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Securities code: 4212

June 5, 2026

To our shareholders:

Hiroshi Baba
President and Representative Director, CEO
Sekisui Jushi Corporation
2-4-4, Nishi-Temma, Kita-ku, Osaka-shi

NOTICE OF THE 92ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 92nd Ordinary General Meeting of Shareholders of Sekisui Jushi Corporation (the “Company”), which will be held as described below.

Instead of attending the meeting in person, you may exercise your voting rights by postal mail or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and return it to reach us no later than 5:40 p.m., Wednesday, June 24, 2026 (Japan Standard Time).

1. Date and Time: Thursday, June 25, 2026, at 10:00 a.m. (Japan Standard Time)

2. Venue: TKP Garden City PREMIUM Osaka Umeda Shinmichi
Umeshin Dai-Ichi Life Building 11F
2-3-5, Sonezaki, Kita-ku, Osaka-shi

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 92nd Term (from April 1, 2025 to March 31, 2026)
2. The results of audit of the Consolidated Financial Statements for the 92nd Term by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

Company Proposals (Proposal Nos. 1 to 4)

- Proposal 1:** Election of eight (8) Directors
Proposal 2: Election of one (1) Audit & Supervisory Board Member
Proposal 3: Revision of amount of remuneration for Directors
Proposal 4: Revision of amount of remuneration for Audit & Supervisory Board Members

Shareholder Proposals (Proposal Nos. 5 to 8)

- Proposal 5:** Acquisition of Treasury Shares
Proposal 6: Amendment to the Articles of Incorporation regarding the number of Directors and Outside Directors
Proposal 7: Approval of remuneration amounts related to the restricted stock compensation plan
Proposal 8: Amendment to the Articles of Incorporation regarding the record date for the Ordinary General Meeting of Shareholders

The outline of the shareholder proposals (Proposal Nos. 5 to 8) is as set forth in the “Reference Documents for the General Meeting of Shareholders.”

- For shareholders attending the meeting, please present the Voting Rights Exercise Form at the reception desk. We also ask that you bring this Notice of Convocation to the meeting in order to conserve resources.

4. Matters Concerning Measures for Electronic Provision

For the convocation of this Ordinary General Meeting of Shareholders, the Company has taken measures for electronic provision, and has posted matters concerning measures for electronic provision on the Company's website.

The Company's website:

https://www.sekisuijushi.co.jp/shareholder_investor/stock/meeting/ (in Japanese)

In addition to the Company's website mentioned above, matters concerning measures for electronic provision are also posted on the following website.

TSE website:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the above website, enter "Sekisui Jushi" in "Issue name (company name)" or the Company's securities code "4212" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information" to check the information in "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" under "Filed information available for public inspection.")

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/4212/teiji/> (in Japanese)

Matters Excluded From Paper-Based Documents Stating Matters Concerning Measures for Electronic Provision

This Notice of Convocation also serves as the paper-based document stating matters concerning measures for electronic provision when a request is made for delivery of paper-based documents. Among the matters concerning measures for electronic provision, pursuant to laws, regulations, and the provisions of the Articles of Incorporation, the matters indicated below are not included in this Notice of Convocation.

- (1) Business Report: Part 7: Systems for Ensuring Compliance with Laws and Regulations and the Articles of Incorporation by Directors When Executing Their Duties and Other Systems for Ensuring the Proper Conduct of Business by the Group and Overview of Operation Status of those Systems
- (2) Consolidated Financial Statements: Consolidated Statement of Changes in Net Assets
- (3) Consolidated Financial Statements: Notes to the Consolidated Financial Statements
- (4) Non-Consolidated Financial Statements: Non-Consolidated Statement of Changes in Net Assets
- (5) Non-Consolidated Financial Statements: Notes to the Non-Consolidated Financial Statements

Method of Notification in the Case of Modifying Matters Concerning Measures for Electronic Provision

If any modifications occur in the matters concerning measures for electronic provision, a notification to that effect, and the details of the matters before and after the modifications will be posted on each of the respective websites where they are currently published.

Reference Documents for the General Meeting of Shareholders

Company Proposals (Proposal Nos. 1 to 4)

Proposal 1: Election of eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes that eight (8) Directors be elected.

Nomination of the candidates for Director has passed through the deliberation process of the Personnel Affairs and Remuneration Advisory Committee of which a majority of the members are Independent Outside Directors.

The candidates for Director are as follows:

No.	Name		Gender	Current position at the Company, etc.
1	Hiroshi Baba	[Reelection]	Male	President and Representative Director, Chief Executive Officer
2	Toshitaka Miyata	[Reelection] Candidate for Outside Director	Male	Outside Director
3	Satoko Ito	[Reelection] Candidate for Outside Director	Female	Outside Director
4	Keiko Akaho	[Reelection] Candidate for Outside Director	Female	Outside Director
5	Tsutomu Tanaka	[New election] Candidate for Outside Director	Male	
6	Tomoyuki Kikuchi	[Reelection]	Male	Director Managing Executive Officer
7	Nagaaki Miyoshi	[Reelection]	Male	Director Managing Executive Officer
8	Masayuki Higashinaka	[New election]	Male	Executive Officer

No.	Name (Date of birth)	Career summary, position, and responsibilities (Significant concurrent positions outside the Company)		Number of the Company’s shares owned
1	Hiroshi Baba (May 30, 1963) Gender/Male [Reelection] Attendance at Board of Directors Meetings 14/14 (100%)	Apr. 1987	Joined the Company	91,100
		June 2007	Executive Officer of the Company	
		June 2009	Director of the Company	
		June 2012	Managing Executive Officer of the Company	
		June 2014	Senior Managing Executive Officer of the Company	
		June 2015	Executive Vice President and Representative Director of the Company	
		Apr. 2016	President and Representative Director, Chief Operating Officer of the Company	
		Apr. 2022	President and Representative Director, Chief Executive Officer of the Company (present position)	
		(Significant concurrent positions outside the Company) Chairman of the Board and Representative Director, Sekisui Jushi Europe Holdings B.V.		
		Reasons for nomination as candidate for Director Hiroshi Baba has mainly been involved in the Operations and Development Departments, having been responsible for the Business Headquarters after taking over Supervising of the Technology, Development, and Production Departments as well as Supervising of the Corporate Headquarters. He currently serves as President and Representative Director, CEO, and contributes to the enhancement of corporate value. We have nominated him as a candidate for Director of the Company based on the judgment that he is qualified as Director because he has extensive experience in the business of the Company and broad insights into overall corporate management.		
2	Toshitaka Miyata (October 27, 1949) Gender/Male [Reelection] Candidate for Outside Director Attendance at Board of Directors Meetings 14/14 (100%)	Apr. 1975	Joined the Ministry of Construction (currently, Ministry of Land, Infrastructure, Transport and Tourism)	800
		Apr. 2005	Director-General, Kyushu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism	
		July 2006	Director-General, Road Bureau, Ministry of Land, Infrastructure, Transport and Tourism	
		July 2008	Retired from Ministry of Land, Infrastructure, Transport and Tourism	
		Oct. 2010	Advisor, Metropolitan Expressway Company Limited	
		Oct. 2013	Representative Director and Senior Executive Officer, Metropolitan Expressway Company Limited	
		June 2016	Representative Director and President, Metropolitan Expressway Company Limited	
		May 2022	Chairman, Tokyo Metropolitan Road Council (present position)	
		June 2022	Chairman, Highway Industry Development Organization (present position)	
		(Significant concurrent positions outside the Company) Chairman, Tokyo Metropolitan Road Council Chairman, Highway Industry Development Organization		
Reasons for nomination as candidate for Outside Director and overview of expected roles Toshitaka Miyata held important posts over many years at the Ministry of Land, Infrastructure, Transport, and Tourism. He has broad insights into development of social infrastructure and transport policy, and he has experience as President and Representative Director of Metropolitan Expressway Company Limited. This extensive management experience led us to conclude that he will be able to offer valuable advice concerning the management of the Company, and we have therefore nominated him as a candidate for Outside Director. If his reelection is approved, he will be a member of the Personnel Affairs and Remuneration Advisory Committee, and will be objectively involved in decisions on the nomination and remuneration of Directors.				

