supervisory Committee Members			Definitions	
	Name	Harunobu Terada	Toshizo Kamiyama		Tsugukiyo Fujita
	Outside, Independent director		Outside Independent		Outside Independent
Nomination and Remuneration Advisory Committee		★			
Skills	Group governance	○	○	○	The skill of building a business portfolio for the Group as a whole and being able to lead the Group with a governance system that includes organizational design * This skill is expected of all Directors.
	Long-term strategic thinking				The skill of envisioning long-term management strategy from a broad perspective to achieve our purpose, and engaging in comprehensive corporate management with a growth story that includes taking on new challenges
	Sustainability			○	The skill of possessing knowledge about sustainability management, and engaging in long-term and stable sustainable management while coexisting with stakeholders
	Human resources management				The skill of creating human resource strategies to enhance the corporate value of the Company, including human resources to act as management successors, and being able to develop human resources to achieve those strategies
	Global management	○	○		The skill of having the experience of developing businesses on a broad global basis, and being able to enhance the presence of the Company in global markets
	Marketing and sales				The skill of possessing broad knowledge and insight related to markets, distribution and branding, and being able to broadly offer added value to society and customers
	Manufacturing, technology, development, intellectual property				The skill of possessing wide-ranging understanding related to technology held by the Company as a manufacturer, as well as quality and intellectual property, and creating systems capable of developing high-quality services and products
	DX, IT				The skill of responding flexibly to social changes and being able to achieve operational reform and stable operation at the Company with advanced literacy concerning digital technologies and IT
	Risk management			○	The skill of being able to create systems and mechanisms for appropriately implementing a response to management risks in areas such as legal affairs and information security
	Financial affairs, accounting	○	○		The skill of achieving long-term and sound management based on a high level of expertise in finance, accounting and tax affairs

(Reference)

Criteria for Judging Independence of Outside Directors

The Company has set forth “Criteria for Independence of Outside Directors” as follows.

If none of the following items apply to an Outside Director (including a candidate thereof), that outside officer shall be deemed to possess independence from the Company and to be free from the risk of a conflict of interest arising with the general shareholders.

- (1) A person who executes business of the Company or its subsidiaries or affiliates (collectively, the “Company Group”) as of now or during the past ten years.
- (2) A person whose principal business partner is the Company Group (a supplier that provides products or services to the Company Group in a case where the transaction amount is equivalent to over 2% of annual consolidated net sales of that supplier in the most recent fiscal year) or a person who executes business of a company whose principal business partner is the Company Group.
- (3) A principal business partner of the Company (a customer receiving products or services from the Company in a case where the transaction amount is equivalent to over 2% of annual consolidated net sales of the Company in the most recent fiscal year) or a person who executes business of a principal business partner of the Company.
- (4) A person who receives 10 million yen or more of monetary consideration or other property from the Company Group annually for services as a professional such as consultant, certified public accountant, attorney at law, that is outside the remuneration received as a Director from the Company Group, or a person belonging to a corporation or organization that receives from the Company Group monetary compensation or other property equivalent to more than 2% of the annual consolidated net sales or annual gross revenues of the corporation or organization in the most recent fiscal year.
- (5) An individual that receives from the Company Group annual donations or subsidies of 10 million yen or more, or a person who executes business at a corporation or organization that receives from the Company Group donations or subsidies equivalent to more than 2% of the annual consolidated net sales or annual gross revenues of the corporation or organization in the most recent fiscal year.
- (6) A person belonging to an auditing firm that conducts statutory audits of the Company Group.
- (7) A major shareholder of the Company (a person who directly or indirectly holds 5% or more of the Company’s total voting rights), or a person who executes business of a major shareholder of the Company.
- (8) A person who executes business of a company of which the Company Group holds directly or indirectly 5% or more of the total voting rights.
- (9) A person to whom any of the above items (2) to (8) have applied during the past five years.
- (10) A spouse, relative within the second degree, or other relatives if sharing the same residence, of the persons prescribed in any of the items (1) to (9) above; providing however that a person who executes business refers only to directors, executive officers, corporate officers, a person who executes business of general manager level or higher, or a person who executes business with authority equivalent thereof.
- (11) Any other person at risk of having a permanent and substantial conflict of interest with all general shareholders of the Company due to circumstances not considered in items (1) to (10) above.

Proposal 3:**Revision to Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

The current maximum annual amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company (hereinafter the “amount of remuneration for Directors”) is set at 500 million yen (including a maximum of 50 million yen for Outside Directors); the remuneration for Directors does not include the employee salaries of Directors who are also employees. This remuneration limit was established at the 20th Annual General Meeting of Shareholders on March 30, 2022, in connection with the Company’s transition to a company with an Audit & Supervisory Committee.

Remuneration for Directors of the Company consists of basic remuneration, which is a fixed remuneration, and year-end remuneration, which is linked to the business performance of each fiscal year (hereinafter in this proposal, both types of remuneration are referred to collectively as “monetary remuneration”) as well as share-based remuneration. We request that, in response to the change in the ratio of the number of Outside Directors, the total amount of remuneration for Directors (maximum annual amount of 500 million yen) be left unchanged and that only the amount of remuneration for Outside Directors be revised from a maximum annual amount of 50 million yen to a maximum annual amount of 100 million yen. As before, the amount of remuneration for Directors shall not include the employee salaries of Directors who are also employees.

If this proposal is approved, the Company will revise its policy for determining individual Directors’ remuneration, etc. at a Board of Directors meeting following this general meeting of shareholders. An outline of the policy is as provided on pages 21 and 22 of this Notice of Convocation. This proposal comprehensively considers a range of factors including the Company’s business scale and current number of officers as well as future trends in the business environment and is deemed necessary and reasonable in order to provide individual Directors with remuneration, etc. that is in line with this policy. The Company concludes, therefore, that the details of this proposal are appropriate.

There are currently seven Directors (of whom three are Outside Directors, and excluding Directors who are Audit & Supervisory Committee Members). If Proposal 1 (Election of Seven (7) Directors (Excluding Directors who are Audit & Supervisory Committee Members)) is approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) relating to the proposal will be seven Directors (of which four will be Outside Directors).

The Company has submitted this proposal after deliberation by the Nomination and Remuneration Advisory Committee, which is made up of a majority of independent outside directors, and has determined that the details of the said remuneration are appropriate, taking into consideration the fairness of the calculation of the amount of remuneration in this proposal and the purpose of revision of the amount of remuneration.

Proposal 4:**Revision to Amount and Details of Share-Based Remuneration, etc. for Directors, etc.****1. Reasons for the proposal and reasons why the remuneration is considered to be appropriate**

The Company introduced a share-based remuneration plan (hereinafter the “Plan”) for Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors and non-residents of Japan; the same applies hereinafter in this proposal) following its approval by shareholders at the 19th Annual General Meeting of Shareholders held on March 30, 2021. Mostly recently, at the 23rd Annual General Meeting of Shareholders on March 28, 2025, the Company received approval to change the remuneration limit under the Plan and to renew the Plan with certain amendments in order to add Executive Officers who are not Directors to persons eligible under the Plan.

Remuneration for Directors of the Company consists of basic remuneration, which is a fixed remuneration, and year-end remuneration and share-based remuneration (the share-based remuneration under the Plan), which are linked to the business performance of each fiscal year. The Company is steadily implementing its 2025–2027 Medium-Term Management Plan for realization of the Company’s 2030 Vision, with the aim of achieving the Group’s long-term growth and sustainable improvement in its corporate value. To this end, the Company intends to further increase the percentage of share-based remuneration in remuneration for Directors and Executive Officers who are not Directors of the Company (excluding non-residents of Japan; hereinafter referred to collectively with Directors as “Directors, etc.”) eligible under the Plan and to set the remuneration of Directors, etc. at a competitive level. The Company also intends to strengthen the link between remuneration and performance and to make Directors, etc. further share benefits with shareholders by encouraging them to hold the Company’s shares.

As a result of enhancement of the share-based remuneration described above, in the event of business growth, the amount of money to be contributed by the Company and the number of the Company’s shares to be delivered to Directors, etc. under the Plan may exceed the current maximum levels. We, therefore, request approval for revisions to the Plan (hereinafter referred to as the “Plan Revisions”).

After the Plan Revisions, the Plan shall continue providing share-based remuneration to Directors, etc. separately from the amount of monetary remuneration for which we are requesting approval in Proposal 3 “Revision to Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members).”

If this proposal is approved, the Company will revise its policy for determining individual Directors’ remuneration, etc. at a Board of Directors meeting following this general meeting of shareholders. An outline of the policy is as provided in pages 21 and 22 of this Notice of Convocation. This proposal is necessary for providing with individual Directors remuneration, etc. that is in line with this policy and is reasonable. The Plan makes clearer the connection between the remuneration for the Directors, etc. and the value of the Company’s shares. Its purpose is to increase their motivation to improve performance and enhance corporate value over the medium to long term. The Company has thus concluded that the Plan is appropriate.

The number of the Directors who are eligible under the Plan will be three (3) if Proposal 1 “Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved and adopted as proposed. As mentioned above, Executive Officers who are not Directors are eligible for the Plan (ten (10) Executive Officers who are not Directors qualify for participation at this time). The remuneration under the Plan consequently includes remuneration for these Executive Officers. In this proposal, the Company proposes the total amount of remuneration for the Directors, etc. and provides details while considering the possibility that these Executive Officers may become Directors after the implementation of the new Plan.

