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Securities Code: 1726

June 4, 2025

To Our Shareholders:

Kimiyasu Fujita, President

**Br. Holdings Corporation**

6-31, Hikari-machi 2-chome, Higashi-ku, Hiroshima-Shi

## **Notice of Convocation of the 23rd Annual General Meeting of Shareholders**

This is to inform you that we will be holding the 23rd Annual General Meeting of Shareholders of Br. Holdings Corporation (the “Company”). Please see below for details.

When convening this Annual General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of Convocation of the 23rd Annual General Meeting of Shareholders” on each of the following websites. Please access any of the websites via the internet address shown below to review the information.

[The Company’s website]

<https://www.brhd.co.jp/ja/ir/stock/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/1726/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

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

(Access the TSE website by using the internet address shown above, enter “Br.Holdings” in “Issue name (company name)” or the Company’s securities code “1726” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Note that in place of attending on the day of the meeting, you may exercise your voting rights using one of the following methods. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders at your convenience.

[When exercising your voting rights through Internet, etc.]

After reading the “Information on Exercising Voting Rights over the Internet, Etc.,” please exercise your voting rights no later than 5:30 PM on Thursday, June 19, 2025.

[When exercising your voting rights through regular mail (Voting Form)]

Please indicate whether you are for or against the proposals on the Voting Form and send it back so that it arrives no later than 5:30 PM on Thursday, June 19, 2025.

- 1. Date and Time** Friday, June 20, 2025, 10:00 AM
- 2. Location** Hiroshima Convention Hall, 2nd Floor, Main Hall 2A  
Hirotele Building, 5-4, Futabanosato 3-chome, Higashi-ku, Hiroshima-shi

**3. Purpose of the Meeting**

**Matters to be reported**

1. Business report, consolidated financial statements and results of audits of consolidated financial statements by financial auditor and the Audit and Supervisory Committee for 23rd Term (April 1, 2024 to March 31, 2025)
2. Non-consolidated financial statements for 23rd Term (April 1, 2024 to March 31, 2025)

**Matters to be resolved**

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | Appropriation of Surplus   |
| <b>Proposal No. 2</b> | Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| <b>Proposal No. 3</b> | Election of Three Directors Who Are Audit and Supervisory Committee Members                      |
| <b>Proposal No. 4</b> | Election of Two Substitute Directors Who Are Audit and Supervisory Committee Members             |

**4. Matters to be determined at the convocation (Information regarding exercising voting rights)**

- (1) Voting rights exercised via regular mail (Voting Form) whereby your approval or disapproval of the proposals are not indicated on the Voting Form will be deemed as an indication of your approval.
- (2) Voting rights exercised via both the Internet, etc. and by regular mail (Voting Form), the vote exercised via the Internet, etc. will be deemed as the valid indication of your vote.
- (3) If voting rights are exercised multiple times via the Internet, etc., the last exercise of your voting rights will be deemed as the valid indication of your vote.  
Further, if your voting rights are exercised multiple times via PC or smartphone, the last exercise of your voting rights will be deemed as the valid indication of your vote.

Upon attending on the day of the meeting, please submit the enclosed Voting Form at the venue reception.

Paper-based documents stating Electronic Provision Measures Matters are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and the Company's Articles of Incorporation.

- (1) Notes to consolidated financial statements
- (2) Notes to non-consolidated financial statements

Accordingly, the consolidated financial statements and non-consolidated financial statements included in those documents are a part of the documents that were audited by the financial auditor in preparing the financial audit report, and the Audit and Supervisory Committee in preparing the audit report.

If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the websites shown on page 1.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

#### Year-end dividends

Based on the continuous and stable implementation of dividends corresponding to business results, the Company has comprehensively considered business performance, capital demand, capital efficiency, capital cost, etc. regarding the future financial and capital strategy as an indicator of shareholder returns, and has decided that it is desirable to implement shareholder returns with capital efficiency in mind in order to maintain the ROE target (10% or more). We have therefore set the shareholder return target at a consolidated dividend payout ratio of 40% or more and adopted a DOE (dividend on equity) of 4% or more.

With regard to the year-end dividend for the current fiscal year, we have decided to increase it by ¥0.5 per share to ¥7.5.

