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Securities code: 1975

June 5, 2025

To our shareholders:

1-25-7 Hamamatsucho, Minato-ku, Tokyo

**ASAHI KOGYOSHA CO., LTD.**

Yasutomo Takasu,

President and Representative Director

## Notice of the 96th Annual General Meeting of Shareholders

Dear Shareholders:

We send greetings and our gratitude for your continuing support.

Provided below is information for the 96th Annual General Meeting of Shareholders.

Information and detailed references for the Annual General Meeting of Shareholders (information to be provided electronically) is posted to the Company website. Please go to the website indicated below to review this information.

Company website: <https://www.asahikogyosha.co.jp/ir/library/meeting/>



In addition to this website, information provided electronically is also posted to the website of the Tokyo Stock Exchange. To view this information via the TSE listed-company information service, go to the following page of the Tokyo Stock Exchange website, search by company name (“Asahi Kogyosha”) or code (“1975”), and choose basic information and available documents / PR information.

Tokyo Stock Exchange website (TSE listed firms information service)

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



If you are unable to attend the meeting in person, you have the right to exercise your voting rights in advance via the Internet or in writing. Please review the reference materials for the Annual General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. of Thursday, June 26, 2025.

[Exercising your voting rights via the Internet]

Review “Instructions for Exercising Voting Rights via the Internet”, then go to the website designated for voting by Internet (<https://soukai.mizuho-tb.co.jp/>). Use the voting rights code and password indicated on the Voting Rights Exercise Form to log in. Follow the instructions provided on screen to indicate your approval or disapproval of each resolution. You must vote before the deadline indicated above.

[Exercising voting rights in writing]

Indicate your approval or disapproval of each resolution on the Voting Rights Exercise Form and return by the deadline indicated above.

Sincerely,

Yasutomo Takasu

President and Representative Director

- 1. Date and time** 10 a.m., Friday, June 27, 2025
- 2. Venue** Tenpyo, 14th floor of Azur Takeshiba  
1-11-2 Kaigan, Minato-ku, Tokyo
- 3. Purpose of the meeting**
- Matters to be reported:**
1. Business Report, Consolidated Financial Statements, and reports on audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements for the Company's 96th Fiscal Year (April 1, 2024 through March 31, 2025)
  2. Non-consolidated Financial Statements for the Company's 96th Fiscal Year (April 1, 2024 through March 31, 2025)
- Matters to be resolved:**
- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Appointment of Nine Directors
- Proposal No. 3:** Revision of Remuneration Amounts for Directors and Corporate Auditors
- 4. Decisions related to the convocation of this meeting (exercise of voting rights)**
- (1) With regard to voting rights to be exercised in writing (by post), the absence of an indication of approval or disapproval on the Voting Rights Exercise Form will be deemed to indicate approval.
  - (2) In cases of the duplicate exercise of the same voting rights via the Internet and in writing (by post), the vote cast via the Internet will be granted precedence and regarded as valid. This applies regardless of date and time.
  - (3) For cases involving multiple votes via the Internet, the most recent vote will be regarded as valid.
  - (4) You may exercise your voting rights through a proxy attending the General Meeting of Shareholders. The proxy must be another shareholder who holds voting rights. Note that the proxy shareholder must submit a letter of proxy.

