

[**Translation:** Please note that the following purports to be a translation from the Japanese original Notice of Convocation of the 78th Annual General Meeting of Shareholders of Onward Holdings Co., Ltd. prepared for the convenience of shareholders with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain expressions regarding voting procedures for shareholders that are not applicable to the shareholders outside Japan are intentionally omitted or modified to avoid confusion.]

May 1, 2025

(Commencement date of electronic provision measures: April 30, 2025)

TSE# 8016

SEDOL#6483821JP

ISIN#JP3203500008

To Our Shareholders:

Onward Holdings Co., Ltd.  
10-5, Nihonbashi 3-chome, Chuo-ku, Tokyo  
Representative Director, President and CEO  
Michinobu Yasumoto

## **NOTICE OF CONVOCATION OF THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 78th Annual General Meeting of Shareholders of Onward Holdings Co., Ltd. (the “Company”) for the fiscal year ended February 28, 2025. The meeting will be held as described below.

Electronic provision measures are taken for the convocation of this General Meeting of Shareholders, and the matters subject to electronic provision measures are posted as “Notice of Convocation of the 78th Annual General Meeting of Shareholders” on the following website on the Internet.

[Company website]

<https://www.onward-hd.co.jp/en/ir/stocks/meeting.html>

In addition to the above, this information is also posted on the following website on the Internet.

[Tokyo Stock Exchange website]

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

Enter and search for the issue name (the Company’s name) or the securities code (8016), select “Basic information,” and then select “Documents for public inspection/PR information” to review the information.

If you are unable to attend the meeting in person, your voting rights can be exercised either in writing or via the Internet. We would appreciate your exercise of voting rights by reviewing the “Reference Document for the General Meeting of Shareholders,” indicating whether you approve or disapprove each item on agenda on the enclosed Voting Rights Exercise Form and returning it to the Company before 5:40 PM (JST) of May 21, 2025 (Wednesday), or alternatively accessing to the designated website for exercising voting rights.

*In an effort to enhance the convenience of institutional investors, the Company participates in the electronic voting platform operated by ICJ via ProxyEdge® system of Broadridge. For further details, please consult with your custodians, nominees and/or brokers. Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only.*

\* \* \*

## NOTICE OF MEETING

1. **Date and Time:** 10:00 AM of May 22, 2025 (Thursday)  
(The reception desk is scheduled to open at 9:00 AM.)
2. **Place:** 2nd Floor Hall  
Onward Park Building  
10-5, Nihonbashi 3-chome, Chuo-ku, Tokyo
3. **Purposes:**  
**Items to Be Reported:**
  1. Report on matters of the Business Report and the Consolidated Financial Statements for the 78th fiscal year (March 1, 2024 to February 28, 2025) and results of audit of the Consolidated Financial Statements by Accounting Auditor and the Audit & Supervisory Board; and
  2. Report on the Non-Consolidated Financial Statements for the 78th fiscal year (March 1, 2024 to February 28, 2025)

### **Items to Be Resolved:**

**Agenda Item No. 1:** Appropriation of Surplus

**Agenda Item No. 2:** Partial Amendment to the Articles of Incorporation

**Agenda Item No. 3:** Election of Six (6) Directors

**Agenda Item No. 4:** Determination of Compensation for Granting Restricted Stock to Directors (excluding Outside Directors)

4. **Items for Exercising Voting Rights:**
  - (1) **Treatment of duplicated exercises of voting rights in writing and via Internet**

In case that a voting right is exercised both in writing and via the Internet, the vote registered via Internet will be recognized as valid.
  - (2) **Treatment of duplicated exercises of voting rights via Internet**

In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized as valid. Similarly, in case that a voting right is exercised more than once using a PC, smartphone, etc., only the last vote will be recognized as valid.
  - (3) **No indication of approval or disapproval to any item on agenda on the Voting Rights Exercise Form will be recognized as an affirmative vote to the item.**

-End-

- 
- \* If you attend the meeting in person, please submit the Voting Rights Exercise Form enclosed herewith to the receptionist of the Hall. For saving natural resources, please take this notice of convocation with you to the meeting.
  - \* Documents attached to this notice of convocation also function as documents stating the matters subject to electronic provision measures to be delivered upon request for document delivery. Notes to Consolidated and Non-Consolidated Financial Statements are excluded from these documents in accordance with laws and regulations, and Article 14 of the Articles of Incorporation of the Company. Accordingly, documents that are delivered to our shareholders are part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor in the course of preparing audit reports.
  - \* If any amendment occurs to the matters subject to electronic provision measures, such amendment shall be publicly announced on each website on which the matters are posted.

