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Securities code: 8226

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To Our Shareholders

Satoru Isaka
President & CEO
Rikei Corporation
3-2-11 Nishi-Shinjuku, Shinjuku-ku,
Tokyo

Notice of the 69th Annual General Meeting of Shareholders

We are pleased to announce the 69th Annual General Meeting of Shareholders of Rikei Corporation (the “Company”), which will be held as described below.

When convening this General Meeting of Shareholders, the Company takes measures for electronic provision of the information contained in the Reference Document for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision); thus, you are kindly requested to access either of those websites to confirm the information:

The Company’s website:

https://www.rieki.co.jp/finance/for_investor/share/ (available only in Japanese)

(From the above website, please select “IR Library”, and then “General Meeting of Shareholders”.)

Website where the General Meeting of Shareholders informational materials are posted:

<https://d.sokai.jp/8226/teiji/> (available only in Japanese)

TSE website (Listed Company Search):

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

(Please access the TSE website mentioned above, enter “Rikei” in “Issue name (company name)” or the Company’s securities code “8226” 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]”.)

If you are unable to attend the meeting in person, you may exercise your voting rights either in writing (by mail) or via the internet. We kindly request that you review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, June 25, 2026.

- 1. Date and time:** Friday, June 26, 2026 at 10:00 a.m. (JST)
(The reception desk opens at 9:00 a.m.)
- 2. Venue:** Hyatt Regency Tokyo, 1st basement floor, “Hakuho”
2-7-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
- (Please refer to the venue guide map at the end (in Japanese only))

3. Purpose of the meeting

Matters to be reported:

1. Business report, consolidated financial statements, and the audit reports of the consolidated financial statements by the financial auditor and Statutory Auditors for the 69th fiscal year (April 1, 2025 to March 31, 2026)
2. Non-consolidated financial statements for the 69th fiscal year (April 1, 2025 to March 31, 2026)

Matters to be resolved:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Election of Seven (7) Directors
- Proposal No. 3** Determination of Remuneration to Grant Restricted Shares to Directors (Excluding Outside Directors)

4. Matters determined for the convocation of the meeting

- (1) In the event that there is no indication of approval or disapproval of each proposal on the voting form when voting rights are exercised in writing (by mail), it shall be deemed that you have indicated your approval.
 - (2) If you exercise your voting rights via the internet multiple times, only the last vote shall be deemed effective.
 - (3) If you exercise your voting rights both via the internet and in writing (by mail), the exercise of voting rights via the internet shall be deemed effective, regardless of the arrival date and time.
- When you attend the meeting on the day, please submit the enclosed voting form at the reception desk.
 - Any revisions to the matters subject to measures for electronic provision will be posted on each website listed on page 1, together with the matters before such revisions.
 - Shareholders who have requested written documentation will receive a document outlining the electronic provision measures; however, this document excludes the following matters in accordance with laws and regulations and Article 15 of our Articles of Incorporation.
 - (1) Consolidated statement of changes in equity
 - (2) Notes to consolidated financial statements
 - (3) Non-consolidated statement of changes in equity
 - (4) Notes to non-consolidated financial statementsAccordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in these documents constitute part of the documents audited by the financial auditor and Statutory Auditors when preparing the Accounting Audit Report and Audit Report, respectively.

Guidance on Exercising Voting Rights

Attend the general meeting of shareholders in person

Please submit the voting form at the reception desk of the meeting.

Date and time: 10:00 a.m. on Friday, June 26, 2026 (JST)
(The reception desk opens at 9:00 a.m.)

Exercise of voting rights in writing (by mail)

Please indicate your vote for or against of each proposal on the voting form and post it without attaching a stamp (only within Japan).

Deadline for exercise of voting rights: To be received no later than 5:30 p.m. on Thursday, June 25, 2026 (JST).

Exercise of voting rights via the internet

Please enter your vote for or against of each proposal in accordance with the instructions on the following page.

Deadline for exercise of voting rights: All voting rights must be completed no later than 5:30 p.m. on Thursday, June 25, 2026 (JST).

* Please refer page 4 for details.

Method of Exercising Your Voting Rights via the Internet

Scanning the QR Code

You can log in to the voting website without having to enter the login ID and temporary password printed on your voting form.

1. Please scan the QR Code printed on the voting form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Enter your vote for or against by following the instructions shown on the screen.

