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Securities code: 9274

June 9, 2025

(Start Date of Electronic Provision Measures: June 5, 2025)

To Shareholders with Voting Rights:

Yasuyuki Sakata
Representative Director of the Board
President & Chief Operating Officer
KPP GROUP HOLDINGS CO., LTD.
6-24 Akashi-cho, Chuo-ku, Tokyo

**NOTICE OF
THE 151ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We hereby inform you that the 151st Annual General Meeting of Shareholders of KPP GROUP HOLDINGS CO., LTD. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company takes electronic provision measures and has posted the matters subject to electronic provision on the following website on the Internet. Please access the websites below to view the information.

The Company’s website

<https://www.kpp-gr.com/ja/ir/stock/meeting.html>

In addition to the Company’s website, the Company also has posted the matters subject to electronic provision on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search) below, enter “KPP GROUP HOLDINGS” in the issue name (company name) field or “9274” in the securities code field, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” to view the information.

The TSE website (Listed Company Search)

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

Instead of attending the meeting in person, you can exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders posted in the matters subject to electronic provision, and exercise your voting rights by 5:15 p.m. on Thursday, June 26, 2025, in accordance with the guidance below.

- 1. Date and Time:** Friday, June 27, 2025 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** 1-10-7 Kyobashi, Chuo-ku, Tokyo
11th Floor, AP Yaesu, KPP Yaesu Building
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 151st Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 151st Fiscal Year (April 1, 2024 - March 31, 2025)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven (7) Directors of the Board (Excluding Directors of the Board Serving as Members of the Audit and Supervisory Committee)
- Proposal 3:** Election of Three (3) Directors of the Board Serving as Members of the Audit and Supervisory Committee
- Proposal 4:** Election of One (1) Substitute Director of the Board Serving as a Member of the Audit and Supervisory Committee
- Proposal 5:** Renewal and Partial Amendments to a System of Performance-Linked Stock-Based Compensation Plan for Directors of the Board, etc.

- * Of the matters subject to electronic provision, the following matters are not included in the documents delivered to shareholders who have requested such delivery, in accordance with laws, regulations, and the Company's Articles of Incorporation.
 - 1) [Business Report]
 - Overview of the Resolutions on the Establishment of Systems to Ensure the Properness of Operations
 - Overview of the Operation of Systems to Ensure the Properness of Operations
 - 2) [Consolidated Financial Statements]
 - Consolidated Statement of Changes in Equity
 - Notes to Consolidated Financial Statements
 - 3) [Non-consolidated Financial Statements]
 - Non-consolidated Statement of Changes in Equity
 - Notes to Non-consolidated Financial Statements

The Accounting Auditor and the Audit and Supervisory Committee have audited the documents subject to audit, including the above matters.
- * Regarding any voting right exercise form without indicating approval or disapproval, it will be treated as an approval.
- * Downtime of the voting rights exercise website
Please note that the voting rights exercise website will be unavailable daily between 2:30 a.m. and 4:30 a.m.
- * Treatment of the multiple exercise of voting rights
 - 1) If voting rights are exercised both online and through post, the votes cast online will be deemed valid
 - 2) If voting rights are exercised multiple times online, the most recent votes cast will be deemed valid
- * If revisions to the matters subject to electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website and the Tokyo Stock Exchange website set forth above.
- * Care will be taken for shareholders' privacy when filming the venue for the live broadcast, and only the images presented on the screen and the area around the Directors' seats will be filmed. However, it may be unavoidable that some shareholders are shown in the frame, and we request your understanding regarding this matter.

Guidance on Use of Platform for Electronic Exercise of Voting Rights (To institutional investors)

Institutional investors may use the platform for the electronic exercise of voting rights operated by ICJ, Inc. to exercise their voting rights electronically.

Reference Documents for the General Meeting of Shareholders

Proposals and Matters for Reference

Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, we would like to propose the following.

Matters concerning the year-end dividend

We position the return of profits to shareholders as a key issue for management, and make it our basic policy to continue stable dividends and increase corporate competitiveness and shareholder value through the expansion and effective use of internal reserves. With the aim of further enhancing shareholder returns, we target a consolidated dividend payout ratio of approximately 30% and pay performance-based dividends with a lower limit of 3.0% DOE (consolidated dividend on equity ratio).

Under this policy, we would like to propose the year-end dividend for the 151st fiscal year of ¥18 per share as follows.

As we paid an interim dividend of ¥16 per share (comprising an ordinary dividend of ¥11 and a commemorative dividend of ¥5), the annual dividend for the 151st fiscal year will be ¥34 per share, an increase of ¥12 per share from the previous fiscal year.

Type of dividend property

Cash

Matters concerning the allotment of dividend property and the total amount thereof

¥18 per share of common stock of the Company

Total amount: ¥1,210,397,112

Date on which the dividend of surplus will become effective

June 30, 2025



Proposal 2: Election of Seven (7) Directors of the Board (Excluding Directors of the Board Serving as Members of the Audit and Supervisory Committee)

The terms of office of all seven (7) Directors of the Board (excluding Directors of the Board serving as Members of the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of seven (7) Directors of the Board is proposed.

With respect to this proposal, the Audit and Supervisory Committee of the Company has judged that all of the candidates for Director of the Board are qualified.

The candidates for Director of the Board are as follows:

No.	Name	Current positions and responsibilities at the Company	Gender	Age	Attendance at the Board of Directors meetings	
1	Madoka Tanabe	Representative Director of the Board Chairman & Chief Executive Officer	Male	76	15/15 100%	[Reappointment]
2	Yasuyuki Sakata	Representative Director of the Board President & Chief Operating Officer	Male	67	15/15 100%	[Reappointment]
3	David Martin	Director of the Board	Male	61	11/11 100% (Since appointment in June 2024)	[Reappointment]
4	Hervé Poncin	Director of the Board	Male	61	11/11 100% (Since appointment in June 2024)	[Reappointment]
5	Hideomi Komai		Male	63	—	[New appointment]
6	Tatsushi Yano	Director of the Board	Male	74	15/15 100%	[Reappointment] [Outside] [Independent]
7	Mina Ito	Director of the Board	Female	58	15/15 100%	[Reappointment] [Outside] [Independent]

(Notes) 1. The candidates' current positions and responsibilities at the Company are shown as of the date of the preparation of this notice.

