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Securities code: 8093

June 9, 2025

Electronic Provision Measures Commencement Date: June 3, 2025

**To Shareholders with Voting Rights:**

Yoshiya Okada  
Representative Director  
President and Chief Executive Officer  
Kyokuto Boeki Kaisha, Ltd.  
2-1, Otemachi 2-chome, Chiyoda-ku,  
Tokyo, Japan

**CONVOCATION NOTICE  
FOR THE 105TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 105th Annual General Meeting of Shareholders of Kyokuto Boeki Kaisha, Ltd. (the “Company”) will be held as set forth below.

In convening this general meeting of shareholders, the Company has taken measures for electronic provision. Matters subject to measures for electronic provision are posted on the following website on the internet.

The Company’s website:

<https://www.kbk.co.jp/en/ir/news>

In addition to the website above, the matters subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (Listed Company Search), enter and search for the issue name (company name) “Kyokuto Boeki” or the securities code “8093,” then click “Basic information,” and select “Documents for public inspection/PR information” to review the information.

TSE website (Listed Company Search):

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

If you do not attend the meeting, you can exercise your voting rights in advance in either of the following ways. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights by close of business (5:40 p.m. JST) on Tuesday, June 24, 2025.

[Exercise of voting rights by postal mail (in writing)]

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and send it back to us so that it reaches us by the exercise deadline stated above. Where no indication is given either for approval or disapproval of each proposal on the submitted voting form, it will be treated as an expression of approval.

[Exercise of voting rights via the Internet, etc.]

Please refer to “Instructions for Exercising Voting Rights via the Internet, etc.” on page 6 (available only in the Japanese version) and enter your votes for or against the proposals by the exercise deadline stated above.

- 1. Date and Time:** Wednesday, June 25, 2025 at 10:00 a.m. JST
- 2. Place:** 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
AP Tokyo Marunouchi, Room E+F+G,  
3F, NIPPON LIFE MARUNOUCHI GARDEN TOWER  
\*The venue has changed from last year. Please refer to the venue map at the end of this Convocation Notice (available only in the Japanese version).
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 105th Term (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 105th Term (April 1, 2024 - March 31, 2025)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Four Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three Directors Serving as Audit and Supervisory Committee Members
- Proposal 4:** Revision of the Transfer Restriction Period under the Restricted Stock Compensation Plan for Directors (Excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members)

**[Response to the System for Electronic Provision of Materials for General Meeting of Shareholders and Other Matters]**

For shareholders with voting rights, in addition to the simplified convocation notice required by laws and regulations (the convocation notice in a narrow sense and information on websites to be provided electronically), we send a summary version of the convocation notice with Reference Documents for the General Meeting of Shareholders containing matters to be resolved. Please refer to either of the websites above for information on other matters in relation to the matters subject to measures for electronic provision. For shareholders who wish to receive written materials for the general meeting of shareholders from the next meeting, please contact your securities company or Sumitomo Mitsui Trust Bank, Limited.

**Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited**

0120-782-031

Business hours: 9:00 to 17:00 (excluding Saturdays, Sundays and holidays)

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ In accordance with laws and regulations and the Company's Article of Incorporation, the following matters are not included in the written documents sent to shareholders who have requested the delivery of the documents.

Certain items of the Business Report

1. Matters on current status of the corporate group
  - (5) Major business description
  - (6) Major offices
  - (7) Status of employees
  - (8) Status of major lenders
  - (9) Other important matters on current status of the corporate group
3. Matters on share subscription rights, etc. of the company
5. Status of accounting auditors
6. System to ensure that the execution of Directors' duties conform to the laws and regulations and the Article of Incorporation, and other system to ensure the appropriateness of business of the corporate group that is consisted by the Company and its subsidiaries, and overview of the operating status of such systems
7. Basic matters on the control of the company

Certain items of the Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

Notes to Consolidated Financial Statements

Certain items of the Non-consolidated Financial Statements

Non-Consolidated Statements of Changes in Net Assets

Notes to Non-consolidated Financial Statements

- ◎ The Audit and Supervisory Committee and Accounting Auditor have audited the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements including the matters above when preparing their audit report.
- ◎ In the event of any modification to the matters subject to measures for electronic provision, the items before and after the modification will be posted on each aforementioned website.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company proposes to appropriate its surplus as follows.

