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(Stock Exchange Code 1969)

(Dispatch date) May 30, 2024

(Start date of measures for provision in electronic format) May 27, 2024

To Shareholders with Voting Rights:

Kazuhito Kojima
President and Representative Director
Takasago Thermal Engineering Co., Ltd.
6-27-30, Shinjuku, Shinjuku-ku, Tokyo

**NOTICE OF
THE 144TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Takasago Thermal Engineering Co., Ltd. (the “Company”) hereby notifies you as follows that the 144th Ordinary General Meeting of Shareholders of the Company will be held as described below.

In the convocation of this General Meeting, we are taking electronic provision measures for information constituting the contents of reference documents, etc. (matters subject to measures for provision in electronic format) and have published these as “NOTICE OF THE 144TH ORDINARY GENERAL MEETING OF SHAREHOLDERS” on our website below, so please confirm by accessing our website below.

Our website: <https://www.tte-net.com/english/ir/meeting.html>



Other than the above website, the matters subject to measures for provision in electronic format are also published on the website of the Tokyo Stock Exchange (TSE), so please confirm by accessing the following TSE website (Listed Company Search), entering the issuer name (company name) or securities code and clicking “Search,” and selecting “Basic information” and “Documents for public inspection/PR information.”

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



If you are unable to attend, please examine the following attached Reference Documents for the General Meeting of Shareholders and [exercise your voting rights in advance in writing by submitting the Voting Rights Exercise Form or via the Internet](#) by 5:30 p.m. on Tuesday, June 18, 2024 Japan time.

- 1. Date and Time:** Wednesday, June 19, 2024 at 10:00 a.m. Japan time (reception will open at 9:00 a.m.)

2. Place: Sky Banquet Room “Takao” on the 42nd Floor of the Main Tower of Keio Plaza Hotel located at 2-2-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
(Please note that the venue is different from last year.)

3. Meeting Agenda:

Matters to be reported: The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company’s 144th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Distribution of Surplus

