Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 6140)
June 6, 2025
(Date of commencement of electronic provision measures: May 30, 2025)

To Shareholders with Voting Rights:

Kazuki Kataoka
President and Representative Director
Asahi Diamond Industrial Co., Ltd.
4-1, Kioi-cho, Chiyoda-ku, Tokyo

NOTICE OF
THE 106th ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

We are pleased to inform you that the 106th Annual General Meeting of Shareholders of Asahi Diamond Industrial Co., Ltd. (the "Company") will be held for the purposes as described below.

In convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the "electronic provision measures") and has posted matters subject to the electronic provision measures on the following Company website as the "NOTICE OF THE 106th ANNUAL GENERAL MEETING OF SHAREHOLDERS" and "Other matters of the 106th annual general meeting of shareholders subject to the electronic provision measures (matters excluded from paper-based documents delivered)."

The Company website:
https://www.asahidia.co.jp/eng/ir/

In addition to the website shown above, the Company has posted this information on the website shown below.

The Tokyo Stock Exchange (TSE) website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
To view the information, please access the TSE website (Listed Company Search) above, enter the issue name (company name) or stock exchange code, and click on "Search." Next select "Basic information" and "Documents for public inspection/PR information" and refer to "Notice of General Shareholders Meeting / Information Materials for a General Shareholders Meeting."

The Portal of Shareholders' Meeting® (Sumitomo Mitsui Trust Bank, Limited)
https://www.soukai-portal.net
Read the QR code on the enclosed Voting Rights Exercise Form, or enter the login ID and password.

If you are unable to attend the meeting, we encourage you to exercise your voting rights in advance in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders contained in the matters subject to the electronic provision measures, and exercise your voting rights by 5:30 p.m. on Wednesday, June 25, 2025, Japan time.

1. **Date and Time:** Thursday, June 26, 2025 at 10:00 a.m. Japan time (Reception desk opens at 9:00 a.m.)
2. **Place:** Conference room Orizuru Rei, The Main Bldg. Arcade Floor, Hotel New Otani at 4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan
3. **Meeting Agenda:**

Matters to be reported: The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company's 106th Fiscal Year (April 1, 2024–March 31, 2025) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Nine (9) Directors

◎ Pursuant to laws and regulations as well as Article 19 of the Articles of Incorporation of the Company, the documents mailed to shareholders who made a request for delivery of paper-based documents do not contain the Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements related to the Consolidated Financial Statements, and the Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements related to the Non-consolidated Financial Statements. Please note that the Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements related to the Consolidated Financial Statements, and the Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements related to the Non-consolidated Financial Statements have been audited by the Accounting Auditor and Audit & Supervisory Board Members as part of the Consolidated Financial Statements and the Non-consolidated Financial Statements when preparing the Independent Auditor's Report and the Audit Report, respectively.

◎ If any amendments are made to the matters subject to the electronic provision measures, such amendments will be posted on the respective websites where these matters are posted.

◎ Any significant changes to the operation of the General Meeting of Shareholders will be posted on the Company's website (https://www.asahidia.co.jp/eng/).

◎ The respective websites stated above may be temporarily inaccessible due to scheduled maintenance or other reasons. If you are unable to view the website, please access other websites or try again later.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

The Company intends to achieve future business development and improve corporate value by aiming to increase capital efficiency while securing financial stability.

The Company pays dividends pursuant to its dividend policy with the focus on distributing profits according to consolidated performance and maintaining a stable dividend.

The Company proposes a year-end dividend of ¥15 per share, comprehensively taking into account its performance, financial situation, and other factors for the fiscal year under review.

As a result, the annual dividends for the year, including the interim dividend of ¥15, will amount to ¥30 per share.

1. Type of dividend property
   Cash
2. Allocation of dividend property to shareholders and total amount thereof
   ¥15 per share of common stock of the Company
   Total amount of dividends: ¥774,605,985
3. Effective date of dividends from surplus
   June 27, 2025

Proposal 2: Election of Nine (9) Directors

The term of office of a Director of the Company is stipulated to be one (1) year. The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes the election of nine (9) Directors (of whom three (3) are External Directors).

Meanwhile, the Company intends to further revitalize the Board of Directors by nominating more than one female candidates for Director.

The candidates for Director are as below.

The Company has nominated the candidates after consulting with the Nomination and Remuneration Advisory Committee and receiving a report from said Committee.