- ◎ On the day of the meeting, those attending should submit the Voting Rights Exercise Form at the reception desk. To help minimize waste, please bring this Notice with you to the meeting.
- ◎ Any revisions of information provided electronically will be posted, with the items before and after the revision clearly indicated, on the websites specified above for the Company and the Tokyo Stock Exchange.
- ◎ Documents containing the information provided electronically will be provided to shareholders who so request. In accordance with applicable laws and regulations and Article 18, Paragraph 2 of the Articles of Incorporation, such documents omit the following items:
  - (i) From the Business Report: Important Lines of Business; Important Business Sites; Employees; Major Lenders; Other Important Information Concerning the Status of the Group; Summary of Details of Contracts Limiting Liability; Summary of Details of Executive Liability Insurance Policies; Outside Officers; Accounting Auditor; Systems for Ensuring Propriety of Business Operations; Basic Policy on Company Control
  - (ii) From the consolidated financial statements: Consolidated Statement of Changes in Capital; Consolidated Notes
  - (iii) From the nonconsolidated financial statements: Balance Sheet; Income Statement; Statement of Changes in Shareholders Equity; Notes
  - (iv) From the Audit Report: Accounting Audit Report on the Consolidated Financial Statements; Accounting Audit Report on the Nonconsolidated Financial Statements; Board of Corporate Auditors Audit Report
 Thus, the Business Report and consolidated financial statements contained in such documents represent a portion of the documents subject to audits when the Corporate Auditors prepare Audit Reports on the Accounting Audit Reports by the accounting auditor.
- ◎ Please note that Company executives and staff will wear business casual attire to the meeting to help conserve resources. We ask that shareholders attend in business casual clothing.

# Reference Documents for the General Meeting of Shareholders

## **Proposal No. 1: Appropriation of Surplus**

The Company proposes the following appropriation of surplus:

### Year-end dividends

The Company proposes the following year-end dividend for the fiscal year under review to maintain stable dividends to shareholders and to reward their continuing support.

#### (i) Dividend assets

Cash

#### (ii) Allotment of dividend assets and total amount thereof

95 yen per share of common Company stock (reflecting an ordinary dividend of 25 yen, a special dividend of 50 yen, and a commemorative dividend of 20 yen in honor of the 100th anniversary of the Company's founding), constituting a total of 2,446,773,355 yen

#### (iii) Effective date of dividends of surplus

June 30, 2025

**Proposal No. 2: Appointment of Nine Directors**

The terms of office of all nine Directors will expire upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to appoint the following nine Directors, including three Outside Directors.

Candidates to serve as Directors are nominated based on deliberations in the voluntary Nomination and Remuneration Advisory Committee, a majority of whose membership consists of independent Outside Directors.

The candidates for Director are presented below.