Proposal 2: Election of Eight Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 3: Partial Revision of Stock Compensation Program for Directors, Etc.

~~~~~Notice~~~~~

Of the matters subject to measures for provision in electronic format, the Company has not included the following matters in the written document to be delivered to shareholders who request delivery of written document pursuant to laws, regulations, and the provisions of the Company's Articles of Incorporation. The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following matters.

- 1) Business Report: the "Outline of Content of Resolution for Development of Systems for Ensuring Properness of Business Activities and Operation of Such System" and the "Basic Policy Regarding Control of Stock Company"
- 2) Consolidated Financial Statements: the "Consolidated Notes" and the "Consolidated Statements of Changes in Net Assets"
- 3) Non-consolidated Financial Statements: the "Individual Notes" and the "Statements of Changes in Net Assets"

Should the matters subject to measures for provision in electronic format require revisions, the Company will make an announcement to such effect and post the matters before revision and after revision on the Company's website and TSE website stated above.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Distribution of Surplus

The Company positions the return of profits to its shareholders as one of the most important management issues. With a basic principle of returning value to shareholders through dividends, our policy is to provide progressive dividends, which are increased according to sustainable profit growth, with a target payout ratio of 40%.

Based on this basic policy, the year-end dividend for the 144th fiscal year is proposed as below. In addition, it is planned to provide a commemorative dividend of ¥10 per share to celebrate our 100th anniversary in business.

As a result, the annual dividend will be ¥129, including the interim dividend of ¥38 per share.

#### Matters related to year-end dividend

1. Type of dividend assets:  
Cash
2. Items relating to the allocation of dividend assets to shareholders and its total amount  
¥91 per share of common stock of the Company  
Total amount: ¥ 6,120,020,452
3. Effective date of payment of dividend from surplus  
June 20, 2024

**Proposal 2:** Election of Eight Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all eight Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies below in this proposal) will expire at the conclusion of this General Meeting.

Accordingly, the election of eight Directors is proposed.

This proposal was determined after deliberation at the Governance, Nomination and Compensation Committee, a majority of whose members are the Company's independent Outside Directors and which is chaired by an independent Outside Director.

The candidates for Directors are as follows.

| No. |              | Name (Age)            |                                          | Current positions in the Company                                                         | Attendance at Board of Directors' meetings |
|-----|--------------|-----------------------|------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------|
| 1   | Reelection   | Kazuhito Kojima (62)  |                                          | President and Representative Director                                                    | 100% (12/12 meetings)                      |
| 2   | Reelection   | Hiroshi Kubota (62)   |                                          | Director and Executive Vice President                                                    | 100% (12/12 meetings)                      |
| 3   | Reelection   | Tadashi Kamiya (60)   |                                          | Director and Senior Managing Executive Officer                                           | 100% (12/12 meetings)                      |
| 4   | New Election | Masatoshi Morino (58) |                                          | Executive Officer                                                                        | - (-)                                      |
| 5   | Reelection   | Shuma Uchino (69)     | Outside Director<br>Independent Director | Outside Director<br>Chairperson of the Board of Directors                                | 100% (12/12 meetings)                      |
| 6   | Reelection   | Atsushi Takagi (56)   | Outside Director<br>Independent Director | Outside Director<br>Chairperson of the Governance, Nomination and Compensation Committee | 100% (12/12 meetings)                      |
| 7   | Reelection   | Yoko Seki (53)        | Outside Director<br>Independent Director | Outside Director                                                                         | 100% (12/12 meetings)                      |
| 8   | Reelection   | Hideka Morimoto (67)  | Outside Director<br>Independent Director | Outside Director                                                                         | 100% (12/12 meetings)                      |

(Note) The positions of the above candidates for Directors are those at the time of the preparation of these reference documents.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                  |                                                 |            |
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| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Kazuhito Kojima                                                                                                                                                  | Date of birth: September 6, 1961 (62 years old) | Reelection |
| Term of office as Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                  | 5 years                                         |            |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                  | 74,236                                          |            |
| (of the shares above, number of shares to be delivered pursuant to stock compensation program: 45,077)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                  |                                                 |            |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                  | 100% (12/12 meetings)                           |            |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                  |                                                 |            |
| April 1984                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Joined the Company                                                                                                                                               |                                                 |            |
| April 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Administration Officer; Branch General Manager, Yokohama Branch, East Japan Headquarters                                                                         |                                                 |            |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive Officer                                                                                                                                                |                                                 |            |
| April 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Branch General Manager, Osaka Branch                                                                                                                             |                                                 |            |
| April 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Group General Manager, Management Strategy Headquarters                                                                                                          |                                                 |            |
| June 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Director and Executive Officer                                                                                                                                   |                                                 |            |
| April 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | President and Representative Director, COO<br>In charge of work style reform<br>In charge of Global Business Planning Headquarters                               |                                                 |            |
| April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | In charge of Global Business Planning Headquarters<br>In charge of Research and Development Headquarters                                                         |                                                 |            |
| April 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | In charge of Global Business Planning Headquarters<br>In charge of Research and Development Headquarters<br>In charge of Finance & Investor Relations Department |                                                 |            |
| June 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | President and Representative Director<br>To the present                                                                                                          |                                                 |            |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                  |                                                 |            |
| Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                  |                                                 |            |
| Reason for nomination as a candidate for Director<br>Mr. Kazuhito Kojima has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. Also, he has fulfilled his executive responsibilities through formulation of medium-term business plans and annual business plans, organizational reform and corporate planning with ESG and the SDGs in mind. The Company again nominates him as a candidate for Director, expecting that he would enhance the Company group's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as President and Representative Director. |                                                                                                                                                                  |                                                 |            |

(Note) There are no special interests between Mr. Kazuhito Kojima and the Company.

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| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Hiroshi Kubota                                                                                                                                                             | Date of birth: August 14, 1961 (62 years old) | Reelection |
| Term of office as Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                            | 2 years                                       |            |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                            | 22,001                                        |            |
| (of the shares above, number of shares to be delivered pursuant to stock compensation program: 13,192)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                            |                                               |            |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                            | 100% (12/12 meetings)                         |            |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                            |                                               |            |
| April 1985                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Joined the Company                                                                                                                                                         |                                               |            |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Administration Officer; General Manager, Sales & Marketing 1, Tokyo Main Office, East Japan Headquarters                                                                   |                                               |            |
| April 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Deputy General Manager, Tokyo Main Office                                                                                                                                  |                                               |            |
| April 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | General Manager, Sales & Marketing Management Division, Business in Japan Headquarters                                                                                     |                                               |            |
| April 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Executive Officer; General Manager, Sales & Marketing Management Division, Business Management Headquarters                                                                |                                               |            |
| April 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Group General Manager, Sales & Marketing Headquarters                                                                                                                      |                                               |            |
| April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Managing Executive Officer                                                                                                                                                 |                                               |            |
| June 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Director and Managing Executive Officer<br>Chief Executive Officer of Sales & Marketing Headquarters<br>In charge of Sales & Marketing Headquarters                        |                                               |            |
| April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Chief Executive Officer of Sales & Marketing Headquarters                                                                                                                  |                                               |            |
| April 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Director and Executive Vice President<br>Chief Executive Officer of Sales & Marketing Headquarters<br>In charge of Research and Development Headquarters<br>To the present |                                               |            |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                            |                                               |            |
| Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                            |                                               |            |
| Reason for nomination as a candidate for Director<br>Mr. Hiroshi Kubota has been involved in the sales and marketing departments for many years and currently serves as the Chief Executive Officer of the Sales & Marketing Headquarters, which manages the sales and marketing of the air conditioning equipment business. Mr. Kubota has great capability and deep insight due to his background, and has fulfilled his executive responsibilities through the sales and marketing department based on his wealth of experience. The Company again nominates him as a candidate for Director, expecting that he would enhance the Company group's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as Director and Executive Vice President. |                                                                                                                                                                            |                                               |            |

(Note) There are no special interests between Mr. Hiroshi Kubota and the Company.

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| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Tadashi Kamiya                                                                                                                                                                                                                                                            | Date of birth: October 19, 1963 (60 years old) | Reelection |
| Term of office as Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                           | 5 years                                        |            |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                           | 29,563                                         |            |
| (of the shares above, number of shares to be delivered pursuant to stock compensation program: 20,120)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                           |                                                |            |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                           | 100% (12/12 meetings)                          |            |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                           |                                                |            |
| April 1986                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Joined the Company                                                                                                                                                                                                                                                        |                                                |            |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Administration Officer; General Manager, Engineering Division, Engineering Headquarters                                                                                                                                                                                   |                                                |            |
| April 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Executive Officer                                                                                                                                                                                                                                                         |                                                |            |
| April 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Deputy Group General Manager, Business Management Headquarters In charge of work style reform                                                                                                                                                                             |                                                |            |
| June 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Director and Executive Officer                                                                                                                                                                                                                                            |                                                |            |
| April 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Director and Managing Executive Officer<br>In charge of Quality Environment & Safety Control<br>In charge of Japanese Group Companies<br>In charge of Business Management Headquarters                                                                                    |                                                |            |
| April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Group General Manager of Business Management Headquarters<br>In charge of Quality Environment & Safety Control<br>In charge of Total Engineering<br>In charge of Group Companies<br>In charge of Sales & Marketing Headquarters                                           |                                                |            |
| June 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Group General Manager of Business Management Headquarters<br>In charge of Quality Environment & Safety Control<br>In charge of Total Engineering<br>In charge of Group Companies                                                                                          |                                                |            |
| April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Chief Executive Officer of Technical Engineering Headquarters<br>In charge of Group Companies Management<br>In charge of Business Strategy Management Department                                                                                                          |                                                |            |
| April 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Director and Senior Managing Executive Officer<br>Chief Executive Officer of Technical Engineering Headquarters<br>In charge of Group Companies Management<br>In charge of DX Management sector<br>In charge of Business Strategy Management Department<br>To the present |                                                |            |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                           |                                                |            |
| Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                           |                                                |            |
| Reason for nomination as a candidate for Director<br>Mr. Tadashi Kamiya has accumulated a wealth of experience and deep insight into design and installation of building facilities with regard to the Company group's business through executing its air conditioning equipment business. Also, he has fulfilled his executive responsibilities through managing its air conditioning business and increasing productivity. The Company again nominates him as a candidate for Director, expecting that he would enhance the Company group's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as the person in charge of core business management, the DX Management sector, and business strategy. |                                                                                                                                                                                                                                                                           |                                                |            |

(Note) There are no special interests between Mr. Tadashi Kamiya and the Company.



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| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Masatoshi Morino                                                                                                                        | Date of birth: October 26, 1965 (58 years old) | New Election |
| Term of office as Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                         | - years                                        |              |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                         | 5,908                                          |              |
| (of the shares above, number of shares to be delivered pursuant to stock compensation program: 1,236)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                         |                                                |              |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                         | - % (- / - meetings)                           |              |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                         |                                                |              |
| April 1989                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)                                                                    |                                                |              |
| June 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Head Secretariat, Secretariat, Administrative Services Department, Sumitomo Mitsui Banking Corporation                                  |                                                |              |
| April 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Deputy General Manager, Tokyo Corporate Banking Department 2, Sumitomo Mitsui Banking Corporation                                       |                                                |              |
| April 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General Manager, Takamatsu Corporate Business Office and General Manager, Takamatsu Branch, Sumitomo Mitsui Banking Corporation         |                                                |              |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General Manager, Global Corporate Banking Department, Planning Department., Wholesale Banking Unit, Sumitomo Mitsui Banking Corporation |                                                |              |
| April 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General Manager, Tokyo Corporate Banking Department 8, Sumitomo Mitsui Banking Corporation                                              |                                                |              |
| April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Joined the Company<br>General Manager, Public Relations Department, Global Business Planning Headquarters                               |                                                |              |
| October 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Administration Officer                                                                                                                  |                                                |              |
| April 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General Manager, Finance & Investor Relations Department<br>To the present                                                              |                                                |              |
| April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Executive Officer<br>To the present                                                                                                     |                                                |              |
| April 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | In charge of Risk & Compliance<br>In charge of Corporate Operation sector<br>To the present                                             |                                                |              |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                         |                                                |              |
| Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                         |                                                |              |
| Reason for nomination as a candidate for Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                         |                                                |              |
| <p>Mr. Masatoshi Morino has advanced expertise regarding business management including finance through his wealth of experience in financial institution work. Since joining the Company, he has fulfilled his executive responsibilities as chief manager in respect of finance, accounting, investor relations, and public relations. The Company nominates him as a candidate for Director, expecting that he would enhance the Company group's sustainable growth and its mid- to long-term corporate value, and revitalize, and strengthen the function of, the Board of Directors as the person in charge of the general management of the Finance &amp; Investor Relations Department and in charge of risk &amp; compliance and the Corporate Operation sector.</p> |                                                                                                                                         |                                                |              |

(Note) There are no special interests between Mr. Masatoshi Morino and the Company.

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| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Shuma Uchino                                                                                                                      | Date of birth: June 29, 1954 (69 years old)                    | Reelection | Outside Director | Independent Director |
| Term of office as Outside Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                   | 4 years (including term of office from June 2016 to June 2018) |            |                  |                      |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                   | 0                                                              |            |                  |                      |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                   | 100% (12/12 meetings)                                          |            |                  |                      |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                   |                                                                |            |                  |                      |
| April 1978                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Joined Mitsubishi Corporation                                                                                                     |                                                                |            |                  |                      |