## **REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS**

### **Agenda Items and Reference Matters:**

#### **Agenda Item No. 1: Appropriation of Surplus**

The Company considers the return of profits to shareholders to be one of the most important management issues. The Company sets a target full-year dividend payout ratio of 40% or higher and follows the basic policy of distributing appropriate amounts of profits to shareholders in a way that is stable and linked with the business performance of the Company.

Under this policy, it is proposed that a year-end dividend for the fiscal year under review be as stated below.

Matters concerning the year-end dividend:

1. Type of dividend property:  
Cash
2. Allocation of dividends and total amount:  
26 yen per share of common stock of the Company  
3,529,279,104 yen total
3. Effective date of the dividend of surplus:  
May 23, 2025

**Agenda Item No. 2: Partial Amendment to the Articles of Incorporation**

## 1. Reasons for the proposal of amendment

In order to increase opportunities for returning profits to shareholders, the Company proposes that it may distribute interim dividends by a resolution of the Board of Directors, pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act.

## 2. Details of the amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 7 Accounting (Dividends of Surplus) Article 41 The Company shall, by a resolution of a meeting of shareholders, pay dividends of surplus in cash (hereinafter referred to as “ <b>Dividends</b> ”) to shareholders or registered pledgees of shares listed or recorded in the final shareholder registry on the last day of February of each year.	Chapter 7 Accounting (Dividends of Surplus) Article 41 The Company shall, by a resolution of a meeting of shareholders, pay dividends of surplus in cash (hereinafter referred to as “ <b>Dividends</b> ”) to shareholders or registered pledgees of shares listed or recorded in the final shareholder registry on the last day of February of each year.
<Newly added>	<u>(ii) The Company may, by a resolution of the Board of Directors, pay dividends of surplus in cash (hereinafter referred to as “<b>Interim Dividends</b>”) to shareholders or registered pledgees of shares listed or recorded in the final shareholder registry on the last day of August of each year.</u>
<u>(ii)</u> If Dividends are not received within five (5) full years from the commencement date of payment, the Company shall be discharged from its obligation to pay such Dividends.	<u>(iii)</u> If Dividends are not received within five (5) full years from the commencement date of payment, the Company shall be discharged from its obligation to pay such Dividends <u>and Interim Dividends.</u>
<u>(iii)</u> The Company shall not pay any interest on unpaid Dividends.	<u>(iv)</u> The Company shall not pay any interest on unpaid Dividends <u>and Interim Dividends.</u>

**Agenda Item No. 3: Election of Six (6) Directors**

The term of office of six Directors will expire at the closing of this Annual General Meeting of Shareholders. In this regard, it is proposed that six Directors, including two Outside Directors, be elected.

The candidates are as follows:

Candidate No.	Name		Current position and responsibility in the Company, and significant concurrent positions outside the Company	Attendance at Board of Directors meetings	Expertise and experience expected by the Company					
					Company management & Business operation	International experience & Overseas business	Finance, Accounting and M&A	Legal affairs, Compliance and Risk management	IT & Digital	Human resources, Diversity, Environment, CSR
1	Michinobu Yasumoto	Reelection	<ul style="list-style-type: none"> <li>Representative Director, President and CEO of the Company</li> <li>Representative Director and President, and Executive Officer of Onward Kashiya Co., Ltd.</li> </ul>	12/12 (100%)	•	•		•	•	•
2	Daisuke Ikeda	Reelection	<ul style="list-style-type: none"> <li>Managing Director in charge of Human Resources, General Affairs of the Company</li> <li>Director and Managing Executive Officer of Onward Kashiya Co., Ltd.</li> </ul>	12/12 (100%)	•			•		•
3	Shohei Yoshida	Reelection	<ul style="list-style-type: none"> <li>Director in charge of Finance, Accounting, Investor Relations of the Company</li> <li>Director and Executive Officer of Onward Kashiya Co., Ltd.</li> </ul>	9/9 (100%)	•	•	•			
4	Yoshihiro Higuchi	New candidate	<ul style="list-style-type: none"> <li>Managing Executive Officer in charge of Marketing, Technology, Product of the Company</li> <li>Director and Managing Executive Officer of Onward Kashiya Co., Ltd.</li> </ul>	-	•	•			•	
5	Akira Kawamoto	Reelection Outside Director Independent Director	<ul style="list-style-type: none"> <li>Outside Director of the Company</li> </ul>	12/12 (100%)	•	•	•		•	
6	Yoshie Komuro	Reelection Female Outside Director Independent Director	<ul style="list-style-type: none"> <li>Outside Director of the Company</li> <li>President of Work-Life Balance Co., Ltd.</li> </ul>	12/12 (100%)	•				•	•

