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Securities Code: 6932

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To Shareholders:

Kunihiko Endo, President

**ENDO Lighting Corp.**

1-6-19 Honmachi, Chuo-ku, Osaka-city, Osaka

## **NOTICE OF THE 53RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are hereby notified that the 53rd Annual General Meeting of Shareholders of ENDO Lighting Corp. (the “Company”) will be held for the purposes described below.

In convening this general meeting of shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.endo-lighting.co.jp/> (in Japanese)

(From the above website, select “Investor Relations,” and then “General Meeting of Shareholders Information.”)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/6932/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter “ENDO Lighting” in “Issue name (company name)” or the Company’s securities code “6932” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet, etc. or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:30 p.m. on Wednesday, June 25, 2024.

- 1. Date and time** Wednesday, June 26, 2024, at 10:00 a.m. (JST)
- 2. Venue** 2F Conference Room, ENDO Sakaisuji Building  
1-7-3 Bingomachi, Chuo-ku, Osaka-city, Osaka

**3. Meeting agenda**

**Matters to be reported**

1. Report on the content of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 53rd Fiscal Year (April 1, 2023 to March 31, 2024)
2. Report on the results of audits of the Consolidated Financial Statements for the 53rd Fiscal Year by the Financial Auditor and Audit & Supervisory Board

**Matters to be resolved <Company Proposals>**

- Proposal 1** Appropriation of Surplus
- Proposal 2** Election of Five Directors
- Proposal 3** Election of One Substitute Audit & Supervisory Board Member
- Proposal 4** Payment of Retirement Benefits for Retiring Director

**<Company Proposal and Shareholder Proposal>**

- Proposal 5** Amendment to the Articles of Incorporation

**<Shareholder Proposals>**

- Proposal 6** Appropriation of Surplus
- Proposal 7** Acquisition of Own Shares

**4. Matters Decided for the Convocation**

- If voting rights are exercised in duplicate via the Internet, etc. and by postal mail, the vote exercised via the Internet, etc. shall be treated as valid. In addition, if voting rights are exercised more than once via the Internet, etc., the last vote shall be treated as valid.
  - If no indication of approval, disapproval or abstention for each proposal is made on the returned voting form, it shall be treated as an indication of approval for company proposals and company proposal and shareholder proposal (from Proposal 1 to Proposal 5) and disapproval for shareholder proposals (Proposal 6 and Proposal 7).
- For those attending the meeting on the day, please submit the enclosed voting form at the venue reception desk.
- Paper-based documents stating items subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Company's Articles of Incorporation.
- (i) "System and Policies of the Company" in the Business Report
  - (ii) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
  - (iii) Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
- Accordingly, Consolidated Financial Statements and Non-consolidated Financial Statements included in the paper-based documents are part of the documents included in the scope of audits by the Financial Auditor in preparing the Financial Auditor's Report and by the Audit & Supervisory Board Members in preparing the Audit Report.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the website of the Company, the website for posted informational materials for the general meeting of shareholders, and the TSE website noted above.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### <Company Proposals (from Proposal 1 to Proposal 4)>

##### (Company Proposal)

##### Proposal 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

##### Year-end dividends

After comprehensively taking into consideration factors such as business performance in the fiscal year under review, the internal reserves necessary for strengthening corporate foundations and future business development, and the future earnings outlook, the Company proposes to pay a year-end dividend for the fiscal year under review of ¥22.50 per share.

Accordingly, including the interim dividend (¥17.50 per share), the annual dividend will be ¥40.00 per share.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and their aggregate amount

¥22.50 per common share of the Company

Total dividends: ¥332,463,803

(3) Effective date of dividends of surplus

June 27, 2024

**(Company Proposal)**

**Proposal 2 Election of Five Directors**

At the conclusion of this meeting, the terms of office of all five Directors will expire. Therefore, the Company proposes the election of five Directors.