| April 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Executive Officer, Mitsubishi Corporation (Managing Executive Officer, Mitsubishi Motors Corporation)                             |                                                                |            |                  |                      |
| July 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Executive Officer; General Manager, Corporate Accounting Department, Mitsubishi Corporation                                       |                                                                |            |                  |                      |
| November 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive Officer; General Manager, Corporate Accounting Department; Assistant to Chief Financial Officer, Mitsubishi Corporation |                                                                |            |                  |                      |
| April 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Executive Vice President; Chief Financial Officer (CFO), Mitsubishi Corporation                                                   |                                                                |            |                  |                      |
| June 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Representative Director and Executive Vice President; Chief Financial Officer (CFO), Mitsubishi Corporation                       |                                                                |            |                  |                      |
| April 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Representative Director, Mitsubishi Corporation                                                                                   |                                                                |            |                  |                      |
| June 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Advisor, Mitsubishi Corporation                                                                                                   |                                                                |            |                  |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Outside Director, the Company (resigned in June 2018)                                                                             |                                                                |            |                  |                      |
| June 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Senior Audit & Supervisory Board Member (full time), Mitsubishi Corporation                                                       |                                                                |            |                  |                      |
| June 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Full-time Audit & Supervisory Board Member, Mitsubishi Corporation                                                                |                                                                |            |                  |                      |
| June 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Outside Director (Audit and Supervisory Committee Member), Digital Garage, Inc.                                                   |                                                                |            |                  |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | To the present                                                                                                                    |                                                                |            |                  |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Outside Director, the Company                                                                                                     |                                                                |            |                  |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | To the present                                                                                                                    |                                                                |            |                  |                      |
| June 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Chairperson of the Board of Directors, the Company                                                                                |                                                                |            |                  |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | To the present                                                                                                                    |                                                                |            |                  |                      |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                   |                                                                |            |                  |                      |
| Outside Director (Audit and Supervisory Committee Member), Digital Garage, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                   |                                                                |            |                  |                      |
| Reason for nomination as a candidate for Outside Director and outline of expected role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                   |                                                                |            |                  |                      |
| <p>Mr. Shuma Uchino has a wealth of experience and insight as a representative director and CFO of a general trading company. The Company again nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an independent perspective by drawing on his experience and insight and that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management. In addition, Mr. Uchino currently serves as the Chairperson of the Board of Directors, and the Company expects him to continue to contribute to the operation of a highly effective Board of Directors.</p> <p>Although the Company has a normal business relationship with Mitsubishi Corporation, the company to which Mr. Uchino belonged, the Company has judged that his independence as Outside Director is secured as the amount of trading with that company is nominal, accounting for 0.00% (truncated to the second decimal place) of the net sales of the Company. The Company's criteria of independence for Outside Officers are as stated below in Article 1 of the Reference.</p> |                                                                                                                                   |                                                                |            |                  |                      |

(Notes)

1. There are no special interests between Mr. Shuma Uchino and the Company.
2. The Company has concluded a liability limitation agreement with Mr. Shuma Uchino to limit his liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1

of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and he performs his duties in good faith. If Mr. Uchino is reelected as Director and assumes office, the Company plans to continue such agreement with him.

3. If the proposal of the election of Mr. Shuma Uchino is approved, he will continue to be designated as an independent officer stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.

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| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Atsushi Takagi                                                                                         | Date of birth:<br>October 3, 1967 (56<br>years old) | Reelection | Outside<br>Director | Independent<br>Director |
| Term of office as Outside<br>Director (at the conclusion of<br>this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                        | 2 years                                             |            |                     |                         |
| Number of shares of the<br>Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                        | 0                                                   |            |                     |                         |
| Attendance at Board of<br>Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                        | 100% (12/12 meetings)                               |            |                     |                         |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                        |                                                     |            |                     |                         |
| April 1991                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Joined Nomura Research Institute, Ltd.                                                                 |                                                     |            |                     |                         |
| September<br>1997                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Joined Morgan Stanley Japan, Ltd.                                                                      |                                                     |            |                     |                         |
| December<br>2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Managing Director, Morgan Stanley Japan, Ltd.                                                          |                                                     |            |                     |                         |
| October<br>2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deputy General Manager, Research Division, Morgan Stanley Japan, Ltd.                                  |                                                     |            |                     |                         |
| November<br>2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Representative Director, Infrastructure Research & Advisors Co., Ltd. To<br>the present                |                                                     |            |                     |                         |
| June 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Non-Executive Director, MAEDA CORPORATION<br>To the present                                            |                                                     |            |                     |                         |
| April 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Advisor, the Company                                                                                   |                                                     |            |                     |                         |
| October<br>2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Outside Director; Chairperson of Compensation Committee, INFRONEER<br>Holdings Inc.<br>To the present  |                                                     |            |                     |                         |
| June 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Outside Director, the Company<br>To the present                                                        |                                                     |            |                     |                         |
| June 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Chairperson of the Governance, Nomination and Compensation Committee, the<br>Company<br>To the present |                                                     |            |                     |                         |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                        |                                                     |            |                     |                         |
| Representative Director, Infrastructure Research & Advisors Co., Ltd.<br>Non-Executive Director, MAEDA CORPORATION<br>Outside Director and Chairperson of Compensation Committee, INFRONEER Holdings Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                        |                                                     |            |                     |                         |
| Reason for nomination as a candidate for Outside Director and outline of expected role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                        |                                                     |            |                     |                         |
| <p>Mr. Atsushi Takagi has experience working as an analyst at security firms, considerable expertise regarding finance, and wide-ranging insight regarding the construction section. The Company again nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an objective perspective independent from management of business by drawing on his experience, expertise and insight, and appropriately perform his duties as Outside Director including the provision of valuable suggestions and opinions to the Company's management. In addition, Mr. Takagi currently serves as the Chairperson of the Governance, Nomination and Compensation Committee, which is an advisory body voluntarily established to provide consultation to the Board of Directors, and the Company expects him to continue to contribute to the continuous enhancement of corporate governance.</p> <p>Mr. Takagi served as a part-time advisor during the period from April 2021 to June 2022, when he was elected as the Company's Outside Director at the Ordinary General Meeting of Shareholders, based on the premise that he would assume office as an Outside Director of the Company. As the advisory services he provided consisted of offering advice from the standpoint of an independent outsider, and as the advisory compensation paid to him was not a large amount (less than ten million yen), the Company has judged that his independence as Outside Director is secured. The Company's criteria of independence for Outside Officers are as stated below in Article 1 of the Reference.</p> |                                                                                                        |                                                     |            |                     |                         |

(Notes)

1. There are no special interests between Mr. Atsushi Takagi and the Company.
2. The Company has concluded a liability limitation agreement with Mr. Atsushi Takagi to limit his liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1 of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and he performs his duties in good faith. If Mr. Takagi is reelected as Director and assumes office, the Company plans to continue such agreement with him.