2. The candidates' ages are shown as of the date of this General Meeting of Shareholders.

3. The candidates' attendance at the Board of Directors meetings is for the fiscal year ended March 31, 2025.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 Madoka Tanabe (March 19, 1949) [21 years in office] [Reappointment]	April 1971 Joined former Daido Yoshiten Ltd. June 2004 Director of the Board, General Manager of Business Creation Sales Div. of the Company May 2006 Chairman, Kokusai Pulp & Paper (China) Co., Ltd. June 2006 Managing Director of the Board, General Manager of Business Creation Sales Div. and Head of Asia Office of the Company June 2008 Senior Managing Director of the Board, General Manager of Business Creation Sales Div., supervising RISANET Sales Div. of the Company April 2009 Senior Managing Director of the Board, supervising Corporate Planning Div., Business Creation Sales Div., RISANET Sales Div. and New Business Establishment Preparation Office of the Company April 2012 Senior Managing Director of the Board, supervising Corporate Planning Div., Business Creation Sales Div., Development Sales Dept. and RISANET Sales Dept. of the Company June 2012 Representative Director of the Board, Vice President, Assistant to President, supervising Development Sales Dept. and RISANET Sales Dept. of the Company January 2013 Representative Director of the Board, Vice President, Assistant to President, overseeing Paper Raw Material Business Div. and supervising Development Sales Dept. of the Company April 2013 Representative Director of the Board, Vice President, Assistant to President, overseeing Paper Raw Material Business Div., and supervising Overseas Business Div. and Development Sales Div. of the Company June 2013 Representative Director of the Board, President of the Company June 2015 Representative Director of the Board, President & Chief Executive Officer of the Company June 2020 Representative Director of the Board, Chairman & Chief Executive Officer of the Company (to present) October 2022 Director of the Board, Chairman, KOKUSAI PULP&PAPER CO., LTD. June 2024 Director of the Board, KOKUSAI PULP&PAPER CO., LTD. (to present) [Significant concurrent positions] Director of the Board, KOKUSAI PULP&PAPER CO., LTD.	70,000
[Reasons for nomination as a candidate for Director of the Board] Mr. Madoka Tanabe has been involved in the overall management of the Company as Representative Director of the Board since June 2012, and has extensive experience as an executive. He has promoted medium- and long-term strategy with his strong leadership, and decision-making skills, leading the Group, including in the global expansion of its business. To achieve a sustained enhancement of the Group's corporate value from a global perspective, we have determined that he continues to be qualified to serve as a Director of the Board, and we request his reelection.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 Yasuyuki Sakata (November 15, 1957) [2 years in office] [Reappointment]	April 1982 Joined the Bank of Tokyo, Ltd. (currently MUFG Bank) July 2011 Joined Nippon Densan Corporation (currently Nidec Corporation) July 2017 Joined the Company April 2020 Executive Officer, Head of Business Strategy Office of the Company April 2021 Senior Executive Officer of the Company Deputy CEO & CFO, Antalis S.A.S. April 2022 Managing Executive Officer of the Company April 2023 Responsible for Corporate Administration of the Company Managing Executive Officer, KOKUSAI PULP&PAPER CO., LTD. June 2023 Director of the Board, Vice President, Responsible for Corporate Administration of the Company Director of the Board, Vice President & Executive Officer, KOKUSAI PULP&PAPER CO., LTD. June 2024 Representative Director of the Board, President & COO of the Company (to present) Director of the Board, KOKUSAI PULP&PAPER CO., LTD. (to present) [Significant concurrent positions] Director of the Board, KOKUSAI PULP&PAPER CO., LTD.	30,000
[Reasons for nomination as a candidate for Director of the Board] Mr. Yasuyuki Sakata has held various posts such as Head of Business Strategy Office of the Company and Deputy CEO & CFO, Antalis S.A.S. and possesses extensive business experience and a proven track record in M&A as well as management and administration at overseas subsidiaries. Since June 2024, he has exercised his strong leadership and decision-making skills from a global perspective to lead management of the Group as Representative Director of the Board. To achieve a sustained enhancement of the Group's corporate value, we have determined that he continues to be qualified to serve as a Director of the Board, and we request his reelection.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 David Martin (June 18, 1964) [1 year in office] [Reappointment]	September 1993 Market Manager, Avery Dennison January 1997 Director, Sales & Marketing-Aust/NZ, Avery Dennison March 2000 Plant Manager, Peachtree City Facility USA, Avery Dennison January 2002 Vice President & General Manager, Premium Packaging & Pharmaceutical Division, North America, Avery Dennison May 2005 Vice President of Sales, North America, Avery Dennison January 2006 Vice President & General Manager, Australia & New Zealand, Avery Dennison May 2012 Vice President & General Manager ASEAN, Australia & New Zealand, Avery Dennison July 2016 Chief Executive Officer, Spicers Limited (to present) June 2024 Director of the Board of the Company (to present) [Significant concurrent positions] Chief Executive Officer, Spicers Limited	—
[Reasons for nomination as a candidate for Director of the Board] Mr. David Martin possesses extensive experience and a proven track record as an executive in numerous regions and markets. As Chief Executive Officer (CEO) of Spicers Limited, he has developed diverse businesses through initiatives such as uncovering new markets and acquisition opportunities, while securing the revenue sources in the core commercial print field. To further promote globalization, the creation of Group synergies, and boost the diversity and vitality of the Board of Directors, we have determined that he continues to be qualified to serve as a Director of the Board, and we request his reelection.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	 Hervé Poncin (February 26, 1964) [1 year in office] [Reappointment]	September 1986 Renault Automation Germany January 1988 Senior Consultant, Arthur Andersen & Cie May 1990 Manager, Large Accounts, Apple France Marketing May 1992 European Marketing Director, Large Accounts BU, Apple Europe February 1994 Marketing Director, Arjomari Diffusion January 1999 Managing Director, Arjomari Diffusion January 2000 Director, Print Services, European BU, Antalis S.A.S. March 2001 Group Marketing and Purchasing Director, Antalis S.A.S. June 2002 Managing Director Western Europe, Antalis S.A.S. April 2007 Executive Vice President, Antalis S.A.S. June 2009 Chief Operating Officer, Antalis S.A.S. June 2017 Chief Executive Officer, Antalis S.A.S. (to present) June 2024 Director of the Board of the Company (to present) [Significant concurrent positions] Chief Executive Officer, Antalis S.A.S.	—
[Reasons for nomination as a candidate for Director of the Board] Mr. Hervé Poncin has extensive experience and a proven track record as a business executive. As Chief Executive Officer of the Antalis Group, which operates extensively across Europe and the Americas, he not only secured revenue in the commercial print field, but has also demonstrated strong leadership in driving the transformation of the business portfolio. To further promote globalization, the creation of Group synergies, and boost the diversity and vitality of the Board of Directors, we have determined that he continues to be qualified to serve as a Director of the Board, and we request his reelection.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	 Hideomi Komai (February 5, 1962) [New appointment]	April 1985 Joined former DaiEi Papers Ltd. April 2017 Executive Officer, Head of Corporate Planning Div. of the Company April 2018 Executive Officer, Head of Corporate Planning Div. and IT Div. of the Company June 2018 Senior Executive Officer, Head of Corporate Planning Div. and IT Div. of the Company April 2019 Senior Executive Officer, Head of Corporate Planning Div. of the Company April 2021 Senior Executive Officer, Head of Human Resources Div. of the Company October 2022 Senior Executive Officer, Head of Human Resources Div. of the Company Senior Executive Officer, Head of Human Resources Div., KOKUSAI PULP&PAPER CO., LTD. April 2024 Managing Executive Officer, Head of Corporate Administration HQ, KOKUSAI PULP&PAPER CO., LTD. June 2024 Director of the Board, Managing Executive Officer, Head of Corporate Administration HQ, KOKUSAI PULP&PAPER CO., LTD. (to present) [Significant concurrent positions] Director of the Board, Managing Executive Officer, KOKUSAI PULP&PAPER CO., LTD.	26,100
[Reasons for nomination as a candidate for Director of the Board] Mr. Hideomi Komai has built a strong track record in the sales division, and after being appointed Executive Officer of the Company, has served as Head of Corporate Planning Div. and Head of IT Div. He played a central role in realizing the long-term management vision “GIFT2024,” including the listing of the Company, formulation of a medium-term business plan, development of core systems, and reforms of human resource systems and officers’ compensation. Since June 2024, he has served as Director of the Board of KOKUSAI PULP&PAPER CO., LTD., where he oversees the overall corporate divisions, and he possesses extensive experience and achievements in both sales and corporate administrative functions. To achieve a sustained enhancement of the Group’s corporate value, we have determined that he is qualified to serve as a Director of the Board, and we request his election.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	 Tatsushi Yano (June 21, 1951) [6 years in office] [Reappointment] [Outside] [Independent]	April 1974 Joined Tomen Corporation June 2003 Executive Officer, General Manager of North America, Tomen Corporation April 2006 Director, Sanyo Chemical Industries, Ltd. June 2006 Director and Executive Officer, Sanyo Chemical Industries, Ltd. June 2010 Director and Managing Executive Officer, Sanyo Chemical Industries, Ltd. June 2012 Director and Senior Managing Executive Officer, Sanyo Chemical Industries, Ltd. June 2016 Company Advisor, Sanyo Chemical Industries, Ltd. June 2018 Retired from Sanyo Chemical Industries, Ltd. June 2019 Outside Director of the Board of the Company (to present) November 2019 Outside Director, MANI, INC. (to present) [Significant concurrent positions] Outside Director, MANI, INC.	—
[Reasons for nomination as a candidate for Outside Director of the Board and outline of expected roles] Mr. Tatsushi Yano has held officer positions along with experience in overseas business for many years at operating companies (a trading company and a manufacturer), and has abundant experience with M&A, post-merger integration (PMI), business reorganization, and restructuring. At meetings of the Board of Directors, he actively provides advice and recommendations on all aspects of management from a global and objective perspective. He can be expected to continue to provide advice and recommendations from an independent and objective perspective on strengthening governance and management of the Group and supervise our business execution, therefore, we request his reelection as a candidate for Outside Director of the Board.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	 Mina Ito (March 2, 1967) [4 years in office] [Reappointment] [Outside] [Independent]	June 1996 Joined Baker & McKenzie January 2004 Partner, Baker & McKenzie January 2020 Special Advisor, Baker & McKenzie May 2020 Established and became CEO of ZENMONDO Co., Ltd. (to present) June 2020 Outside Corporate Auditor, C'BON COSMETICS Co., Ltd. June 2021 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company June 2022 Outside Director of the Board of the Company (to present) April 2024 Outside Director, DyDo GROUP HOLDINGS, INC. (to present) May 2024 Established and became Managing Partner of Mina Arai-Ito Foreign Law Office (to present) March 2025 Outside director and member of the Audit & Supervisory Committee, Noritz Corporation (to present) [Significant concurrent positions] CEO, ZENMONDO Co., Ltd. Outside Director, DyDo GROUP HOLDINGS, INC. Managing Partner, Mina Arai-Ito Foreign Law Office Outside director and member of the Audit & Supervisory Committee, Noritz Corporation	—
[Reasons for nomination as a candidate for Outside Director of the Board and outline of expected roles] Ms. Mina Ito is well-versed in corporate law in general as an international attorney and has extensive experience in M&A, global business strategy, and management support. She possesses a track record as a company owner with a mission to help solve global social issues and has actively provided advice and recommendations on overall management from a global and objective perspective at the Board of Directors meetings. She can be expected to continue to utilize her experience and achievements to provide advice and recommendations from an independent and objective perspective on strengthening governance and management of the Group and supervise our business execution, therefore, we request her reelection as a candidate for Outside Director of the Board.			

