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Securities identification code: 6507

June 5, 2026

To our shareholders:

Minoru Yamakuni
Representative Director and President
SINFONIA TECHNOLOGY CO., LTD.
1-30, Shibadaimon 1-chome, Minato-ku, Tokyo, Japan

Notice of the 102nd Ordinary General Meeting of Shareholders

SINFONIA TECHNOLOGY CO., LTD. (the “Company”) is pleased to notify you of the 102nd Ordinary General Meeting of Shareholders of the Company, which will be held as described below.

In convening the Ordinary General Meeting of Shareholders, the Company posted information included in Reference Documents for the General Meeting of Shareholders (matters for electronic provision measures) on the following websites as the Company has taken electronic provision measures. Please access the following websites to review the Reference Documents for the General Meeting of Shareholders.

Our website (in Japanese):

<https://www.sinfo-t.jp/ir/stockholder/> (in Japanese)

Website of Tokyo Stock Exchange, Inc. (Listed Company Information Search):

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

Please enter or search our company name “SINFONIA TECHNOLOGY” or securities code “6507”, select “Basic information” and “Documents for public inspection/PR information” and confirm the “[Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting]” section under “Filed information available for public inspection”.

Website of Sumitomo Mitsui Trust Bank (The Portal of Shareholders’ Meeting):

Please read the QR code in a voting form or access <https://www.soukai-portal.net> and enter the ID/password specified in the voting form.

Each website may be temporarily inaccessible due to maintenance or other reasons. If you cannot view the website, please check the other websites listed above or access them again after a short period of time.

Instead of attending the meeting in person, you can exercise your voting rights in writing or via the Internet, and in doing so, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, June 25, 2026 (Japan Standard Time).

- 1. Date and time:** Friday, June 26, 2026 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Shiba Tower (Former Building Name: Shiba NBF Tower) 7F (The Company's meeting room)
1-30, Shibadaimon 1-chome, Minato-ku, Tokyo, Japan

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 102nd Term (from April 1, 2025 to March 31, 2026), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
2. Non-Consolidated Financial Statements for the 102nd Term (from April 1, 2025 to March 31, 2026)

Items to be resolved:

- Proposal No. 1** Appropriation of surplus
- Proposal No. 2** Partial amendment of Articles of Incorporation
- Proposal No. 3** Election of nine (9) Directors
- Proposal No. 4** Election of one (1) substitute Corporate Auditor
- Proposal No. 5** Revision to the performance-linked and share-based remuneration plan for Directors

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- Please submit a voting form to the reception of the venue when you attend the meeting. If you are attending as a proxy, please submit a letter of proxy together with the voting form to the reception of the venue.
(A proxy is limited to one person who must be a shareholder of the Company with voting rights as provided in the Articles of Incorporation.)
 - Among the documents provided electronically, the following items are published on the websites stated on the preceding page on the Internet under the provisions in law and Article 17 of the Articles of Incorporation. Therefore, they are not included in the documents to be delivered to shareholders. Accordingly, the documents to be delivered to the shareholders are part of the Business Report, the consolidated financial statements and non-consolidated financial statements audited when the audit reports were prepared by the Accounting Auditor and the Corporate Auditors.
 - (1) "Status of Accounting Auditor" and "Systems to Ensure That the Execution of Directors' Duties Complies with Laws and Regulations and the Articles of Incorporation, Other Systems to Ensure the Appropriateness of Business Operations, and the Status of the Operation of Said Systems" in the Business Report
 - (2) "Consolidated Statements of Changes in Net Assets of the Consolidated Financial Statements" and "Notes to Consolidated Financial Statements"
 - (3) "Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements"
 - In the event of any revision to the matters for electronic provision measures, the information before and after revision will be posted on the respective websites stated on the preceding page where it is posted.
 - Please understand that Directors and employees of the Company will wear light clothes ("Cool Biz") at the meeting.
 - Please note that we have discontinued live streaming of this General Meeting of Shareholders. We kindly ask for your understanding.

Proposals and Reference Information

Proposal No. 1

Appropriation of surplus

Under its basic policy to provide dividends in a continuous and stable manner, the Company makes a decision about profit distribution by taking into account its business performance and financial condition. While the mid-term management plan previously set a basic policy of aiming for a dividend payout ratio of 30%, the Company has now decided to aim for a dividend payout ratio of 30% or more.

The Company hereby proposes the following year-end dividends for the fiscal year.

Matters related to year-end dividends

- (1) Allocation of dividend property to shareholders and total amount thereof
155 yen per common share of the Company
Total amount of dividends: 4,398,180,025 yen
- (2) Effective date of distribution of dividends of surplus
June 29, 2026

Proposal No. 2

Partial amendment of Articles of Incorporation

1. Reason for Amendment

In order to enable flexible and agile response by the Board of Directors, amendments shall be made to Article 24 and Article 25 of the current Articles of Incorporation.

2. Details of Amendment

The details of the amendment shall be as follows.