As a result, the Company has already paid an interim dividend of ¥7.5 per share, so the annual dividend for the current term will be ¥15 per share.

1. Type of dividend property  
To be paid in cash.
2. Allotment of dividend property and their aggregate amount  
¥7.5 per share of common stock  
The total dividend amount is ¥336,910,148.
3. Effective date of dividends of surplus  
The effective date of dividends will be June 23, 2025.

**Proposal No. 2** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors who are Audit and Supervisory Committee Members; same applies hereinafter) will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of five Directors.

Note that no opinions were issued by the Audit and Supervisory Committee following their examination of this Proposal.

The candidates for Director are as follows:

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kimiyasu Fujita (September 9, 1950)  [Reelection]	<p>Sept. 1981      Joined KYOKUTO KOGYO Co., Ltd.                          (currently KYOKUTO KOWA CORPORATION), Director and General Manager of Office of the President</p> <p>Sept. 1983      Managing Director and Senior General Manager of Administration Division</p> <p>Sept. 1985      Representative Director and President</p> <p>Sept. 1993      Representative Director and Chairman</p> <p>Sept. 2002      Director of the Company</p> <p>June 2005      Representative Director and President of the Company (current position)</p> <p>June 2015      Representative Director and President of KYOKUTO KOWA CORPORATION</p> <p>June 2022      Director and Advisor (current position) (Significant concurrent positions outside the Company) Director and Advisor of KYOKUTO KOWA CORPORATION</p>	1,584,800
<p>Reason for election</p> <p>Kimiyasu Fujita has been in charge of the management of the Group as a member of its management, and possesses a long record of driving the overall Group with his strong leadership and a wealth of experience and wide range of knowledge in overall management. For that reason, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Kazuo Ishii (September 27, 1959)  [Reelection]	<p>Apr. 1983      Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>Oct. 2015      Joined the Company</p> <p>June 2016      Director and Senior General Manager of Technology Division of the Company</p> <p>Oct. 2017      Director and Senior General Manager of Construction Division of KYOKUTO KOWA CORPORATION</p> <p>June 2018      Director of Higashi Nihon Concrete Co., Ltd. (current position)</p> <p>June 2020      Managing Director and Senior General Manager of Technology Division of the Company</p> <p>June 2020      Managing Director and Senior General Manager of Construction Division of KYOKUTO KOWA CORPORATION</p> <p>Apr. 2022      Representative Director and Chairman (current position)</p> <p>June 2022      Director and Senior General Manager of Technology Division of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director and Chairman of KYOKUTO KOWA CORPORATION Director of Higashi Nihon Concrete Co., Ltd.</p>	189,300
<p>Reason for election</p> <p>Kazuo Ishii possesses a wealth of experience and wide range of knowledge from serving in important positions in the Ministry of Land, Infrastructure, Transport and Tourism and from his achievements while working abroad. While using such experience to contribute to the expansion of the construction business of the Group, he has been leading the management of KYOKUTO KOWA CORPORATION, one of the core companies of the Group, as its Representative Director and Chairman. For that reason, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Takashi Yamane (May 31, 1959)  [Reelection]	<p>Apr. 1980      Joined KYOKUTO KOGYO Co., Ltd.                          (currently KYOKUTO KOWA CORPORATION)</p> <p>June 2014      Director and Deputy General Manager of Sales Division</p> <p>June 2015      Director and Senior General Manager of Sales Division</p> <p>June 2015      Director and Senior General Manager of Sales Division of the Company</p> <p>June 2015      Director of Higashi Nihon Concrete Co., Ltd. (current position)</p> <p>June 2018      Representative Director and President of KYOKUTO TAKAMIYA Co., Ltd.</p> <p>June 2020      Managing Director and Senior General Manager of Sales Division of the Company</p> <p>June 2020      Managing Director and Senior General Manager of Sales Division of KYOKUTO KOWA CORPORATION</p> <p>Apr. 2022      Representative Director and President (current position)</p> <p>June 2022      Director and Senior General Manager of Sales Division of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director and President of KYOKUTO KOWA CORPORATION Director of Higashi Nihon Concrete Co., Ltd.</p>	213,600
<p>Reason for election</p> <p>Takashi Yamane possesses a wealth of experience mainly in sales and technological development departments. Currently, in his role as the Senior General Manager of the Sales Division of the Company, he demonstrates leadership in sales strategies, research and development, and overseas businesses for the Group as a whole, while in his role as Representative Director and President of KYOKUTO KOWA CORPORATION, one of the core companies of the Group, he directs management. For that reason, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Yutaka Urabe (January 16, 1971)  [New election]	Apr. 1994      Joined KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) May 2015      Director of KN Information Systems Corporation (current position) June 2015      Audit & Supervisory Board Member of Yutaka Kogyo Co., Ltd. Mar. 2019      Director of KYOKUTO TAKAMIYA Co., Ltd. (current position) Apr. 2019      General Manager of Office of the President of the Company Apr. 2023      Audit and Supervisory Committee Member of Higashi Nihon Concrete Co., Ltd. (current position) Apr. 2024      Senior General Manager of Administration Division of KYOKUTO KOWA CORPORATION Apr. 2025      Senior General Manager of Administration Division of the Company (current position) May 2025      Executive Officer and Senior General Manager of Administration Division of KYOKUTO KOWA CORPORATION (current position) (Significant concurrent positions outside the Company) Audit and Supervisory Committee Member of Higashi Nihon Concrete Co., Ltd.	33,100
Reason for election Yutaka Urabe possesses a wealth of experience mainly in corporate planning departments and currently demonstrates leadership in compliance, performance management, and IR activities for the entire Company Group as the Senior General Manager of the Company's Administration Division. For this and other reasons, the Company has judged that he is a necessary human resource in order to realize the sustained growth of the Company and the improvement of its medium- to long-term corporate value, and nominates him as a new candidate for Director.			
5	Kazuharu Suetake (April 8, 1956)  [Reelection]	Mar. 1980      Joined KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION) June 2016      Director and Manager of Tokyo Branch Apr. 2023      Representative Director and President of Higashi Nihon Concrete Co., Ltd. (current position) June 2023      Director of the Company (current position) (Significant concurrent positions outside the Company) Representative Director and President of Higashi Nihon Concrete Co., Ltd.	116,600
Reason for election Kazuharu Suetake possesses a wealth of experience mainly in sales departments, and currently directs management at Higashi Nihon Concrete Co., Ltd, one of the core companies of the Group, as its Representative Director and President. The Company has therefore judged that he is a necessary human resource in order to realize the sustained growth of the Group and the improvement of its medium- to long-term corporate value, and once again nominates him as a candidate for Director.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. The Company has entered into an insurance policy with an insurance company with Directors of the Company (Directors who are Audit and Supervisory Committee Members included) as the insured. The purpose of this policy is to indemnify the insured from the compensation of damages under the law or damages resulting from legal dispute costs incurred by the insured due to being issued claims for the compensation of damages. In cases where each of the candidates is elected as a Director, said policy is scheduled to be renewed with the candidates among the insured under that policy.