(Notes) 1. The name of Ms. Yoshie Komuro in the family register is Yoshie Ishikawa.

2. The table is not indicative of all the expertise and experience possessed by the candidates.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Michinobu Yasumoto (Sept. 13, 1965)	<p>May 2006      Joined the Company</p> <p>Mar. 2007      Executive Officer of the Company</p> <p>Sept. 2007      Executive Officer of Onward Kashiya Co., Ltd.</p> <p>Mar. 2011      Managing Executive Officer of the Company Managing Executive Officer of Onward Kashiya Co., Ltd.</p> <p>May 2014      Director of the Company Director and Managing Executive Officer of Onward Kashiya Co., Ltd.</p> <p>Sept. 2014      Director and Senior Managing Executive Officer of Onward Kashiya Co., Ltd.</p> <p>Mar. 2015      Representative Director, President and CEO of the Company (current position) Director of Onward Kashiya Co., Ltd.</p> <p>Nov. 2019      Representative Director and President of Onward Digital Lab Co., Ltd.</p> <p>Sept. 2021      Director of Onward Kashiya Co., Ltd.</p> <p>Mar. 2022      Representative Director and President, and Executive Officer of Onward Kashiya Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President, and Executive Officer of Onward Kashiya Co., Ltd.</p>	244,900
<p>Reasons for nomination</p> <p>Mr. Michinobu Yasumoto has held various management positions in the Corporate Planning, Digital Strategy, International Business and Product Planning Divisions, and he has valuable experience and advanced knowledge. He is currently responsible for the management execution of the Group and is leading its business execution as the Representative Director, President and CEO of the Company and is playing roles appropriately in, for example, making decisions on important management matters and supervising business execution. For these reasons, he has been nominated as a Director candidate for reelection.</p>			

Candi-date No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Daisuke Ikeda (Mar. 22, 1968)	<p>Apr. 1991      Joined the Company</p> <p>Mar. 2018      Executive Officer in charge of Corporate Planning, Legal Affairs of the Company</p> <p>Mar. 2020      Executive Officer in charge of Corporate Planning, Secretary Office, Corporate Communications, Human Resources, General Affairs of the Company</p> <p>May 2020      Director in charge of Corporate Planning, Human Resources, General Affairs of the Company</p> <p>Mar. 2021      Director in charge of Corporate Planning, Human Resources, General Affairs, Corporate Sustainability of the Company</p> <p>Sept. 2021      Director of Onward Kashiya Co., Ltd.</p> <p>Mar. 2022      Director in charge of Corporate Planning, Human Resources, General Affairs of the Company</p> <p>Director and Managing Executive Officer of Onward Kashiya Co., Ltd. (current position)</p> <p>Mar. 2023      Managing Director in charge of Human Resources, General Affairs of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Director and Managing Executive Officer of Onward Kashiya Co., Ltd.</p>	38,400
<p>Reasons for nomination</p> <p>Mr. Daisuke Ikeda has held various positions in the sales, corporate planning, and administrative divisions of the Company, and he has extensive experience and performance record. Currently, he is appropriately fulfilling his role as Managing Director of the Company by taking charge of Human Resources and General Affairs, while supervising business execution in the Group and working on business expansion as the person responsible for sales strategy and the business headquarters at Onward Kashiya Co., Ltd., the core operating company of the Group. For these reasons, he has been nominated as a Director candidate for reelection.</p>			



Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Shohei Yoshida (Mar. 29, 1977)	<p>Apr. 2001      Joined ACTY21 Co., Ltd.</p> <p>Mar. 2015      Joined Onward Global Fashion Co., Ltd. General Manager of Administrative Division of Onward Global Fashion Co., Ltd.</p> <p>Mar. 2017      General Manager of Accounting and Investor Relations Division of the Company</p> <p>Mar. 2020      General Manager of Accounting Shared Services Division of the Company</p> <p>Mar. 2024      Executive Officer and General Manager of Finance, Accounting, Investor Relations Office of the Company Executive Officer of Onward Kashiya Co., Ltd.</p> <p>May 2024      Director in charge of Finance, Accounting, Investor Relations of the Company (current position) Director and Executive Officer of Onward Kashiya Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Director and Executive Officer of Onward Kashiya Co., Ltd.</p>	2,900
<p>Reasons for nomination</p> <p>Mr. Shohei Yoshida has been in charge of the Company's Finance, Accounting, Investor Relations and has been serving as the General Manager of the Accounting and Finance Group at Onward Kashiya Co., Ltd., the core operating company of the Group. He has expert knowledge and extensive experience in the fields of finance and accounting. Currently, he is appropriately fulfilling his role as Director of the Company by working on building a Group-wide finance strategy and so forth. For these reasons, he has been nominated as a Director candidate for reelection.</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<div>New candidate</div> <p>Yoshihiro Higuchi (Oct. 27, 1965)</p>	<p>Apr. 1990      Joined the Company</p> <p>Mar. 2013      Executive Officer of Onward Kashiya Co., Ltd.</p> <p>Sept. 2016      Executive Officer in charge of Marketing, Advertising of the Company</p> <p>Mar. 2019      Managing Executive Officer of Onward Kashiya Co., Ltd.</p> <p>Mar. 2020      Managing Executive Officer in charge of Advertising, Marketing of the Company</p> <p>Mar. 2021      Managing Executive Officer in charge of Planning, Production, as well as Advertising, Marketing of the Company</p> <p>Director and Managing Executive Officer of Onward Kashiya Co., Ltd. (current position)</p> <p>Mar. 2024      Managing Executive Officer in charge of Marketing, Technology, Product of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Director and Managing Executive Officer of Onward Kashiya Co., Ltd.</p>	40,500
<p>Reasons for nomination</p> <p>Mr. Yoshihiro Higuchi has been in charge of various divisions including the Marketing and Product Divisions of the Company and Onward Kashiya Co., Ltd., the core operating company of the Group. He has extensive experience in the fields of product planning, production, marketing, etc. The Company deems that he is qualified to be a Director for the Group's efforts toward business expansion in the future. For these reasons, he has been newly nominated as a Director candidate</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Akira Kawamoto (Aug. 19, 1958)	<p>Apr. 1981      Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>Aug. 1995      Organization for Economic Co-operation and Development (OECD) (Paris)</p> <p>Jan. 2001      Manager of Electricity Market Division, Electricity and Gas Industry Department, Agency for Natural Resources and Energy</p> <p>July 2009      Deputy Director-General of Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry</p> <p>Oct. 2012      Senior Partner of Aspirant Group Inc.</p> <p>Apr. 2013      Professor of Faculty of Economics of Keio University (current position)</p> <p>Mar. 2014      Outside Director (Audit and Supervisory Committee Member) of Future Corporation (current position)</p> <p>May 2018      Outside Director of the Company (current position)</p> <p>Jan. 2023      Founding Partner of Aspirant Group Inc.</p> <p>July 2023      Vice Chairman and Founding Partner of Aspirant Group Inc. (current position)</p>	0
<p>Reasons for nomination and overview of expected roles</p> <p>Mr. Akira Kawamoto has extensive experience gained while working for the government for many years and diverse knowledge and insight from his academic experience, so the Company deems that he is qualified to be an Outside Director. For these reasons, he has been nominated as an Outside Director candidate for reelection.</p> <p>Furthermore, he can be expected to monitor and supervise the management of the Company from an independent standpoint, and provide valuable suggestions and opinions.</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Yoshie Komuro (Name in family register: Yoshie Ishikawa) (Apr. 16, 1975)	<p>Apr. 1999      Joined Shiseido Company, Limited</p> <p>July 2006      President of Work-Life Balance Co., Ltd. (current position)</p> <p>Apr. 2008      Member of the Evaluation Working Group, Work-Life Balance Promotion and Evaluation Council, Cabinet Office</p> <p>Oct. 2009      Visiting Professor of Kanazawa Institute of Technology Graduate School (current position)</p> <p>Apr. 2013      Member of the Children and Childcare Support Council, Cabinet Office</p> <p>Sept. 2014      Civil Member of the Industrial Competitiveness Council</p> <p>Feb. 2015      Member of the Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology</p> <p>June 2017      Outside Director of JAPAN POST INSURANCE Co., Ltd.</p> <p>May 2019      Outside Director of the Company (current position)</p> <p>Apr. 2020      Outside Director of redfox, inc.</p> <p>Sept. 2020      Member of the Expert Committee on Accelerating Work Style Reform, Ministry of the Environment (current position)</p> <p>Nov. 2020      Outside Director of ClipLine, Inc. (current position)</p> <p>Dec. 2020      Director (Outside) of PACIFIC CONSULTANTS CO., LTD.</p> <p>June 2022      Outside Director (Audit &amp; Supervisory Board Member) of LITALICO Inc. (current position)</p> <p>Jan. 2023      Councilor of Japan Women's University (current position)</p> <p>May 2023      Member of the Working Interval Review Committee, Ministry of Health, Labour and Welfare</p> <p>[Significant concurrent positions outside the Company] President of Work-Life Balance Co., Ltd.</p>	0
<p>Reasons for nomination and overview of expected roles</p> <p>Ms. Yoshie Komuro has expertise as a corporate manager and experience and insight developed through serving in various roles as a specialist sitting on various government affiliated councils, so the Company deems that she is qualified to be an Outside Director. For these reasons, she has been nominated as an Outside Director candidate for reelection.</p> <p>Furthermore, she can be expected to monitor and supervise the management of the Company from an independent standpoint, and provide valuable suggestions and opinions.</p>			