No.	Name (Date of birth)	Career summary, position, and responsibilities (Significant concurrent positions outside the Company)		Number of the Company's shares owned
3	Satoko Ito (July 3, 1967)	Oct. 1989	Commenced activities as a newscaster	800
	Gender/Female	Apr. 2010	Visiting Professor, Graduate Institute for Entrepreneurial Studies (currently, Graduate School of Entrepreneurial Studies, Kaishi Innovation University) (present position)	
		Apr. 2015	Part-time Lecturer, NIIGATA UNIVERSITY	
	[Reelection]	June 2019	Director of the Company (present position)	
		June 2020	External Corporate Auditor, MITANI SANGYO CO., LTD. (present position)	
	Candidate for Outside Director	Oct. 2021	Outside Director, The Juroku Bank, Ltd.	
		Oct. 2021	Outside Director of Juroku Financial Group, Inc. (present position)	
	Attendance at Board of Directors Meetings 14/14 (100%)	Apr. 2025	Representative Director, Ito Satoko Office (present position)	
		May 2025	Outside Director, Idom Inc. (present position)	
		(Significant concurrent positions outside the Company) External Corporate Auditor, MITANI SANGYO CO., LTD. Outside Director of Juroku Financial Group, Inc. Representative Director, Ito Satoko Office Outside Director, Idom Inc.		
Reasons for nomination as candidate for Outside Director and overview of expected roles Satoko Ito has worked as a newscaster on a news program, and currently holds seminars and lectures for managers and teaches at a university. In addition, she has deep knowledge in the fields of the environment and energy, and has served as a committee member at the committees of related government agencies. This experience and knowledge led us to conclude that she will be able to offer valuable advice concerning the management of the Company, and we have therefore nominated her as a candidate for Outside Director. If her reelection is approved, she will be a member of the Personnel Affairs and Remuneration Advisory Committee, and will be objectively involved in decisions on the nomination and remuneration of Directors.				
4	Keiko Akaho (July 21, 1962)	Apr. 1986	Joined The Nikkan Kogyo Shimbun, Ltd.	800
	Gender/Female	Apr. 2009	Kobe Branch Manager, The Nikkan Kogyo Shimbun, Ltd.	
		Apr. 2011	General Manager of Industry Department No. 1, Headquarters Editorial Board, The Nikkan Kogyo Shimbun, Ltd.	
	[Reelection]	Apr. 2016	Chief of Osaka Branch Editorial Board, The Nikkan Kogyo Shimbun, Ltd.	
		Nov. 2021	Deputy Chair of Editorial Committee, The Nikkan Kogyo Shimbun, Ltd.	
	Candidate for Outside Director	Apr. 2023	Management Support Specialist, Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (present position)	
		Apr. 2023	Economic Journalist (present position)	
	Attendance at Board of Directors Meetings 14/14 (100%)	June 2024	Director of the Company (present position)	
			(Significant concurrent positions outside the Company) Economic Journalist	
	Reasons for nomination as candidate for Outside Director and overview of expected roles Keiko Akaho has held key positions at The Nikkan Kogyo Shimbun, Ltd. and has broad insights into the mass media industry, as well as an objective viewpoint cultivated as an economic journalist. This experience and knowledge led us to conclude that she will be able to offer valuable advice concerning the management of the Company, and we have therefore nominated her as a candidate for Outside Director. She has never been directly involved in corporate management. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons. If her reelection is approved, she will be a member of the Personnel Affairs and Remuneration Advisory Committee, and will be objectively involved in decisions on the nomination and remuneration of Directors.			

No.	Name (Date of birth)	Career summary, position, and responsibilities (Significant concurrent positions outside the Company)		Number of the Company's shares owned
5	Tsutomu Tanaka (November 29, 1958) Gender/Male [New election] Candidate for Outside Director	Apr. 1981	Joined Nichimen Co., Ltd. (currently, Sojitz Corporation)	0
		Apr. 2011	Executive Officer, Vice COO, Chemical and Functional Materials Division, Sojitz Corporation, and President/CEO Sojitz-Planet Corporation	
		Apr. 2014	Managing Executive Officer, COO, Chemical Division, Sojitz Corporation	
		Apr. 2018	Senior Managing Executive Officer, Executive Management of Business Group (Chemicals, Foods & Agriculture Business, Retail & Lifestyle Business, Industrial Infrastructure & Urban Development), Sojitz Corporation	
		Jul. 2020	Senior Managing Executive Officer, President & CEO for China, Sojitz Corporation	
		Apr. 2023	Corporate Advisor, Sojitz Corporation	
		Reasons for nomination as candidate for Outside Director and overview of expected roles Tsutomu Tanaka has held key positions at Sojitz Corporation and possesses extensive insights regarding business strategy, as well as a global perspective cultivated through his experience at the company's overseas group companies. We have nominated him as a candidate for Outside Director based on the judgment that he will provide beneficial advice regarding the Company's management by utilizing his experience and knowledge. If his election is approved, he will be a member of the Personnel Affairs and Remuneration Advisory Committee, and will be objectively involved in decisions on the nomination and remuneration of Directors.		