(The underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendment
<p>(Representative Directors and Directors with Specific Titles) Article 24</p> <p>1 (Omitted)</p> <p>2 The Board of Directors may, by resolution, appoint <u>one Chairman, one President, and several Vice Presidents, Senior Managing Directors, and Managing Directors.</u></p> <p>(Convener and Chairperson of the Board of Directors) Article 25</p> <p>1 Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened by <u>the Chairman</u>, who shall act as chairperson.</p> <p>2 In the event of a vacancy in the position of <u>Chairman</u> or if <u>that individual is unable to act, the President shall convene the meeting of the Board of Directors and act as chairperson. If the President</u> is unable to act, another director shall convene the meeting of the Board of Directors and act as chairperson in accordance with the order predetermined by the Board of Directors.</p>	<p>(Representative Directors and Directors with Specific Titles) Article 24</p> <p>1 (According to the Current Articles of Incorporation)</p> <p>2 The Board of Directors may, by resolution, appoint <u>directors with specific titles.</u></p> <p>(Convener and Chairperson of the Board of Directors) Article 25</p> <p>1 Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened by <u>a director designated in advance by a resolution of the Board of Directors</u>, who shall act as chairperson.</p> <p>2 In the event of a vacancy in the position of <u>the director referred to in the preceding paragraph</u> or if <u>such director</u> is unable to act, another director shall convene the meeting of the Board of Directors and act as chairperson in accordance with the order predetermined by the Board of Directors.</p>

Proposal No. 3**Election of nine (9) Directors**

The term of all nine (9) Directors expires at the close of this General Meeting of Shareholders. Accordingly, the Company proposes that nine (9) Directors be elected.

The candidates for Directors are as follows:

Candidate No.	Name	Positions and responsibilities in the Company			
1	Shozo Buto	Chairman General supervisor of the Research & Development Center	Reelection		
2	Minoru Yamakuni	Representative Director and President	Reelection		
3	Hiroharu Senju	Representative Director and Senior Managing Executive Officer Responsible for the Headquarters Division, in charge of the Audit Department, Administrative & Personnel Department, Legal Department, company-wide compliance and company-wide risk management, responsible for sales companies, branches, and sales offices, responsible for the Electrical Products & Systems Division	Reelection		
4	Takaichi Hatano	Director & Senior Officer General Manager of Clean Transport System Division	Reelection		
5	Tsutomu Inagaki	Director & Senior Officer General Manager of Electronics & Precision Products Division	Reelection		
6	Tatsunobu Sako	Outside Director	Reelection	Outside	Independent
7	Jun Fujioka	Outside Director	Reelection	Outside	Independent
8	Akiko Fujioka	Outside Director	Reelection	Outside	Independent
9	Hideyo Tsuchida	Senior Officer General Manager of Electrical Products & Systems Division in charge of the Testing System business	New election		

Reelection

Candidate for Director to be reelected

New election

Candidate for Director to be newly elected

Outside

Candidate for Outside Director

Independent

Independent officer as defined by the securities exchanges

Candidate No. **1**

Shozo Buto

(July 19, 1947)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1970	Joined the Company	June 2015	Representative Director and Chairman of the Company
June 2003	Director of the Company		
June 2005	Managing Director of the Company	June 2019	General supervisor of the Research & Development Center of the Company (present position)
June 2007	Senior Managing Director of the Company		
June 2009	Representative Director and President of the Company	April 2026	Chairman of the Company (present position)

[Reasons for nomination as candidate for Director]

Mr. Buto has led the Company's management as Representative Director and President since June 2009, and in June 2015 he was appointed as Representative Director and Chairman. In April 2026 he was appointed as Chairman. In his role as Director, he has contributed to the reinforcement of the supervisory function and securing of the effectiveness of the Board of Directors. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Number of the Company's shares owned
46,800

Attendance at Board of Directors' Meetings:
15/15 (100%)

Candidate No. **2**

Minoru Yamakuni

(October 21, 1963)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1987	Joined the Company	April 2026	Representative Director and President of the Company (present position)
April 2020	Officer of the Company		
April 2022	Senior Officer of the Company		
June 2022	Director of the Company		
April 2024	Senior Managing Executive Officer of the Company		

[Reasons for nomination as candidate for Director]

Having held a number of key positions as a Director of the Company, in April 2026 Mr. Yamakuni assumed the position of Representative Director and President of the Company, through which he has led management to achieve sustainable growth in our corporate value. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Number of the Company's shares owned
10,700

Attendance at Board of Directors' Meetings:
15/15 (100%)

Candidate No. **3**

Hiroharu Senju

(December 15, 1965)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1990	Joined the Company	April 2026	Representative Director and Senior Managing Executive Officer, responsible for the Headquarters Division, in charge of the Audit Department, Administrative & Personnel Department, Legal Department, company-wide compliance and company-wide risk management, responsible for the Electrical Products & Systems Division of the Company (present position)
June 2019	Officer of the Company		
June 2021	Director of the Company		
April 2022	Senior Officer of the Company		
April 2022	Responsible for sales companies, branches, and sales offices of the Company (present position)		

Number of the Company's shares owned
7,500

Attendance at Board of Directors' Meetings:
15/15 (100%)

[Reasons for nomination as candidate for Director]

As Representative Director and Senior Managing Executive Officer since April 2026, Mr. Senju is contributing to the Company as Director in charge of realizing its financial strategy and playing a key role in management aimed at strengthening the management base, following his contribution to management as an Officer. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Candidate No. **4**

