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Securities code: 5122

June 12, 2024

(Start date of measures for electronic provision: June 5, 2024)

**To Shareholders with Voting Rights:**

Kunihiko Okamoto  
Representative Director and  
President  
OKAMOTO INDUSTRIES, INC.  
3-27-12 Hongo, Bunkyo-ku  
Tokyo, Japan

**NOTICE OF  
THE 128th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially invited to attend the 128th Annual General Meeting of Shareholders of OKAMOTO INDUSTRIES, INC. (the “Company”). The meeting will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and posted the matters subject to measures for electronic provision as “NOTICE OF THE 128th ANNUAL GENERAL MEETING OF SHAREHOLDERS” and “OTHER MATTERS SUBJECT TO MEASURES FOR ELECTRONIC PROVISION FOR THE 128th ANNUAL GENERAL MEETING OF SHAREHOLDERS (MATTERS OMITTED FROM THE PAPER COPY DELIVERED)” (in Japanese only) on the following websites on the Internet.

Company’s website:

<https://www.okamoto-inc.jp/en/>

In addition to the above, the matters subject to measures for electronic provision have been posted on the following website on the Internet.

TSE’s website:

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

Please access the Tokyo Stock Exchange website above, enter the Company’s name or securities code to perform a search, and select “Basic information” followed by “Documents for public inspection/PR information” to view the information.

If you are not able to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and follow the “Instructions on the Exercise of Voting Rights” (on pages 4 to 5 of the Japanese version of this notice) and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 26, 2024, Japan time.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Place:** 1st Floor, Head Office building of the Company  
3-27-12 Hongo, Bunkyo-ku, Tokyo, Japan

### 3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 128th Fiscal Year (April 1, 2023 - March 31, 2024)
  2. Results of Audits of the Consolidated Financial Statements for the Company's 128th Fiscal Year by the Accounting Auditor and the Audit and Supervisory Committee

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors (Excluding Directors who are Members of the Audit and Supervisory Committee)
- Proposal 3:** Election of Three (3) Directors who are Members of the Audit and Supervisory Committee
- Proposal 4:** Election of Two (2) Substitute Directors who are Members of the Audit and Supervisory Committee
- Proposal 5:** Determination of Remuneration for Allotment of Shares with Transfer Restrictions to Directors (Excluding Directors who are Members of the Audit and Supervisory Committee and Outside Directors)

### 4. Other Matters Decided in Convening the Meeting:

- (1) You may exercise your voting rights by proxy only if the proxy is a shareholder with voting rights. You may appoint only one proxy.
- (2) If you do not indicate your approval or disapproval of a proposal in exercising voting rights, it shall be deemed a vote of approval.
- (3) If you exercise your voting rights both via the Internet and in writing, the exercise of voting rights via the Internet shall be deemed valid. If you exercise your voting rights via the Internet more than once, the final exercise of voting rights shall be deemed valid.

<p>This year also, we will not be giving souvenirs to shareholders who attend the General Meeting of Shareholders. Thank you for your understanding.</p>
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- If you are attending the meeting in person on the day of the meeting, please submit the enclosed voting rights exercise form at the reception desk.  
We will not be giving out this notice of convocation at the meeting venue as a means to save resources. Please bring this document with you on the day of the meeting.
  - Pursuant to the provisions of laws and regulations and Article 16, Paragraph 2 of the Articles of Incorporation of the Company, the paper copy of meeting materials sent to shareholders does not contain the following items. The paper copy is a portion of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
    - "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
    - "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
  - Should the matters subject to measures for electronic provision require revisions, the revised versions will be posted on each website where the information has been posted.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company proposes the following for the appropriation of surplus.

Matters regarding the year-end dividend

The Company considers returning profits to shareholders as an important policy and its basic policy on appropriation of profits is to pay constant and stable dividends in line with business performance, while securing internal reserves necessary for the future expansion of the business and the enhancement of the management structure.

For the 128th fiscal year, as the Company celebrated its 90th anniversary on February 1, 2024, the Company proposes to pay a commemorative dividend together with a year-end dividend as follows.

(1) Type of dividend property

Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount

The Company proposes ¥80 per share of the Company's common stock (of which, the ordinary dividend is ¥55 and the commemorative dividend for the 90th anniversary is ¥25).

In this case, the total amount of dividends will be ¥1,403,374,480.

Since the Company paid an interim dividend of ¥55, the annual dividend per share for the fiscal year under review will be ¥135.

(3) Effective date of distribution of surplus

June 28, 2024

**Proposal 2:** Election of Six (6) Directors (Excluding Directors who are Members of the Audit and Supervisory Committee)

The terms of office of all Directors (excluding Directors who are Members of the Audit and Supervisory Committee; the same applies hereinafter in this Proposal) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors.