No.	Name (Date of birth)	Career summary, position, and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Tomoyuki Kikuchi (February 13, 1967) Gender/Male [Reelection] Attendance at Board of Directors Meetings 14/14 (100%)	Apr. 1990 Joined the Company Apr. 2014 Executive Officer of the Company Apr. 2021 Supervising, Corporate Administration of the Company June 2021 Director of the Company Apr. 2023 General Manager, Business Headquarters – Private Sectors of the Company June 2023 Outside Director, NIHON KOGYO CO., LTD. (present position) Oct. 2023 Director of the Company (present position) Oct. 2023 Director, Executives - Finance and Investor Relations, and General Manager, Business Headquarters – Private Sectors of the Company Apr. 2024 Managing Executive Officer of the Company (present position) Apr. 2024 Director and Managing Executive Officer, Executives - Finance and Investor Relations, and General Manager, Corporate Headquarters – Management Strategy & Planning of the Company (present position) Apr. 2025 General Manager, Legal & Public Relations Department of the Company Apr. 2026 Chairman of the Board and Representative Director, Sekisui Jushi Trading Co., Ltd. (present position) (Significant concurrent positions outside the Company) Outside Director, NIHON KOGYO CO., LTD. Chairman of the Board and Representative Director, Sekisui Jushi Trading Co., Ltd.	16,700
Reasons for nomination as candidate for Director Tomoyuki Kikuchi has mainly been involved in operations in the accounting and corporate planning departments, and he currently serves as Director and Managing Executive Officer, performing duties of General Manager of Corporate Headquarters – Management Strategy & Planning. We have nominated him as a candidate for Director of the Company based on the judgment that he is qualified as Director for his extensive experience and knowledge.			

No.	Name (Date of birth)	Career summary, position, and responsibilities (Significant concurrent positions outside the Company)		Number of the Company’s shares owned
7	Nagaaki Miyoshi (November 13, 1969) Gender/Male [Reelection] Attendance at Board of Directors Meetings 14/14 (100%)	Apr. 1991	Joined the Company	7,900
		Oct. 2015	Managing Director, Sekisui Jushi Europe Holdings B.V. (present position)	
		Apr. 2018	Executive Officer of the Company	
		Apr. 2020	General Manager, Development Headquarters of the Company	
		Oct. 2022	Supervising, Business Development Department of the Company	
		Apr. 2023	General Manager, Business Headquarters – The Growth Drivers (present position), and General Manager, Global Operations Department of the Company	
		June 2023	Director of the Company (present position)	
		Apr. 2025	Supervising, Development Section of the Divisions, and Director in charge of Perovskite Solar Business of the Company	
		Apr. 2026	Managing Executive Officer, Deputy General Manager, Business Strategy Headquarters, and Executives - Material Handling Systems, Supplies & Agriculture Business Headquarters, and General Manager, R&D of the Company (present position)	
		(Significant concurrent positions outside the Company) Managing Director, Sekisui Jushi Europe Holdings B.V.		
	Reasons for nomination as candidate for Director Nagaaki Miyoshi has mainly been involved in international business and development departments, and he currently serves as Director and Managing Executive Officer, performing duties of General Manager of Business Headquarters – The Growth Drivers. We have nominated him as a candidate for Director of the Company based on the judgment that he is qualified as Director for his extensive experience and knowledge.			
8	Masayuki Higashinaka (August 23, 1971) Gender/Male [New election]	Apr. 1994	Joined the Company	9,200
		Aug. 2014	Department Manager, Purchasing Department of the Company	
		Apr. 2018	Executive Officer of the Company (present position)	
		Apr. 2019	In charge of the Purchasing Department, and General Manager, Material Handling Systems, Supplies & Agriculture Business Division, Business Headquarters – Private Sectors of the Company	
		Apr. 2023	Deputy General Manager, Business Headquarters – Private Sectors, and General Manager, Material Handling Systems, Supplies & Agriculture Business Division of the Company	
		Apr. 2026	General Manager, Material Handling Systems, Supplies & Agriculture Business Headquarters, and General Manager, Agriculture Business Division of the Company (present position)	
	Reasons for nomination as candidate for Director Masayuki Higashinaka has mainly been involved in private sector businesses and purchasing departments, and he currently serves as Executive Officer, performing duties of General Manager of the Material Handling Systems, Supplies & Agriculture Business Headquarters. We have nominated him as a candidate for Director of the Company based on the judgment that he is qualified as Director for his extensive experience and knowledge.			

Notes: 1. There is no special interest between the candidates for Directors and the Company.

2. Toshitaka Miyata is a candidate for Outside Director, and at the conclusion of this Ordinary General Meeting of Shareholders, he will have served as an Outside Director of the Company for four (4) years.

The Company has designated him as an independent officer in accordance with the regulations of the Tokyo Stock Exchange and has notified therein.

3. Satoko Ito is a candidate for Outside Director, and at the conclusion of this Ordinary General Meeting of Shareholders, she will have served as an Outside Director of the Company for seven (7) years.

The Company has designated her as an independent officer in accordance with the regulations of the Tokyo Stock Exchange and has notified therein.

4. Keiko Akaho is a candidate for Outside Director, and at the conclusion of this Ordinary General Meeting of Shareholders, she will have served as an Outside Director of the Company for two (2) years.

The Company has designated her as an independent officer in accordance with the regulations of the Tokyo Stock Exchange and has notified therein.

5. Tsutomu Tanaka is a candidate for Outside Director.

The Company plans to designate him as an independent officer in accordance with the regulations of the Tokyo Stock Exchange and notify therein.

6. The Company has signed a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract will cover losses and costs that may be incurred in cases where an insured such as Director assumes the liability in the course of their performance of duties or receives a claim concerning the pursuit of such liability. If the candidates are elected and assume the office as Director, they will be insured under the insurance contract. In addition, the insurance contract is planned to be renewed without revision at the next renewal.

7. The Company has entered into agreements limiting the liability for damages specified in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of said Act with the candidates for Outside Directors, Toshitaka Miyata, Satoko Ito, and Keiko Akaho. The maximum amount of liability for damages will be the total of the amounts specified in each item of Article 425, Paragraph 1 of said Act, and if reelection of Toshitaka Miyata, Satoko Ito, and Keiko Akaho is approved, the Company plans to continue such agreements with them. Also, if the election of candidate Tsutomu Tanaka is approved and he assumes the office as Outside Director, the Company plans to enter into the same agreement with him.

8. Metropolitan Expressway Company Limited, where candidate for Director Toshitaka Miyata served as Representative Director from June 2016 to June 2021, received a demand for improvement measures from the Japan Fair Trade Commission on April 22, 2026. This demand was based on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc., as the Commission observed that the company had engaged in involvement in bid rigging, as stipulated in said Act.

Proposal 2: Election of one (1) Audit & Supervisory Board Member

In order to further enhance the neutrality and independence of the audit framework and its functionality, the Company proposes that one (1) Outside Audit & Supervisory Board Member be elected.

If this proposal is approved, the number of Audit & Supervisory Board Members of the Company will increase by one (1), resulting in a total of five (5) Audit & Supervisory Board Members (including three [3] Outside Audit & Supervisory Board Members).

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)		Number of the Company's shares owned
Toshihide Doi (April 12, 1963)	Apr. 1986	Joined Tanabe Seiyaku Co., Ltd. (currently, Tanabe Pharma Corporation)	0
Gender/Male	Mar. 2015	General Manager, Business Promotion Department, Tanabe Pharma Corporation	
[New election]	Apr. 2017	Head of Finance & Accounting Department, Tanabe Pharma Corporation	
	Apr. 2020	Head of Corporate Management Department, Tanabe Pharma Corporation	
Candidate for Outside Audit & Supervisory Board Member	Apr. 2021	Executive Officer, Tanabe Pharma Corporation	
	Jun. 2023	Full-time Audit & Supervisory Board Member, Tanabe Pharma Corporation	
Reasons for nomination as candidate for Audit & Supervisory Board Member Toshihide Doi was involved in the operations of the accounting, finance, corporate management, IR, public relations, and business departments at Tanabe Seiyaku Co., Ltd. (currently, Tanabe Pharma Corporation). We have nominated him as a candidate for Outside Audit & Supervisory Board Member of the Company based on the judgment that he is qualified as Outside Audit & Supervisory Board Member because he possesses extensive experience and insights as audit & supervisory board member at said company and its affiliates.			