Matters concerning year-end dividends:

In order to continuously and positively give back to its shareholders and achieve sustained improvement in corporate value, the Company makes it a basic policy to distribute profits in consideration of future business development, financial conditions, revenue trends, and other factors, under an appropriate capital policy.

In accordance with the above policy, in comprehensive consideration of factors including business results for the current fiscal year, the business environment, and future business expansion, the Company proposes a year-end dividend as follows.

- (1) Type of dividend property  
Money
- (2) Allocation of dividend property and total amount thereof  
35 yen per share of common stock of the Company (70 yen per year combined with an interim dividend)  
In this case, the total amount of dividends will be 427,761,670 yen.
- (3) Effective date of distribution of surplus  
June 26, 2025

**Proposal 2: Election of Four Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)**

All five Directors (excluding Directors Serving as Audit and Supervisory Committee Members; hereinafter the same shall apply in this Proposal) will retire due to expiration of their terms of office at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to elect four Directors.

The candidates for Directors are as follows.

With regard to this Proposal, the Audit and Supervisory Committee has determined that all candidates for Directors are appropriate.

No.		Name		Current positions and responsibilities	Attendance at Board of Directors meetings
1	Reappointment	Yoshiya Okada	Male	Representative Director President and Chief Executive Officer; General Manager, Sales Administration Office	15/15 (100%)
2	Reappointment	Shinji Sakuma	Male	Director and Executive Vice President; Deputy General Manager, Sales Administration Office; General Manager, Mechanical Parts Division	15/15 (100%)
3	Reappointment	Tadamichi Hatta	Male	Director and Managing Executive Officer; General Manager, Corporate Administration Office; General Manager, Corporate Division	12/12 (100%)
4	Reappointment	Takashi Fujino	Outside Independent	Male Director	15/15 (100%)