Entering login ID and temporary password

Voting right exercise website: <https://evote.tr.mufg.jp/> (available only in Japanese)

1. Please access the voting right exercise website.
2. Enter the “login ID” and “temporary password” printed on your voting form and click the “Login” button.
3. Enter your vote for or against by following the instructions shown on the screen.

Any inquiries regarding the operation of your personal computer or smartphone for exercising voting rights via the internet shall be directed to:	Help Desk, Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 0120-173-027 (Toll free / available 9:00 a.m. – 9:00 p.m., only within Japan, Japanese Language only)
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Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Matters related to Year-end dividends

Regarding the year-end dividend for the 69th fiscal year, we have decided to set it as follows, taking into consideration the current year's performance and future business development.

(1) Type of dividend property

Cash.

(2) Allotment of dividend property to shareholders and total amount thereof

7 yen per common share of the Company

Total amount of dividends 105,835,611 yen

(3) Effective date of dividends of surplus

June 29, 2026

Proposal No. 2 Election of Seven (7) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. To enable more agile decision-making at the Board of Directors, we are proposing to reduce the number of directors by three (3) and the appointment of seven (7) directors (including three (3) outside directors).

The candidates for Director are as follows:

No.	Name	Gender	Position and Responsibility at the Company			
1	Makoto Koyanagi	Male	Managing Director, General Manager of Business Headquarters	Reelection		
2	Naoki Furuhata	Male	Managing Director, General Manager of General Affairs Department	Reelection		
3	Koji Furuta	Male	Director, in charge of Strategy Planning Office, Head of Strategy Planning Office, in charge of DX Promotion, in charge of Information Systems Office, Head of Information Systems Office	Reelection		
4	Shoji Hasegawa	Male	Director, General Manager of Accounting Department	Reelection		
5	Yusuke Date	Male	Director	Reelection	Outside	Independent
6	Akihisa Takizawa	Male	Director	Reelection	Outside	Independent
7	Junko Koshino	Female	Director	Reelection	Outside	Independent

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Independent officer based on the rules of the Tokyo Stock Exchange

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1 Reelection	Makoto Koyanagi (August 1, 1958)	<p>Apr. 1982 Joined the Company</p> <p>Apr. 2000 General Manager of Satellite Communications Department</p> <p>Apr. 2004 General Manager of Network Solutions Department</p> <p>Jul. 2005 Executive Officer</p> <p>Apr. 2007 General Manager of Engineering Department</p> <p>Apr. 2009 In charge of Broadband Network Department, in charge of Transmission & Distribution System Sales Department</p> <p>Apr. 2012 Deputy General Manager of Business Headquarters, Supervising Overseas Subsidiary, in charge of Information and Communication Systems Sales Department</p> <p>Jun. 2012 Director</p> <p>Apr. 2013 In charge of Disaster Prevention Information System Sales Department, in charge of Components & Instruments Department</p> <p>Apr. 2014 In charge of Special Projects Department</p> <p>Apr. 2017 In charge of New Business Promotion Office, Head of New Business Promotion Office</p> <p>Apr. 2020 Supervising Overseas Operations, in charge of Overseas Business Promotion Office</p> <p>Apr. 2021 Head of Overseas Business Promotion Office, in charge of Next Generation Business Development Department, in charge of Advanced Technology Laboratory</p> <p>Apr. 2022 Deputy for Supervising Overseas Businesses</p> <p>Apr. 2023 In charge of Overseas Business Promotion Office</p> <p>Apr. 2024 Managing Director (present position)</p> <p>Apr. 2026 General Manager of Business Headquarters (present position)</p>	34,900
		<p>[Reasons for his nomination as a candidate for Director]</p> <p>Makoto Koyanagi possesses extensive knowledge and experience in overseas business, in addition to technical expertise in the fields of information and communication, disaster prevention, and defense, as well as experience in the management of subsidiaries. Accordingly, he was nominated as a candidate for Director, because we believe he can contribute to enhancing the corporate value of the Rikei Group and achieving sustainable growth.</p>	

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2 <u>Reelection</u>	Naoki Furuhata (May 30, 1956)	Aug. 1987 Joined the Company Apr. 2004 General Manager of General Affairs Department and General Manager of Accounting Department Jun. 2004 Director Apr. 2006 In charge of General Affairs Department and Accounting Department General Manager of General Affairs Department (present position) Apr. 2015 Managing Director (present position)	120,800
		[Reasons for his nomination as a candidate for Director] Naoki Furuhata is well-versed in overall operations, including the areas of finance, administration, and human resources, and he fulfills his role appropriately with respect to the decision-making and execution of important matters of management. Furthermore, he has broad knowledge and is a central figure in efforts to strengthen corporate governance. Accordingly, he was nominated as a candidate for Director.	