- Notes:
1. There is no special interest between Toshihide Doi, the candidate for Audit & Supervisory Board Member, and the Company.
 2. Toshihide Doi is a candidate for Outside Audit & Supervisory Board Member. The Company plans to designate him as an independent officer in accordance with the regulations of the Tokyo Stock Exchange and notify therein.
 3. The Company has signed a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract will cover losses and costs that may be incurred in cases where an insured such as Audit & Supervisory Board Member assumes the liability in the course of their performance of duties or receives a claim concerning the pursuit of such liability. If the candidate is elected and assumes the office as Audit & Supervisory Board Member, he will be insured under the insurance contract. In addition, the insurance contract is planned to be renewed without revision at the next renewal.
 4. If the election of candidate Toshihide Doi is approved and he assumes the office as Audit & Supervisory Board Member, the Company plans to enter into an agreement limiting the liability for damages specified in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of said Act with him. The maximum amount of liability for damages will be the total of the amounts specified in each item of Article 425, Paragraph 1 of said Act.

(Reference) Composition of the Board of Directors and the Audit & Supervisory Board (skills matrix)

To realize the basic policy, targets, and priority implementation items in the SJC Group Vision 2030 and the Medium-term Management Plan 2027, the Company has defined the knowledge, experience and skills particularly expected with a focus on maximizing the value of human capital, expanding through growth strategies, promoting sustainability management, and engaging in management with an awareness of capital costs and stock price.

The composition of the Board of Directors and the Audit & Supervisory Board and skill matrix upon approval of Proposal No. 1 and Proposal No. 2 are as follows.

The table below shows the knowledge, experience, and skills particularly expected of each officer, and does not represent all the knowledge of each officer.

Name	Position	Knowledge, experience and skills particularly expected								
		Management	Maximizing the value of human capital	Expanding through growth strategies			Promoting sustainability management		Engaging in management with an awareness of capital costs and stock price	
		Corporate management	Personnel, labor, and human resources development	IT, digital technology and innovation	Business strategy, sales and marketing	Global operations	Environment and society	Compliance and risk management Safety, quality, and production	Finance and accounting Capital allocation	IR (PR) and branding
Hiroshi Baba	President and Representative Director	○	○		○	○	○	○		○
Toshitaka Miyata	Director (Outside)	○	○					○		
Satoko Ito	Director (Outside)		○		○		○			○
Keiko Akaho	Director (Outside)						○			○
Tsutomu Tanaka	Director (Outside)	○	○		○	○			○	
Tomoyuki Kikuchi	Director	○	○	○			○	○	○	○
Nagaaki Miyoshi	Director	○		○	○	○		○		
Masayuki Higashinaka	Director	○			○	○	○	○		
Akihito Tada	Full-time Audit & Supervisory Board Member		○					○	○	
Katsuyoshi Sasaki	Full-time Audit & Supervisory Board Member						○	○		
Akira Tsujiuchi	Audit & Supervisory Board Member (Outside)							○	○	
Kenzaburo Yazawa	Audit & Supervisory Board Member (Outside)		○					○		
Toshihide Doi	Audit & Supervisory Board Member (Outside)				○			○	○	○

Proposal 3: Revision of amount of remuneration for Directors

1. Description of revisions

- (1) The Company would like to revise monetary remuneration for Directors of the Company from “up to ¥400 million per year (including up to ¥50 million per year for Outside Directors),” the amount approved at the 73rd Ordinary General Meeting of Shareholders held on June 28, 2007 and the 90th Ordinary General Meeting of Shareholders held on June 25, 2024, to “up to ¥300 million per year (including up to ¥50 million per year for Outside Directors).” It should be noted that, as before, this amount of monetary remuneration does not include the employee salaries of Directors who concurrently serve as employees.
- (2) The Company would like to revise the maximum amounts of restricted stock compensation and number of Company’s shares to be granted to Directors of the Company from “up to ¥50 million per year (including up to ¥8 million per year for Outside Directors)” and “up to 12,000 shares per year (including up to 2,000 shares per year for Outside Directors),” respectively, the amounts approved as separate from the amount of monetary remuneration described in (1) at the 90th Ordinary General Meeting of Shareholders held on June 25, 2024, to “up to ¥150 million per year (including up to ¥10 million per year for Outside Directors)” and “up to 38,000 shares per year (including up to 2,000 shares per year for Outside Directors),” respectively. It should be noted that, aside from the above revisions, the details approved at the 90th Ordinary General Meeting of Shareholders held on June 25, 2024 will not change.

		Current		After revision	
		Directors	Included portion for Outside Directors	Directors	Included portion for Outside Directors
Monetary remuneration	Remuneration (per year)	Up to <u>¥400</u> million	Up to ¥50 million	Up to <u>¥300</u> million	Up to ¥50 million
Non-monetary remuneration (amount of restricted stock compensation)	Remuneration (per year)	Up to <u>¥50</u> million	Up to <u>¥8</u> million	Up to <u>¥150</u> million	Up to <u>¥10</u> million
	Number of shares to be granted (maximum per year)	Up to <u>12,000</u> shares	Up to 2,000 shares	Up to <u>38,000</u> shares	Up to 2,000 shares

2. Reason for revisions

The Company’s remuneration system for Directors is linked to shareholder returns to serve as an incentive to sustainably enhance corporate value, and the remuneration of each Director is determined appropriately based on their position, responsibilities, and other relevant factors. The remuneration for Directors responsible for business execution consists of basic remuneration, bonuses, and restricted stock compensation, while the remuneration for Outside Directors consists of basic remuneration and restricted stock compensation.

The Company has decided to establish an additional allocation for Directors responsible for business execution when calculating the number of shares to grant to them under the restricted stock compensation plan for Directors. The additional allocation will be determined according to the level of achievement of predetermined medium-term indicators pertaining to, for example, growth of corporate value and shareholder value.

Concurrently, the Company would like to raise the proportion of stock compensation without changing the limit of total compensation for Directors, and intends to accomplish this by reducing the limit of monetary remuneration.

3. Grounds for the reasonableness of the revisions

The purpose of this proposal is to promote further improvement of the Company’s corporate value and value sharing with shareholders by creating stronger links between the Company’s performance over the medium-term and the value of the Company’s stock on the one hand, and stock compensation for Directors on the other. Thus, this proposal is in line with the Company’s policy for determining details of remuneration and other compensation for each individual Director. Additionally, after considering all facets of the Company’s business scale, the officer remuneration structure and payment levels, the present number of officers, and future trends, and upon deliberation by the Personnel Affairs and Remuneration Advisory Committee, the Board of Directors has made this decision, which the Company deems appropriate.