After evaluating factors such as business execution and business performance in the fiscal year under review, the Audit and Supervisory Committee has determined that each candidate is well qualified to be a Director of the Company.

The candidates for Director are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yoshiyuki Okamoto (October 23, 1949) Male [Reappointment]	July 1975      Joined the Company February 1984    General Manager of Trade Department 2, International Business Division June 1985        Director June 1989        Managing Director July 2003        Executive Managing Director June 2007        Representative Director and Executive Vice President June 2011        Representative Director and President June 2018        Representative Director and Chairman March 2019      Non-executive Director, RIKEN CORUNDUM CO., LTD. June 2021        Representative Director, Chairman and President, the Company June 2022        Chairman (to the present)	220,022
[Reason for nomination as candidate for Director] Mr. Yoshiyuki Okamoto has served as Representative Director and President and Chairman of the Company for many years, and has abundant experience and high-level insight in all aspects of the management of the Company. He is expected to continue to fully perform his roles in important decision-making, execution, and supervision at the Board of Directors and contribute to improving the long-term corporate value of the Company and strengthening the governance system. The Company has thus nominated him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Kunihiko Okamoto (May 24, 1979) Male [Reappointment]	April 2002    Joined the Company October 2013    General Manager of Overseas Department March 2015    General Manager of Overseas Department and General Manager of Shoes Department June 2015    Director, General Manager of Overseas Department and General Manager of Shoes Department June 2017    Managing Director Appointed to Representative Director and President, Okamoto North America, Inc. June 2018    Executive Managing Director, the Company June 2021    Representative Director and Executive Vice President June 2022    Representative Director and President (to the present)	178,917
<p>[Reason for nomination as candidate for Director]            Mr. Kunihiko Okamoto has extensive knowledge, experience, and personal connections in the sales departments in Japan and overseas. He has served as Representative Director and President of the Company since June 2022 and has deep knowledge and a wealth of ideas about all aspects of business. He is expected to continue to demonstrate strong leadership in the management of the Group, drawing on his insight for strengthening the Company's market competitiveness as well as building and implementing overseas growth strategies. The Company has thus nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Masaru Okamoto (July 4, 1977) Male [Reappointment]</p>	<p>October 2004 Registered as a lawyer with the Daini Tokyo Bar Association</p> <p>April 2013 Joined the Company</p> <p>January 2015 Manager of Business Administration Department</p> <p>June 2017 Director and General Manager of Food Sanitation Products Department</p> <p>June 2018 Managing Director and responsible for Purchasing Department and Food Sanitation Products Department</p> <p>June 2019 Managing Director and responsible for General Affairs Department, Human Resource Department and Purchasing Department</p> <p>February 2021 Managing Director and responsible for General Affairs Department, Human Resource Department, Purchasing Department and Customer Service Section</p> <p>June 2021 Executive Managing Director and in charge of General Affairs Department, Human Resource Department, Purchasing Department, Customer Service Section, Wallcovering Department, Osaka Branch, Nagoya Office and Fukuoka Office</p> <p>January 2022 Executive Managing Director and in charge of Shizuoka Plant, General Affairs Department, Human Resource Department, Purchasing Department, Customer Service Section, Wallcovering Department, Osaka Branch, Nagoya Office and Fukuoka Office</p> <p>June 2022 Representative Director, Senior Managing Executive Officer and in charge of Shizuoka Plant, General Affairs Department, Purchasing Department, Customer Service Section, Wallcovering Department, Commodity Plastic Film Department, Specialized Plastic Film Department, Agricultural Film Department, Recycling Promotion Section, Shoes Department, Logistics, Osaka Branch, Nagoya Office and Fukuoka Office</p> <p>June 2023 Representative Director, Senior Managing Executive Officer and in charge of Overseas Department, Purchasing Department, Commodity Plastic Film Department, Specialized Plastic Film Department, Agricultural Film Department, Shoes Department and Logistics (to the present)</p>	73,447
<p>[Reason for nomination as candidate for Director] Mr. Masaru Okamoto is a qualified lawyer and has abundant experience and high-level insight in all aspects of the management of the Company, which he gained from serving as Representative Director and Senior Managing Executive Officer of the Company since June 2022 and overseeing various businesses of the Company. He is expected to continue to play an important role in the Company's management and decision-making. The Company has thus nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Yuji Tanaka (December 29, 1964) Male [Reappointment]	<p>April 1987      Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2016      General Manager of Research &amp; Consulting Coordination Department, Mizuho Financial Group, Inc.</p> <p>June 2017      Joined the Company</p> <p>July 2017      General Manager of General Affairs Department</p> <p>June 2018      Director and General Manager of General Affairs Department</p> <p>June 2019      Director and General Manager of Overseas Department</p> <p>July 2019      Appointed to Representative Director and President, Okamoto Industries (Shenzhen) Co., Ltd.</p> <p>June 2022      Director, Executive Officer and General Manager of Overseas Department, the Company</p> <p>June 2023      Director, Managing Executive Officer and responsible for General Affairs Department, Customer Service Section, Osaka Branch, Nagoya Office and Fukuoka Office (to the present)</p>	2,185
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yuji Tanaka has extensive knowledge, experience, and personal connections through his experience at a financial institution. He is expected to further strengthen the supervisory function over the Company's business execution by reflecting comments and proposals from multiple perspectives in the management of the Company, especially in aspects such as strengthening the overseas business and streamlining operations in the administrative departments. The Company has thus nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p style="text-align: center;">Keiji Ikeda (September 30, 1956) Male [New appointment]</p>	<p>April 1980      Joined the Company July 2007      Plant Manager of Ibaraki Plant and General                          Manager of Production Department June 2009      Director, Plant Manager of Ibaraki Plant and                          General Manager of Production Department January 2015   Director, General Manager of Healthcare and                          Livingware Product Department and                          responsible for Development June 2015      Managing Director and responsible for                          Healthcare Product Department, Livingware                          Product Department, Healthcare and                          Livingware Product Marketing Department                          and Development June 2018      Executive Managing Director and in charge of                          Healthcare Product Department, Livingware                          Product Department, Healthcare and                          Livingware Product Marketing Department,                          Adhesive Tape Department, Information                          System Section and Development                          Relationship June 2021      Managing Director and Plant Manager of                          Shizuoka Plant June 2022      Retired as Director                          Managing Executive Officer and Plant                          Manager of Shizuoka Plant July 2022      Managing Executive Officer, Plant Manager                          of Shizuoka Plant and General Manager of                          Multiple Layered Film Department (to the                          present)</p>	4,812
<p>[Reason for nomination as candidate for Director] Mr. Keiji Ikeda has been involved in production technologies at plants and management of research and development departments for many years and has abundant experience in management. He is expected to play an important role by utilizing his insight in the management and decision-making of the Company. The Company has thus nominated him as a candidate for Director.</p>			



