

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Stock code: 9275
May 2, 2024

To our shareholders:

2-4-1 Shibakoen, Minato-ku, Tokyo
NARUMIYA INTERNATIONAL Co., Ltd.
President, Representative Director and Chief Executive Officer Hiroataka Kunikyo

NOTICE OF THE 8th ANNUAL GENERAL MEETING OF SHAREHOLDERS

This is to notify you of the upcoming 8th Annual General Meeting of Shareholders of NARUMIYA INTERNATIONAL Co., Ltd. (the “Company”).

If you are unable to attend the meeting in person, you can exercise your voting rights in writing, via the internet, or other means in lieu of attending the meeting on that day. We would like you to first review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

[Exercise of voting rights through use of electromagnetic means (e.g., the internet)]

Please refer to the “Exercising Voting Rights” on pages 4 to 5 and enter your approval or disapproval for each of the proposals by 6:00 p.m. on Thursday, May 23, 2024.

[Exercise of voting rights through paper ballot]

Please indicate your approval or disapproval of each proposal on the voting form to be delivered with this notice and send it back. Please ensure that it arrives no later than 6:00 p.m. on Thursday, May 23, 2024.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the following websites. Please access either of those websites using the internet addresses shown below to review the information.

The Company’s website: <https://www.narumiya-net.co.jp/> (in Japanese)

(Please access the above website, and select “IR” and then “General Shareholders’ Meeting” from the menu to review the information.)

Website for informational materials for a general shareholders meeting URL:

<https://d.sokai.jp/9275/teiji/> (in Japanese)

Tokyo Stock Exchange’s website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “NARUMIYA” in “Issue name (company name)” or the Company’s securities code “9275” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

1. Date and time 10:00 a.m., Friday, May 24, 2024 (Doors are to open at 9:30 a.m.)
2. Location Rose Room, Shiba Park Hotel
1-5-10 Shibakoen, Minato-ku, Tokyo
(Please be sure to refer to the “General Meeting of Shareholders Venue Map” at the end of this notice and be careful not to go to the wrong venue.)
3. Purposes
Reports
 1. Business Report, Consolidated Financial Statements and Audit Reports on Consolidated Financial Statements by the financial auditor and the Board of Corporate Auditors for the 8th term (from March 1, 2023 to February 29, 2024)
 2. Non-Consolidated Financial Statements for the 8th term (from March 1, 2023 to February 29, 2024)

Agenda

- Proposal 1: Appropriation of surplus
 - Proposal 2: Partial amendment of the Articles of Incorporation
 - Proposal 3: Election of four Directors (excluding Directors who are Audit and Supervisory Committee members)
 - Proposal 4: Election of three Directors who are Audit and Supervisory Committee members
 - Proposal 5: Election of one substitute Director who is an Audit and Supervisory Committee member
 - Proposal 6: Determination of amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members)
 - Proposal 7: Determination of remuneration for allotment of performance-linked restricted stock
 - Proposal 8: Determination of amount of remuneration for Directors who are Audit and Supervisory Committee members
4. Matters determined concerning the convocation
 - (1) When there is no indication of approval or disapproval for a proposal on the voting form if you exercise your voting rights through paper ballot (mail), it shall be treated as an indication of approval.
 - (2) If you exercise your voting right multiple times via the internet, the Company will only deem the substance of your final exercise to be valid.
 - (3) If you exercised your voting rights both through online voting and paper ballot (mail), your vote through online voting will be regarded as a valid exercise of voting rights regardless of the date of arrival.

- ⊙ If you attend the meeting, please submit the voting form to the receptionist at the venue.
- ⊙ If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the aforementioned websites.
- ⊙ Note that, for this General Meeting of Shareholders, paper-based documents stating matters for which measures for providing information in electronic format are to be taken will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents. Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 19, paragraph 2 of the Company's Articles of Incorporation, the following matters are excluded from the paper-based documents delivered to shareholders.
 - (i) "System to Ensure the Appropriateness of Business Operations and Outline of Implementation Status of Such System" of the Business Report
 - (ii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
 - (iii) "Non-Consolidated Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" of the Non-Consolidated Financial StatementsAccordingly, the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements presented in these paper-based documents are part of the documents included in the scope of audits by the financial auditor and the corporate auditors when they create their respective audit reports.
- ⊙ There will be no gift for shareholders attending the meeting. We would appreciate your understanding.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of surplus

We believe that returning profits to shareholders is one of our most important management tasks, and our basic policy is to continue to stably pay dividends while giving consideration to our future business development and capital adequacy. Based on this policy, we would like to pay year-end dividends for the 8th term, with details provided below.

- (1) Type of dividend asset
Cash
- (2) Matters regarding dividend assets allocation and total amount:
41 yen in cash per common share of the Company
The total amount is 402,526,028 yen.
- (3) Date on which the appropriation of surplus comes into effect:
May 27, 2024

Proposal No. 2: Partial amendment of the Articles of Incorporation

1. Reasons for proposal

- (1) In order to further expand corporate governance by accelerating decision making and reinforcing the audit and supervisory function of the Board of Directors, the Company wants to transition to a company with an Audit and Supervisory Committee. Therefore, this proposal newly establishes rules related to Directors who are Audit and Supervisory Committee members and the Audit and Supervisory Committee and makes changes, including deleting, provisions related to Corporate Auditors and Board of Corporate Auditors.
- (2) Article 35 (Decision-Making Body for Dividends from Surplus, etc.) and Article 36 (Date of Record for Dividends from Surplus) are newly added as proposed to make it possible to decide on a dividend from surplus by Board of Directors resolution based on the provisions of Article 459, paragraph 1 of the Companies Act so that a flexible capital policy and dividend policy can be implemented. At the same time, the current Article 7 (Acquisition of the Company’s Shares), Article 44 (End-of-year Dividend), and Article 45 (Interim Dividend), which include redundant content, will be deleted.
- (3) Current Article 29 (Board of Directors Meeting Minutes) will be changed as provided in revised Article 28 to make it possible to create digital Board of Directors meeting minutes by introducing digital signatures in addition to signatures and seals of Directors who attended the meetings.
- (4) In addition to changes to the article number accompanying the various above changes, some wording is revised, and necessary charges are made.

2. Details of proposal

Details of the amendments are as follows. Amendments to the Articles of Incorporation will come into effect as of the close of this Annual General Meeting of Shareholders.

(Underlined text indicates amendments)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Rules	Chapter 1 General Rules
Articles 1–Article 3 (Omitted)	Articles 1–Article 3 (Unchanged)
Article 4 (Establishment of Bodies) In addition to the General Meeting of Shareholders and Directors, the Company shall have a Board of Directors, <u>Board of Corporate Auditors, and</u> Financial Auditor.	Article 4 (Establishment of Bodies) In addition to the General Meeting of Shareholders and Directors, the Company shall have a Board of Directors, <u>Audit and Supervisory Committee, and</u> Financial Auditor.
Article 5 (Omitted)	Article 5 (Unchanged)
Chapter 2 Shares	Chapter 2 Shares
Article 6 (Omitted)	Article 6 (Unchanged)
<u>Article 7 (Acquisition of the Company’s Shares)</u> <u>The Company may acquire its own shares by Board of Directors resolution in accordance with the provisions of Article 165, paragraph 2 of the Companies Act.</u>	(Deleted)
Article <u>8</u> (Omitted)	Article <u>7</u> (Unchanged)
Article <u>9</u> (Rights of Shareholders Holding Shares Less than One Unit) Shareholders holding shares of the Company less than one unit can exercise only the following rights to the shares they hold less than one unit of. (1)–(4) (Omitted)	Article <u>8</u> (Rights of Shareholders Holding Shares Less than One Unit) Shareholders holding shares of the Company less than one unit can exercise only the following rights to the shares they hold less than one unit of. (1)–(4) (Unchanged)
Article <u>10</u> –Article <u>11</u> (Omitted)	Article <u>9</u> –Article <u>10</u> (Unchanged)
Article <u>12</u> (Shareholder Register Administrator) 1. The Company shall have a Shareholder Register Administrator.	Article <u>11</u> (Shareholder Register Administrator) 1. The Company shall have a Shareholder Register Administrator.