3. If the proposal of the election of Mr. Atsushi Takagi is approved, he will continue to be designated as an independent officer stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.

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| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Yoko Seki                                            | Date of birth:<br>August 30, 1970<br>(53 years old) | Reelection | Outside<br>Director | Independent<br>Director |
| Term of office as Outside Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                      | 5 years                                             |            |                     |                         |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                      | 0                                                   |            |                     |                         |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                      | 100% (12/12 meetings)                               |            |                     |                         |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                      |                                                     |            |                     |                         |
| October 2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Registered as attorney                               |                                                     |            |                     |                         |
| November 2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Registered as certified public accountant            |                                                     |            |                     |                         |
| December 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Joined Ginza Prime Law Office<br>To the present      |                                                     |            |                     |                         |
| April 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Professor at Kokushikan University<br>To the present |                                                     |            |                     |                         |
| June 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Outside Director, the Company<br>To the present      |                                                     |            |                     |                         |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                      |                                                     |            |                     |                         |
| Outside Company Auditor, TAIJU LIFE INSURANCE COMPANY LIMITED<br>Supervisory Director, AEON REIT Investment Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                      |                                                     |            |                     |                         |
| Reason for nomination as a candidate for Outside Director and outline of expected role<br>Ms. Yoko Seki has a wealth of experience and insight as an attorney and a certified public accountant. The Company again nominates her as a candidate, expecting that she would supervise the management and execute the checking function from an objective perspective independent from management of business by drawing on her experience and insight.<br>Although Ms. Seki has not participated in corporate management except as an outside director or outside company auditor, the Company has judged that she would appropriately perform her duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons. The Company's criteria of independence for Outside Officers are as stated below in Article 1 of the Reference. |                                                      |                                                     |            |                     |                         |

(Notes)

1. There are no special interests between Ms. Yoko Seki and the Company.
2. The Company has concluded a liability limitation agreement with Ms. Yoko Seki to limit her liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1 of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and she performs her duties in good faith. If Ms. Seki is reelected as Director and assumes office, the Company plans to continue such agreement with her.
3. If the proposal of the election of Ms. Yoko Seki is approved, she will continue to be designated as an independent officer stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.

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| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Hideka Morimoto                                                                                                                                                | Date of birth:<br>January 4, 1957<br>(67 years old) | Reelection | Outside<br>Director | Independent<br>Director |
| Term of office as Outside Director (at the conclusion of this General Meeting):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                | 3 years                                             |            |                     |                         |
| Number of shares of the Company held:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                | 0                                                   |            |                     |                         |
| Attendance at Board of Directors' meetings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                | 100% (12/12 meetings)                               |            |                     |                         |
| Past experience, positions, and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                |                                                     |            |                     |                         |
| April 1981                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Joined the Environment Agency (currently Ministry of Environment)                                                                                              |                                                     |            |                     |                         |
| August 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Councillor, Cabinet Secretariat and Director-General of the Task Force for the Reform of Nuclear Safety Regulations and Organizations, the Cabinet Secretariat |                                                     |            |                     |                         |
| September 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deputy Secretary General, the Nuclear Regulation Agency                                                                                                        |                                                     |            |                     |                         |
| July 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Director General, Ministry of Environment                                                                                                                      |                                                     |            |                     |                         |
| July 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Administrative Vice-Minister, Ministry of Environment                                                                                                          |                                                     |            |                     |                         |
| July 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Advisor, Ministry of Environment                                                                                                                               |                                                     |            |                     |                         |
| April 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Professor at Waseda University, School of Law                                                                                                                  |                                                     |            |                     |                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | To the present                                                                                                                                                 |                                                     |            |                     |                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Advisor, the Company                                                                                                                                           |                                                     |            |                     |                         |
| June 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Outside Director, the Company                                                                                                                                  |                                                     |            |                     |                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | To the present                                                                                                                                                 |                                                     |            |                     |                         |
| March 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Outside Director, INPEX CORPORATION                                                                                                                            |                                                     |            |                     |                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | To the present                                                                                                                                                 |                                                     |            |                     |                         |
| Material concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                |                                                     |            |                     |                         |
| Outside Director, INPEX CORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                |                                                     |            |                     |                         |
| Reason for nomination as a candidate for Outside Director and outline of expected role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                |                                                     |            |                     |                         |
| <p>Mr. Hideka Morimoto has a wealth of experience and insight into the fields of public administration and environment. The Company again nominates him as a candidate, expecting that he would supervise the management and execute the checking function from an objective perspective independent from management of business by drawing on his experience and insight. Although he has not participated in corporate management except as an outside director or outside company auditor, the Company has judged that he would appropriately perform his duties as Outside Director, including the provision of valuable suggestions and opinions to the Company's management, due to the above reasons.</p> <p>Mr. Morimoto served as a part-time advisor from April 2020 to June 2021, when he was elected as the Company's Outside Director at the Ordinary General Meeting of Shareholders, based on the premise that he would assume office as an Outside Director of the Company. As the advisory services he provided consisted of offering advice from the standpoint of an independent outsider, and as the advisory compensation paid to him was not a large amount (less than ten million yen), the Company has judged that his independence as Outside Director is secured. The Company's criteria of independence for Outside Officers are as stated below in Article 1 of the Reference.</p> |                                                                                                                                                                |                                                     |            |                     |                         |

(Notes)

1. There are no special interests between Mr. Hideka Morimoto and the Company.
2. The Company has concluded a liability limitation agreement with Mr. Hideka Morimoto to limit his liabilities for damages to the aggregated amount set out in each item of Article 425, Paragraph 1 of the Companies Act, concerning the liabilities under Article 423, Paragraph 1 of the Companies Act, if gross negligence has not been committed and he performs his duties in good faith. If Mr. Morimoto is reelected as Director and assumes office, the Company plans to continue such agreement with him.

3. If the proposal of the election of Mr. Hideka Morimoto is approved, he will continue to be designated as an independent officer stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. The Company plans to report such designation to the Tokyo Stock Exchange.



(Reference)

1. The Company's criteria of independence for Outside Officers are as follows.

- (1) They are not a party that considers the Company a major business partner (Note) or an individual who executes business of such a party.

Note: "Major business partner" here is defined as a corporation that in the previous fiscal year and three past fiscal years (the "fiscal years of interest") has conducted transactions in any of the fiscal years of interest that total, as a rule, 2% or more of its net sales.

- (2) They are not a party that the Company considers a major business partner (Note) or an individual who executes business of such a party.

Note: "Major business partner" here is defined as a corporation that in the previous fiscal year and three past fiscal years (the "fiscal years of interest") has conducted transactions in any of the fiscal years of interest that total, as a rule, 2% or more of the Company's net sales.

- (3) They are not a consultant, accounting specialist, or legal specialist that receives large amounts of monetary or other assets (Note) from the Company aside from executive compensation (in the case that the party receiving the assets is a legal entity or association, this applies to individuals who belong thereto).

Note: "Large amounts of monetary or other assets" here is defined as assets valued in total, as a rule, at ten million yen or greater over the course of a single fiscal year.