(Notes)

- Each candidate stated above has no special interests in the Company.
- Mr. Akira Kawamoto and Ms. Yoshie Komuro are candidates for Outside Directors. The Company submitted Notifications of Independent Directors/Audit & Supervisory Board Members to the Tokyo Stock Exchange, Inc. in which the Company designated Mr. Akira Kawamoto and Ms. Yoshie Komuro as Independent Directors.

3. One employee at PACIFIC CONSULTANTS CO., LTD., where Ms. Yoshie Komuro has been a Director (Outside) since December 18, 2020, was arrested on the suspicion of obstructing competitive bidding for public contracts on January 24, 2022 and February 14, 2022 in relation to competitive bidding on outsourcing for design of a bridge that was ordered by Toyama-shi, Toyama Prefecture. Ms. Yoshie Komuro regularly made proposals from the viewpoint of legal compliance, and after the above facts came to light, she made proposals to prevent recurrence and appropriately fulfilled her duties.
4. A directors and officers liability insurance:
  - (i) The Company has entered into a directors and officers liability insurance (“D&O insurance”) policy, thereby covering losses and costs incurred by Directors in cases where they are liable for damages arising from their performance of duties.
  - (ii) The full amount of the insurance premiums for D&O insurance is borne by the Company.
  - (iii) If each candidate is elected and assumes the office as Director, the Company plans to include every such Director as an insured in the D&O insurance policy.
  - (iv) The term of the D&O insurance policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.
5. The independence of Outside Directors and the agreement to limit Outside Directors’ liability:
  - (1) The independence of candidates for Outside Directors:
    - (i) The duration of Mr. Akira Kawamoto’s assumption of the office as Outside Director of the Company will have been seven years upon the closing of this General Meeting of Shareholders.
    - (ii) The duration of Ms. Yoshie Komuro’s assumption of the office as Outside Director of the Company will have been six years upon the closing of this General Meeting of Shareholders.
    - (iii) Both of the candidates for Outside Directors satisfy “Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members” (pp.14–15).
  - (2) Agreement with Outside Director to limit liabilities:
 

The Company has concluded an agreement with Mr. Akira Kawamoto and Ms. Yoshie Komuro to limit their liabilities prescribed in Article 423, paragraph (1) of the Companies Act to the minimum liability amount as prescribed in Article 427, paragraph (1) of the Companies Act.

