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Securities code: 6524
March 12, 2025

To Shareholders with Voting Rights:

Futoshi Ishii
President and CEO
KOHOKU KOGYO CO., LTD.
1623, Takatsuki, Takatsuki-cho,
Nagahama-shi, Shiga, Japan

NOTICE OF
THE 66th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that the 66th Ordinary General Meeting of Shareholders of KOHOKU KOGYO CO., LTD. (the "Company") will be held as described below. Information contained in the Reference Documents, etc. for this Ordinary General Meeting of Shareholders (excluding the Voting Rights Exercise Form) (matters subject to measures for electronic provision) is provided electronically, and you are kindly requested to access the Company's website below and check the information.

Company's website:
https://www.kohokukogyo.co.jp/en/ir/library/

The matters subject to measures for electronic provision are also available electronically on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website, enter and search for "KOHOKU KOGYO CO., LTD." in the "Issue name (company name)" field or "6524" in the "Code" field, select "Basic information" and "Documents for public inspection/PR information," in that order, and inspect the information posted.

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

You may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by either entering your approval or disapproval on the voting website designated by the Company (https://evote.tr.mufg.jp/, available in Japanese), or by indicating your approval or disapproval on the enclosed Voting Rights Exercise Form and returning it to the Company, by no later than 5:50 p.m. on Thursday, March 27, 2025, Japan time.

1. **Date and Time:** Friday, March 28, 2025 at 10:00 a.m. (JST)
(Reception starts at 9:00 a.m.)
2. **Place:** Arena, 2nd Floor, KITABIWAKO HOTEL GRAZIE
4-17, Minato-cho, Nagahama-shi, Shiga, Japan
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report and Consolidated Financial Statements for the Company's 66th Fiscal Year (January 1, 2024 - December 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 66th Fiscal Year (January 1, 2024 - December 31, 2024)

Proposals to be resolved:

Proposal 1:	Appropriation of Surplus
Proposal 2:	Partial Amendments to the Articles of Incorporation
Proposal 3:	Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 4:	Election of Three (3) Directors Serving as Audit and Supervisory Committee Members
Proposal 5:	Election of One (1) Substitute Director Serving as Audit and Supervisory Committee Member
Proposal 6:	Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 7:	Setting of the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members
Proposal 8:	Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

4. Matters determined upon convening the Meeting

(1) Pursuant to the provisions of laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation, the following matters subject to measures for electronic provision are not included in the paper copy delivered to shareholders who requested delivery of a paper copy. Accordingly, this paper copy is part of the documents audited by Audit and Supervisory Board Members and the Accounting Auditor in preparing their audit reports.

1) The following items contained in the consolidated financial statements
Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements

2) The following items contained in the non-consolidated financial statements
Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements

(2) If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it will be deemed an indication of approval.

(3) If you exercise your voting rights more than once both in writing and via the Internet, the voting rights exercised via the Internet will be deemed valid. Additionally, if you exercise your voting rights more than once via the Internet, the last vote will be deemed valid.

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Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the following year-end dividend for the fiscal year under review, taking into consideration the balance between strengthening the management base and maintaining stable dividends over the medium to long term.

Matters concerning year-end dividend

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

¥30.00 per common share of the Company

Total amount: ¥809,850,120

(2) Effective date of distribution of surplus

March 31, 2025

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The Company proposes its transition to a company with an audit and supervisory committee to further enhance the transparency of management and realize more speedy decision making by strengthening the supervisory function of the Board of Directors and corporate governance. Associated with this transition, the Company proposes necessary amendments of the Article of Incorporation of the Company, including newly establishing provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members, deleting provisions concerning the Audit and Supervisory Board and Audit and Supervisory Board Members, amending provisions concerning the number, the terms and other matters of Directors, and newly establishing provisions concerning delegation of the decisions on the execution of important business affairs to Directors.

The Company also proposes a modification of other necessary changes, such as the renumbering of Articles in connection with the amendments mentioned above.

2. Description of the amendments

Description of the amendments is as follows.

This Proposal will become effective at the conclusion of this Ordinary General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter 1: General Provisions	Chapter 1: General Provisions
Articles 1 to 3 (Omitted)	Articles 1 to 3 (Unchanged)
(Organization) Article 4 The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors. (1) (Omitted) (2) <u>Audit and Supervisory Board Members</u> (3) <u>Audit and Supervisory Board</u> (<u>4</u>) (Omitted)	(Organization) Article 4 The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors. (1) (Unchanged) (2) <u>Audit and Supervisory Committee</u> (Deleted) (<u>3</u>) (Unchanged)
Article 5 (Omitted)	Article 5 (Unchanged)
Chapter 2: Shares	Chapter 2: Shares
Articles 6 to 11 (Omitted)	Articles 6 to 11 (Unchanged)
Chapter 3: General Meeting of Shareholders	Chapter 3: General Meeting of Shareholders
Articles 12 to 14 (Omitted)	Articles 12 to 14 (Unchanged)
(Measures for Electronic Provision) Article 15 (Omitted) 2. Among matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.	(Measures for Electronic Provision) Article 15 (Unchanged) 2. Among matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights. (Unchanged in English translation)
Articles 16 to 18 (Omitted)	Articles 16 to 18 (Unchanged)
Chapter 4: Directors and the Board of Directors	Chapter 4: Directors and the Board of Directors
(Number of Directors) Article 19	(Number of Directors) Article 19