- (4) They are not a party or an individual that recently would fall under the following 1) to 4).

1) A party or an individual that would fall under (1), (2), or (3).

2) An individual who executes business or non-executive director of the Company's parent company.

3) A company auditor of the Company's parent company (applicable only when Outside Company Auditors are selected as independent officers).

4) An individual who executes business of a fellow subsidiary company.

- (5) They are not a close relative (Note) to an individual that would fall under the following 1) to 8) (however, not applicable when the individual is not a significant person (Note)).

1) A party or an individual that would fall under (1) to (4).

2) An accounting counselor of the Company. (In the case that the accounting counselor is a legal entity, this includes individuals who conduct that entity's duties. This clause also applies to the following items.) (Applicable only when Outside Company Auditors are selected as independent officers.)

3) An individual who executes business of a subsidiary company of the Company.

4) A director or accounting counselor of a subsidiary company of the Company who is not an individual who executes business (applicable only when Outside Company Auditors are selected as independent officers).

5) An individual who executes business or non-executive director of the Company's parent company.

6) A company auditor of the Company's parent company (applicable only when Outside Company Auditors are selected as independent officers).

7) An individual who executes business of a fellow subsidiary company.

8) A party who has recently fallen under 3) or 4) above, or who has recently been an individual who executes business of a listed company (including non-executive directors in the case that Outside Company Auditors are selected as independent officers).

Notes: "Significant person" here is defined in the case of an individual who executes business in (1) and

(2) as an officer or division director of the company or business partner referred to, and in the case of parties in (3) as certified public accountants belonging to audit firms referred to and

attorneys (including “associates”) belonging to law offices referred to. “Close relative” here is defined as a relative within two degrees.

2. The number of shares of the Company held by each candidate includes the number of shares actually owned under the name of the officers’ shareholding association and the number of shares to be delivered to officers (shown in parentheses in each Director’s profile information) when they leave office pursuant to the stock compensation program.

Details of shares of the Company to be delivered under stock compensation program

The Company discontinued stock compensation type stock options and introduced a stock compensation program (the “Program”) to its Directors, etc. (excluding Outside Directors and overseas residents; the same applies below) from fiscal year 2018. The number of shares to be delivered to candidates under the Program includes the number of shares of the Company equivalent to the number of points to be granted on June 1, 2024 as well as the number of shares of the Company equivalent to the number of points granted under the Program on October 1, 2018 in accordance with the number of shares that were subject to waived stock acquisition rights upon the commencement of the Program as a measure for transitioning from the stock compensation type stock options. The actual delivery of shares to Directors will be made when they leave office. Voting rights for shares to be delivered under the Program will not be exercised until the shares are actually delivered to each of the candidates in the future. The Company plans to sell the number of shares equivalent to 30% of the shares to be delivered on the market in order to secure funds for tax payments and plans to pay the candidates from the proceeds of the shares sold.

3. The Company has entered into a Director and Officers Liability Insurance (D&O Insurance) policy prescribed in Article 430-3, Paragraph 1, of the Companies Act with an insurance company under which all Directors (including Outside Directors) are insured. If Proposal 2 is approved as proposed and each candidate assumes office as a Director, each candidate will become insured under such insurance policy. In such insurance policy, it is prescribed that the insured Directors will be compensated for any damages, litigation expenses, and the like that might arise due to being liable in respect of the performance of their duties or being subject to a claim for the enforcement of such liability. However, certain exemption clauses apply, such as that the insured will not be compensated for any damage that arises due to acts they conduct with the knowledge that such acts are in breach of laws or ordinances. The insurance premiums are fully paid by the Company including for special policy provisions, and the insureds do not make any substantive payment of the insurance premiums. It is scheduled that such insurance policy will be renewed in October 2024, which would be during the term of office of each candidate.

**Proposal 3:** Partial Revision of Stock Compensation Program for Directors, Etc.

The Company obtained at the 138th Ordinary General Meeting of Shareholders the approval of the introduction of a stock compensation program and it was approved thereafter at the 143rd Ordinary General Meeting of Shareholders to amend it to a stock compensation program (the “Program”) for the Directors of the Company (excluding Audit and Supervisory Committee Members, Outside Directors, and overseas residents), Executive Officers (excluding overseas residents) who have concluded service agreements, and Administration Officers (excluding overseas residents) in connection with the Company’s transition to a company with an audit and supervisory committee.

With a view to appropriately reflecting results of medium to long term efforts and activities towards achievement of the medium-term management plan and to motivate further improvement of corporate value, the Company has recently decided to structure compensation based on the Program with “portions linked to performance” and “portions not linked to performance (linked to stock price),” review the limit on money the Company contributes and the contents of performance evaluation indicators on the “portions linked to performance,” and make changes necessary to continue the Program.

1. Reason for Proposal; Reason Proposed Compensation is Reasonable

The Company obtained at the 138th Ordinary General Meeting of Shareholders held on June 26, 2018 the shareholders’ approval of the introduction of the Program, and the Program continues to be in effect including amendment to a Program for the Directors of the Company (excluding Audit and Supervisory Committee Members, Outside Directors, and overseas residents; the same applies below in this proposal), Executive Officers (excluding overseas residents) who have concluded service agreements, and Administration Officers (excluding overseas residents; Directors, Executive Officers, and Administration Officers of the Company collectively, “Directors, Etc.”) who have concluded service agreements at the 143rd Ordinary General Meeting of Shareholders held on June 23, 2023.

In order to realize the vision that the Company sets forth as the “Takasago Thermal Engineering Group’s Long-Term Vision for 2040,” the Company has recently formulated the “2026 Medium-Term Management Plan: Step for the FUTURE - Four years to embark for the future -,” which covers the first phase of the vision, from fiscal years 2023 to 2026. With a view to motivate the achievement of such medium-term management plan, the Company will submit this proposal to this Ordinary General Meeting of Shareholders to partially amend the Program and make changes necessary to continue the Program.

This proposal is to provide the Directors, Etc. of Stock Compensation separate from the limit on monetary compensation (up to ¥550,000,000 per fiscal year; however, not including the portion of the salary paid to Directors concurrently serving as employees) for Directors (excluding Directors who are Audit and Supervisory Committee Members) approved at the 143rd Ordinary General Meeting of Shareholders held on June 23, 2023.

Subject to the adoption of this proposal, the Company has amended the “Policies pertaining to the determination of the compensation, etc. of individual Directors” (please refer to pages 23 through 24) at the meeting of Board of Directors held in May 2024. This proposal is necessary and reasonable to grant the compensation, etc. of individual Directors in compliance with such policy, and the Company believes the contents of this proposal to be reasonable.

In order to ensure independence, objectivity, and transparency in the process of deciding compensation for Directors, Etc., the Company has established the Governance, Nomination and Compensation Committee, whose chairperson and majority of its members are independent Outside Directors, and partial revisions to this Program are made after being deliberated by the Governance, Nomination and Compensation Committee. The Company’s Audit and Supervisory Committee has also judged that, since the Governance, Nomination and Compensation Committee has deliberated on this proposal and the Board of Directors deliberated and decided on this proposal based on the report by the Governance, Nomination and Compensation Committee, the decision-making procedures are appropriate and the proposal is appropriate as an incentive for Directors, Etc. to enhance corporate value over the medium to long term, and it contributes to the sharing of value between the Directors, Etc. and shareholders, and that the contents of this proposal are reasonable.

If Proposal 2 “Election of Eight Directors (Excluding Directors who are Audit and Supervisory Committee Members)” is approved and adopted as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) subject to the Program will be four. As set out above, the compensation based on the Program also includes the compensation for Executive Officers and Administration Officers (there will be 27 Executive Officers and Administration Officers who do not currently serve as Directors subject to the Program at the time of conclusion of this General Meeting of Shareholders). However, in this

proposal, the Company will suggest the amount and details of whole compensation based on the Program as compensation for Directors, Etc. considering the possibility that those Executive Officers and Administration Officers will newly assume the office of Director during the subject term.

## 2. Amount and Details, Etc. of Compensation, Etc. under the Program after Amendment

### (1) Summary of the Program

The Program is a stock compensation program wherein Company shares will be acquired through a trust using the money for the compensation of Directors, Etc. contributed by the Company, and Company shares and money equivalent to the conversion price of the Company shares (the “Company Shares, Etc.”) will be delivered and paid (the “Delivery, Etc.”) to the Directors, Etc. (details are as set out in (2) below).

|                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) People to receive Delivery, Etc. of Company Shares, Etc. under the Program                                                                                 | <ul style="list-style-type: none"> <li>• Directors (excluding Directors who are Audit and Supervisory Committee Members, Outside Directors and overseas residents) of the Company</li> <li>• Executive Officers and Administration Officers (both excluding overseas residents) of the Company who have concluded service agreements</li> </ul>                                                                                                                                                                   |
| (ii) Effect of Company shares subject to the Program on total number of issued shares                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Limit on money contributed by the Company (as set out in (2) below)                                                                                            | <ul style="list-style-type: none"> <li>• Amount obtained by multiplying ¥600,000,000 by the number of years of the Subject Period (defined below)</li> <li>• As three fiscal years will be covered by the Initial Subject Period (defined below), a total of ¥1,800,000,000</li> </ul>                                                                                                                                                                                                                            |
| Method of acquiring Company shares (as set out in (2) below) and limit on number of Company Shares, Etc. acquired by Directors, Etc. (as set out in (3) below) | <ul style="list-style-type: none"> <li>• The limit on points granted to Directors, Etc. per fiscal year will be 240,000 points.</li> <li>• The number of shares corresponding to the limit on points per fiscal year granted to the Directors, Etc. is approximately 0.4% of the total number of issued shares of the Company (as of March 31, 2024; excluding treasury shares).</li> <li>• The Company shares will be acquired via the stock market or from the Company (disposal of treasury shares)</li> </ul> |
| (iii) Details of Performance Indicators (as set out in (3) below)                                                                                              | <ul style="list-style-type: none"> <li>• Fluctuate in the range of 0% to 200% depending on the achievement level of targets for performance indicators established based on the medium-term management plan of the Company</li> <li>• The performance indicators for the Initial Subject Period are consolidated recurring profit, consolidated ROE, relative TSR (TOPIX), CO2 emissions reduction, and employee engagement</li> </ul>                                                                            |
| (iv) Timing of Delivery, Etc. of Company Shares, Etc. to Directors, Etc. (as set out in (4) below)                                                             | <ul style="list-style-type: none"> <li>• Portions linked to performance: In principle, after the termination of the Subject Period</li> <li>• Portions not linked to performance: In principle, after the Directors, Etc. leave office</li> </ul>                                                                                                                                                                                                                                                                 |