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p style="text-align: center;">3</p> <p style="text-align: center;">Reelection</p>	<p style="text-align: center;">Koji Furuta (March 19, 1964)</p>	<p>Feb. 1995 Joined the Company</p> <p>Apr. 2001 General Manager of IT Engineering Department</p> <p>Apr. 2002 General Manager of IT Supervisory Department</p> <p>Apr. 2003 General Manager of Engineering Department</p> <p>Jul. 2005 Executive Officer</p> <p>Apr. 2006 Deputy General Manager of Business Headquarters</p> <p>Jun. 2006 Director (present position)</p> <p>Apr. 2008 In charge of Engineering Support Department, General Manager of Technical & Engineering Center</p> <p>Apr. 2011 In charge of Product Solutions Department</p> <p>Apr. 2012 Deputy General Manager of Business Headquarters, in charge of Technical Development Department</p> <p>Apr. 2015 In charge of Strategy Planning Office, Head of Strategy Planning Office (present position)</p> <p>Apr. 2016 In charge of IT Engineering Department</p> <p>Apr. 2017 In charge of Disaster Prevention Information System Department, General Manager of Disaster Prevention Information System Department</p> <p>Apr. 2020 In charge of ICT System Department, General Manager of ICT System Department</p> <p>Apr. 2021 In charge of DX Promotion (present position)</p> <p>Apr. 2025 In charge of Information Systems Office, Head of Information Systems Office (present position)</p> <p>(Significant concurrent positions outside the Company) Director of NetWell System Corporation</p>	<p style="text-align: center;">34,300</p>
<p>[Reasons for his nomination as a candidate for Director]</p> <p>Koji Furuta possesses extensive knowledge and experience in the fields such as system development and information and communication. Accordingly, he was nominated as a candidate for Director, as the person responsible for technical support across the business, development of new solutions and products, and the Company's DX promotion.</p>			
<p style="text-align: center;">4</p> <p style="text-align: center;">Reelection</p>	<p style="text-align: center;">Shoji Hasegawa (April 13, 1959)</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2006 Assistant General Manager of Accounting Department</p> <p>Jun. 2007 Executive Officer General Manager in charge of Accounting, Head of Equity</p> <p>Jun. 2009 Director, General Manager of Accounting Department (present position)</p> <p>(Significant concurrent positions outside the Company) Director of AeroPartners Incorporated</p>	<p style="text-align: center;">56,200</p>
<p>[Reasons for his nomination as a candidate for Director]</p> <p>Shoji Hasegawa is the person responsible for supervising finance and accounting operations and contributes to risk management and the execution of corporate planning strategies, including the Company's business expansion. Accordingly, he was nominated as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p style="text-align: center;">5</p> <p><input type="checkbox"/> Reelection</p> <p><input checked="" type="checkbox"/> Outside</p> <p><input type="checkbox"/> Independent</p>	<p style="text-align: center;">Yusuke Date (October 11, 1974)</p>	<p>Apr. 2000 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Miyama Yuzo Law Office (currently Miyama Law Office)</p> <p>Oct. 2005 Joined Shin-Chiyoda Sogo Law Offices Partner of Shin-Chiyoda Sogo Law Offices (present position)</p> <p>Jun. 2017 Outside Director of the Company (present position)</p> <p>Mar. 2025 Outside Director (Audit and Supervisory Committee Member) of Wintest Corporation (present position)</p> <p>(Significant concurrent positions outside the Company) Outside Director (Audit and Supervisory Committee Member) of Wintest Corporation</p> <p>[Reasons for his nomination as a candidate for Outside Director and an outline of expected roles] Yusuke Date is well-versed in corporate legal affairs as an attorney at law. He is expected to leverage his broad experience and knowledge to provide supervision and a checking function for the Company's overall management from an objective and impartial standpoint, thereby strengthening the Company's management. Accordingly, he was nominated as a candidate for Outside Director. He has never been directly involved in the management of a company. However, the Company judges that he will appropriately fulfill his duties as an Outside Director based on the above reasons.</p>	<p style="text-align: center;">3,900</p>
<p style="text-align: center;">6</p> <p><input type="checkbox"/> Reelection</p> <p><input checked="" type="checkbox"/> Outside</p> <p><input type="checkbox"/> Independent</p>	<p style="text-align: center;">Akihisa Takizawa (April 10, 1953)</p>	<p>Apr. 1978 Joined SHOWA ELECTRIC WIRE AND CABLE CO., LTD. (present SWCC Corporation)</p> <p>Jun. 2003 Director of Finance Department</p> <p>Jun. 2004 Managing Director</p> <p>Apr. 2006 Managing Director of SHOWA ELECTRIC WIRE AND CABLE CO., LTD. and President and CEO of SWCC SHOWA BUSINESS SOLUTIONS CO., LTD. (present SWCC Corporation)</p> <p>Jun. 2014 Senior Managing Director of FUJI ELECTRIC CABLE CO., LTD.</p> <p>Jun. 2015 President and CEO of FUJI ELECTRIC CABLE CO., LTD.</p> <p>Apr. 2019 Advisor of FUJI ELECTRIC CABLE CO., LTD.</p> <p>Jun. 2021 Outside Director of the Company (present position)</p> <p>[Reasons for his nomination as a candidate for Outside Director and an outline of expected roles] Akihisa Takizawa has experience and broad insight from his many years involved in management as a corporate manager of a listed company and a representative of one of its group companies. He is expected to provide supervision and advice to the Company's management from an objective and neutral standpoint. Accordingly, he was nominated as a candidate for Outside Director.</p>	<p style="text-align: center;">5,600</p>