Takaichi Hatano

(December 25, 1963)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1987	Joined the Company	April 2020	Officer of the Company
July 2002	Joined Assist Shinko Co., Ltd. (currently, Murata Machinery, Ltd.)	April 2022	Senior Officer of the Company (present position)
		June 2022	Director of the Company (present position)
January 2004	Joined STMicroelectronics		
December 2007	Joined Asyst Technologies Inc.	October 2022	General Manager of Clean Transport System Division of the Company (present position)
December 2009	Joined the Company		

Number of the Company's shares owned
6,300

Attendance at Board of Directors' Meetings:
15/15 (100%)

[Reasons for nomination as candidate for Director]

Mr. Hatano is currently contributing to the Company as Director in charge of realizing the Company's business strategy, following his contribution to management as an Officer. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Candidate No. **5**

Tsutomu Inagaki

(September 5, 1964)

Reelection



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1987	Joined the Company
April 2022	Officer of the Company
April 2025	Senior Officer, General Manager of Electronics & Precision Products Division of the Company (present position)
June 2025	Director of the Company (present position)

[Reasons for nomination as candidate for Director]

Mr. Inagaki is currently contributing to the Company as Director in charge of realizing the Company's business strategy, following his contribution to management as an Officer. The Company proposes his continued election as Director after determining he is qualified to make contributions to the supervision of business execution and perpetual enhancements in corporate value by utilizing his wealth of experience and knowledge.

Number of the Company's shares owned
8,000

Attendance at Board of Directors' Meetings:
11/11 (100%)

Candidate No. **6**

Tatsunobu Sako

(August 21, 1952)

Reelection Outside Independent



Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1975	Joined Nissho Iwai Corporation (currently, Sojitz Corporation)	June 2022	Outside Director of the Company (part-time) (present position)
April 2006	Officer of Sojitz Corporation		
April 2008	Senior Officer of Sojitz Corporation	May 2023	Outside Director of Minth Group Limited (present position)
March 2013	Retired from Sojitz Corporation		
April 2013	Advisor of Sojitz Machinery Corporation	July 2023	Advisor of Sojitz Machinery Corporation (chairman)
June 2013	President of Sojitz Machinery Corporation		
June 2019	Chairman of Sojitz Machinery Corporation	November 2024	Outside Director of AAPICO Hitech Public Company Limited (present position)
April 2020	President of Sojitz Machinery Holdings Co., Ltd. (currently, Sojitz Machinery Corporation) Chairman of Sojitz Machinery Corporation	April 2026	Special Advisor of Sojitz Machinery Corporation (present position)

[Reasons for nomination as candidate for Outside Director and overview of expected role]

The Company proposes the election of Mr. Sako as Outside Director with the expectation that he will be able to provide supervision of overall management and effective recommendations that ensure the appropriateness and validity of decision making based on his broad knowledge and wealth of experience as a corporate manager in an industry different from that of the Company. If Mr. Sako is elected, he will engage in dealing with original proposals on the election of and compensation for the Directors and others of the Company from an objective and neutral standpoint. Mr. Sako is currently one of the Company's Outside Directors and will have been in this position for four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.

Number of the Company's shares owned
0

Attendance at Board of Directors' Meetings:
15/15 (100%)

Candidate No. **7**

Jun Fujioka

(March 3, 1951)

Reelection Outside Independent



Number of the Company's shares owned

0

Attendance at Board of Directors' Meetings: 15/15 (100%)

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 1976	Joined Kobe Steel, Ltd.	June 2011	President, CEO and Representative Director of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
October 1999	Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.	April 2016	Senior Advisor of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2002	Director and Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.	June 2018	Retired as Senior Advisor of KOBELCO CONSTRUCTION MACHINERY CO., LTD.
June 2005	Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.	June 2020	Outside Corporate Auditor of the Company (part-time)
April 2008	Senior Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.	June 2023	Outside Director of the Company (part-time) (present position)
June 2008	Director, Senior Managing Executive Officer of KOBELCO CONSTRUCTION MACHINERY CO., LTD.		

[Reasons for nomination as candidate for Outside Director and overview of expected role]

The Company proposes the election of Mr. Fujioka as Outside Director with the expectation that he will be able to provide supervision of overall management and effective recommendations that ensure the appropriateness and validity of decision making based on his broad knowledge and wealth of experience as a corporate manager in the manufacturing industry. If Mr. Fujioka is elected, he will engage in dealing with original proposals on the election of and compensation for the Directors and others of the Company from an objective and neutral standpoint. Mr. Fujioka is currently one of the Company's Outside Directors and will have been in this position for three (3) years at the conclusion of this Ordinary General Meeting of Shareholders.

Candidate No. **8**

Akiko Fujioka

(October 3, 1971)

Reelection Outside Independent



Number of the Company's shares owned

400

Attendance at Board of Directors' Meetings: 15/15 (100%)

Career summary, positions and responsibilities, and significant concurrent positions outside the Company

April 2000	Full-time Lecturer, Ryukoku University, Faculty of Business Administration, Department of Business Administration	April 2015	Professor, Ryukoku University, Faculty of Business Administration, Department of Business Administration
April 2004	Assistant Professor, Ryukoku University, Faculty of Business Administration, Department of Business Administration	June 2023	Outside Corporate Auditor of the Company (part-time)
		June 2024	Outside Director of the Company (part-time) (present position)
August 2004	Guest Researcher, Stockholm University, Business School	April 2025	Professor, Ryukoku University, Faculty of Business Administration, Department of Commerce (present position)
April 2007	Associate Professor, Ryukoku University, Faculty of Business Administration, Department of Business Administration		

[Reasons for nomination as candidate for Outside Director and overview of expected role]

The Company proposes the election of Ms. Fujioka as Outside Director with the expectation that she will be able to provide supervision of overall management and effective recommendations that ensure the appropriateness and validity of decision making based on her advanced knowledge and insight as an academic expert although she has no direct experience of being involved in corporate management in the past by means other than being an outside director. Ms. Fujioka is currently one of the Company's Outside Directors and will have been in this position for two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.