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions)		Number of the Company shares held
1	Yasutomo Takasu (December 23, 1953)	Apr. 1976	Joined the Company	815,200
		Dec. 1982	Director	
		Feb. 1986	Managing Director	
		Sep. 1986	President and Representative Director	
		June 2006	President and Representative Director, and President and Executive Officer (current position)	
	[Reasons for nomination as candidate for Director] Since taking office as the Company’s President and Representative Director in September 1986, Yasutomo Takasu has led the Group and demonstrated strong leadership as a senior executive. He offers a track record and skills appropriate for a Company Director in the areas of corporate management, sustainability, and corporate governance. We believe he will continue to contribute to the Company’s sustained growth and to growth in corporate value over the medium to long term. In light of these considerations, the Company requests his reappointment as Director.			
2	Michiya Kameda (December 25, 1955)	Nov. 1983	Joined the Company	35,600
		Oct. 2008	General Manager of Finance Dept. of General Affairs Division	
		May 2012	Supervisor of ASIA PACIFIC ASAHI CO., LTD.	
		June 2015	Executive Officer and General Manager of Finance Dept. of General Affairs Division	
		June 2016	Director, Executive Officer and General Manager of Finance Dept. of General Affairs Division	
		June 2017	Director, Senior Executive Officer and General Manager of Finance Dept. of General Affairs Division	
		May 2019	Director of ASAHI ENGINEERING (MALAYSIA) SDN.BHD. (current position)	
		June 2019	Director, Managing Executive Officer, Deputy General Manager of General Affairs Division, and General Manager of Finance Dept. of General Affairs Division	
		June 2020	Director, Senior Managing Executive Officer, and General Manager of General Affairs Division	
		May 2021	Director of ASIA PACIFIC ASAHI CO., LTD. (current position)	
		June 2021	Director and Vice President, Vice President and Executive Officer, and General Manager of General Affairs Division (current position)	
		[Significant concurrent positions] Director of ASIA PACIFIC ASAHI CO., LTD. Director of ASAHI ENGINEERING (MALAYSIA) SDN.BHD.		
	[Reasons for nomination as candidate for Director] After many years at the Company headquarters Accounting Unit, Michiya Kameda assumed the position of a Company Director in June 2016. Since then, drawing on his extensive experience and insight, he has played a key role in Group management. He offers knowledge and skills befitting a Company Director in the areas of digital transformation (DX), risk management, and human resource management. We believe he will continue to contribute to the Company’s sustained growth and to growth in corporate value over the medium to long term. In light of these considerations, the Company requests his reappointment as Director.			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions)	Number of the Company shares held
3	Kazuhiro Nakagawa (August 31, 1962)	Apr. 1983 Joined the Company Apr. 2013 General Manager of Sales Dept. of Nagoya Branch Apr. 2017 General Manager of Sales Coordination Dept., and General Manager of Sales Dept. 1 of Nagoya Branch Apr. 2020 Deputy General Manager of Nagoya Branch and General Manager of Sales Coordination Dept. of Nagoya Branch Apr. 2021 Strategy Manager, Sales Division June 2021 Executive Officer in charge of Strategy for Sales Division Apr. 2022 Executive Officer, Deputy General Manager of Sales Division, in charge of Strategy Apr. 2023 Executive Officer and General Manager of Sales Division June 2023 Director, Senior Executive Officer, and General Manager of Sales Division June 2024 Director, Managing Executive Officer, and General Manager of Sales Division (current position)	9,600
[Reasons for nomination as candidate for Director] After working in sales in the Installation Work Division for many years, since his appointment as Director in June 2023, Kazuhiro Nakagawa has applied his wealth of experience and knowledge in Group management. He offers knowledge and skills befitting a Company Director in the areas of marketing, sustainability, and innovation. We believe he will contribute to the Company's sustained growth and to growth in corporate value over the medium to long term. For these reasons, the Company requests his reappointment as Director.			
4	Yoichi Hidaka (May 30, 1965)	Apr. 1988 Joined the Company Apr. 2014 General Manager of the Construction Dept. 2 of the Central Branch Oct. 2015 General Manager of the Construction Supervision Division of the Central Branch and General Manager of the Construction Dept. 2 of the Central Branch Apr. 2022 In charge of Technology, Technology Division Apr. 2023 Deputy General Manager of the Central Branch June 2023 Executive Officer and Deputy General Manager of the Central Branch Apr. 2024 Executive Officer and General Manager of the Central Branch June 2024 Director, Senior Executive Officer, and General Manager of the Central Branch (current position)	5,240
[Reasons for nomination as candidate for Director] After working in construction management in the Installation Work Division for many years, since his appointment as a Director in June 2024, Yoichi Hidaka has applied his wealth of experience and knowledge in Group management. He offers knowledge and skills befitting a Company Director in the areas of technology, sales, and human resource development. We believe he will contribute to the Company's sustained growth and to growth in corporate value over the medium to long term. For these reasons, the Company requests his reappointment as Director.			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions)	Number of the Company shares held
5	Shoji Tamura (July 27, 1948)	June 1998 Director of Fujitsu Business System Co., Ltd. (currently Fujitsu Japan Limited) June 2007 Senior Managing Director of Fujitsu Business System Co., Ltd. June 2009 Representative Director and Vice President of Fujitsu Marketing Limited (currently Fujitsu Japan Limited) May 2012 Representative Director of NIHON ASI CO., LTD. (current position) Dec. 2012 Director of NIPPON CLOUD CO., LTD. (current position) June 2020 Outside Director of the Company (current position)  [Significant concurrent positions] Representative Director of NIHON ASI CO., LTD. Director of NIPPON CLOUD CO., LTD.	0
		[Reasons for nomination as candidate for Outside Director and outline of expected roles] Since assuming the position of an Outside Director of the Company in June 2020, drawing on his experience managing a major publicly traded group of companies, Shoji Tamura has proactively made appropriate recommendations and other contributions to Company management from an impartial perspective. In particular, he offers advice on Company management based on expert perspectives on management strategy. As a member of the Nomination and Remuneration Advisory Committee, he also offers advice and guidance on the nomination of candidates to serve as Company Directors and decisions on matters such as Director remuneration from an impartial perspective. He offers knowledge and skills befitting a Company Director in the areas of management strategy, IT, and risk management. We believe he will fulfill his duties as an Outside Director effectively and contribute to the Company’s sustained growth and to growth in corporate value over the medium to long term. In light of these considerations, the Company requests his reappointment as Outside Director. At the conclusion of this General Meeting of Shareholders, Mr. Tamura will have served five years as an Outside Director of the Company.	
6	Kyoko Okumiya (June 2, 1956)	Apr. 1984 Registered as attorney at law (Dai-Ichi Tokyo Bar Association) Sep. 2000 Partner, Tanabe & Partners (current position) Aug. 2003 Audit Committee Member, City of Kawasaki Jan. 2009 Member, Committee of Experts, Tokyo District Court (current position) June 2014 Outside Auditor, NEC Corporation Outside Director, Morinaga Milk Industry Co., Ltd. July 2017 Chair, Employment Environment / Equality Subcommittee, Labour Policy Council, Ministry of Health, Labour and Welfare Apr. 2018 Member, Management Advisory Council, Graduate School of Law and Politics, University of Tokyo June 2018 Outside Director, Bank of Yokohama, Ltd. Outside Director, Toshiba Tec Corporation June 2023 Outside Director, KDDI Corporation (current position) Outside Director of the Company (current position)  [Significant concurrent positions] Partner, Tanabe & Partners Member, Committee of Experts, Tokyo District Court Outside Director, KDDI Corporation	0
		[Reasons for nomination as candidate for Outside Director and outline of expected roles] Since assuming the position of an Outside Director of the Company in June 2023, Kyoko Okumiya has drawn on a wealth of insight as an attorney at law to take an active role in offering recommendations regarding Company management from an impartial perspective and in advising Company management, drawing in particular on her expert perspectives as an attorney. As a member of the Nomination and Remuneration Advisory Committee, she also offers impartial advice and guidance concerning the nomination of candidates to serve as Company Directors and decisions on matters such as Director compensation. While Ms. Okumiya has no past experience participating in company management except as an outside director, she offers knowledge and skills befitting a Company Director in the areas of sustainability, legal affairs, and risk management. We believe she will fulfill her duties as an Outside Director effectively and contribute to the Company’s sustained growth and to growth in corporate value over the medium to long term. For these reasons, the Company requests her reappointment as Outside Director. At the conclusion of this General Meeting of Shareholders, Ms. Okumiya will have served two years as an Outside Director of the Company.	