**Proposal No. 3****Election of Three Directors Who Are Audit and Supervisory Committee Members**

The terms of office of Directors Osamu Yamagata, Kiyokazu Oda and Yoshiharu Sagami, who are Audit and Supervisory Committee Members, will expire at the conclusion of this Annual General Meeting of Shareholders. As such, in order to continue to improve and strengthen the functioning of the internal control system and the functioning of audits of the performance of duties of the Directors, the Company proposes that three (3) Directors who are Audit and Supervisory Committee Members be elected.

The prior consent of the Audit and Supervisory Committee with respect to this proposal has been obtained.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Takeshi Amatsu (February 4, 1958)  [New election]	<div>Apr. 1981      Joined KYOKUTO KOGYO Co., Ltd.                          (currently KYOKUTO KOWA CORPORATION)</div> <div>June 2016      Director and Deputy General Manager of                          Administration Division of the Company</div> <div>June 2019      Director and Senior General Manager of                          Administration Division of the Company</div> <div>June 2019      Director and Senior General Manager of                          Administration Division of KYOKUTO KOWA CORPORATION</div> <div>Apr. 2025      Director, attached to the Administration                          Division of the Company (current position)</div>	105,100
Reason for election Takeshi Amatsu has a considerable amount of knowledge related to finance and accounting, having worked in the Company's accounting department for many years where he engaged in accounting operations and prepared financial statements. In addition, as Director and Senior General Manager of the Company's Administration Division, he supervised the Group's accounting and general affairs departments, and possesses a wealth of experience, achievements and knowledge. The Company has judged that he will audit the performance of duties by Directors from an objective and fair perspective, and nominates him as a new candidate for Director who is an Audit and Supervisory Committee Member.			



Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares owned
2	Yoshiharu Sagami (February 2, 1949)  [Reelection] [Independent] [Outside]	Apr. 1981	Entered Asahi & Co. (currently KPMG AZSA LLC)	5,800
		July 2010 June 2013 June 2015  June 2022 July 2022  June 2023  (Significant concurrent positions outside the Company) Certified Public Accountant Outside Director (Audit & Supervisory Committee Member) of JMS Co., Ltd. Representative Auditor of JA Hiroshimashi Council Member of The Japanese Institute of Certified Public Accountants (serving concurrently as Chairman of the Chugoku Chapter)	Chief of Sagami CPA Office (current position) Outside Auditor of the Company Outside Director (Audit and Supervisory Committee Member) of the Company (current position) Representative Auditor of JA Hiroshimashi (current position) Council Member of The Japanese Institute of Certified Public Accountants (serving concurrently as Chairman of the Chugoku Chapter) (current position) Outside Director (Audit & Supervisory Committee Member) of JMS Co., Ltd. (current position)	
Reason for election and overview of expected roles Although he does not have past experience being directly involved in corporate management, Yoshiharu Sagami is a certified accountant with extensive experience and insight as an accounting specialist, which the Company expects him to continue to utilize as he supervises and provides advice to the Directors on the execution of their duties, mainly from an accounting perspective. Moreover, in the event that he is elected, the Company plans for him to be involved from an objective and neutral standpoint in the selection of officer candidates and the determination of officer remuneration, etc. as a member of the Nomination and Remuneration Committee.				
3	Etsuko Nosohara (October 24, 1958)  [New election] [Independent] [Outside]	Apr. 1987 Apr. 1987  Jan. 2015  July 2020  (Significant concurrent positions outside the Company) Attorney at law	Admitted to the Hiroshima Bar Association Entered Kawamura & Osako Law Office (currently Hiroshima All-In Law and Accounting Office) (current position) Hiroshima Prefecture Expropriation Committee member (current position) Executive Director (Part-time) of Hiroshima Expressway Public Corporation (current position)	—
		Reason for election and overview of expected roles Although she does not have past experience being directly involved in corporate management, Etsuko Nosohara is an attorney with extensive experience and insight as a legal specialist. The Company has nominated her in the expectation that, making full use of her expertise, she will supervise and provide advice to the Directors on the execution of their duties, mainly from a legal perspective. Moreover, in the event that she is elected, the Company plans for her to be involved from an objective and neutral standpoint in the selection of officer candidates and the determination of officer remuneration, etc. as a member of the Nomination and Remuneration Committee.		

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. Yoshiharu Sagami and Etsuko Nosohara are candidates for Outside Directors.
  3. Yoshiharu Sagami is currently an Outside Director of the Company who is an Audit and Supervisory Committee Member, and will have been in office as an Outside Director of the Company who is an Audit and Supervisory Committee Member for 10 years at the conclusion of this Annual General Meeting of Shareholders. The candidate has served as an Outside Auditor of the Company in the past.
  4. Limited Liability Contracts with Outside Directors who are Audit and Supervisory Committee Members  
The Company has entered into a contract with Yoshiharu Sagami to limit his liability for damages resulting from negligence of his duties so that he can fully fulfill his expected role as an Outside Director who is an Audit and Supervisory Committee Member.  
If he is reelected as an Outside Director who is an Audit and Supervisory Committee Member, he will continue to hold such contract.  
In addition, if Etsuko Nosohara is elected as an Outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into the same limited liability agreement with her.  
An overview summary of the details of the agreement is as follows.
    - i) If an Outside Director is liable for damages to the Company due to negligence of their duties, they shall be liable up to the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
    - ii) The above limits on liability shall be recognized only when the Outside Director has performed their duties in good faith and without gross negligence and the liability was incurred in the course of the performance of their duties.
  5. The Company has entered into an insurance policy with an insurance company with Directors of the Company (Directors who are Audit and Supervisory Committee Members included) as the insured. The purpose of this policy is to indemnify the insured from the compensation of damages under the law or damages resulting from legal dispute costs incurred by the insured due to being issued claims for the compensation of damages. In cases where each of the candidates is elected as a Director, said policy is scheduled to be renewed with the candidates among the insured under that policy.
  6. Yoshiharu Sagami satisfies the requirements for Independent Director as stipulated by the Tokyo Stock Exchange, and if his reelection is approved, the Company will continue to appoint him as an Independent Director.  
Etsuko Nosohara satisfies the requirements for Independent Director as stipulated by the Tokyo Stock Exchange, and if her election is approved, the Company intends to appoint her as an Independent Director.