Current Articles of Incorporation	Proposed Amendments
<p>2. The Shareholder Register Administrator and where they conduct business shall be decided by Board of Directors resolution.</p> <p>3. The creation and maintenance of the Company's shareholder register and share acquisition rights ledger and other operations related to the Company's shareholder register and share acquisition rights ledger shall be entrusted to the Shareholder Register Administrator, and the Company shall not handle that.</p>	<p>2. The Shareholder Register Administrator and where they conduct business shall be decided by Board of Directors resolution.</p> <p>3. The creation and maintenance of the Company's shareholder register and share acquisition rights ledger and other operations related to the Company's shareholder register and share acquisition rights ledger shall be entrusted to the Shareholder Register Administrator, and the Company shall not handle that.</p>
<p>Chapter 3 General Meeting of Shareholders</p>	<p>Chapter 3 General Meeting of Shareholders</p>
<p>Article <u>13</u> (Convocation of General Meeting of Shareholders)</p>	<p>Article <u>12</u> (Convocation of General Meeting of Shareholders)</p>
<p>The Company's Annual General Meeting of Shareholders shall be convened within three months of the end of each fiscal year, and Extraordinary General Meetings of Shareholders shall be convened when necessary.</p>	<p>The Company's Annual General Meeting of Shareholders shall be convened within three months of the end of each fiscal year, and Extraordinary General Meetings of Shareholders shall be convened when necessary.</p>
<p>Article <u>14</u> (Omitted)</p>	<p>Article <u>13</u> (Unchanged)</p>
<p>Article <u>15</u> (Convener and Chairperson)</p>	<p>Article <u>14</u> (Convener and Chairperson)</p>
<p>1. Unless otherwise stipulated by law, the Representative Director shall convene a General Meeting of Shareholders by Board of Directors resolution and serve as the chairperson.</p> <p>2. When the Representative Director is unable to do so as stipulated in paragraph 1, another director, the order of which shall be stipulated in advance by Board of Directors resolution, shall convene meetings and serve as the chairperson.</p>	<p>1. Unless otherwise stipulated by law, the Representative Director shall convene a General Meeting of Shareholders by Board of Directors resolution and serve as the chairperson.</p> <p>2. When the Representative Director is unable to do so as stipulated in paragraph 1, another director, the order of which shall be stipulated in advance by Board of Directors resolution, shall convene meetings and serve as the chairperson of <u>each meeting</u>.</p>
<p>Article <u>16</u> (Method of Resolution)</p>	<p>Article <u>15</u> (Method of Resolution)</p>
<p>1. Unless otherwise provided for by law or these Articles of Incorporation, General Meeting of Shareholders resolutions shall be adopted by a majority of the votes of the shareholders who are present at the meeting and entitled to exercise their voting rights</p> <p>2. General Meeting of Shareholders resolutions provided under Article 309, paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the votes of the shareholders who are present at the meeting where shareholders holding one-third or more of the total number of voting rights of shareholders entitled to exercise their voting rights are present.</p>	<p>1. Unless otherwise provided for by law or these Articles of Incorporation, General Meeting of Shareholders resolutions shall be adopted by a majority of the votes of the shareholders who are present at the meeting and entitled to exercise their voting rights</p> <p>2. General Meeting of Shareholders resolutions provided under Article 309, paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the votes of the shareholders who are present at the meeting where shareholders holding one-third or more of the total number of voting rights of shareholders entitled to exercise their voting rights are present.</p>
<p>Article <u>17</u> (Omitted)</p>	<p>Article <u>16</u> (Unchanged)</p>
<p>Article <u>18</u> (General Meeting of Shareholders Minutes)</p>	<p>Article <u>17</u> (General Meeting of Shareholders Minutes)</p>
<p>The main points and results of the proceedings of a General Meeting of Shareholders and other matters stipulated by law shall be recorded in the meeting minutes.</p>	<p>The main points and results of the proceedings of a General Meeting of Shareholders and other matters stipulated by law shall be recorded in the meeting minutes.</p>
<p>Article <u>19</u> (Measures for Provision in Electronic Format, etc.)</p>	<p>Article <u>18</u> (Measures for Provision in Electronic Format, etc.)</p>
<p>1. When convening a General Meeting of Shareholders, the Company shall take measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc., in electronic format.</p>	<p>1. When convening a General Meeting of Shareholders, the Company shall take measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc., in electronic format.</p>

Current Articles of Incorporation	Proposed Amendments
<p>2. Among the matters for which the measures for provision in electronic format are not to be taken, the Company shall not be required to include all or a part of the matters specified in the Ordinance of the Ministry of Justice in the materials to be delivered to shareholders who have made a request for delivery of materials in paper-based format on or before the record date for voting rights.</p>	<p>2. Among the matters for which the measures for provision in electronic format are not to be taken, the Company shall not be required to include all or a part of the matters specified in the Ordinance of the Ministry of Justice in the materials to be delivered to shareholders who have made a request for delivery of materials in paper-based format on or before the record date for voting rights.</p>
<p>Chapter 4 Directors, Representative Director, and Board of Directors</p>	<p>Chapter 4 Directors, Representative Director, and Board of Directors</p>
<p>Article <u>20</u> (Number of Directors) The number of Directors of the Company shall <u>be three or more.</u> (Newly introduced)</p>	<p>Article <u>19</u> (Number of Directors) 1. The number of Directors of the Company shall <u>not exceed ten.</u> 2. <u>No more than five of the Directors in the preceding paragraph shall be Directors who are Audit and Supervisory Committee members.</u></p>
<p>Article <u>21</u> (Method of Election) 1. Directors shall be elected by General Meeting of Shareholders resolution. 2. (Omitted) 3. (Omitted) (Newly introduced)</p>	<p>Article <u>20</u> (Method of Election) 1. <u>Directors who are Audit and Supervisory Committee members and other Directors</u> shall be elected <u>separately</u> by General Meeting of Shareholders resolution. 2. (Unchanged) 3. (Unchanged) 4. <u>The advance election of a substitute Director who is an Audit and Supervisory Committee member shall be effective through the start of the Annual General Meeting of Shareholders for the last fiscal year within two years of resolution.</u></p>
<p>Article <u>22</u> (Term of Office) 1. The term of office of Directors shall be until the close of the Annual General Meeting of Shareholders for the last fiscal year ending within one year of their election. 2. <u>The term of office of Directors elected as a substitute Director or to increase the number of Directors shall be until the end of the term of office of the previous Director or other currently serving directors.</u> (Newly introduced) (Newly introduced)</p>	<p>Article <u>21</u> (Term of Office) 1. The term of office of Directors (<u>excluding Directors who are Audit and Supervisory Committee members</u>) shall be until the close of the Annual General Meeting of Shareholders for the last fiscal year ending within one year of their election. (Deleted) 2. <u>The term of office of Directors who are Audit and Supervisory Committee members shall be until the close of the Annual General Meeting of Shareholders for the last fiscal year ending within two years of their election.</u> 3. <u>The term of office of Directors who are Audit and Supervisory Committee members elected as a substitute for Directors who are Audit and Supervisory Committee members who resign before their term of office concludes shall be until the conclusion of the term of office of the Directors who are Audit and Supervisory Committee members who resigned.</u></p>
<p>Article <u>23</u> (Representative Director and Directors with special title) 1. Representative Directors shall be elected by Board of Directors resolution.</p>	<p>Article <u>22</u> (Representative Director and Directors with special title) 1. Representative Directors shall be elected <u>from Directors (excluding Directors who are Audit and Supervisory Committee members)</u> by Board of Directors resolution.</p>

