(Mailing date) September 7, 2026
(Start date for electronic provision measures) August 31, 2026
Securities code: 4088

Yoshihiro Senzai
Representative Director, President and Executive Officer
AIR WATER INC.
Grand Green Osaka South Building Park Tower 13F
5-54 Ofukacho, Kita-ku, Osaka-shi, Osaka

To Our Shareholders:

Notice of Extraordinary General Meeting of Shareholders

We are pleased to inform you that an Extraordinary General Meeting of Shareholders of AIR WATER INC. (hereinafter referred to as the "Company") will be held as set forth below.
Regarding the convocation of this General Meeting of Shareholders, measures for electronic provision have been taken for the information contained in the Reference Materials for the General Meeting of Shareholders, etc. (Electronic Provision Measures Matters), and the information has been posted on the website below.

- The Company's website
  https://www.awi.co.jp/en/ir/stock/investor.html

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

- The Tokyo Stock Exchange website (TSE Listed Company Search)
  https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the TSE website above, enter the Company name or securities code "4088" to conduct the search, select "Basic information" and "Documents for public inspection/PR information" in that order, and view the information from "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" under "Filed information available for public inspection."
If you do not attend the meeting, you may exercise your voting rights either via postal mail, or via electronic means such as the Internet, in which case we ask that you carefully peruse "Reference Materials for General Meeting of Shareholders," and submit your votes no later than 5:40 p.m. on Friday, September 18, 2026 by following the instructions on pages 4.

1. Date & Time: Tuesday, September 22, 2026, at 10:00 a.m. (Reception starts at 9:00 a.m.)

2. Venue: 1-1, Kita-nijo-nishi 1-chome, Chuo-ku, Sapporo
(Banquet Room "TSURU" on the second floor of New Otani Inn Sapporo)

3. Agenda
Reporting matters:
1. The Business Report, the Consolidated Financial Statements for the 26th term (For the year ended March 31, 2026), and reports of the audit results on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors.
2. The Non-Consolidated Financial Statements for the 26th term (For the year ended March 31, 2026).

Proposals:
Proposal 1: Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Proposal 3: Election of Six (6) Directors who are Audit and Supervisory Committee Members

Proposal 4: Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Proposal 5: Determination of Remuneration for the Allotment of Restricted Stock to Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

Proposal 6: Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

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- Among Electronic Provision Measures Matters, the following matters are not included in the documents sent to shareholders in accordance with laws and regulations and provisions of the Company's Articles of Incorporation. However, the Corporate Auditors and the Accounting Auditors conduct audits of documents that include the following.
  - Matters concerning stock acquisition rights, etc. of the Company in the Business Report, systems to ensure the appropriateness of operations, and an overview of the status of operation of systems to ensure the appropriateness of operations
  - Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
  - Non-Consolidated Statement of Changes in Equity and Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements
- Should Electronic Provision Measures Matters require revisions, the items before and after revision will be posted on each of the websites indicated above.

Notice Concerning the Convening of an Extraordinary General Meeting of Shareholders

As announced in our "Notice Concerning the Convening of an Adjourned Session of the 26th Annual General Meeting of Shareholders" dated June 4, 2026, the Company had obtained the approval of shareholders at the 26th Annual General Meeting of Shareholders held on June 29, 2026 for the holding of an adjourned session of the Annual General Meeting of Shareholders (hereinafter referred to as the "Adjourned Session") for the purpose of reporting to shareholders the Business Report, the Consolidated Financial Statements for the 26th term (For the year ended March 31, 2026), the audit results on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors, and the Non-Consolidated Financial Statements for the 26th term (For the year ended March 31, 2026) (hereinafter referred to collectively as the "Reporting Matters").

Thereafter, the Company proceeded with preparations for the Adjourned Session. At the same time, however, as it became necessary to submit to shareholders proposals for partial amendments to the Articles of Incorporation and other matters in connection with the transition to a Company with an Audit and Supervisory Committee, the Company also proceeded to consider the convening of an Extraordinary General Meeting of Shareholders.

As a result of this consideration, a concrete outlook was obtained regarding the timing of the Extraordinary General Meeting of Shareholders and the matters to be submitted thereto, and it also became possible to report the Reporting Matters at the Extraordinary General Meeting of Shareholders at a time not materially different from that originally envisaged for reporting them at the Adjourned Session.

In light of these circumstances, the Company determined that it would be appropriate not to hold the Adjourned Session and to report the Reporting Matters together at the Extraordinary General Meeting of Shareholders.

We would like to inform our shareholders that the Reporting Matters will be reported at the Extraordinary General Meeting of Shareholders in lieu of the Adjourned Session originally planned. Please note that the content of these reports is as set forth in the Business Report for the 26th term and the Extraordinary General Meeting of Shareholders: Other Matters Subject to Electronic Disclosure (Items for Which Written Delivery Is Omitted).

Accordingly, as the Adjourned Session will not be held, the 26th Annual General Meeting of Shareholders was closed (concluded) as of the end of the meeting held on June 29, 2026; however, this does not affect the validity of the proceedings conducted at that General Meeting of Shareholders, and the matters resolved thereat were approved on the same day and became effective on that date.

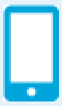
Information on How to Exercise Voting Rights

Voting rights at the General Meeting of Shareholders may be exercised by any of the following methods.

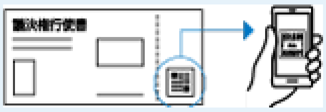
If you will not attend the meeting

Voting via the Internet, etc.

Voting via QR code®



Scan the QR code on the enclosed Voting Rights Exercise Form using a smartphone, tablet, or similar device.
Note: QR code is a registered trademark of DENSO WAVE INCORPORATED.



• Please see the next page for details.

Deadline

5:40 p.m. on Friday, September 18, 2026

Voting via website, entering the Voting Rights Exercise Code/Shareholders Meeting Portal login ID and password

Using a PC, smartphone, or other device, please access one of the following websites and register your approval or disapproval of each proposal by following the on-screen instructions.

1 Shareholders Meeting Portal®▶
https://www.soukai-portal.net

2 Voting Rights Exercise Website ▶
https://www.web54.net

• Please see the next page for details.

Deadline

5:40 p.m. on Friday, September 18, 2026

Voting in writing

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return it so that it arrives by the exercise deadline. If there is no indication of approval or disapproval for any proposal on the Voting Rights Exercise Form, it will be treated as an indication of approval.

Deadline

Must arrive by 5:40 p.m. on Friday, September 18, 2026

If you will attend the meeting

Please submit the enclosed Voting Rights Exercise Form at the reception desk. (No seal is required.) Please note that proxies who are not shareholders, accompanying persons, and other persons who are not shareholders entitled to exercise voting rights may not enter the venue (except for persons accompanying shareholders with disabilities).

Date and Time of the General Meeting of Shareholders

10:00 a.m. on Tuesday, September 22, 2026

•Notes on the Exercise of Voting Rights via the Internet, etc.

- If voting rights are exercised both in writing and via the Internet, etc., the exercise of voting rights via the Internet, etc. shall be treated as valid.
- If voting rights are exercised multiple times via the Internet, etc., the final exercise of voting rights shall be treated as valid.
- Please note that, depending on your Internet usage environment, you may not be able to exercise your voting rights via the Internet, etc.
- Please note that any communication charges, provider connection fees, and other expenses incurred in accessing the voting rights exercise website shall be borne by shareholders.

To Institutional Investors
In addition to the above method of exercising voting rights via the Internet, if you apply in advance, you may use the electronic voting platform operated by ICJ, Inc., which is jointly funded by Tokyo Stock Exchange, Inc. and others.

Reference Materials for General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

(1) The Company proposes to transition from a Company with a Board of Corporate Auditors to a Company with an Audit and Supervisory Committee, with the aim of having Directors who are Audit and Supervisory Committee Members serve as members of the Board of Directors with voting rights, thereby establishing a framework under which audit and supervisory functions can be exercised from the stages of deliberation and decision-making by the Board of Directors and enhancing the effectiveness of the Board of Directors' supervisory and check-and-balance functions over the execution of duties. Accordingly, the Company proposes to make the necessary amendments to the Articles of Incorporation, including the establishment of provisions regarding Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and the deletion of provisions regarding Corporate Auditors and the Board of Corporate Auditors. Furthermore, in light of these amendments, the Company has determined that matters relating to bodies for the execution of duties should appropriately be stipulated in internal regulations, because such matters need to be reviewed flexibly in response to changes in the management environment. Based on this determination, the provision concerning the Corporate Management Committee set forth in Article 28 of the current Articles of Incorporation will be deleted, as the committee is one of the bodies for the execution of duties.

(2) In addition, other necessary amendments, including revisions of wording, will be made.

2. Details of the amendments

The details of the amendments are as follows. The amendments to the Articles of Incorporation pertaining to this proposal shall become effective upon the conclusion of this General Meeting of Shareholders.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 to 4 (Text omitted)	Articles 1 to 4 (Unchanged)
Chapter 2 Shares	Chapter 2 Shares
Articles 5 to 10 (Text omitted)	Articles 5 to 10 (Unchanged)
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
Articles 11 to 16 (Text omitted)	Articles 11 to 16 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
Chapter 4 Directors and Board of Directors, etc.	Chapter 4 Directors and Board of Directors, etc.
(Establishment of the Board of Directors) Article 17 (Text omitted)	(Establishment of the Board of Directors) Article 17 (Unchanged)
(Number of Directors) Article 18 The Company shall have no more than twenty (20) Directors.	(Number of Directors) Article 18 The Company shall have no more than ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members).
(Newly established)	2. The Company shall have no more than seven (7) Directors who are Audit and Supervisory Committee Members.
(Election of Directors) Article 19 Directors shall be elected at a General Meeting of Shareholders.	(Election of Directors) Article 19 Directors shall be elected at a General Meeting of Shareholders, distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.
2. (Text omitted)	2. (Unchanged)
3. (Text omitted)	3. (Unchanged)
(Term of Office of Directors) Article 20 The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last business year ending within one year after their election.	(Term of Office of Directors) Article 20 The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last business year ending within one year after their election.
(Newly established)	2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last business year ending within two years after their election.
(Newly established)	3. The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member who retired before expiration of his or her term of office shall continue until the expiration of the term of office of the retired Director who is an Audit and Supervisory Committee Member.