The Company has submitted this proposal after deliberation by the Nomination and Remuneration Advisory Committee and has determined that the details of the said remuneration are appropriate, taking into consideration the fairness of the calculation of the amount of remuneration in this proposal and the purpose of the Plan Revisions.

2. Details of the Plan Revisions

For Directors, etc. who fulfill beneficial requirements, the Company has set the trust (hereinafter, the “Trust”) covering the period corresponding to fiscal years covered by its Medium-Term Management Plan (the current Plan Period is three fiscal years from FY2025 to FY2027) (including extension of the trust period). The Company will revise up the upper limit of the amount of money it contributes to the Trust from the amount obtained by multiplying 130 million yen by the number of years in the Plan Period to that obtained by multiplying 376 million yen by the number of years in the Plan Period. At the same time, the Company will revise upwards the upper limit of the number

of the Company's shares to be Delivered to Directors, etc. (upper limit of the number of points that the Company Delivers to Directors, etc.) from the number obtained by multiplying 23,000 points by the number of years in the Plan Period to that obtained by multiplying 82,000 points by the number of years in the Plan Period.

In addition, while the number of points Delivered to Directors, etc. consist of fixed points and performance-linked points under the current Plan, they will be performance-linked points only under the Plan after the Plan Revisions.

3. Amount and content of remuneration, etc. under the Plan after the Plan Revisions.

(1) Outline of the Plan

The Plan is a share-based remuneration plan under which the Company's shares are acquired through a trust using the amount of remuneration for the Directors, etc. (as specified in (2) below) contributed by the Company as the underlying funds, and individuals who serve as the Directors, etc. during the Plan Period (defined in (2) below) are delivered and paid (hereinafter, "Deliver" or "Delivered") the Company's shares and the amount of money equivalent to the conversion value of the Company's shares (hereinafter collectively, the "Company's Shares, etc.") according to such factors as their position and the degree of achievement of the performance targets throughout a trust period. Directors, etc. will be Delivered the Company's Shares, etc. at a certain time after the end of the fiscal years covered by the Company's Medium-Term Management Plan (hereinafter, the "Plan Period"). While the Plan Period after the Plan Revisions is three fiscal years from FY2025 to FY2027, content of the Plan Revisions will begin to apply in FY2026.

(i) Persons eligible for the Plan	- Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors and non-residents of Japan) - Executive Officers (excluding non-residents of Japan)
(ii) Upper limit of money to be contributed by the Company to the trust	- An amount equivalent to 376 million yen multiplied by the number of years in the Plan Period - A total of 752 million yen over the two fiscal years that are the remaining period of the current Plan Period
(iii) Maximum number of shares of the Company to be Delivered to Directors, etc.	- The number of shares equivalent to the number of points that is derived by multiplying 82,000 points (equivalent to 82,000 shares) by the number of years in the Plan Period - The maximum number of points to be awarded to Directors, etc. over the two fiscal years that are the remaining period of the current Plan Period is 164,000 (the maximum number of shares to be delivered is 164,000).
(iv) Method of acquiring the Company's shares	- The shares will be acquired from the stock market or from the Company (through disposal of treasury shares) - The number of shares corresponding to the number of points per fiscal year to be granted to the Directors, etc. mentioned above (82,000) is approximately 0.22% of the total number of issued shares (as of December 31, 2025, after deduction of treasury shares).
(v) Performance achievement requirements	- Performance achievement requirements will be set between 0% to 200% of the targets for consolidated operating profit, return on equity (ROE) and social contribution indices.
(vi) Timing of Delivery of the Company's Shares, etc. to the Directors, etc.	- In principle, shares will be delivered after the end of the Plan Period (from April 2028 following the end of the current Medium-Term Management Plan period).

* Since the current Plan Period is three fiscal years from FY2025 to FY2027, the Company's Shares, etc. will be Delivered to Directors, etc. approximately three years after the start of the Plan Period.

(2) Upper limit of money to be contributed by the Company

The Plan will be for the fiscal years covered by the Company's Medium-Term Management Plan.

The Company will contribute a maximum amount of money calculated by multiplying the number of fiscal years of the Plan Period by 376 million yen as remuneration for the Directors, etc. pertaining to the said Plan Period, and establish or continue a trust (hereinafter, the "Trust") for a period corresponding to the Plan Period whose beneficiaries are the Directors, etc. who fulfill the beneficiary eligibility requirements. Since the trust that was established for the three fiscal years from FY2025 to FY2027 (hereinafter referred to as the "Current Plan Period") currently exists, the Plan Period after the Plan Revisions in accordance with this proposal is the two fiscal years (FY2026 and FY2027) that are the remaining period of the Current Plan Period and the maximum total amount for this period is 752 million yen.

The Trust will acquire the Company's shares from the stock market or the Company (through disposal of treasury shares) using the trust money as the underlying funds in accordance with instructions of the trust administrator. The Company will grant points to the Directors, etc. (as specified in (3) below) pertaining to the said Plan Period, and the Trust will Deliver the Company's Shares, etc. to the Directors, etc.

The Trust may be continued by modifying the trust agreement and entrusting additional money at the expiry of the trust period of the Trust. In that case, a new Plan Period will be the number of fiscal years covered by a Medium-Term Management Plan that has been formulated by the Company at the time, and the trust period of the Trust will be extended to the same duration as the said new Plan Period. The Company will make an additional contribution of a maximum of the abovementioned amount to the Trust for the remuneration of the Directors, etc. for the new Plan Period and will continue to grant points to them. However, when making additional contributions, if there are shares in the Company (excluding shares in the Company corresponding to points granted to Directors, etc., whose Delivery is incomplete) and cash remaining in the trust assets on the final day of the trust period prior to extension (the "Residual Shares, etc."), the total amount of the amount of the Residual Shares, etc., and any trust money additionally contributed will be within the upper limit on the amount to be contributed to the Trust during the new Plan Period. The trust period may be extended not only once, but again thereafter in the same way.

(3) Calculation formula and upper limit of the number of the Company's Shares, etc. to be acquired by the Directors, etc.

The numbers and amounts of the Company's Shares, etc. to be Delivered to the Directors, etc. will be determined based on the points to be granted to the Directors, etc. which are calculated using specific formulas.

Specifically, performance-linked points calculated using the following formulas will be granted to individuals who serve as the Directors, etc. at a specified timing during the trust period, and the numbers and amounts of the Company's Shares, etc. to be Delivered to the Directors, etc. will be determined based on the points accumulated for the period corresponding to the period of the Medium-Term Management Plan (hereinafter, the "Share Delivery Points"). The number of the Company's shares to be delivered to the Directors, etc. through the Trust is determined by converting the Share Delivery Points granted to each Director, etc. at the rate of one share of the Company per point. If the number of the Company's shares belonging to the Trust increases or decreases due to a share split, allotment of shares without consideration, share consolidation or any other event, the Company will adjust the number of its shares to be delivered per Share Delivery Point according to the percentage of the increase or decrease.

Formula for calculating the performance-linked points:

Amount determined by position / share price at a specified timing x performance-linked coefficient*

- * The performance-linked coefficient will be set between 0% to 200% of the targets for consolidated operating profit, return on equity (ROE) and social contribution indices.
- * The performance-linked coefficient will be 1 (100%) for the fiscal year in which a Director, etc. who fulfills the beneficiary eligibility requirements, retires (excluding voluntary resignation), dies, or becomes a non-resident of Japan.

The maximum number of the Company's shares to be delivered to the Directors, etc. for each Plan Period is calculated by multiplying 82,000 shares by the number of fiscal years of the said Plan Period (hereinafter,

the “Maximum Number of Shares”). Accordingly, the Maximum Number of Shares for the two fiscal years that are the remaining period of the Current Plan Period is 164,000 shares. The Maximum Number of Shares is set based on the upper limit of money to be contributed by the Company in (2) above in reference to factors such as the share prices for the most recent year.

If the Trust is continued as described in Paragraph 3 of (2) above, the Maximum Number of Shares for a new Plan Period is calculated by multiplying 82,000 shares by the number of fiscal years of the said new Plan Period.

(4) Method and timing of Delivery of the Company’s Shares, etc. to the Directors, etc.

The Directors, etc. who fulfill the beneficiary eligibility requirements will be Delivered the Company’s Shares, etc., whose number is calculated based on (3) above, around April immediately after the end of the final fiscal year of the Plan. At the time of Delivery, in accordance with the provisions of the trust agreement, the Directors, etc. will be delivered the Company’s shares for 50% of the Company’s shares corresponding to Share Delivery Points (fractional shares are rounded down), while the remainder is converted to money in the Trust and the Directors, etc. will be paid the amount of money equivalent to the conversion value.