Provided the reelection of Mr. Akira Kawamoto and Ms. Yoshie Komuro is approved, the Company is going to continue such agreements with them.

(Reference)

**Independence Standards  
for Outside Directors and Outside Audit & Supervisory Board Members**

When a candidate for Outside Director or Outside Audit & Supervisory Board Member applies to any of the following, the Company considers that the candidate does not have the independence as Outside Director/Outside Audit & Supervisory Board Member.

1. Relationship with a company at which a person engaged in business execution<sup>1</sup> of the Company assumes a director or corporate executive position  
Any person engaged in business execution of a company at which a person engaged in business execution of the Company assumes a corporate executive position.
2. Major business partner  
Any party that considers the Company as a major business partner<sup>2</sup> or a person engaged in business execution of the party, or any major business partner of the Company<sup>3</sup> or a person engaged in business execution of the business partner.
3. Accounting auditor firm of the Company  
Any person belonging to an accounting auditor firm that performs audits concerning the Company based on the Companies Act or the Financial Instruments and Exchange Act.
4. External specialist  
Any external specialist who receives a considerable amount<sup>4</sup> of money or other assets from the Company in addition to remuneration as an Outside Director or an Audit & Supervisory Board Member (such a specialist refers to an attorney-at-law, accountant, tax accountant, patent attorney, judicial scrivener, consultant, etc.; if the party receiving the aforesaid assets is a corporation, union, or any other form of organization, the person belonging to such organization).
5. Recipient of contribution  
Any party receiving a considerable amount<sup>5</sup> of contribution from the Company (if the party receiving the aforesaid contribution is a corporation, union, or any other form of organization, the person engaged in business execution at such organization).
6. Major shareholder  
Any party or a person engaged in business execution of a respective company that beneficially holds 10% or more of the Company's voting rights.
7. Former relevant person  
Any person that was applicable to any of 1. through 5. above in the past five years.
8. Next of kin  
Next of kin of a person applicable to any of 1. through 7. above (excluding a person of no importance).

Notes:

- 1 "A person engaged in business execution" refers to an executive director, executive officer, general manager or employee (including adviser).
- 2 "Any party that considers the Company as a major business partner" refers to a party that has received from the Company an amount of payment equivalent to over 2% of its annual net sales in the most recent fiscal year.
- 3 "Major business partner of the Company" refers to a party that has paid the Company an amount equivalent to over 2% of the annual net sales of the Company or a party whose outstanding loan to the Company exceeds 2% of the total assets of the Company, in the most recent fiscal year.
- 4 "A considerable amount" with respect to assets received in the most recent fiscal year refers to, in case the party that has received the assets concerned is an individual, an annual amount of 10

million yen, and in case the party is a corporation, union, or any other form of organization, an amount over 2% of consolidated net sales or total revenue of the organization.

- 5 “A considerable amount” with respect to contribution received in the most recent fiscal year refers to, an annual amount of 10 million yen or 2% of the total revenue, whichever is higher.

**Agenda Item No. 4: Determination of Compensation for Granting Restricted Stock to Directors (excluding Outside Directors)**

The amount of compensation for the Directors of the Company was set at 500 million yen or less per year (of which 30 million yen or less per year for Outside Directors) at the 60th Annual General Meeting of Shareholders held on May 24, 2007. (However, the amount for Outside Directors was revised to 50 million yen or less per year at the 74th Annual General Meeting of Shareholders held on May 27, 2021.) In addition, the amount of compensation for stock acquisition rights as stock compensation-type stock options for Directors of the Company (excluding Outside Directors) was set at 69 million yen or less per year, separately from the amount of compensation described above, at the 61st Annual General Meeting of Shareholders held on May 29, 2008.