Candidate No. 9

Hideyo Tsuchida

(August 28, 1970)

New election



Number of the Company's shares owned
3,900

Career summary, positions and responsibilities, and significant concurrent positions outside the Company			
April 1994	Joined the Company	April 2024	Officer, General Manager of Testing System Sales
July 2014	Seconded to SINFONIA TECHNOLOGY (THAILAND) CO., LTD. and became General Manager		Department, Electrical Products & Systems Division of the Company
November 2019	Director of SINFONIA TECHNOLOGY (THAILAND) CO., LTD.	April 2024	In charge of the Testing System business of the Electrical Products & Systems Division of the Company (present position)
June 2021	General Manager of Testing System Sales Department, Electrical Products & Systems Division of the Company	April 2026	Senior Officer, General Manager of Electrical Products & Systems Division of the Company (present position)

[Reasons for nomination as candidate for Director]

The Company proposes the election of Mr. Tsuchida as Director after determining he will be able to make contributions to the supervision of business execution and perpetual enhancements in corporate value based on his broad knowledge on the Company's business as Officer in charge of the business division.

- Notes:
1. There is no special interest between the candidates and the Company.
 2. Mr. Tsutomu Inagaki was newly elected and assumed office at the 101st Ordinary General Meeting of Shareholders held on June 27, 2025. Therefore, his attendance at Board of Directors' meetings held after he assumed office is listed.
 3. Mr. Tatsunobu Sako, Mr. Jun Fujioka and Ms. Akiko Fujioka are candidates for Outside Director. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Tatsunobu Sako, Mr. Jun Fujioka and Ms. Akiko Fujioka have been designated as Independent Officers based on the regulations of Tokyo Stock Exchange, Inc., and if their election is approved, the Company plans to continue to designate them as Independent Officers.
 4. The Company has entered into an agreement with each of Mr. Tatsunobu Sako, Mr. Jun Fujioka, and Ms. Akiko Fujioka that limits their respective liability with the Company pursuant to Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability under the said agreement is the minimum liability amount as provided in laws and ordinances. If their election is approved, the Company plans to renew the above limited liability agreements with them.
 5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The directors and officers liability insurance agreement, which is renewed annually, is an insurance policy under which an insurance company covers damages suffered by the insureds, including the Company's Directors, that may arise from the liabilities for the execution of their duties or arise from a claim filed against them that pursues such liabilities. In the case that the Company pursues the liabilities for damages against the insureds, the coverage of such a case is exempted under the directors and officers liability insurance agreement. Meanwhile, the directors and officers liability insurance agreement ensures the appropriateness of the insureds' execution of duties not to be impaired by way of establishing a co-payment amount. If the candidates are elected and assume office as Directors, they will become the insureds under the directors and officers liability insurance agreement.
 6. The name of Akiko Fujioka in the family register is Akiko Murakami.

(Reference) Skills matrix of Directors and Corporate Auditors after appointment

The composition of Directors and Corporate Auditors if Proposal 3 is approved as proposed at this Ordinary General Meeting of Shareholders is as follows:

Name	Inde- pendent	Areas where the Company has particular expectations						
		Corporate management	Business strategy	Technology and R&D	Sales/ Marketing	Global	Finance/ Accounting	Legal affairs/ Risk management
Directors	Shozo Buto		✓		✓		✓	
	Minoru Yamakuni		✓		✓	✓		
	Hiroharu Senju			✓			✓	✓
	Takaichi Hatano			✓		✓		
	Tsutomu Inagaki			✓	✓	✓		
	Hideyo Tsuchida			✓		✓	✓	
	Tatsunobu Sako	Outside /Inde- pendent	✓			✓	✓	
	Jun Fujioka	Outside /Inde- pendent	✓	✓	✓			
	Akiko Fujioka	Outside /Inde- pendent				✓		✓
Auditors	Satoru Hori			✓			✓	✓
	Kenji Ohnishi	Outside /Inde- pendent			✓		✓	✓
	Koichi Yuikawa		✓				✓	✓
	Kayo Tamura	Outside /Inde- pendent					✓	✓

*The above table does not represent all of the knowledge and experience possessed by each director and auditor, but lists a maximum of three areas where the Company has particular expectations of each director and auditor.

Proposal No. 4**Election of one (1) substitute Corporate Auditor**

To prepare for the event that the number of Corporate Auditors falls below the number required by laws and ordinances, the Company proposes the election of one (1) substitute Corporate Auditor. This resolution shall be effective until the commencement of the next Ordinary General Meeting of Shareholders. The Board of Auditors consents to the submission of this proposal.