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
1	<div>Reappointment</div> <p>Yoshiya Okada (April 25, 1957)</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p>	<p>April 1984      Joined the Company</p> <p>April 2003      General Manager, Information &amp; Environment Systems Department</p> <p>June 2005      Managing Director, KBK Europe GmbH</p> <p>October 2009    General Manager, Industrial Systems Department, the Company</p> <p>April 2011      Executive Officer; General Manager, Industries &amp; Resources Group; General Manager, Industrial Systems Department</p> <p>April 2013      Executive Officer; General Manager, Industries &amp; Resources Group; General Manager, Domestic Subsidiaries Management Group</p> <p>June 2013      Director and Executive Officer; General Manager, Industries &amp; Resources Group; General Manager, Domestic Subsidiaries Management Group</p> <p>April 2017      Director and Managing Executive Officer; General Manager, Industries &amp; Resources Group; General Manager, Domestic Subsidiaries Management Group</p> <p>April 2019      President and Chief Executive Officer; General Manager, Sales Administration Office</p> <p>April 2023      President and Chief Executive Officer; General Manager, Sales Administration Office; General Manager, Industrial Systems Division</p> <p>April 2025      President and Chief Executive Officer; General Manager, Sales Administration Office (to present)</p> <p>&lt;Reason for candidacy&gt; Since joining the Company, Mr. Okada has engaged mainly in the industry-related business and has accumulated abundant experience and considerable achievements in the Company's various business areas. He also has management experience overseas, serving as a manager of a local subsidiary of the Company in Germany. Moreover, he assumed the office of President and Chief Executive Officer of the Company in 2019 and has since accumulated a high degree of expertise concerning business management as a whole through the above experience, and also possess abundant experience and insight as a corporate executive. The Company proposes to continue to elect him as Director because it believes that he can contribute to the sustained growth of the Company and further enhancement of corporate value.</p>	46,666 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
2	<div>Reappointment</div> <p>Shinji Sakuma (May 22, 1963)</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p>	<p>April 1986      Joined the Company</p> <p>July 2009      General Manager, Kyokuto Trading (Shanghai) Co., Ltd.</p> <p>May 2013      General Manager, Industrial Systems Department, the Company</p> <p>April 2019      Executive Officer; Deputy General Manager, Sales Administration Office; General Manager, Basic Industry Division</p> <p>June 2020      Director and Executive Officer; Deputy General Manager, Sales Administration Office; General Manager, Basic Industry Division</p> <p>April 2021      Director and Executive Officer; Deputy General Manager, Sales Administration Office; General Manager, Mechanical Parts Division</p> <p>June 2021      Director and Managing Executive Officer; Deputy General Manager, Sales Administration Office; General Manager, Mechanical Parts Division</p> <p>April 2024      Director and Executive Vice President; Deputy General Manager, Sales Administration Office; General Manager, Mechanical Parts Division</p> <p>June 2024      Director and Executive Vice President; Deputy General Manager, Sales Administration Office; General Manager, Mechanical Parts Division (to present)</p> <p>(Significant concurrent position) President &amp; COO, ETO Co., Ltd.</p> <p>&lt;Reason for candidacy&gt; Since joining the Company, Mr. Sakuma has engaged in the industrial materials- related business and basic industry-related business, and has accumulated abundant experience and considerable achievements in the Company's various business areas. He also has management experience overseas, serving as General Manager of Kyokuto Trading (Shanghai) Co., Ltd., a local subsidiary of the Company in China. The Company proposes to continue to elect him as Director because it believes that he has been contributing to the sustained growth of the Company and further enhancement of corporate value through his high degree of expertise concerning business management as a whole, which he has accumulated through the above experience.</p>	26,201 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
3	<div>Reappointment</div> <p>Tadamichi Hatta (December 9, 1965)</p> <p>Attendance at Board of Directors meetings: 12/12 (100%)</p>	<p>April 1988      Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)</p> <p>April 2018      Senior Associate Director, Mitsubishi Chemical Corporation; General Manager, Tax Accounting Department, Mitsubishi Chemical Holdings Corporate Staff, Inc.</p> <p>April 2019      Senior Associate Director, General Manager, Corporate Management Department, Mitsubishi Chemical Corporation</p> <p>November 2020      Executive Director; General Manager, Corporate Management Department, Mitsubishi Chemical Corporation</p> <p>April 2021      General Manager, Finance and Accounting Department, Life Science Institute, Inc.</p> <p>September 2022      BRIDGESTONE CORPORATION</p> <p>July 2023      Joined the Company</p> <p>January 2024      Executive Officer; General Manager, Corporate Division</p> <p>June 2024      Director and Executive Officer; General Manager, Corporate Administration Office; General Manager, Corporate Division</p> <p>April 2025      Director and Managing Executive Officer; General Manager, Corporate Administration Office; General Manager, Corporate Division (to present)</p> <p>&lt;Reason for candidacy&gt; During his career at Mitsubishi Chemical Group, Mr. Hatta has accumulated abundant experience of not only accounting and finance practice, but also experience implementing mission-critical systems while stationed in the U.S. and engaging in the management administration at group companies in addition to corporate governance and management strategy as a holding company. After joining the Company, he has been in charge of the Corporate Division and is also focusing on promoting M&amp;A while addressing various reforms and improvements. The Company proposes to continue to elect him as Director because, based on his many years of experience in corporate finance and corporate governance, the Company expects him to contribute to further enhancement of corporate value.</p>	1,998 shares



No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
4	<div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> <p>Takashi Fujino (February 12, 1956)</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p>	<p>April 1979      Joined Asahi Glass Co., Ltd. (currently AGC Inc.)</p> <p>January 2009    Executive Officer; General Manager, Corporate Planning Office</p> <p>January 2010    Senior Executive Officer; CFO; General Manager, President Office</p> <p>March 2010     Director; Senior Executive Officer; CFO; General Manager, President Office</p> <p>January 2015    Director; Senior Executive Officer; Assistant to President (retired in March 2015)</p> <p>January 2015    Advisor, ISE CHEMICALS CORPORATION</p> <p>March 2015     President and Chief Executive Officer (retired in March 2019)</p> <p>June 2021      Director, the Company (to present)</p> <p>June 2023      Outside Audit &amp; Supervisory Board Member, TDK Corporation (to present)</p> <p>(Significant concurrent position) Outside Audit &amp; Supervisory Board Member, TDK Corporation</p> <p>&lt;Reason for candidacy and summary of expected roles&gt; Mr. Fujino had served as Director in charge of finance, investor relations and corporate governance at Asahi Glass Co., Ltd. (currently AGC Inc.), and later as President at ISE CHEMICALS CORPORATION (listed on the Tokyo Stock Exchange Standard Market). The Company has nominated him as a candidate for Outside Director in order for him to provide objective opinions on the Company's overall management from an independent perspective based on his abundant experience and wide insight as a corporate manager. The Company expects him to perform a supervisory function from a standpoint independent of the management team, based on his abundant experience in corporate management.</p>	2,400 shares