No.		Name (gender)	Current positions and responsibilities	Attendance at Board of Directors' meetings	Attendance at Nomination and Remuneration Advisory Committee meetings
1	Reelection	Kazuki Kataoka (male)	President and Representative Director	9/9	10/10
2	Reelection	Tomohiko Hara (male)	Representative Managing Director; Production Director and Mie Factory General Manager	9/9	—
3	Reelection	Toshimasa Hagiwara (male)	Director; Marketing Division Director and East Japan Regional General Manager	9/9	—
4	Reelection	Hideo Abe (male)	Director; Engineering Director and Chiba Factory General Manager	9/9	—
5	Reelection	Junichi Matsuda (male)	Director; International Division Director and Management Strategy Division Director	9/9	—
6	New Election	Hiroaki Kawai (male)	Executive Officer; Marketing Division and Central Japan Regional General Manager and Nagoya Branch General Manager	—	—
7	Reelection External Director Independent Director	Osamu Koyama (male)	Director; (External Director)	9/9	10/10
8	Reelection External Director Independent Director	Yuko Ichikawa (female)	Director; (External Director)	9/9	10/10
9	Reelection External Director Independent Director	Eriko Kawajiri (female)	Director; (External Director)	9/9	10/10

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Kazuki Kataoka
(March 5, 1952)

Reelection

No. of years served as Director: 17 years

Attendance at Board of Directors' meetings: 9/9

Attendance at Nomination and Remuneration Advisory Committee meetings: 10/10</td><td>April 1976 Joined the Company
July 2005 General Manager, Engineering Department, Marketing Division
June 2008 Director; Marketing Division Deputy Director
June 2011 Managing Director; Business Planning Division Director and Marketing Division Deputy Director
June 2013 Representative Executive Managing Director; Marketing Division Director
June 2015 President and Representative Director (present)
July 2019 Nomination and Remuneration Advisory Committee Member (present)
[Significant concurrent position]
President, Industrial Diamond Association of Japan</td><td>184,067</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuki Kataoka was involved in marketing, management strategy, R&D, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As the President and Representative Director since June 2015, Mr. Kataoka has been responsible for the Company's management and has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Tomohiko Hara
(January 10, 1958)

Reelection

No. of years served as Director: 6 years

Attendance at Board of Directors' meetings: 9/9</td><td>April 1980 Joined the Company
July 2010 General Manager, Manufacturing Department No. 2, Tamagawa Factory
February 2013 International Department General Manager (temporarily transferred to P.T. Asahi Diamond Industrial Indonesia)
June 2013 Executive Officer; President, P.T. Asahi Diamond Industrial Indonesia
July 2017 Executive Officer; International Division; Chief Officer for Regional Operations (ASEAN and Australia)
(President, P.T. Asahi Diamond Industrial Indonesia)
June 2019 Director; Mie Factory General Manager
June 2021 Director; Production Director and Mie Factory General Manager
June 2022 Representative Managing Director; Production Director and Mie Factory General Manager (present)</td><td>45,576</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Tomohiko Hara was involved in production and engineering, etc., and served as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Representative Managing Director of the Company since June 2022, Mr. Hara has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Toshimasa Hagiwara
(November 10, 1959)

Reelection

No. of years served as Director: 11 years

Attendance at Board of Directors' meetings: 9/9</td><td>April 1982
December 2004
June 2009
June 2014
April 2015

July 2017

November 2019

January 2021

June 2021

June 2022</td><td>Joined the Company
Nagoya Branch Deputy General Manager
Executive Officer; Nagoya Branch General Manager
Director; Nagoya Branch General Manager
Director; Representative of China Division
(President, Shanghai Xu Hui Diamond Industrial Co., Ltd.)
Director; International Division; Chief Officer for Regional Operations (China and Taiwan)
(President, Shanghai Xu Hui Diamond Industrial Co., Ltd.)
Director; Global Business Management Division; Chief Officer for Regional Operations (China and Taiwan)
(President, Shanghai Xu Hui Diamond Industrial Co., Ltd.)
Director;
(President, Shanghai Xu Hui Diamond Industrial Co., Ltd.)
Director; Marketing Division Deputy Director and East Japan Regional General Manager
Director; Marketing Division Director and East Japan Regional General Manager (present)</td><td>55,552</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Toshimasa Hagiwara was involved in marketing and served as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2014, Mr. Hagiwara has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">4</td><td>Hideo Abe
(July 15, 1957)