The Company's policy for determining details of remuneration and other compensation for each individual Director is as listed in pages 51-52 of this Notice of the Ordinary General Meeting of Shareholders (in Japanese). It should be noted that the present number of Directors is eight (including four Outside Directors); neither will change if Proposal 1 (Election of eight (8) Directors) is approved.

[Reference] Overview of Restricted Stock Compensation Plan (After Revision)

For the purpose of giving Directors an incentive to continuously improve the Company's corporate value and to promote further value sharing with shareholders, the Company will provide Directors with remuneration for the granting of restricted stock, separately from the monetary remuneration for Directors in this proposal.

The remuneration to be paid to the Directors for the granting of restricted stock pursuant to this system shall be in the form of monetary claims ("Monetary Remuneration Claims"). The total amount shall be no more than ¥150 million per year (including ¥10 million per year for Outside Directors), as deemed reasonable in light of the aforementioned purposes.

In addition, the specific timing for provision thereof and the allocation to each Director shall be determined by the Board of Directors. It should be noted that the remuneration stated above shall not include the employee salaries for Directors concurrently serving as employees.

The Directors shall pay all Monetary Remuneration Claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution of the Board of Directors of the Company, and shall receive common shares of the Company that shall be by disposal of treasury shares, and the total number of common shares of the Company through disposal of treasury shares shall be no more than 38,000 shares per year (including 2,000 shares per year for Outside Directors; provided, however, that if the Company performs a share split (including allotment of common shares of the Company without contribution) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of common shares of the Company through disposal of treasury shares for restricted stock, the relevant total number shall be reasonably adjusted).

The paid-in amount per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price on the most recent trading day if there is no closing price on that day). In addition, upon the disposal of shares of common stock of the Company in this manner, the Company shall enter into a restricted stock allotment agreement (the "Allotment Agreement," with shares of common stock received as a result of this allotment referred to as the "Allotted Shares") with the Directors, which shall include the following details.

(1) Restriction Period

Directors shall not transfer, grant a security interest in, or otherwise dispose of the Allotted Shares ("Transfer Restrictions") for a period to be determined in advance by the Board of Directors of the Company between three (3) and 30 years from the pay-in date for the Allotted Shares (the "Restriction Period").

(2) Handling Upon Resignation

If a Director retires or resigns from any position of Director, Executive Officer, or other position determined in advance by the Board of Directors of the Company before the Restriction Period expires, the Company shall automatically acquire such Allotted Shares without contribution, unless the reason for his/her retirement or resignation from office is the expiration of the term of his/her office, death, or other justifiable reason. In any other case, the Company shall acquire, by rights, without contribution all the Allotted Shares if the Board of Directors of the Company has determined that it is appropriate for the Company to acquire them without contribution.

(3) Lifting of Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restrictions on all of the Allotted Shares upon expiration of the Restriction Period, provided that the Director has continuously held the position determined in (2) above during the Restriction Period. However, if the Director retires or resigns from his/her position as designated in (2) above before the expiration of the Restriction Period due to the expiration of the term of his/her office, death, or other justifiable reason designated in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. In addition, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted in accordance with the provisions above.

(4) Handling of Organizational Restructuring, etc.

Notwithstanding the provisions of (1) above, in the event that a merger agreement in which the Company becomes the absorbed company, a share exchange agreement in which the Company becomes a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring, etc. are approved at a General Meeting of Shareholders (or by the Board of Directors if the organizational restructuring, etc. does not require approval of the General Meeting of Shareholders) of the Company during the Restriction Period, the Company may, by a resolution of the Board of Directors, and before the date on which such organizational restructuring, etc. takes effect, lift the Transfer Restrictions on the number of the Allotted Shares reasonably determined based on the period from the start of the Restriction Period to the date of approval of such organizational restructuring, etc. In addition, the Company shall automatically acquire any Allotted Shares for which the Transfer Restrictions have not yet been lifted without contribution immediately after the Transfer Restrictions are lifted in accordance with the above provisions.

(5) Other Matters

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

Proposal 4: Revision of amount of remuneration for Audit & Supervisory Board Members

The amount of remuneration for the Company's Audit & Supervisory Board Members was resolved to be within 60 million yen per annum at the 73rd Ordinary General Meeting of Shareholders held on June 28, 2007, and has remained so to the present. However, taking into consideration that the roles and responsibilities expected of Audit & Supervisory Board Members are increasing due to the recent strengthening of corporate governance, the Company proposes to amend the amount of remuneration for Audit & Supervisory Board Members to be within 80 million yen per annum.

The current number of Audit & Supervisory Board Members is four (4) (including two [2] Outside Audit & Supervisory Board Members), but if Proposal No. 2 is approved, the number of Audit & Supervisory Board Members will be five (5) (including three [3] Outside Audit & Supervisory Board Members).

Shareholder Proposals (Proposal Nos. 5 to 8)

Proposal Nos. 5 to 8 are proposals made by one (1) shareholder.

Please note that the outlines of the proposals and the reasons for the proposals are presented as originally submitted.

Proposal 5: Acquisition of Treasury Shares

(1) Outline of the Proposal

Pursuant to Article 156, Paragraph 1 of the Companies Act, the Company shall acquire up to 3,181,000 shares of its common stock for monetary consideration within one year from the conclusion of this Ordinary General Meeting of Shareholders, with the total acquisition cost not to exceed 7,952,000,000 yen.

(2) Reasons for the Proposal

As Sekisui Jushi's stock price has remained sluggish since last year, it appears that the market continues to view the Company's response measures as insufficient. In light of the above, and with a view to further enhancing shareholder returns and improving capital efficiency, it is proposed that the Company acquire approximately 10% of its total issued shares as treasury shares and cancel them pursuant to Article 178 of the Companies Act.

The Board of Directors opposes this proposal.

The Company is working on sustainable improvement of corporate value by allocating management resources with a balance between human resources, investing in growth, and return of profits in mind, based on SJC Group Vision 2030 and Medium-term Management Plan 2027. The Company also positions the return of profits to our shareholders as one of the most important management measures and formulated and published a new shareholder return policy on May 13, 2024, striving for enhancement of shareholder return and improvement of capital efficiency.

Under the relevant policy for dividends, while giving overall consideration to business results and future capital demand, we will implement progressive dividends—a dividend policy to maintain or increase dividends without a reduction in dividend in principle—as a basic policy during the period of SJC Group Vision 2030 (until March 31, 2030) and aim to maintain a consolidated dividend payout ratio of 40% or higher. In addition, regarding the acquisition and cancellation of treasury shares, we view it as an effective way to return profits to our shareholders, and we will carry out the acquisition and cancellation of treasury shares as appropriate and necessary, taking into consideration the business environment and financial situation. We aim to maintain a total return ratio of 100% or higher, which includes dividends of surplus and treasury shares acquisitions, through the fiscal year ending March 31, 2027.