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Directors with Specific Titles) Article 21 The Board of Directors shall appoint Representative Directors by its resolution. 2. The Board of Directors may, by its resolution, appoint one (1) Chairman of the Board, one (1) President, and Directors who execute the business of the Company.	(Representative Directors and Directors with Specific Titles) Article 21 The Board of Directors shall appoint Representative Directors by its resolution from among Directors (excluding Directors who are Audit and Supervisory Committee Members). 2. The Board of Directors may, by its resolution, appoint one (1) Chairman of the Board, one (1) President, and Directors who execute the business of the Company from among Directors (excluding Directors who are Audit and Supervisory Committee Members).
(Person Authorized to Convene and Chairperson of Board of Directors Meetings) Article 22 Except as otherwise provided by laws and regulations, the Board of Directors shall, by its resolution, designate a Representative Director to convene meetings of the Board of Directors and act as chairperson thereof. 2. If there is more than one (1) Representative Director, the person authorized to convene meetings and the chairperson under the preceding paragraph shall be the person determined in advance by the Board of Directors from among the Representative Directors. 3. If the Representative Director designated as the person authorized to convene meetings and the chairperson pursuant to the preceding two paragraphs is unable to act, another Director shall convene the meeting of the Board of Directors and act as chairperson thereof in accordance with the order determined in advance by the Board of Directors.	(Person Authorized to Convene and Chairperson of Board of Directors Meetings) Article 22 Except as otherwise provided by laws and regulations, a Director determined in advance by the Board of Directors shall convene meetings of the Board of Directors and act as chairperson thereof. (Deleted) 2. If the Director referred to in the preceding paragraph is unable to act, another Director shall convene the meeting of the Board of Directors and act as chairperson thereof in accordance with the order determined in advance by the Board of Directors.
(Notice of Convocation of Board of Directors Meetings) Article 23 Notice of convocation of a meeting of the Board of Directors shall be sent to each Director and each Corporate Auditor no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in the event of urgent necessity. 2. With the consent of all Directors and Corporate Auditors, a meeting of the Board of Directors may be held without following the convocation procedures.	(Notice of Convocation of Board of Directors Meetings) Article 23 Notice of convocation of a meeting of the Board of Directors shall be sent to each Director no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in the event of urgent necessity. 2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convocation procedures.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	(Delegation of Decisions on Important Business Execution) Article 24 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of the decision-making on important business execution (excluding the matters listed in each item of paragraph 5 of the same Article) to Directors.
(Method of Adopting Resolutions of the Board of Directors) Article 24 (Text omitted) 2. With respect to matters to be resolved by the Board of Directors, when all Directors (limited to those who are entitled to participate in the vote on the relevant matter to be resolved) consent thereto in writing or by electromagnetic record, the Company shall deem that a resolution of the Board of Directors approving such matter has been adopted; provided, however, that this shall not apply when a Corporate Auditor has expressed an objection.	(Method of Adopting Resolutions of the Board of Directors) Article 25 (Unchanged) 2. With respect to matters to be resolved by the Board of Directors, when all Directors (limited to those who are entitled to participate in the vote on the relevant matter to be resolved) consent thereto in writing or by electromagnetic record, the Company shall deem that a resolution of the Board of Directors approving such matter has been adopted.
(Board of Directors Regulations) Article 25 (Text omitted)	(Board of Directors Regulations) Article 26 (Unchanged)
(Remuneration, etc. of Directors) Article 26 Remuneration, bonuses and other proprietary benefits to be received from the Company by Directors as consideration for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders.	(Remuneration, etc. of Directors) Article 27 Remuneration, bonuses and other proprietary benefits to be received from the Company by Directors as consideration for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders, distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.
(Exemption from Liability of Directors) Article 27 (Text omitted)	(Exemption from Liability of Directors) Article 28 (Unchanged)
(Corporate Management Committee) Article 28 The Company shall establish a Corporate Management Committee as a body to deliberate on important items.	(Deleted)

Current Articles of Incorporation	Proposed Amendments
Chapter 5 Corporate Auditors and Board of Corporate Auditors	(Deleted)
(Establishment of Corporate Auditors and Board of Corporate Auditors) Article 29 The Company shall establish Corporate Auditors and a Board of Corporate Auditors.	(Deleted)
(Number of Corporate Auditors) Article 30 The Company shall have no more than six Corporate Auditors.	(Deleted)
(Election of Corporate Auditors) Article 31 Corporate Auditors shall be elected at the General Meeting of Shareholders. 2. Resolutions for the election of Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders present who hold one-third or more of the voting rights of the	(Deleted)

Current Articles of Incorporation	Proposed Amendments
shareholders entitled to exercise voting rights.	
(Term of Office of Corporate Auditors) Article 32 The term of office of a Corporate Auditor shall continue until the close of the Annual General Meeting of Shareholders relating to the last business year to end within four years after his or her election. 2. The term of office of a Corporate Auditor elected as a substitute for a Corporate Auditor who retired before the expiration of his or her term of office shall continue until the expiration of the term of office of the retired Corporate Auditor.	(Deleted)
(Standing Statutory Auditors) Article 33 The Board of Corporate Auditors shall select Standing Statutory Auditors by its resolution.	(Deleted)
(Notice of Convocation of the Board of Corporate Auditors Meetings) Article 34 Notice of convocation of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor no later than three days prior to the date of the meeting; provided, however, that this period may be shortened in the event of urgent necessity. 2. When all Corporate Auditors consent thereto, a meeting of the Board of Corporate Auditors may be held without following the convocation procedures.	(Deleted)

Current Articles of Incorporation	Proposed Amendments
(Method of Adopting Resolutions of the Board of Corporate Auditors) Article 35 Except as otherwise provided by laws and regulations, resolutions of the Board of Corporate Auditors shall be adopted by a majority of the Corporate Auditors.	(Deleted)
(Board of Corporate Auditors Regulations) Article 36 Matters concerning the Board of Corporate Auditors shall, in addition to matters provided for by laws and regulations or these Articles of Incorporation, be governed by the Board of Corporate Auditors Regulations established by the Board of Corporate Auditors.	(Deleted)
(Remuneration, etc. of Corporate Auditors) Article 37 Remuneration, bonuses and other proprietary benefits to be received from the Company by Corporate Auditors as consideration for the execution of their duties shall be determined by resolution of the General Meeting of Shareholders.	(Deleted)
(Exemption from Liability of Corporate Auditors) Article 38 The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including persons who were formerly Corporate Auditors) from liability prescribed in Article 423, Paragraph 1 of the Companies Act, within the limits prescribed by laws and regulations, if they have acted in good faith and without gross negligence. 2. The Company may enter into an agreement with a Corporate Auditor to limit such Corporate Auditor's liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, if the Corporate Auditor has acted in good faith and without gross negligence, up to the limit prescribed by laws and regulations.	(Deleted)
(Newly established)	Chapter 5 Audit and Supervisory Committee
(Newly established)	(Establishment of the Audit and Supervisory Committee) Article 29 The Company shall establish an Audit and Supervisory Committee.
(Newly established)	(Standing Audit and Supervisory Committee Member) Article 30 The Audit and Supervisory Committee may, by its resolution, select a Standing Audit and Supervisory Committee Member.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	(Notice of Convocation of the Audit and Supervisory Committee Meetings) Article 31 Notice of convocation of an Audit and Supervisory Committee meeting shall be sent to each Audit and Supervisory Committee Member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in the case of urgency. 2. A meeting of the Audit and Supervisory Committee may be held without following the convocation procedures if the consent of all Audit and Supervisory Committee Members is obtained.
(Newly established)	(Method of Resolution of the Audit and Supervisory Committee) Article 32 Resolutions of the Audit and Supervisory Committee shall be adopted by a majority of the Audit and Supervisory Committee Members present, provided that a majority of the Audit and Supervisory Committee Members who are entitled to participate in the vote are present.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	(Audit and Supervisory Committee Regulations) Article 33 Matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee, in addition to applicable laws and regulations and these Articles of Incorporation.
Chapter 6 Accounting Auditors	Chapter 6 Accounting Auditors
Articles 39 through 41 (Text omitted)	Articles 34 through 36 (Unchanged)
Chapter 7 Accounts	Chapter 7 Accounts
Articles 42 through 45 (Text omitted)	Articles 37 through 40 (Unchanged)
(Newly established)	Supplementary Provisions
(Newly established)	(Transitional Measures Concerning Exemption from Liability of Corporate Auditors) Article 1 The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including persons who were formerly Corporate Auditors) from liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act with respect to acts committed before the conclusion of the Extraordinary General Meeting of Shareholders held on September 22, 2026, within the limits prescribed by laws and regulations.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	2. With respect to agreements limiting the liability for damages of Corporate Auditors (including persons who were formerly Corporate Auditors) as provided for in Article 423, Paragraph 1 of the Companies Act in relation to acts committed before the conclusion of the Extraordinary General Meeting of Shareholders held on September 22, 2026, the provisions of Article 38, Paragraph 2 of the Articles of Incorporation before amendment pursuant to the resolution of said Extraordinary General Meeting of Shareholders shall apply.