Reelection

No. of years served as Director: 6 years

Attendance at Board of Directors' meetings: 9/9</td><td>April 1980
July 2010

June 2013
June 2019
January 2021

June 2021</td><td>Joined the Company
General Manager, Manufacturing Department No. 1, Tamagawa Factory
Executive Officer; Tamagawa Factory General Manager
Director; Tamagawa Factory General Manager
Director; Tamagawa Factory General Manager; Engineering and Development Center Director
Director; Engineering Director and Chiba Factory General Manager (present)</td><td>29,492</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Hideo Abe was involved in production and engineering, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2019, Mr. Abe has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td>Junichi Matsuda
(April 11, 1961)

Reelection

No. of years served as Director: 3 years

Attendance at Board of Directors' meetings: 9/9</td><td>April 1986
July 2009
June 2013

June 2015
October 2018

November 2019
January 2021

June 2022

June 2024</td><td>Joined the Company
Research and Development Center Director
Executive Officer; Research and Development Center Director
Executive Officer; Business Planning Division Director
Executive Officer; Management Strategy Division Director and International Department General Manager
Executive Officer; Management Strategy Division Director
Executive Officer; Management Strategy Division Director and Group Companies Management Division Overseas Dept. Director
Director; Group Companies Management Division Director and International Department General Manager
Director; International Division Director and Management Strategy Division Director (present)</td><td>18,166</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Junichi Matsuda was involved in R&D, management strategy, overseas business, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2022, Mr. Matsuda has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">6</td><td>Hiroaki Kawai
(July 31, 1967)

New Election</td><td>April 1990
July 2016
July 2019
June 2021</td><td>Joined the Company
Atsugi Sales Office Deputy General Manager
General Manager, Tokyo Sales Department
Executive Officer; Marketing Division, Central Japan Regional General Manager and Nagoya Branch General Manager (present)</td><td>6,424</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Hiroaki Kawai was involved in marketing. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As an Executive Officer of the Company since June 2021, Mr. Kawai has been performing his duties appropriately. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have newly nominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="4">7</td><td>Osamu Koyama
(August 8, 1948)

Reelection
External Director
Independent Director

No. of years served as Director: 11 years

Attendance at Board of Directors' meetings: 9/9

Attendance at Nomination and Remuneration Advisory Committee meetings: 10/10</td><td>April 2005

April 2009

January 2013
June 2014
April 2017
July 2019</td><td>Executive Officer, Mitsui & Co., Ltd. and Executive Vice President, Mitsui & Co. (U.S.A.), Inc.
Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute (retired from these two companies in March 2012)
Director, Keimei Gakuen (retired in March 2022)
Director of the Company (External Director) (present)
Auditor, International University of Japan (present)
Member of Nomination and Remuneration Advisory Committee of the Company (present)</td><td>0</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for External Director and expected roles]
Having served as Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute, Mr. Osamu Koyama has great experience and profound insight as a manager and is expected to fulfill the role and responsibilities of an External Director, including management oversight and provision of advice on overall management. Thus, the Company judges that he satisfies the "Criteria for Appointing Directors" and the "Criteria for Appointing External Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated him as a candidate for External Director.</td></tr>
<tr><td colspan="4">[Matters concerning independence]
Mr. Osamu Koyama has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Koyama and the Company other than Director remuneration.
Mr. Koyama is a former Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute, but has been retired from these positions for 13 years. The Company and the Mitsui & Co. Group have no cross-shareholding. The Company has transactions for the procurement of raw materials, but the transaction volume is less than 0.01% of the consolidated net sales of Mitsui & Co., Ltd.
Mr. Koyama previously served as a Director of Keimei Gakuen and currently serves as an Auditor of the International University of Japan. However, no special interest exists between these educational corporations and the Company.
Therefore, Mr. Koyama satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 12) and is judged to be independent.</td></tr>
<tr><td colspan="4">[Liability limitation agreement]
The Company has entered into an agreement with Mr. Osamu Koyama to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If his reelection is approved, the Company intends to renew the liability limitation agreement with him.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="4">8</td><td rowspan="2">Yuko Ichikawa
(December 26, 1970)

Reelection
External Director
Independent Director

No. of years served as Director: 4 years

Attendance at Board of Directors' meetings: 9/9

Attendance at Nomination and Remuneration Advisory Committee meetings: 10/10</td><td>June 2016