Current Articles of Incorporation	Proposed amendments
The Company shall have no more than nine (9) Directors.	The Company shall have no more than eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members).
(Newly established)	2. The Company shall have no more than five (5) Directors serving as Audit and Supervisory Committee Members (hereinafter "Audit and Supervisory Committee Members").
(Election of Directors) Article 20 Directors shall be elected at a General Meeting of Shareholders	(Election of Directors) Article 20 Directors shall be elected separately for Audit and Supervisory Committee Members and other Directors at a General Meeting of Shareholders.
2 and 3 (Omitted)	2 and 3 (Unchanged)
(Terms of Office) Article 21 (Omitted)	(Terms of Office) Article 21 (Unchanged)
(Newly established)	2. Notwithstanding the provisions in the preceding paragraph, the terms of office of Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after their election.
2. The term of office of a Director elected to increase the number of the Board of Directors or as a substitute Director shall expire when the term of office of the Directors in office expires.	3. The term of office of an Audit and Supervisory Committee Member elected as a substitute Audit and Supervisory Committee Member shall expire when the term of office of the retiring Audit and Supervisory Committee Member expires.
(Newly established)	4. The effective term of a resolution for the election of a substitute Audit and Supervisory Committee Member elected in accordance with Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after the election, unless the term is shortened by said resolution.
(Representative Director and Directors with Special Titles) Article 22 The Board of Directors shall, by its resolution, appoint a representative director.	(Representative Director and Directors with Special Titles) Article 22 The Board of Directors shall, by its resolution, appoint a representative director from among Directors not serving as Audit and Supervisory Committee Members.
2. (Omitted)	2. (Unchanged)
3. The Board of Directors may, by its resolution, appoint one (1) Director and President, and as necessary, a few each for Director and Executive Vice President, Senior Managing Director, and Managing Director.	3. The Board of Directors may, by its resolution, appoint one (1) Director and President, and as necessary, a few each for Chairperson of the Board, Director and Executive Vice President, Senior Managing Director, and Managing Director, from among Directors not serving as Audit and Supervisory Committee Members.
Articles 23 to 24 (Omitted)	Articles 23 to 24 (Unchanged)
(Omission of Resolutions at a Meeting of the	(Omission of Resolutions at a Meeting of the

Current Articles of Incorporation	Proposed amendments
Board of Directors) Article 25 If all Directors agree in writing or in an electronic or magnetic record to matters to be resolved at the Board of Directors, the Company shall deem that the resolution to adopt said matters have been made at the Board of Directors, except for the case, where an Audit and Supervisory Board Member states objections to that proposal.	Board of Directors) Article 25 If all Directors agree in writing or in an electronic or magnetic record to matters to be resolved at the Board of Directors, the Company shall deem that the resolution to adopt said matters have been made at the Board of Directors.
(Newly established)	(Delegation of Business Execution Decisions) Article 26 The Company may, by a resolution of the Board of Directors, delegate all or a part of the decisions on the execution of important business affairs (excluding the matters stipulated in each item of Article 399-13, Paragraph 5 of the Companies Act) to Directors in accordance with Paragraph 6 of said Article.
Article 26 (Omitted)	Article 27 (Unchanged)
(Minutes of the Board of Directors) Article 27 The summary of the progress and the results of the proceedings at a meeting of the Board of Directors and other matters stipulated by laws and regulations shall be stated and recorded in the minutes, which shall be signed and sealed, or electronically signed by Directors and Audit and Supervisory Board Members in attendance.	(Minutes of the Board of Directors) Article 28 The summary of the progress and the results of the proceedings at a meeting of the Board of Directors and other matters stipulated by laws and regulations shall be stated and recorded in the minutes, which shall be signed and sealed, or electronically signed by Directors in attendance.
(Remuneration, etc.) Article 28 Remuneration, bonuses and other pecuniary benefits (hereinafter "Remuneration, etc.") to be received by Directors from the Company in consideration for the performance of their duties shall be determined by a resolution of a General Meeting of Shareholders.	(Remuneration, etc.) Article 29 Remuneration, bonuses and other pecuniary benefits (hereinafter "Remuneration, etc.") to be received by Directors from the Company in consideration for the performance of their duties shall be determined by a resolution of a General Meeting of Shareholders, separately for Audit and Supervisory Committee Members and other Directors.
Article 29 (Omitted)	Article 30 (Unchanged)
Chapter 5: Audit and Supervisory Board Members and the Audit and Supervisory Board	Chapter 5: Audit and Supervisory Committee
(Number of Audit and Supervisory Board Members) Article 30 The Company shall have no more than five (5) Audit and Supervisory Board Members.	(Deleted)
(Election of Audit and Supervisory Board Members) Article 31 Audit and Supervisory Board Members shall	(Deleted)

Current Articles of Incorporation	Proposed amendments
be elected at a General Meeting of Shareholders. 2. A resolution for the election of Audit and Supervisory Board Members shall be adopted by a majority of the voting rights of the shareholders in attendance at the meeting where the shareholders holding one third or more of the voting rights of shareholders who are entitled to exercise their voting rights are in attendance.	
(Terms of Office) Article 32 The terms of office of Audit and Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after their election. 2. The term of office of an Audit and Supervisory Board Member elected as a substitute Audit and Supervisory Board Member shall expire when the term of office of the retiring Audit and Supervisory Board Member expires. 3. The effective term of a resolution for the election of a substitute Audit and Supervisory Board Member elected in accordance with Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after said resolution. 4. If the substitute Audit and Supervisory Board Member in the preceding paragraph assumes office of the Audit and Supervisory Board Member, the term of office shall expire when the term of office of the retiring Audit and Supervisory Board Member expires, provided, however, that such term shall not exceed the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after the election.	(Deleted)
(Full-time Audit and Supervisory Board Members) Article 33 The Audit and Supervisory Board shall appoint, among Audit and Supervisory Board Members, full-time Audit and Supervisory Board Members.	(Deleted)
(Notice of Convening a Meeting of the Audit and Supervisory Board) Article 34 Notice of convening a meeting of the Audit and Supervisory Board shall be given to each Audit and Supervisory Board Member three (3) days prior to the date of the meeting, provided, however, that the term may be shortened in the event of an urgent necessity.	(Notice of Convening a Meeting of the Audit and Supervisory Committee) Article 31 Notice of convening a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member three (3) days prior to the date of the meeting, provided, however, that the term may be shortened in the case of an urgent necessity.

