

Notice of the 73rd Annual General Meeting of Shareholders



Date and time

Tuesday, June 24, 2025
10 a.m. (reception begins at 9:30 a.m.)

Venue

4-1-23 Shiba, Minato-ku, Tokyo
Mita NN Hall, B1F (1st basement floor), Mita NN Building

Proposals

- | | |
|------------|--|
| Proposal 1 | Appropriation of Surplus |
| Proposal 2 | Election of Five Directors Who Are Not Audit & Supervisory Committee Members |
| Proposal 3 | Election of Three Directors Who Are Audit & Supervisory Committee Members |
| Proposal 4 | Election of One Substitute Director Who Is an Audit & Supervisory Committee Member |
| Proposal 5 | Election of Financial Auditor |

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To Our Shareholders

The right to vote at general meetings of shareholders is an important right of shareholders. Please review the attached Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

For details of how to exercise your voting rights, please see page 3.

Nifco Inc.

Securities Code: 7988

To Shareholders

Securities Code 7988

June 5, 2025

(Start date of electronic provision measures: June 2, 2025)

5-3 Hikari-no-oka, Yokosuka, Kanagawa

Nifco Inc.

President & Representative Director

Masaharu Shibao

Notice of the 73rd Annual General Meeting of Shareholders

We would like to express our gratitude for your continued support.

You are cordially invited to attend the 73rd Annual General Meeting of Shareholders of the Company, which will be held as described below.

For this General Meeting of Shareholders, we have taken electronic provision measures for the Reference Documents for the General Meeting of Shareholders, etc. (electronic provision measures). For such documents, please refer to one of the following websites:

[Company website]

<https://www.nifco.com/en/news/detail/2025shoushuu.html>

(Please access the above website and select “Notice of the 73rd Annual General Meeting of Shareholders.”)

[Website for the materials for the General Meeting of Shareholders]

<https://d.sokai.jp/7988/teiji/>

[Tokyo Stock Exchange website (TSE-listed company information service)]

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

(In the TSE website, enter “Nifco Inc.” in Issue name (company name) or “7988” in code and click search.

In the page that appears, select [Basic Information] -> [Documents for public inspection / PR information] to display the list of available documents. From the list, select [Click here for access] under **Notice of General Shareholders Meeting / Information Materials for a General Shareholders Meeting.**)

Please review the attached Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

[Voting in writing (by mail)]

Please indicate your approval or disapproval of the proposals on the agenda on the enclosed Voting Rights Exercise Form and return it to us to arrive by no later than 5 p.m. on Monday, June 23, 2025.

[Voting via the Internet, etc.]

To exercise your voting rights via the Internet, etc., please **enter your approval or disapproval of the proposals** in accordance with the onscreen instructions **by no later than 5 p.m. on Monday, June 23, 2025**, by (1) scanning the login QR code or (2) accessing the website for exercising voting rights designated by the Company (<https://soukai.mizuho-tb.co.jp/>).

If you exercise your voting rights via the Internet, etc., please refer to “Guide to Exercising Voting Rights via the Internet, Etc.” on page 4.

If you do not indicate your approval or disapproval of a proposal when you exercise your voting rights by means of the Voting Rights Exercise Form, it will be treated as an approval.

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|-------------|--|---|--------------------------|--|--|---|---|--|--|--------------------------|-------------------------------|--|------------|---|------------|--|------------|-------------------------------|
| 1 | Date and time | Tuesday, June 24, 2025, at 10 a.m. (reception begins at 9:30 a.m.) | | | | | | | | | | | | | | | | |
| 2 | Location | Mita NN Hall, B1F (1st basement floor), Mita NN Building 4-1-23 Shiba, Minato-ku, Tokyo | | | | | | | | | | | | | | | | |
| 3 | Objectives | <table border="0" style="width: 100%;"><tr><td style="vertical-align: top; padding-right: 10px;">Reports</td><td>1. Business Report, Consolidated Financial Statements and Results of Audit of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 73rd fiscal year (from April 1, 2024, to March 31, 2025)</td></tr><tr><td></td><td>2. Non-consolidated Financial Statements for the Company’s 73rd fiscal year (from April 1, 2024, to March 31, 2025)</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Resolutions</td><td><table border="0" style="width: 100%;"><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 1</td><td>Appropriation of Surplus</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 2</td><td>Election of Five Directors Who Are Not Audit & Supervisory Committee Members</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 3</td><td>Election of Three Directors Who Are Audit & Supervisory Committee Members</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 4</td><td>Election of One Substitute Director Who Is an Audit & Supervisory Committee Member</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 5</td><td>Election of Financial Auditor</td></tr></table></td></tr></table> | Reports | 1. Business Report, Consolidated Financial Statements and Results of Audit of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 73rd fiscal year (from April 1, 2024, to March 31, 2025) | | 2. Non-consolidated Financial Statements for the Company’s 73rd fiscal year (from April 1, 2024, to March 31, 2025) | Resolutions | <table border="0" style="width: 100%;"><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 1</td><td>Appropriation of Surplus</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 2</td><td>Election of Five Directors Who Are Not Audit & Supervisory Committee Members</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 3</td><td>Election of Three Directors Who Are Audit & Supervisory Committee Members</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 4</td><td>Election of One Substitute Director Who Is an Audit & Supervisory Committee Member</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">Proposal 5</td><td>Election of Financial Auditor</td></tr></table> | Proposal 1 | Appropriation of Surplus | Proposal 2 | Election of Five Directors Who Are Not Audit & Supervisory Committee Members | Proposal 3 | Election of Three Directors Who Are Audit & Supervisory Committee Members | Proposal 4 | Election of One Substitute Director Who Is an Audit & Supervisory Committee Member | Proposal 5 | Election of Financial Auditor |
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| Proposal 5 | Election of Financial Auditor | | | | | | | | | | | | | | | | | |
| 4 | Guide to Exercising Voting Rights | Please refer to the “Guide to Exercising Voting Rights” on page 3. | | | | | | | | | | | | | | | | |
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- When attending the meeting, please present the Voting Rights Exercise Form sent out with this notice to the receptionist at the meeting.
- If any amendments are made to the Electronic Provision Measures, a notice to that effect along with the matters before and after amendment will be posted on each website indicated above.