The candidate for substitute Corporate Auditor is as follows:

Koji Sasakawa

(August 22, 1951)

Outside

Independent



Number of the Company's shares owned
3,100

Career summary and positions, and significant concurrent positions outside the Company

April 1974	Joined Kobe Steel, Ltd.	June 2012	Representative Director & Executive Officer of SHINSHO Corporation
April 2006	Joined SHINSHO Corporation		
June 2006	Officer of SHINSHO Corporation	June 2015	Advisor of SHINSHO Corporation
June 2007	Senior Officer of SHINSHO Corporation	June 2016	Retired as Advisor of SHINSHO Corporation
June 2010	Director & Senior Officer of SHINSHO Corporation	June 2016	Outside Corporate Auditor of the Company (full-time)
June 2011	Director & Executive Officer of SHINSHO Corporation	June 2020	Retired as Outside Corporate Auditor of the Company (full-time) (present position)

[Reasons for nomination as candidate for substitute Outside Corporate Auditor]

The Company proposes the election of Mr. Sasakawa as substitute Outside Corporate Auditor with the expectation that he will be able to provide supervision of overall management and effective recommendations based on his broad knowledge and wealth of experience as a corporate manager, as well as his experience as an Outside Corporate Auditor of the Company for four (4) years. For above reasons, the Company believes he will be able to appropriately perform his duties as an Outside Corporate Auditor.

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Mr. Koji Sasakawa is a candidate for substitute Outside Corporate Auditor. If Mr. Sasakawa assumes office as Corporate Auditor after his election is approved, the Company plans to notify the Tokyo Stock Exchange, Inc. of his appointment as a new Independent Officer.
 3. If Mr. Sasakawa assumes office as Corporate Auditor after his election is approved, the Company plans to enter into an agreement with him that limits his liability with the Company pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the agreement is the minimum liability amount as provided in laws and ordinances.
 4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The directors and officers liability insurance agreement, which is renewed annually, is an insurance policy under which an insurance company covers damages suffered by the insureds, including the Company's Corporate Auditors, that may arise from the liabilities for the execution of their duties or arise from a claim filed against them that pursues such liabilities. In the case that the Company pursues the liabilities for damages against the insureds, the coverage of such a case is exempted under the directors and officers liability insurance agreement. Meanwhile, the directors and officers liability insurance agreement ensures the appropriateness of the insureds' execution of duties not to be impaired by way of establishing a co-payment amount. If the candidate assumes office as Corporate Auditor, he will become the insured under the directors and officers liability insurance agreement.

1. Reasons for the proposal and why it is considered appropriate

The Company obtained approval at the 95th Ordinary General Meeting of Shareholders held on June 27, 2019 for the introduction of a performance-linked and share-based remuneration plan for the Company's directors (excluding outside directors; the same shall apply in this proposal unless otherwise noted), namely the "Board Benefit Trust (BBT)" (hereinafter referred to as the "Current BBT Plan"), and this plan has remained in place to the present (the resolution at the above-mentioned general meeting of shareholders is hereinafter referred to as the "Original Resolution").

This proposal seeks approval to revise the Current BBT Plan and transition to a Board Benefit Trust-Restricted Stock (BBT-RS) (hereinafter referred to as the "Plan"), under which the shares to be delivered will be subject to transfer restrictions until retirement. This is intended to make the linkage between directors' remuneration and the Company's performance and share value more explicit by fully utilizing the advantages of both the trust scheme and the RS scheme. It is also intended to enhance directors' awareness of contributing to the improvement of medium- to long-term performance and the increase of corporate value by having them share not only the benefits of share price increases but also the risks of share price declines with shareholders.

In light of the above objectives and the fact that it is consistent with the matters related to the determination of the details of individual remuneration for the Company's directors (please refer to the Business Report (in Japanese only)), the Company considers the contents of this proposal to be appropriate.

This proposal requests approval of the specific calculation method and details of the amount of remuneration to be provided under the Plan to the Company's directors, separately from the amount of directors' remuneration (up to 700 million yen per year (including up to 80 million yen for outside directors)) approved at the 101st Ordinary General Meeting of Shareholders held on June 27, 2025. The details of the Plan are to be entrusted to the Board of Directors within the framework described in 2. below.

If Proposal No. 3 is approved as originally proposed, the number of directors eligible under the Plan will be six (6).

2. Specific methods for calculating the amount of remuneration, etc. under the Plan and the specific details thereof

(1) Plan overview

This Plan is a performance-linked and share-based remuneration plan. Under the Plan, the Company's shares are acquired through a trust (the trust established under the Plan is hereinafter referred to as the "Trust") using funds contributed by the Company. The Company's shares, as well as cash equivalent to the market value of such shares (hereinafter collectively referred to as the "Company's Shares, etc."), are provided to directors through the Trust in accordance with the Share Benefit Regulations for Officers prescribed by the Company. In principle, directors receive grants of the Company's shares at a fixed time each year. Cash equivalent to the market value of the Company's shares is, in principle, provided at the time of a director's retirement. If a director receives shares during his or her term of office, the director is required, prior to such grant, to enter into a comprehensive transfer restriction agreement with the Company as described in 3. below. As a result, any Company shares granted during the director's term of office will be subject to restrictions on transfer and other disposition until the director's retirement.