(Notes)

1. There are no special interests between the above candidates and the Company.
2. Mr. Takashi Fujino is a candidate for Outside Director.
3. The matters concerning candidates for Outside Directors are as follows:  
Mr. Takashi Fujino is currently an Outside Director of the Company and will have served in the position for four years at the conclusion of this Annual General Meeting of Shareholders.
4. The Company has entered into a liability limitation agreement with Mr. Takashi Fujino, and plans to continue the said agreement with him if he is reelected. The outline of the agreement is as follows:  
Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the liability for damages under Article 423, Paragraph 1 of the said Act shall be limited to the higher of 7.2 million yen or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act.
5. The Company has registered Mr. Takashi Fujino as an independent officer stipulated by the rules of the Tokyo Stock Exchange, and plans to continue to register him as an independent officer if he is reelected.
6. The Company has concluded a directors and officers liability insurance contract with an insurance company, with Directors and Auditors of the Company and its subsidiaries as the insured persons. The insurance contract covers damages, litigation expenses, etc. to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed by the insured in his/her capacity as an officer of the Company. The Company bears the entire premium for all the insured persons.  
Each candidate will be included in the insured persons under the insurance contract. The Company plans to renew the insurance contract of the same content at the time of next renewal.

### Proposal 3: Election of Three Directors Serving as Audit and Supervisory Committee Members

All three Directors serving as Audit and Supervisory Committee Members will retire due to expiration of their terms of office at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to elect three Directors serving as Audit and Supervisory Committee Members.

Prior consent has been obtained from the Audit and Supervisory Committee with respect to the submission of this proposal.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
1	<div>Reappointment</div> <p>Hidehiko Maeda (July 30, 1960)</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 13/13 (100%)</p>	<p>April 1984      Joined the Company</p> <p>April 2012      General Manager, Personnel &amp; General Affairs Department</p> <p>April 2019      Senior General Manager; General Manager, Personnel &amp; General Affairs Department</p> <p>April 2020      Executive Officer; General Manager, Personnel &amp; General Affairs Department</p> <p>June 2020      Executive Officer; General Manager, Sales Support Group; General Manager, Personnel &amp; General Affairs Department</p> <p>April 2021      Executive Officer; Deputy General Manager, Corporate Administration Office; General Manager, Sales Support Group; General Manager, Personnel &amp; General Affairs Department</p> <p>April 2022      Executive Officer; Deputy General Manager, Corporate Administration Office; General Manager, Corporate Division; General Manager, Personnel &amp; General Affairs Department</p> <p>April 2023      Executive Officer</p> <p>June 2023      Director (Audit and Supervisory Committee Member) (to present)</p> <p>&lt;Reason for candidacy&gt; Since joining the company, Mr. Maeda has engaged mainly in Personnel &amp; General Affairs Department, as well as in the industrial materials-related business in Sales Department, and has accumulated abundant experience and insight from a broad perspective. He also has a good grasp of the overall operations of Back-office Department, serving as Executive Officer and General Manager of the Corporate Division. The Company has nominated him as a candidate for Director serving as an Audit and Supervisory Committee Member as it expects that he will contribute to enhancing corporate value in addition to strengthening the Company's audit system.</p>	7,500 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
2	<div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> <p>Mitsuharu Kaizuka (June 14, 1970)</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 13/13 (100%)</p>	<p>October 2001 Registered as an attorney (Member, Dai-Ichi Tokyo Bar Association)</p> <p>October 2001 Joined Tanabe &amp; Partners (to present)</p> <p>June 2019 Director (Audit and Supervisory Committee Member) (to present)</p> <p>&lt;Reason for candidacy and summary of expected roles &gt; Mr. Kaizuka possesses specialist knowledge, abundant experience, and advanced insight, developed through experience as an attorney over the years. The Company continues to nominate him as a candidate for Outside Director serving as an Audit and Supervisory Committee Member as it expects that he will contribute to strengthening the audit systems of the Company and enhancing corporate value, particularly from the perspective of an attorney.</p>	0 shares
3	<div> <div>Reappointment</div> <div>Outside</div> <div>Independent</div> </div> <p>Mariko Hidaka (May 4, 1961)</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 13/13 (100%)</p>	<p>April 1984 Joined Chuo Accounting Office</p> <p>April 1987 Registered as certified public accountant (to present)</p> <p>July 2000 Partner, Chuo Audit Corporation</p> <p>July 2006 Senior Partner, ChuoAoyama Audit Corporation</p> <p>August 2007 Senior Partner, Shin Nihon &amp; Co.</p> <p>June 2020 External Director, Tosoh Corporation (to present)</p> <p>August 2020 Established Hidaka Certified Public Accountant Office (to present)</p> <p>January 2021 Outside Auditor, SBI Sumishin Net Bank, Ltd. (to present)</p> <p>June 2021 Director (Audit and Supervisory Committee Member) (to present)</p> <p>(Significant concurrent position) External Director, Tosoh Corporation; Outside Auditor, SBI Sumishin Net Bank, Ltd.</p> <p>&lt; Reason for candidacy and summary of expected roles &gt; Ms. Hidaka possesses specialist knowledge, abundant experience, and advanced insight, developed through experience as a certified public accountant over the years. The Company continues to nominate her as a candidate for Outside Director serving as an Audit and Supervisory Committee Member as it expects that she will contribute to strengthening the audit systems of the Company and enhancing corporate value, particularly from an accounting perspective.</p>	0 shares