Current Articles of Incorporation	Proposed amendments
(Newly established)	(Method for Resolution at the Audit and Supervisory Committee Meeting) Article 32 A resolution at a meeting of the Audit and Supervisory Committee shall be adopted by a majority vote of Audit and Supervisory Committee Members in attendance at the meeting where a majority of Audit and Supervisory Committee Members who are entitled to participate in the vote are in attendance.
(Rules of the Audit and Supervisory Board) Article 35 Matters concerning the Audit and Supervisory Board shall be governed by the Rules of the Audit and Supervisory Board established by the Audit and Supervisory Board, in addition to laws and regulations, or these Articles of Incorporation.	(Rules of the Audit and Supervisory Committee) Article 33 Matters concerning the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to laws and regulations, or these Articles of Incorporation.
(Minutes of the Audit and Supervisory Board Meeting) Article 36 The summary of the progress and the results of the proceedings at a meeting of the Audit and Supervisory Board and other matters stipulated by laws and regulations shall be stated and recorded in the minutes, which shall be signed and sealed, or electronically signed by Audit and Supervisory Board Members in attendance.	(Minutes of the Audit and Supervisory Committee Meeting) Article 34 The summary of the progress and the results of the proceedings at a meeting of the Audit and Supervisory Committee and other matters stipulated by laws and regulations shall be stated and recorded in the minutes, which shall be signed and sealed, or electronically signed by Audit and Supervisory Committee Members in attendance.
(Remuneration, etc.) Article 37 Remuneration, etc. for Audit and Supervisory Board Members shall be determined by a resolution of a General Meeting of Shareholders.	(Deleted)
(Exemption of Audit and Supervisory Board Members from Liabilities) Article 38 The Company may, by a resolution of the Board or Directors, exempt Audit and Supervisory Board Members, including former Audit and Supervisory Board Members, from liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the extent of the amount derived by deducting the minimum liability amount stipulated by laws and regulations from the amount of liability for damages, if the requirements stipulated by laws and regulations are met. 2. The Company may enter into an agreement with Audit and Supervisory Board Members to limit liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, if the requirements stipulated by laws and regulations are met, provided, however, that the maximum amount of liability under such agreement shall be the minimum liability	(Deleted)

Current Articles of Incorporation	Proposed amendments
amount stipulated by laws and regulations.	
Chapter 6 An Accounting Auditor	Chapter 6 An Accounting Auditor
Articles 39 to 40 (Omitted)	Articles 35 to 36 (Unchanged)
(Remuneration, etc.) Article 41 Remuneration, etc. for an Accounting Auditor shall be determined by a representative director after obtaining the approval of the Audit and Supervisory Board.	(Remuneration, etc.) Article 37 Remuneration, etc. for an Accounting Auditor shall be determined by a representative director after obtaining the approval of the Audit and Supervisory Committee.
Chapter 7 Calculation	Chapter 7 Calculation
Articles 42 to 45 (Omitted)	Articles 38 to 41 (Unchanged)
(Newly established)	(Supplementary Provisions) (Transitional Measures Concerning Exemption of Audit and Supervisory Board Members from Liabilities) The Company may, by a resolution of the Board of Directors, exempt Audit and Supervisory Board Members, including former Audit and Supervisory Board Members, from liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act due to acts performed by Audit and Supervisory Board Members before the conclusion of the 66th Ordinary General Meeting of Shareholders to the extent permitted by laws and regulations.

Proposal 3: Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed. Associated with this transition, the terms of office of all of the eight (8) Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

This Proposal shall take effect as of when Proposal 2 "Partial Amendments to the Articles of Incorporation" takes effect.

The candidates for Director (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of common shares of the Company held
1	Futoshi Ishii (August 21, 1958) Reappointment	April 1981	Joined Nippon Mining (current JX Nippon Mining & Metals Corporation)	17,162,195 (including those held by an asset management company)
		April 1995	Joined the Company	
		March 1998	Managing Director	
		March 1999	Representative Director and Executive Vice President	
		March 1999	Representative Director and President of IS Engineering Co., Ltd. (current IF Management Co., Ltd.) (current position)	
		March 2000	President and CEO of the Company (current position)	
		April 2001	Managing Director of KOHOKU ELECTRONICS (S) PTE. LTD. (current position)	
			Managing Director of KOHOKU ELECTRONICS (M) SDN. BHD.	
		June 2002	Chairman of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD.	
		October 2012	Chairman of DONGGUAN KOHOKU ELECTRONICS CO., LTD.	
		February 2015	Managing Director of KOHOKU LANKA (PVT) LTD.	
	<Reason for nomination as a candidate for Director> Mr. Futoshi Ishii has many years of extensive experience as Representative Director and broad and deep insight into the lead terminals industry and the optical components and devices industry. Based on this experience and knowledge, he plays a sufficient role in making decisions on important management matters and supervising the execution of business operations. He has been nominated as a candidate for Director since we believe that he can continue to promote the Group's management and supervise its business operations.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of common shares of the Company held
2	Kazukiyo Kitagawa (February 10, 1958) Reappointment	April 1981 Joined Kohoku Town Office (current Nagahama City Hall) August 1985 Joined the Company March 2004 Director and Head of Support Division October 2012 Director of DONGGUAN KOHOKU ELECTRONICS CO., LTD. September 2016 Director of KOHOKU ELECTRONICS (M) SDN. BHD. (current position) September 2017 President of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD. March 2018 Supervising Lead Terminal Business of the Company (current position) August 2019 Managing Director and Executive Officer February 2022 Chairman of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD. (current position) March 2022 Senior Managing Director and Executive Officer of the Company April 2022 General Manager of Lead Terminal Sales Department (current position) August 2024 Chairman of DONGGUAN KOHOKU ELECTRONICS CO., LTD. (current position) March 2025 Supervising the special mission project of SG Business Promotion Project of the Company (current position)	58,617
	<Reason for nomination as a candidate for Director> Mr. Kazukiyo Kitagawa has extensive experience in executing operations, and based on his experience as the president of the Company's overseas subsidiaries and abundant knowledge, he has been promoting the expansion of business to enhance corporate value. He has been nominated as a candidate for Director since we believe that he can continue to leverage his extensive experience and knowledge in the management of the Company.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions, responsibilities,
and significant concurrent positions</th><th>Number of common shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Seiji Nakamura
(August 6, 1965)