Proposal 2: Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 1, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and all current Directors (8 persons) will retire upon expiration of their terms of office when the amendments to the Articles of Incorporation take effect.
Accordingly, the Company requests the election of 9 Directors after the transition to a Company with an Audit and Supervisory Committee (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply in this proposal).
This proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1, “Partial Amendments to the Articles of Incorporation,” take effect.
The candidates for Director are as follows:

Candidate Number	Name / Attribute		Gender	Current Positions in the Company, etc.	Attendance at the Board of Directors Meetings
1	Yoshihiro Senzai	Reappointed	Male	Representative Director, President and Executive Officer, Chairperson of the Board of Directors	19/19
2	Yu Karato	Reappointed	Male	Representative Director, Executive Vice President Executive Officer, In charge of Corporate Functions, and Chief Accounting and Finance Officer	6/6
3	Hiroyuki Takahashi	Newly appointed	Male	Advisor to the Company	–
4	Hirotaka Shiraiwa	Newly appointed	Male	Senior Executive Officer	–
5	Yuko Haga	Reappointed Outside Director Independent Officer	Female	Outside Director	19/19
6	Rochelle Kopp	Reappointed Outside Director Independent Officer	Female	Outside Director	16/19
7	Mikihiko Kato	Reappointed Outside Director Independent Officer	Male	Outside Director	6/6
8	Mitsutoshi Matsushita	Reappointed Outside Director Independent Officer	Male	Outside Director	6/6
9	Shinichi Kawasaki	Reappointed Outside Director Independent Officer	Male	Outside Director	6/6

Newly appointed: Candidate for new Director Reappointed: Candidate for Director to be reappointed
Outside Director: Candidate for Outside Director
Independent Officer: Independent Officer registered with the Exchanges
Attendance at Board of Directors meetings is stated for meetings held from April 1, 2026 to August 6, 2026, and the number of meetings held are limited to Board of Directors meetings during each candidate’s term of office, and the number of meetings attended is counted from that total.

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
1	 Yoshihiro Senzai (Apr. 2, 1948) Reappointed	Apr. 1971 Joined Hitachi Maxell, Ltd. (currently Maxell, Ltd.) Apr. 2011 President and Representative Director of Hitachi Maxell, Ltd. (currently Maxell, Ltd.) June 2016 Chairman and Representative Director of Hitachi Maxell, Ltd. (currently Maxell, Ltd.) Oct. 2017 Chairman and Representative Director of Maxell Holdings, Ltd., Chairman and Director of Maxell, Ltd. Sep. 2021 Outside Director of I-O DATA DEVICE, INC. Jun. 2022 Outside Director of the Company Jan. 2026 Chairperson of the Board of Directors of the Company (current position) Jun. 2026 Representative Director, President and Executive Officer of the Company (current position) Attendance at the Board of Directors Meetings: 19/19 Reasons for nomination as a candidate for Director: Mr. Yoshihiro Senzai, in addition to his achievement as an engineer at Hitachi Maxell, Ltd. (current Maxell, Ltd.), served as Representative Director, President, and Chairman. He has also accumulated a wealth of experience and deep insight in corporate management, such as serving as the outside director of another company. As Outside Director of the Company from 2022, he provided advice and supervised the Company's overall management from an independent perspective not shared by the internal Directors. In response to the recent incidents of inappropriate accounting practices, Mr. Senzai has been leading efforts to swiftly enhance internal controls and upgrade governance systems across the entire Group, while improving the effectiveness of the Board of Directors and strengthening its supervisory functions as Chairperson of the Board of Directors since January 2026. Furthermore, Mr. Senzai has experience serving as President and Representative Director of a company currently listed on the Prime Market of the Tokyo Stock Exchange, and, since taking office as Representative Director, President and Executive Officer of the Company, he has led efforts toward reforming management and recovering trust. Given this wealth of experience and extensive track record, we have determined that he can contribute to sustainable growth and enhancement of corporate value for the Group. Therefore, we have selected him as a candidate for the position of Director in charge of overall Group management. If this proposal is approved, he is scheduled to continue serving as Representative Director, President and Executive Officer of the Company.	23,200

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company		Number of Shares of the Company owned by the Candidate
2	 Yu Karato (Jun 3, 1953) Reappointed	Apr. 1977	Joined Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)	71,366
		Jun. 1994	General Manager of Steel Planning Office, Steel Division, Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)	
		Jun. 2001	General Manager of Engineering Division, Engineering Headquarters, Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)	
		Jun. 2004	General Manager of Accounting Department, Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)	
		Jun. 2006	Director, General Manager of Accounting Department, and Head of Shared Services Center of the Company	
		Jun. 2009	Managing Director, General Manager of Management Control Department, Corporate Headquarters of the Company	
		Jun. 2015	Senior Managing Director, In charge of corporate planning and administration of the Company	
		Apr. 2017	Director and Vice President, Director of Chemicals Company of the Company	
		Apr. 2019	Director and Vice President, Hokkaido Representative of the Company	
		Jun. 2022	Executive Vice President and Hokkaido Representative of the Company	
		Jun. 2023	Hokkaido Representative of the Company	
		Jan. 2026	Senior Managing Executive Officer, Head of Consolidated Management Office, and Hokkaido Representative of the Company	
		Mar. 2026	Senior Managing Executive Officer, Chief Accounting and Finance Officer of the Company	
		Jun. 2026	Representative Director, Executive Vice President and Executive Officer, in charge of Corporate Functions, and Chief Accounting and Finance Officer of the Company (current position)	
		Attendance at the Board of Directors Meetings: 6/6		
		Reasons for nomination as a candidate for Director: Mr. Yu Karato held key positions in the steel planning and engineering divisions of Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION), before serving as General Manager of the Accounting Department of that company. Since joining the Company in 2006, he has served in various positions, including General Manager of the Accounting Department and Managing Director in charge of the management control division, and played a central role in finance, accounting, and management control until 2017. As Executive Vice President from 2019, he served as the representative for Hokkaido, working to strengthen ties with local governments and economic organizations while driving the Group's diverse business expansion in Hokkaido. Following the discovery of the recent incidents of inappropriate accounting practices, he was appointed Senior Managing Executive Officer and Chief Accounting and Finance Officer, and led efforts to strengthen management systems—including audit response—and rebuild the internal control system. Furthermore, he was appointed as Representative Director, Executive Vice President and Executive Officer in June 2026, and has been working from a position in charge of corporate functions to steadily advance the implementation of measures to strengthen the Group-wide governance structure and prevent the recurrence of any issues. Based on these experiences and insights, we have determined that he can perform a key role in further strengthening the Group's governance structure going forward. Therefore, we have selected him as a candidate for the position of Director in charge of corporate functions. If this proposal is approved, he is scheduled to continue serving as Representative Director, Executive Vice President and Executive Officer of the Company.		

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Positions and Areas of Responsibility in the Company</th><th>Number of Shares of the Company owned by the Candidate</th></tr>
<tr><td rowspan="16">3</td><td rowspan="16">
Hiroyuki Takahashi
(Jun. 5, 1964)
Newly appointed</td><td>Apr. 1987</td><td>Joined MITSUI & CO., LTD.</td><td rowspan="16">2,227</td></tr>
<tr><td>Oct. 1994</td><td>New York Headquarters of Mitsui & Co. (U.S.A.), Inc.</td></tr>
<tr><td>May. 2005</td><td>General Manager of Sulfur & Sulfuric Acid Department, Inorganic Raw Materials Division of MITSUI & CO., LTD.</td></tr>
<tr><td>May. 2008</td><td>Deputy General Manager of Human Resources Planning Department, Human Resources & General Affairs Division of MITSUI & CO., LTD.</td></tr>
<tr><td>May. 2010</td><td>General Manager of Salt Department, Chlor-Alkali Department of MITSUI & CO., LTD.</td></tr>
<tr><td>Jan. 2014</td><td>Senior Vice President of Fairway Methanol LLC</td></tr>
<tr><td>Apr. 2019</td><td>General Manager of Methanol & Ammonia Division, Basic Materials Business Unit of MITSUI & CO., LTD.</td></tr>
<tr><td>Apr. 2021</td><td>Associate Officer, General Manager of Methanol & Ammonia Division of MITSUI & CO., LTD.</td></tr>
<tr><td>Jun. 2021</td><td>Senior Vice President, Divisional Operating Officer of Chemicals Division, Americas Business Unit of Mitsui & Co. (U.S.A.), Inc.</td></tr>
<tr><td>Jul. 2024</td><td>Advisor, Planning & Administration Department, Global Environment Field (Special General Manager) of the Company</td></tr>
<tr><td>Apr. 2025</td><td>Managing Executive Officer, General Manager of Global Strategy Promotion Headquarters, General Manager of Global Business Development Department, Global Strategy Promotion Headquarters of the Company</td></tr>
<tr><td>Feb. 2026</td><td>Managing Executive Officer, General Manager of Global Strategy Promotion Headquarters and General Manager of Global Business Development Department of the Company; President & CEO of AIR WATER MATERIALS INC.</td></tr>
<tr><td>Jun. 2026</td><td>Director of AIR WATER MATERIALS INC. (current position)</td></tr>
<tr><td>Jul. 2026</td><td>Advisor to the Company (current position)</td></tr>
<tr><td colspan="2">Attendance at the Board of Directors Meetings: -</td></tr>
<tr><td colspan="2">Reasons for nomination as a candidate for Director:
Mr. Hiroyuki Takahashi has engaged in operations relating to inorganic raw materials, chemicals, the methanol and ammonia business, the Chemicals Division for the Americas Business Unit and other areas at MITSUI & CO., LTD. and Mitsui & Co. (U.S.A.), Inc., and has extensive experience in resource-related businesses, management of overseas bases, business development and global business management. At the Company as well, he has been involved in business operations and the management of affiliated companies through promoting overseas business, serving in the Global Strategy Promotion Headquarters, and acting as President & CEO of a Group company. In addition to his understanding of the Company's businesses as a whole, including industrial gases, functional materials and other businesses, he has practical experience in promoting overseas business and global growth strategies, as well as expertise in subsidiary management. We have therefore determined that he can contribute to enhancing the effectiveness of the Board of Directors in achieving both the promotion of growth strategies and the strengthening of internal controls and compliance, and have selected him as a candidate for the position of Director in charge of business divisions.</td></tr>
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<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Positions and Areas of Responsibility in the Company</th><th>Number of Shares of the Company owned by the Candidate</th></tr>
<tr><td rowspan="14">4</td><td rowspan="14">
Hirotaka Shiraiwa
(Nov. 3, 1966)
Newly appointed</td><td>Apr. 1990</td><td>Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</td><td rowspan="14">0</td></tr>
<tr><td>Jun. 2004</td><td>Assistant to the Manager, Corporate Planning Department of The Sumitomo Trust and Banking Co., Ltd.</td></tr>
<tr><td>Jun. 2007</td><td>Secretary, Secretarial Office of The Sumitomo Trust and Banking Co., Ltd.</td></tr>
<tr><td>Aug. 2011</td><td>Senior Advisor, Wholesale Business Planning Department of The Sumitomo Trust and Banking Co., Ltd.</td></tr>
<tr><td>Oct. 2014</td><td>General Manager, Real Estate Finance Department of Sumitomo Mitsui Trust Bank, Limited</td></tr>
<tr><td>Oct. 2016</td><td>Associate Officer, General Manager of Corporate Business Department VIII, Tokyo of Sumitomo Mitsui Trust Bank, Limited</td></tr>
<tr><td>Jan. 2018</td><td>Associate Officer, General Manager of Corporate Business Department I, Osaka of Sumitomo Mitsui Trust Bank, Limited</td></tr>
<tr><td>Apr. 2023</td><td>Executive Officer, General Manager of Fukuoka Branch and Fukuoka-Tenjin Branch (in charge of the Kyushu and Okinawa Area) of Sumitomo Mitsui Trust Bank, Limited</td></tr>
<tr><td>Jun. 2025</td><td>Advisor to the Company</td></tr>
<tr><td>Oct. 2025</td><td>Executive Officer, General Manager of AW Group Asset Comprehensive Review Promotion Office and Assistant Head of Financial and Investor Relations Strategy Office</td></tr>
<tr><td>Jan. 2026</td><td>Executive Officer, General Manager of Financial and Investor Relations Strategy Office and General Manager of AW Group Asset Comprehensive Review Promotion Office</td></tr>
<tr><td>Jul. 2026</td><td>Senior Executive Officer, General Manager of Financial and Investor Relations Strategy Department (current position)</td></tr>
<tr><td colspan="2">Attendance at the Board of Directors Meetings: -</td></tr>
<tr><td colspan="2">Reasons for nomination as a candidate for Director:
Mr. Hirotaka Shiraiwa has held key positions at The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) and has extensive practical experience in financial strategy, capital efficiency, risk management, credit judgment, and business evaluation. Since joining the Company in 2025, he has served as General Manager of the Financial and Investor Relations Department and in other positions, where he has worked to strengthen financial discipline, improve asset efficiency, and enhance dialogue with the capital markets. In addition to his expertise in finance and financial affairs, he has a track record of promoting management control, capital policy, and IR activities based on an investor perspective and the future vision of the Company. His experience will contribute to improving the reliability of accounting and financial management, enhancing the budgeting and performance management processes, and strengthening financial discipline across the Group as a whole. Going forward, in a position responsible for the Company’s financial strategy and capital policy, we believe that through dialogue with the capital markets and accountability, he will play an important role in improving the effectiveness of management decisions and IR activities from an investor perspective. Based on the above, we have determined that he will be able to play an important role in enhancing the Company’s management control, strengthening financial discipline, and enriching capital policy, and have therefore selected him as a candidate for the position of Director serving as Chief Accounting and Finance Officer.</td></tr>
</table>