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p style="text-align: center;">7</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p>	<p>Junko Koshino (September 8, 1969)</p>	<p>Apr. 1993 Joined the Nippon Credit Bank, Ltd. (present Aozora Bank, Ltd.)</p> <p>Jan. 1997 Investment Analyst of Fund Management Department of FIL Investments (Japan) Limited</p> <p>Apr. 2002 Investment Analyst of Fund Management Department of Capital Research and Management Company</p> <p>Feb. 2006 Investment Analyst of Tokyo Representative Office of Halberdier Capital Management Pte. Ltd.</p> <p>Apr. 2012 Executive Officer, General Manager of Corporate Planning Division of MORITO CO., LTD.</p> <p>Oct. 2015 General Manager of Corporate Planning Office of OTSUKA KAGU, LTD. (present YAMADA DENKI CO., LTD.)</p> <p>Apr. 2016 Senior Manager of Business Development Department, Corporate Strategy Division and Corporate Strategy Department of JVCKENWOOD Corporation</p> <p>Apr. 2019 Executive Officer, General Manager of Corporate Strategy Department</p> <p>Apr. 2020 Executive Officer, Assistant to CEO</p> <p>Jul. 2020 Executive Officer, Head of Corporate Strategy & Planning Division, Company Corporate Planning Department of Frontier Management Inc.</p> <p>Jun. 2021 Outside Director of SAXA Holdings, Inc.</p> <p>Jun. 2022 Outside Director of the Company (present position)</p> <p>Jun. 2024 Director, Managing Executive Officer of Suzumo Machinery Co., Ltd.</p> <p>Jun. 2024 Outside Director of KANTO DENKA KOGYO CO., LTD. (present position)</p> <p>Apr. 2026 Director of Suzumo Machinery Co., Ltd. (present position)</p> <p>(Significant concurrent positions outside the Company) Director of Suzumo Machinery Co., Ltd. (planned resignation on June 27, 2026) Outside Director of KANTO DENKA KOGYO CO., LTD.</p> <p>[Reasons for her nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Junko Koshino has experience from her many years working as an analyst for financial institutions, representing the interests of institutional investors, and engaging in the corporate planning activities of listed companies. She possesses extensive experience and knowledge in IR activities and M&A. She is expected to provide supervision and advice to the Company's management from an objective and neutral standpoint. Accordingly, she was nominated as a candidate for Outside Director.</p>	<p>1,400</p>

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. Yusuke Date, Akihisa Takizawa, and Junko Koshino are candidates for Outside Director.
 3. Yusuke Date is currently an Outside Director of the Company, and his term as an Outside Director will be nine (9) years as of the conclusion of this meeting.
 4. Akihisa Takizawa is currently an Outside Director of the Company, and his term as an Outside Director will be five (5) years as of the conclusion of this meeting.