### (2) Limit on Money Contributed by the Company

The Program will apply to the fiscal years corresponding to the period of the medium-term plan established by the Company (“Subject Period”). The initial Subject Period after the amendment to the Program will be the three fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 27, 2027 (“Initial Subject Period”).

The Company will contribute money as compensation for the Directors, Etc. up to the amount equivalent to the limit of trust money per one fiscal year (¥600,000,000) multiplied by the number of years of the Subject Period (¥1,800,000,000 for the Initial Subject Period, covering three fiscal years ) for each Subject Period and will establish a trust (the “Trust”) with a period equivalent to the Subject Period (including extensions of the trust period set out in the fourth paragraph of this (2)) for which the beneficiaries will be Directors, Etc. who fulfill the beneficiary requirements.

In accordance with the instructions of the trust administrator, the Trust will acquire Company shares from the stock market or the Company (disposal of treasury shares by the Company) using the money in trust. The Company will grant points (as set out in (3) below) to the Directors, Etc. during the trust period, and the Trust will perform the Delivery, Etc. of Company Shares, Etc. if the beneficiary requirements are fulfilled by the Directors, Etc.

When the trust period of the Trust expires, instead of establishing the Trust anew, the Trust may be continued by amending the trust agreement and making an additional entrustment. In that case, the trust period of the Trust will be extended for a period equivalent to the number of years corresponding to the medium-term management plan of the Company, and the fiscal years corresponding to the medium-term management plan of the Company will be the new Subject Period. For each extended trust period, the Company will additionally contribute money up to the limit approved at this General Meeting of Shareholders, and during the extended trust period, the Company will continue to grant points to the Directors, Etc., and the Trust will continue to perform the Delivery, Etc. of Company Shares, Etc. However, when making an additional contribution, if Company shares (excluding Company shares corresponding to points granted to Directors, Etc. for which Delivery, Etc. has not yet been made) or money remain among the trust assets (“Remaining Shares, Etc.”) on the final day of the trust period before extension, the total of the amount of the Remaining Shares, Etc. and the trust money that will additionally be contributed will be within the limit of an amount equal to the maximum amount of trust money per fiscal year multiplied by the number of years of the Subject Period.

If the trust period is not changed or additional entrustment is not made at the expiration of the trust period of the Trust, and there is a Director, Etc. who may satisfy the requirements for beneficiaries remaining in office, points will not be granted to such Director, Etc. thereafter. However, until such Director, Etc. leaves office and the Delivery, Etc. of the Company Shares, Etc. to such Director, Etc. is completed, the trust period of the Trust may be extended for a certain period.

(3) Calculation method and limit of Company Shares, Etc. to be Delivered, Etc. to Directors, Etc.

The number of shares to be Delivered, Etc. to Directors, Etc. will be calculated according to the number of points granted to the Directors, Etc.

At a certain time of each year during the trust period, each Directors, Etc. will be granted points stipulated in (i) and (ii) below.

One point is equivalent to one Company share. However, if an event occurs due to which it is found to be fair to adjust the points such as a split or consolidation of the Company shares during the trust period, the number of Company shares per point will be adjusted based on the split ratio, consolidation ratio, or the like.

(i) Points linked to performance

During the period of the Company’s medium-term management plan, single-year points will be allotted to Directors, Etc. according to their position at a certain time each year. The single-year points allotted to the Directors, Etc. are accumulated, and after the end of the target period of the Program, the number of performance-linked points are calculated by multiplying this cumulative value by the achievement-linked coefficient according to the achievement status of performance targets, etc., and the number of points subject to stock Delivery, Etc. is determined.

*Formula for calculating points for a single fiscal year:* Base amount of stock compensation by position × 60% ÷ Average acquisition unit price of Company shares\*1

*Formula for calculating achievement-linked points:* Cumulative total of single-year points for the Subject Period × Achievement-linked coefficient\*2

\*1 Average acquisition unit price of Company shares by the Trust. If the Trust’s trust period is extended, the average acquisition unit price of Company shares acquired by the Trust after the extension will be the average acquisition unit price of Company shares.

\*2 The achievement -linked coefficient will fluctuate within the range of 0 to 200% depending on the status of achievement of the targets of the performance evaluation indicators established in accordance with the medium-term management plan. The key indicators explained in the medium-term management plan and other indicators stipulated by the Board of Directors shall be used for the performance indicators, and for the

Initial Subject Period, consolidated recurring profit (30%), consolidated ROE (20%), relative TSR (TOPIX) (30%), CO2 emissions reduction (10%), and employee engagement (10%) shall be the performance indicators (the figures in parentheses are the evaluation weights for each indicator). If any circumstances such as changes in the external environment surrounding the Company or a review of the Company's medium- to long-term strategy arise in the future, such indicators and evaluation weights may be changed by a resolution of the Board of Directors, after deliberation by the Governance, Nomination and Compensation Committee.

(ii) Points not linked to performance

During the period of the Company's medium-term management plan, for the purpose of promoting a shared awareness of shared interests with shareholders, points not linked to performance will be allotted to Directors, Etc. according to their position at a certain time each year.

*Formula for calculating points for a single fiscal year:* Base amount of stock compensation by position × 40% ÷ Average acquisition unit price of shares of the Company

The limit on points granted to Directors, Etc. will be 240,000 points total per fiscal year. Such limit on points is established based on the limit on the trust money above and by referring to share price, etc. in the past. As the fiscal years will be subject for the Initial Subject Period, the number of the Company shares to be acquired by the Trust ("Shares to be Acquired") shall be the number of shares equal to the limit on total points for each fiscal year multiplied by three (the number of years of the Subject Period) (720,000 shares).

If the Trust is continued, the limit on the number of Shares to be Acquired will be the number of shares equivalent to the limit on the number of such total points per fiscal year multiplied by the number of years of the Subject Period.

(4) Method and Timing of Delivery, Etc. of Company Shares, Etc. to Directors, Etc.

(i) Portion linked to Performance

In principle, the timing of the Delivery, Etc. of the Company Shares, Etc. related to the portion linked to performance will be made after the end of the Subject Period of the Program. The specific method and timing of Delivery, Etc. are as follows.

A Director, Etc. who fulfills the requirements for beneficiaries will receive a delivery of a certain percentage of Company shares for the performance-linked points from the Trust at a certain time after the number of performance-linked points is determined after the Subject Period, and the remaining Company shares will be converted into cash within the Trust and the money equivalent to the conversion price will be paid from the Trust.

(ii) Portion not linked to performance

In principle, the timing of the Delivery, Etc. of the Company Shares, Etc. related to the portion not linked to performance will be after the Director, Etc. leaves office. The specific method and timing of the Delivery, Etc. are as follows.

A Director, Etc. who fulfills the beneficiary requirements will receive a delivery of Company shares from the Trust for a certain percentage of the points not linked to performance at a certain time after he or she leaves office and after the remainder of the Company shares in the Trust is converted, money equivalent to the conversion price will be paid by the Trust.

(5) Clawback and Malus

If it is confirmed at a meeting of the Board of Directors that a Director, Etc. has committed a material inappropriate act or the like that causes damage to the Company, the Company may, by a resolution of the Board of Directors based on deliberations and report by the Governance, Nomination and Compensation Committee, elect to not make Delivery, Etc. of all or part of the Company Shares, Etc. or request the return of all or part of the Company Shares, Etc. for which Delivery, Etc. has already been made or the amount of money equivalent thereto.

(6) Treatment of voting rights associated with Company shares in the Trust

In order to ensure neutrality towards management, during the trust period, voting rights for Company shares in the Trust will not be exercised.

(7) Treatment of dividends of Company shares in the Trust

Dividends paid for Company shares in the Trust will be used to pay trust fees and expenses of the Trust after receipt by the Trust.

(8) Other details of the Program

Other details concerning the Program will be determined by the Board of Directors when establishing the Trust, extending the trust period, amending the trust agreement, and making additional contributions to the Trust.

(Reference) Stock Compensation Program for Directors of Some of the consolidated subsidiaries of the Company

In addition to the stock compensation program for the Company's Directors, Etc. for which approval is requested in this proposal, the Company has also introduced a similar stock compensation program using a trust for Directors of some of the consolidated subsidiaries of the Company (excluding Outside Directors and overseas residents; together with the Directors, Etc. of the Company, the "Subject Directors, Etc."), and this Program will be continued at those consolidated subsidiaries subject to approval of this proposal.

The total maximum amount of money to be contributed to the Trust for the Initial Subject Period (three fiscal years) for Subject Directors, Etc. is ¥1,890,000,000. In addition, the maximum total number of points per fiscal year to be granted to Subject Directors, Etc. is 258,900 points (the number of shares corresponding to the limit on points per fiscal year granted to the Subject Directors, Etc. is approximately 0.4% of the total number of issued shares of the Company as of March 31, 2024 (excluding treasury shares)).

END

## (Reference) Executive Compensation Policy

The compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers of the Company (“Executives”) is positioned as a key strategy for encouraging the leadership of the management and promoting appropriate incentivization towards the realization of our goal of becoming an “Environment-Creator®.”

### Basic Policies

- The compensation system is to be a system that evaluates leadership and appropriate risk-taking, and provides returns commensurate to achievements in order to foster a sustainable “growth mindset”
- The contents and standards of compensation are to be effective at continuing to secure talented human resources
- Have in place a compensation governance structure that ensures independence, objectivity, and transparency and achieves accountability for stakeholders

### Compensation Structure

#### (i) Compensation Composition

(Inhouse Directors)

Composed of base salaries, bonuses (annual), and a stock compensation plan (medium to long term)

(Outside Directors)

Composed of base salaries only, from the perspective of their role and independence.

Base salaries including the amount equivalent to allowances will be paid to the Chairperson of the Board of Directors and the Chairperson of the Governance, Nomination and Compensation Committee.

#### (ii) Compensation Standards

The base salaries for the Directors are set based on a multifaceted review of main benchmark companies comprising Japanese companies in the same industry or of the same size as the Company. In addition, variable compensation for Directors is set taking into consideration that it is a compensation standard effective to secure talented human resources with various skills aiming at realization of the medium to long term vision.

#### (iii) Compensation Composition Ratio

The composition ratio of compensation, etc. for inhouse directors is based on a compensation system that is highly performance-linked, with the ratio of variable compensation (bonus and stock compensation) to be approximately 60% of the total compensation for President and Representative Director (reference: approximately 40% before the revision), and the ratio of stock compensation through which Directors share in shareholders’ interests being approximately 30% (reference: approximately 20% before the revision). In addition, the composition ratio for other Directors is set based on their positions and roles so that the variable compensation ratio would be approximately 50% (reference: approximately 30% before revision).

*Base salaries*

Base salaries to which a fixed amount is paid for each month are decided depending on the position or role.

*Variable Compensation*

With further motivating sustainable growth of the Company and increasing its corporate value over the medium to long term as one of its basic policies, variable compensation is designed to increase the ratio of variable compensation to total compensation and to incorporate payment methods that motivate the Company to achieve sustainable growth and increase corporate value (both financial and social value). The variable compensation consists of bonuses and stock compensation, and has a two-tiered design, with one portion that changes in accordance with the achievement of performance targets during the Subject Period of the medium-term management plan, and the other portion that is not linked to performance.