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Mitsue Aizawa (October 14, 1942) Female [Reappointment]	<p>April 1967      Joined the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>April 1979      Registered as a lawyer with the Tokyo Bar Association</p> <p>September 1981      Worked at Miyake Imai Ikeda Law Office</p> <p>April 1985      Established New Tokyo International Law Office</p> <p>October 2007      Appointed to Partner, Bingham McCutchen Murase, Sakai Mimura Aizawa - Foreign Law Joint Enterprise</p> <p>March 2012      Appointed to Outside Corporate Auditor, Estee Lauder K.K. (currently ELC Japan K.K.)</p> <p>April 2015      Appointed to Partner, TMI Associates (current position)</p> <p>June 2015      Outside Director, the Company (current position)</p> <p>November 2015      Outside Director and Audit and Supervisory Committee Member, Kojima Co., Ltd. (current position)</p> <p>                         Outside Corporate Auditor, Fuji Logitech Holdings, Inc.</p> <p>June 2016      Outside Corporate Auditor, Prudential Holdings of Japan, Inc. (to the present)</p>	634
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Mitsue Aizawa satisfies the Company's Independence Standards for Outside Officers. She has been engaged in activities as a lawyer for many years, is well versed in corporate law, and has abundant experience and high-level insight as an outside officer of other companies. She is expected to continue to further strengthen the Company's corporate governance, such as enhancing the management system, by providing appropriate suggestions and advice at the Board of Directors of the Company from an objective standpoint independent of business execution as an Outside Director of the Company. The Company has thus nominated her as a candidate for Outside Director.</p>			

- Notes:
1. There are no special interests between each candidate and the Company. The Company has a legal advisory contract with TMI Associates, which Ms. Mitsue Aizawa, a candidate for Outside Director, is affiliated with. However, the amount of the fee paid to the firm where she has the concurrent assignment accounts for less than 1% of net sales of the said firm and consolidated net sales of the Company, respectively.
  2. Ms. Mitsue Aizawa is a candidate for Outside Director. The Company has designated her as an independent officer as defined by the rules of the Tokyo Stock Exchange and has filed a notification as such.
  3. Ms. Mitsue Aizawa is currently an Outside Director of the Company. Her term in office as Outside Director will be nine years at the conclusion of this year's General Meeting of Shareholders.
  4. If Ms. Mitsue Aizawa is elected, the Company plans to continue the agreement with her to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
  5. The Company has concluded a corporate indemnity agreement with each Director, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, and under such agreement, the Company shall indemnify them for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the said Paragraph to the extent stipulated by laws and regulations. If each Director is elected, the Company plans to continue the corporate indemnity agreement with them.
  6. The Company has concluded a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers litigation costs and damages incurred by the insured in third-party lawsuits, shareholder derivative lawsuits, and company lawsuits. Each candidate will be insured under the said insurance agreement.