Based on the relevant policy, the Company repurchased 1 million treasury shares (total ¥2,090 million) in the fiscal year ended March 31, 2026. The Company also raised the full-year dividend to ¥72 per share, an increase of ¥2 from the previous fiscal year (increased for the 17th consecutive fiscal year). Therefore, the consolidated dividend payout ratio was 55.2%, and the total return ratio was 107.5%.

Additionally, a full-year dividend of ¥82 per share with an increase of ¥10 from the previous fiscal year is predicted in the fiscal year ending March 31, 2027, and repurchase of 1 million treasury shares (maximum amount: ¥2.7 billion) was resolved at the Board of Directors meeting held on May 13, 2026. The Company will strive to achieve these goals. The total return ratio based on the forecast of the consolidated results for the fiscal year ending March 31, 2027 published on May 13, 2026, is expected to be approximately 116%. The Company plans to repurchase a total of 3.8 million treasury shares over the three fiscal years covered by the Medium-term Management Plan 2027, from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027.

While we are working on specific initiatives, recognizing the importance of human resources, investing in growth, and shareholder returns as stated above, we consider that repurchasing treasury shares on the scale of the Shareholder's Proposal within a year is not beneficial at this time.

We believe that the repurchase of treasury shares should be determined on the basis of the medium- to long-term management strategy and capital policy, including consideration for the total return ratio, as well as actual business performance and should be implemented after consideration of appropriate timing, number of shares, etc. while taking the stock price, trading conditions of the Company's shares, etc. into account. Since Article 35 of the Company's Articles of Incorporation stipulates that the acquisition of treasury shares may be carried out based on resolution of the Board of Directors meeting by market transactions, etc., implementation of repurchase of treasury shares will be reviewed at the Board of Directors meetings and implemented, as necessary.

Therefore, the Board of Directors of the Company opposes the Shareholder's Proposal.

Proposal 6: Amendment to the Articles of Incorporation regarding the number of Directors and Outside Directors

(1) Outline of the Proposal

In order to limit the number of Directors of the Company to ten (10) and to require Outside Directors to make up the majority, Article 18 of the Articles of Incorporation shall be amended as follows: In addition, if formal adjustments (including, but not limited to, modifications to article numbering) to the provisions set forth in this proposal become necessary as a result of the approval of other proposals (including those proposed by the Company) at this Ordinary General Meeting of Shareholders, the provisions of this proposal shall be read as the provisions after such necessary adjustments.

Before Amendment	After Amendment
(Number of Directors) Article 18 1 The Company shall have three (3) or more Directors. 2 In the event that a Director resigns during their term of office, a substitute shall be elected. However, unless the number of Directors falls below the statutory minimum, the Board of Directors may, by resolution, defer or forgo the election of a substitute. 3 <u>(Newly established)</u>	(Number of Directors) Article 18 1 The Company shall have three (3) <u>to ten (10)</u> Directors. 2 In the event that a Director resigns during their term of office, a substitute shall be elected. However, unless the number of Directors falls below the statutory minimum, the Board of Directors may, by resolution, defer or forgo the election of a substitute. 3 <u>The majority of the Company's Directors shall be Outside Directors as defined in Article 2, Paragraph 1, Item 15 of the Companies Act.</u>

(2) Reasons for the Proposal

Principle 4.8 of Japan's Corporate Governance Code (Effective Use of Independent Outside Directors) states the following: "Independent Outside Directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third (1/3) of their directors as Independent Outside Directors that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors as Independent Outside Directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of Independent Outside Directors." Furthermore, Principle 4.7 of the same code states that one of the roles and responsibilities of an Independent Outside Director is "Appropriately representing the views of minority shareholders and other stakeholders in the Board of Directors from a standpoint independent of the management and controlling shareholders."

The Company currently has eight (8) Directors, of whom four (4) are Outside Directors, thereby meeting the requirement that at least one-third (1/3) be Outside Directors. However, it is considered that establishing a governance structure in which a majority of directors are Outside Directors would contribute to improved capital efficiency and shareholder returns, while supporting the Company's sustainable growth and the enhancement of its medium- to long-term corporate value.

Furthermore, it is essential not only to consider the number of Outside Directors but also to ensure that such individuals possess the qualities necessary to contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value. In this regard, it is proposed that the Company consider appointing analysts with extensive experience and high-level skills.

The appointment of individuals with strong experience and expertise as analysts is considered an effective means of enhancing corporate value through sound risk-taking, while also bringing the perspective of external investors and shareholders into the Board of Directors. Ideally, the Board of Directors of a listed company and its investors/shareholders should share the common objective of enhancing corporate value over the long term. However, in Japan, these parties are often perceived to be in opposition. The participation of Directors with the aforementioned experience and skills in Board discussions and decision-making is expected to foster a more constructive relationship between the Board of Directors and the capital markets, by promoting sound risk-taking, appropriate capital allocation, and improved communication with the market. Although finance-related roles in director skill matrices are often filled by individuals with backgrounds in banking or accounting, such expertise alone—focused on accounting or debt markets—is considered insufficient from the standpoint of

encouraging sound risk-taking. In this context, the appointment of professionals with expertise in the equity markets is considered meaningful.

In addition, it is proposed that the number of Directors be limited to no more than ten (10), in line with general practice among other listed companies.

The Board of Directors opposes this proposal.

The Company recognizes that efficient management is indispensable to respond to the drastically changing business environment, and that establishing corporate governance is important to improve management transparency and to promote prompt decision-making. Based on the principles of the corporate governance code, we will strive to further improve the efficiency of the corporate governance system.

The Company believes that to facilitate prompt decision-making regarding management while drawing on diverse perspectives, the Board of Directors should be composed of an appropriate number of members to ensure effective discussion. For Directors, the Company has a policy to appoint members based on suitability, such as knowledge, experience, ability, and personality, under the belief that the balance of knowledge, experience, and ability of the Board of Directors as a whole and the diversity of its values will contribute to the sustainable enhancement of the Company's corporate value. In order to ensure objectivity and fairness in the appointment of Directors, candidates are determined through reviews by the Personnel Affairs and Remuneration Advisory Committee, composed of a majority of Independent Outside Directors and chaired by an Independent Outside Director.

We select candidates for Directors based on the Skills Matrix which identifies knowledge, experience, and skills particularly expected of officers, considering a balance of the Board of Directors as a whole, with a focus on enacting the basic policies (maximizing the value of human capital, expanding through growth strategies, promoting sustainability management, and engaging in management with an awareness of capital costs and stock price) in the SJC Group Vision 2030 and Medium-term Management Plan 2027.

For Independent Outside Directors, the Company appoints a sufficient number of Independent Outside Directors, ensuring they make up at least one-third (1/3) of the board, taking into account industry, scale, business characteristics, organizational structure, and the surrounding corporate environment comprehensively, with the expectation of fulfilling a contributory role and responsibilities for the Company's sustainable growth and enhancement of corporate value in the medium- to long-term from an objective and independent standpoint.

Currently, as the Company appoints four (4) Outside Directors and active discussions are taking place at the Board of Directors meetings from a broad array of perspectives based on shareholder and investor viewpoints, we believe that the governance is functioning effectively.