In addition, if a Director, etc. who fulfills the beneficiary eligibility requirements retires (excluding voluntary resignation), the Director, etc. will be Delivered the Company’s Shares, etc. from the Trust, whose number is based on the Share Delivery Points at the time of his or her retirement. If a Director, etc. who fulfills the beneficiary eligibility requirements dies during his or her term of office as a Director, etc., an heir to the Director, etc. will be paid money from the Trust, in an amount obtained by converting to money the Company’s shares whose number is based on the Share Delivery Points at the time of the Director, etc.’s death. The same applies to the case in which a Director, etc. who fulfills the beneficiary eligibility requirements becomes a non-resident of Japan during the Plan Period; the Director, etc. will be paid money from the Trust, in an amount obtained by converting to money the Company’s shares whose number is based on the Share Delivery Points at the time of the Director, etc. becoming a non-resident of Japan.

(5) Clawback clause

If any significant fraud or other illegal conduct by Directors, etc. is discovered, the Company may take action by confiscating the points awarded to them (malice) or reclaiming the amount of money equivalent to the Company’s Shares, etc. that have been delivered to them (clawback).

(6) Voting rights pertaining to the Company’s shares under the Trust

Voting rights pertaining to the Company’s shares under the Trust will not be exercised during the trust period to ensure the neutrality of the Company’s management.

(7) Other details of the Plan

Other details of the Plan will be determined at the Board of Directors each time the Trust is established, the trust agreement is amended, and additional contributions to the Trust are made.

(Reference)

The “Company’s Policy on the Remuneration Plan for Officers” proposed in Proposals 3 and 4 is as follows:

[Outline of the policy for determining individual Directors’ remuneration, etc.]

1. Basic policy

The Company’s remuneration plan for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter) consists of basic remuneration, which is a fixed remuneration, and year-end remuneration and share-based remuneration, which are linked to the business performance of each fiscal year. The Company’s basic policy is to calculate the basic remuneration based on the executive remuneration standard table in accordance with the duties and responsibilities of each executive, to determine the year-end remuneration, which is linked to the Company’s business performance, by resolution of the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee within the limit of the remuneration amount resolved at the general meeting of shareholders, and to determine the share-based remuneration in accordance with the Share Delivery Rules within the limit of the amount of remuneration and the number of shares resolved at the general meeting of shareholders. Outside Directors and Directors who are Audit & Supervisory Committee Members are paid only basic remuneration from the viewpoint of their roles and independence, and the amount of remuneration for Directors who are Audit & Supervisory Committee Members is determined through discussions among Directors who are Audit & Supervisory Committee Members.

2. Policy for determining the amount of basic remuneration (monetary remuneration) for individual Directors

The basic remuneration shall be a monthly fixed remuneration, and the amount of the remuneration shall be determined in accordance with the position and responsibilities, taking into consideration the level at other companies, the Company’s business performance, the level of employee salaries, and other factors comprehensively.

3. Policy for determining the details of performance-linked remuneration, etc. and non-monetary remuneration, etc., and the method for calculating the amount or number of such remunerations

The performance-linked remuneration consists of year-end remuneration (monetary remuneration) and share-based remuneration (non-monetary remuneration). The Company calculates the amount of year-end remuneration to be paid based on the degree of achievement of consolidated net sales and consolidated ordinary profit targets. Year-end remuneration is paid around the same time each year. For the share-based remuneration, the amount of remuneration is determined in consideration of the consolidated net sales, consolidated operating profit, consolidated return on equity (ROE), and social value indices for each fiscal year, in accordance with the provisions of the Share Delivery Rules, and in principle, shares calculated in accordance with performance are delivered after the completion of the Medium-Term Management Plan. In addition, the number of the share-based remuneration to be delivered to individual Directors will be determined in accordance with the Share Delivery Rules, and the share-based remuneration will be returned if the prescribed conditions stipulated in the Share Delivery Rules, such as an occurrence of misconduct, are recognized.

The performance indicators are selected for the purpose of making each Officer more aware of the overall consolidated management.

4. Policy for determining the ratio to the amount of remuneration, etc. for individual Directors

The level of remuneration for Directors is set based on analysis of the Group’s operating environment and comparison with remuneration levels at benchmark companies using the database of an external agency. The Company determines the ratio of remuneration for Directors by type by referring to companies that have the same level of business scale as the Company or belong to relevant industries.

More weight is put on performance-linked remuneration for higher positions. The approximate ratio of remuneration, etc. by type (in the case of the President) is as follows: the ratio of basic remuneration to year-end remuneration to share-based remuneration is 40:30:30 (in the case of achieving 100% of the financial targets set out in the Medium-Term Management Plan).

5. Policy on delegation of authority to determine individual Directors' remuneration, etc.

The Representative Director and President shall be delegated the authority to determine the specific details of the amount of individual remuneration in accordance with a resolution of the Board of Directors, and the scope of such authority shall include the amount of basic remuneration for each Director and the evaluation and allocation of year-end remuneration based on the performance of the business for which each Director is responsible. The Representative Director and President shall consult the Nomination and Remuneration Advisory Committee on the draft and obtain its report to ensure that such authority is appropriately exercised by the Representative Director and President, and the Representative Director and President who has received the above delegation shall make decisions in accordance with the content of such report. As for share-based remuneration, a certain number of points will be granted in accordance with the provisions of the Share Delivery Rules established by resolution of the Board of Directors after consultation with and with the report from the Nomination and Remuneration Advisory Committee, up to the maximum amount resolved at the general meeting of shareholders separately from the limit of monetary remuneration.

Business Report (from January 1, 2025 to December 31, 2025)

1. Status of the Corporate Group

(1) Overview of Operating Results

(i) Progress and results of operations

Through the 2025–2027 Medium-Term Management Plan covering the three-years from the fiscal year ended December 31, 2025, the Group aims to grow writing instruments, which is our mainstay business, in the global market, and create new businesses. The Group positions this period as a phase for reinforcing the Group's management foundation for adapting to changes, as the Group achieves ceaseless evolution, towards attaining the 2030 Vision.

During the current fiscal year (January 1 to December 31, 2025), the economic environment in Japan saw a gradual recovery due to improvements in the income environment, although inflation caused personal consumption to stall.

Overseas, the outlook for the global economy remains uncertain, partly due to factors such as continued inflation in Europe and the U.S., the prolonged slowdown in the Chinese economy, and the impact of U.S. tariff policies.

Under this environment, consolidated net sales for the fiscal year totaled 126,391 million yen, up 0.2% year on year (YoY). Net sales in the Japanese market came to 29,353 million yen, down 3.2% YoY. Net sales in overseas markets were 97,037 million yen, up 1.2% YoY.

In terms of profit, the Group recorded operating profit of 16,649 million yen, down 6.5% YoY, and ordinary profit of 17,855 million yen, down 11.2% YoY. Profit attributable to owners of parent stood at 12,064 million yen, down 20.5% YoY.

Details of each segment are as follows.

Segment operating profit is profit before the elimination of intersegment transactions.

Japan	<u>Net sales</u>	37,456 million yen	Composition by segment 29.7%
	<u>Segment profit</u>	11,815 million yen	

In the stationery business, sales of gel ink ballpoint pen Juice up series remained strong in Japan. In addition, sales of whiteboard markers and other products performed well, particularly through e-commerce channels. The highlighter pen KIRE-NA also gained strong market acceptance, and its sales significantly exceeded the annual plan.

However, domestic sales were down YoY mainly due to a decline in OEM sales of writing instruments.

Furthermore, export sales have also decreased. This is mainly due to the inclusion of Pilot Pen (Malaysia) Sdn. Bhd. and PPIN Private Limited (the trade name changed to PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED on September 26, 2025) within the scope of consolidation, as a result of which, sales for Malaysia and India, which were previously included in the Japan segment, are now included in the Asia segment.

In the toys business, sales decreased due to the continued impact of price increases implemented in April 2025 despite the solid performance of the Mellchan doll series, the Group's mainstay product.

In the industrial materials and other businesses, sales increased thanks to an increase in orders received for ceramics products, the mainstay of the industrial materials business.

A breakdown of net sales in this segment by major business is as follows: 29,896 million yen, down 7.2% YoY in the stationery business, 4,009 million yen, down 3.9% YoY in the toys business, and 3,550 million yen, up 12.8% YoY in the industrial materials and other businesses. In the stationery business, net sales of writing instruments stood at 26,173 million yen, down 8.1% YoY, and net sales of other stationery came to 3,723 million yen, down 0.5% YoY.

Segment operating profit decreased primarily due to increases in personnel, depreciation, and other expenses. As a result, net sales to external customers in this segment totaled 37,456 million yen, down 5.3% YoY. Segment operating profit came to 11,815 million yen, down 13.0% YoY.

Americas	<u>Net sales</u>	38,080 million yen	Composition by segment 30.1%
	<u>Segment profit</u>	2,518 million yen	

In the Americas, sales volume remained strong for G-2, the Group's mainstay product that continues to hold the top share in the gel ink pen market in the U.S. However, net sales in this segment fell due to a decrease in sales in Mexico amid a sluggish economic environment, as well as the impact of the yen's appreciation. Segment operating profit increased mainly due to decreases in cost of sales and advertising expenses. As a result, net sales to external customers in this segment totaled 38,080 million yen, down 2.1% YoY. Segment operating profit came to 2,518 million yen, up 31.2% YoY.