**Proposal 3:** Election of Three (3) Directors who are Members of the Audit and Supervisory Committee

The terms of office of all three (3) Directors who are Members of the Audit and Supervisory Committee will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors who are Members of the Audit and Supervisory Committee.

This Proposal has been approved by the Audit and Supervisory Committee.

The candidates for Director who are Members of the Audit and Supervisory Committee are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Hiroshi Takashima (December 25, 1957) Male [New appointment]	April 1980	Joined the Company	4,383
		July 2009	General Manager of Accounting Department	
June 2011	Director and General Manager of Accounting Department			
October 2016	Director, General Manager of Accounting Department and responsible for Affiliated Companies Management Section			
June 2017	Managing Director and responsible for Accounting Department and General Affairs Department			
June 2018	Managing Director and responsible for Accounting Department			
June 2021	Executive Managing Director and in charge of Accounting Department			
		June 2022	Director, Senior Managing Executive Officer and in charge of Accounting Department (to the present)	
	[Reason for nomination as candidate for Director who is a Member of the Audit and Supervisory Committee] Mr. Hiroshi Takashima has been involved in accounting and finance operations for many years and has abundant knowledge and experience. He is expected to further strengthen the supervisory function over the Company's business execution by reflecting his insight in the management of the Company. The Company has thus nominated him as a candidate for Director who is a Member of the Audit and Supervisory Committee.			
2	Yoshimi Fukazawa (November 7, 1967) Female [Reappointment]	April 1996	Registered as a lawyer with the Tokyo Bar Association	2,629
			Joined Fukazawa Law Office (current position)	
June 2004	Corporate Auditor, the Company			
		June 2016	Director and Member of the Audit and Supervisory Committee (to the present)	
	[Reason for nomination as candidate for Outside Director who is a Member of the Audit and Supervisory Committee and expected roles] Ms. Yoshimi Fukazawa satisfies the Company's Independence Standards for Outside Officers. She has legal knowledge and experience as a lawyer. She is expected to further strengthen the supervisory function over the Company's business execution by reflecting her knowledge and experience in the management of the Company. The Company has thus nominated her as a candidate for Director who is a Member of the Audit and Supervisory Committee.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Mitsuo Arai (September 16, 1945) Male [Reappointment]	March 1976 August 1983  April 1990 June 2006 June 2016 January 2019	Registered as a certified public accountant Established Arai CPA Office and was appointed to Representative Partner (current position) Adjunct Professor, Faculty of Economics, Kokugakuin University Outside Director, Toyo Seikan Group Holdings, Ltd. Director and Member of the Audit and Supervisory Committee, the Company (current position) Established Tax Accountant Office Mizuho and was appointed to Representative Partner (to the present)	0
<p>[Reason for nomination as candidate for Outside Director who is a Member of the Audit and Supervisory Committee and expected roles]</p> <p>Mr. Mitsuo Arai satisfies the Company's Independence Standards for Outside Officers. He has professional knowledge and experience related to finance and accounting as a certified public accountant, and abundant experience and high-level insight as an outside officer of other companies. He is expected to further strengthen the supervisory function over the Company's business execution by reflecting his knowledge and experience in the management of the Company. The Company has thus nominated him as a candidate for Director who is a Member of the Audit and Supervisory Committee.</p>				

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Ms. Yoshimi Fukazawa and Mr. Mitsuo Arai are candidates for Outside Director. The Company has designated them as independent officers as defined by the rules of the Tokyo Stock Exchange and has filed a notification as such.
  3. Ms. Yoshimi Fukazawa and Mr. Mitsuo Arai are currently Outside Directors who are Members of the Audit and Supervisory Committee of the Company. Their terms in office as Outside Directors will be eight years at the conclusion of this year's General Meeting of Shareholders.
  4. If Ms. Yoshimi Fukazawa and Mr. Mitsuo Arai are elected, the Company plans to continue the agreement with them to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
  5. The Company has concluded corporate indemnity agreements with Ms. Yoshimi Fukazawa and Mr. Mitsuo Arai, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company shall indemnify them for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the said Paragraph to the extent stipulated by laws and regulations. If their election is approved, the Company plans to continue the agreements with them.
  6. The Company has concluded a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers litigation costs and damages incurred by the insured in third-party lawsuits, shareholder derivative lawsuits, and company lawsuits. Each candidate will be insured under the said insurance agreement.