New appointment</td><td>April 1990
August 2016

April 2020
April 2022

April 2024

September 2024

January 2025</td><td>Joined Nomura Securities Co., Ltd.
General Manager of Corporate Finance Department, Kyoto Branch
Director of Kyoto Corporate Finance Department
Executive Director of General Affairs Review Board Group, Financial Crimes Division
Executive Director of General Affairs Review IB Group, Compliance Administration Department
Joined the Company
Deputy General Manager assigned to General Affairs Department
Executive Officer and General Manager in charge of special missions of General Affairs Department (current position)</td><td>0</td></tr>
<tr><td colspan="4"><Reason for nomination as a candidate for Director>
Mr. Seiji Nakamura is well-versed in financial and capital strategy as well as corporate governance and compliance, having served as a general manager of corporate finance and in other positions at a major financial institution. He also has extensive experience in executing operations. He has been nominated as a candidate for Director since we believe that he can play an important role in appropriate decision making and management administration based on his skills and insight.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions, responsibilities,
and significant concurrent positions</th><th>Number of common shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Shoko Sawaki
(June 12, 1965)

Reappointment

Outside

Independent</td><td>July 1996

April 1997

December 1997

April 1999

April 2000

April 2007

March 2023</td><td>Lecturer at Nagoya University (part-time researcher at a research institution)
Research Fellow PD at the Japan Society for the Promotion of Science
Lecturer at Faculty of Economics, Shiga University
Associate Professor at Faculty of Economics, Shiga University
Associate Professor at Faculty of Economics, Shiga University
Associate Professor at the Graduate School of Economics, Shiga University
Professor at Faculty of Economics, Shiga University (current position) and Professor at the Graduate School of Economics, Shiga University (current position)
Director of the Company (current position)</td><td>0</td></tr>
<tr><td colspan="4"><Reason for nomination as a candidate for Outside Director and expected roles>
Ms. Shoko Sawaki has been engaged in education and research in business administration, including human resource management and cross-cultural management. She has been nominated as a candidate for Outside Director since we believe that having her abundant knowledge and experience reflected in the management of the Company will contribute to the strengthening of the functions of the Board of Directors. Following her election, she is expected to contribute to the strengthening of the functions of the Board of Directors based on her abundant knowledge and experience.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions, responsibilities,
and significant concurrent positions</th><th>Number of common shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td>Masayuki Arai
(November 3, 1959)

New appointment

Outside

Independent</td><td>January 1989
February 1991
November 1996
April 1998
January 2010

November 2017
February 2020</td><td>Joined Philips of the Netherlands
Research at the University of Nottingham, UK
Research at the University of Cambridge, UK
Joined Alps Technology Center in the UK
Joined Namiki Precision Jewel Co., Ltd. (current Orbray Co., Ltd.)
Joined Ohtomo-Chemical Ins., Corp.
Senior Commercial Secretary for Technology of Business and Trade Section, British Embassy</td><td>0</td></tr>
<tr><td colspan="4"><Reason for nomination as a candidate for Outside Director and expected roles>
Having been engaged in research at universities overseas and worked as a Senior Commercial Secretary at the British Embassy thereafter, Mr. Masayuki Arai has contributed to the development of global business with his high level of expertise as well as international perspective and extensive experience. He has been nominated as a candidate for Outside Director since his expertise and experience are indispensable to the development of new businesses. Following his election, he is expected to contribute to the strengthening of the functions of the Board of Directors based on his international perspective and extensive experience.</td></tr>
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No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of common shares of the Company held
6	Dieter Sommerhalder (December 8, 1961) New appointment Outside Independent	April 1983 Joined Swiss Bank Corporation January 1987 Credit Officer of Far East Division, Head Office, Credit Suisse January 1996 Head of Trade Finance Department, Tokyo Branch November 1997 Senior Managing Director and CEO of Goley Buchel Trading K.K. September 2005 Executive Director and Deputy Branch Manager of Osaka Business Office, UBS AG May 2023 President and CEO of DoSwiss Japan Co. Ltd. (current position)	0
	<Reason for nomination as a candidate for Outside Director and expected roles> Mr. Dieter Sommerhalder has extensive experience in finance as well as corporate management at organizations such as international financial institutions. He has been nominated as a candidate for Outside Director since his experience and networks are indispensable to promote the global development of the Company. Following his election, he is expected to contribute to the strengthening of the functions of the Board of Directors based on his international experience as well as a diverse perspective.		