Europe	Net sales	27,431 million yen	Composition by segment 21.7%
	Segment profit	1,292 million yen	

In Europe, although personal consumption has yet to fully recover, sales increased primarily due to the solid growth in sales volume of FRIXION ball+, which uses recycled plastic, and the multi-color ballpoint pen FRIXION ball 4, particularly in France, as well as the impact of the yen's depreciation. Segment operating profit declined primarily due to an increase in cost of sales, personnel and other expenses. As a result, net sales to external customers in this segment totaled 27,431 million yen, up 1.9% YoY. Segment operating profit came to 1,292 million yen, down 27.5% YoY.

Asia	Net sales	23,422 million yen	Composition by segment 18.5%
	Segment profit	908 million yen	

In Asia, although China's economy remains weak, the Juice series of gel ink pens, the Group's mainstay product in the Chinese market, performed well. Furthermore, Pilot Pen (Malaysia) Sdn. Bhd. and PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED are now included in the consolidated financial statements, and sales for Malaysia and India that were previously included in the Japan segment are now included in the Asia segment. Due to those factors, sales in this segment increased. Segment operating profit increased primarily due to a decrease in cost of sales.

As a result, net sales to external customers in this segment totaled 23,422 million yen, up 12.5% YoY. Segment operating profit came to 908 million yen, up 155.0% YoY.

(ii) Status of capital expenditure

During the fiscal year ended December 31, 2025, the Group made a total capital investment of 7,856 million yen. The main objectives of this investment were to reorganize production plants and to expand and optimize production facilities for writing instruments. The Company and its subsidiaries utilized their own funds and borrowings to finance the capital investment.

(iii) Status of financing

During the fiscal year ended December 31, 2025, the Group raised 4,000 million yen through long-term borrowings to finance capital investment.

(iv) Transfers, absorption-type splits or incorporation-type splits of business

Not applicable.

(v) Acquisition of other companies' businesses

Not applicable.

(vi) Succession to rights and obligations of business of other companies, etc. through absorption-type merger or absorption-type company splits

Not applicable.

(vii) Acquisition or disposition of shares or other equity in other companies or share acquisition rights, etc.

Not applicable.

(2) Trends in Assets and Operating Results

Classification	21st fiscal year (ended December 31, 2022)	22nd fiscal year (ended December 31, 2023)	23rd fiscal year (ended December 31, 2024)	24th fiscal year (under review) (ended December 31, 2025)
Net sales (Million yen)	112,850	118,590	126,168	126,391
Ordinary profit (Million yen)	22,633	20,840	20,110	17,855
Profit attributable to owners of parent (Million yen)	15,773	13,661	15,181	12,064
Earnings per share (Yen)	399.86	346.31	388.53	317.02
Total assets (Million yen)	156,542	166,468	176,701	179,906
Net assets (Million yen)	117,989	132,345	141,579	146,079
Net assets per share (Yen)	2,954.51	3,305.72	3,628.73	3,909.89

(3) Status of Principal Parent Companies and Subsidiaries

(i) Status of parent companies

Not applicable.

(ii) Status of the principal subsidiaries

Name	Share capital or capital contribution	Percentage of owned voting rights (%)	Main business
The Pilot Ink Co., Ltd.	220 million JPY	100.0	Manufacture of writing instruments
PILOT FINE TECH Co. Ltd.	60 million JPY	100.0 (100.0)	Manufacture of writing instrument parts
MARK'S INC	0.3 million JPY	69.7	Sale of stationery
Pilot Logitem Co., Ltd.	30 million JPY	100.0	Logistics business
Pilot Corporation of America (USA)	23,500 thousand USD	100.0	Manufacture and sale of writing instruments
Pilot Pen de Mexico S.de R.L. de C.V. (Mexico)	4,510 thousand USD	100.0 (100.0)	Sale of writing instruments
Pilot Pen Do Brasil S/A. (Brazil)	3,200 thousand BRL	99.9	Manufacture and sale of writing instruments
Pilot Corporation of Europe S.A.S. (France)	7,216 thousand EUR	100.0	Manufacture and sale of writing instruments
Pilot Pen France S.A.S. (France)	280 thousand EUR	100.0 (100.0)	Sale of writing instruments
Pilot Pen (Deutschland) GmbH (Germany)	2,070 thousand EUR	100.0	Sale of writing instruments
The Pilot Pen Company (U.K.) Ltd. (UK)	640 thousand GBP	100.0	Sale of writing instruments
Pilot Nordic AB (Sweden)	100 thousand SEK	100.0	Sale of writing instruments
Pilot Pen Australia Pty. Ltd. (Australia)	2,700 thousand AUD	100.0	Manufacture and sale of writing instruments
Pilot Pen (Shenzhen) Co., Ltd. (China)	850 thousand USD	100.0	Sale of writing instruments
The Pilot Pen (Taiwan) Co., Ltd. (Taiwan)	70,000 thousand TWD	100.0	Sale of writing instruments
Pilot Pen Co., (Hong Kong) Ltd. (Hong Kong)	2,500 thousand HKD	100.0	Sale of writing instruments

Name	Share capital or capital contribution	Percentage of owned voting rights (%)	Main business
Pilot Pen(S) Pte. Ltd. (Singapore)	1,600 thousand SGD	100.0	Sale of writing instruments
Pilot Pen South Africa (Pty) Ltd. (South Africa)	4,324 thousand ZAR	100.0	Sale of writing instruments
Pilot Pen (Malaysia) Sdn. Bhd. (Malaysia)	1,000 thousand MYR	85.1	Sale of writing instruments
PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED (India)	750 million INR	100.0 (0.0)	Manufacture and sale of writing instruments
PT PILOT PEN SOUTH EAST ASIA (Indonesia)	10,000 million IDR	100.0 (1.0)	ASEAN marketing, market research, etc.

- (Notes) 1. Figures in parentheses in the “Percentage of voting rights” column indicate the percentage of the voting rights held indirectly.
2. The Company has 22 consolidated subsidiaries, including the principal subsidiaries above.
3. Effective July 1, 2025, Mark’s Group Holdings, Inc. implemented an absorption-type merger in which Mark’s Group Holdings, Inc. was the surviving company and MARK’S INC. was the absorbed company and changed its corporate name to MARK’S INC.

(4) Issues to Be Addressed

The Company Group adopted the 2025-2027 Medium-Term Management Plan to realize its 2030 Vision based on its purpose: Our Creations Inspire Creativity.

Under the Medium-Term Management Plan, the Group will strengthen the overseas expansion of the writing instrument business, which is its core business, and create new businesses. The Group positions this period as a phase for reinforcing the Group’s management foundation for adapting to changes and will focus on achieving ceaseless evolution, towards attaining the 2030 Vision.

Under such circumstances, the Group understands that achieving growth in the writing instrument business in the global market is the top-priority management task that needs to be addressed. We will also reinforce the structure of non-writing instrument businesses to create new businesses. Judging that finding new alliance partners and driving sustainable management of the Group is important for implementing the above tasks, we are committing ourselves to them.



1. Major Actions to Address Key Management Tasks

Management tasks to be focused on under the Medium-Term Management Plan and major actions to address them are as follows.

	Management task	Major action	
(i)	Increasing the global market share of writing instrument business	<ul style="list-style-type: none"> - Creating and launching new products with competitive edges - Increasing sales by increasing sales force and launching products in growth markets, or in India and the ASEAN region in particular - Strengthening area strategy with a market-oriented approach 	
(ii)	Reinforcing the structure of non-writing instrument businesses	<ul style="list-style-type: none"> - Toys: Increasing sales and expanding IP business in overseas markets - Creating new value with the central role played by Future Creations Office - Industrial materials: Production increase and sales expansion of ceramics, etc. 	
(iii)	Finding new alliance partners	<ul style="list-style-type: none"> - Finding new partners by applying intellectual property landscaping 	
(iv) Driving sustainable management of the Group	i	Driving operational reforms from the viewpoint of total optimization	<ul style="list-style-type: none"> - Introducing a new core system through operational reforms
	ii	Reinforcing the Group management structure and driving human resource development	<ul style="list-style-type: none"> - Sophistication of collection and utilization of Group company information - Stepping up investment in human resource development
	iii	Reforming the global supply chain of writing instrument business	<ul style="list-style-type: none"> - Optimizing inventory levels at overseas sales bases

2. Status of Initiatives in FY2025

The Group implemented the following initiatives in FY2025 in major actions to address management tasks.

Management task	Progress in FY2025	Initiatives for FY2026 and onward
Increasing the global market share of writing instrument business	<ul style="list-style-type: none"> - Sales were below the initial forecast in each region, but they were maintained at the level of the previous fiscal year. - Contributions by new products with competitive advantages to sales Europe: 2 million units of environmentally-friendly FRIXION ball+ (plus) products sold Japan and China: KIRE-NA highlighter pen sold a cumulative total of 10 million units since its launch 	<ul style="list-style-type: none"> - Implementing measures to strengthen gel ink ballpoint pens in the Americas and Europe - Developing and expanding products that are tailored to needs in India and the ASEAN region
Reinforcing the structure of non-writing instrument businesses	<ul style="list-style-type: none"> - Steady progress made in the IP business in the toy business - Expanding sales in the industrial materials business including ceramics 	<ul style="list-style-type: none"> - Continuing to strengthen the toy business in overseas markets and expand the IP business - Increasing ceramics production capacity
Driving sustainable management of the Group	<ul style="list-style-type: none"> - The implementation of the new core system progressed as planned through operational reforms. - Initiatives to instill the Purpose and share it within Group companies were launched to build a foundation for sustainable Group management. - Efforts to reduce inventories of mainstay products to reasonable levels in the U.S. resulted in just over 20% reduction in volume of inventories YoY 	<ul style="list-style-type: none"> - Commencing operational reforms and human resource development in parallel to introduce a new core system that will begin operating in FY2028 - Continuing activities to instill the Purpose to maximize the Group's strength - Aiming to reduce inventory levels at major overseas companies in U.S., France and China

3. Financial Targets

(i) FY2025 results

In FY2025, net sales were below the initial forecast in each region and fell 6.6 billion yen short of the target. Operating margin and ROE were also below targets, mainly due to the failure to achieve the net sales target.