In addition, in connection with the revision to the Plan, points already granted under the Current BBT Plan to directors who are in office at the conclusion of this Ordinary General Meeting of Shareholders will, subject to the approval and adoption of this proposal, be carried over to points under the Plan. Such directors will receive grants of the Company's Shares, etc. based on the converted points at the prescribed time after the conclusion of this Ordinary General Meeting of Shareholders. The shares to be granted to such directors will also be subject to restrictions on transfer and other disposition pursuant to the above-mentioned comprehensive transfer restriction agreement.

(2) Eligible individuals under the Plan

Directors of the Company excluding outside directors.

Note 1: In addition to the above, officers who do not concurrently serve as directors are also covered by the Plan.

(3) Trust amount

The Company has established the Trust by contributing funds necessary for the Trust to acquire in advance a reasonable number of shares expected to be required for stock delivery under the Current BBT Plan over a certain period. Within the scope approved by the Original Resolution, the Company contributed 108 million yen to the Trust at the start of the trust period (August 2019) for two fiscal years, namely the fiscal year ended March 31, 2020 and the fiscal year ended March 31, 2021. Subsequently, in February 2026, the Company additionally contributed 85.83 million yen to the Trust. The Trust will continue as the trust under the Plan as amended pursuant to this resolution.

Subject to approval of this proposal, the Company will revise the Current BBT Plan to the Plan covering two fiscal years, namely the fiscal year ending March 31, 2027 and the fiscal year ending March 31, 2028 (hereinafter this two-year period is referred to as the “Initial BBT-RS Target Period”, and the Initial BBT-RS Target Period and each subsequent three-fiscal-year period are each referred to as a “Target Period”) and each subsequent Target Period. The Company shares and cash remaining within the trust assets, which were acquired by the Trust using funds contributed under the Current BBT Plan, will be allocated as the source of benefits under the Plan after approval of this proposal.

In addition, until the termination of the Plan, the Company will, in principle, reasonably estimate for each Target Period the number of shares required for delivery to directors based on the Plan, and will additionally contribute to the Trust the funds necessary for the Trust to acquire such shares in advance. However, in the event that such additional contributions are made, if there remain in the trust assets any Company shares (excluding shares corresponding to points granted to directors in prior Target Periods for which delivery to directors has not yet been completed) and cash (hereinafter referred to as the “Remaining Shares, etc.”), such Remaining Shares, etc. shall be applied as the source of benefits under the Plan for subsequent Target Periods. The necessity and amount of any additional contribution shall be determined after taking such Remaining Shares, etc. into account. If the Company decides to make an additional contribution, it will be disclosed in a timely and appropriate manner.

Note 2: The funds contributed by the Company to the Trust will include not only the funds necessary for delivering Company Shares, etc. to directors, but also the funds necessary for delivering Company Shares, etc. to officers who do not concurrently serve as directors.

(4) Method by which the Trust acquires Company shares and number of shares to be acquired

The Trust will acquire the Company’s shares using funds contributed as described in (3) above. Acquisition will be carried out either through the stock exchange market or by underwriting the disposal of the Company’s treasury shares.

In addition, as stated in (5) below, the maximum number of points that may be granted to directors is 54,000 points per fiscal year. Therefore, the maximum number of Company shares to be acquired by the Trust for the Initial BBT-RS Target Period is 108,000 shares. For each subsequent Target Period, the maximum number of Company shares to be acquired by the Trust is 162,000 shares. Details regarding the acquisition of the Company’s shares by the Trust will be disclosed in a timely and appropriate manner.

(5) Maximum number of Company Shares, etc. to be delivered to directors

For each fiscal year, directors are granted a number of points determined based on their position and consolidated performance, etc., in accordance with the Share Benefit Regulations for Officers. The total number of points that may be granted to directors per fiscal year is capped at 54,000 points. This limit

has been determined by comprehensively considering the current level of executive remuneration, trends and future projections in the number of directors, and other factors, and is considered appropriate.

Each point granted to directors will be converted into one share of the Company's common stock at the time of delivery of Company Shares, etc. described in (6) below. However, if a share split, allotment of shares without contribution, or consolidation of shares is carried out after approval of this proposal, the maximum number of points and/or the number of granted points or conversion ratio will be adjusted in a reasonable manner in accordance with the relevant ratio.

The number of points granted to directors to be used as the basis for delivery of Company Shares, etc. described in (6) below shall, in principle, be the number of points granted to the relevant director up to the time the beneficial rights are fixed under (6) below (hereinafter referred to as the "Finalized Points").

(6) Delivery of Company Shares, etc. and method for calculating the amount of remuneration, etc.

Directors who satisfy the beneficiary requirements will complete the prescribed beneficiary vesting procedures. In principle, they will receive from the Trust, at a fixed time each year, a number of Company shares corresponding to their Finalized Points, which are determined in accordance with (5) above. However, if the requirements set forth in the Share Benefit Regulations for Officers are met, a certain proportion of the benefits will be provided, in principle upon retirement, in cash equivalent to the market value of the Company shares, in lieu of delivery of shares. In order to make such cash payments, the Trust may sell Company shares.

Moreover, if a director receives shares during his or her term of office, the director is required, prior to such grant, to enter into a comprehensive transfer restriction agreement with the Company as described in 3. below. As a result, any Company shares granted during the director's term of office will be subject to restrictions on transfer and other disposition until the director's retirement.