March 2018
May 2019

June 2019
March 2020

October 2020

June 2021

June 2024</td><td>General Manager, Investor Relations Department, Rakuten, Inc. (current Rakuten Group, Inc.) (left the company in June 2017)
Outside Director, Allied Architects, Inc.
Founded Market River Corporation; Representative Director, Market River Corporation (present)
Outside Director, Stroly, Inc. (present)
Outside Director (Audit & Supervisory Board Member), Allied Architects, Inc. (retired in March 2022)
Outside Director (Audit and Supervisory Committee Member), Kurashicom Inc. (present)
Outside Corporate Auditor, Yourmy Star Inc. (present)
Director of the Company (External Director) (present)
Member of Nomination and Remuneration Advisory Committee of the Company (present)
Outside Director, WILL GROUP, INC. (present)</td><td rowspan="2">0</td></tr>
<tr><td colspan="2">[Significant concurrent positions]
Outside Director (Audit and Supervisory Committee Member), Kurashicom Inc.
Outside Director, WILL GROUP, INC.</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for External Director and expected roles]
Ms. Yuko Ichikawa, as General Manager of the Investor Relations Department at Rakuten, Inc., established an IR team and prepared for the listing on the first section of the Tokyo Stock Exchange. She also has experience of having served as a member of the Study Group on Long-term Investment (Investment evaluating ESG Factors and Intangible Assets) toward Sustainable Growth (Ito Report 2.0) of the Ministry of Economy, Trade and Industry, and thus she has extensive knowledge about investor relations and corporate governance. She is expected to fulfill the role and responsibilities expected of an External Director, including management oversight and provision of advice on overall management. The Company judges that she satisfies the "Criteria for Appointing Directors" and "Criteria for Appointing External Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated her as a candidate for External Director.</td></tr>
<tr><td colspan="4">[Matters concerning independence]
Ms. Yuko Ichikawa has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Ms. Ichikawa and the Company other than Director remuneration.
Ms. Ichikawa previously served as General Manager of the Investor Relations Department at Rakuten, Inc. and Outside Director (Audit & Supervisory Board Member) of Allied Architects, Inc., and currently serves as Representative Director of Market River Corporation, Outside Director of Stroly, Inc., Outside Director (Audit and Supervisory Committee Member) of Kurashicom Inc., Outside Corporate Auditor of Yourmy Star Inc., and Outside Director of WILL GROUP, INC. However, no special interest exists between these companies and the Company.
Therefore, Ms. Ichikawa satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 12) of the Company and is judged to be independent.</td></tr>
<tr><td colspan="4">[Liability limitation agreement]
The Company has entered into an agreement with Ms. Yuko Ichikawa to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act so that she can fulfill her expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If her reelection is approved, the Company intends to renew the liability limitation agreement with her.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="4">9</td><td>Eriko Kawajiri
(August 18, 1975)

Reelection
External Director
Independent Director

No. of years served as Director: 2 years

Attendance at Board of Directors' meetings: 9/9

Attendance at Nomination and Remuneration Advisory Committee meetings: 10/10</td><td>October 2003 Assistant Judge, Tokyo District Court
April 2008 Public Prosecutor
July 2011 Assistant Judge, Tokyo District Court; Judge, Tokyo Summary Court
April 2012 Assistant Judge, Morioka District/Family Court; Chief of Branch, Miyako Branch of Morioka District/Family Court; Judge, Morioka Summary Court
October 2013 Judge, Morioka District/Family Court; Chief of Branch, Miyako Branch of Morioka District/Family Court; Judge, Morioka Summary Court
May 2015 Registered as Lawyer and joined HARRO Law Office (present)
July 2019 External Director, GiG Works AddValue Inc. (present)
June 2020 External Director, HCS HOLDINGS CO., LTD. (current Hibiya Computer System Co., Ltd.) (retired in December 2023)
June 2023 Outside Director, RASA CORPORATION (present)
Director of the Company (External Director) (present)
Member of Nomination and Remuneration Advisory Committee of the Company (present)
April 2024 External Director, Kyutech ARISE Co., Ltd. (present)
[Significant concurrent position]
Outside Director, RASA CORPORATION</td><td>0</td></tr>
<tr><td colspan="2">[Reasons for nomination as a candidate for External Director and expected roles]
Ms. Eriko Kawajiri has experience as a judge and an external director of other companies, as well as high-level legal expertise as a lawyer, and is expected to fulfill the role and responsibilities of an External Director including management oversight and provision of advice on overall management. Thus, the Company judges that she satisfies the "Criteria for Appointing Directors" and "Criteria for Appointing External Directors" (see page 11) and is a suitable person to serve as a Director of the Company. We, therefore, have renominated her as a candidate for External Director.</td></tr>
<tr><td colspan="2">[Matters concerning independence]
Ms. Eriko Kawajiri has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Ms. Kawajiri and the Company other than Director remuneration.
Ms. Kawajiri served as External Director of HCS HOLDINGS CO., LTD., and currently serves as a lawyer of HARRO Law Office, External Director of GiG Works AddValue Inc., Outside Director of RASA CORPORATION, and External Director of Kyutech ARISE Co., Ltd. However, no special interest exists between these five organizations and the Company.
Therefore, Ms. Kawajiri satisfies the "Independence Criteria for External Directors and External Audit & Supervisory Board Members" (see page 12) of the Company and is judged to be independent.</td></tr>
<tr><td colspan="2">[Liability limitation agreement]
The Company has entered into an agreement with Ms. Eriko Kawajiri to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act so that she can fulfill her expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If her reelection is approved, the Company intends to renew the liability limitation agreement with her.</td></tr>
</table>