There will be no social gathering or gifts on the day of the General Meeting of Shareholders. We would appreciate your understanding.





Guide to Exercising Voting Rights

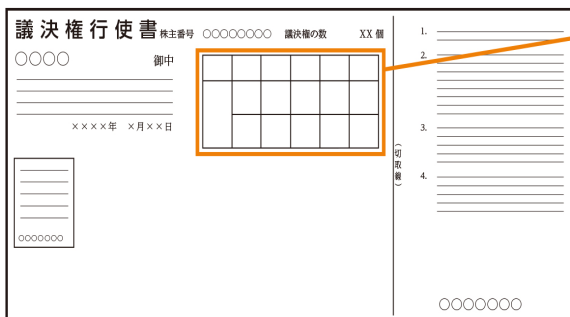
The right to vote at general meetings of shareholders is an important right of shareholders.

Please review the attached Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

There are three ways to exercise your voting rights:

 <p>Voting via the Internet</p> <p>Enter your approval or disapproval of each proposal according to the instructions on the next page.</p> <p>Deadline</p> <p>Entries completed by 5 p.m. on Monday, June 23, 2025</p>	 <p>Voting in writing (by mail)</p> <p>Indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and return it to us.</p> <p>Deadline</p> <p>Voting cards must arrive by 5 p.m. on Monday, June 23, 2025</p>	 <p>Attending the General Meeting of Shareholders</p> <p>Submit the Voting Rights Exercise Form to the receptionist at the meeting.</p> <p>Date and time</p> <p>Tuesday, June 24, 2025, at 10 a.m. (reception begins at 9:30 a.m.)</p>
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Instructions for Filling Out the Voting Rights Exercise Form



* The above is for illustration purposes only.

Please indicate here whether you approve or disapprove of each proposal:

Proposals 1, 4, and 5

- If you approve >> Put a circle in the “Approve” column
- If you disapprove >> Put a circle in the “Disapprove” column

Proposals 2 and 3

- If you approve for all the candidates >> Put a circle in the “Approve” column
- If you disapprove for all the candidates >> Put a circle in the “Disapprove” column
- If you disapprove for some of the candidates >> Put a circle in the “Approve” column and fill in the number of the candidate(s)

If you exercise your voting rights both in writing (by mail) and via the Internet, etc., the exercise of your voting rights via the Internet, etc. will be treated as valid. If you exercise your voting rights more than once via the Internet, etc., the last vote will be treated as the valid vote.

Guide to Exercising Voting Rights via the Internet, Etc.

Scanning the login QR Code “Smart Vote”

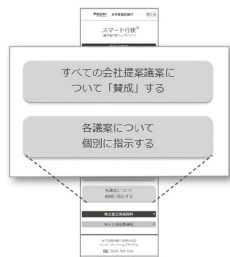
You can log in to the voting website without entering your voting code and password.

1. Please scan the QR Code printed on the lower right-hand side of the Voting Rights Exercise Form.



* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Enter your approval or disapproval by following the instructions shown on the screen.



Please note that exercising voting rights by using “Smart Vote” is available only once.

If you wish to change your votes after exercising your voting rights, please log in to the voting website for PC by using your voting code and password printed on the Voting Rights Exercise Form, and exercise your voting rights again.

* If you rescan the QR Code, you can access the voting website for PC.

Entering your voting code and password

Voting website

<https://soukai.mizuho-tb.co.jp/>

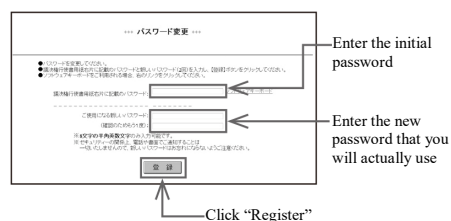
1. Please access the voting website.