- Notes:
1. There are no special interests between each candidate and the Company.
 2. The number of years in office is the number of years as of the conclusion of this General Meeting of Shareholders.
 3. The total number of years in office as an Outside Director of the Board has been shown for Ms. Mina Ito, including one year in office as an Outside Director of the Board serving as a Member of the Audit and Supervisory Committee from June 29, 2021 to June 29, 2022.
 4. Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company has entered into a limited liability agreement with Mr. Tatsushi Yano and Ms. Mina Ito to limit their liability prescribed in Article 423, Paragraph 1 of the said Act. Under this agreement, the limit of their liability for damages is the minimum liability prescribed by Article 425, Paragraph 1 of the said Act. The Company will continue the said agreement with them if their reelection is approved.
 5. The Company has entered into a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the outline of the said agreement is as described in the Business Report (Japanese only). If the candidates are elected and assume office as Directors of the Board (excluding Directors of the Board serving as Members of the Audit and Supervisory Committee), they will be insured under the said insurance agreement. The Company intends to renew the said insurance agreement under the same terms at the time of the next renewal.
 6. The Company has designated Mr. Tatsushi Yano and Ms. Mina Ito as independent officers provided for by the Tokyo Stock Exchange, and the Company will continue to register them as independent officers with the said Exchange if their reelection is approved.