(ii) Revision of financial targets

The Group will change the time to achieve targets and set revised numerical targets for net sales, operating margin, and ROE for FY2026 and FY2027, reflecting changes in the business environment. We will implement thorough initiatives to reduce and control costs, aiming to achieve our targets. Meanwhile, we will raise the total payout ratio target to 70% or higher.

Indicator \ Target	Fiscal year ended December 31, 2025		Fiscal year ending December 31, 2026		Fiscal year ending December 31, 2027	
	Target	Results	Initial target	After revision	Initial target	After revision
Consolidated net sales (million yen)	133,000	126,391	139,000	133,000	145,000	139,000
Operating margin (%)	13.5	13.2	15 or more	13.5 or more	16 or more	15 or more
ROE (%)	10.0	8.5	10 or more	10 or more	11 or more	10 or more
Total payout ratio (%)	50 or more	87.3	50 or more	70 or more	50 or more	70 or more

* Revision of assumed exchange rates

Initial plan: Exchange rate assumed for FY2025 and onward:

1 USD = 150 JPY, 1 EUR = 160 JPY, 1 CNY = 21.4 JPY

After revision: FY2026 and onward:

1 USD = 150 JPY, 1 EUR = 170 JPY, 1 CNY = 21.4 JPY

* Exchange rates for FY2025 results:

1 USD = 149.61 JPY, 1 EUR = 169.19 JPY, 1 CNY = 20.81 JPY

(5) Primary Operations (as of December 31, 2025)

The Company Group principally manufactures, purchases, and sells writing instruments, other stationery, and toys and provides related services.

The Group consists of geographical segments based on its management system. The primary operations associated with each segment are as follows.

Segment name	Operations
Japan	Manufacture, purchase and sale of writing instruments, other stationery products, toys, rings, other precious metal accessories, and ceramic parts
Americas	Manufacture and sale of writing instruments
Europe	Manufacture and sale of writing instruments
Asia	Manufacture and sale of writing instruments

(6) Principal Branches and Plants (as of December 31, 2025)

Company name	Name, location, etc.
The Company	Head office : Chuo-ku, Tokyo
	Tohoku Branch : Sendai-shi, Miyagi
	Chukyo Branch : Nagoya-shi, Aichi
	Seibu Office : Osaka-shi, Osaka
	Kyushu Branch : Fukuoka-shi, Fukuoka
	Hiratsuka Plant : Hiratsuka-shi, Kanagawa
	Isesaki Plant : Isesaki-shi, Gunma
	Isesaki Plant 2 : Isesaki-shi, Gunma
The Pilot Ink Co., Ltd.	Head office : Nagoya-shi, Aichi
	Togo Plant : Togo-cho, Aichi-gun, Aichi
	Miyoshi Plant : Miyoshi-shi, Aichi
	Tsu Plant : Tsu-shi, Mie
PILOT FINE TECH Co. Ltd.	Toyota-shi, Aichi
Pilot Corporation of America	Florida, USA
Pilot Pen de Mexico S.de R.L. de C.V.	Jalisco, Mexico
Pilot Pen do Brasil S/A.	Sao Paulo, Brazil
Pilot Corporation of Europe S.A.S.	Allonzier-la-Caille, France
Pilot Pen France S.A.S.	Annecy-le-Vieux, France
Pilot Pen (Deutschland) GmbH	Reinbek, Germany
The Pilot Pen Company (U.K.) Ltd.	Buckinghamshire, UK
Pilot Nordic AB	Arlandastad, Sweden
Pilot Pen Australia Pty. Ltd.	New South Wales, Australia
Pilot Pen (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, China
The Pilot Pen (Taiwan) Co., Ltd.	Taipei, Taiwan
Pilot Pen Co., (Hong Kong) Ltd.	Kowloon Bay, Hong Kong
Pilot Pen (S) Pte. Ltd.	Tampines, Singapore
Pilot Pen South Africa (Pty) Ltd.	Gauteng, South Africa
Pilot Pen (Malaysia) Sdn. Bhd.	Selangor, Malaysia
PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED	Haryana, India

(7) Status of Employees (as of December 31, 2025)

(i) Status of employees in the Corporate Group

Segment name	Number of employees	Changes from the end of the previous consolidated fiscal year
Japan	1,553 (694)	1 (1)
Americas	508 (1)	-6 (-3)
Europe	424 (52)	-1 (19)
Asia	693 (222)	216 (202)
Total	3,175 (968)	210 (219)

(Notes) 1. The number of employees is the number of full-time employees.

2. The figures in brackets in the column of the number of employees are the annual average of temporary employees.

3. The number of employees in the Asia segment increased by 216 employees YoY. This is mainly due to the inclusion of PPIN Private Limited (the trade name changed to PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED on September 26, 2025) within the scope of consolidation from the start of the fiscal year ended December 31, 2025.

(ii) Status of employees in the Company

Number of employees	Changes from the end of the previous fiscal year	Average age	Average duration of service
1,092 (233)	-2 (8)	43.5	18.7 years

(Notes) 1. The number of employees is the number of full-time employees.

2. The figures in brackets in the column of the number of employees are the annual average of temporary employees.

(8) Status of Principal Lenders (as of December 31, 2025)

Lender	Borrowing amount
MUFG Bank, Ltd.	1,864 million yen
Mizuho Bank, Ltd.	1,210 million yen
Sumitomo Mitsui Banking Corporation	1,350 million yen

(9) Other Important Matters Concerning the Status of the Corporate Group

Not applicable.

2. Current Situation of the Company

(1) Stock Information (as of December 31, 2025)

- (i) Total number of shares authorized to be issued 180,000,000 shares
(ii) Total number of issued shares 40,905,200 shares
(iii) Number of shareholders 18,977
(iv) Largest shareholders (top 10)

Name of shareholder	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	3,999,000	10.73
Custody Bank of Japan, Ltd. (Trust account)	2,495,600	6.69
MUFG Bank, Ltd.	1,718,600	4.61
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	1,602,000	4.29
Asahi Mutual Life Insurance Company	1,134,000	3.04
Mitsubishi UFJ Trust and Banking Corporation	1,100,400	2.95
Shochiku Co., Ltd.	972,000	2.60
KOREA SECURITIES DEPOSITORY-SHINHAN SECURITIES	944,912	2.53
Employees' Stockholding	841,500	2.25
The Dai-ichi Life Insurance Company, Limited	720,000	1.93

- (Notes) 1. There are 3,640,649 treasury shares listed in the shareholders' register other than the shares listed in the table above. The number of treasury shares does not include 65,400 shares held by the executive remuneration BIP trust.
2. In calculating the ratio of holdings, treasury shares were excluded. The ratio was rounded down to the second decimal place.
3. The shares held by the Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd. are trust property. Mizuho Bank, Ltd. has entrusted shares in the Company to the Custody Bank of Japan as a retirement benefit trust. The voting rights for these shares will be exercised according to the directives of Mizuho Bank, Ltd.
In addition to these shares, Mizuho Bank, Ltd. holds 1,600 shares under its name.

- (v) Status of shares granted to Company officers during the fiscal year under review as consideration for performance of duties

Classification		Number of shares	Number of grantees
Directors (Excluding Directors who are Audit & Supervisory Committee Members)	Directors (Excluding Outside Directors)	6,500	7
	Outside Director	–	0
Directors (Audit & Supervisory Committee Members)		–	0

- (Notes) 1. The details of the Company's share-based remuneration are described in the Status of the Company's Officers (Remuneration, etc. of Directors) section.
2. The shares above include the ones that have been granted to Company officers who have resigned.

(2) Other Important Matters Regarding Shares

(i) Executive remuneration Board Incentive Plan (BIP) Trust

The 19th Annual General Meeting of Shareholders, held on March 30, 2021, resolved to introduce a performance-linked stock compensation plan (“the Plan”) for the Company’s Directors (excluding Outside Directors and non-residents of Japan). The Company has established a trust called the Executive Remuneration Board Incentive Plan (BIP) Trust in connection with the Plan.

The Company underwent a transformation into a company with an Audit & Supervisory Committee by resolution of the 20th Annual General Meeting of Shareholders held on March 30, 2022. As part of this change, the Company eliminated the previous limits on remuneration for Directors associated with the Plan and established new remuneration limits for Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and non-residents of Japan; the same applies hereinafter) based on the Plan. The Company then renewed the Plan with some additional revisions.