2. Please enter the voting code printed on the Voting Rights Exercise Form.



3. Please enter the password printed on the Voting Rights Exercise Form.



4. Enter your approval or disapproval by following the instructions shown on the screen.

* The operation screen is for illustration purposes only.

Internet Help Dial, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

0120-768-524

(Business hours: 9:00 to 21:00)

Institutional investors can use the electronic voting platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1

Appropriation of Surplus

The appropriation of surplus is proposed as follows:

Year-end dividend

The Company proposes to pay a year-end dividend for the 73rd fiscal year as follows, taking into account the results of the current period and future business development.

Type of dividend property	Money
Allotment of dividend property and total amount thereof	<p>The Company proposes to pay 40 yen (ordinary dividend: 40 yen) per share of common stock.</p> <p>In this case, the total dividends will be 3,822,093,400 yen.</p> <p>Including the interim dividend, the annual dividend for the current fiscal year will be 75 yen per share.</p>
Effective date of dividends of surplus	We would like to make it June 25, 2025.

Election of Five Directors Who Are Not Audit & Supervisory Committee Members

The terms of office of all five Directors (Directors who are Audit & Supervisory Committee Members are excluded; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the election of five Directors is proposed.

The Audit & Supervisory Committee confirmed the policy, approach and deliberation process for each candidate submitted to the Board by the Nomination, Compensation and Governance Committee, an advisory body to the Board of Directors. As a result, the Audit & Supervisory Committee has determined that each candidate is qualified to serve as a director who is not an Audit & Supervisory Committee Member.

The candidates for Director are as follows:

Candidate Number			Number of the Company shares owned.....	61,999
1	Masaharu Shibao	Male (Born on December 14, 1961)	(of which, shares to be delivered under the stock-based compensation system)	(11,680)
			Years in office	9
			Attendance at Board of Directors meetings	12/12



Reappointment

[Brief Personal History, Positions and Responsibilities in the Company]

April 1985	Joined Nifco Inc.	June 2020	Vice President & Representative Director,
April 2010	President of Nifco Deutschland GmbH		Head of Sales, Chief Operating Officer
June 2015	Executive Officer of Nifco Inc. and President of Nifco America Corp.	April 2021	(COO), Nifco Inc.
June 2016	Director and Executive Managing Officer, CMO, Head of Sales, Nifco Inc.	June 2023	President & Representative Director,
June 2019	Director and Senior Executive Managing Officer, CMO, Head of Sales, In charge of Technology & Platform Business Division, Nifco Inc.		Chief Executive Officer (CEO), Nifco Inc. (current position)

[Significant Concurrent Positions] None

Reasons for Nomination as a Candidate for Director

He has been primarily in charge of product development and the Sales Division and served as President of European and U.S. subsidiaries. The Company has nominated him as a candidate for reappointment as a director because of his diverse and global experience, knowledge and expertise.

Candidate Number			Number of the Company shares owned (of which, shares to be delivered under the stock-based compensation system)	6,045 (1,357)
2	Michihiro Fukuo	Male	Years in office	-
	(Born on September 24, 1971)		Attendance at Board of Directors meetings	-



New appointment

[Brief Personal History, Positions and Responsibilities in the Company]

April 1994	Joined Nifco Inc.	April 2024	Executive Officer, Head of R&D and CTO, Nifco Inc.
April 2015	General Manager, Advanced Technology R&D Division, Technology Development Center, Nifco Inc.	April 2025	Executive Officer, Head of R&D and CTO, Head of Manufacturing and CPO, Nifco Inc. (current position)
January 2018	Head of Technology Development Center, Nifco Inc.		
April 2022	Deputy Head of Technology, Nifco Inc.		

[Significant Concurrent Positions] None

Reasons for Nomination as a Candidate for Director

He has primarily been involved in technology development departments and oversees product design development and development of underlying technologies as Head of R&D. The Company has nominated him as a candidate for appointment as a director because of his diverse and experience, knowledge and expertise in the area of technology and development.

New appointment

Candidate for new director

Candidate for reappointment
as director

External

Candidate for external director

Independent

Independent officer as required by a stock exchange

Candidate Number

3

Yoshiko Nonogaki (Born on July 31, 1957)

Female

Number of the Company shares owned 100
 (of which, shares to be delivered under the
 stock-based compensation system) (-)
 Years in office 6
 Attendance at Board of Directors meetings 12/12

**[Brief Personal History, Positions and Responsibilities in the Company]**

April 1980	Joined Sony Corporation (now Sony Group Corporation)	June 2015	External Director, Jolly-Pasta Co., Ltd.
September 1992	President and Representative Director, Sony Poland	June 2019	External Director, Nifco Inc. (current position)
April 2009	Manager of Planning & Marketing Department, Business & Professional Enterprise HQ, Sony Corporation (current Sony Group Corporation)	June 2020	External Director, GS Yuasa Corporation (current position)
April 2013	Director of Global Diversity, Personnel HQ, Sony Corporation	June 2021	External Director, SATO HOLDINGS CORPORATION (currently SATO CORPORATION) (current position)