(Notes)

1. There are no special interests between the above candidates and the Company.
2. Mr. Mitsuharu Kaizuka and Ms. Mariko Hidaka are candidates for Outside Director.
3. The matters concerning candidates for Outside Directors are as follows:
  - i. Reasons the Company judges candidates will be able to appropriately execute their duties as Outside Directors:  
Mr. Mitsuharu Kaizuka has never been directly involved in corporate management, but he possesses specialist knowledge, abundant experience, and advanced insight as an attorney over the years. Accordingly, the Company has judged that he will be able to appropriately execute his duties as Outside Director of the Company.  
Ms. Mariko Hidaka has never been directly involved in corporate management, but she possesses specialist knowledge, abundant experience, and advanced insight as a certified public accountant over the years, and also has experience as External Director and Outside Auditor at other companies. Accordingly, the Company has judged that she will be able to appropriately execute her duties as Outside Director of the Company.
  - ii. Mr. Mitsuharu Kaizuka and Ms. Mariko Hidaka are currently Outside Directors of the Company serving as Audit and Supervisory Committee Members. Mr. Mitsuharu Kaizuka will have served in the position for six years at the conclusion of this Annual General Meeting of Shareholders, and Ms. Mariko Hidaka will have served in the position for four years at the conclusion of this Annual General Meeting of Shareholders.
4. The Company plans to enter into a liability limitation agreement with Mr. Hidehiko Maeda, Mr. Mitsuharu Kaizuka, and Ms. Mariko Hidaka if they are reelected. The outline of the agreement to be entered into with them is as follows:  
Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the liability for damages under Article 423, Paragraph 1 of the said Act shall be limited to the higher of 7.2 million yen or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act.
5. The Company has registered Mr. Mitsuharu Kaizuka and Ms. Mariko Hidaka as independent officers stipulated by the rules of the Tokyo Stock Exchange. If they are reelected, the Company plans to register both of them as independent officers.
6. The Company has concluded a directors and officers liability insurance contract with an insurance company, with Directors and Auditors of the Company and its subsidiaries as the insured persons. The insurance contract covers damages, litigation expenses, etc. to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed by the insured in his/her capacity as an officer of the Company. The Company bears the entire premium for all the insured persons. Each candidate will be included in the insured persons under the insurance contract. The Company plans to renew the insurance contract of the same content at the time of next renewal.

**Proposal 4: Revision of the Transfer Restriction Period under the Restricted Stock Compensation Plan for Directors (Excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members)**

This proposal seeks approval for a revision to the transfer restriction period under the restricted stock compensation that was approved at the 98th Annual Meeting of Shareholders held on June 21, 2018.

At the 98th Annual General Meeting of Shareholders, the Company obtained approval for introducing a compensation plan (the “Plan”) for providing restricted stock to the Company’s Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members; hereinafter collectively referred to as the “Eligible Directors”). Under this Plan, the Company shall provide monetary compensation receivables of no more than ¥72 million per year to the Eligible Directors, separately from the existing framework of monetary compensation. The total number of shares of restricted stock to be provided shall be no more than 115,200 shares per year (or 288,000 shares per year prior to the share consolidation in October 2018 and the share split in September 2022), and the transfer restriction period of such restricted stock shall be three years.