Furthermore, at the 23rd Annual General Meeting of Shareholders held on March 28, 2025, the Company included its Executive Officers (excluding non-residents of Japan) in persons eligible for the Plan, set new remuneration limits, and renewed the Plan with some revisions to its content.

As of December 31, 2025, the Executive Remuneration Board Incentive Plan (BIP) Trust Account held 65,400 shares in the Company.

(ii) Acquisition of treasury shares

At a Board of Directors meeting held on May 9, 2025, the Company passed a resolution on the acquisition of treasury shares in accordance with Article 459, Paragraph 1 of the Companies Act and Article 33 of the Articles of Incorporation. Following the resolution, the Company acquired treasury shares. The details are as follows.

Class and number of acquired shares	1,354,600 common shares
Total price of shares acquired	5,999 million yen
Acquisition period	From June 2, 2025 to November 28, 2025

(3) Status of Share Acquisition Rights, etc.

(i) Share acquisition rights held by the Company’s officers as remuneration for the execution of their duties at the end of the fiscal year under review

Not applicable.

(ii) Share acquisition rights that have been issued to employees, etc. as remuneration for the execution of their duties during the fiscal year under review

Not applicable.

(4) Status of the Company's Officers

(i) Status of Directors (as of December 31, 2025)

Position in the Company	Name	Responsibilities and important concurrent positions
Representative Director and President	Fumio Fujisaki	Overall supervision
Representative Director	Takeshi Kodaira	In charge of Non-Writing Instruments Business (IS, Toys, Future Creations) and IT and special duties
Director	Kazuhiko Yokoyama	In charge of Public Relations and Investor Relations
Director	Katsuji Hatano	In charge of Corporate Planning
Director	Masanobu Muramatsu	Certified public accountant Standing Advisor, Azabu Partners Tax & Accounting Co.
Director	Misuzu Shibata	Partner, Attorney at law, NS Law Office Outside Director, DELICA FOODS HOLDINGS CO., LTD. Outside Director, Sampo Holdings, Inc.
Director	Hiroshi Kawano	Representative Director, Office K, Inc. Outside Director, Interworks Confidence Inc.
Director (Full-time Audit and Supervisory Committee Member)	Yoshihiro Saimura	
Director (Audit & Supervisory Committee Member)	Toshizo Kamiyama	Certified public accountant, certified public tax accountant Representative Partner, Kamiyama Accounting TAX CO. Audit & Supervisory Board Member, ATL Systems, Inc. Representative Partner, ALT Tsukiji Audit LLC Audit & Supervisory Board Member, Heibonsha Co., Ltd. Auditor, NEXT Arc United, Inc.
Director (Audit & Supervisory Committee Member)	Tsugukiyo Fujita	Partner, Attorney at law, Nagatacho Law Office

- (Notes) 1. Directors Masanobu Muramatsu, Misuzu Shibata, Hiroshi Kawano, Toshizo Kamiyama and Tsugukiyo Fujita are Outside Directors.
2. Toshizo Kamiyama, a Director who is an Audit & Supervisory Committee Member, is a certified public accountant and certified public tax accountant and has considerable knowledge related to finance and accounting. Yoshihiro Saimura, a Director who is an Audit & Supervisory Committee Member, has extensive experience in accounting and finance through his many years in the Company's Accounting & Finance Department.
3. The Company has selected Yoshihiro Saimura as the full-time Audit & Supervisory Committee Member to enhance its information-gathering capability, improve audit effectiveness through sufficient collaboration with the Internal Audit Department, and strengthen its auditing and supervision functions.
4. The Company has designated Masanobu Muramatsu, Misuzu Shibata, Hiroshi Kawano, Toshizo Kamiyama and Tsugukiyo Fujita as independent directors under the provisions set forth by the Tokyo Stock Exchange. Their designation has been reported to the Tokyo Stock Exchange.
5. The officially registered name of Director Misuzu Shibata is Misuzu Koyama.
6. Masakazu Shirakawa, Shu Itoh, Toshio Araki and Shinzo Masuda retired as Directors at the conclusion of the 23rd Annual General Meeting of Shareholders held on March 28, 2025.

(ii) Remuneration, etc. of Directors

a. Policy concerning determination of details of executive remuneration, etc.

At a meeting of the Board of Directors held on April 25, 2025, the Company resolved to adopt a policy on remuneration, etc. for Directors based on a report from the Nomination and Remuneration Advisory Committee. The remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Director) consists of basic remuneration, which is a fixed remuneration, and year-end remuneration and share-based remuneration, which are linked to the Company's business performance for

each fiscal year. The Company's basic policy is to calculate the basic remuneration based on the executive remuneration standard table in accordance with the duties and responsibilities of each executive, to determine the year-end remuneration, which is linked to the Company's business performance, by resolution of the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee within the limit of the remuneration amount resolved at the general meeting of shareholders, and to determine the share-based remuneration in accordance with the Share Delivery Rules within the limit of the amount of remuneration and the number of shares resolved at the general meeting of shareholders. Outside Directors and Directors who are Audit & Supervisory Committee Members are paid only basic remuneration from the viewpoint of their roles and independence, and the amount of remuneration for Directors who are Audit & Supervisory Committee Members is determined through discussions among Directors who are Audit & Supervisory Committee Members.

The Company determines remuneration levels and structures by referring to remuneration levels at similar-sized businesses or those within related industries. More weight is put on performance-linked remuneration for higher positions. The approximate ratio of remuneration, etc. by type (in the case of the President) is as follows: the ratio of basic remuneration to year-end remuneration to share-based remuneration is 60:20:20 (in the case of achieving 100% of the consolidated results forecast).

b. Matters relating to basic remuneration

The basic remuneration shall be a monthly fixed remuneration, and the amount of the remuneration shall be determined in accordance with the position, responsibilities, and term of office, taking into consideration the level at other companies, the Company's business performance, the level of employee salaries, and other factors comprehensively.

c. Matters relating to performance-linked remuneration, etc.

The performance-linked remuneration consists of year-end remuneration and share-based remuneration. The Company calculates the base amount for year-end remuneration based on consolidated ordinary profit and determines year-end remuneration according to consolidated net sales and operating profit. Year-end remuneration is paid around the same time each year. For share-based remuneration, the amount of remuneration is determined in light of the consolidated net sales, consolidated operating profit, consolidated return on equity (ROE), and social value indices for each fiscal year, and in principle, shares, etc. calculated in accordance with performance are delivered after the completion of the Medium-Term Management Plan. The social value indicator under the Medium-Term Management Plan is rate of achievement of the target percentage of female managers. The Company has set performance-linked indicators to raise each executive's awareness of overall consolidated management. The details are as shown in the table below.

(Unit: 100 million yen)

Fiscal year	Year-end remuneration				Share-based remuneration			
	Consolidated ordinary profit		Consolidated net sales		Consolidated operating profit		Consolidated ROE	
	Target	Result	Target	Result	Target	Result	Target	Result
Fiscal year ended December 31, 2025	190	178	1,330	1,263	180	166	10.0%	8.5%

d. Non-monetary remuneration (share-based remuneration), etc.

The Company pays share-based remuneration as a form of non-monetary remuneration, etc. to Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, and non-residents of Japan) to raise their awareness of the importance of contributing to improving performance and enhancing corporate value in the medium to long term. The Company awards points to eligible Directors based on their positions and the Company's performance against target performance-linked indicators such as consolidated operating profit each fiscal year during a specified period. If the Director meets the eligibility requirements, the Company will provide them with Company shares and an amount of money equivalent to the value of Company shares, based on their cumulative points through the executive remuneration Board Incentive Plan (BIP) Trust. In Principle, the Company provides share-based remuneration following the conclusion of the Medium-Term Management Plan.

e. Matters related to resolutions of the general meeting of shareholders about remuneration, etc. for Directors The 20th (FY2021) Annual General Meeting of Shareholders, held on March 30, 2022, approved an annual remuneration limit of 500 million yen for Directors (excluding Directors who are the Audit & Supervisory Committee Members). The limit for Outside Directors is set at 50 million yen. The remuneration for Directors (excluding Directors who are the Audit & Supervisory Committee Members) does not include salaries for Directors who are also employees. The approved annual remuneration limit for Directors who are Audit & Supervisory Committee Members is 100 million yen. At the conclusion of this Annual General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) was nine, including two Outside Directors. The number of Directors who are Audit & Supervisory Committee Members was five. The 23rd (FY2024) Annual General Meeting of Shareholders, held on March 28, 2025, also approved a share-based remuneration limit, separately from the above annual remuneration limit for Directors (excluding Directors who are Audit & Supervisory Committee Members). This decision was made following discussions in the Nomination and Remuneration Advisory Committee, which provided a report. The share-based remuneration limit is set at 130 million yen multiplied by the number of years covered by the Medium-Term Management Plan. At the conclusion of this Annual General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors and non-residents of Japan) was four.