(Note)

1. No special interest exists between each candidate for Director and the Company.
2. Mr. Osamu Koyama and Mses. Yuko Ichikawa and Eriko Kawajiri are candidates for External Director, and the Company has designated them as independent directors/auditors prescribed by Tokyo Stock Exchange, Inc.
3. The Company has entered into a directors and officers liability insurance agreement as prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damage that may arise as a result of the insured assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, there are exemptions, such as no compensation to be paid for any damage caused intentionally or by gross negligence. The insurance premiums are borne in their entirety by the Company. At the time of renewal, the Company intends to renew the insurance agreement through the resolution of the Board of Directors. If these candidates become Directors, they will be insured under this insurance agreement.
4. The number of years served as a Director is the number of years that will have been served at the conclusion of this Annual General Meeting of Shareholders.
5. The number of shares of the Company held by each candidate for Director is the number held as of March 31, 2025, and includes the number of shares held through the Executive Shareholding Association.

(Reference)

Policies and Procedures for Nominating Candidates for Director and Audit & Supervisory Board Member

The Company has established the "Nomination and Remuneration Advisory Committee" as a voluntary advisory body to the Board of Directors on July 31, 2019 in order to ensure transparency and objectivity in the procedures concerning the nominations and remuneration, as well as to further enhance the corporate governance system.

The Nomination and Remuneration Advisory Committee consists of three or more Directors appointed by the Board of Directors, and the majority of them are independent External Directors. The chairman is appointed from the committee members who are independent External Directors through the resolution of the "Nomination and Remuneration Advisory Committee."

This committee deliberates on matters concerning nominations and remuneration in response to requests from the Board of Directors, submit reports to the Board of Directors, and has set the "Criteria for Appointing and Dismissing Directors and Audit & Supervisory Board Members."

The committee attaches the greatest importance to the independence in the election of External Directors and External Audit & Supervisory Board Members, and has set forth its own "Independence Criteria" as follows.

Criteria for Appointing and Dismissing Directors

1. Criteria for Appointing Directors
   1) There is no significant impediment to the execution of duties as a Director, including mental and physical health.
   2) There is no violation of laws and regulations, the Articles of Incorporations, etc.
   3) A person who possesses knowledge, capabilities, ethical standards required as a Director.
   4) A person who has experience required for a Director and maintain a high level of foresight.
   5) A person who can contribute to improvement in the Company's business performance and corporate value through the creation of a management plan, execution of duties in the area under their supervision or the division in charge.
2. Criteria for Appointing External Directors
   1) A person who satisfies the independence criteria stipulated by the Company.
   2) A person who can provide fair and highly transparent advice and recommendations for decision-making by the Board of Directors from an independent and objective standpoint.
   3) A person who can supervise the Company's management through the appointment and dismissal of management executives as well as other important decision-making by the Board of Directors from an independent and objective standpoint.
   4) A person who can oversee conflicts of interests among the Company, management executives, and controlling shareholders from an independent and objective standpoint.
   5) A person who can reflect opinions of stakeholders including non-controlling shareholders to the Board of Directors from an independent and objective standpoint.
3. Criteria for Dismissing Directors
   1) In the case where the Director has committed an act that offends against public order and decency
   2) In the case where the Director has violated laws and regulations, the Articles of Incorporation or any other rules of the Group, causing significant losses or business interruption to the Group
   3) In the case where the Director has significant difficulties in performing duties