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions)	Number of the Company shares held
7	Yuji Fujiyama (July 9, 1959)	Apr. 1983 Joined the National Police Agency Sep. 2007 Director, Kagoshima Prefectural Police Dept. Mar. 2009 General Manager, Organized Crime Division, Metropolitan Police Dept. Mar. 2012 General Manager, Security Bureau, Metropolitan Police Dept. Aug. 2013 Crisis Management Councilor, Cabinet Office Aug. 2015 Director, Imperial Guard Headquarters Jan. 2018 Advisor, General Affairs Dept., Business Administration Division, Taisei Corporation June 2022 Outside Director, Colowide Co., Ltd. June 2023 Outside Director, the Company (current position)	0
	<p>[Reasons for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Since assuming the position of an Outside Director of the Company in June 2023, Yuji Fujiyama has drawn on a wealth of experience gained in a long career in key posts in law enforcement organizations to take an active role in offering recommendations regarding Company management from an impartial perspective and, in particular, in advising Company management based on his expert crisis management perspectives. As a member of the Nomination and Remuneration Advisory Committee, he also offers impartial advice and guidance on the nomination of candidates to serve as Company Directors and decisions on matters such as Director remuneration.</p> <p>While Mr. Fujiyama has no past experience participating in company management except as an outside director, he offers knowledge and skills befitting a Company Director in the areas of legal affairs, risk management, and human resource development. We believe he will fulfill his duties as an Outside Director effectively and contribute to the Company's sustained growth and to growth in corporate value over the medium to long term. For these reasons, the Company requests his reappointment as Outside Director. At the conclusion of this General Meeting of Shareholders, Mr. Fujiyama will have served two years as an Outside Director of the Company.</p>		
8	Takashi Kimura (April 9, 1966)	Apr. 1989 Joined the Company Apr. 2015 General Manager of Construction Dept. 2 of Nagoya Branch Apr. 2018 General Manager of Construction Management Dept. of Technology Division Apr. 2022 General Manager of Construction Management Dept. of Technology Division and General Manager of Overseas Division Apr. 2023 Deputy General Manager of Technology Division, General Manager of Construction Management Dept. of Technology Division, and General Manager of Overseas Division May 2023 President of ASIA PACIFIC ASAHI CO., LTD. Apr. 2024 Deputy General Manager of Technology Division and General Manager of Overseas Division June 2024 Executive Officer, Deputy General Manager of Technology Division, and General Manager of Overseas Division Oct. 2024 Executive Officer, Deputy General Manager of Technology Division, General Manager of Overseas Division, and General Manager of Electrical Instruments Promotion Division Apr. 2025 Executive Officer and General Manager of Technology Division (current position) President of ASIA PACIFIC ASAHI CO., LTD. (current position) May 2025 Director of ASAHI ENGINEERING (MALAYSIA) SDN.BHD. (current position)	2,400
	<p>[Significant concurrent positions]</p> <p>President of ASIA PACIFIC ASAHI CO., LTD.  Director of ASAHI ENGINEERING (MALAYSIA) SDN.BHD.</p> <p>[Reasons for nomination as candidate for Director]</p> <p>Following his appointment in June 2024 as Executive Officer, Deputy General Manager of the Technology Division, and General Manager of the Overseas Division and then in April of this year as General Manager of the Technology Division, Takashi Kimura has fulfilled his duties while drawing on his wealth of experience and knowledge gained from working for many years in construction management in the Installation Work Division. He offers knowledge and skills befitting a Company Director in the areas of R&amp;D, overseas businesses, and digital transformation. We believe he will contribute to the Company's sustained growth and to growth in corporate value over the medium to long term. For these reasons, the Company requests his appointment as Director.</p>		



Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company (Significant concurrent positions)	Number of the Company shares held
9	Yoshinori Ito (October 13, 1967)	Apr. 1988    Joined the Company Apr. 2015    General Manager of Technology Dept. of Kyushu Branch Apr. 2019    General Manager of Operations Dept. of Kyushu Branch Apr. 2023    General Manager of the President's Office in the Corporate Management and Strategy Group Apr. 2025    General Manager of Corporate Management and Strategy Group, General Manager of the President's Office, and General Manager of the Management Planning Office (current position)	0
	[Reasons for nomination as candidate for Director] Following his appointment in April 2023 as General Manager of the President's Office in the Corporate Management and Strategy Group and in April of this year as General Manager of the Corporate Management and Strategy Group, General Manager of the President's Office, and General Manager of the Management Planning Office, Yoshinori Ito has fulfilled his duties while drawing on his wealth of experience and knowledge gained from working for many years in construction management in the Installation Work Division and in accounting and general affairs. He offers knowledge and skills befitting a Company Director in the areas of sustainability, digital transformation, and corporate governance. We believe he will contribute to the Company's sustained growth and to growth in corporate value over the medium to long term. For these reasons, the Company requests his appointment as Director.		

- Notes: 1. No issues regarding hidden interests or conflicts of interest exist between any of the above candidates and the Company.
2. Shoji Tamura, Kyoko Okumiya, and Yuji Fujiyama are candidates for Outside Director.
3. Shoji Tamura, Kyoko Okumiya, and Yuji Fujiyama meet the independent officer requirements established by the Tokyo Stock Exchange and the Independence Criteria for Outside Officers established by the Company. We have notified the Tokyo Stock Exchange that they currently serve as independent officers. If this resolution is approved as proposed, we plan to ask them to continue to serve as independent officers.
4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded contracts with Shoji Tamura, Kyoko Okumiya, and Yuji Fujiyama limiting their liability for damages under Article 423, Paragraph 1 of that act to the minimum liability provided for by laws and regulations. If this resolution is approved as proposed, we plan to renew these contracts with Mr. Tamura, Ms. Okumiya, and Mr. Fujiyama.
5. The Company has concluded an officer liability insurance policy with an insurer as stipulated in Article 430-3, Paragraph 1, of the Companies Act. See "Overview of Officer Liability Insurance Policies" in the Business Report for an overview of the terms and conditions of this insurance policy. If this resolution is approved as proposed, all Directors, including those newly appointed, will be among the named insured under this policy. We plan to renew this insurance policy in the next fiscal year and beyond under the same terms and provisions. However, these terms and provisions may be revised.