Additionally, the composition of Directors proposed by the Company at the General Meeting of Shareholders includes four (4) Independent Outside Directors among eight (8) directors, who supervise management execution for achievement of the Company's long-term vision SJC Group Vision 2030 and Medium-term Management Plan 2027, and we believe that the composition of Directors is optimally structured with diverse expertise for sustainable growth and enhancement of corporate value in the medium- to long-term.

By contrast, if a provision similar to the Shareholder's Proposal is included in the Articles of Incorporation, it will limit the range of director candidates as securing the number of personnel is prioritized. We believe that this may prevent the optimal composition of the Board of Directors, and thus it is not appropriate.

Therefore, the Board of Directors of the Company opposes the Shareholder's Proposal.

In addition, prior to the review of the Directors' opinion, details of the Shareholder's Proposal were reviewed by the Personnel Affairs and Remuneration Advisory Committee, and the Board of Directors resolved the Board of Directors' opinion based on the committee's recommendation.

Proposal 7: Approval of remuneration amounts related to the restricted stock compensation plan

(1) Outline of the Proposal

At the General Meeting of Shareholders held on June 28, 2007, a resolution was adopted that the maximum annual remuneration for Directors shall not exceed 400 million yen, with a limit of 30 million yen for Outside Directors. Furthermore, at the General Meeting of Shareholders held on June 25, 2024, it was approved that remuneration for Outside Directors shall be increased to a maximum of 50 million yen per year. Separately, at the same meeting, it was also approved that the annual amount of restricted stock compensation for Directors shall be up to 50 million yen (of which up to 8 million yen is for Outside Directors), and that the maximum number of shares to be granted shall be 12,000 shares per year (of which up to 2,000 shares are for Outside Directors). This proposal seeks approval to replace the current restricted stock compensation with a monetary compensation claim for the purpose of granting restricted stock, up to an annual amount of 200 million yen (of which up to 50 million yen is allocated for Outside Directors), with a maximum of 80,000 shares granted annually (of which up to 20,000 shares are for Outside Directors).

The specific timing and allocation of the remuneration shall be determined by the Board of Directors, and the plan shall be designed as a performance-linked incentive system. While performance indicators may include various KPIs including ROE and total shareholder return (TSR), the selection of specific indicators shall be appropriately determined by the Board of Directors in light of the Company's management strategy and business environment. Moreover, the plan shall be designed such that, if performance criteria are met, restricted stock equivalent to three times the amount of fixed remuneration shall be cumulatively granted over the next three years.

(2) Reasons for the Proposal

The Proposer considers that one of the major weaknesses of Board of Directors in Japanese companies is the limited shareholding by individual directors, which results in a lack of alignment with shareholder interests. The Company is no exception; most of the directors' economic interests are concentrated in fixed remuneration, with only a limited portion linked to performance. As such, the purpose of equity-based remuneration—sharing value with shareholders—is currently insufficiently achieved. There is a need to provide directors with economic incentives that drive the sustainable enhancement of corporate value and align their interests with those of shareholders, allowing them to jointly benefit from increases in corporate value.

As a general benchmark, stock compensation equivalent to three times the amount of fixed remuneration is considered effective in sharing value with shareholders and Directors. While the Company has introduced a stock compensation plan, in the 91st Term (from April 1, 2024 to March 31, 2025), fixed remuneration paid to Directors (excluding Outside Directors) amounted to 81 million yen, while stock-based remuneration was only 20 million yen—equivalent to 24.7% of fixed remuneration. At this pace, it would take approximately 12 years for Directors to accumulate stock compensation equal to three times their fixed remuneration, a level deemed effective for sharing value with shareholders and Directors. Stock compensation must be granted during a director's tenure to have the intended effect. Therefore, it is necessary for the Company to implement a certain level of stock grants within a shorter time frame.

In the United States and Europe, nearly all major listed companies have adopted stock ownership guidelines that require the continuous holding of a certain amount of shares for a specified period, in order to ensure sharing value with shareholders. After a grace period of several years, most guidelines require top executives to hold shares equivalent to three to five times their base salary, and even Outside Directors are generally required to hold shares equivalent to one year's remuneration. Accordingly, the Proposer suggests that the Company break away from past norms and adopt stock ownership guidelines applicable to its Directors and other members of senior management. Such guidelines should aim to achieve globally competitive levels of ownership and demonstrate commitment through appropriate disclosure.

The Board of Directors opposes this proposal.

The Company's remuneration system for Directors is linked to shareholder returns to serve as an incentive to sustainably enhance corporate value, and the remuneration of each Director is determined appropriately based on their position, responsibilities, and other relevant factors. Remuneration for Directors responsible for business execution consists of basic remuneration, bonuses, and restricted stock compensation, while remuneration for Outside Directors consists of basic remuneration and restricted stock compensation, all of which is paid within the range of the total amount of remuneration approved at the General Meeting of Shareholders.

The basic remuneration for Directors shall be determined within the remuneration limit approved at the General Meeting of Shareholders, based on monthly remuneration per their position and responsibilities, and shall be revisited as necessary in consideration of business performance, the level of other companies, social conditions, and other factors. In addition, for short-term performance-linked remuneration, a bonus is paid as monetary remuneration at a certain time each year. Among the Directors responsible for business execution, in order to maximize the incentive for improving corporate value through achievement of performance targets for each fiscal year, the amount to be paid is decided with overall consideration for operating profit and other important performance indicators of the Company and the Group, as well as other factors such as the conditions of the departments which each Director is responsible for. Furthermore, with the aim of promotion of further value sharing with our shareholders by granting incentives that contribute to enhancement of performance and corporate value in the medium- to long-term, Directors (including Outside Directors) are provided with ordinary shares of the Company with restrictions on their transfer during the term of office at a certain time each year, setting the number of shares according to their position, responsibilities, and other relevant factors.

In Proposal No. 3 at the Ordinary General Meeting of Shareholders, the Company will also propose to increase the maximum annual amount of stock remuneration under the restricted stock compensation plan for Directors to 150 million yen (of which up to 10 million yen is for Outside Directors), and the maximum number of shares to 38,000 shares per year (of which up to 2,000 shares are for Outside Directors), while reducing the maximum amount of monetary remuneration. As a result, the maximum aggregate amount of remuneration for Directors will remain unchanged, and the proportion allocated to stock compensation will increase. The purpose of this proposal is to further strengthen the alignment of Directors' stock compensation with medium-term performance and shareholder value, thereby enhancing corporate value and promoting greater value sharing with shareholders. To ensure objectivity and transparency in the decision on Directors' remuneration, etc., the Personnel Affairs and Remuneration Advisory Committee, composed of a majority of Independent Outside Directors and chaired by an Independent Outside Director, is established as an advisory body to the Board of Directors. Decisions regarding planning of the remuneration system for Directors are made at the Board of Directors meetings, based on the review details from the Personnel Affairs and Remuneration Advisory Committee, and decisions on the details of individual director's compensation, etc. are made at the Board of Directors meetings, after review by the Personnel Affairs and Remuneration Advisory Committee and based on the committee's recommendation.