Notes:
1. There are no special interests between each candidate and the Company.
2. Mr. Futoshi Ishii is a "parent company, etc." of the Company as defined by the Companies Act. He serves as Representative Director and President of IF Management Co., Ltd. and Managing Director of KOHOKU ELECTRONICS (S) PTE. LTD., both of which are his subsidiaries, etc. During the past ten (10) years, he also concurrently served as Managing Director of KOHOKU ELECTRONICS (M) SDN. BHD., Chairman of SUZHOU KOHOKU OPTO-ELECTRONICS CO., LTD., Chairman of DONGGUAN KOHOKU ELECTRONICS CO., LTD., and Managing Director of KOHOKU LANKA (PVT) LTD.
3. Director Shoko Sawaki, Mr. Masayuki Arai, and Mr. Dieter Sommerhalder are candidates for Outside Director.
4. The terms of office of Ms. Shoko Sawaki as Outside Director will be two (2) years at the conclusion of this year's Ordinary General Meeting of Shareholders. Although she has previously only been involved in corporate management through serving as an outside director, the Company believes that she can appropriately perform her duties as Outside Director based on the reasons mentioned above.
5. Although Mr. Masayuki Arai has previously only been involved in corporate management by serving as an outside director, the Company believes that he can appropriately perform his duties as Outside Director based on the reasons mentioned above.
6. The Company plans to register Ms. Shoko Sawaki, Mr. Masayuki Arai, and Mr. Dieter Sommerhalder with the Tokyo Stock Exchange as Independent Directors.
7. Liability Limitation Agreement with Non-Executive Directors
   As stipulated in the Articles of Incorporation, the Company may enter into an agreement with Directors (excluding those who are Executive Directors, etc.) to limit liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, if the requirements stipulated by laws and regulations are met, and the maximum amount of liability under such agreement shall be the minimum liability amount stipulated by laws and regulations. The Company has concluded the liability limitation agreement mentioned above with Ms. Shoko Sawaki, and if her election is approved, the Company plans to continue an agreement on similar terms and conditions with her. The Company also plans to conclude the liability limitation agreements mentioned above with Mr. Masayuki Arai and Mr. Dieter Sommerhalder, if their election is approved.
8. The Company has concluded a Directors and Officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover

damages incurred by Directors, Audit and Supervisory Board Members, and others arising from their duties (excluding those falling under the exemptions set forth in the insurance policy). The entire premium for the Directors and Officers liability insurance is borne by the Company. If the election of each candidate for Director is approved, they will be insured under such insurance agreement. The term of such insurance agreement is one (1) year, and the Company plans to renew it by resolution of the Board of Directors prior to the expiration of said term.

Proposal 4: Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed. Associated with this transition, the Company proposes the election of three (3) Directors serving as Audit and Supervisory Committee Members.

The Audit and Supervisory Board has given its approval to this Proposal in advance.

This Proposal shall take effect as of when Proposal 2 "Partial Amendments to the Articles of Incorporation" takes effect.

The candidates for Director serving as Audit and Supervisory Committee Member are as follows:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions
and significant concurrent positions</th><th>Number of common shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Yutaka Kuriyama
(May 6, 1950)

New appointment
Outside
Independent</td><td>April 1973
April 2007
April 2010

April 2011

April 2012

May 2018
December 2018</td><td>Joined Konishi Co., Ltd.
President of Konishi Co., Ltd. Shanghai
Director; Executive Officer; and Deputy General Manager of Chemical Products Division of Konishi Co., Ltd.
Director; Executive Officer; and General Manager of Chemical Products Division
President and Representative Director of MARUYASU & CO., LTD.
Advisor (part-time)
Director of the Company (current position)</td><td>0</td></tr>
<tr><td colspan="4"><Reason for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and expected roles>
Mr. Yutaka Kuriyama has extensive experience and broad insight in corporate management, having served as Director and Executive Officer of Konishi Co., Ltd. and as President and Representative Director of MARUYASU & CO., LTD., and has provided accurate advice on the Company's management based on this wealth of experience and insight. He has also contributed to the maintenance and strengthening of the Company's governance by serving as the chairperson of the Nomination and Remuneration Advisory Committee, which is an advisory body to the Board of Directors. He has been nominated as a candidate for Outside Director serving as Audit and Supervisory Committee Member since we believe that he can be expected to continue to perform audits and other duties from an objective and neutral standpoint. Following his election, he is expected to provide accurate advice on the Company's management based on the wealth of experience and insight mentioned above.</td></tr>
<tr><td rowspan="2">2</td><td>Masaya Nakamura
(May 17, 1960)

New appointment
Outside
Independent</td><td>April 1985

October 2006
April 2012

July 2015

</td><td>Joined Nippon Mining (current JX Nippon Mining & Metals Corporation)
Registered as an attorney at law
Established Sazanami Law Office President (current position)
Audit and Supervisory Board Member of the Company (current position)</td><td>0</td></tr>
<tr><td colspan="4"><Reason for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and expected roles>
Mr. Masaya Nakamura has been nominated as a candidate for Outside Director serving as Audit and Supervisory Committee Member to leverage his extensive experience and high level of insight as an expert in law. Following his election, he is expected to commit himself to strengthening the supervisory functions of overall management and those of conflict of interests, mainly from a legal standpoint, by utilizing his professional expertise as an attorney at law.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions		Number of common shares of the Company held
3	Yasushi Kozu (July 28, 1954) New appointment Outside Independent	March 1978 March 1981 April 1995 October 2005 August 2007 July 2017 July 2017 June 2022 March 2023 June 2024	Joined Chuo Accounting Office Registered as a certified public accountant Representative Partner Director Joined Kyoto Audit Corporation Established Kozu Certified Public Accounting Office Director Head of Self-Regulation and Operations Headquarters, the Japanese Institute of Certified Public Accountants Auditor of Kyoto City Tourism Association (current position) Auditor of Kyoto International Conference Center (current position) Auditor of the KDDI Foundation (current position)	0
	<Reason for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and expected roles> Mr. Yasushi Kozu has been nominated as a candidate for Outside Director serving as Audit and Supervisory Committee Member to leverage his extensive experience and high level of insight as an expert in accounting. Following his election, he is expected to commit himself to strengthening the supervisory functions of overall management, mainly from a standpoint of financial accounting, by utilizing his professional expertise as a certified public accountant.			