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

The terms of office of all three (3) Directors of the Board serving as Members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of three (3) Directors of the Board serving as Members of the Audit and Supervisory Committee is proposed.

With respect to this proposal, the Audit and Supervisory Committee has given its approval. The candidates for Director of the Board serving as Members of the Audit and Supervisory Committee are as follows:

No.	Name	Current positions and responsibilities at the Company	Gender	Age	Attendance at the Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings	
1	Naoki Nakagawa	Head of the Group Internal Audit Office	Male	62	—	—	[New appointment]
2	Shoko Kataoka	Director of the Board Member of the Audit and Supervisory Committee	Female	57	15/15 100%	16/16 100%	[Reappointment] [Outside] [Independent]
3	Yoko Kudo		Female	63	—	—	[New appointment] [Outside] [Independent]

- (Notes) 1. The candidates' current positions and responsibilities at the Company are shown as of the date of the preparation of this notice.
2. The candidates' ages are shown as of the date of this General Meeting of Shareholders.
3. The candidates' attendance at the Board of Directors meetings and Audit and Supervisory Committee meetings is for the fiscal year ended March 31, 2025.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 Naoki Nakagawa (June 13, 1963) [New appointment]	April 1987 Joined Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.) June 2017 Seconded to the Company June 2018 Transferred to the Company April 2021 Head of Internal Audit Office of the Company October 2022 Head of Internal Audit Office, KOKUSAI PULP&PAPER CO., LTD. April 2024 Head of Group Internal Audit Office of the Company (to present) [Significant concurrent positions] —	—
[Reasons for nomination as a candidate for Director of the Board serving as a Member of the Audit and Supervisory Committee] Mr. Naoki Nakagawa has held key positions in Group management and internal audit, particularly in strengthening internal control systems toward public listing. Following the acquisition of Antalis and Spicers, he demonstrated strong expertise and leadership in implementing J-SOX and the global response of internal audits, contributing to enhancing the global governance structure. He holds a wide range of professional qualifications including as a certified public accountant of the United States, securities analyst, First-Class Financial Compliance Officer, Small and Medium-Sized Enterprise Consultant, and Fundamental Information Technology Engineer. He can be expected to utilize his experience and expertise to appropriately audit and supervise our business execution, therefore, we request his election as a candidate for Director of the Board serving as a Member of the Audit and Supervisory Committee.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 Shoko Kataoka (June 26, 1968) [3 years in office] [Reappointment] [Outside] [Independent]	April 1998 Joined Koichi Kitano Law Office April 2000 Established DoSOLO! Law Office (joint management) October 2001 Legal Division, Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation) November 2007 Leader, Legal Department, FAST RETAILING CO., LTD. November 2012 General Manager, Legal Department, USJ Co., Ltd. (currently USJ LLC) January 2018 Manager, Legal and Internal Controls, COACH A Co., Ltd. December 2019 Outside Director, D.I. System Co., Ltd. March 2020 Director and Audit and Supervisory Committee Member, COACH A Co., Ltd. (to present) August 2021 Outside Corporate Auditor, Prime Road Inc. (to present) June 2022 Outside Director of the Board serving as a Member of the Audit and Supervisory Committee of the Company (to present) December 2023 Outside Director and Audit and Supervisory Committee Member, D.I. System Co., Ltd. (to present) [Significant concurrent positions] Outside Director and Audit and Supervisory Committee Member, D.I. System Co., Ltd. Director and Audit and Supervisory Committee Member, COACH A Co., Ltd.	—
[Reasons for nomination as a candidate for Outside Director of the Board serving as a Member of the Audit and Supervisory Committee and outline of expected roles] Ms. Shoko Kataoka is a qualified attorney, has served as the leader of in-house legal departments of several companies, and is familiar with the support services for institutional decisions and contracts related to M&As. She has actively provided advice and recommendations from a global and objective perspective at the Board of Directors meetings on strengthening governance and management of the Group. She can be expected to continue to utilize her experience and achievements to provide advice and recommendations to appropriately audit and supervise our business execution from an independent and objective perspective, therefore, we request her reelection as a candidate for Outside Director of the Board serving as a Member of the Audit and Supervisory Committee.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 Yoko Kudo (November 30, 1961) [New appointment] [Outside] [Independent]	April 1982 Joined The Taisei Fire and Marine Insurance Co., Ltd. (currently Sompo Japan Insurance Inc.) September 1993 Joined Price Waterhouse (currently PricewaterhouseCoopers) January 1996 Registered as a certified public accountant in the state of California December 1996 Joined Ernst & Young LLP April 2005 Seconded to Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC) January 2006 Transferred to Ernst & Young ShinNihon May 2006 Specified Partner, Ernst & Young ShinNihon (Principal) July 2012 Specified Partner, Ernst & Young ShinNihon (Senior Principal) July 2020 Head, Non-audit Engagement Acceptance & Continuance Department, Professional Practice Division, Ernst & Young ShinNihon LLC June 2022 External Audit & Supervisory Board Member, SoftBank Corp. (to present) June 2023 External Director, CHUBU ELECTRIC POWER COMPANY, INCORPORATED (retirement planned in June 2025) April 2025 Auditor, Japanese Olympic Committee (to present) Auditor, Local Organising Committee of World Athletics Championships Tokyo 25 (to present) April 2025 Auditor, ASICS Foundation (to present) [Significant concurrent positions] External Audit & Supervisory Board Member, SoftBank Corp.	
[Reasons for nomination as a candidate for Outside Director of the Board serving as a Member of the Audit and Supervisory Committee and outline of expected roles] Ms. Yoko Kudo is a qualified United States certified public accountant and has served as a senior partner at an audit firm. She has extensive experience and a proven track record based on her professional expertise, including auditing for both Japanese companies and companies listed in the United States, as well as accounting consulting work related to corporate restructuring at a major automotive manufacturer. She also has experience serving as an outside director and outside auditor. Although she has not been involved in management of any company other than through her role as an outside director or outside auditor, she can be expected to appropriately audit and supervise our business execution from an independent and objective perspective, therefore, we have determined that she is qualified to serve as an Outside Director of the Board serving as a Member of the Audit and Supervisory Committee., and we request her election.			