Criteria for Appointing and Dismissing Audit & Supervisory Board Members

1. Criteria for Appointing Audit & Supervisory Board Members
   1) There is no significant impediment to the execution of duties as an Audit & Supervisory Board Member, including mental and physical health.
   2) There is no violation of laws and regulations, the Articles of Incorporations, etc.
   3) A person who possesses knowledge, capabilities, ethical standards required as an Audit & Supervisory Board Member.
   4) At least one Audit & Supervisory Board Member in the Audit & Supervisory Board must possess extensive knowledge about finance and accounting.
2. Criteria for Appointing External Audit & Supervisory Board Members
   1) A person who satisfies the independence criteria stipulated by the Company.
   2) A person who can audit and make recommendations on reasonableness and appropriateness of the Board of Directors from an independent and objective standpoint.
3. Criteria for Dismissing Audit & Supervisory Board Members
   1) In the case where the Audit & Supervisory Board Member has committed an act that offends against public order and decency
   2) In the case where the Audit & Supervisory Board Member has violated laws and regulations, the Articles of Incorporation or any other rules of the Group, causing significant losses or business interruption to the Group
   3) In the case where the Audit & Supervisory Board Member has significant difficulties in performing duties

Independence Criteria for External Directors and External Audit & Supervisory Board Members

If none of the following attributes applies to an External Director or External Audit & Supervisory Board Member, the Company judges that such person is independent from the Company.

(1) A person affiliated with a major shareholder that substantially holds 10% or more of the voting rights of the Company
(2) A person affiliated with an entity that substantially holds 10% or more of the voting rights of the Company
(3) A person affiliated with a business partner whose purchases from the Company accounted for 3% or more of the Company's consolidated net sales for the previous year
(4) A person affiliated with a business partner whose annual sales to the Company accounted for 3% or more of the business partner's consolidated net sales for the previous year
(5) A person affiliated with a financial institution that is indispensable for the Company's financing and on whom the Company is dependent to the extent that it is irreplaceable
(6) A consultant, an accounting professional or a legal professional who received money or other assets amounting to 10 million yen or more from the Company in the previous year other than the Director's or Audit & Supervisory Board Member's remuneration (If the person receiving money, etc. is an organization such as a legal entity, a person affiliated with such organization)
(7) A person affiliated with a legal entity that received donations amounting to 10 million yen or more from the Company in the previous year
(8) A person to whom any of (1) to (7) above applied in the past three years
(9) The spouse or relative in the second degree of kinship of a person to whom any of (1) to (8) above apply

Skills Matrix of the Expertise and Experience of the Directors and Audit & Supervisory Board Members, Subject to Approval of Proposal 2

Name		Major Expertise and Experience of Directors and Audit & Supervisory Board Members							
		Management & strategy	Production & engineering	Research & development	Sales & marketing	Global	Finance & accounting	Legal & risk management	ESG
Director;	Kazuki Kataoka	○		○	○				○
	Tomohiko Hara	○	○	○		○			○
	Toshimasa Hagiwara	○			○	○			
	Hideo Abe		○	○					○
	Junichi Matsuda			○		○		○	○
	Hiroaki Kawai				○				
	Osamu Koyama	○			○	○			
	Yuko Ichikawa	○					○		○
	Eriko Kawajiri							○	
Audit & Supervisory Board Member	Takemi Matsuzaki						○	○	○
	Yukio Otaka				○	○	○	○	
	Masahito Kawashima	○				○	○	○	

(Note)
Representative skills of each Director or Audit & Supervisory Board Member are shown, and not all knowledge and experience are listed.

Skill Items	Reasons for selection
Management & strategy	We believe it is important to have the skills to respond to changes in the business environment and build management strategies to improve corporate value.
Production & engineering	In light of our management philosophy of “Manufacturing excitement through innovation,” we believe that skills for evolving manufacturing are critical.
Research & development	We believe that the skills to “make the impossible possible” by creating advanced technologies and solutions are crucial.
Sales & marketing	We believe that meeting our clients’ expectations and being the most reliable company, as well as the ability to predict and understand market trends, are critical skills.
Global	We believe that the skills to understand different values and cultures and apply that insight to management are critical for global business development.
Finance & accounting	We believe that the skills to increase capital efficiency while maintaining financial stability are critical for developing future business and improving corporate value.
Legal & risk management	We believe it is critical to have the skills to understand, analyze, evaluate, and respond to potential business risks.
ESG	We believe that the skills to address ESG issues surrounding our company are critical for our long-term growth.