Notes:
1. Director Yutaka Kuriyama, Audit and Supervisory Board Member Masaya Nakamura, and Mr. Yasushi Kozu are candidates for Outside Director serving as Audit and Supervisory Committee Member.
2. The Company plans to register Mr. Yutaka Kuriyama, Mr. Masaya Nakamura, and Mr. Yasushi Kozu with the Tokyo Stock Exchange as Independent Auditors.
3. The terms of office of Mr. Yutaka Kuriyama as Outside Director will be six (6) years and three (3) months at the conclusion of this year's Ordinary General Meeting of Shareholders. Although he has previously only been involved in corporate management by serving as an outside director, the Company believes that he can appropriately perform his duties as Outside Director serving as Audit and Supervisory Committee Member based on the reasons mentioned above.
4. The terms of office of Mr. Masaya Nakamura as Outside Audit and Supervisory Board Member will be nine (9) years and nine (9) months at the conclusion of this year's Ordinary General Meeting of Shareholders. Although he has previously only been involved in corporate management through serving as an outside audit and supervisory board member, the Company believes that he can appropriately perform his duties as Outside Director serving as Audit and Supervisory Committee Member based on the reasons mentioned above.
5. Liability Limitation Agreement with Non-Executive Directors
   As stipulated in the Articles of Incorporation, the Company may enter into an agreement with Directors (excluding those who are Executive Directors, etc.) to limit liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, if the requirements stipulated by laws and regulations are met, and the maximum amount of liability under such agreement shall be the minimum liability amount stipulated by laws and regulations. The Company has concluded the liability limitation agreements mentioned above with Mr. Yutaka Kuriyama and Mr. Masaya Nakamura, and if their election is approved, the Company plans to continue agreements on similar terms and conditions with them. The Company also plans to conclude the liability limitation agreement mentioned above with Mr. Yasushi Kozu, if his election is approved.

6. The Company has concluded a Directors and Officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages incurred by Directors arising from their duties (excluding those falling under the exemptions set forth in the insurance policy). The entire premium for the Directors and Officers liability insurance is borne by the Company. If the election of each candidate for Outside Director serving as Audit and Supervisory Committee Member is approved, they will be insured under such insurance agreement. The term of such insurance agreement is one (1) year, and the Company plans to renew it by resolution of the Board of Directors prior to the expiration of said term.

(Reference) Skills Matrix

List of expertise and experience of Directors of the Company following the approval of Proposals 3 and 4

Name	Position	Expertise/experience						
		Corporate Management	Manufacturing/ Technology, R&D/ Quality	Sales/ Marketing	Global Experience	Legal/ Risk Management	Finance/ Accounting Financing/ Capital Market	Sustainability/ Personnel/ Labor/ Human Resources
Futoshi Ishii	President and CEO	○	○	○	○	○		○
Kazukiyo Kitagawa	Senior Managing Director	○	○	○	○			
Seiji Nakamura	Director	○				○	○	○
Shoko Sawaki	Outside Director (Independent)				○	○		○
Masayuki Arai	Outside Director (Independent)		○	○	○			
Dieter Sommerhalder	Outside Director (Independent)	○		○	○		○	
Yutaka Kuriyama	Outside Director (Audit and Supervisory Committee Member, Independent)	○		○	○			○
Masaya Nakamura	Outside Director (Audit and Supervisory Committee Member, Independent)					○	○	○
Yasushi Kozu	Outside Director (Audit and Supervisory Committee Member, Independent)					○	○	○

Proposal 5: Election of One (1) Substitute Director Serving as Audit and Supervisory Committee Member

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed. Associated with this transition, to prepare for cases in which the Company lacks the number of Directors serving as Audit and Supervisory Committee Members set by laws and regulations, the Company requests the election of one (1) substitute Director serving as Audit and Supervisory Committee Member in advance.

The validity of this election may be nullified by a resolution of the Board of Directors with the approval of the Audit and Supervisory Committee only before the candidate assumes office.

The Audit and Supervisory Board has given its approval to this Proposal in advance.

This Proposal shall take effect as of when Proposal 2 "Partial Amendments to the Articles of Incorporation" takes effect.

The candidate for a substitute Director serving as Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions		Number of shares of the Company held
Katsuhiro Umeyama (July 29, 1965)	August 1990	Joined Chuo Audit Corporation	0
	March 1994	Registered as a certified public accountant	
	July 1999	Representative, Umeyama Certified Public Accountant Office (current position)	
	August 1999	Registered as a certified public tax accountant	
	October 1999	Representative, Umeyama Tax Accountants Office (current Umeyama Tax Accountants Corporation)	
	June 2004	Outside Director of TOWA CORPORATION	
	November 2005	Outside Auditor of KURAUDIA Co., Ltd.	
	July 2009	Representative, Umeyama Tax Accountants Corporation (current position)	
	April 2012	Part-time Inspector of Shiga University of Medical Science	
	June 2012	Outside Auditor of Nintendo Co., Ltd.	
	November 2015	Outside Director of KURAUDIA Co., Ltd. (current KURAUDIA HOLDINGS Co., Ltd.) (current position)	
	June 2016	Outside Director of Nintendo Co., Ltd. (current position)	
<Reason for nomination as a candidate for a substitute Outside Director serving as Audit and Supervisory Committee Member and expected roles> Mr. Katsuhiro Umeyama has been nominated as a candidate for a substitute Outside Director serving as Audit and Supervisory Committee Member to leverage his extensive experience and high level of insight as an expert in accounting and tax. Following his election, he is expected to commit himself to strengthening the supervisory functions of overall management mainly from a standpoint of financial accounting by utilizing his knowledge as an expert in accounting and tax.			