- Notes:
1. There are no special interests between each candidate and the Company.
 2. The number of years in office is the number of years as of the conclusion of this General Meeting of Shareholders.
 3. Ms. Yoko Kudo was previously affiliated with Ernst & Young ShinNihon LLC, but resigned from the firm as of June 23, 2022. As of the date of this General Meeting, more than three years have passed since her resignation, and the Company has determined that it does not affect her independence, based on the Company's "Criteria for Determining the Independence of Outside Directors of the Board."
 4. Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company has entered into a limited liability agreement with Ms. Shoko Kataoka to limit her liability prescribed in Article 423, Paragraph 1 of the said Act. Under this agreement, the limit of her liability for damages is the minimum liability prescribed by Article 425, Paragraph 1 of the said Act. The Company will continue the said agreement with her if her reelection is approved. The Company will enter into the aforementioned limited liability agreement with Ms. Yoko Kudo if her election is approved.
 5. The Company has entered into a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the outline of the said agreement is as described in the Business Report (Japanese only). If the candidates are elected and assume office as Directors of the Board serving as Members of the Audit and Supervisory Committee, they will be insured under the said insurance agreement. The Company intends to renew the said insurance agreement under the same terms at the time of the next renewal.
 6. The Company has designated Ms. Shoko Kataoka as an independent officer provided for by the Tokyo Stock Exchange, and will continue to register her as an independent officer with the said Exchange if her reelection is approved. Ms. Yoko Kudo meets the requirements for independent officers provided for by the Tokyo Stock Exchange, and the Company will register her as an independent officer with the said Exchange if her election is approved.
 7. On March 14, 2024, when Ms. Shoko Kataoka, candidate for Outside Director of the Board serving as a Member of the Audit and Supervisory Committee, was in office as Outside Director of the Board serving as a Member of the Audit and Supervisory Committee, the Company was issued with a surcharge payment order and its consolidated subsidiary KOKUSAI PULP&PAPER CO., LTD. was issued with a cease and desist order from the Japan Fair Trade Commission regarding a violation of the Antimonopoly Act in connection with a bid for the Official Gazette Paper ordered by the National Printing Bureau. Ms. Shoko Kataoka was not aware of the violation until it was discovered. She regularly expresses the need for thorough compliance at meetings of the Board of Directors, and since the violation came to light, she has fulfilled her duties by providing advice and expressing opinions on issues including the thorough investigation of causes, the establishment of measures to prevent recurrence, and the improvement of internal rules.

Proposal 4: Election of One (1) Substitute Director of the Board Serving as a Member of the Audit and Supervisory Committee

To prepare for a situation where the number of Directors of the Board serving as Members of the Audit and Supervisory Committee fails to satisfy the number prescribed by laws and regulations, the election of one (1) Substitute Director of the Board serving as a Member of the Audit and Supervisory Committee is proposed.

Mr. Akihiro Hirokawa, a candidate for Substitute Director of the Board serving as a Member of the Audit and Supervisory Committee, shall assume office if the number of Directors of the Board serving as Members of the Audit and Supervisory Committee fails to satisfy the number prescribed by laws and regulations, and his term of office shall expire when the term of office of the retiring Director of the Board serving as a Member of the Audit and Supervisory Committee expires. The resolution on this proposal shall be effective until the beginning of the next Annual General Meeting of Shareholders.

With respect to this proposal, the Audit and Supervisory Committee has given its approval.

The candidate for Substitute Director of the Board serving as a Member of the Audit and Supervisory Committee is as follows:

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
Akihiro Hirokawa (May 1, 1949) (76 years old) [Male]	April 1968	Co-ordination Division, Management and Co-ordination Department, Sapporo Regional Taxation Bureau	—
	July 2000	Deputy District Director, in charge of corporation taxation and liquor tax, Yotsuya Tax Office	
	July 2002	Special Examiner, First Large Enterprise Examination Department, Tokyo Regional Taxation Bureau	
	July 2005	Chief Litigation Officer, First Large Enterprise Examination Department, Tokyo Regional Taxation Bureau	
	July 2006	Chief Director, Third Large Enterprise Examination Department, Tokyo Regional Taxation Bureau	
	July 2007	Deputy Assistant Regional Commissioner, Third Large Enterprise Examination Department, Tokyo Regional Taxation Bureau	
	July 2008	District Director, Kanda Tax Office	
	September 2009	Established and became director of certified tax accountant office (to present)	
	June 2012	Outside Corporate Auditor, ADVAN GROUP CO. LTD.	
	[Significant concurrent positions] Director, Hirokawa Certified Tax Accountant Office		
[Reasons for nomination as a candidate for Substitute Outside Director of the Board serving as a Member of the Audit and Supervisory Committee and outline of expected roles] Mr. Akihiro Hirokawa is a certified tax accountant and is well-versed in accounting and taxation because of his experience as a special examiner, etc. He can be expected to utilize his abundant experience in the audit structure of the Company. Therefore, we propose his appointment as a Substitute Outside Director of the Board serving as a Member of the Audit and Supervisory Committee.			