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
5	 Yuko Haga (Dec. 8, 1955) Reappointed	Outside Director Independent Officer Apr. 1989 Senior Consultant, Strategy Consulting Group, Price Waterhouse Consultants Apr. 1991 Representative of Haga Management Consulting Office (current position) Apr. 2017 Associate Professor of Graduate School of Management, NUCB Business School Mar. 2019 Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (currently Kyowa Kirin Co., Ltd.) Apr. 2020 Professor of Graduate School of Management, NUCB Business School (current position) Jun. 2020 Outside Director of MinebeaMitsumi Inc. (current position) Jun. 2024 Outside Director of the Company (current position) Significant concurrent positions: Representative, Haga Management Consulting Office Professor, Graduate School of Management, NUCB Business School Outside Director of MinebeaMitsumi Inc. Attendance at the Board of Directors Meetings: 19/19 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Ms. Yuko Haga has specialized insight on M&A and corporate governance, etc., as a researcher of corporate strategies, as well as a wealth of experience that she has cultivated as a management consultant, as well as deep insight gained from practical research, etc., at specialist organizations. We believe that she will make use of her experience and insight for the management of the Company, and have determined that she is suitable for an Outside Director. Since being appointed to chair the Nomination and Compensation Committee in December 2024, she has worked to clarify the appointment process and evaluation system for Directors, as well as to review the compensation system to ensure that responsibilities and roles are clearly defined, aiming to enhance the committee's function based on corporate governance reforms, even before the incidents of inappropriate accounting practices were discovered. We expect her to continue to provide advice on the Company's overall management, perform a supervisory function, and contribute to improving the effectiveness of the Board of Directors. For these reasons, we believe that she is a suitable candidate for the position of Outside Director.	1,307

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
6	 Rochelle Kopp (Jun. 29, 1964) Reappointed	Outside Director Independent Officer Jun. 1986 Business Analyst, ZS Associates, Inc. Jun. 1987 Senior Business Analyst, ZS Associates, Inc. Aug. 1988 International Public Relations Specialist, The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.) Oct. 1992 Consultant, IPC Group, Inc. Jul. 1994 Managing Principal of Japan Intercultural Consulting (current position) Apr. 2019 Professor of Faculty of Foreign Studies, The University of Kitakyushu Jun. 2020 Outside Director of MS&AD Insurance Group Holdings, Inc. (current position) Apr. 2021 Outside Director of Lightworks Corporation. Apr. 2021 Visiting Professor, Department of Business Design, Faculty of Global Business, Showa Women's University (current position) Jun. 2025 Outside Director of the Company (current position) Significant concurrent positions: Managing Principal of Japan Intercultural Consulting Outside Director of MS&AD Insurance Group Holdings, Inc. Attendance at the Board of Directors Meetings: 16/19 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Ms. Rochelle Kopp has her cross-cultural understanding and global perspective, as well as a wealth of experience and deep insight that she has cultivated as a management consultant in Japan and the United States. Believing that she will make use of her experience and insight for the management of the Company, we have determined that she is suitable for an Outside Director of the Company. We expect her to continue to provide advice on the Company's overall management, perform a supervisory function, and contribute to improving the effectiveness of the Board of Directors. For these reasons, we have selected her as a candidate for Outside Director, making use of her unique viewpoint not shared by the internal Directors, and her wealth of experience and deep insight, cultivated through practical training, etc. at specialist organizations. For these reasons, we believe that she is a suitable candidate for the position of Outside Director.	0

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
7	 Mikihiko Kato (Aug. 18, 1962) Reappointed	Outside Director Independent Officer Apr. 1985 Joined NGK SPARK PLUG CO., LTD. (currently Niterra Co., Ltd.) May 1998 Controller of NGK Spark Plugs (U.S.A.), Inc. May 2000 CFO of NGK Spark Plugs (U.S.A.), Inc. Aug. 2012 President of CERAMICA E VELAS DE IGNICAO NGK DO BRASIL LTDA. Oct. 2015 General Manager of Corporate Planning Department, NGK SPARK PLUG CO., LTD. (currently Niterra Co., Ltd.) Apr. 2016 Corporate Officer, General Manager of Corporate Planning Department, NGK SPARK PLUG CO., LTD. (currently Niterra Co., Ltd.) Jun. 2017 Director and Corporate Officer, Head of Corporate Strategy Headquarters, NGK SPARK PLUG CO., LTD. (currently Niterra Co., Ltd.) Apr. 2019 Director and Executive Officer, Head of Corporate Strategy Headquarters NGK SPARK PLUG CO., LTD. (currently Niterra Co., Ltd.) Jun. 2022 Director and Full-time Audit and Supervisory Committee Member of Niterra Co., Ltd. Jun. 2024 Advisor of Niterra Co., Ltd. (current position) Jul. 2025 Advisor of YOKOTA ENTERPRISE Co., Ltd. Jun. 2026 Outside Director of the Company (current position) Significant concurrent position: Advisor of Niterra Co., Ltd. Attendance at the Board of Directors Meetings: 6/6 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Mr. Mikihiko Kato has extensive experience in global finance and management, having served as Controller and CFO of a U.S. subsidiary of NGK SPARK PLUG CO., LTD. (currently Niterra Co., Ltd.), and as President of a Brazilian subsidiary, where he was responsible for managing overseas operations. In addition, he served as General Manager of the Corporate Planning Department and Executive Officer in charge of corporate strategy at the headquarters of NGK SPARK PLUG CO., LTD., where he was involved in the formulation and implementation of management strategies. He also has experience in management oversight as a Director and Full-time Audit and Supervisory Committee Member. Based on this experience, he is expected to play a key role in strengthening the Group's governance and internal controls, as well as ensuring the effectiveness of measures to prevent recurrence, from both financial/accounting and management strategy perspectives. For these reasons, we believe that he is a suitable candidate for the position of Outside Director.	100

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
8	 Mitsutoshi Matsushita (Oct. 3, 1970) Reappointed	Outside Director Independent Officer Apr. 1997 Registered as an attorney-at-law (Dai-Ichi Tokyo Bar Association) Joined Kajitani Law Offices (current position) Jun 2016 Outside Auditor of Pacific System Co., Ltd. Jun. 2017 Outside Director and Audit and Supervisory Committee Member, TSUMURA & CO. Jun. 2026 Outside Director of the Company (current position) Significant concurrent position: Attorney of Kajitani Law Offices Attendance at the Board of Directors Meetings: 6/6 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Mr. Mitsutoshi Matsushita possesses extensive experience and deep insight as an attorney specializing in corporate law. He possesses extensive knowledge regarding corporate governance, having served as Outside Director and Audit and Supervisory Committee Member of a company currently listed on the Tokyo Stock Exchange Prime Market, as well as an Outside Auditor of a company that was listed on the Standard Market. Although he has never been directly involved in corporate management, we expect that he will leverage his extensive experience and deep insight to provide valuable advice and exercise oversight over the Company's overall management, making use of his unique viewpoint not shared by the internal Directors. For these reasons, we believe that he is a suitable candidate for the position of Outside Director.	0