Notes:
1. There are no special interests between Mr. Katsuhiro Umeyama and the Company.
2. Mr. Katsuhiro Umeyama is a candidate for a substitute Outside Director serving as Audit and Supervisory Committee Member.
3. Although Mr. Katsuhiro Umeyamae has previously only been involved in corporate management through serving as outside directors and an outside audit and supervisory board member, the Company believes that he can appropriately perform his duties as Outside Director serving as Audit and Supervisory Committee Member based on the reasons mentioned above.
4. If the election of Mr. Katsuhiro Umeyamae is approved and he assumes office as an Outside Director serving as Audit and Supervisory Committee Member, the Company plans to newly enter into a liability limitation agreement with him to limit liability for damages to the

maximum amount of liability stipulated by laws and regulations in accordance with the Article of Incorporation of the Company

5. The Company has concluded a Directors and Officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages incurred by Directors arising from their duties (excluding those falling under the exemptions set forth in the insurance policy). If the election of Mr. Katsuhiro Umeyamae is approved and he assumes office as an Outside Director serving as Audit and Supervisory Committee Member, he will be insured under such insurance agreement.

Proposal 6: Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The amount of remuneration for Directors of the Company was approved as an amount not to exceed 300 million yen per annum at the 58th Ordinary General Meeting of Shareholders held on March 30, 2017, which has been effective to date.

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed.

Accordingly, to set a new amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) following the transition to a company with an audit and supervisory committee, the Company proposes that the current provisions on the amount of remuneration for Directors be abolished and the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) be set as an amount not to exceed 300 million yen per annum (including an amount not to exceed 50 million yen per annum for Outside Directors), taking into account the economic climate and various other circumstances.

If this proposal is approved, the policies for determining the details of remuneration, etc. of individual Directors, which are found on page 15 of the Business Report (in Japanese), will be amended at a Board of Directors meeting after the conclusion of this year's Ordinary General Meeting of Shareholders so that the policies will be consistent with the approved content. An overview of the policies after the amendment is found in "Reference" on page 27 below.

This proposal is necessary for determining the details of remuneration, etc. of individual Directors in accordance with such policies. In addition, the proposal determines the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) within a reasonable range, taking into consideration the economic climate, the scale of the Company, the number of Directors, levels of remuneration for Directors at other companies, and other factors. For these reasons, the Company believes that the content of the proposal is reasonable.

The Company also proposes that the employee salary for Directors concurrently serving as employees be excluded from the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members). If Proposal 2 "Partial Amendments to the Articles of Incorporation" and Proposal 3 "Election of Six (6) Directors (Excluding Directors serving as Audit and Supervisory Committee Members)" are approved and passed as originally proposed, there will be six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members; including three (3) Outside Directors).

This proposal shall take effect as of when Proposal 2 "Partial Amendments to the Articles of Incorporation" takes effect.

Proposal 7: Setting of the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and passed.

Accordingly, following the transition to a company with an audit and supervisory committee, the Company proposes that the amount of remuneration for Directors serving as Audit and Supervisory Committee Members be set as an amount not to exceed 50 million yen per annum, taking into account the duties and responsibilities of Directors serving as Audit and Supervisory Committee Members.

This proposal determines the amount of remuneration for Directors serving as Audit and Supervisory Committee Members within a reasonable range, taking into consideration their duties and responsibilities, the level of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members), and other factors. For these reasons, the Company believes that the content of the proposal is necessary and reasonable.

If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors Serving as Audit and Supervisory Committee Members” are approved and passed as originally proposed, there will be three (3) Directors serving as Audit and Supervisory Committee Members.

This proposal shall take effect as of when Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal 8: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members and Outside Directors)

If Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will transition to a company with an audit and supervisory committee.

The amount of remuneration for granting restricted stock to Directors (excluding Outside Directors) of the Company was approved as an amount not to exceed 50 million yen per annum (not including employee salary for Directors concurrently serving as employees) at the 65th Ordinary General Meeting of Shareholders held on March 28, 2024. Following the transition to a company with an audit and supervisory committee, the Company proposes that the current provisions be abolished and the amount of remuneration for granting restricted stock to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; hereinafter "Eligible Directors") be determined, in order to provide Eligible Directors with incentives to continually enhance the corporate value of the Company and further promote value sharing with shareholders.

The amount of remuneration for granting restricted stock shall be set separately from the 300 million yen per annum, which will the amount of remuneration if Proposal 6 "Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" is approved and passed as originally proposed, and shall not include employee salary for Directors concurrently serving as employees.

Under this proposal, the remuneration paid for granting restricted stock to Eligible Directors shall be monetary claims, and the total amount thereof shall be an amount not to exceed 30 million yen per annum (not including employee salary for Directors concurrently serving as employees). In addition, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors, based on the deliberations and reports by the Nomination and Remuneration Advisory Committee.

At present, there are eight (8) Directors (including three (3) Outside Directors). If Proposal 3 and Proposal 4 are approved and passed as originally proposed, there will be six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members; including three (3) Outside Directors).

In addition, pursuant to a resolution of the Board of Directors of the Company, Eligible Directors shall pay all monetary claims paid to them under this proposal as property contributed in kind, and shall receive shares of common stock of the Company through issuance or disposal, and the total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 30,000 shares per annum (however, if, on or after the date this proposal is approved and passed, a stock split (including a gratis allotment of common stock of the Company) or a reverse stock split is conducted in regard to the Company's common stock, or if other circumstances arise that necessitate an adjustment to the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range).