- Notes:
1. The Company has entered into an advisory agreement with the Hirokawa Certified Tax Accountant Office represented by the candidate, however, the annual consulting fee paid by the Company to the Office does not exceed ¥10 million, and the Company has determined that it does not affect his independence, based on the Company's "Criteria for Determining the Independence of Outside Directors of the Board."
 2. If Mr. Akihiro Hirokawa assumes the office of Director of the Board serving as a Member of the Audit and Supervisory Committee, the Company will enter into a limited liability agreement with him to limit his liability prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provision of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages pursuant to the agreement shall be the minimum amount set forth in Article 425, Paragraph 1 of the said Act
 3. The Company has entered into a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and the outline of the said agreement is as described in the Business Report (Japanese only). If Mr. Akihiro Hirokawa is elected as a Substitute Director of the Board serving as a Member of the Audit and Supervisory Committee and assumes office as a Member of the Audit and Supervisory Committee, he will be insured under the said insurance agreement. The Company intends to renew the said insurance agreement under the same terms at the time of the next renewal.
 4. Although Mr. Akihiro Hirokawa has not been involved in corporate management other than by serving as an outside director or outside corporate auditor in the past, we have determined that he can be expected to adequately perform his duties as an Outside Director of the Board as described in "Reasons for nomination as a candidate for Substitute Outside Director of the Board serving as a Member of the Audit and Supervisory Committee and outline of expected roles."
 5. The Company has designated Mr. Akihiro Hirokawa as an independent officer provided for by the Tokyo Stock Exchange, and the Company will register him as an independent officer with the said Exchange if he assumes office as a Director of the Board serving as a Member of the Audit and Supervisory Committee.

Reference: Composition of the Board of Directors after this Annual General Meeting of Shareholders

Name	Gender	Positions and responsibilities	Knowledge, experience, and expertise of Directors of the Board							
			Corporate management	Inter-nationality	Business strategy	Finance/Accounting	Legal affairs/Risk management	ESG/Sustainability	IT/Digital	Human Resources/Labor
Madoka Tanabe	Male	Representative Director of the Board Chairman	●	●	●			●		●
Yasuyuki Sakata	Male	Representative Director of the Board President & Chief Executive Officer	●	●	●	●				
David Martin	Male	Director of the Board	●	●	●				●	●
Hervé Poncin	Male	Director of the Board	●	●	●				●	●
Hideomi Komai	Male	Director of the Board	●		●		●		●	●
Tatsushi Yano	Male	Outside Director of the Board	●	●	●		●			
Mina Ito	Female	Outside Director of the Board	●	●			●	●		
Naoki Nakagawa	Male	Director of the Board Member of the Audit and Supervisory Committee				●	●			
Shoko Kataoka	Female	Outside Director of the Board Member of the Audit and Supervisory Committee					●	●		
Yoko Kudo	Female	Outside Director of the Board Member of the Audit and Supervisory Committee		●		●				

* This skills matrix does not represent all of the knowledge, experience, and expertise of each Director of the Board.

Composition of the Board of Directors

Ratio of female Directors of the Board

30.0 %



Ratio of Outside Directors of the Board

40.0 %



Directors of the Board (excluding Members of the Audit and Supervisory Committee)

5 Internal
(5 Male)



2 Outside
(1 Male, 1 Female)



Members of the Audit and Supervisory Committee

1 Internal
(1 Male)



2 Outside
(2 Female)



Male Female

Reference: The Company has established its own “Criteria for Determining the Independence of Outside Directors of the Board.”

[Criteria for Determining the Independence of Outside Directors of the Board]

If an Outside Director of the Board of the Company or a candidate for such a position does not fall under any of the following items, the Company determines that he/she has sufficient independence.

1. A related party of the Group
A business executor (Note 1) of the Group (Note 2)
A non-executive Director of the Board or Auditor of the Group
2. A related party of a business partner
A business partner of the Group whose amount of transactions with the Group in the most recent fiscal year exceeds 2% of the Company’s annual consolidated net sales, or a business executor thereof
A party whose business partner is the Group whose amount of transactions with the Group in the most recent fiscal year exceeds 2% of that party’s annual consolidated net sales, or a business executor thereof
A major lender (Note 3) of the Group or a business executor thereof
3. A related party who receives donations or assistance from the Group
A business executor of an entity that receives donations or assistance from the Group exceeding ¥10 million per year in the most recent fiscal year
4. A shareholder relationship
A current major shareholder of the Company (who owns 10% or more of the Company’s voting rights) or a business executor thereof
5. An outside professional
A certified public accountant who is the Accounting Auditor of the Group, or a partner or employee of the auditing firm that conducts accounting audits of the Group
A certified public accountant, attorney, tax accountant or other consultant who does not fall under 1. above and who receives more than ¥10 million per year in cash or other financial benefits from the Group other than officers’ compensation
A party who belongs to an auditing firm, law office, tax accountant corporation, consulting firm or other professional advisory firm that receives a payment from the Group exceeding 2% of its annual consolidated net sales
6. A party who fell under the items above in the past
A party who fell under item 1. above at least once in the past
A party who fell under any of the items 2. through 5. above at any point in the past three years
7. A relative
A spouse or a relative within the second degree of kinship of a party (limited to an important party (Note 4)) listed in 1. through 6. above

(Note 1) The Group refers to the Company and its subsidiaries.

(Note 2) A business executor refers to an executive director, executive officer, general manager, or other employee.

(Note 3) A major lender refers to a principal lender listed in the notice of a general meeting of shareholders of the Company.

(Note 4) An important party refers to a director, auditor, executive officer and employee at or above the position of general manager, or their equivalent.

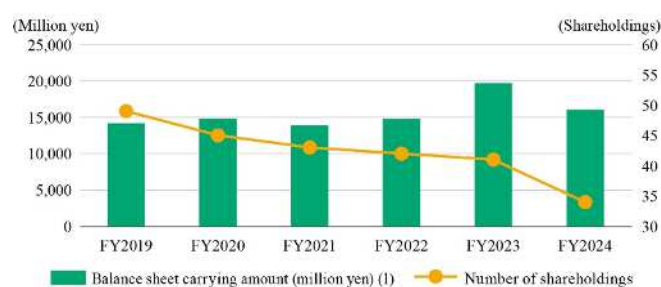
Reference: Policy on cross-shareholdings and their reduction

The Company's basic policy on cross-shareholdings is to sell these shareholdings in an appropriate and timely manner, taking into account the market environment and share price trends. However, each year, the Board of Directors conducts a quantitative verification of whether the dividends and associated revenues received from each shareholding exceed the WACC (cost of capital), from quantitative perspectives such as return/risk-based economic rationality and profitability, with a consideration of the cost of capital, as well as qualitative perspectives such as the maintenance and enhancement of smooth and favorable business relationships with the investee companies and their group companies. The Company maintains shareholdings found to be reasonable based on this verification.