Current Articles of Incorporation	Proposed Amendments
<p>2. Representative Directors shall represent the Company and execute the Company’s business.</p> <p>3. One Director and President and several Director and Vice Presidents, Senior Managing Directors, and Executive Directors can be elected by Board of Directors resolution.</p>	<p>2. Representative Directors shall represent the Company and execute the Company’s business.</p> <p>3. One Director and President and several Director and Vice Presidents, Senior Managing Directors, and Executive Directors can be elected <u>from Directors (excluding Directors who are Audit and Supervisory Committee members)</u> by Board of Directors resolution.</p>
<p><u>Article 24 (Board of Directors)</u></p>	<p>(Deleted)</p>
<p><u>Matters regarding the Board of Directors shall be based on laws, these Articles of Incorporation, and Board of Director rules set by the Board of Directors.</u></p>	
<p>Article <u>25</u> (Board of Directors Meeting Convener and Chairperson)</p> <p>(Omitted)</p>	<p>Article <u>23</u> (Board of Directors Meeting Convener and Chairperson)</p> <p>(Unchanged)</p>
<p>Article <u>26</u> (Notice of Board of Directors Meeting)</p> <p>A notice of Board of Directors meeting shall be issued to all Directors <u>and Corporate Auditors</u> at least three days in advance of the meeting. However, in emergencies, that period can be shortened. In addition, Board of Directors meetings can be held <u>without notice</u> if the consent of all Directors <u>and Corporate Auditors</u> is obtained.</p>	<p>Article <u>24</u> (Notice of Board of Directors Meeting)</p> <p>A notice of Board of Directors meeting shall be issued to all Directors at least three days in advance of the meeting. However, in emergencies, that period can be shortened. In addition, Board of Directors meetings can be held <u>without completing convocation procedures</u> if the consent of all Directors is obtained.</p>
<p>Article <u>27</u> (Omitted)</p>	<p>Article <u>25</u> (Unchanged)</p>
<p>Article <u>28</u> (Omitting Board of Directors resolutions)</p> <p>For proposals by Directors regarding matters to be decided by Board of Director resolution, the proposal shall be deemed to have been approved by Board of Directors resolution if all Directors who can participate in the resolution of the proposal express their agreement in writing or electronic format <u>and no Corporate Auditor objects.</u></p>	<p>Article <u>26</u> (Omitting Board of Directors resolutions)</p> <p>For proposals by Directors regarding matters to be decided by Board of Director resolution, the proposal is deemed to have been approved by Board of Directors resolution if all Directors who can participate in the resolution of the proposal express their agreement in writing or electronic format.</p>
<p>(Newly introduced)</p>	<p><u>Article 27 (Delegation of Decisions Regarding Execution of Important Operations)</u></p> <p><u>All or some decisions regarding the execution of important operations (excluding matters listed in Article 399, paragraph 5 of the Companies Act) can be entrusted to Directors by Board of Director resolution in accordance with the provisions of Article 399-13, paragraph 6 of the Companies Act.</u></p>
<p>Article <u>29</u> (Board of Directors Meeting Minutes)</p> <p>As stipulated by law, Board of Directors meeting minutes shall be created, each Director <u>and Corporate Auditor</u> who attends the meeting shall sign or apply their seal to the minutes, and the minutes shall be stored at the Company’s head office for ten years.</p>	<p>Article <u>28</u> (Board of Directors Meeting Minutes)</p> <p>As stipulated by law, Board of Directors meeting minutes shall be created, each Director who attends the meeting shall sign or apply their seal <u>or digital signature</u> to the minutes, and the minutes shall be stored at the Company’s head office for ten years.</p>
<p>Article <u>30</u> (Omitted)</p>	<p>Article <u>29</u> (Unchanged)</p>
<p>Article <u>31</u> (Remuneration, etc.)</p> <p>Directors’ remuneration, bonuses, and other financial interests received by Directors from the Company as compensation for undertaking their functions shall be determined by General Meeting of Shareholders resolution.</p>	<p>Article <u>30</u> (Remuneration, etc.)</p> <p>The Directors’ remuneration, bonuses, and other financial interests received by Directors from the Company as compensation for undertaking their functions shall be determined <u>separately for Directors who are Audit and Supervisory Committee members and other Directors</u> by General Meeting of Shareholders resolution.</p>
<p>Article <u>32</u> (Omitted)</p>	<p>Article <u>31</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 5 <u>Corporate Auditors and Board of Corporate Auditors</u></p> <p>(Newly introduced)</p> <p>(Newly introduced)</p>	<p>Chapter 5 <u>Audit and Supervisory Committee</u></p> <p><u>Article 32 (Notice of Audit and Supervisory Committee Meeting)</u></p> <p><u>A notice of Audit and Supervisory Committee meeting shall be issued to all Audit and Supervisory Committee members at least three days in advance of the meeting. However, in emergencies, that period can be shortened. Audit and Supervisory Committee meetings can be held without completing convocation procedures if the consent of all Audit and Supervisory Committee members is obtained.</u></p> <p><u>Article 33 (Audit and Supervisory Committees Rules)</u></p> <p><u>Matters regarding to the Audit and Supervisory Committee shall be based on laws, these Articles of Incorporation, and Audit and Supervisory Committee Rules set by the Audit and Supervisory Committee.</u></p>
<p><u>Article 33 (Number of Corporate Auditors)</u></p> <p>1. <u>The number of Corporate Auditors of the Company shall be three or more.</u></p> <p>2. <u>At least half of Corporate Auditors must be Outside Corporate Auditors.</u></p> <p>3. <u>The Board of Corporate Auditors shall elect at least one full-time Corporate Auditor by resolution.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
<p><u>Article 34 (Method of Election)</u></p> <p>1. <u>Corporate Auditors shall be elected by General Meeting of Shareholders resolution.</u></p> <p>2. <u>General Meeting of Shareholders resolutions to elect Corporate Auditors shall be adopted by a majority of the votes of the shareholders present at a meeting where shareholders holding one-third or more of the total number of voting rights of shareholders who are entitled to exercise their voting rights are present.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
<p><u>Article 35 (Term of Office of Corporate Auditors)</u></p> <p>1. <u>The term of office of Corporate Auditors shall be until the close of the Annual General Meeting of Shareholders for the last fiscal year ending within four years of their election.</u></p> <p>2. <u>The term of office of Corporate Auditors elected as a substitute Corporate Auditor for Corporate Auditors who resign before the end of their term shall be until the end of the term of office of the Corporate Auditor who resigned.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
<p><u>Article 36 (Substitute Corporate Auditor)</u></p> <p>1. <u>Substitute Corporate Auditors can be elected at the General Meeting of Shareholders in case the number of Corporate Auditors falls below the number required by law or the Articles of Incorporation.</u></p> <p>2. <u>The term of office of substitute Corporate Auditors elected based on paragraph 1 and who take up the position shall be the remaining term of office of the previous Corporate Auditor.</u></p> <p>3. <u>The election of substitute Corporate Auditors shall be effective until the opening of the first Annual General Meeting of Shareholders after their election.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<u>Article 37 (Notice of Board of Corporate Auditors Meeting)</u>	(Deleted)
<u>A notice of Board of Corporate Auditors meeting shall be issued to all Corporate Auditors at least three days in advance of the meeting. However, in emergencies, that period can be shortened. Board of Corporate Auditors meeting can be held without notice if the consent of all Corporate Auditors is obtained.</u>	(Deleted)
<u>Article 38 (Board of Corporate Auditors Resolutions)</u>	(Deleted)
<u>Unless otherwise stipulated by law, Board of Corporate Auditors resolutions shall be adopted by a majority of votes of Corporate Auditors.</u>	(Deleted)
<u>Article 39 (Board of Corporate Auditors Meeting Minutes)</u>	(Deleted)
<u>The main points and results of the proceedings of a Board of Corporate Auditors meeting and other matters stipulated by law shall be recorded in the meeting minutes, and Corporate Auditors who attend the meeting shall sign or apply their seal or digital signature to the minutes.</u>	(Deleted)
<u>Article 40 (Board of Corporate Auditors Rules)</u>	(Deleted)
<u>The method of Board of Corporate Auditors resolution and other items necessary to run the Board of Corporate Auditors shall be stipulated in the Board of Corporate Auditors Rules set by the Board of Corporate Auditors.</u>	(Deleted)
<u>Article 41 (Corporate Auditor Remuneration, etc.)</u>	(Deleted)
<u>Corporate Auditor remuneration shall be set by General Meeting of Shareholders resolution.</u>	(Deleted)
<u>Article 42 (Exemption from Liability for Corporate Auditors)</u>	(Deleted)
1. <u>In accordance with the provisions of Article 426, paragraph 1 of the Companies Act, the Company can exempt Corporate Auditors (including former Corporate Auditors) from liability for damages to the Company due to acts stipulated in Article 423, paragraph 1 of the same act to the extent legally permitted by Board of Directors resolution.</u>	(Deleted)
2. <u>In accordance with provisions of Article 427, paragraph 1 of the Companies Act, the Company can conclude an agreement with Corporate Auditors to limit their liability for damages due to negligence. The limit on liability based on the agreement is the amount stipulated by law.</u>	(Deleted)
Chapter 6 Calculations	Chapter 6 Calculations
<u>Article 43</u> (Omitted)	<u>Article 34</u> (Unchanged)
(Newly introduced)	<u>Article 35 (Decision-Making Body for Dividends from Surplus, etc.)</u>
(Newly introduced)	1. <u>Unless otherwise stipulated by law, the Company can decide matters stipulated in Article 459, paragraph 1 of the Companies Act, such as dividends from surplus, by Board of Directors resolution.</u>
(Newly introduced)	2. <u>Regardless of the provisions of the preceding paragraph, the Company can pay an interim dividend (referred to as dividend from surplus as stipulated in Article 454, paragraph 5 of the Companies Act).</u>
(Newly introduced)	
(Newly introduced)	
(Newly introduced)	
(Newly introduced)	
(Newly introduced)	
(Newly introduced)	