The amount of monetary claims to be paid per share shall be an amount determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Director who will receive the common stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day). In addition, the issuance or disposal of common shares of the Company in this way and the payment of monetary claims as property contributed in kind in exchange for them are subject to the conclusion of a restricted stock allotment agreement (hereinafter the "Allotment Agreement") between the Company and Eligible Directors containing the following content. In addition, the upper limit of remuneration, the total number of shares of common stock of the Company to be issued or disposed of, and other conditions for granting restricted stock to Eligible Directors under this proposal have been determined taking into account the above object, the Company's business conditions, policies for determining the details of remuneration, etc. of individual Directors of the Company (if this proposal is approved and passed, such policies will be amended as described in the below "Reference" section so that they will be consistent with the approved content), and various other circumstances, and are therefore considered reasonable.

In addition, if the proposal concerning this system is approved and passed at this year's Ordinary General Meeting of Shareholders as originally proposed, a similar restricted stock compensation system will be introduced for the Company's Executive Officers who are not concurrently serving as Directors.

[Overview of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors shall not transfer, create security interests on, or otherwise dispose of (hereinafter "transfer restrictions") common stock of the Company received by allotment under the Allotment

Agreement (hereinafter the "Allotted Shares"), for a period that is defined in advance by the Company's Board of Directors from three (3) years to thirty (30) years from the day the allotment is received under the Allotment Agreement (hereinafter the "transfer restriction period").

(2) Treatment upon resignation

If an Eligible Director resigns from the position of officer and employee of the Company or its subsidiary that is defined in advance by the Company's Board of Directors prior to the expiration of the transfer restriction period, the Company shall automatically acquire the Allotted Shares without consideration excluding cases when the resignation is due to the expiration of his or her term, death, or other justifiable reason.

(3) Removal of transfer restrictions

Notwithstanding the provisions of the above item (1), on the condition that the Eligible Director continuously served in the position of officer and employee of the Company or its subsidiary that is defined in advance by the Company's Board of Directors during the transfer restriction period, the Company shall remove transfer restrictions on all Allotted Shares when the transfer restriction period expires. However, if the Eligible Director resigns from the position of officer and employee of the Company or its subsidiary that is defined in advance by the Company's Board of Directors prior to the expiration of the transfer restriction period due to the expiration of his or her term, death, or other justifiable reason as stipulated in the above item (2), the Company shall reasonably adjust the number of Allotted Shares whose transfer restrictions are to be removed, and the timing of the removal of transfer restrictions, as necessary. In addition, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been removed immediately after the removal of transfer restrictions in accordance with the above provisions.

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

Notwithstanding the provisions of the above item (1), if, during the transfer restriction period, a merger agreement where the Company will be the merged company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the general meeting of shareholders of the Company), the Company shall, by a resolution of the Board of Directors of the Company, remove transfer restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the transfer restriction period to the approval date of the organizational restructuring, etc. In addition, in the cases as provided above, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been removed immediately after the removal of transfer restrictions.

(5) Other matters

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

[Reference] Policies for Determining the Details of Remuneration, Etc. of Individual Directors

As of when Proposal 2 “Partial Amendments to the Articles of Incorporation,” Proposal 6 “Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members),” and Proposal 7 “Setting of the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members” take effect, the policies for determining the details of remuneration, etc. of individual Directors shall be as follows:

I. Basic Policy

The amount of remuneration for the Company’s Directors not serving as Audit and Supervisory Committee Members (excluding Outside Directors) shall reflect performance, taking into consideration their duties, position, performance, and achievements and from the perspective of value sharing with shareholders. Specifically, their remuneration shall consist of basic remuneration, bonuses, and restricted stock compensation.

Remuneration for Directors serving as Audit and Supervisory Committee Members, who take charge of the supervisory function, and Outside Directors shall consist only of basic remuneration, in light of the independence of their duties from business execution.

At the 66th Ordinary General Meeting of Shareholders held on March 28, 2025, it was resolved that the maximum amount of remuneration for Directors not serving as Audit and Supervisory Committee Members shall be limited to 300 million yen (including up to 50 million yen for Outside Directors). The amount of remuneration for such Directors is determined within this range. At the 66th Ordinary General Meeting of Shareholders held on March 28, 2025, it was also resolved that the maximum amount of remuneration for Directors serving as Audit and Supervisory Committee Members shall be limited to 50 million yen. The amount of remuneration for such Directors is determined within this range.

II. Basic Remuneration

Basic remuneration is determined by taking into consideration the duties and position of each Director and is paid monthly.

III. Bonuses

The total amount of bonuses is determined based on operating profit, etc. for each fiscal year of the Company. Specific allocation to each eligible Director is determined individually, taking into consideration the appraisal of performance, achievements, etc. of departments in charge, position, and other factors. Bonuses are paid once or twice a year.

IV. Restricted Stock Compensation

The Company has introduced a restricted stock compensation system to provide incentives to continually enhance the corporate value of the Company and further promote value sharing with shareholders.

At the 66th Ordinary General Meeting of Shareholders held on March 28, 2025, it was resolved that restricted stock compensation shall be paid separately from the remuneration for Directors not serving as Audit and Supervisory Committee Members stated in the above basic policy, by providing monetary claims of up to 30 million yen per annum in total and having eligible Directors pay all such monetary claims as property contributed in kind.

Specific allocation of restricted stock compensation to each eligible Director is determined individually within the above range, taking into consideration the appraisal of performance, achievements, etc. of departments in charge. Restricted stock compensation is paid once a year.

V. Process for Determining Remuneration, Etc. of Individual Directors

In order to ensure objectivity and transparency in the process for determining remuneration, etc. of individual Directors, the Company has established the Nomination and Remuneration Advisory Committee, the majority of which consists of independent Outside Directors.

Remuneration, etc. of individual Directors is determined by the Board of Directors after deliberation by the Nomination and Remuneration Advisory Committee.