As part of the revision of officer compensation system, the Company proposes to provide new compensation for granting restricted stock to Directors of the Company (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”), within the scope of the amount of compensation for Directors described above, in order to provide the Eligible Directors with an incentive to drive the sustainable enhancement of the Company’s corporate value and to promote greater value sharing with its shareholders. Furthermore, the Company has been providing compensation for the purpose of acquiring company stock in order to acquire the Company’s common stock through the Directors and Audit & Supervisory Board Members’ Shareholdings Association starting from June 2015, in place of the stock compensation-type stock options described above. However, the Company intends to transition to a compensation system that provides restricted stock, which will be introduced at this time.

Accordingly, the Company will abolish the provisions regarding compensation for stock acquisition rights as stock compensation-type stock options described above and compensation for the purpose of acquiring company stock. The Company will provide compensation for granting restricted stock to the Eligible Directors in the form of monetary claims as an alternative. The total amount of such compensation shall be up to 100 million yen per year (excluding employee-portion salaries for Directors who concurrently serve as employees). The specific timing and allocation of payments to each Eligible Director shall be determined by the Board of Directors.

The current number of Directors is six (6) (including two (2) Outside Directors). The same shall apply if Agenda Item No. 3 “Election of Six (6) Directors” is approved as originally proposed.

Based on a resolution of the Board of Directors of the Company, the Eligible Directors shall pay all monetary claims for compensation to be paid for granting restricted stock as property contributed in kind to the Company in exchange for the issued or disposed shares of the Company’s common stock. As a result, the total number of the Company’s common stock to be issued or disposed of shall be 200,000 shares or less per year. (However, on or after the date on which this Agenda Item is approved, if a stock split (including a gratis allotment of the Company’s common stock) or a reverse stock split of the Company’s common stock is carried out, or in the case of any other event that requires an adjustment to the total number of the Company’s common stock to be issued or disposed of as restricted stock, the total number shall be adjusted within a reasonable range.)

The per share payment amount shall be determined by the Board of Directors, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board resolution (or, if no transaction occurred on that day, the closing price on the most recent prior trading day) and within a range that does not confer a particular advantage to the Eligible Directors receiving the Company’s common stock. In addition, the issuance or disposal of the Company’s common stock and the payment of monetary claims as property contributed in kind shall be subject to the execution of a Restricted Stock Allotment Agreement (hereinafter referred to as the “Allotment Agreement”) that includes the provisions summarized in the following “Overview of the details of the Allotment Agreement” between the Company and the Eligible Directors.

The maximum amount of compensation, the total number of the Company’s common stock to be issued or disposed of, and other conditions for granting restricted stock to the Eligible Directors under this Agenda Item have been determined in consideration of the purpose described above, the business



conditions of the Company, the policies for determining the amounts of the compensation for Directors and Audit & Supervisory Board Members of the Company (if this Agenda Item is approved, the policy will be revised to the content described in the “Reference” column below so as to be consistent with the approved content), and various other circumstances, and are considered appropriate by the Company.

Subject to the approval of this Agenda Item, the Company shall not issue stock acquisition rights as stock compensation-type stock options described above thereafter. Among the Eligible Directors, those Directors who currently hold unexercised stock compensation-type stock options are scheduled to waive their rights to the unexercised stock options, subject to the approval of this Agenda Item.

For this reason, as a transition measure from the stock compensation-type stock options, the Company proposes that, only for the fiscal year ending February 28, 2026, the Company may grant restricted stock in the number of shares equivalent to the number of stock acquisition rights that have been waived within an annual amount of 40 million yen and 80,000 shares, separately from the annual amount of 100 million yen and 200,000 shares stated above. This has already been granted to the Eligible Directors in the past fiscal year and is not additional compensation.

If the Agenda Item regarding the plan is approved as originally proposed at this General Meeting of Shareholders, the Company also plans to introduce a similar Restricted Stock Compensation Plan for Executive Officers and others of the Group who do not concurrently serve as Directors of the Company.

(Overview of the details of the Allotment Agreement)

(1) Restricted period

The Eligible Directors shall not transfer, pledge as collateral, or otherwise dispose of (hereinafter referred to as the “Transfer Restrictions”) the Company’s common stock allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) for a period from the date of allotment under the Allotment Agreement to the time immediately after their retirement from the position predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries (hereinafter referred to as the “Restricted Period”).