During the fiscal year ended March 31, 2025, the Company reduced the number of its cross-shareholdings by seven, achieving a reduction for the sixth consecutive fiscal year. As a result of selling such shareholdings, the balance sheet carrying amount decreased by approximately ¥3,600 million, and the ratio of cross-shareholdings to consolidated net assets was 18.6%.

The Company will continue to verify its cross-shareholdings and engage in reducing them.

Listed shares held for purposes other than pure investment (year-end)



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of cross-shareholdings	49	45	43	42	41	34
Balance sheet carrying amount (million yen) (1)	14,191	14,808	13,898	14,754	19,668	16,038
Consolidated net assets (million yen) (2)	47,277	43,581	56,374	67,808	81,900	86,216
Ratio (%) (1) ÷ (2)	30.0	34.0	24.7	21.8	24.0	18.6

Proposal 5: Renewal and Partial Amendments to a System of Performance-Linked Stock-Based Compensation Plan for Directors of the Board, etc.

1. Reason for the proposal and basis for considering the compensation appropriate

At the 144th Annual General Meeting of Shareholders convened on June 28, 2018, the Company obtained shareholders' approval for the introduction of a performance-linked stock-based compensation plan (hereinafter referred to as the "Plan") for Directors of the Board of the Company (excluding Outside Directors of the Board and Directors of the Board serving as Members of the Audit and Supervisory Committee; hereinafter the same) and Executive Officers who have entered into delegation agreements with the Company (hereinafter referred to as "Executive Officers," and collectively with Directors of the Board, referred to as "Directors of the Board, etc.") and renewal of and partial amendments to the Plan at the 148th Annual General Meeting of Shareholders convened on June 29, 2022, and they have remained to this date.

In light of the recent formulation of the Fourth Medium-term Business Plan, the Company seeks approval to renew the Plan while also modifying its evaluation indicators to further motivate Directors of the Board, etc. to improve performance and increase corporate value in the medium to long term. No other aspects of the Plan will be changed.

A policy regarding decisions on individual compensation, etc. for Directors of the Board of the Company was resolved at the Board of Directors held on May 21, 2025. An outline of this policy is described in the Business Report. (The content of this outline is scheduled to be revised subject to the approval of this proposal.) This proposal aims to more clearly link the executive compensation system with the performance of the Group and to enhance awareness of contributing to the medium- to long-term performance improvement of the Group and enhancement of corporate value. As such, this proposal is deemed to be appropriate and consistent with the aforementioned policy. To ensure transparency, objectivity, and independence in the compensation decision-making process, the Compensation Committee, the majority of which consists of independent Outside Directors of the Board, has been established. The renewal and partial amendments of the Plan have been deliberated by the Compensation Committee.

This proposal concerns compensation to be provided separately from the annual compensation limit (up to ¥330 million per year) for Directors of the Board (excluding Directors of the Board serving as Members of the Audit and Supervisory Committee) which was approved at the 144th Annual General Meeting of Shareholders convened on June 28, 2018.

If Proposal 2 "Election of Seven (7) Directors of the Board (Excluding Directors of the Board Serving as Members of the Audit and Supervisory Committee)" is approved as originally proposed, the number of Directors of the Board, etc. etc. subject to the Plan will be three (3). The Plan also applies to Executive Officers. (If Proposal 2 is approved as originally proposed, the number of Executive Officers who do not concurrently serve as Directors of the Board subject to the Plan will be two (2).) While the compensation under this Plan includes compensation for Executive Officers, this proposal takes into account the possibility that such Executive Officers may be newly appointed as Directors of the Board (excluding Outside Directors of the Board and Directors of the Board serving as Members of the Audit and Supervisory Committee) during the applicable period of the Plan. Accordingly, the total amount and details of compensation under the Plan are being proposed as compensation for Directors of the Board, etc.

2. Amount and details of compensation under the Plan

(1) Outline of the Plan

The Plan is a stock-based compensation plan in which a portion of compensation for Directors of the Board, etc., funded by the Company, is used to acquire company shares through a trust. Through this trust, Directors of the Board, etc. will be either granted or paid (hereinafter referred to as “grant(ing/ed), etc.”) company shares or cash equivalent to those shares (hereinafter referred to as “Company’s shares, etc.”). (Details are as referred to in (2) below.)

1) Persons eligible for the grant, etc. of the Company’s shares, etc., under this proposal	Directors of the Board of the Company and Executive Officers who have entered into delegation agreements with the Company (excluding Outside Directors of the Board, Directors of the Board serving as Members of the Audit and Supervisory Committee, and those not residing in Japan)
2) Impact of the company shares under this proposal on the total number of issued shares	
Maximum amount of cash to be contributed by the Company (as specified in (2) below)	A total of ¥475 million over a period of three fiscal years
Maximum number of company shares to be acquired by Directors of the Board, etc., and acquisition method thereof (as specified in (2) and (3) below)	For the Applicable Period beginning with the fiscal year ending March 31, 2026, the maximum total number of points to be granted to Directors of the Board, etc. per fiscal year is 700,000 points. The number of company shares corresponding to these points represents approximately 1.0% of the total number of issued shares of the Company (excluding treasury shares as of March 31, 2025). In the event that additional company shares are acquired, they will be acquired from the stock market, and therefore no dilution of shares will occur.
3) Details of performance conditions to be achieved (revised from the previous Plan; as specified in (3) below)	Conditions shall be variable (decided within a range between 0% and 200%) in accordance with the level of achievement of target values (consolidated ROIC, profit attributable to owners of parent, relative TSR, and non-financial indicators (GHG emission reduction, employee engagement, etc.))* for every fiscal year
4) Timing of the granting, etc. of the Company’s shares, etc. to Directors of the Board, etc. (as specified in (4) below)	After retirement

* As new indicators for evaluating performance achievement, the Company has newly introduced relative TSR to promote alignment of interests with shareholders; GHG emissions reduction as a measure of contribution to the global environment through a circular business model; and employee engagement as a measure of enhancing the vitality of human resources, the Company’s greatest asset.