f. Matters concerning the delegation of decisions on remuneration, etc. paid individually to Directors The Board of Directors has granted Representative Director and President Fumio Fujisaki the authority to decide on basic remuneration for each Director who is not an Audit & Supervisory Committee Member and the distribution of year-end remuneration to each Director who is not an Audit & Supervisory Committee Member or an Outside Director, based on the evaluation of the performance of departments that they are in charge of. The Board of Directors delegated authority based on the judgment that the Representative Director is the right person to evaluate the performance of the departments each Director is responsible for whilst taking into consideration the performance of the Company as a whole and other pertinent factors. The Nomination and Remuneration Advisory Committee reviews the appropriateness of the determination of remuneration under the delegated authority prior to decisions coming into effect. The Board of Directors also confirms that the methods for determining the details of remuneration, etc. and the determined remuneration, etc., for individual Directors for the fiscal year under review are consistent with the policy resolved by the Board of Directors and that reports from the Nomination and Remuneration Advisory Committee are respected, and believes that the remuneration, etc. is in line with the policy.

g. Total amount of remuneration, etc. for the fiscal year under review

Category	Total amount of remuneration, etc. (Million yen)	Total amount of remuneration, etc. by type (Million yen)			Number of eligible directors (Persons)
		Basic remuneration	Year-end remuneration	Share-based remuneration	
Directors (Excluding Directors who are Audit & Supervisory Committee Members) (Outside Directors)	243 (31)	194 (31)	29 (-)	19 (-)	11 (4)
Directors who are Audit & Supervisory Committee Members (Outside Directors)	43 (21)	43 (21)	- (-)	- (-)	3 (2)

- (Notes) 1. The table above includes four Directors (excluding Directors who are Audit & Supervisory Committee Members) who retired as of the closing of the 23rd (FY2024) Annual General Meeting of Shareholders held on March 28, 2025.
2. Performance-linked indicators related to year-end remuneration and share-based remuneration are described in c. Matters relating to performance-linked remuneration, etc.
3. Non-monetary remuneration, etc. refers to shares in the Company. Conditions for the allocation of shares are described in d. Non-monetary remuneration (share-based remuneration), etc.
4. Provision for share awards for directors (and other officers) totaling 19 million yen (including a reversal of provision for share awards for directors (and other officers) of 5 million yen) is recorded based on the number of points that are expected to be provided as share-based remuneration (Executive Remuneration BIP Trust) in the fiscal year under review.

(5) Policy Regarding Decisions on Distribution of Surplus, etc.

The Company's basic policy is to maintain a sufficient level of shareholders' equity necessary to ensure the timely and reliable seizure of business opportunities, with the aim of achieving sustainable growth and increasing the corporate value of the Group. Under the 2025–2027 Medium-Term Management Plan, the Company aims to implement management that is conscious of the cost of capital and stock price and sets our basic policies of introducing progressive dividends, flexibly implementing the acquisition of treasury shares and targeting a total payout ratio of 50% or higher with a view to strengthening shareholder returns.

The Company's Articles of Incorporation provide that unless otherwise stipulated, the matters set forth in each item of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, shall be determined by resolution of the Board of Directors, not by resolution of the general meeting of shareholders. In principle the Company pays dividends twice each year: interim and year-end dividends.

For the fiscal year under review, the Company paid interim dividends of 60 yen per common share by resolution of the Board of Directors on August 7, 2025. The Company will pay year-end dividends of 60 yen per common share by resolution of the Board of Directors on February 13, 2026. Accordingly, the total annual dividend will be 120 yen, which when combined with the total amount of treasury share acquisitions of 5,999 million yen will bring the total payout ratio to 87.3% against a target ratio of 50% or higher.

At a meeting of the Board of Directors held on February 13, 2026, the Company resolved to raise the target total payout ratio to 70% or higher, with a view to further strengthening shareholder returns. The Company has also decided to conduct a 3-for-1 common stock split effective July 1, 2026.

Next fiscal year, the Company expects to pay an interim ordinary dividend of 63 yen per share and a year-end ordinary dividend of 21 yen. If the stock split is not taken into account, this will mean an annual dividend of 126 yen per share, which represents an increase of 6 yen compared with the annual dividend for the fiscal year ended December 31, 2025 of 120 yen.

	20th fiscal year (2021)	21st fiscal year (2022)	22nd fiscal year (2023)	23rd fiscal year (2024)	24th fiscal year (2025)
Payout ratio (%)	16.6	22.5	28.9	30.1	–
Total payout ratio (%)	–	–	–	–	87.3

Consolidated Balance Sheet (As of December 31, 2025)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	110,245	Current liabilities	27,294
Cash and deposits	39,992	Notes and accounts payable - trade	10,743
Notes and accounts receivable - trade	26,426	Short-term borrowings	582
Merchandise and finished products	24,317	Current portion of long-term borrowings	166
Work in process	9,123	Accrued expenses	3,094
Raw materials and supplies	4,869	Income taxes payable	1,624
Other	5,665	Provision for bonuses	931
Allowance for doubtful accounts	(149)	Provision for bonuses for directors (and other officers)	77
Non-current assets	69,660	Provision for environmental measures	373
Property, plant and equipment	46,203	Other	9,699
Buildings and structures	20,072	Non-current liabilities	6,532
Machinery, equipment and vehicles	12,014	Long-term borrowings	4,000
Other	3,491	Deferred tax liabilities	428
Land	7,550	Provision for retirement benefits for directors (and other officers)	145
Construction in progress	3,073	Provision for environmental measures	21
Intangible assets	7,614	Provision for share awards for directors (and other officers)	45
Leasehold interests in land	5,355	Retirement benefit liability	869
Goodwill	1,272	Other	1,021
Other	987	Total liabilities	33,826
Investments and other assets	15,842	Net assets	
Investment securities	8,093	Shareholders' equity	137,433
Deferred tax assets	1,107	Share capital	2,340
Retirement benefit asset	5,773	Capital surplus	8,214
Other	878	Retained earnings	143,510
Allowance for doubtful accounts	(10)	Treasury shares	(16,632)
		Accumulated other comprehensive income	8,010
		Valuation difference on available-for-sale securities	1,840
		Foreign currency translation adjustment	4,558
		Remeasurements of defined benefit plans	1,611
		Non-controlling interests	634
		Total net assets	146,079
Total assets	179,906	Total liabilities and net assets	179,906

Consolidated Statement of Income (from January 1, 2025 to December 31, 2025)

(Millions of yen)

Item	Amount
Net sales	126,391
Cost of sales	61,944
Gross profit	64,447
Selling, general and administrative expenses	47,797
Operating profit	16,649
Non-operating income	1,561
Interest income	783
Dividend income	403
Other	373
Non-operating expenses	355
Interest expenses	83
Foreign exchange losses	132
Other	139
Ordinary profit	17,855
Extraordinary income	1,337
Gain on sale of non-current assets	47
Gain on sale of investment securities	1,102
Gain on termination of retirement benefit plan	187
Extraordinary losses	647
Loss on sale of non-current assets	2
Loss on retirement of non-current assets	212
Impairment losses	36
Environmental expenses	396
Profit before income taxes	18,545
Income taxes - current	5,013
Income taxes - deferred	1,391
Profit	12,141
Profit attributable to non-controlling interests	77
Profit attributable to owners of parent	12,064

Statement of Income (from January 1, 2025 to December 31, 2025)

(Millions of yen)

Item	Amount
Net sales	80,570
Cost of sales	51,441
Gross profit	29,129
Selling, general and administrative expenses	19,279
Operating profit	9,849
Non-operating income	3,015
Interest income	155
Dividend income	2,106
Foreign exchange gains	4
Royalty income	300
Rental income from non-current assets	247
Other	200
Non-operating expenses	316
Interest expenses	3
Commission for purchase of treasury shares	17
Depreciation of assets for rent	163
Other	131
Ordinary profit	12,547
Extraordinary income	449
Gain on sale of non-current assets	0
Gain on sale of investment securities	261
Gain on termination of retirement benefit plan	187
Extraordinary losses	157
Loss on sale of non-current assets	0
Loss on retirement of non-current assets	157
Profit before income taxes	12,840
Income taxes - current	3,119
Income taxes - deferred	282
Profit	9,438

Audit Report on Consolidated Financial Statements

Independent Auditors' Report

February 18, 2026

To the Board of Directors
Pilot Corporation

ARK LLC

Tokyo Office

Designated Limited Liability Partner Certified public accountant Norikazu Shibuya
Managing Partner

Designated Limited Liability Partner Certified public accountant Yuta Yamaki
Managing Partner

Our opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act of Japan, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of Pilot Corporation applicable to the consolidated fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Corporate Group that consists of Pilot Corporation and its consolidated subsidiaries applicable to the consolidated fiscal year ended December 31, 2025, in conformity with accounting principles generally accepted in Japan.

Basis for our opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Other information

Other information includes the business report and its supplementary schedules. Management's responsibility is to create and disclose the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' performance of duties in terms of developing and implementing a process for reporting such other information.

The subject of the audit opinion on the consolidated financial statements does not include other information, and we do not express an opinion on the other information.

Our responsibilities in auditing the consolidated financial statements are to read through the other information to consider whether there is any major differences between the other information and the consolidated financial statements or the knowledge that we acquire in the process of the audit, and to pay attention to any signs of material errors in information other than those major differences.

We are required to report the facts when we determine that there is a material error in other information based on the procedure that was conducted.

There are no matters to be reported regarding other information.

Responsibilities of management and the Audit & Supervisory Committee relating to consolidated financial statements

Management's responsibility is to create consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan and to present them properly. The responsibility includes establishing and operating an internal control system that management considers necessary for creating consolidated financial statements that do not include any significant misstatements stemming from injustice or errors and presenting them properly.