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
9	 Shinichi Kawasaki (Feb. 5, 1964) Reappointed	Outside Director Independent officer Apr. 1989 Joined Osaka Gas Co., Ltd. Apr. 2013 Executive Officer and General Manager of Fine Materials Business Department of Osaka Gas Chemicals Co., Ltd. Apr. 2016 General Manager of Energy Technology Laboratories, Osaka Gas Co., Ltd. Apr. 2019 Director and Managing Executive Officer of KRI, Inc. Apr. 2020 President and Representative Director of KRI, Inc. Jun. 2024 Senior Managing Director of Osaka Science & Technology Center Jun. 2026 Outside Director of the Company (current position) Attendance at the Board of Directors Meetings: 6/6 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Mr. Shinichi Kawasaki has a proven track record of consistently driving initiatives from research and development through to implementation and commercialization. At Osaka Gas Co., Ltd., he was engaged in R&D and commercialization in the gas, energy, and materials sectors at the New Technology Laboratories and other divisions. He subsequently played a central role in shaping technical strategy as Director of the Energy Technology Laboratories. Furthermore, as President and Representative Director of KRI Co., Ltd., he managed the R&D business and led the organization from both technical and managerial perspectives. Given his expertise in technology in the gas and energy fields—which aligns with the Group's needs—we expect him to provide objective technical evaluations and appropriate advice regarding our growth strategies and existing businesses, thereby further strengthening the functions of our Board of Directors. For these reasons, we believe that he is a suitable candidate for the position of Outside Director.	0

Notes:

1. There are no conflicts of interest between each candidate and the Company.
2. Ms. Yuko Haga, Ms. Rochelle Kopp, Mr. Mikihiko Kato, Mr. Mitsutoshi Matsushita, and Mr. Shinichi Kawasaki are candidates for Outside Director.
3. The Company has entered into liability limitation agreements with Ms. Yuko Haga, Ms. Rochelle Kopp, Mr. Mikihiko Kato, Mr. Mitsutoshi Matsushita, and Mr. Shinichi Kawasaki to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum amount prescribed in Article 425, Paragraph 1 of the same Act under the condition that they perform their duties in good faith with no acts of gross negligence. If the election of each of them is approved as per this Proposal, the Company plans to continue the agreements.
4. The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of each candidate is approved as per this Proposal, each candidate for Director will be insured under the insurance policy. An overview of the policy is as described in "(3) Matters concerning the directors and officers (D&O) liability insurance policy" on page 18 of the Business Report for the 26th term.
5. Ms. Yuko Haga has served as an Outside Director of the Company since June 2024, and her term of office will reach two years and three months at the conclusion of this Meeting.
6. Ms. Rochelle Kopp has served as an Outside Director of the Company since June 2025, and her term of office will reach one year and three months at the conclusion of this Meeting.
7. Mr. Mikihiko Kato, Mr. Mitsutoshi Matsushita, and Mr. Shinichi Kawasaki have served as Outside Directors of the Company since June 2026, and their respective terms of office will reach three months at the conclusion of this Meeting.
8. Ms. Yuko Haga, Ms. Rochelle Kopp, Mr. Mikihiko Kato, Mr. Mitsutoshi Matsushita, and Mr. Shinichi Kawasaki satisfy the requirements for independent officers set forth in the regulations of the Tokyo Stock Exchange and Sapporo Securities Exchange and the Criteria for Assessing the Independence of Outside Officers stipulated by the Company. Therefore, if the election of each of these five persons is approved as per this Proposal, the Company will continue to file the same notification with the Exchanges on which the Company's shares are listed, designating each of them as independent officers.
9. Although the Company had an outsourcing contract until June 2024 with Haga Management Consulting Office, at which Ms. Yuko Haga serves as a representative, consideration for the contract is less than 5 million yen per year, which is less than 1% of the consolidated net sales of the Company. Accordingly, the Company deems that there is no problem about her independence. At present, there is no contractual relationship.
10. The Group has business transactions with Niterra Co., Ltd., at which Mr. Mikihiko Kato serves as Advisor. However, the value of these transactions represents less than 1% of the consolidated net sales of the Company over each of the last three fiscal years. Accordingly, the Company deems that there is no problem about his independence.
11. There are no transactions between the Company and Japan Intercultural Consulting at which Ms. Rochelle Kopp serves as managing principal, and the Company deems that there is no problem with her independence.
12. During the term of office of Ms. Yuko Haga and Ms. Rochelle Kopp as Outside Directors of the Company, incidents of inappropriate accounting practices relating to inventory and other items were discovered at the Company and several Group companies.
    Even before the incidents were discovered, both Ms. Yuko Haga and Ms. Rochelle Kopp had been objectively overseeing the Company's management at Board of Directors meetings and other forums, and had been emphasizing the importance of legal compliance. Since the incidents were discovered, they have been fulfilling their duties appropriately by offering opinions on strengthening legal compliance and internal controls, as well as overseeing the implementation of measures to prevent recurrence. Furthermore, as Chairperson of the Nomination and Compensation Committee, Ms. Yuko Haga has consistently led the committee's

deliberations and made any necessary recommendations to the Board of Directors with a view to ensuring the transparency and objectivity of the Company's processes for nominating officers and determining compensation.

13. The "Number of Shares of the Company owned by the Candidate" is the number of shares effectively owned, including shares owned thereby in the shareholding associations for Directors and Corporate Auditors of the Group.
14. Ms. Yuko Haga's name in her family register is Yuko Hayashi.

Proposal 3: Election of Six (6) Directors who are Audit and Supervisory Committee Members

If Proposal 1, "Partial Amendments to the Articles of Incorporation," is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company requests the election of 6 Directors who are Audit and Supervisory Committee Members.

This proposal has been approved by the Board of Corporate Auditors.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation," take effect.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows.

Candidate Number	Name / Attribute		Gender	Current Positions in the Company, etc.	Attendance at the Board of Directors Meetings	Attendance at the Board of Corporate Auditors Meetings
1	Seiji Mori	Newly appointed	Male	Corporate Auditor	6/6	5/5
2	Yasuaki Yoshida	Newly appointed	Male	Corporate Auditor	6/6	5/5
3	Masashi Mikoshiba	Newly appointed Outside Director Independent Officer	Male		–	–
4	Atsushi Iwasaki	Newly appointed Outside Director Independent Officer	Male	Outside Corporate Auditor	6/6	5/5
5	Tateshi Higuchi	Newly appointed Outside Director Independent Officer	Male	Outside Corporate Auditor	6/6	5/5
6	Maoko Kikuchi	Newly appointed Outside Director Independent Officer	Female		–	–

Newly appointed: Candidate for new Director
Outside Director: Candidate for Outside Director
Independent Officer: Independent Officer registered with the Exchanges

The attendance status for Board of Directors meetings and Board of Corporate Auditors meetings stated herein covers meetings held from June 29, 2026, when the candidates assumed office, to August 6, 2026.

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company		Number of Shares of the Company owned by the Candidate
1	 Seiji Mori (Oct 2, 1969) Newly appointed	Apr. 1993	Joined Daido Hoxan Inc. (currently the Company)	8,785
		Apr. 2017	General Manager of Corporate Administration Department of the Company	
		Apr. 2018	Executive Officer and General Manager of Corporate Administration Department of the Company	
		Apr. 2020	Executive Officer and General Manager of Corporate Planning Department of the Company	
		Oct. 2020	Managing Executive Officer and General Manager of Business Planning Department of Air Water East Japan Inc.	
		Apr. 2023	Managing Executive Officer and Head of Financial Strategy Office of the Company	
		Oct. 2025	Administration Officer and Assistant Head of Internal Auditing Office of the Company	
		Mar. 2026	Administration Officer and General Manager of Consolidated Accounting Office	
		Jun. 2026	Standing Statutory Auditor of the Company (current position)	
		Attendance at the Board of Directors Meetings: 6/6		
		Attendance at the Board of Corporate Auditors Meetings: 5/5		
		Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member: Mr. Seiji Mori has performed important roles at the Company in the areas of business administration and finance, including the formulation of management plans, performance management, and the development and execution of financial strategies. From 2017, he led company-wide business administration as General Manager of the Corporate Administration Department through the establishment of a management accounting system, as well as management planning and performance management. In 2020, he was appointed Managing Executive Officer and General Manager of the Business Planning Department at a regional business subsidiary, where he deepened his expertise in Group company management and business planning. From 2023, he oversaw the Group’s financial strategy and capital policy, as well as Group company cash management, as Head of the Financial Strategy Office. This practical experience has given him an accurate grasp of the Group’s business and financial condition. Based on this experience and insight, we believe he will play a vital role in contributing to the strengthening of the Company’s audit framework, and we have determined that he is a suitable candidate for the position of Director who is an Audit and Supervisory Committee Member.		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
2	 Yasuaki Yoshida (Mar. 4, 1983) Newly appointed	Dec. 2008 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Nov. 2012 Registered as a Certified Public Accountant Jan. 2014 Joined Kawamoto Corporation Jul. 2015 General Manager of Strategic Planning Headquarters, Kawamoto Corporation Apr. 2018 Executive Officer and General Manager of Marketing Headquarters, Kawamoto Corporation Jan. 2019 Executive Officer and General Manager of Corporate Planning Office, Kawamoto Corporation Nov. 2019 Director of Zhejiang Kawamoto Health Care Products Co., Ltd. Dec. 2019 Director of Nishiki Co., Ltd. Feb. 2020 Director of Sakaki L&E Wise Co., LTD Jun. 2020 Director and Executive Officer, responsible for corporate administration, General Manager of Corporate Planning Office, Kawamoto Corporation Jun. 2022 Managing Director and Executive Officer, responsible for corporate planning and administration, General Manager of Corporate Planning Office, and General Manager of Internal Audit Office, Kawamoto Corporation Jan. 2023 Director of Kurosu Industry Co., Ltd. Jul. 2023 Managing Director and Executive Officer, responsible for corporate planning and administration, General Manager of Corporate Planning Office, General Manager of Administration Headquarters, and General Manager of Internal Audit Office, Kawamoto Corporation Apr. 2026 Managing Director and Executive Officer, responsible for corporate planning and administration, General Manager of Administration Headquarters, General Manager of President’s Office, General Manager of Internal Audit Office, and General Manager of Human Resources and General Affairs Department, Kawamoto Corporation Jun. 2026 Standing Statutory Auditor of the Company (current position) Attendance at the Board of Directors Meetings: 6/6 Attendance at the Board of Corporate Auditors Meetings: 5/5 Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member: Mr. Yasuaki Yoshida possesses professional expertise in accounting as a Certified Public Accountant and has the capability to accurately implement accounting audits and business audits. He also has practical experience in corporate management, having served as Managing Director and Executive Officer of Kawamoto Corporation, a listed company that is a subsidiary of the Company, and a Director of its subsidiaries, etc. We believe that the understanding of business execution and management practices that he has cultivated through this experience will greatly contribute to the effective auditing of the execution of duties by the Company’s Directors. He is also deeply familiar with internal auditing operations and has contributed to establishing sound management foundations and strengthening governance systems by verifying the status of compliance with laws and regulations and the development and operation of internal controls from an objective perspective, and providing recommendations for their improvement. Based on this expertise and experience, we believe he will play a vital role in contributing to the strengthening of the Company’s audit framework from the perspectives of finance, accounting, and internal controls, and we have determined that he is a suitable candidate for the position of Director who is an Audit and Supervisory Committee Member.	0