**Proposal No. 4****Election of Two Substitute Directors Who Are Audit and Supervisory Committee Members**

The election of Shinji Inahara and Koji Semikawa, who were elected as substitute Directors who are Audit and Supervisory Committee Members at the 21st Annual General Meeting of Shareholders held on June 16, 2023, is effective until the commencement of this Annual General Meeting of Shareholders in accordance with the Company's Articles of Incorporation, and as such the Company proposes the election of two substitute Directors who are Audit and Supervisory Committee Members again, in preparation for instances in which the number of Directors who are Audit and Supervisory Committee Members becomes insufficient as required by law.

Regarding the order in which substitute Directors who are Audit and Supervisory Committee Members will assume office, Shinji Inahara shall be first and Koji Semikawa shall be second. However, since Shinji Inahara does not satisfy the requirements for an Outside Director, Koji Semikawa shall be the substitute in case of a vacancy among the Outside Directors.

With respect to the validity of this election, the election may be revoked by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only prior to the election to Director who is an Audit and Supervisory Committee Member.

The prior consent of the Audit and Supervisory Committee with respect to this proposal has been obtained.

The candidates for substitute Directors who are Audit and Supervisory Committee Members are as follows:

The candidates for substitute Directors who are Audit and Supervisory Committee Members are as follows.			
Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Shinji Inahara (August 29, 1957)	Apr. 1980      Joined KYOKUTO KOGYO Co., Ltd. (currently KYOKUTO KOWA CORPORATION)	11,700
		Apr. 2011      General Manager of Gotsu PC Plant, Production Construction Department, Business Headquarters	
		Apr. 2014      General Manager of Oita Plant, Construction Headquarters	
		Apr. 2017      Internal Audit Office of the Company	
		Apr. 2020      Quality and Safety Management Office, Construction Headquarters of KYOKUTO KOWA CORPORATION (current position)	
Reason for election Shinji Inahara has served a wide range of roles as the General Manager in charge of the production, quality and safety divisions of the Company's core subsidiaries, and has abundant experience and deep insight in these areas. The Company has determined that he possesses the ability to appropriately perform the duties of a Director who is an Audit and Supervisory Committee Member of the Company, and as such nominated him as a candidate for substitute Director who is an Audit and Supervisory Committee Member.			
2	Koji Semikawa (February 7, 1971)	Oct. 1997      Entered Chuo Audit Corporation (later ChuoAoyama Audit Corporation)	—
		June 2002      Chief of Semikawa CPA Office (current position)	
		July 2009      Representative Director of Internal Controls Advisory (current position)	
Reason for election as candidate for Outside Director and overview of expected roles Despite not having been directly involved in corporate management in the past, Koji Semikawa is well versed in corporate finance as a certified public accountant and has sufficient insight into the establishment and operations of internal control systems. The Company believes that he will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member of the Company, and has nominated him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. Koji Semikawa is a candidate for substitute Outside Director.
  3. Limited Liability Contracts with Outside Directors who are Audit and Supervisory Committee Members  
The Company enters into contracts with Outside Directors who are Audit and Supervisory Committee Members to limit liability for damages resulting from negligence of duties so that Outside Directors who are Audit and Supervisory Committee Members can fully fulfill their expected roles. The Company intends to enter into such contract if Koji Semikawa assumes the role of Outside Director who is an Audit and Supervisory Committee Member.  
An overview summary of the details of the agreement is as follows.
    - i) If an Outside Director is liable for damages to the Company due to negligence of their duties, they shall be liable up to the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
    - ii) The above limits on liability shall be recognized only when the Outside Director has performed their duties in good faith and without gross negligence and the liability was incurred in the course of the performance of their duties.
  4. The Company has entered into an insurance policy with an insurance company with Directors of the Company (Directors who are Audit and Supervisory Committee Members included) as the insured. The purpose of this policy is to indemnify the insured from the compensation of damages under the law or damages resulting from legal dispute costs incurred by the insured due to being issued claims for the compensation of damages. In cases where each of the candidates assumes the role of Director who is an Audit and Supervisory Committee Member, said policy is scheduled to be renewed with the candidates among the insured under that policy.
  5. Koji Semikawa satisfies the requirements for Independent Director as stipulated by the Tokyo Stock Exchange, and if he is appointed as a Director who is an Audit and Supervisory Committee Member, the Company intends to appoint him as an Independent Director.