Reappointment

External

Independent

[Significant Concurrent Positions]

External Director, GS Yuasa Corporation
 External Director, SATO CORPORATION

Reasons for Nomination as a Candidate for External Director and Summary of Expected Role

The reason for selecting her as a candidate for external director is that she has broad insight to supervise overall management based on her business experience in the business divisions of a major company, management experience of overseas subsidiaries, and experience as an external director of listed companies.
 Her expected role is to use her wealth of experience and insight to improve the quality of corporate governance in the Company.

Candidate Number

4

Yoshio Kometani (Born on April 11, 1962)

Male

Number of the Company shares owned 100
 (of which, shares to be delivered under the
 stock-based compensation system) (-)
 Years in office 1
 Attendance at Board of Directors meetings 9/9

**[Brief Personal History, Positions and Responsibilities in the Company]**

April 1985	Joined Mitsui & Co., Ltd.	April 2022	Representative Director, Executive Vice President, CDIO, Mitsui & Co., Ltd.
March 2010	General Manager of Project Operations, Mitsui & Co., Ltd.	April 2023	Director, Mitsui & Co., Ltd.
April 2015	Executive Officer, Deputy COO (Chief Operating Officer), Asia Pacific Business Unit, Mitsui & Co., Ltd.	June 2023	Corporate Advisor, Mitsui & Co., Ltd. (current position)
June 2019	Representative Director, Executive Managing Officer, Mitsui & Co., Ltd.	June 2024	External Director, Nifco Inc. (current position)
April 2020	Representative Director, Senior Executive Managing Officer, CDIO (Chief Digital Information Officer), Mitsui & Co., Ltd.	September 2024	Outside Director, SENSYN ROBOTICS, Inc. (current position)

Reappointment

External

Independent

[Significant Concurrent Positions]

Outside Director, SENSYN ROBOTICS, Inc.

Reasons for Nomination as a Candidate for External Director and Summary of Expected Role

The reason for selecting him as a candidate for external director is that he has broad insight to supervise overall management from a long-term perspective, based on his experience in domestic and overseas operations, management and incubation in a leading trading company.
 His expected role is to use his wealth of experience and insight to contribute to the sustainable growth and enhancement of corporate value of the Company.

Candidate Number

5

Satoshi Yamahata

Male

(Born on October 5, 1956)

Number of the Company shares owned..... -
 (of which, shares to be delivered under the
 stock-based compensation system) (-)
 Years in office..... -
 Attendance at Board of Directors meetings · -

**[Brief Personal History, Positions and Responsibilities in the Company]**

April 1984	Joined Iino Kaiun Kaisha, Ltd.	June 2015	Director, Senior Executive Officer, Head of Operations, Yamaha Corporation
January 1988	Joined Yamaha Corporation		
August 2009	General Manager of Accounting and Finance Department, Yamaha Corporation	June 2017	Director, Managing Executive Officer, Head of Management and Operations, Yamaha Corporation
June 2013	Executive Officer, General Manager of Corporate Planning Department, Yamaha Corporation	June 2024	Managing Executive Officer, Head of Corporate Functions, Yamaha Corporation
		April 2025	Corporate Advisor, Yamaha Corporation (current position)

New
appointment

External

Independent

[Significant Concurrent Positions] None**Reasons for Nomination as a Candidate for External Director and Summary of Expected Role**

The reason for selecting him as a candidate for external director is that he has extensive experience and insight cultivated in the Accounting and Finance Department and the corporate departments of a major company.
 His expected role is to contribute to the sustainable growth and enhancement of corporate value of the Company, mainly in the fields of finance and capital policy and sustainability.