5. Junko Koshino currently serves as an Outside Director of the Company, and her term as an Outside Director will be four (4) years as of the conclusion of this meeting.
6. The Company has entered into an agreement with Yusuke Date, Akihisa Takizawa, and Junko Koshino to limit the amount of liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations. If Yusuke Date, Akihisa Takizawa, and Junko Koshino are approved for reappointment, the Company plans to renew the aforementioned agreements with them.
7. The Company has submitted notification to the Tokyo Stock Exchange that Yusuke Date, Akihisa Takizawa, and Junko Koshino have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of Yusuke Date, Akihisa Takizawa, and Junko Koshino is approved, the Company plans to continue their designation as independent officers.
8. The Company has entered into a Directors and Officers Liability Insurance (hereinafter referred to as “D&O Insurance”) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages incurred by directors and officers in connection with their work (excluding those falling under the exclusion clauses stipulated in the insurance contract). The company bears the full cost of the D&O Insurance premiums.
If each candidate is elected and appointed as a Director, all Directors will be insured under the D&O insurance policy. The D&O insurance policy will have a term of one (1) year, and will be renewed by a resolution of the Board of Directors before its expiration.

Reference Skill Matrix of Executive Officers after the General Meeting of Shareholders

The circle mark “○” indicates areas where we particularly expect our Directors and Statutory Auditors to demonstrate their knowledge and experience; it does not represent all of the skills and expertise possessed by our Directors and Statutory Auditors.

Areas in which the skills are particularly expected to be demonstrated		Corporate management	Product development / Sales / Marketing	IT / DX / Information management	ESG / Sustainability	Internationality / Economic security	Public relations / IR	Organization / HR management	Finance / Accounting	Legal / Compliance
Director	Makoto Koyanagi	President & CEO	○	○		○		○		○
	Naoki Furuhashi	Managing Director	○			○		○	○	○
	Koji Furuta	Director	○	○	○			○		
	Shoji Hasegawa	Director	○			○			○	○
	Yusuke Date	Outside Director	○			○		○		○
	Akihisa Takizawa	Outside Director	○			○			○	○
	Junko Koshino	Outside Director	○			○	○			
Statutory Auditor	Yukihito Yamagishi	Fulltime Statutory Auditor	○			○		○		○
	Shintaro Furuya	Outside Statutory Auditor	○			○			○	○
	Mizue Sato	Outside Statutory Auditor	○			○			○	○

Proposal No. 3 Determination of Remuneration to Grant Restricted Shares to Directors (Excluding Outside Directors)

At the 38th Ordinary General Meeting of Shareholders held on June 29, 1995, the amount of remuneration for the Company's Directors was approved to be within 300 million yen per year (excluding salaries for employees).

As part of a review of our executive remuneration system, the Company intend to provide our Directors (excluding Outside Directors; hereinafter referred to as "Eligible Directors") with an incentive to continuously improve our corporate value and to further share value with our shareholders. To this end, we will provide Eligible Directors with remuneration in the form of restricted stock, within the scope of the aforementioned compensation framework.

The remuneration to be paid under this proposal shall consist of either (1) common shares of the Company or (2) monetary claims to be used as property contributed in kind for the acquisition of the Company's common shares; the Eligible Directors shall receive the issuance or disposition of the Company's common shares pursuant to a resolution of the Company's Board of Directors.

The total amount of the Company's common shares or monetary claims to be paid as remuneration under this proposal shall not exceed 15 million yen per year (excluding the portion of employee salaries of Directors who concurrently serve as employees).

Furthermore, if, pursuant to this proposal, the Company provides its common stock to the Eligible Directors in lieu of monetary claims as remuneration, such common stock shall be issued or disposed of as remuneration for the Eligible Directors, and no payment of monetary claims as property contributed in kind in exchange for such common stock shall be required. However, the value per share of the Company's common stock to be provided to the Eligible Directors shall be calculated based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) concerning the issue or disposal of such stock, as the amount per share of the Company's common stock to be issued or disposed of.

Meanwhile, regarding the remuneration to be paid pursuant to this proposal, if monetary claims are provided to the Eligible Directors as property contributed in kind for the acquisition of stock subject to transfer restrictions, the Eligible Directors shall, pursuant to a resolution of the Company's Board of Directors, contribute all of the monetary claims provided under this proposal as property contributed in kind and receive the issuance or disposition of the Company's common stock. In such cases, the payment amount per stock 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 before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day), to the extent that such amount does not constitute a particularly favorable price for the Eligible Directors receiving such common stock.