## Reference: Board Skills Matrix

The Company has defined eight skills (i.e., factors related to knowledge and experience) it deems important for those serving on the Board of Directors. Candidates for Director are assumed to offer an appropriate balance of these skills. Assuming approval of Proposal No. 2 and the election of all nominees, the key skills of the candidates for Director and the composition and roles of the Directors would be as indicated below.

Name	Post	Corporate Management, Management Strategy	Technology, R&D	Sales, Marketing, Overseas Businesses	Sustainability	DX, IT, Innovation	Corporate Governance, Risk Management	Legal Affairs, Finance, Accounting	Personnel Management, Human Resource Development
Yasutomo Takasu	President and Representative Director, and President and Executive Officer	○			○		○		
Michiya Kameda	Director and Vice President, and Vice President and Executive Officer						○	○	○
Kazuhiro Nakagawa	Director and Managing Executive Officer			○	○	○			
Yoichi Hidaka	Director and Managing Executive Officer		○	○					○
Takashi Kimura	Director and Senior Executive Officer		○	○		○			
Yoshinori Ito	Director and Executive Officer				○	○	○		
Shoji Tamura	Independent Outside Director	○				○	○		
Kyoko Okumiya	Independent Outside Director				○		○	○	
Yuji Fujiyama	Independent Outside Director						○	○	○

Notes: 1. The above list is not intended to be an exhaustive list of the candidate's skills.  
2. Plans call for the formal assignment of posts for each Director and appointment of the chair and membership of the Nomination and Remuneration Advisory Committee in a meeting of the Board of Directors to be held after this General Meeting of Shareholders.

### Details of each skill:

Corporate Management, Management Strategy	Capable of leading the Company's management and directing its organizations based on experience as representative director or representative of a publicly traded company or similar organizations
Technology, R&D	Sufficiently experienced and knowledgeable regarding construction, manufacturing, R&D, and procurement; capable of enhancing technological capabilities and supervising technological units
Sales, Marketing, Overseas Businesses	Sufficiently experienced and knowledgeable regarding sales and marketing; capable of enhancing sales capabilities and supervising sales units Also sufficiently experienced and knowledgeable with regard to overseas businesses and capable of strengthening and promoting global business
Sustainability	Sufficiently experienced and knowledgeable regarding ESG and the Sustainable Development Goals (SDGs); capable of promoting sustainability management
Digital Transformation, IT, Innovation	Sufficiently experienced and knowledgeable regarding DX and IT and capable of promoting DX and IT Offers the knowledge and experience needed to create new value through innovative products, services, and systems
Corporate Governance, Risk Management	Sufficiently experienced and knowledgeable with regard to corporate governance and risk management and capable of promoting and enhancing them
Legal Affairs, Finance, Accounting	Sufficiently experienced and knowledgeable with regard to legal affairs, finance, and accounting and capable of providing appropriate guidance and oversight on compliance with laws and regulations and formulation of financial and accounting strategies and their promotion
Personnel Management, Human Resource Development	Sufficiently experienced and knowledgeable with regard to personnel and labor management and human resource development and capable of formulating and promoting human resource strategies based on human capital management and diversity

## Reference: Independence Criteria for Outside Officers

The Company has established the following Independence Criteria for Outside Officers to ensure their independence and objectivity. An officer to whom none of the following under (i)-(ix) applies is considered independent.