- (Notes)
1. Mr. Masaharu Shibao, Ms. Yoshiko Nonogaki, and Mr. Yoshio Kometani are members of the Nomination, Compensation and Governance Committee. The Nomination, Compensation and Governance Committee is chaired by Ms. Yoshiko Nonogaki.
 2. There are no special interests between the Company and Mr. Masaharu Shibao, Mr. Michihiro Fukuo, Ms. Yoshiko Nonogaki, Mr. Yoshio Kometani, and Mr. Satoshi Yamahata.
 3. Ms. Yoshiko Nonogaki, Mr. Yoshio Kometani, and Mr. Satoshi Yamahata are candidates for external directors.
 4. The Company has designated directors Ms. Yoshiko Nonogaki, and Mr. Yoshio Kometani as independent officers pursuant to the provisions of the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange of their appointment. Mr. Satoshi Yamahata meets the requirements for independent officers as stipulated by the Tokyo Stock Exchange and will be notified to the Exchange as an independent officer. If this proposal is passed and their appointment is approved, they will become independent officers.
 5. The Company has entered into an agreement with Ms. Yoshiko Nonogaki and Mr. Yoshio Kometani to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of the Articles of Incorporation. The maximum amount of liability for damages under the contract is 20 million yen or the minimum liability amount stipulated by law, whichever is higher. If they are reappointed, the Company will continue the limited liability agreement with them. If Mr. Satoshi Yamahata is elected, the Company will enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of the Articles of Incorporation.
 6. The Company has entered into a liability insurance (Directors and Officers insurance, or D&O insurance) contract with an insurance company for officers as provided in Article 430, Paragraph 3-1 of the Companies Act. The insurance policy provides that the insured is liable for the performance of its duties or is compensated for any damage that may result from receiving a claim related to the pursuit of such liability. However, there are certain disclaimers; for example, damages caused by acts committed while knowing that they are violation of the law, and damages caused when profits or benefits are obtained illegally are not covered. If each candidate on this Proposal is appointed and assumes office, he or she will be included as an insured under such insurance policy. In addition, the policy is scheduled to be renewed with the same contents at the next renewal.
 7. The number of shares of the Company owned by each candidate includes the number of shares scheduled to be delivered under the stock-based compensation system as of June 1, 2025.
 [Explanation of Shares to Be Delivered under the Stock-Based Compensation System]
 In fiscal 2016, the Company introduced a stock-based compensation system (hereafter referred to as “the System”) for the Company’s directors (excluding external directors and overseas residents; the same applies hereafter). The shares to be delivered to the candidates under the System include (a) the non-performance-linked portion, and (b) the performance-linked portion, which is linked to performance after a certain period of time. For the number of shares to be delivered to each candidate under the System, the total number of points granted as of June 1, 2025, for (a) the non-performance-linked portion and (b) the performance-linked portion, after the performance is determined, is presented (calculated based on one share for one point). The voting rights associated with the shares to be delivered under the System will not be exercised until the shares are delivered to each candidate.
 8. See page 13 for a skill matrix of the candidates.

Proposal 3

Election of Three Directors Who Are Audit & Supervisory Committee Members

The terms of office of all three Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Directors who are Audit & Supervisory Committee Members. In addition, the consent of the Audit & Supervisory Committee has been obtained for this proposal.

Candidates for the role of Director who is an Audit & Supervisory Committee Member are as follows:

Candidate Number					
1	Toshiki Yauchi	Male	(Born on July 16, 1961)	Number of the Company shares owned..... (of which, shares to be delivered under the stock-based compensation system)	41,857 (12,021)
				Years in office	-
				Attendance at Board of Directors meetings	12/12



[Brief Personal History, Positions and Responsibilities in the Company]

April 1985	Joined Nifco Inc.	June 2019	Director and Senior Executive Managing Officer, General Manager of Corporate Strategy Division, In charge of Administration & Finance, Nifco Inc.
July 2007	General Manager of Corporate Strategy Division, Nifco Inc.		
June 2015	Executive Officer, General Manager of Corporate Strategy Division, Nifco Inc.	June 2021	Director, Senior Executive Managing Officer, Chief Financial Officer (CFO) and Chief Strategy Officer (CSO), Nifco Inc. (current position)
June 2018	Director and Executive Managing Officer, General Manager of Corporate Strategy Division, In charge of Administration & Finance, Nifco Inc.		

New
appointment

[Significant Concurrent Positions] None

Reasons for Nomination as a Candidate for Director

The Company has nominated him as a candidate for director who is an Audit & Supervisory Committee Member based on his diverse experience, knowledge and expertise, which he has gained through his involvement primarily in the Corporate Strategy Division and his role as General Manager of Corporate Strategy Division, where he formulates corporate strategies and oversees overall financial strategy and investor relations activities of the Company as CFO.

Candidate Number					
2	Mitsuhiro Matsumoto	Male	(Born on May 7, 1969)	Number of the Company shares owned..... (of which, shares to be delivered under the stock-based compensation system)	2,000 (-)
				Years in office	4
				Attendance at Board of Directors meetings	12/12



[Brief Personal History, Positions and Responsibilities in the Company]

October 1992	Joined Aoyama Audit Corporation	September 2008	Outside Corporate Auditor (currently Outside Director (Audit and Supervisory Committee Member)), Suzuki Co., Ltd. (current position)
April 1996	Registered as certified public accountant		
October 1999	Director and Representative of Matsumoto CPA Office (currently Finport Financial Group) (current position)	August 2014	External Corporate Auditor (external Director (Audit and Supervisory Committee Member)), HODEN SEIMITSU KAKO KENKYUSHO CO., LTD.
		June 2019	External Audit & Supervisory Board Member (currently external Director (Audit & Supervisory Committee Member)), Nifco Inc. (current position)

Reappointment

External

Independent

[Significant Concurrent Positions]

Certified public accountant, tax accountant, Finport Financial Group CEO
Outside Director, Suzuki Co., Ltd. (Audit and Supervisory Committee Member)

Reasons for Nomination as a Candidate for External Director and Summary of Expected Role

The reason for selecting him as a candidate for external director is that he has extensive knowledge and experience in auditing corporate management as a certified public accountant. Therefore, the Company judges he will be able to appropriately audit the Company's management.