(2) Treatment upon retirement

In the event that an Eligible Director retires from a position predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries prior to the expiration of a period predetermined by the Company’s Board of Directors (hereinafter referred to as the “Service Provision Period”), the Company shall acquire the Allotted Shares rightfully without compensation unless there are justifiable reasons for the retirement, such as the expiration of the term of office, death, etc.

(3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restriction on all of the Allotted Shares at the expiration of the Restricted Period, on the condition that the Eligible Directors have continuously served in the positions predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries during the Service Provision Period. However, if (i) the Eligible Director retires from a position predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries prior to the expiration of the Service Provision Period for justifiable reasons, or (ii) the Eligible Director retires from a position predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries prior to the expiration of the Transfer Restriction Period for reasons other than justifiable reasons even after the expiration of the Service Provision Period, the number of Allotted Shares for which the Transfer Restriction is to be lifted and the timing of the lifting of the Transfer Restriction shall be reasonably adjusted as necessary. In addition, at the time immediately after the lifting of the Transfer Restriction in accordance with the provisions above, the Company shall acquire Allotted Shares for which the Transfer Restriction has not been lifted, rightfully without compensation.

(4) Treatment in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Restricted Period, a matter concerning a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or by the Company's Board of Directors in the case where the approval of the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), the Company shall, by a resolution of the Company's Board of Directors, lift the Transfer Restriction prior to the effective date of the said organizational restructuring, etc. with regard to the number of Allotted Shares reasonably determined in consideration of the period from the start date of the Restricted Period to the date of approval of the said organizational restructuring, etc. In addition, in accordance with the provisions above, the Company shall acquire rightfully without compensation the Allotted Shares for which the Transfer Restriction has not been lifted immediately after lifting the Transfer Restriction.

(5) Other matters

Other matters related to the Allotment Agreement shall be determined by the Company's Board of Directors.

(Reference)

Policies for Determining the Amounts of the Compensation  
for Directors and Audit & Supervisory Board Members

Compensation paid to Directors and Audit & Supervisory Board Members of the Company comprises fixed basic compensation, restricted stock compensation, and performance-linked bonuses.

Outside Directors and Audit & Supervisory Board Members only receive basic compensation from the perspective of maintaining their independence.

In addition, on February 26, 2021, the Company established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors. The majority of the members of the committee are Independent Outside Directors. Allocation to each Director from March 2021 onward is determined by the Board of Directors, upon discussion of the matters relating to the nomination and compensation of Directors by the Nomination and Compensation Committee and reports to the Board of Directors.

(1) Basic compensation

Basic compensation paid to Directors and Audit & Supervisory Board Members is determined in accordance with predefined standards, taking into account factors such as full-time or part-time status, roles, ranks, years of service, and individual performance evaluations. The amount of compensation paid to Directors are determined by the Board of Directors while the amounts of compensation paid to the Audit & Supervisory Board Members are determined through discussions among Audit & Supervisory Board Members.

(2) Restricted stock compensation

In June 2025, the company replaced the previous compensation for the purpose of acquiring company stock with restricted stock compensation, with the aim of improving the motivation and morale of Directors to raise stock price and improve business performance. Restricted stock compensation is paid to Directors (excluding Outside Directors).

(3) Bonuses

Performance-linked bonuses are paid to Directors (excluding Outside Directors) based on the Company's consolidated performance, etc., for the relevant fiscal year.

The Board of Directors has the authority to determine the amount of compensation for Directors of the Company and the policy for determining the calculation method thereof. The amount of compensation is determined within the total amount of compensation resolved at the General Meeting of Shareholders, comprehensively considering factors such as the Director's duties, the business performance of each fiscal year, and the degree of Director's contribution. Furthermore, in determining the content of compensation for individual Directors excluding Outside Directors, the Nomination and Compensation Committee has deliberated and considered in advance from a multilateral standpoint, including consistency with the policies for determining the amounts of the compensation for Directors and Audit & Supervisory Board Members. The Board of Directors basically respects those findings and determines that the content of the compensation for each individual is in line with the determination policy. Compensation for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members within the total amount of compensation resolved at the General Meeting of Shareholders, taking into account factors such as full-time or part-time status and the division of duties.

-End-