Skills Matrix Table

Directors		Corporate management	Business strategy / Sales	Personnel / Human resources development	Global	IT	Technology / R&D	Legal and risk management	Finance and accounting	Sustainability
Yoshiyuki Okamoto		○	○	○	○		○			○
Kunihiko Okamoto		○	○	○	○	○	○			○
Masaru Okamoto		○	○	○			○	○		○
Yuji Tanaka			○	○	○			○	○	○
Keiji Ikeda			○				○			
Mitsue Aizawa	Outside					○		○		
Hiroshi Takashima		○						○	○	
Yoshimi Fukazawa	Outside							○		
Mitsuo Arai	Outside								○	

(Note) The above table does not represent all types of knowledge and experience of each person.

**Proposal 4:** Election of Two (2) Substitute Directors who are Members of the Audit and Supervisory Committee

The effectiveness of election of all two (2) substitute Directors who are Members of the Audit and Supervisory Committee will expire at the start of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of two (2) substitute Directors who are Members of the Audit and Supervisory Committee.

The candidates for substitute Director who are Members of the Audit and Supervisory Committee are as follows. Mr. Yuji Taniguchi is a candidate for the substitute for Mr. Hiroshi Takashima and Mr. Noriyasu Kaneko is a candidate for the substitute for Ms. Yoshimi Fukazawa and Mr. Mitsuo Arai.

The effectiveness of their election may be canceled based on a resolution of the Board of Directors, provided such cancellation is made prior to the assumption of office and with the consent of the Audit and Supervisory Committee.

This Proposal has been approved by the Audit and Supervisory Committee.

The candidates for substitute Director who are Members of the Audit and Supervisory Committee are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yuji Taniguchi (December 9, 1958) Male	January 1985    Joined Hokkaido Okamoto Co., Ltd. January 1998    Assistant Manager, Okamoto Footwear Co., Ltd. July 2006        Manager of Operations Planning Section, Shoes Department, the Company February 2009   Manager of Operations Section, Overseas Department March 2010      Okamoto Sandusky Manufacturing, LLC October 2016    Manager of Affiliated Companies Management Section, the Company July 2017        Manager of Business Administration Department June 2022        Executive Officer, Manager of Business Administration Department (to the present)	1,687
[Reason for nomination as candidate for substitute Director who is a Member of the Audit and Supervisory Committee] Mr. Yuji Taniguchi is an appropriate person who will be able to further strengthen the supervisory function over the Company's business execution by reflecting his abundant experience and achievement in the Group's back office departments and overseas assignments in the management of the Company. The Company has thus nominated him as a candidate for substitute Director who is a Member of the Audit and Supervisory Committee.			
2	Noriyasu Kaneko (February 2, 1972) Male	April 1998       Registered as a lawyer Joined Asahi Law Offices December 2006   Registered as an attorney in the State of California February 2011    External Audit & Supervisory Board Member, RENOVA, Inc. (current position) December 2017   Supervisory Officer, Mitsui & Co., Private REIT Inc. (current position) March 2021       Outside Director, JRA FACILITIES CO., LTD. (current position) (to the present)	0
[Reason for nomination as candidate for substitute Outside Director who is a Member of the Audit and Supervisory Committee and expected roles] Mr. Noriyasu Kaneko satisfies the Company's Independence Standards for Outside Officers. He has been engaged in activities as a lawyer for many years, is well versed in corporate law, and has abundant experience as an outside officer of other companies. He is expected to further strengthen the supervisory function over the Company's business execution by reflecting his knowledge and experience in the management of the Company. The Company has thus nominated him as a candidate for substitute Director who is a Member of the Audit and Supervisory Committee.			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Noriyasu Kaneko is a candidate for substitute Outside Director. If he is appointed as Outside Director who is a Member of the Audit and Supervisory Committee, the Company plans to designate him as an independent officer as defined by the rules of the Tokyo Stock Exchange and file a notification as such.
  3. If Mr. Noriyasu Kaneko is appointed, the Company plans to conclude an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
  4. If each candidate is appointed as a Member of the Audit and Supervisory Committee, the Company plans to conclude a corporate indemnity agreement with them, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company shall indemnify them for the expenses stipulated in Item 1 and the losses stipulated in Item 2 of the said Paragraph to the extent stipulated by laws and regulations.
  5. The Company has concluded a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers litigation costs and damages incurred by the insured in third-party lawsuits, shareholder derivative lawsuits, and company lawsuits. If each candidate is appointed as a Member of the Audit and Supervisory Committee, they will be insured under the said insurance agreement.