In addition, even if a director has been granted points, if the director retires due to certain misconduct during his or her term of office, or if the director has engaged in inappropriate conduct during his or her term of office that causes damage to the Company, the director will not be entitled to receive the benefits. The amount of remuneration to be received by directors shall be based, at the time of point allocation, on the total number of points granted to the director multiplied by the book value per share of the Company's shares held in the Trust. However, if share splits, allotment of shares without contribution, or consolidation of shares are carried out, the amount shall be adjusted in a reasonable manner in accordance with the relevant ratio. If cash is exceptionally provided in accordance with the Share Benefit Regulations for Officers and is deemed appropriate, such amount shall be added to the above calculation.

(7) Exercise of voting rights

Voting rights attached to the Company's shares held in the trust account of the Trust will not be exercised at all, based on instructions from the trust administrator. By adopting this method, the Company intends to ensure neutrality with respect to management in the exercise of voting rights for shares held in the trust account of the Trust.

(8) Treatment of dividends

Dividends on the Company's shares held in the trust account of the Trust will be received by the Trust. They will be used to cover the cost of acquiring Company shares and the trustee's trust fees, etc. In the event that the Trust is terminated, any remaining dividends and similar amounts within the Trust will be distributed to directors and officers who do not concurrently serve as directors who are in office at that time, in accordance with the Share Benefit Regulations for Officers. The distribution will be made proportionally based on the number of points held by each individual.

(9) Treatment upon termination of the trust

The Trust will be terminated if events such as delisting of the Company's shares or abolition of the Share Benefit Regulations for Officers occur.

Upon termination of the Trust, all remaining Company shares within its residual assets are expected to be acquired by the Company free of charge and then cancelled by resolution of the Board of Directors. Of the residual assets of the Trust at the time of its termination, any cash remaining after distribution of cash to directors and officers who do not concurrently serve as directors under (8) above will be delivered to the Company.

3. Overview of the comprehensive transfer restriction agreement for Company shares delivered to directors

If a director receives delivery of Company shares during his or her term of office, the director shall, prior to such delivery, enter into a comprehensive transfer restriction agreement with the Company (hereinafter referred to as the "Transfer Restriction Agreement"), which shall include the following terms in outline (the director will receive Company shares on the condition that the Transfer Restriction Agreement is executed). However, if the director has already retired at the time of share delivery, the Company may deliver shares without executing the Transfer Restriction Agreement.

(i) Content of transfer restrictions

From the date of delivery of the Company shares until the date on which the director retires from all positions as a director of the Company, the director may not transfer, create a security interest in, or otherwise dispose of the delivered shares.

(ii) Free acquisition by the Company

If certain misconduct occurs or if the conditions for lifting the transfer restrictions under (iii) below are not satisfied, the Company will acquire the shares free of charge.

(iii) Lifting of transfer restrictions

If the director retires from all positions as a director of the Company for a justifiable reason or retires due to death, the transfer restrictions will be lifted at that time.

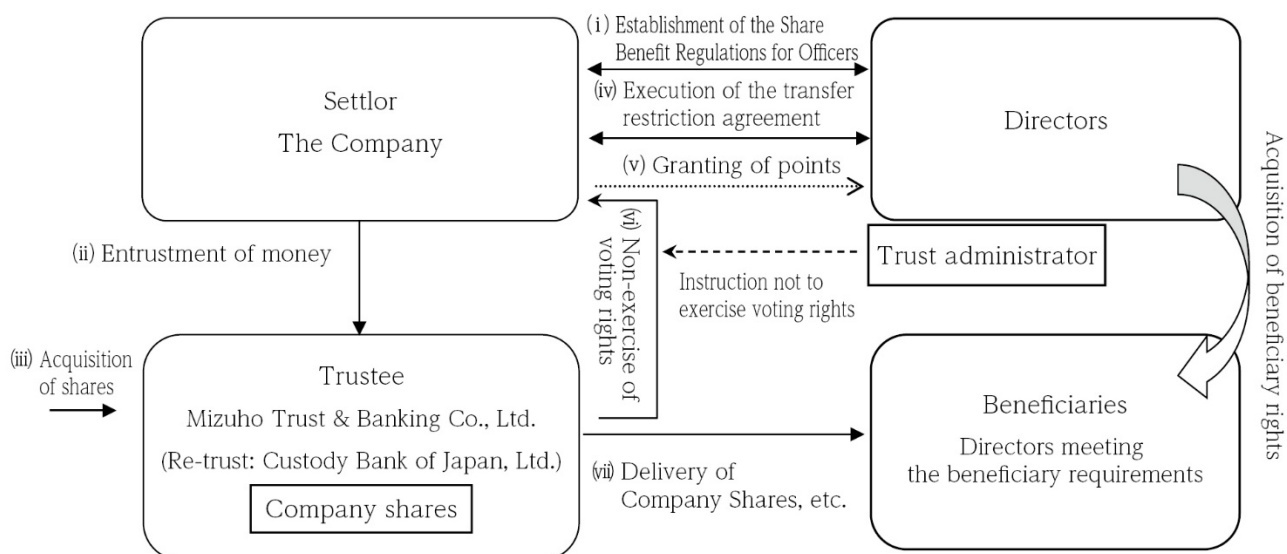
(iv) Treatment in organizational restructuring, etc.