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
3	 Masashi Mikoshiba (Aug. 18, 1966) Newly appointed	Outside Director Independent Officer Apr. 1989 Joined Marubeni Corporation Apr. 1993 Indonesia Power Project Execution Office (Jakarta), Marubeni Corporation Feb. 2000 Corporate Planning Department, Vectant Inc. (New York) Oct. 2001 General Manager of Machinery Business Accounting Section, New York Head Office, Marubeni America Corporation Apr. 2007 Audit Department, Marubeni Corporation Apr. 2009 Audit Team Leader, London Head Office, Marubeni Europe plc Apr. 2014 General Manager of Planning Section, Audit Department, Marubeni Corporation Apr. 2021 General Manager of Audit Department, Marubeni Corporation Apr. 2025 Standing Statutory Auditor of Marubeni I-DIGIO Holdings Co., Ltd. (current position) Significant concurrent position: Standing Statutory Auditor of Marubeni I-DIGIO Holdings Co., Ltd. Attendance at the Board of Directors Meetings: - Attendance at the Board of Corporate Auditors Meetings: - Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles: Mr. Masashi Mikoshiba engaged in accounting- and tax-related operations at Marubeni Corporation and was also involved in internal auditing operations in its audit division. In addition, he holds the Certified Internal Auditor certification and has served as a full-time Corporate Auditor and part-time Corporate Auditor at subsidiaries of Marubeni Corporation and other companies, and therefore possesses extensive experience in audit practice and is well versed in accounting and tax matters, internal audits, and group internal controls. As the Company has a large number of domestic and overseas Group companies and improving the effectiveness of the Audit and Supervisory Committee and strengthening internal controls throughout the Group are important issues, we believe that his objective and independent perspective and extensive practical audit experience will contribute to strengthening coordination with the internal audit department and the Accounting Auditors. Although he has never been directly involved in corporate management, in light of this experience and insight, we expect that, as a Full-time Audit and Supervisory Committee Member, he will carry out supervision and audits of the Company’s business execution from an independent standpoint and play an important role in strengthening internal controls and further enhancing corporate governance, and have therefore determined that he is a suitable candidate for the position of Outside Director who is an Audit and Supervisory Committee Member.	0

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
4	 Atsushi Iwasaki (Jan. 9, 1959) Newly appointed	Outside Director Independent Officer Nov. 1990 Joined Century Auditing Company (currently Ernst & Young ShinNihon LLC) Mar. 1991 Registered as Certified Public Accountant Mar. 1997 Registered as Real Estate Appraiser Sep. 2005 Head of Iwasaki Certified Public Accountant Office (current position) Jun. 2013 Outside Director of Iseki & Co., Ltd. (current position) Jun. 2015 Outside Audit & Supervisory Board Member of NH Food Ltd. Jun. 2016 Outside Audit & Supervisory Board Member, Olympus Corporation Jun. 2024 Outside Audit & Supervisory Board Member of Nippon Kayaku Co., Ltd. (current position) Jun. 2026 Outside Corporate Auditor of the Company (current position) Significant concurrent positions: Head of Iwasaki Certified Public Accountant Office Outside Director of Iseki & Co., Ltd. Outside Audit & Supervisory Board Member of Nippon Kayaku Co., Ltd. Attendance at the Board of Directors Meetings: 6/6 Attendance at the Board of Corporate Auditors Meetings: 5/5 Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles: Mr. Atsushi Iwasaki possesses expertise as a Certified Public Accountant. In addition to his many years of practical auditing experience at an audit firm, he has served as an outside auditor and outside director of several companies currently listed on the Tokyo Stock Exchange Prime Market, giving him extensive experience and advanced professional knowledge in finance, accounting, and internal controls. Furthermore, he has a proven track record as the head of Iwasaki Certified Public Accountant Office, working with numerous companies from an independent standpoint, and he possesses the ability to conduct comprehensive risk assessments and make objective and impartial audit judgments. Although he has never been directly involved in corporate management, we expect he will leverage his experience and insight to provide appropriate supervision and auditing of the Company’s business operations from an independent standpoint, as well as perform a key role in strengthening internal controls and further enhancing corporate governance, and we have determined that he is a suitable candidate for the position of Outside Director who is an Audit and Supervisory Committee Member.	0

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career Summary, Positions and Areas of Responsibility in the Company</th><th>Number of Shares of the Company owned by the Candidate</th></tr>
<tr><td rowspan="23">5</td><td rowspan="23">
Tateshi Higuchi
(Apr. 11, 1953)
Newly appointed</td><td colspan="2">Outside Director Independent officer</td><td rowspan="23">0</td></tr>
<tr><td>Apr. 1978</td><td>Joined National Police Agency</td></tr>
<tr><td>Mar. 1999</td><td>Chief of Wakayama Prefectural Police</td></tr>
<tr><td>Feb. 2003</td><td>Director, Investigative Planning Division, Criminal Investigation Bureau of National Police Agency</td></tr>
<tr><td>Sep. 2005</td><td>Chief of Hokkaido Prefectural Police</td></tr>
<tr><td>Aug. 2007</td><td>Deputy Director General of Policy Evaluation and Deputy Director General in charge of Prevention of Crime Proceeds (International), Commissioner-General’s Secretariat of National Police Agency</td></tr>
<tr><td>Aug. 2008</td><td>Chief of Personnel Department, Tokyo Metropolitan Police Department</td></tr>
<tr><td>Mar. 2009</td><td>Deputy Superintendent General of Tokyo Metropolitan Police Department</td></tr>
<tr><td>Jan. 2010</td><td>Director General of Community Safety Bureau of National Police Agency</td></tr>
<tr><td>Aug. 2011</td><td>Superintendent General of Tokyo Metropolitan Police Department</td></tr>
<tr><td>Apr. 2014</td><td>Ambassador Extraordinary and Plenipotentiary to the Republic of the Union of Myanmar</td></tr>
<tr><td>Jun. 2018</td><td>Member of the Audit and Supervisory Board (Outside) of Daiichi Sankyo Company, Limited</td></tr>
<tr><td>Jun. 2019</td><td>Outside Director of Miura Co., Ltd.</td></tr>
<tr><td>Jun. 2020</td><td>External Audit & Supervisory Board Member of Taisei Corporation</td></tr>
<tr><td>Nov. 2023</td><td>Member of the Advisory Panel of Experts on Ideal Form of Technical Intern Training Program and Specified Skilled Worker System (under the jurisdiction of the Ministry of Justice)</td></tr>
<tr><td>Dec. 2024</td><td>Chairperson of the National Shoplifting Prevention Organization, a specified nonprofit corporation (current position)</td></tr>
<tr><td>Jun. 2026</td><td>Outside Corporate Auditor of the Company (current position)</td></tr>
<tr><td colspan="2">Significant concurrent position:
Chairperson of the National Shoplifting Prevention Organization, a specified nonprofit corporation</td></tr>
<tr><td colspan="2">Attendance at the Board of Directors Meetings: 6/6</td></tr>
<tr><td colspan="2">Attendance at the Board of Corporate Auditors Meetings: 5/5</td></tr>
<tr><td colspan="2">Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles:
Mr. Tateshi Higuchi has been involved in police administration for many years, holding key positions in government agencies and other organizations. He has played a vital role in ensuring public safety and compliance with laws in Japan, having served as Superintendent General of the Tokyo Metropolitan Police Department and Director General of the Community Safety Bureau of the National Police Agency, among other roles. He possesses advanced expertise and extensive experience in crisis management and compliance. He has also served as an outside auditor and outside director of several companies currently listed on the Prime Market of the Tokyo Stock Exchange. Although he has never been directly involved in corporate management, we expect he will leverage his experience and expertise to provide appropriate supervision and oversight of the Company’s business operations from an independent standpoint, as well as perform a key role in strengthening internal controls and further enhancing corporate governance, and we have determined that he is a suitable candidate for the position of Outside Director who is an Audit and Supervisory Committee Member.</td></tr>
</table>