In order to further strengthen incentives to continue enhancing the Company’s corporate value and further promote value sharing with shareholders, the transfer restriction period for restricted stock to be provided to Eligible Directors under the Plan will be revised from the current “three years” to “the period from the date of allotment of the restricted stock until the date the Director loses all positions as a Director of the Company or in any other position as determined by the Board of Directors of the Company” (the “Revision”). The Company hereby requests your approval for the Revision. In conjunction with this Revision, necessary amendments will also be made to the conditions for the lifting of transfer restrictions and other related provisions under the Plan.

Other than above, no changes will be made to the Plan. Please note that this Revision will only be applied to restricted stock provided in the future, and it will not affect the transfer restriction period or other terms for restricted stock already provided.

The current number of Eligible Directors is four; however, if Proposal 2 is approved as originally proposed, the number will be three.

In issuing or disposing of the Company’s common stock under this Plan, the Company shall enter into a restricted stock allotment agreement (hereinafter, the “Allotment Agreement”) with each Eligible Director. The Allotment Agreement shall, in outline, include the following terms and conditions.

- (1) During the period from the date of allotment of the restricted stock until the date on which the Eligible Director loses both his or her position as a Director of the Company and any other position as determined by the Company’s Board of Directors (the “Transfer Restriction Period”), the Eligible Director shall not transfer, create any security interest in, or otherwise dispose of the shares of the Company’s common stock allotted under the Allotment Agreement (the “Allotted Shares”) (such restrictions hereinafter referred to as the “Transfer Restrictions”).
- (2) The Company shall lift the Transfer Restrictions on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Director has continuously held the position of Director of the Company or any other position as determined by the Board of Directors throughout the period separately determined by the Board of Directors of the Company (the “Service Period”). However, if the Eligible Director loses all of the positions described in (1) above before the expiration of the Service Period for a reason deemed justifiable by the Board of Directors, the number of Allotted Shares for which the Transfer Restrictions shall be lifted and the timing of such lifting shall be reasonably adjusted as necessary.
- (3) The Company shall automatically acquire, without compensation, any Allotted Shares for which the Transfer Restrictions have not been lifted pursuant to the provisions of (2) above upon the expiration of the Transfer Restriction Period.
- (4) If, during the Transfer Restriction Period, any matter relating to a corporate reorganization such as a merger agreement under which the Company becomes a dissolved entity, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other form of reorganization is approved at a General Meeting of Shareholders of the Company (or, in cases where

such approval by a General Meeting of Shareholders is not required, at a meeting of the Board of Directors), the Company may, by resolution of its Board of Directors, lift the Transfer Restrictions on a reasonably determined number of the Allotted Shares prior to the effective date of such reorganization.

- (5) In the event of a case as stipulated in (4) above, the Company shall automatically acquire, without compensation, any Allotted Shares for which the Transfer Restrictions have not been lifted immediately after the lifting of such restrictions pursuant to the provisions of (4) above.
- (6) Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

The Company has established a policy regarding decisions on the content of compensation, etc. for Directors, a summary of which is provided on page 31 of the “CONVOCATION NOTICE FOR THE 105TH ANNUAL GENERAL MEETING OF SHAREHOLDERS,” which is included in the matters subject to measures for electronic provision. (available only in the Japanese version) The provision of the Allotted Shares under this proposal is aligned with the said policy, and the Company does not intend to revise the policy even if this proposal is approved. As described above, the rate of dilution is minimal. Therefore, the Company believes that the provision of the Allotted Shares under this proposal is reasonable.

[Reference] Skills Matrix of Directors (planned) after the Annual General Meeting of Shareholders

Name	Positions	Independent and Outside	Corporate management	Finance	Legal affairs, risk management	Technology, innovation	Sales, marketing	Global experience	ESG, sustainability
Yoshiya Okada	Representative Director, President and Chief Executive Officer		○			○	○	○	○
Shinji Sakuma	Director and Executive Vice President		○			○	○	○	○
Tadamichi Hatta	Director and Managing Executive Officer		○	○	○			○	○
Takashi Fujino	Director	●	○	○	○			○	○
Hidehiko Maeda	Director, Full-time Audit and Supervisory Committee Member		○	○	○				○
Mitsuharu Kaizuka	Director, Audit and Supervisory Committee Member	●			○				○
Mariko Hidaka	Director, Audit and Supervisory Committee Member	●		○					○

(Note) The above table represents skills and roles possessed by each Director.