If, during the restriction period, a merger agreement in which the Company is the disappearing company or other organizational restructuring is approved at a general meeting of shareholders of the Company, the transfer restrictions will be lifted, by resolution of the Board of Directors, as of the business day immediately preceding the effective date of such restructuring.

The Company shares subject to the transfer restrictions under the Transfer Restriction Agreement will be managed in a dedicated account opened by the relevant director at a securities company designated by the Company, throughout the restriction period, so that they cannot be transferred, made subject to a security interest, or otherwise disposed of.

In addition, matters such as the method of expression of intent and notifications under the Transfer Restriction Agreement, the method of amendment of the Transfer Restriction Agreement, and other matters determined by the Board of Directors shall form part of the Transfer Restriction Agreement.

Reference: structure of the Plan



- (i) The Company will establish the “Share Benefit Regulations for Officers” within the framework approved under this proposal.
- (ii) The Company will contribute money within the scope approved under this proposal.
- (iii) The Trust will acquire Company shares using the funds contributed in (ii) above, either through the stock exchange market or by underwriting the disposal of the Company’s treasury shares.
- (iv) Directors will enter into a transfer restriction agreement with the Company. The agreement will stipulate that Company shares delivered during their term of office are subject to restrictions on transfer and other disposition until retirement. It will also include provisions for free acquisition by the Company under certain conditions.
- (v) The Company will grant points to directors in accordance with the Share Benefit Regulations for Officers.
- (vi) The Trust will not exercise voting rights attached to Company shares held in its trust account, in accordance with instructions from an independent trust administrator, who is independent from the Company.
- (vii) The Trust will, at a fixed time each year, deliver Company shares to directors who satisfy the beneficiary requirements prescribed in the Share Benefit Regulations for Officers (hereinafter referred to as “Beneficiaries”), in accordance with the number of points granted to each Beneficiary. However, if a director meets the requirements set out in the Share Benefit Regulations for Officers, a certain proportion of the points will be settled in cash equivalent to the market value of the Company shares upon retirement.

(Reference) Reduction of cross-shareholdings

The Company acquires, holds, or disposes of shares in other companies for strategic purposes, such as establishing stable and long-term business relationships, business alliances, and facilitating and strengthening collaborative business development.

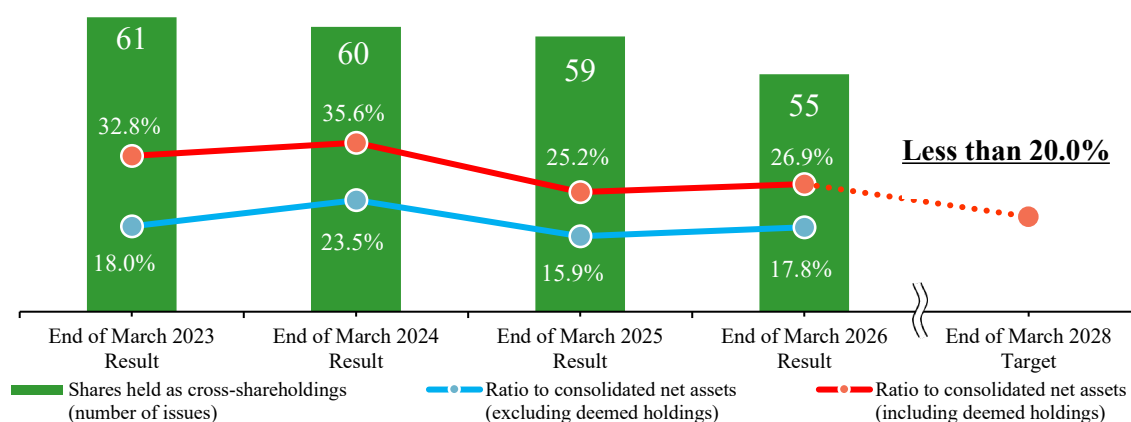
With respect to shares held as cross-shareholdings, the Company is working toward a target of reducing the ratio of such holdings to less than 20% (including deemed holdings) of consolidated net assets by the end of March 2028. Each year, the Company reviews whether such holdings are economically reasonable and beneficial, and whether they contribute to the medium- to long-term enhancement of the Group's corporate value, through the Management Committee and the Board of Directors.

The Company is advancing a reduction plan for shares held as cross-shareholdings toward this target. During the fiscal year under review, the Company reduced its shares held as cross-shareholdings. However, due to increases in stock prices, the fair value of certain holdings increased, resulting in a rise in the ratio to consolidated net assets compared with the previous fiscal year.

- The number of issues and the amount recorded on non-consolidated balance sheet (including deemed holdings)
(Unit: Issues; 100 millions of yen)

	End of the 99th Term (End of March 2023)	End of the 100th Term (End of March 2024)	End of the 101st Term (End of March 2025)	End of the 102nd Term (End of March 2026)	Increase (Decrease)
Number of issues	61	60	59	55	(4)
Amount recorded on non-consolidated balance sheet	205	264	201	266	+64

- Transition in number of issues and ratio to consolidated net assets



*Changes in the ratio to consolidated net assets include the impact of stock price fluctuations.