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
6	 Maoko Kikuchi (Jul. 14, 1965) Newly appointed	Outside Director Independent Officer Apr. 1992 Joined Public Prosecutors Office of Ministry of Justice as a Public Prosecutor Aug. 1997 Joined Paul Hastings LLP, Los Angeles Office Mar. 1999 Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu) Apr. 2004 Joined the General Secretariat, Japan Fair Trade Commission May. 2006 Executive Officer and CCO of Vodafone K.K. (currently SoftBank Corp.) Apr. 2014 Executive Officer, supervising legal affairs and policy planning, of Microsoft Japan Co., Ltd. Jun. 2016 Standing Outside Audit & Supervisory Board Member of MITSUI-SOKO HOLDINGS Co., Ltd. Jun. 2020 Outside Director of MITSUI-SOKO HOLDINGS Co., Ltd. (current position) Jun. 2020 Outside Audit & Supervisory Board Member of KADOKAWA CORPORATION Jul. 2020 Outside Director of Hitachi Construction Machinery Co., Ltd. Nov. 2023 Outside Corporate Auditor of Ryohin Keikaku Co., Ltd. (current position) Mar. 2026 Outside Director (Audit & Supervisory Committee Member) of Frontier Management Inc. (current position) Significant concurrent positions: Outside Director of MITSUI-SOKO HOLDINGS Co., Ltd. Outside Corporate Auditor of Ryohin Keikaku Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of Frontier Management Inc. Attendance at the Board of Directors Meetings: - Attendance at the Board of Corporate Auditors Meetings: - Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles: After serving as a legal professional at the Public Prosecutors Office, law firms in Japan and the United States, and the Japan Fair Trade Commission, Ms. Maoko Kikuchi served at Vodafone K.K. (currently SoftBank Corp.) as head of its legal department, Chief Compliance Officer, and officer responsible for risk management, and at Microsoft Japan Co., Ltd. as Executive Officer supervising legal affairs and policy planning. In these roles, as a person responsible for execution at business companies, she led the development and operation of legal, compliance, and risk management systems and addressed management issues faced by business companies, such as rapid business expansion, responses to regulations, enhancement of corporate value, and responses to risks in management decision-making. Thereafter, she has been involved in corporate management at several companies listed on the Tokyo Stock Exchange (currently the Prime Market), serving as a Standing Outside Audit & Supervisory Board Member, Outside Director, and Outside Corporate Auditor, and has contributed to strengthening corporate governance. Accordingly, we believe that she will not merely provide advice as a legal professional, but that she will be able to utilize in the Company's future management her extensive experience of confronting severe practical management issues as the person responsible for legal affairs, compliance, and risk management at business companies. As a Director who is an Audit and Supervisory Committee Member, she is expected to appropriately exercise supervisory and check functions from an independent standpoint with respect to the appropriateness of management decisions, the adequacy of risk recognition, the effectiveness of the compliance system, and the soundness of corporate culture. Based on her abundant knowledge and experience, we have determined that she is a suitable candidate for Outside Director who is an Audit and Supervisory Committee Member.	0

Notes:
1. There are no conflicts of interest between each candidate and the Company.
2. Mr. Masashi Mikoshiba is scheduled to retire from Marubeni I-DIGIO Holdings Co., Ltd. on September 21, 2026.
3. Mr. Masashi Mikoshiba, Mr. Atsushi Iwasaki, Mr. Tateshi Higuchi, and Ms. Maoko Kikuchi are candidates for Outside Director who is an Audit and Supervisory Committee Member.
4. The Company has entered into liability limitation agreements with Mr. Seiji Mori, Mr. Yasuaki Yoshida, Mr. Atsushi Iwasaki, and Mr. Tateshi Higuchi to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum amount prescribed in Article 425, Paragraph 1 of the same Act under the condition that they perform their duties in good faith with no

acts of gross negligence. If the election of each of them is approved as per this Proposal, the Company plans to newly enter into similar agreements with them. In addition, if the election of Mr. Masashi Mikoshiba and Ms. Maoko Kikuchi is approved as per this Proposal, the Company plans to enter into agreements with them with the same contents as above.

5. The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of each candidate for Director who is an Audit and Supervisory Committee Member is approved as per this Proposal, each candidate will be insured under the insurance policy. The details of this policy are as described in "(3) Matters concerning the directors and officers (D&O) liability insurance policy" on page 18 of the Business Report for the 26th term.
6. Mr. Atsushi Iwasaki and Mr. Tateshi Higuchi have served as Outside Corporate Auditors of the Company since June 2026, and their respective terms of office will reach 3 months at the conclusion of this Meeting.
7. Mr. Atsushi Iwasaki and Mr. Tateshi Higuchi satisfy the requirements for independent officers set forth in the regulations of the Tokyo Stock Exchange and Sapporo Securities Exchange and the Criteria for Assessing the Independence of Outside Officers stipulated by the Company. Therefore, if the election of Mr. Atsushi Iwasaki and Mr. Tateshi Higuchi is approved as per this Proposal, the Company plans to file the same notification with the Exchanges, designating them as independent officers. Furthermore, if the election of Mr. Masashi Mikoshiba and Ms. Maoko Kikuchi is approved as per this Proposal, the Company also plans to file the notification with the Exchanges, designating them as independent officers.
8. Mr. Atsushi Iwasaki has served as an Outside Director of Iseki & Co., Ltd. since June 2013. On May 9, 2025, Iseki & Co., Ltd. received a recommendation from the Japan Fair Trade Commission based on the Subcontract Act (currently, the Act on Preventing Delay in Payment to Small and Medium-sized Entrusted Business Operators in Relation to Manufacturing Consignment). Mr. Iwasaki was not aware of the violation in question before its discovery, but he had consistently spoken out at board meetings and other forums regarding the need to strengthen governance structures, including ensuring strict compliance with laws and regulations and enhancing internal control systems. After the facts of the violation came to light, he has fulfilled his duties appropriately by providing necessary advice on identifying the causes and implementing measures to prevent recurrence.
9. The "Number of Shares of the Company owned by the Candidate" is the number of shares effectively owned, including shares owned thereby in the shareholding associations for Directors and Corporate Auditors of the Group.

[Reference] Skill Matrix

Based on the belief that the diversity of the Directors who make up the Board of Directors determines its effectiveness and has a significant impact on sustainable growth and the enhancement of medium- to long-term corporate value, the Board of Directors deliberated on the balance and diversity of the composition of the Board of Directors, including the knowledge, experience, and abilities of Directors, taking into account the recommendations of the Nomination and Compensation Committee. We have identified the skills required of Directors and published them in a "Skill Matrix". These skills comprise seven categories: (1) Corporate management and management strategy, (2) Finance affairs and accounting, (3) Risk management, legal, and compliance, (4) Technology and R&D, (5) Human resources management, (6) ESG (environmental, social, and governance perspectives) and sustainability, and (7) Global.

Overview of skills required for Directors

(1) Corporate management and management strategy	Experience of corporate management strategy formulation and decision-making
(2) Financial affairs and accounting	Advanced expertise in finance strategy, capital policy, and accounting
(3) Risk management, legal, and compliance	Operational experience relating to risk management, legal affairs, and compliance
(4) Technology and R&D	Experience in the planning, management, and promotion of technology strategy and R&D
(5) Human resources management	Experience and expertise in human capital management, human resources development, organizational development, evaluation, and remuneration management
(6) ESG (environmental, social, and governance perspectives) and sustainability	Experience and expertise concerning all facets of sustainability, including environmental, social, and governance measures
(7) Global	Experience in overseas business and international corporate management

If Proposal 2 “Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)” and Proposal 3 “Election of Six (6) Directors who are Audit and Supervisory Committee Members” are approved as proposed, the skill matrix of Directors will be as follows.

		Name / Attribute		Gender	Expertise and Experience (Skill Matrix)						
					Corporate management and management strategy	Finance affairs and accounting	Risk management, legal, and compliance	Technology and R&D	Human resources management	ESG (environmental, social, and governance perspectives) and sustainability	Global
Directors (Excluding Directors who are Audit and Supervisory Committee Members)	Internal	Yoshihiro Senzai		Male	●		●	●	●	●	●
		Yu Karato		Male	●	●	●			●	
		Hiroyuki Takahashi		Male	●				●		●
		Hirotaka Shiraiwa		Male		●				●	
	Outside	Yuko Haga	Independent	Female	●				●	●	●
		Rochelle Kopp	Independent	Female	●				●	●	●
		Mikihiko Kato	Independent	Male	●	●	●		●	●	●
		Mitsutoshi Matsushita	Independent	Male			●			●	
		Shinichi Kawasaki	Independent	Male	●			●	●	●	
Directors who are Audit and Supervisory Committee Members	Internal	Seiji Mori	Standing	Male	●	●					
		Yasuaki Yoshida	Standing	Male	●	●	●		●	●	
	Outside	Masashi Mikoshiba	Independent Standing	Male		●	●			●	●
		Atsushi Iwasaki	Independent	Male		●	●			●	
		Tateshi Higuchi	Independent	Male			●		●		●
		Maoko Kikuchi	Independent	Female	●		●		●	●	●

[Reference] Criteria for Independence of Outside Officers

The Company deems an outside director (hereinafter referred to as “outside officer”) or a candidate for outside officer to have sufficient independence against the Company, if none of the following attributes applies.

(1) A person who is a business executive[* 1] of the Company and its subsidiaries (hereinafter collectively referred to as “the Group”) or a person who was a business executive of the Group within the last 10 years
(2) A person who was a non-executive director or corporate auditor of the Group within the last 10 years and also served as an executive of the Group within 10 years prior to his/her appointment as the aforementioned non-executive post
(3) A person to whom the Group is a major business partner[* 2], or a business executive of that person
(4) A person who is a major business partner of the Group[* 3], or its business executive
(5) A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total number of voting rights. The same applies hereinafter.), or its business executive
(6) A business executive of a person for which the Group is a major shareholder
(7) A person who belongs to an auditing firm that is the accounting auditor of the Group
(8) A legal professional, certified public accountant, tax accountant, consultant, etc. who receives a large amount of money[* 4] or any other financial benefits from the Group other than executive remuneration (If the person receiving such financial benefits is an organization, such as corporation or association, a person who belongs to such organization.)
(9) A person who receives a large amount[* 4] of donation or grant from the Group, or a business executive of that person
(10) When a business executive of the Group serves as an outside director or outside corporate auditor of another company, the business executive of that company or its parent company or subsidiary
(11) A person who has fallen under any of the above (3) through (10) in the last three years
(12) A spouse or a relative within the second degree of kinship of a person who falls under any of the above (1) through (11) and is an important business executive[* 5]

Please note that, even in cases where none of the above attributes apply, an outside officer may not be designated as an independent officer if there is sufficient ground for judging that he/she cannot fulfill his/her responsibilities as an independent officer.