His expected role is to contribute to improving the quality of corporate governance in the Company through the implementation of audits with a particular focus on accounting. The Company has nominated him as a candidate for a director who is an Audit & Supervisory Committee because it is expected he is capable of appropriately fulfilling his role in strengthening corporate governance in the Company utilizing his knowledge and experience. He has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an external director based on the above reasons.

New appointment	Candidate for new director	Reappoint- ment	Candidate for reappointment as director	External	Candidate for external director	Independent	Independent officer as required by a stock exchange
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Candidate Number

3

Izumi Hayashi

Female

(Born on August 20, 1958)

Number of the Company shares owned.....	-
(of which, shares to be delivered under the stock-based compensation system)	(-)
Years in office	2
Attendance at Board of Directors meetings	12/12



Reappointment

External

Independent

[Brief Personal History, Positions and Responsibilities in the Company]

April 1986	Prosecutor, Nagoya District Public Prosecutors Office	October 2019	Tokyo District Court IP Mediator (current position)
March 1987	Registered as an attorney at law (Tokyo Bar Association)	April 2020	External Board Member, Hitotsubashi University (current position)
January 2015	Founding Partner, Sakurazaka Law Offices (current position)	June 2020	Outside Audit & Supervisory Board Member, NOF Corporation (currently Outside Director) (current position)
August 2019	External Audit & Supervisory Board Member, Weathernews Inc. (currently External Director) (current position)	June 2023	External Director (Audit & Supervisory Committee Member), Nifco Inc. (current position)

[Significant Concurrent Positions]

Attorney at law, Partner, Sakurazaka Law Offices
 External Director, Weathernews Inc.
 External Board Member, Hitotsubashi University
 Outside Director, NOF Corporation

Reasons for Nomination as a Candidate for External Director and Summary of Expected Role

The reason for selecting her as a candidate for external director is that as an attorney at law she is well-versed in Japanese and international law and the Company judges she will be able to utilize her diverse experience as an external director to audit the Company's management with a particular focus on compliance.

Her expected role is to implement audits with a particular focus on compliance and contribute to improving the quality of corporate governance in the Company with a global perspective. The Company has nominated her as a candidate for a director who is an Audit & Supervisory Committee because it is expected she is capable of appropriately fulfilling her role in strengthening corporate governance in the Company utilizing her expertise and experience. She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an external director based on the above reasons.

- (Notes)
1. The name of candidate Ms. Izumi Hayashi recorded on the family register is Izumi Sakamoto.
 2. There is no special interest between any of the candidates and the Company.
 3. Mr. Mitsuhiro Matsumoto and Ms. Izumi Hayashi are candidates for external directors.
 4. The Company has entered into an agreement with Mr. Mitsuhiro Matsumoto and Ms. Izumi Hayashi to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of the Articles of Incorporation. The maximum amount of liability for damages under the contract is 20 million yen or the minimum liability amount stipulated by law, whichever is higher. If they are reappointed, the Company will continue the limited liability agreement with them. If Mr. Toshiki Yauchi is elected, the Company will enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of the Articles of Incorporation.
 5. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Mitsuhiro Matsumoto and Ms. Izumi Hayashi have been designated as independent officers as provided for by the aforementioned exchange. If this proposal is passed and their appointment is approved, they will become independent officers.
 6. The Company has entered into a liability insurance (Directors and Officers insurance, or D&O insurance) contract with an insurance company for officers as provided in Article 430, Paragraph 3-1 of the Companies Act. The insurance policy provides that the insured is liable for the performance of its duties or is compensated for any damage that may result from receiving a claim related to the pursuit of such liability. However, there are certain disclaimers; for example, damages caused by acts committed while knowing that they are violation of the law, and damages caused when profits or benefits are obtained illegally are not covered. If each candidate on this Proposal is reappointed or appointed and assumes office, he or she will be included as an insured under such insurance policy. In addition, the policy is scheduled to be renewed with the same contents at the next renewal.
 7. See page 13 for a skill matrix of the candidates.

Proposal 4**Election of One Substitute Director Who Is an Audit & Supervisory Committee Member**

In case the number of directors who are Audit & Supervisory Committee Members required by law is insufficient, we would like to request the election of one substitute director who is an Audit & Supervisory Committee Member.

In addition, the consent of the Audit & Supervisory Committee has been obtained for this proposal.