*Bonuses*

Bonuses are positioned as incentives for achievement of single-year performance targets and commitment for achievement of milestones aiming at realization of the medium to long term vision, and bonuses will fluctuate between 0% and 200% depending on consolidated recurring profit, consolidated gross profit margin, and the individual evaluation of each Executive, and will be paid at a certain time each year.



### Stock compensation

Stock compensation is composed of compensation linked to performance (60%) and compensation not linked to performance (40%). The key indicators explained in the medium-term management plan and other indicators stipulated by the Board of Directors shall be used for the compensation linked to performance to enhance motivation to contribute to improve corporate value in the medium to long term, and the compensation linked to performance will fluctuate between 0% to 200% depending on the achievement status of performance targets. The initial indicators are consolidated recurring profit, consolidated ROE, relative TSR (TOPIX), CO2 emissions reduction, and employee engagement. If any circumstances such as changes in the external environment surrounding the Company or a review of the Company's medium- to long-term strategy arise in the future, such indicators and evaluation weights may be changed by a resolution of the Board of Directors, after deliberation by the Governance, Nomination and Compensation Committee. Compensation linked to performance is paid at a certain time after the end of the medium-term management plan and the compensation not linked to performance is paid after leaving office.

#### Compensation MIX Image (Representative Director: Ordinary time)

| Before revision (as of April 2023) |                             | After revision        |                             | Overview                                                                                                                                                 |                                                                                                                                                                                           |                              |
|------------------------------------|-----------------------------|-----------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Types of compensation              |                             | Types of compensation |                             | Overview                                                                                                                                                 | KPI: Weighting                                                                                                                                                                            | Range of performance linkage |
| Fixed<br>6                         | Base salary<br>(60%)        | Fixed<br>4            | Base salary<br>(60%)        | Fixed and monthly compensation decided according to position                                                                                             | -                                                                                                                                                                                         | -                            |
| 4<br>Variable                      | Bonus<br>(20%)              | 6<br>Variable         | Bonus<br>(20%)              | Compensation for commitment toward the achievement of milestones aiming at realization of single-year performance targets and medium to long term vision | Consolidated referral profit: 50%<br>Consolidated gross profit margin: 20%<br>Individual evaluation: 30%                                                                                  | 0 to 200 %                   |
|                                    | Stock compensation<br>(20%) |                       | Stock compensation<br>(20%) | Compensation for commitment toward medium to long term performance and improvement of corporate value                                                    | Compensation linked to performance: 60 %<br><br>Consolidated referral profit: 30%<br>Consolidated ROE: 20%<br>Referred TSR (TOPIX): 30%<br>CO2 emissions: 10%<br>Employee engagement: 10% | 0 to 200 %                   |
|                                    |                             |                       |                             |                                                                                                                                                          | Compensation not linked to performance (share price linked): 40%                                                                                                                          | -                            |

#### (iv) Determination Method of Compensation

Compensation, etc. for the Directors are determined by a resolution of the Board of Directors within the range of total compensation, etc. resolved in advance at the General Meeting of Shareholders. When the Board of Directors makes a resolution on compensation, the Governance, Nomination and Compensation Committee,

which is an advisory body to the Board of Directors and a majority of which is composed of independent Outside Directors and chaired by an independent Outside Director, reviews the details of the resolution to enhance transparency and objectivity and ensure a fair decision-making process.

(v) **Forfeiture of Compensation**

*Clawback and malus provisions*

If any significant inappropriate act by an Executive which damages the Company is confirmed during the term of office of such Executive, based on deliberations and reports by the Governance, Nomination and Compensation Committee, the Company may limit payment of performance-linked compensation (bonuses and stock compensation) or request return of received compensation based on a resolution of the Board of Directors.

(vi) **Compensation Governance**

- The compensation structure, compensation structure ratio and standard, and performance target and evaluation method of the performance-linked compensation are determined by the Board of Directors based on deliberations and reports by the Governance, Nomination and Compensation Committee.
- The amount of individual compensation for each Executive is determined by a resolution of the Board of Directors based on deliberations and reports by the Governance, Nomination and Compensation Committee, which is chaired by an independent Outside Director and the majority of which is composed of independent Outside Directors.

(Reference materials common to Proposal 2 and Proposal 3)

#### Opinion of Audit and Supervisory Committee

Regarding the election, etc. and compensation, etc. of Directors who are not Audit and Supervisory Committee Members, all three Outside Directors who are Audit and Supervisory Committee Members attended meetings of the Governance, Nomination and Compensation Committee and stated their opinions, and, in addition, the full-time Audit and Supervisory Committee Members confirmed, in addition to the basic framework and approach regarding the Company's Board of Directors and the policy for electing candidates for Directors, the approach regarding the compensation structure, the specific methods of calculating the amount of compensation and other such matters were reported and discussed at the Audit and Supervisory Committee meeting.

As a result, the Audit and Supervisory Committee reached the conclusion that there is no special matter that the Committee should state at the General Meeting of Shareholders in accordance with the provisions of the Companies Act regarding either the election, etc. or compensation, etc. of the Directors who are not Audit and Supervisory Committee Members.

END

(For Reference)

The structure in the case where Proposal 2 for this General Meeting is approved and adopted as proposed will be as follows:

### Skills and Experience of Directors of the Company

| Name                                                          |                                                     | Corporate<br>managem<br>ent and<br>managem<br>ent<br>strategy | Technolog<br>y,<br>innovation<br>, and DX | Environm<br>ent | Global | Marketing<br>strategy<br>and<br>marketing | Finance<br>and<br>account<br>ing | Legal<br>and<br>risk<br>manage<br>ment | Human<br>resource<br>develop<br>ment<br>and<br>diversity |   |
|---------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|-----------------|--------|-------------------------------------------|----------------------------------|----------------------------------------|----------------------------------------------------------|---|
| Directors (excluding Audit and Supervisory Committee Members) | Kazuhito Kojima                                     | ●                                                             | ●                                         | ●               |        | ●                                         |                                  |                                        |                                                          |   |
|                                                               | Hiroshi Kubota                                      |                                                               |                                           |                 |        | ●                                         |                                  |                                        |                                                          |   |
|                                                               | Tadashi Kamiya                                      |                                                               | ●                                         | ●               |        | ●                                         |                                  |                                        |                                                          |   |
|                                                               | Masatoshi Morino                                    |                                                               |                                           |                 |        |                                           | ●                                | ●                                      | ●                                                        |   |
|                                                               | Shuma Uchino                                        | Outside                                                       | ●                                         |                 |        |                                           | ●                                | ●                                      |                                                          |   |
|                                                               | Atsushi Takagi                                      | Outside                                                       | ●                                         |                 |        | ●                                         | ●                                |                                        |                                                          |   |
|                                                               | Yoko Seki                                           | Outside                                                       |                                           |                 |        |                                           | ●                                | ●                                      |                                                          |   |
|                                                               | Hideka Morimoto                                     | Outside                                                       |                                           |                 | ●      |                                           |                                  | ●                                      | ●                                                        |   |
|                                                               | Directors (Audit and Supervisory Committee Members) | Masato Nakamura                                               | ●                                         |                 |        | ●                                         |                                  | ●                                      | ●                                                        |   |
|                                                               |                                                     | Kazuo Sakakibara                                              | Outside                                   |                 |        |                                           |                                  |                                        | ●                                                        |   |
|                                                               |                                                     | Hiroyuki Hioka                                                | Outside                                   | ●               |        | ●                                         | ●                                |                                        | ●                                                        | ● |
| Hiroyuki Wakamatsu                                            |                                                     | Outside                                                       |                                           |                 |        |                                           | ●                                | ●                                      |                                                          |   |
|                                                               |                                                     |                                                               |                                           |                 |        |                                           |                                  |                                        |                                                          |   |