* 1 A business executive refers to an executive director, operating officer, executive officer, executive member, administration officer, or any other person who executes the business of a person equivalent to these officers and employees.
* 2 A person to whom the Group is a major business partner refers to a person who has received 2% or more of its annual consolidated net sales from the Group in any of the last three fiscal years.
* 3 A person who is a major business partner of the Group refers to a person who has paid 2% or more of its annual consolidated net sales to the Group in any of the last three fiscal years, or a person who has provided the Group a loan worth 2% or more of the Company’s consolidated total assets as of the end of the most recent fiscal year.
* 4 A “large amount” refers to an average amount of at least ¥10 million per year over the last three fiscal years for an individual, or in the case of an organization, such as corporation or association, an amount equivalent to 2% of the consolidated net sales or gross income of that organization or ¥10 million per year, whichever is higher.
* 5 An “important business executive” refers to a business executive who executes important business such as executive director, operating officer, executive officer, and department head.
Note: “Fiscal year” above shall be read as the year for which income tax is calculated in the case of individuals.

Proposal 4: Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The amount of remuneration, etc. for the Company's Directors was approved at the 22nd Annual General Meeting of Shareholders held on June 28, 2022, at 1,130 million yen or less per annum (including 80 million yen or less for Outside Directors; however, this does not include the salary portion for Directors concurrently serving as employees). However, if Proposal 1, "Partial Amendments to the Articles of Incorporation," is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, taking into consideration the number of Directors and the composition ratio of Outside Directors on the Board of Directors and various other circumstances, the Company requests approval to newly set the amount of remuneration, etc. for Directors following the transition to a Company with an Audit and Supervisory Committee (excluding Directors who are Audit and Supervisory Committee Members; the same applies in this proposal) at not more than 700 million yen per year (including 160 million yen or less for Outside Directors).

An outline of the policy for determining the details of remuneration, etc. for each individual Director of the Company is as stated in (4) Amounts of Remuneration, etc. for Directors and Corporate Auditors for the Fiscal Year Under Review on page 18 of the Business Report for the 26th term. If this proposal is approved, at the meeting of the Board of Directors to be held after the conclusion of this General Meeting of Shareholders, the Company plans to amend the policy so that references to "Directors" are changed to "Directors (excluding Directors who are Audit and Supervisory Committee Members)," but there will be no substantive change.

The amount of remuneration, etc. pertaining to this proposal is the upper limit of fixed remuneration and performance-linked remuneration based on the policy after such amendment, and the Company has judged it to be reasonable. The details of this proposal were determined by the Board of Directors after deliberation and recommendation by the Nomination and Compensation Committee. In addition, the specific payment timing and allocation to each Director shall be determined by the Board of Directors after deliberation and recommendation by the Nomination and Compensation Committee. Please note that the amount of this remuneration, etc. shall, as before, not include the salary portion for employees concurrently serving as Directors.

The Company currently has 8 Directors (including 5 Outside Directors). If Proposal 1, "Partial Amendments to the Articles of Incorporation," and Proposal 2, "Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)," are approved as proposed, the number of Directors will be 9 (including 5 Outside Directors).

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation," become effective.

Proposal 5: Determination of Remuneration for the Allotment of Restricted Stock to Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

At the 19th Annual General Meeting of Shareholders held on June 26, 2019, it was resolved to set the total amount of monetary remuneration claims paid to the Company's Directors (excluding Outside Directors) as remuneration related to restricted stock, separate from the current amounts for Directors' remuneration, at 100 million yen or less per annum and the maximum number of shares subject to transfer restrictions to be allocated in each fiscal year at 125,000 shares. This arrangement remains in effect to the present. However, if Proposal 1, "Partial Amendments to the Articles of Incorporation," is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company requests approval to re-establish the remuneration framework for the current restricted stock compensation plan as a stock compensation plan (hereinafter the "Plan") for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter "Eligible Directors").

This proposal is intended to provide an incentive for Eligible Directors to achieve the sustainable enhancement of the Company's corporate value and to further promote shared value with shareholders. The remuneration framework under the Plan, as with the remuneration framework under the current restricted stock compensation plan, is to be established separately from the remuneration framework for which approval is sought under Proposal 4, "Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)."

Pursuant to this proposal, the remuneration to be paid to Eligible Directors for the allocation of restricted stock shall be monetary remuneration claims, and the total amount thereof shall be determined as an amount deemed appropriate after comprehensively considering factors such as the number of Eligible Directors and the proportion of restricted stock remuneration within the total remuneration, and shall be 150 million yen or less per annum. The details of this proposal were determined by the Board of Directors after deliberation and recommendation by the Nomination and Compensation Committee. The specific allocation to each Eligible Director shall be determined by the Board of Directors after deliberation and recommendation by the Nomination and Compensation Committee.

At present, the number of Eligible Directors under the Plan is 3. However, if Proposal 1, "Partial Amendments to the Articles of Incorporation," and Proposal 2, "Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)," are approved as proposed, the number of Eligible Directors under the Plan will be 4.

In addition, based on a resolution of the Board of Directors of the Company, the Eligible Directors shall make an in-kind contribution to the Company of all of the monetary remuneration claims paid pursuant to this proposal, and shall receive the issuance or disposal of the Company's common stock. The total number of shares of the Company's common stock to be issued or disposed of in this manner shall be 125,000 shares or less per annum (provided, however, that if, on or after the date on which this proposal is approved, a stock split of the Company's common stock (including a gratis allotment of the Company's common stock) or a reverse stock split is carried out, or any other event requiring adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted stock occurs, such total number shall be adjusted within a reasonable range). The amount to be paid in per share shall be determined by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or, if no trading is effected on that date, the closing price on the most recent trading day preceding that date), within a range that is not especially advantageous to the Eligible Directors. Furthermore, upon the issuance or disposal of the Company's common stock in this manner, the Company and the Eligible Directors shall enter into a restricted stock allocation agreement including the following provisions.

Contents of the Restricted Stock Allocation Agreement

Upon the allocation of restricted stock, the restricted stock allocation agreement to be entered into, based on a resolution of the Board of Directors of the Company, between the Company and a Director who receives an allocation of restricted stock shall include the following provisions.

(1) Details of the Transfer Restrictions

For a period of 30 years (hereinafter, the "Transfer Restriction Period"), a Director who has received an allocation of restricted stock may not transfer, pledge, assign as mortgage, provide as an inter vivos gift, bequeath, or otherwise dispose of (hereinafter, the "Transfer Restrictions") the restricted stock allocated to the Director (hereinafter, the "Allocated Stock") to a third party.

(2) Acquisition of Restricted Stock without Compensation
If a Director who has received an allocation of restricted stock resigns as a Director of the Company during the period from the commencement date of the Transfer Restriction Period through the day preceding the date of the first Annual General Meeting of Shareholders of the Company to be held after that date, the Company shall rightfully acquire the Allocated Stock without compensation, unless there are reasons deemed legitimate by the Board of Directors of the Company. In addition, if, at the time the Transfer Restriction Period in (1) above expires, there is any Allocated Stock for which the Transfer Restrictions have not been removed pursuant to the provisions regarding the grounds for removal of the Transfer Restrictions in (3) below, the Company shall rightfully acquire such Allocated Stock without compensation.

(3) Removal of the Transfer Restrictions
On the condition that a Director who has received an allocation of restricted stock has continuously served as a Director of the Company from the commencement date of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company to be held after that date, the Company shall, at the expiration of the Transfer Restriction Period, remove the Transfer Restrictions from all of the Allocated Stock.
However, if such Director resigns as a Director of the Company before the expiration of the Transfer Restriction Period for reasons deemed legitimate by the Board of Directors of the Company, the number of Allocated Stock for which the Transfer Restrictions are to be removed and the timing of such removal shall be reasonably adjusted as necessary.

(4) Treatment in the Event of Organizational Restructuring, etc.
If, during the Transfer Restriction Period, a proposal concerning a merger agreement whereby the Company will cease to exist, a share exchange agreement or share transfer plan whereby the Company will become a wholly owned subsidiary of another party, or any other organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such organizational restructuring, etc. does not require approval at the General Meeting of Shareholders of the Company), the Company shall, based on a resolution of the Board of Directors of the Company, remove the Transfer Restrictions, prior to the effective date of such organizational restructuring, etc., from a number of Allocated Stock reasonably determined in consideration of the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc.
In such case, immediately after the Transfer Restrictions are removed pursuant to the provisions above, the Company shall rightfully acquire, without compensation, any Allocated Stock for which the Transfer Restrictions have not been removed.

Furthermore, an outline of the policy for determining the details of remuneration, etc. for each individual Director of the Company is as stated in (4) Amounts of Remuneration, etc. for Directors and Corporate Auditors for the Fiscal Year Under Review on page 18 of the Business Report for the 26th term. At a Board of Directors meeting to be held following the conclusion of this General Meeting of Shareholders, we plan to amend the portions referring to “Directors” to read “Directors (excluding Directors who are Audit and Supervisory Committee Members),” though this will not result in any substantive change.
This proposal was approved by the Board of Directors after deliberation and recommendation by the Nomination and Compensation Committee in light of these factors, and the Company has therefore determined that its contents are appropriate.
This proposal shall become effective subject to the amendments to the Articles of Incorporation under Proposal 1, “Partial Amendments to the Articles of Incorporation,” taking effect.

Proposal 6: Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

At the 25th Annual General Meeting of Shareholders held on June 26, 2025, it was resolved to set the total amount of remuneration paid to the Company's Corporate Auditors at 120 million yen or less per annum. This arrangement remains in effect to the present. If Proposal 1, "Partial Amendments to the Articles of Incorporation," is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, in consideration of various circumstances including recent economic conditions, the Company requests your approval for the amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members after the transition to a Company with an Audit and Supervisory Committee to be 250 million yen or less per annum.

The Company has determined that the amount of remuneration, etc. pertaining to this proposal is reasonable in light of the duties and responsibilities of Directors who are Audit and Supervisory Committee Members.

If Proposal 1, "Partial Amendments to the Articles of Incorporation," and Proposal 3, "Election of Six (6) Directors who are Audit and Supervisory Committee Members," are approved as proposed, the number of Directors who are Audit and Supervisory Committee Members (including 4 Outside Directors) will be 6.

This proposal shall become effective subject to the amendments to the Articles of Incorporation under Proposal 1, "Partial Amendments to the Articles of Incorporation," taking effect.