- (i) A party who within the past 10 years was a Director (excluding an Outside Director), Corporate Auditor (excluding Outside Corporate Auditors), executive officer, or other employee of the Group
- (ii) A party<sup>\*1</sup> for whom the Company or a Company subsidiary (“Group” hereinafter) was an important trading partner or a party executing the business of such party<sup>\*2</sup> within the past three years
- (iii) A party who was an important trading partner<sup>\*3</sup> of the Group or a party executing the business of such a party within the past three years
- (iv) An officer or employee<sup>\*4</sup> of a foundation<sup>\*5</sup> receiving, within the past three years, a large donation or subsidy from the Group
- (v) A party who within the past five years was a major shareholder<sup>\*6</sup> in the Company or an officer or employee of such a party
- (vi) A Group accounting auditor or an officer or employee of an accounting firm serving the Group who is actually involved in audits of the Group within the past three years
- (vii) A party qualifying as an attorney, certified public accountant, licensed tax accountant, or other consultant who received from the Group, within the past three years, significant sums of money or other financial benefits<sup>\*7</sup> beyond executive remuneration; or, if the recipient of such interests is a corporation or other organization, a person affiliated with such recipient organization
- (viii) A spouse or relative within two degrees of consanguinity of any of the parties listed under (i)-(vii) above
- (ix) A party who has served as an outside officer of the Company for a total of eight years or longer

Even those to whom any of the descriptions under (i)-(ix) above applies may be judged independent if he or she meets the independence requirements stipulated in the Companies Act and the independence criteria established by the Tokyo Stock Exchange. Such matters are subject to resolutions by the Board of Directors for Outside Directors or the consent of the Board of Corporate Auditors for Outside Corporate Auditors.

<sup>\*1</sup> *A party for whom the Group is an important trading partner* is a party who receives payments from the Group equal to 2% or more of the party’s annual consolidated gross sales in the business year.

<sup>\*2</sup> *A party executing business* is an executive director, executive, executive officer, or other employee.

<sup>\*3</sup> *An important trading partner of the Group* is a party making payments to the Group equal to 2% or more of the Group’s annual consolidated gross sales over the course of the business year.

<sup>\*4</sup> *An officer or employee* is a Director, Corporate Auditor, Accounting Counselor, executive, executive officer, other officer or employee.

<sup>\*5</sup> *A foundation receiving large donations or subsidies* from the Group is a public interest incorporated foundation, public service corporation, nonprofit corporation, or similar organization receiving donations or subsidies from the Group beyond 10 million yen/year on average or 30% of the organization’s average annual total expenses over a period of three business years.

<sup>\*6</sup> *A major shareholder* is a party holding, directly or indirectly, 10% or more of all voting rights.

<sup>\*7</sup> *Significant sums of money or other financial benefits* refers to payments of 10 million yen/year on average over a period of three business years of the Group (if the recipient is an individual) or to payments of 2% or more of consolidated gross sales per year on average over a period of three business years of the organization (if the recipient is an organization).

**Proposal No. 3: Revision of Remuneration Amounts for Directors and Corporate Auditors**

Remuneration amounts for Company Directors and Corporate Auditors have remained unchanged at up to 400 million yen per year for Directors (including officer bonuses but not including employee salary) and up to 80 million yen per year for Corporate Auditors since the approval of these amounts in the 91st Annual General Meeting of Shareholders held June 26, 2020.

In light of various factors, including the expanding responsibilities of the Directors (including Outside Directors) and Corporate Auditors in connection with the changing business environment, the Company proposes revising officer remuneration to up to 500 million yen per year for Directors (including Outside Directors) and up to 120 million yen per year for Corporate Auditors. The Board of Directors has decided to submit this Proposal following a review by the Nomination and Remuneration Advisory Committee, which it believes appropriate based on a comprehensive consideration of various matters, including the scale of the Company's businesses, its officer remuneration structure and other pay levels, and current number of officers and future developments.

The Company currently has nine Directors (including three Outside Directors). If Proposal No. 2 is approved as written, the Company would continue to have nine Directors (including three Outside Directors). The current number of Corporate Auditors is four. This number will remain unchanged after this General Meeting of Shareholders.

In light of the details of their duties, no officer bonuses are paid to Outside Directors and Part-time Corporate Auditors.