The candidate for the role of substitute Director who is an Audit & Supervisory Committee Member is as follows:

Masakazu

Male

Wakabayashi

(Born on January 30, 1963)

Number of the Company shares owned ……

-

[Brief Personal History, Positions and Responsibilities in the Company]

October 1988	Joined Century Audit Corporation	May 2008	Senior Partner, Yasumori Accounting Office
December 1997	Partner, Century Audit Corporation		(currently Yasumori Audit Corporation)
April 2007	Joined Yasumori Accounting Office	August 2023	Joined Crea Audit Corporation, Partner
	(currently Yasumori Audit Corporation)		(current position)

[Significant Concurrent Positions] None**Reasons for Nomination as a Candidate for Substitute External Director Who Is an Audit & Supervisory Committee Member and Summary of Expected Role**

The reason for selecting him as a candidate for substitute external director who is an audit & supervisory committee member is that the Company judges he has adequate insight to audit corporate management as a certified public accountant.

His expected role is to utilize his knowledge and experience in the audit system of the Company.

The Company has nominated him as a candidate for a substitute director who is an Audit & Supervisory Committee because it is expected he is capable of appropriately fulfilling his role in strengthening corporate governance in the Company utilizing his expertise and experience.

He has never in the past been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an external director who is an audit & supervisory committee member based on the above reasons.

- (Notes)
1. There is no special interest between Mr. Masakazu Wakabayashi and the Company.
 2. Mr. Masakazu Wakabayashi is a candidate for substitute external director. If Mr. Masakazu Wakabayashi assumes office, he will be designated as an independent officer as stipulated by Tokyo Stock Exchange, Inc. and be notified to the Exchange as an independent officer.
 3. In accordance with the provisions of the Articles of Incorporation, the Company has entered into agreements with the external directors (excluding those who are executive directors, etc.) to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreements is 20 million yen or the minimum liability amount stipulated by laws and regulations, whichever is higher.
If Mr. Masakazu Wakabayashi assumes office, the Company will enter into an agreement to limit liability with him as an external Director.
 4. The Company has entered into a liability insurance (Directors and Officers insurance, or D&O insurance) contract with an insurance company for officers as provided in Article 430, Paragraph 3-1 of the Companies Act. The insurance policy provides that the insured is liable for the performance of its duties or is compensated for any damage that may result from receiving a claim related to the pursuit of such liability. However, there are certain disclaimers; for example, damages caused by acts committed while knowing that they are violation of the law, and damages caused when profits or benefits are obtained illegally are not covered. If Mr. Masakazu Wakabayashi is appointed and assumes office as an external director, he will be included as an insured under such insurance policy. In addition, the policy is scheduled to be renewed with the same contents at the next renewal.

Proposal 5**Election of Financial Auditor**

KPMG AZSA LLC, the Company's financial auditor, will retire at the conclusion of this General Meeting of Shareholders due to the expiration of its term of office.

Accordingly, it is proposed that Deloitte Touche Tohmatsu LLC be newly elected as the financial auditor. This proposal is submitted based on the resolution of the Audit & Supervisory Committee.

The Audit & Supervisory Committee selected Deloitte Touche Tohmatsu LLC as a candidate for accounting auditor because, in consideration of the current accounting auditor has been performing audits for a long period of time, and in addition to expect that this auditor provides an audit from a new perspective. Deloitte Touche Tohmatsu LLC also has a system in place to ensure that audits are conducted appropriately in terms of global auditing, expertise, independence, and quality assurance, and it has been determined that Deloitte Touche Tohmatsu LLC is suitable to be our accounting auditor.

The candidate for financial auditor is as follows:

(As of May 31, 2024)

Name	Deloitte Touche Tohmatsu LLC		
Office	Principal office: 3-2-3 Marunouchi, Chiyoda-ku, Tokyo		
History	May 1968	Tohmatsu Awoki & Co. established	
	May 1975	Joined Touche Ross International (TRI) (currently Deloitte Touche Tohmatsu Limited (DITL))	
	February 1990	Changed name to Tohmatsu & Co.	
	July 2009	Changed name to Deloitte Touche Tohmatsu LLC on transition to a limited liability audit corporation	
Overview	Capital	1,173 million yen	
	Personnel composition	Partners (Certified public accountants)	478
		Specified partners	62
		Certified public accountants	2,472
		Employees who have passed the certified public accountant examination (including junior accountants)	1,387
		Other professionals	3,723
		Administrative employees	90
		Total	8,212
	Audited companies	3,187 (as of May 31, 2024)	