(2) Upper limit of cash contributed by the Company

The Plan, including any extension of the trust period as outlined below, will in principle cover a period of three fiscal years corresponding to the duration of the Medium-term Business Plan (hereinafter referred to as the “Applicable Period”).

For each Applicable Period, the Company will contribute up to ¥475 million as compensation for Directors of the Board, etc. and establish a trust with a trust period of three years (hereinafter referred to as the “Trust”) in which Directors of the Board, etc. who meet the beneficiary requirements are designated as beneficiaries. If additional company shares are to be acquired, the Trust will purchase them from the stock market using the trust fund under the direction of the trust administrator. During the trust period, the Company will grant points (as defined in (3) below) to

Directors of the Board, etc. every year. After the retirement of the Director of the Board, etc. (or in the event of death, after the date of death; hereinafter the same applies), Company's shares, etc. equivalent to the cumulative number of granted points (hereinafter referred to as the "Accumulated Number of Points") will be granted, etc. by the Trust.

Upon expiry of the trust period of the Trust, the Trust may be continued by amending the trust agreement and making additional trust contributions instead of establishing a new trust. In such case, the trust period of the Trust will be extended by three years, and the three fiscal years following the extension will become the new Applicable Period. For each extended trust period, the Company shall make additional contributions within the maximum amount totaling ¥475 million and continue granting points to Directors of the Board, etc. during the extended trust period. However, if there remains in the Trust property company shares as well as cash (hereinafter referred to as the "Remaining Shares, etc.") as of the last day of the trust period prior to the extension (excluding Company's shares, etc. corresponding to points granted to Directors of the Board, etc. that have not yet been granted, etc.), the combined total of Remaining Shares, etc. and the additional contributions made by the Company shall be within ¥475 million.

Furthermore, if at the end of the trust period there are still Directors of the Board, etc. in office who may meet the beneficiary requirements, no additional points will be granted to them beyond that point. However, the trust period may be extended for a period up to a maximum of 10 years, until such a time that the granted, etc. of Company's shares, etc. to such Directors of the Board, etc. is completed.

- (3) Method for calculating the number of company shares to be acquired by Directors of the Board, etc. (including shares subject to conversion into cash), and the upper limit

The number of company shares to be granted, etc. to Directors of the Board, etc. (including shares subject to conversion into cash) will be determined based on the Accumulated Number of Points specified below. One point corresponds to one share, with any fractions below one point rounded down. If the number of company shares held in the Trust increases or decreases due to a stock split, gratis allotment of shares, or reverse stock split, etc., basic points and granted points will be adjusted in proportion to such increase or decrease.

Each year in June during the trust period, Directors of the Board, etc. will be provided points, known as granted points, calculated with the following formula by multiplying basic points, predetermined according to position, by a performance-linked coefficient that varies based on the achievement of performance targets in the fiscal year ended on March 31 of the same year.

The number of granted points will vary from 0% to 200% of basic points, depending on the achievement level of performance targets for each fiscal year, as disclosed in the financial results. Indicators to evaluate achievement level of performance targets have been revised from the previous plan and now include consolidated ROIC, profit attributable to owners of parent, relative TSR, and non-financial indicators (GHG emissions reduction, employee engagement, etc.) Indicators that prioritize the Company's long-term management vision and consolidated performance figures were selected to function as incentives for enhancing the overall performance of the Group.

With regard to granted points for a Director of the Board, etc. who retires during a fiscal year within the trust period (in the case of Directors of the Board, the period refers to the time between one annual general meeting of shareholders and the next during the Applicable Period), basic points will be granted at the time of retirement in proportion to their tenure during that fiscal year (in the case of Directors of the Board, from the most recent annual general meeting of shareholders to the date of retirement). For Directors of the Board who retire at the conclusion of a general meeting of shareholders, points will be granted by multiplying the basic points for the one-year period between the previous annual general meeting of shareholders and the current one by a performance-linked coefficient that varies based on the level of performance targets achieved in the fiscal year immediately preceding the current annual general meeting of shareholders.

(Basic points calculation formula)

Base amount specified for
each position

÷

Average closing price of the
Company's shares on the Tokyo Stock
Exchange during the month prior to
the start of the Applicable Period
(Figures rounded down to the nearest
whole number)

(Points granted calculation formula)

Basic points

×

Performance-linked coefficient

Individuals who meet the beneficiary requirements will be granted, etc. Company's shares, etc. equivalent to the Accumulated Number of Points from the Trust.

The total number of points to be granted to Directors of the Board, etc. during the trust period of the Trust will be set to a limit of 700,000 points per fiscal year. If additional company shares are acquired, they will be purchased from the stock market, and as such no dilution will occur. The upper limit of points granted has been set with reference to the most recent share price and in consideration of the maximum trust contribution amount outlined in (2) above.

- (4) Timing of the granting, etc. of the Company's shares, etc. to Directors of the Board, etc.

Directors of the Board, etc. who meet the beneficiary requirements will be granted, etc. Company's shares, etc. equivalent to the Accumulated Number of Points calculated in accordance with (3) above after their retirement (excluding in the case of death). At that time, the individual will receive company shares equivalent to 70% of such points (fractions below one share will be rounded down), and the remainder will be converted into cash within the Trust, and the cash amount equivalent to the converted amount shall be granted to such Director of the Board, etc.

In the event the death during the trust period of a Director of the Board, etc. who meets the beneficiary requirements, the number of company shares equivalent to the Accumulated Number of Points calculated in accordance with (3) above will be converted into cash within the Trust, and the cash amount equivalent to the converted amount shall be granted to the heir of such Director of the Board, etc.

- (5) Exercise of voting rights of company shares held in the Trust

The voting rights of company shares held in the Trust will not be exercised during the trust period in order to ensure neutrality in corporate management.

- (6) Other details of the Plan

Other details of the Plan shall be decided by the Board of Directors at the time of establishment of the Trust, amendments to the trust agreement, and additional contributions to the Trust.

Reference: A similar performance-linked stock-based compensation plan has been introduced for Directors of the Board and Executive Officers of KOKUSAI PULP&PAPER CO., LTD., a subsidiary of the Company.