**Proposal 5:** Determination of Remuneration for Allotment of Shares with Transfer Restrictions to Directors (Excluding Directors who are Members of the Audit and Supervisory Committee and Outside Directors)

At the 120th Annual General Meeting of Shareholders held on June 29, 2016, it was approved that the amount of remuneration, etc. for the Company's Directors (excluding Directors who are Members of the Audit and Supervisory Committee) shall be no more than ¥344 million per year (including no more than ¥20 million per year for Outside Directors; not including employee salaries of Directors who serve concurrently as employees), and the amount has remained unchanged.

For the purpose of providing the Company's Directors (excluding Directors who are Members of the Audit and Supervisory Committee and Outside Directors; hereinafter referred to as the "Eligible Directors") with an incentive for sustained improvement of the Company's corporate value and promoting further value sharing with the shareholders, the Company requests approval to introduce a stock remuneration plan with transfer restrictions (hereinafter referred to as the "Plan") and pay a new remuneration for allotment of shares with transfer restrictions, separately from the aforementioned remuneration amount.

Under this Proposal, the remuneration paid for allotment of shares with transfer restrictions to the Eligible Directors shall be monetary claims (hereinafter referred to as the "Monetary Remuneration Claims"), and the total amount thereof shall be no more than ¥50 million per year, which is an amount considered appropriate in view of the aforementioned purpose. In addition, the specific timing of the payment and allocation to each Eligible Director shall be determined by the Board of Directors, taking opinions of the Nomination and Compensation Committee into consideration.

Currently, the number of Directors (excluding Directors who are Members of the Audit and Supervisory Committee) is six (including one Outside Director). If Proposal 2 is approved and resolved as originally proposed at this year's General Meeting of Shareholders, the number of Directors (excluding Directors who are Members of the Audit and Supervisory Committee) will be six (including one Outside Director).

The details of shares with transfer restrictions allotted to the Eligible Directors are as follows.

1. Matters regarding the contributions for issuance of shares with transfer restrictions

In principle, the Eligible Directors shall every fiscal year make contributions in-kind to the Company of all of the Monetary Remuneration Claims, which they receive based on the resolution of the Board of Directors of the Company, and in return receive common shares of the Company, upon issuance or disposition thereof.

2. Number of shares with transfer restrictions to be allotted to the Eligible Directors

The total number of common shares of the Company issued or disposed of by the Company for the Eligible Directors under the Plan shall be no more than 10,000 shares per year. However, if a stock split of common shares of the Company (including allotment of common shares of the Company without compensation) or stock consolidation is conducted with an effective date on or after the date of the resolution at this year's General Meeting of Shareholders, the said total number shall be adjusted within a reasonable range, as necessary, on or after the effective date.

The amount to be contributed per common share of the Company to be issued or disposed of for Eligible Directors under the Plan shall be determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Directors, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day before the date of each Board of Directors meeting at which the subscription requirements for the applicable common shares of the Company are determined (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

3. Matters regarding shares with transfer restrictions to be allotted to the Eligible Directors

For issuing or disposing of common shares of the Company under the Plan, the Company shall conclude an agreement on the allotment of shares with transfer restrictions including the following details (hereinafter referred to as the "Allotment Agreement") with the Eligible Directors (hereinafter, the common shares of the Company allotted under the Allotment Agreement is referred to as the "Allotted Shares").

(1) Transfer restriction period

The Eligible Directors shall not be able to transfer, set a collateral interest in, gift during their lifetime or otherwise dispose of the Allotted Shares (hereinafter referred to as "Transfer Restrictions") for a period from the due date of the contribution for the Allotted Shares to the date of the Eligible

Directors' retirement or resignation from the position of Director or Executive Officer of the Company (hereafter referred to as the "Transfer Restriction Period").

(2) Condition for removal of Transfer Restrictions

The Company shall remove Transfer Restrictions for all of the Allotted Shares upon the expiration of the Transfer Restriction Period or on the day more than three months have passed after the end of the fiscal year to which the due date of the contribution for the Allotted Shares belongs, whichever later, on the condition that the Eligible Director has held the position of Director or Executive Officer of the Company continuously during the period from the due date of contribution for the Allotted Shares to the time of the conclusion of the first Annual General Meeting of Shareholders of the Company thereafter (hereinafter referred to as the "Service Period").

However, if an Eligible Director retires or resigns from his or her position as Director or Executive Officer of the Company during the Service Period due to death or other grounds deemed justifiable by the Board of Directors of the Company, the Company shall make reasonable adjustments, as necessary, to the number of Allotted Shares for which Transfer Restrictions are removed and the timing at which Transfer Restrictions are removed.

(3) Grounds for acquisition without consideration

If an Eligible Director retires or resigns from his or her position as Director or Executive Officer of the Company during the Transfer Restriction Period due to other grounds than death or other grounds deemed justifiable by the Board of Directors, the Company shall acquire the Allotted Shares automatically and without consideration.