Current Articles of Incorporation	Proposed Amendments
(Newly introduced)	<u>Article 36 (Date of Record for Dividends from Surplus)</u>
(Newly introduced)	1. <u>The date of record for the Company's end-of-year dividend shall be the last day of February each year.</u>
(Newly introduced)	2. <u>The date of record for the Company's interim dividends shall be August 31 of each year.</u>
(Newly introduced)	3. <u>In addition to the preceding two paragraphs, the Company can set a date of record and pay a dividend from surplus.</u>
<u>Article 44 (End-of-year Dividend)</u>	(Deleted)
1. <u>The date of record for the Company's end-of-year dividend shall be the last day of February each year.</u>	(Deleted)
2. <u>In addition to the preceding paragraph, the Company can pay a dividend from surplus by setting a date of record.</u>	(Deleted)
<u>Article 45 (Interim Dividend)</u>	(Deleted)
<u>The Company can pay an interim dividend with August 31 of each year as the date of record by Board of Directors resolution.</u>	(Deleted)
Article <u>46</u> (Omitted)	Article <u>37</u> (Unchanged)
(Newly introduced)	<u>Supplementary Provisions</u>
(Newly introduced)	<u>Article 1 (Provisional Measures Related to Exemption from Liability for Corporate Auditors)</u>
(Newly introduced)	<u>In accordance with the provisions of Article 426, paragraph 1 of the Companies Act, the Company can exempt Corporate Auditors (including former Corporate Auditors) from liability for damages stipulated in Article 423, paragraph 1 of the same act for acts before the close of the 8th Annual General Meeting of Shareholders to the legally permitted limit by Board of Directors resolution.</u>

Proposal No. 3: Election of four Directors (excluding Directors who are Audit and Supervisory Committee members)

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments coming into effect. The terms of office for all six Directors will expire when this Annual General Meeting of Shareholders is closed in accordance with Article 332, paragraph 7, item 1 of the Companies Act. We are therefore requesting the meeting to approve the election of four Directors (excluding Directors who are Audit and Supervisory Committee members, which also applies throughout this proposal).

The resolution of this proposal will become effective subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments of the Articles of Incorporation based on the resolution of said proposal coming into effect.

The following are the candidates for Directors:

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Hiroataka Kunikyo (July 31, 1967) Reappointment	<p>April 1990 Joined SEKISUI CHEMICAL, Co., Ltd.</p> <p>April 2001 Joined Tohmatsu Consulting Co., Ltd. (currently Deloitte Tohmatsu Consulting LLC)</p> <p>November 2003 Joined Yujin Company (currently T-ARTS Company, Ltd.)</p> <p>April 2007 Managing Executive Officer of Yujin Company</p> <p>January 2011 Joined FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC.)</p> <p>April 2012 Deputy Senior General Manager and Executive Producer of the Consumer Products Business Division of FIELDS CORPORATION</p> <p>March 2017 Executive Officer and Manager of the Business Planning Office of the Company</p> <p>March 2018 Managing Executive Officer and Manager of the Business Planning Office of the Company</p> <p>December 2020 Director of LOVST Co., Ltd.</p> <p>May 2021 Managing Director and Manager of the Business Planning Office of the Company</p> <p>May 2023 President, Representative Director, and Chief Executive Officer of the Company (current position)</p> <p>Representative Director of Heartfeel Co., Ltd. (current position)</p> <p>Representative Director of LOVST Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director of Heartfeel Co., Ltd. Representative Director of LOVST Co., Ltd.</p> <p>(Reason for nomination as candidate for Director)</p> <p>Since becoming representative of the Company, Mr. Hiroataka Kunikyo has contributed to expanding the business by focusing on optimizing the overall organization, including reinforcing the marketing function, reforming the organization, and strengthening governance. Considering this experience, we have determined that he is necessary for the promotion of the Group's business strategies, and therefore, we have nominated him as a candidate for Director.</p>	1,300 shares