As above, the remuneration system for Directors of the Company has been determined according to objective procedures after considering the Company's business performance and management, as well as economic conditions, levels, etc. of peer companies in the same industry and scale, and we believe the system has an appropriate level and structure. Under this system, we consider that the Shareholder's Proposal is an excessive stock compensation framework lacking balance at present, compared to the remuneration level and structure set by the Company.

Therefore, the Board of Directors of the Company opposes the Shareholder's Proposal.

In addition, prior to the review of the Directors' opinion, details of the Shareholder's Proposal were reviewed by the Personnel Affairs and Remuneration Advisory Committee, and the Board of Directors resolved the Board of Directors' opinion based on the committee's recommendation.

Proposal 8: Amendment to the Articles of Incorporation regarding the record date for the Ordinary General Meeting of Shareholders

(1) Outline of the Proposal

The Proposer proposes to amend Article 13 of the Articles of Incorporation as follows. In addition, if formal adjustments (including, but not limited to, modifications to article numbering) to the provisions set forth in this proposal become necessary as a result of the approval of other proposals (including those proposed by the Company) at this Ordinary General Meeting of Shareholders, the provisions of this proposal shall be read as the provisions after such necessary adjustments.

(Underlined portions indicate amendments.)

Before Amendment	After Amendment
(Record Date for the Ordinary General Meeting of Shareholders) Article 13	(Record Date for the Ordinary General Meeting of Shareholders) Article 13
1 The record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be <u>March 31</u> of each year.	1 The record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be <u>May 15</u> of each year.
2 <u>(Newly established)</u>	2 <u>Notwithstanding the provisions of the preceding paragraph, when necessary, a record date may be established by resolution of the Board of Directors by giving public notice in advance.</u>

(2) Reasons for the Proposal

Currently, the record date for voting rights at the Ordinary General Meeting of Shareholders is March 31, and the General Meeting of Shareholders is held at the end of June pursuant to the provisions of the Companies Act. However, in practice, the annual securities report, which contains important information for shareholders to consider regarding the exercise of their voting rights, is disclosed at a timing extremely close to the date of the meeting, such as after the meeting or on the day before the meeting. A sufficient period for reviewing the report is currently not secured, and as a result, it is virtually impossible for investors to adequately analyze the information to incorporate them in their voting decisions.

The annual securities report is a statutory disclosure document that comprehensively covers information essential for the assessment of important proposals at the General Meeting of Shareholders, including business risks, management strategies, governance structures, remuneration amounts and policies for determining them, and capital policies. It is considered that the disclosure of such information with a reasonable amount of time, rather than immediately before the meeting, is a prerequisite for the responsible exercise of voting rights.

By changing the record date for voting rights to mid-May, the Company will be able to set a schedule for disclosing the annual securities report and related information with a sufficient period of time prior to the General Meeting of Shareholders. This will create an environment in which investors, proxy advisory firms, and analysts can scrutinize the information for a more appropriate voting decision on each proposal based on the results of their analysis. This proposal does not seek to merely advance the provision of the report for the sake of formality, but rather aims to establish an institutional foundation for the substantive enhancement of providing information.

Furthermore, as a secondary effect, this proposal is expected to encourage the diversification of dates for General Meetings of Shareholders, which tend to heavily concentrate in late June. This concentration has made it virtually impossible for many shareholders to attend the meetings of multiple companies. By facilitating the diversification of meeting dates, shareholders will have more opportunities to participate in the meetings of more companies and engage in direct dialogue and discussion with management. This could promote proactive shareholder engagement and contribute to “Shareholder Democracy,” a principle espoused by the Proposer.

This proposal does not request a change to the fiscal year, nor does it have an impact on business operations or accounting procedures. It is believed that through the rationalization of the disclosure schedule, the quality of disclosed information and the effectiveness of dialogue with market participants will be enhanced, thereby contributing to the growth of corporate value and credibility of the capital market.

In light of the above, it is proposed that the Articles of Incorporation be amended.

The Board of Directors opposes this proposal.

This proposal seeks to change the record date for voting rights at the Ordinary General Meeting of Shareholders, based on the view that shareholders should be provided, sufficiently in advance, with the information necessary to make informed voting decisions. The Board of Directors of the Company also fully recognizes the importance of providing shareholders with information and understands the concern underlying the proposal. However, the Company does not believe that amending the Articles of Incorporation to change the record date is the most appropriate means of protecting the interests of shareholders as a whole or improving the environment for the exercise of voting rights. In addition, implementing the proposal would require careful consideration of certain issues related to the Company's administrative procedures for shares and shareholders, as well as the related schedule.

Prior to the General Meeting of Shareholders, the Company provides shareholders on an ongoing basis with information on its business performance, management strategies, governance structures, and capital policies that it believes will assist them in making informed voting decisions, through various means, including financial results summaries, supplementary materials, timely disclosures, website announcements, IR activities, and convocation notices. We believe that these measures provide shareholders with the information necessary to make informed voting decisions, even under the current record date.

The record date for voting rights is a fundamental mechanism for the administration of shareholder registers, the determination of voting rights, and the operation of General Meetings of Shareholders. The current approach of setting the fiscal year-end as the record date is widely adopted by listed companies in Japan and has become an established market practice. Changing the record date could create uncertainty for shareholders regarding the determination of voting eligibility and affect a broad range of operational procedures, including the administration of shareholder register, voting procedures, and dividend payments. It could also increase administrative burdens and costs due to factors such as coordination with relevant parties and therefore may not necessarily be in the best interests of shareholders as a whole. Moreover, the Company currently designates its fiscal year-end date of March 31 as both the record date for voting rights and the record date for year-end dividends. If, as proposed in this Shareholder's Proposal, only the record date for voting rights were changed, the shareholders entitled to exercise voting rights would no longer coincide with the shareholders entitled to receive dividends. The Company also believes that such a situation could be difficult for shareholders to understand and may cause confusion, and that this should be taken into consideration.

Furthermore, the record date for voting rights serves as a reference point for ensuring that shareholders' evaluation of management is based on the results for the relevant fiscal year. Accordingly, the Company believes it is important that the record date remain aligned with the timing of director re-elections. If the record date for voting rights were changed from the fiscal year-end, as proposed in this Shareholder's Proposal, shareholders would exercise voting rights on matters relating to the results of the relevant fiscal year after a considerable period of time has passed, which could cause confusion among shareholders. The prompt formation of the new Board of Directors approved at the Ordinary General Meeting of Shareholders is also important to ensure the robust execution of the management strategy for the new fiscal year beginning in April. For this reason, the Company believes it would be inappropriate to set the record date for voting rights later than the fiscal year-end.

After comprehensive consideration of the above factors, the Board of Directors of the Company opposes the Shareholder's Proposal.

The Company will maintain its focus on constructive dialogue with shareholders and continue working to ensure that they have access to the information necessary to make informed decisions. To that end, the Company will further enhance the scope, quality, and timeliness of its disclosures.