In addition, the Company shall acquire automatically and without consideration any Allotted Shares for which Transfer Restrictions have not been removed, at the time of removal of Transfer Restrictions stipulated in (2) above.

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

Notwithstanding the stipulation in (1) above, in the case that a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter related to reorganization, etc. is approved at a General Meeting of Shareholders of the Company (or a meeting of the Board of Directors of the Company in cases where approval at a General Meeting of Shareholders of the Company is not required with respect to such reorganization, etc.) during the Transfer Restriction Period, the Company shall make reasonable adjustments, as necessary, to the number of Allotted Shares for which Transfer Restrictions are removed and the timing at which Transfer Restrictions are removed, upon a resolution of the Board of Directors of the Company. In this case, the Company shall acquire automatically and without consideration any Allotted Shares whose Transfer Restrictions have not been removed, at the time immediately following the removal of the Transfer Restrictions.

(5) Other matters

Other matters regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.

4. Reasons for appropriateness of the allotment of shares with transfer restrictions

The Company has established policies including the policy, etc. for determining the amount of remuneration, etc. for officers and the policy for determining the details of remuneration, etc. for individual Directors, and the outline thereof is as described on pages 16 to 17 of the Business Report. If this Proposal is approved, the Company plans to revise the contents of these policies to include the Plan. In addition, the total value of the Allotted Shares shall be no more than ¥50 million per year at the market value at the time of the resolution on granting thereof by the Board of Directors of the Company, and the total number of common shares of the Company issued or disposed of for the Eligible Directors is no more than 10,000 shares per year and dilution ratio thereof to the total number of the Company's shares issued and outstanding is negligible at approximately 0.06%. Therefore, the Company determines that granting of the Allotted Shares is appropriate.

The shares allotted to the Eligible Directors under the Plan shall be managed with the exclusive accounts opened by the Eligible Directors at a securities firm designated by the Company during the Transfer Restriction Period to prevent a transfer, setting a collateral interest in, gifting during their lifetime or other disposal of the shares.

\* If this Proposal is approved and resolved, the Company plans to introduce a stock remuneration plan with transfer restrictions with the largely similar details for the Company's Executive Officers who do not serve concurrently as Directors.



(Reference)

◆ Outline of revision of the policies for determining the details of remuneration, etc. for Directors

If this Proposal is approved and resolved as originally proposed, policies including “Policy, etc. for determining the amount of remuneration, etc. for officers” and “Matters regarding the policy for determining the details of remuneration, etc. for individual Directors” on pages 16 to 17 of the Business Report will be revised to include the following details.

[Remuneration, etc. for Directors]

1) Basic policies

While the remuneration, etc. for Directors of the Company is based on their positions and job responsibilities, the remuneration system is developed to be commensurate with business performance and medium- to long-term corporate value of the Company, so that remuneration will function as an incentive for sustained improvement of corporate value, and the Company sets it a basic policy to determine the remuneration by considering the levels of peer companies so that it can attract and retain excellent persons. For determination of the amount of remuneration for individual Directors, the Company sets it a policy to ensure an appropriate level taking each Director’s positions, job responsibilities and achievement into consideration.

In addition, the Company has established the Nomination and Compensation Committee, whose majority of members and the Chair are Outside Directors. Remuneration, etc. for Directors is determined by the Representative Director and President taking the Committee’s opinions into consideration and after deliberation by the Board of Directors. In this way, remuneration, etc. for Directors is determined in a more transparent procedure without any arbitrariness. For Directors responsible for executing business, the remuneration consists of the “basic remuneration,” which is a payment of fixed remuneration including an amount equivalent to bonuses, and the “stock remuneration with transfer restrictions,” which is a non-monetary remuneration for the purpose of providing the Directors with an incentive for sustained improvement of corporate value and promoting further value sharing with the shareholders. For Outside Directors assuming the supervisory functions on the management and Directors who are Members of the Audit and Supervisory Committee performing functions including the supervising of all aspects of the management from a standpoint independent of business execution, the basic remuneration only is paid. The Company will not adopt any performance-linked compensation that are linked with performance indicators such as short-term profits and stock prices.