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	Daisuke Hosaka (December 5, 1974) <u>Reappointment</u>	<p>April 1998 Joined the Company</p> <p>February 2008 Manager of Advertising and Marketing of the Company</p> <p>July 2010 Manager of the Third Children's Clothing Business of the Company</p> <p>February 2011 Assistant Manager of Outlet Operations of the Company</p> <p>February 2016 Manager of Toddler KIDS Business of the Company</p> <p>March 2018 Executive Officer and Manager of Junior Business of the Company</p> <p>June 2021 Manager of the Department Store Business of the Company</p> <p>April 2023 General Manager of the Department Store Business of the Company</p> <p>May 2023 Director, Executive Officer and General Manager of the Department Store Business of the Company</p> <p>October 2023 Director of KP Co., Ltd. (current position)</p> <p>March 2024 Director and Executive Officer in charge of Business Supervision and General Manager of the Department Store Business of the Company</p> <p>April 2024 Managing Director in charge of Business Supervision and General Manager of the Department Store Business of the Company (current position)</p> <p>(Reason for nomination as candidate for Director)</p> <p>In addition to having conducted management to achieve overall optimization and contributing to expanding the business since becoming a Director, Mr. Daisuke Hosaka has played a leading role in implementing the department store brand strategy on the front lines. Taking into consideration his experience and achievements, we have nominated him as a candidate for Director.</p>	12,900 shares

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
3	Keiichi Nakabayashi (November 23, 1971) New appointment	<p>April 1995 Joined Kankaku Research Institute Co., Ltd. (currently Mizuho Securities, Co., Ltd.)</p> <p>October 1997 Joined SBC Warburg Japan Ltd. (currently UBS Securities Japan Co., Ltd.)</p> <p>July 2003 Joined Industrial Revitalization Corporation of Japan</p> <p>January 2007 Joined Frontier Management Inc. as Executive Officer</p> <p>November 2011 Managing Executive Officer of Frontier Management Inc.</p> <p>July 2013 Joined World Co., Ltd. as Executive Officer, Deputy Executive General Manager of Corporate Management Headquarters</p> <p>December 2013 Executive Officer, Executive General Manager of Corporate Management Headquarters of World Co., Ltd.</p> <p>April 2015 Managing Executive Officer, Executive General Manager of Corporate Platform Headquarters of World Co., Ltd.</p> <p>April 2017 Managing Executive Officer, Executive General Manager of Group Support Headquarters of World Co., Ltd.</p> <p>April 2018 Managing Executive Officer, Supervising the Group financing, Responsible for Group Support Headquarters, of World Co., Ltd. Joint Representative of World Investment Network Co., Ltd.</p> <p>June 2020 Executive Vice President and Executive Officer, of World Co., Ltd. Joint Representative of World Investment Network Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company) Executive Vice President and Executive Officer of World Co., Ltd.</p> <p>(Reason for nomination as candidate for Director) Mr. Keiichi Nakabayashi possesses experience as a manager in a wide range of industries and abundant knowledge, and we expect that he can provide appropriate advice regarding management issues and internal controls, including corporate governance, from a broad perspective, and therefore, we have nominated him as a candidate for Director.</p>	— shares

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
4	Koji Suzuki (October 8, 1958) Reappointment Independent Outside	<p>April 1982 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>April 1997 Sony Marketing Inc.</p> <p>April 2008 Director and Executive Officer of Sony Marketing Inc.</p> <p>April 2009 Director and Managing Executive Officer of Sony Marketing Inc.</p> <p>October 2009 Director and Managing Executive Officer of Sony Marketing Inc. and Director of Sony Style (Japan) Inc.</p> <p>May 2012 Director and Senior Managing Executive Officer of Sony Marketing Inc. and Director of Sony Business Solutions Corporation</p> <p>April 2013 Representative Director and Senior Managing Executive Officer of Sony Marketing Inc.</p> <p>April 2016 Joined PC DEPOT CORPORATION</p> <p>June 2017 Full-time Auditor of PC DEPOT CORPORATION</p> <p>April 2021 Outside Auditor of Digital Growth Academia, Inc. (current position)</p> <p>June 2021 Director of PC DEPOT STORES Co., Ltd.</p> <p>May 2022 Outside Director of the Company (current position)</p> <p>September 2022 Corporate Auditor of LOGOSWARE KK (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Auditor of Digital Growth Academia, Inc. Corporate Auditor of LOGOSWARE KK</p> <p>(Reason for nomination as candidate for Outside Director and outline of expected role)</p> <p>Mr. Koji Suzuki held various manager positions of Sony Group Companies, and he has been involved in the start-up phase of various new services, including the establishment of a new business model utilizing EC. In view of such achievements, we have determined that he would give us useful advice based on his knowledge and experience not only to the general management of the Company, but also in the area of marketing strategy and new business strategy, and therefore, we have nominated him as a candidate for Outside Director.</p>	— shares

- Notes
1. Candidate Mr. Keiichi Nakabayashi is Deputy President and Representative Managing Executive Officer of World Co., Ltd., that is the parent company of the Company. He has served as a business executing person of World Co., Ltd. for the past 10 years. Note that his positions and responsibilities at present and for the past 10 years at World Co., Ltd. are as described in the above column of "Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)." World Co., Ltd. is our largest shareholder holding 59.77% stake as of February 29, 2024. The Company has no special interests with Mr. Nakabayashi and this company apart from the aforementioned relationship. There are no special interests between any of the other candidates and the Company.
 2. Mr. Koji Suzuki is a candidate for Outside Director.
 3. Mr. Koji Suzuki's term of office as Outside Directors will be two years when this Annual General Meeting of Shareholders closes.
 4. The Company has executed an agreement with Mr. Koji Suzuki as a candidate for Outside Director that limits his liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act, pursuant to the provision of Article 427, paragraph 1 of said Act. Note that the cap on the liability for damages under the

agreement is the minimum liability limit set forth in Article 425, paragraph 1 of the Companies Act. The Company plans to renew the agreements with Mr. Suzuki, if his reappointment is approved. Also, if the appointment of Mr. Keiichi Nakabayashi is approved, the Company plans to sign a similar liability-limiting agreement with him.

5. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance), which covers all executives, pursuant to Article 430-3, paragraph 1 of the Companies Act. If this resolution is passed in its original form, and the candidates assume their respective executive positions, they will be insured by the D&O Insurance contract. The D&O Insurance contract will compensate for damages that may arise when insured executives assume responsibility for executing duties or when claims pursuing the responsibility of insured executives are filed. However, the insurance contract contains several disclaimers, such as that damages caused by acts undertaken with awareness of their illegality will not be compensated for. The Company shoulders all insurance premium costs, including those for special clauses; there is actually no premium burden on insured executives. Meanwhile, the insurance contract is scheduled to be renewed on September 28, 2024, which is before the expiration of the term of office of each of the candidates.
6. The Company has reported Mr. Koji Suzuki as an independent director under the rules specified by Tokyo Stock Exchange, Inc. If Mr. Suzuki is reappointed, the Company plans to continuously have him as an independent director.
7. The role the Company particularly expects of each candidate is as follows.

Candidate for Director	Particularly expected role by the Company						
	Corporate management	Global	Marketing and sales	IT and DX	Finance and accounting	Legal affairs, governance, and compliance	HR and labor
Hiroataka Kunikyo	●		●	●		●	
Daisuke Hosaka			●	●			
Keiichi Nakabayashi	●				●	●	
Koji Suzuki	●		●	●		●	

Proposal No. 4: Election of three Directors who are Audit and Supervisory Committee members

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments coming into effect. Therefore, we are requesting the meeting to approve the election of three Directors who are Audit and Supervisory Committee members (“Audit and Supervisory Committee members,” which also applies throughout this proposal).