<Standards for the Independence of Outside Officers>

The Company has established its own “Standards for the Independence of Outside Officers,” in addition to the independence criteria stipulated by the Companies Act and the Tokyo Stock Exchange, and nominates candidates for outside officer if none of the following is found to apply.

- i) A party whose major business partner is the Company (a party who has received payments equivalent to 2% or more of its annual consolidated net sales in the most recent fiscal year from the Company or its subsidiaries) or a business executive for that party
- ii) A major business partner of the Company (a party who has made payments to the Company equivalent to 2% or more of the Company’s annual consolidated net sales in the most recent fiscal year) or a business executive for that party
- iii) A major lender of the Group (a party who has lent an amount to the Company equivalent to 2% or more of the consolidated total assets of the Company in the most recent fiscal year) or a business executive for that party
- iv) A major shareholder of the Company (a party who holds 10% or more of the total number of voting rights directly or indirectly) or a business executive for that party
- v) A consultant, certified public accountant, attorney at law or other professional who has received an annual average amount of ¥10 million or more in money and other economic benefits over the past three years from the Company or its subsidiaries, excluding officer remuneration received from the Company or its subsidiaries
- vi) A party to which any of the above items i) to v) applies over the past five years
- vii) A party who is the spouse or relative within the second degree of kinship of a person to which any of the above items i) to vi) applies

<Reference> Management Structure if Proposal No. 2 and Proposal No. 3 Are Approved (Planned)

If Proposal No. 2 and Proposal No. 3 are approved and adopted in their original form, the composition of the Board of Directors and the Audit and Supervisory Committee will be determined to be as follows by the Board of Directors Meeting to be held after the conclusion of this Annual General Meeting of Shareholders.

Among the nine Directors, there will be three independent outside Directors (33% of the total number), and among the four Nomination and Remuneration Committee Members, there will be three independent outside Directors (75% of the total number).

Name	Position and responsibility in the Company	Corporate management	Finance Accounting	Legal affairs/Risk management	Personnel and labor/Human resources development	Sustainability/Environment and DX	Technical Research & Development	Safety Quality	Nomination and Remuneration Committee
Kimiyasu Fujita	Representative Director and President	○	○	○		○			○
Kazuo Ishii	Director and Senior General Manager of Technology Division	○				○	○	○	
Takashi Yamane	Director and Senior General Manager of Sales Division	○			○	○	○		
Yutaka Urabe	Director and Senior General Manager of Administration Division	○	○	○	○	○			
Kazuharu Suetake	Director	○		○				○	
Takeshi Amatsu	Director (Audit and Supervisory Committee Member)	○	○	○	○				
Yoshiharu Sagami	Director (Audit and Supervisory Committee Member) [Independent / Outside]		○						○
Fusanori Miura	Director (Audit and Supervisory Committee Member) [Independent / Outside]				○	○	○		○
Etsuko Nosohara	Director (Audit and Supervisory Committee Member) [Independent / Outside]			○	○				○

(Note) The above table does not represent all of the knowledge, experience and capabilities of each Director.