Reference

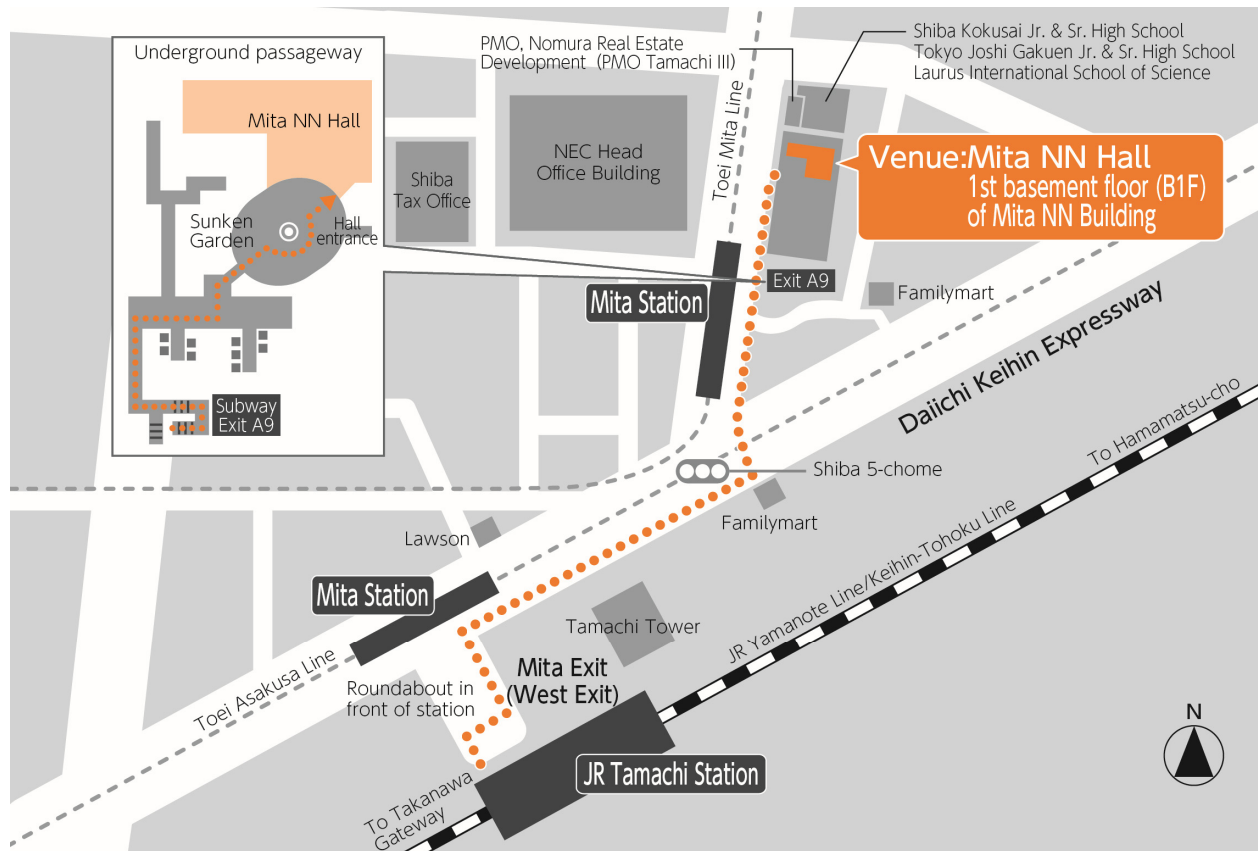
The skills matrix showing the expertise and knowledge that the Company expects in particular from candidates for Director who are not Audit & Supervisory Committee Members is as follows:

Candidate Number	Name			Nomination, Compensation and Governance Committee	Audit & Supervisory Committee	Experience and expertise							
						Management strategy	Technology and development	Financial and capital policy	Global business	Legal affairs, risk management	IT DX	Sustainability	Former company/Qualification
1	Masaharu Shibao	Reappointment											-
2	Michihiro Fukuo	New appointment											-
3	Yoshiko Nonogaki	Reappointment	External	Independent	Chairperson								Manufacturing
4	Yoshio Kometani	Reappointment	External	Independent									General trading company
5	Satoshi Yamahata	New appointment	External	Independent									Manufacturing

The skills matrix showing the expertise and knowledge that the Company expects in particular from candidates for Director who are Audit & Supervisory Committee Members is as follows:

Candidate Number	Name		Nomination, Compensation and Governance Committee	Audit & Supervisory Committee	Experience and expertise							
					Management strategy	Technology and development	Financial and capital policy	Global business	Legal affairs, risk management	IT DX	Sustainability	Former company/Qualification
1	Toshiki Yauchi	<div>New appointment</div>		<div>Chairperson</div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	-
2	Mitsuhiro Matsumoto	<div>Reappointment</div>	<div>External</div>	<div>Independent</div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	Certified public accountant Tax accountant
3	Izumi Hayashi	<div>Reappointment</div>	<div>External</div>	<div>Independent</div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	Lawyer
<div>New appointment</div>	Candidate for new director	<div>Reappointment</div>	Candidate for reappointment as director	<div>External</div>	Candidate for external director	<div>Independent</div>	Independent officer as required by a stock exchange					

Access to Venue of General Meeting of Shareholders



*JR Yamanote Line/Keihin-Tohoku Line
 *Toei Asakusa Line/Mita Line

Tamachi Station (about 5 minutes' walk from Mita Exit)
 Mita Station (about 2 minutes' walk from Exit A9)

(Request) We do not have a parking lot, so please do not come by car.

Shareholders who require wheelchair assistance are requested to contact us in advance.