The resolution of this proposal will become effective subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments of the Articles of Incorporation based on the resolution of said proposal coming into effect.

Note that this proposal has obtained the consent of the Board of Corporate Auditors.

The following are the candidates for Audit and Supervisory Committee members.

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Nakaya Isshiki (September 27, 1959) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Outside</div>	<p>April 1982 Joined Kanebo, Ltd.</p> <p>October 2002 Supervisory Manager of Cosmetics Sales Supervisory Group of Kanebo, Ltd.</p> <p>May 2004 Manager of the Business Planning Office of Kanebo Cosmetics Inc.</p> <p>March 2008 Executive Officer of Kanebo Cosmetics Inc. and Director and Managing Executive Officer of Kanebo Cosmetics Sales K.K.</p> <p>June 2012 Director and Executive Officer supervising the Business Planning Division and the International Business Division of Kanebo Cosmetics Inc.</p> <p>March 2014 President and Representative Director of E' quipe, Ltd.</p> <p>March 2017 Full-time Auditor of Kao Group Customer Marketing Co., Ltd. and Auditor of Kanebo Cosmetics Inc.</p> <p>March 2020 Full-time Auditor of Kao Group Customer Marketing Co., Ltd.</p> <p>May 2022 Full-time Outside Corporate Auditor of the Company (current position)</p> <p>(Reason for nomination as candidate for Outside Director and outline of expected role)</p> <p>We have determined that Mr. Nakaya Isshiki can be expected to provide effective advice regarding decision making and supervising function of the Board and Directors from an objective perspective based on his abundant management experience and his experience and extensive knowledge as a full-time Auditor at a listed corporate group, and therefore, we have nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee member.</p>	— shares

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	Sakae Komiyama (October 3, 1965) <input type="checkbox"/> New appointment <input checked="" type="checkbox"/> Independent <input type="checkbox"/> Outside	<p>October 1988 Joined Eiwa Audit Corporation (currently KPMG Azsa LLC)</p> <p>February 1992 Joined TOMY COMPANY LTD.</p> <p>March 2000 Joined Ota-Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>April 2014 Joined Imanishi Tax Accountant Corporation</p> <p>April 2014 Member of the Osaka Prefectural Government Personnel Inspection Committee</p> <p>July 2015 Auditor of Government Pension Investment Fund</p> <p>October 2017 Management Committee Member and Audit Committee Member of Government Pension Investment Fund (current position)</p> <p>August 2020 Outside Director of PIOLAX, INC. (Audit, etc. Committee Member) (current position)</p> <p>June 2022 Outside Corporate Auditor of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Management Committee Member and Audit Committee Member of Government Pension Investment Fund Outside Director of PIOLAX, INC. (Audit, etc. Committee Member)</p> <p>(Reason for nomination as candidate for Outside Director and outline of expected role) We have determined that Ms. Sakae Komiyama can provide useful advice regarding fair and impartial decisions concerning and ensuring the soundness of the Company's business activities and supervise management based on her abundant experience with and broad knowledge of finance and accounting she acquired as a certified public accountant, and therefore, we have nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee member.</p>	— shares

Candidate No.	Name (Date of birth)	Career history, and current position/responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
3	Mika Yanagisawa (December 12, 1967) New appointment Independent Outside	<p>April 1990 Joined Mitsubishi Corporation</p> <p>April 2005 Joined The Legal Training and Research Institute of Japan</p> <p>October 2006 Joined City-Yuwa Partners</p> <p>July 2009 Seconded to Amazon Japan G.K.</p> <p>February 2014 Seconded to Gowling WLG Law Office (UK) (for training)</p> <p>October 2014 Seconded to Formosa Transnational Law Office (Taiwan) (for training)</p> <p>January 2016 Joined Dyson Ltd.</p> <p>October 2018 Joined OAK LAWN MARKETING, INC.</p> <p>June 2021 Outside Auditor of ULURU.CO., LTD (current position)</p> <p>February 2023 Outside Corporate Auditor of Moderato Inc. (current position)</p> <p>April 2023 Established WINGS LAW OFFICE (current position)</p> <p>May 2023 Outside Director of the Company (current position)</p> <p>July 2023 Outside Director of Graniph Inc. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Auditor of ULURU.CO., LTD Outside Corporate Auditor of Moderato Inc. Representative Attorney at Law of WINGS LAW OFFICE Outside Director of Graniph Inc.</p> <p>(Reason for nomination as candidate for Outside Director and outline of expected role)</p> <p>In addition to experience as an attorney at a law office and abundant legal knowledge and experience having been involved in a wide range of operations, including corporate law, compliance, and risk management as an in-house attorney at a business company, Ms. Mika Yanagisawa possesses experience and knowledge of the apparel industry gained at a business company, and we have determined that she is very compatible with the Company and would give us useful advice related to the general management of the Company on account of her knowledge and experience, and therefore, we have nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee member.</p>	— shares

- Notes
1. There are no special interests between any of the candidates and the Company.
 2. Mr. Nakaya Isshiki, Ms. Sakae Komiyama, and Ms. Mika Yanagisawa are candidates for Outside Directors who are Audit and Supervisory Committee members.
 3. Mr. Nakaya Isshiki and Ms. Sakae Komiyama are currently serving as Outside Corporate Auditors of the Company, and their terms of office as Outside Corporate Auditors will be two years and one year and 11 months, respectively, when this Annual General Meeting of Shareholders closes.
 4. Ms. Mika Yanagisawa's term of office as Outside Director will be one year when this Annual General Meeting of Shareholders closes.
 5. The Company has executed an agreement with each of Mr. Nakaya Isshiki, Ms. Sakae Komiyama, and Ms. Mika Yanagisawa that limits their liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act, pursuant to the provision of Article 427, paragraph 1 of said Act. Note that the cap on the liability for damages under the agreement is the minimum liability limit set forth in Article 425, paragraph 1 of the Companies Act. The Company plans to conclude agreements with all candidates if their reappointment is approved.

6. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance), which covers all executives, pursuant to Article 430-3, paragraph 1 of the Companies Act. If this resolution is passed in its original form, and the candidates assume their respective executive positions, they will be insured by the D&O Insurance contract. The D&O Insurance contract will compensate for damages that may arise when insured executives assume responsibility for executing duties or when claims pursuing the responsibility of insured executives are filed. However, the insurance contract contains several disclaimers, such as that damages caused by acts undertaken with awareness of their illegality will not be compensated for. The Company shoulders all insurance premium costs, including those for special clauses; there is actually no premium burden on insured executives. Meanwhile, the insurance contract is scheduled to be renewed on September 28, 2024, which is before the expiration of the term of office of each of the candidates.
7. The Company has reported Mr. Nakaya Isshiki, Ms. Sakae Komiyama, and Ms. Mika Yanagisawa as independent directors under the rules specified by Tokyo Stock Exchange, Inc. If Mr. Nakaya Isshiki, Ms. Sakae Komiyama, and Ms. Mika Yanagisawa are appointed, the Company plans to continuously have them as independent directors.
8. The role the Company particularly expects of each candidate is as follows.