2) Policy, etc. for determining the details of remuneration, etc. for individual Executive Directors (Directors excluding Directors who are Members of the Audit and Supervisory Committee and Outside Directors)

a. Policy on the basic remuneration

Regarding remuneration for Directors responsible for executing business (Directors excluding Directors who are Members of the Audit and Supervisory Committee and Outside Directors; hereinafter referred to as the “Executive Directors”), the basic remuneration, which is a fixed remuneration including an amount equivalent to bonuses, is paid on a monthly basis in principle, and an amount equivalent to bonuses is paid more than one time a year. The basic remuneration for individual Executive Directors is determined based on their positions, years served at the positions and the levels of peer companies, as well as by providing a certain incentive as an amount equivalent to bonuses, which is based on their achievement of targets and contribution to sustainability management, including development of management foundation and environment, assessed quantitatively and qualitatively.

b. Policy on the non-monetary remuneration

In addition to the basic remuneration, the Executive Directors receive the “stock remuneration with transfer restrictions,” which is common shares of the Company with a certain transfer restriction period, as a non-monetary remuneration for the purpose of providing them with an incentive for sustained improvement of corporate value and promoting further value sharing with the shareholders. The Company provides monetary claims for allotment of shares with transfer restrictions to the Executive Directors based on the resolution of the Board of Directors of the Company, and the Executive Directors makes contributions in-kind of such monetary claims to the Company to receive allotment of the shares with transfer restrictions. The number of shares with transfer restrictions to be allotted to individual Executive Directors shall be within the range approved at a General Meeting of Shareholders.

c. Methods for determining the details of remuneration, etc. for individual Directors

In determining the details of remuneration, etc. for individual Executive Directors, the Representative Director and President prepares a draft plan of the amounts of the basic remuneration and the non-monetary remuneration for each Director and consults thereon with the Nomination and Compensation Committee, whose majority of members and the Chair are Outside Directors. For the aforementioned draft plan, the Nomination and Compensation Committee returns its opinions and the Board of Directors makes comprehensive deliberations. By respecting the returned opinions and based on the delegation of authority from the Board of Directors, the Representative Director and President determines specific amounts and other details of remuneration for individual Executive Directors.

d. Policy on composition of remuneration, etc.

The composition of remuneration for Executive Directors by type is deliberated by the Nomination and Compensation Committee with a rough baseline ratio of the basic remuneration and the non-monetary remuneration within a range from 97:3 to 89:11.

e. Reasons why the Board of Directors has determined that the details of remuneration, etc. for individual Directors comply with the determination policies

The Board of Directors requests Representative Director and President to prepare the draft plan for details of remuneration, etc. for individual Directors after clarifying the roles and scope of responsibilities of each Director and assessing the degrees of their contribution to the Group's business performance and of their contribution to the management foundation and sustainability management, to consult on the draft plan with and receive opinions thereon from the Nomination and Compensation Committee, whose majority of members and the Chair are Outside Directors, and to comprehensively deliberate on it at a meeting of the Board of Directors. If these procedures are followed, the opinions from the Nomination and Compensation Committee and the intent of the Board of Directors will be reflected in the amount of the remuneration, etc. for individual Executive Directors. Therefore, the Board of Directors has determined that the details of remuneration, etc. for individual Directors comply with the determination policies described above.

3) Policy for determining the details of remuneration, etc. for individual Directors who are Members of the Audit and Supervisory Committee and Outside Directors

Remuneration, etc., for Directors who are not Executive Directors, comprising Directors who are Members of the Audit and Supervisory Committee and Outside Directors, is only fixed remuneration paid on a monthly basis, whose amount is determined focusing on their job details, expertise, experience and other qualities so that they can fully perform their supervisory functions on the management. The amount of remuneration, etc. for individual Directors who are Members of the Audit and Supervisory Committee is determined through deliberation by Directors who are Members of the Audit and Supervisory Committee by considering each member's contribution to the Audit and Supervisory Committee, within the maximum total amount of remuneration determined at a General Meeting of Shareholders.

4) Matters regarding resolutions of the General Meeting of Shareholders on remuneration, etc. for Directors

For monetary remuneration for Directors of the Company, it was resolved at the 120th Annual General Meeting of Shareholders held on June 29, 2016, that the amount of remuneration, etc. for Directors (excluding Directors who are Members of the Audit and Supervisory Committee) shall be no more than ¥344 million per year (including no more than ¥20 million per year for Outside Directors). The number of applicable officers at the time of the resolution at the said Annual General Meeting of Shareholders was 15 (including one Outside Director). In addition, at the said Annual General Meeting of Shareholders, it was resolved that the amount of remuneration, etc. for Directors who are Members of the Audit and Supervisory Committee shall be no more than ¥46 million per year. The number of applicable officers at the time of the said Annual General Meeting of Shareholders was three (including two Outside Directors).

Furthermore, for Executive Directors excluding Directors who are Members of the Audit and Supervisory Committee and Outside Directors, it was resolved at the 128th Annual General Meeting of Shareholders held on June 27, 2024 that the Monetary Remuneration Claims for allotting shares with transfer restrictions of no more than 10,000 shares per year worth no more than ¥50 million per year shall be granted as non-monetary remuneration, in addition to the aforementioned monetary remuneration. The number of applicable Executive Directors at the time of the said Annual General Meeting of Shareholders was five.