In preparing the consolidated financial statements, management is responsible for assessing whether the preparation of the consolidated financial statements based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on the corporate accounting standards generally accepted in Japan.

The responsibilities of the Audit & Supervisory Committee lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibilities are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to express an opinion on the consolidated financial statement as independent auditors in an auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users on the basis of the consolidated financial statements.

We exercise professional judgment and conduct the following by maintaining professional skepticism throughout the audit in accordance with the auditing standards generally accepted in Japan.

- Identify and assess the risk of material misstatements, whether due to fraud or error. We also design and perform audit procedures responsive to those risks. Audit procedures are selected and performed at our discretion. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, to design audit procedures that are appropriate in the circumstances, we examine internal control relating to the audit when we assess risks.
- Evaluate the appropriateness of accounting policies adopted by management, the methods for their application and the reasonableness of accounting estimates and related notes made by management.
- Reach a conclusion on the appropriateness of the preparation of the consolidated financial statements by management on the assumption of going concern and, based on the audit evidence obtained, whether material uncertainties exist related to events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our auditor's report to the related notes in the consolidated financial statements or, if such notes on a material uncertainty in the consolidated financial statements are inadequate, to express a modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes are in accordance with the corporate accounting standards generally accepted in Japan and whether the presentation, structure and content of the consolidated financial statement, including related notes, and the consolidated financial statements represent the underlying transactions and accounting events appropriately.
- Plan and perform an audit of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to the Audit & Supervisory Committee.

We report to the Audit & Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

Interest

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report on Non-Consolidated Financial Statements

Independent Auditors' Report

February 18, 2026

To the Board of Directors
Pilot Corporation

ARK LLC

Tokyo Office

Designated Limited Liability Partner Certified public accountant Norikazu Shibuya
Managing Partner

Designated Limited Liability Partner Certified public accountant Yuta Yamaki
Managing Partner

Our opinion

Pursuant to Article 436, Paragraph 2-1 of the Companies Act of Japan, we have audited the balance sheet, the statement of income, the statement of changes in equity, the notes to the non-consolidated financial statements, and the related supplementary schedules (hereinafter referred to as the “financial statements etc.”) of Pilot Corporation applicable to the 24th fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the financial statements etc. referred to above present fairly, in all material respects, the financial position and results of operations of Pilot Corporation applicable to the fiscal year ended December 31, 2025, in conformity with accounting principles generally accepted in Japan.

Basis for our opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the “Auditor’s responsibilities for the audit of the financial statements etc.” section. We are independent of the Company in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Other information

Other information includes the business report and its supplementary schedules. Management’s responsibility is to create and disclose the other information. The Audit & Supervisory Committee is responsible for overseeing the directors’ performance of duties in terms of developing and implementing a process for reporting such other information.

The subject of the audit opinion on the financial statements etc. does not include other information, and we do not express an opinion on the other information.

Our responsibilities in auditing financial statements etc. are to read through the other information to consider whether there is any major differences between the other information and financial statements etc. or the knowledge that we acquire in the process of the audit, and to pay attention to any signs of material errors in information other than those major differences.

We are required to report the facts when we determine that there is a material error in other information based on the procedure that was conducted.

There are no matters to be reported regarding other information.

Responsibilities of management and the Audit & Supervisory Committee relating to financial statements etc.

Management’s responsibility is to create financial statements etc. in accordance with corporate accounting standards generally accepted in Japan and to present them properly. The responsibility includes establishing and operating an internal control system that management considers necessary for creating financial statements etc. that do not include any significant misstatements stemming from injustice or errors and presenting them properly.

In preparing the financial statements etc., management is responsible for assessing whether the preparation of the financial statements etc. based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on the corporate accounting standards generally accepted in Japan.

The responsibilities of the Audit & Supervisory Committee lie in monitoring the directors’ performance of their duties in the development and operation of the financial reporting process.

Auditor’s responsibilities for the audit of the financial statements etc.

Our responsibilities are to obtain reasonable assurance that the financial statements etc. as a whole are free from material misstatements, whether due to fraud or error, and to express an opinion on the financial statement etc. as independent auditors in an auditor’s report. Misstatements can arise from fraud or error and are considered material

if, individually or in aggregate, they could reasonably be expected to influence the decisions of users on the basis of the financial statements etc.

We exercise professional judgment and conduct the following by maintaining professional skepticism throughout the audit in accordance with the auditing standards generally accepted in Japan.

- Identify and assess the risk of material misstatements, whether due to fraud or error. We also design and perform audit procedures responsive to those risks. Audit procedures are selected and performed at our discretion. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of the audit of the financial statements etc. is not to express an opinion on the effectiveness of internal control. However, to design audit procedures that are appropriate in the circumstances, we examine internal control relating to the audit when we assess risks.
- Evaluate the appropriateness of accounting policies adopted by management, the methods for their application and the reasonableness of accounting estimates and related notes made by management.
- Reach a conclusion on the appropriateness of the preparation of the financial statements etc. by management on the assumption of going concern and, based on the audit evidence obtained, whether material uncertainties exist related to events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our auditor's report to the related notes in the financial statements etc. or, if such notes on a material uncertainty in the financial statements etc. are inadequate, to express a modified opinion on the financial statements etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements etc. and notes are in accordance with the corporate accounting standards generally accepted in Japan and whether the presentation, structure and content of the financial statement etc., including related notes, and the financial statements etc. represent the underlying transactions and accounting events appropriately.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to the Audit & Supervisory Committee.

We report to the Audit & Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of Audit & Supervisory Committee

Audit Report

The Audit & Supervisory Committee has audited the performance of duties by Directors for the 24th fiscal year from January 1, 2025 to December 31, 2025. The following is a report on the methods and results of the audit.

1. Method and Content of Audit

The Audit & Supervisory Committee expressed its opinion about the contents of resolutions of the Board of Directors related to the matters set forth in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the system established under the resolutions (internal control system) after regularly receiving reports, and requesting explanations as needed, from Directors, employees and other relevant persons about the structure and operation of the system and carried out the audit in the following manner:

- (1) Attended important meetings; received reports from Directors, employees and other relevant persons regarding matters related to the performance of their duties; requested them to provide explanations where necessary; examined important decision documents and associated information; and studied the operations and financial conditions at the head office as well as other principal offices and plants in accordance with the audit policy and division of duties determined by the Audit & Supervisor Committee and in cooperation with the internal control division of the Company. The Audit & Supervisory Committee also shared information and communicated with the directors and statutory auditors, etc. of subsidiaries and received business reports from subsidiaries as necessary.
- (2) The Audit & Supervisory Committee reviewed the content of the basic policies provided for in Article 118, Item 3 (a) of the Regulations for Enforcement of the Companies Act described in the business report and the efforts provided for in Article 118, Item 3 (b) of said ordinance, based on the deliberations at the meetings of the Board of Directors and other meetings.
- (3) The Audit & Supervisory Committee monitored and verified whether the Accounting Auditors maintain an independent position and conduct appropriate audits, received a report from the Accounting Auditors on the performance status of their duties and asked for explanations as necessary. Also, the Audit & Supervisory Committee received notification from the Accounting Auditors to the effect that “systems to ensure that duties are executed appropriately” (the matters listed in each item of Article 131 of the Regulation on Corporate Accounting) had been established in accordance with “Quality Control Standards for Auditing” (Business Accounting Council) and where necessary requested explanations.

Based on the aforementioned methods, the Audit & Supervisory Committee examined for the said fiscal year the business report and business schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements) and supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements) and supplementary schedules.

2. Audit Results

- (1) Audit results concerning the business report, etc.
 1. In our opinion, the business report and supplementary schedules fairly represent the Company’s condition in accordance with the related laws and regulations, and the Articles of Incorporation.
 2. With regard to the performance of duties by Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of the Articles of Incorporation.
 3. In our opinion, resolutions of the meetings of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, we have found no matters requiring comment regarding the contents of the business report and the performance of duties by Directors in relation to the internal control system.
 4. In our opinion, the basic policy for the requirements for individuals who control decisions on the Company’s financial and business policies that is described in the business report is fair and reasonable. In our opinion, the actions specified in Article 118, Item 3 (b) of the Regulations for Enforcement of the Companies Act that are described in the business report are in line with the above basic policy. These actions do not harm the common interests of the Company’s shareholders, and they are not intended to maintain the positions of any officers of the Company.

(2) Audit results concerning non-consolidated financial statements and their supplementary schedules
In our opinion, the methods and results employed and rendered by the Accounting Auditors, ARK LLC, are fair and reasonable.

(3) Audit results concerning consolidated financial statements
In our opinion, the methods and results employed and rendered by the Accounting Auditors, ARK LLC, are fair and reasonable.

February 19, 2026

The Audit & Supervisory Committee, Pilot Corporation

Director (Full-time Audit & Supervisory Committee Member) Yoshihiro Saimura Seal

Outside Director (Audit & Supervisory Committee Member) Toshizo Kamiyama Seal

Outside Director (Audit & Supervisory Committee Member) Tsugukiyo Fujita Seal

(Note) Toshizo Kamiyama and Tsugukiyo Fujita, Audit & Supervisory Committee Members, are Outside Directors as defined in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.