Candidate for Audit and Supervisory Committee member	Particularly expected role by the Company						
	Corporate management	Global	Marketing and sales	IT and DX	Finance and accounting	Legal affairs, governance, and compliance	HR and labor
Nakaya Isshiki	●					●	
Sakae Komiyama					●	●	
Mika Yanagisawa		●				●	●

Proposal No. 5: Election of one substitute Director who is an Audit and Supervisory Committee member

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments coming into effect. In preparation for a potential shortfall in the number of Directors who are Audit and Supervisory Committee members required by law, we are requesting the meeting to approve the election of one substitute Director who is an Audit and Supervisory Committee member (“substitute Audit and Supervisory Committee member,” which also applies throughout this proposal).

The resolution of this proposal will become effective subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments of the Articles of Incorporation based on the resolution of said proposal coming into effect.

The validity of the election can be nullified by resolution of the Board of Directors resolution if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that it is only in a time before the substitute Audit and Supervisory Committee member takes up the position as Director who is an Audit and Supervisory Committee member.

Note that this proposal has obtained the consent of the Board of Corporate Auditors.

The following is the candidate for substitute Audit and Supervisory Committee member:

Name (Date of birth)	Career history (Significant concurrent positions outside the Company)	Number of the Company’s shares held
Koichi Isogai (April 1, 1964) Outside	October 1988	— shares
	October 1993	
	January 2000	
	July 2001	
	July 2004	
	September 2022	
	(Significant concurrent positions outside the Company) Chairman and Representative Director of Crossfields Co., Ltd.	

- Notes
- There are no special interests between the candidate and the Company.
 - Mr. Koichi Isogai is the candidate for substitute Outside Director who is an Audit and Supervisory Committee member.
 - The reason for nomination as the candidate for substitute Outside Director who is an Audit and Supervisory Committee member is to further reinforce corporate governance and legal compliance by taking advantage of his abundant experience and broad knowledge acquired through his many management positions at Crossfields Co., Ltd. and his hard work. Furthermore, we have determined that he can utilize his knowledge of accounting as a certified public accountant to reinforce the supervisory function, and therefore, we are requesting the meeting to approve the election of Mr. Isogai as substitute Outside Director who is an Audit and Supervisory Committee member.
 - If Mr. Koichi Isogai assumes the position of Outside Director who is an Audit and Supervisory Committee member, the Company plans to report him as an independent director under the rules specified by Tokyo Stock Exchange, Inc.
 - If Mr. Koichi Isogai assumes the position of Outside Director who is an Audit and Supervisory Committee member, the Company plans to enter into an agreement with him that limits his liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act, pursuant to the provision of Article 427, paragraph 1 of the said Act. Note that the cap on the liability for damages under the agreement is the minimum liability limit set forth in Article 425, paragraph 1 of the Companies Act.
 - The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance), which covers all executives, pursuant to Article 430-3, paragraph 1 of the Companies Act. If Mr. Koichi Isogai assumes the position of Outside Director who is an Audit and Supervisory Committee member, he will be insured by the D&O Insurance contract. The D&O Insurance contract will compensate for damages that may arise when insured executives assume responsibility for executing duties or when claims pursuing

the responsibility of insured executives are filed. However, the insurance contract contains several disclaimers, such as that damages caused by acts undertaken with awareness of their illegality will not be compensated for. The Company shoulders all insurance premium costs, including those for special clauses; there is actually no premium burden on insured executives. Meanwhile, the insurance contract is scheduled to be renewed on September 28, 2024.

Proposal No. 6: Determination of amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members)

At the Extraordinary General Meeting of Shareholders held on March 1, 2018, a proposal was adopted to limit remuneration to Directors to 200 million yen annually (not including the pay portion for Directors who are also employees), and this has been in effect until now. However, subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments coming into effect, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, in accordance with Article 361, paragraph 1 and 2 of the Companies Act, we would like to eliminate the current cap on remuneration for Directors, and taking into consideration, including business conditions, set a cap on annual compensation of 200 million yen (of which 30 million yen is for Outside Directors. Not including the pay portion for Directors who are also employees) for remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) after the Company transitions to a company with an Audit and Supervisory Committee.

In addition, we would like the actual amount of remuneration for each Director (excluding Directors who are Audit and Supervisory Committee members) and timing and method of payments to be based on Board of Directors resolution. In accordance with provision of Article 361, paragraph 7 of the Companies Act, it is expected that after transitioning to a Company with an Audit and Supervisory Committee, decisions regarding the details of remuneration for individual Directors (excluding Directors who are Audit and Supervisory Committee members) will be determined by Board of Directors resolution. The content of this proposal is consistent with the decision-making policy being examined and has been determined to be appropriate.

There are currently six Directors (three of whom are Outside Directors), and if Proposal 2 and Proposal 3 are approved and adopted in their original form and come into effect, the number of Directors (excluding Directors who are Audit and Supervisory Committee members) who will be eligible for payment of remuneration based on the proposal will be four (one of whom is an Outside Director).

The resolution of this proposal will become effective subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments of the Articles of Incorporation based on the resolution of said proposal coming into effect.

Proposal No. 7: Determination of remuneration for allotment of post-vesting allotment-type performance-linked restricted stock for Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors)

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments coming into effect.

As one part of the changes to the system of remuneration for officers when transitioning to a company with an Audit and Supervisory Committee, we would like to introduce the following system to allot to the Company’s Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors; hereinafter, “eligible Directors”) a number of the Company’s common shares proportional to the degree that numerical targets set by the Board of the Directors, such as performance, for each fiscal year as the performance evaluation period are achieved (hereinafter, “performance-linked restricted stock”) in order to share with shareholders the benefits and risks of share price changes and further strengthen their desire to contribute to greater share price and corporate value.

Taking into comprehensive consideration various factors, including eligible Directors’ contribution, we would like to provide payment regarding performance-linked restricted stock remuneration to eligible Directors, based on the details given below, as a payment that is separate from the amount of remuneration, etc., for which approval is requested through Proposal No. 6 “Determination of amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members),” and to set the total amount for monetary remuneration claims, which is to be provided for making payment of the performance-linked restricted stock, as no more than 20 million yen for each applicable period (defined in 1. below). The allotment of performance-linked restricted stock shall be decided taking into comprehensive consideration various factors, including level of contribution by eligible Directors, and because a cap on performance-linked restricted stock allotted for each applicable period stipulated in 2. below of around 0.5% of issued shares will have a minor dilution impact, it is thought to be appropriate.

The content of this proposal is consistent with the decision-making policy being examined and has been determined to be appropriate.

There are currently six Directors (three of whom are Outside Directors), but if Proposal No. 2 “Partial amendment of the Articles of Incorporation” and Proposal No. 3 “Election of four Directors (excluding Directors who are Audit and Supervisory Committee members)” are approved as proposed, upon those proposals taking effect, the number of Directors (excluding Directors who are Audit and Supervisory Committee members) will be four (one of whom is an Outside Director).

The resolution of this proposal will become effective subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments of the Articles of Incorporation based on the resolution of said proposal coming into effect.

The Company plans to allot performance-linked restricted stock similar to those discussed above to its Executive Officers.