The total number of the Company's common stock issued or disposed of to the Eligible Directors shall not exceed 50,000 shares per year. However, if on or after the date this proposal is approved and adopted, a stock split (including an allocation of the Company's common stock without contribution) or a reverse stock split of the Company's common stock is conducted, or if any other event occurs that necessitates an adjustment to the total number of the Company's common stock issued or disposed of as restricted stock, such total number shall be adjusted within a reasonable range.

Furthermore, the specific timing and allocation of payments to each Eligible Director will be determined by the Board of Directors following consultation with the Nominating and Compensation Advisory Committee.

Currently, there are ten (10) Directors (including three (3) Outside Directors); however, if Proposal No. 2 "Election of Seven (7) Directors" is approved as proposed, the number of Directors will be reduced to seven (7) (including three (3) Outside Directors).

Furthermore, the issuance or disposition of our common stock to the Eligible Directors and the provision of monetary claims as in-kind contributions of such stock are subject to the condition that the Company and Eligible Directors enter into a restricted stock allocation agreement (hereinafter referred to as the “Allocation Agreement”) which includes the following terms.

The granting of restricted share under this proposal has been decided in consideration of the above-mentioned objectives, our business conditions, and other various circumstances, and we believe it is reasonable. The maximum number of shares that can be issued or disposed of in one (1) year under this proposal will amount to 0.32% of the total number of outstanding shares (as of March 31, 2026), resulting in only minor dilution. Therefore, we believe the content of this proposal is appropriate.

Furthermore, the Company has established a policy regarding the determination of individual directors’ compensation and other matters at the Board of Directors meeting, and the outline of this policy is described in the business report. If this proposal is approved, we will revise the said policy in accordance with this proposal, and the granting of restricted stock based on this proposal will be carried out in a necessary and reasonable manner in line with the revised policy.

Summary of the contents of the Allocation Agreement

(1) Transfer Restriction Period

The Eligible Directors concerned shall not transfer, pledge, or otherwise dispose of the common shares of the Company allocated to them under the Allocation Agreement (hereinafter referred to as the “Allocated Shares”) from the date of allocation under the Allocation Agreement until immediately after they resign or leave their position as an officer or employee of the Company or its subsidiaries as predetermined by the Company’s Board of Directors (hereinafter referred to as the “Transfer Restriction Period”).

(2) Handling of Resignation or Retirement

If the Eligible Director resigns or retires from a position as an officer or employee of the Company or its subsidiaries, as determined by the Company’s Board of Directors, before the expiration of the period predetermined by the Company’s Board of Directors (hereinafter referred to as the “Service Provision Period”), the Company will automatically acquire the Allocated Shares without compensation, except in cases where there is an expiration of the term of office, death, or other justifiable reason for such resignation or departure.

(3) Lifting of the Transfer Restrictions

The Company shall lift the Transfer Restriction on all of the Allocated Shares upon the expiration of the Transfer Restriction Period, provided that, throughout the Service Provision Period, the Eligible Director continuously held a position specified in advance by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries. However, (1) if the Eligible Director resigns or retires from a position specified in advance 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 due to a justifiable cause, or (2) if, even after the expiration of the Service Provision Period, the relevant Eligible Director resigns or retires from a position specified in advance by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries for reasons other than justifiable cause prior to the expiration of the Transfer Restriction Period, the number of the Allocated Shares for which the Transfer Restriction is to be lifted and the timing of such lifting shall be reasonably adjusted as necessary. Moreover, immediately after the transfer restrictions are lifted in accordance with the above provisions, the Company will automatically acquire, without contribution, any Allocated Shares for which the Transfer Restriction has not yet been lifted.

(4) Handling of Reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company becomes the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters relating to reorganization, etc. is approved by the Company's General Meeting of Shareholders (provided, however, that in cases where approval by the Company's General Meeting of Shareholders is not required for such organizational restructuring, etc., by the Company's Board of Directors), the Company shall, by resolution of its Board of Directors, lift the Transfer Restriction on a number of the Allocated Shares reasonably determine based on the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc., prior to the effective date of such reorganization, etc.

Moreover, in the cases described above, our Company will automatically acquire, without contribution, any Allocated Shares that are still subject to Transfer Restrictions immediately after the Transfer Restrictions are lifted.

(5) Other Matters

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