Notes

Details and cap on performance-linked restricted stock for eligible Directors

1. Allotment of and payment for performance-linked restricted stock

The Company shall provide eligible Directors with monetary remuneration claims that grants them performance-linked restricted stock proportional to the degree that numerical targets, such as performance, set by the Board of Directors are achieved with each fiscal year as the performance evaluation period (hereinafter “applicable period”), and eligible Directors shall be allotted performance-linked restricted stock by providing all monetary remuneration claims as investment in kind. Therefore, at the start of the applicable period, whether monetary remuneration claims will be paid to each eligible Director, the value of monetary remuneration for performance-linked restricted stock to be provided, and the number of performance-linked restricted stock to be granted (hereinafter, “the number of shares granted”) are not finalized.

Furthermore, the above monetary remuneration claims shall be paid conditioned on eligible Directors agreeing to the above investment in kind and eligible Directors (this does not include Directors who have resigned before the date of the first Annual General Meeting of Shareholders after the applicable period) concluding a performance-linked restricted stock agreement, which includes details stipulated in 5. below.

The initial applicable period is the 9th term (from March 1, 2024 to February 28, 2025), and after that, the performance-linked restricted stock can be allocated for each new applicable period, each fiscal year.

2. Number of performance-linked restricted stock

The cap on the number of performance-linked restricted stock to be allotted each applicable period is a total of 50,000 performance-linked restricted stock to be allotted to eligible Directors each year.

However, if it is necessary to adjust the total number of performance-linked restricted stock in such cases as a split or reverse split of the Company's common shares (including gratis allotment of the Company's common shares), the number of performance-linked restricted stock can be rationally revised.

3. Method for calculating the number of shares granted

The number of shares granted to eligible Directors is calculated based on the following method (amounts are rounded down to the nearest whole number).

If the number of performance-linked restricted stock to be granted calculated to each eligible Director based on the following formula exceeds the total number of performance-linked restricted stock allotted to eligible Directors or the total monetary remuneration claims to be paid, the number of performance-linked restricted stock and amount of monetary remuneration claims allotted to each eligible Directors shall be adjusted using a rational method set by the Board of Directors, such as proration, so that the total number of shares and total value are not exceeded.

Method for calculating number of shares granted to each eligible Director

Basic amount for position (*1) x Performance achievement rate (*2) ÷ Performance-linked restricted stock price per share (*3)

*1 Decided by Board of Directors according to the eligible Director's position, work, etc.

*2 Set between 0%–200% by the Board of Directors depending on the performance indicator achievement rate for the particular period.

*3 Determined by the Company's Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately prior to each date of resolution by the Board of Directors concerning the issuance or disposal of the shares (if there is no transaction on such date, the closing price of the closest preceding trading day), which will be within the range not especially advantageous to eligible Directors.

4. Conditions on granting

If the following conditions are met at the end of the applicable period, monetary remuneration claims are provided to each eligible Director, and performance-linked restricted stock are granted to each eligible Director when they provide all monetary remuneration claims as investment in kind.

The method employed for granting the performance-linked restricted stock shall be either by the issuance of new shares or the disposal of treasury shares.

(1) The eligible Director maintains his/her position as Director of the Company until the day of the first Annual General Meeting of Shareholders after the end of the applicable period.

(2) Has not been involved in any illegal behavior stipulated by the Board of Directors.

(3) Meets the other requirements set by Company's Board of Directors and deemed necessary.

However, regardless of (1) above, when an eligible Director is newly appointed midway through the applicable period, the number of shares granted to that eligible Director can be reasonably adjusted taking into account the time spent in office, among other factors. Additionally, regardless of (1) above, if an eligible Director resigns all the positions as Director and Executive Officer of the Company during a period from the day of the first Annual General Meeting of Shareholders after the end of the applicable period up until the time the performance-linked restricted stock is granted, then a monetary amount rationally calculated by the Company's Board of Directors can be paid as an equivalent amount in lieu of granting the performance-linked restricted stock, provided that the total of that amount and the aforementioned amount of monetary remuneration claims shall be no more than 20 million yen for each applicable period.

If during the applicable period, a proposal regarding a merger agreement in which the Company will be dissolved, a stock-swap agreement in which the Company will become a wholly-owned subsidiary, or other type of restructuring, is approved at the Company's General Meeting of Shareholders (in the case that approval of the General Meeting of Shareholders is not required, Board of Directors meeting), the performance-linked restricted stock for that applicable period shall not be granted.

5. Details of the performance-linked restricted stock allotment agreement

When allotting performance-linked restricted stocks, a performance-linked restricted stock allotment agreement shall be concluded between the Company and eligible Directors who will be allotted performance-linked restricted stock based on resolution of the Company's Board of Directors, and the agreement shall include the following.

(1) Transfer restrictions

Eligible Directors granted performance-linked restricted stock cannot transfer (hereinafter, "transfer restrictions") to a third party or provide as pledge, collateral, inter vivos gift or bequest performance-linked restricted stock allocated to the Director (hereinafter, "allotted stock") from the date the performance-linked restricted stock was granted until the date of resigning or retiring from all positions of the Company's Director, Executive Officer, and employee (hereinafter, "restricted transfer period").

(2) Gratis acquisition of performance-linked restricted stock

The Company can naturally acquire the allotted stock gratis if any of the reasons for gratis acquisition stipulated by the Company's Board of Directors in advance apply to the eligible Directors allocated performance-linked restricted stock.

The Company can naturally obtain allotted stock gratis if transfer restrictions on the stock have not been removed based on reasons for removing restrictions in (3) below at the end of the restricted transfer period in (1) above.

(3) Removal of transfer restrictions

When the restricted transfer period is over, the Company shall lift transfer restrictions on all allotted stock then held by eligible Directors who were allotted performance-linked restricted stock.

(4) Treatment during reorganization, etc.

During the restricted transfer period, if a merger agreement in which the Company will be a dissolved, a stock-swap agreement in which the Company will become a wholly owned subsidiary, a stock transfer plan, or other type of restructuring is approved at the Company's General Meeting of Shareholders (in the case that approval of the General Meeting of Shareholders is not required, Board of Directors meeting), which shall be limited to cases where the effective date of the reorganization, etc. comes before the expiration of the restricted transfer period; and if an eligible Director who has received an allotment of performance-linked restricted stock resigns or retires from all positions of Director, Executive Officer and employee of the Company as a result of this reorganization, etc., the Company shall lift transfer restrictions for all the allotted stock on a date before the effective date of the reorganization, etc.

Reference

The Company plans to allot the same performance-linked restricted stock as described above to its Executive Officers after the close of this General Meeting of Shareholders.

Proposal No. 8: Determination of amount of remuneration for Directors who are Audit and Supervisory Committee members

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments coming into effect. Therefore, as provided for in Article 361, paragraph 1 and 2 of the Companies Act, we would like to set the cap on remuneration for Directors who are Audit and Supervisory Committee members at 50 million yen annually taking into consideration, including business conditions.

In addition, we would like the actual amount of remuneration for each Director who is an Audit and Supervisory Committee member, and timing and method of payments to be based on deliberations among Directors who are an Audit and Supervisory Committee members. The details of this proposal was decided upon by the Board of Directors taking into comprehensive consideration such factors as the scale of the Company’s business, officer remuneration system, level of that remuneration, current number of officers, and present trends, and determined to be appropriate.

If Proposal 2 and Proposal 4 are approved and adopted in their original form and come into effect, the number of Directors who are Audit and Supervisory Committee members eligible for payment of remuneration based on the proposal will be three.

The resolution of this proposal will become effective subject to the approval and adoption of Proposal No. 2 “Partial amendment of the Articles of Incorporation” in its original form and the amendments of the Articles of Incorporation based on the resolution of said proposal coming into effect.