The candidates for Director are as follows:

Candidate No.	Name		Position and responsibilities	Attendance at Board of Directors meetings
1	Kunihiko Endo	Reelection	President	19 / 19
2	Kiyoshi Hishitani	Reelection	Managing Director In charge of Development, Quality, and Production	19 / 19
3	Masashi Sugisaka	Reelection	Director General Manager of Sales Division	19 / 19
4	Ritsue Miyashita	Independent officer Outside Director Reelection	Outside Director	16 / 19
5	Takaya Nagahata	Independent officer Outside Director New appointment		-

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p style="text-align: center;"><b>Kunihiko Endo</b> (April 8, 1974) [Reelection]</p> <p style="text-align: center;"><b>Attendance at Board of Directors meetings</b> 19 / 19</p>	<p>April 1997    Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>January 2001    Joined the Company</p> <p>April 2006    General Manager of Management Strategy Office</p> <p>June 2006    Director, General Manager of Management Strategy Office, and in charge of Lighting Technology Research Laboratory</p> <p>April 2007    Director, Executive Officer, and General Manager of Management Strategy Office</p> <p>June 2007    Managing Director, Executive Officer, and General Manager of Management Strategy Office</p> <p>April 2009    Managing Director, General Manager of Lighting Business Department</p> <p>June 2010    Representative Director and Senior Managing Director, and General Manager of Lighting Business Department</p> <p>October 2011    Representative Director and Senior Managing Director</p> <p>November 2013    Representative Director and Senior Managing Director, and General Manager of LED Central Research Laboratory</p> <p>June 2014    President, and General Manager of LED Central Research Laboratory</p> <p>April 2016    President, and General Manager of Sales Division</p> <p>April 2022    President (current position)</p> <p>(Significant concurrent positions outside the Company) Chairman, ENDO Lighting (THAILAND) Public Co., Ltd.</p>	140,000 shares
<p><u>Reasons for nomination as candidate for Director</u></p> <p>Kunihiko Endo has led management and worked on various management reforms since he was appointed President in June 2014. He is well versed in the Group's businesses including the lighting business, and possesses abundant operational experience and wide-ranging knowledge that enables him to appropriately manage the business of the Group. Accordingly, the Company has judged that he is a suitable person to drive the future enhancement of corporate value over the long term, and is also suitably qualified to strengthen corporate governance, and has therefore nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
2	<p style="text-align: center;"><b>Kiyoshi Hishitani</b> (January 8, 1958) [Reelection]</p> <p style="text-align: center;"><b>Attendance at Board of Directors meetings</b> 19 / 19</p>	<p>April 1980    Joined Matsushita Refrigeration Company (currently Panasonic Holdings Corporation)</p> <p>April 2000    General Manager of Technology Department of Vending Machine Business Division</p> <p>April 2008    General Manager of Vending Machine Business Unit of Appliances Company of Panasonic Corporation</p> <p>April 2012    General Manager of Cold Chain Business Department of Appliances Company of Panasonic Corporation</p> <p>April 2015    Head Researcher of Energy Conservation Technology Department of New Energy and Industrial Technology Development Organization (seconded from Panasonic Corporation)</p> <p>May 2016    Joined the Company, Advisor, and in charge of Development, Quality, and Production</p> <p>June 2016    Director and in charge of Development, Quality, and Production</p> <p>April 2018    Director and Senior Executive Officer, and in charge of Development, Quality, and Production</p> <p>June 2018    Director and Managing Executive Officer, and in charge of Development, Quality, and Production</p> <p>June 2022    Managing Director, Managing Executive Officer, and in charge of Development, Quality, and Production</p> <p>April 2023    Managing Director, and in charge of Development, Quality, and Production (current position)</p> <p>(Significant concurrent positions outside the Company) Chairman of Kunshan Endo Lighting Co., Ltd.</p>	0 shares
<p><u>Reasons for nomination as candidate for Director</u></p> <p>Kiyoshi Hishitani possesses abundant operational experience, including serving as the person responsible for the management of a business department and the person responsible for technical development at the Appliances Company of Panasonic Corporation (the former Matsushita Refrigeration Company). He has also endeavored to enhance corporate value in the development, quality, and production departments of the Company from a medium- to long-term perspective. The Company has judged that he is suitably qualified as a person to continue to take responsibility for the development of the technical fields of the Company in the future. In addition, the Company has judged that he is also suitably qualified in the field of promoting environment protection, and has therefore nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
3	<p style="text-align: center;"><b>Masashi Sugisaka</b> (August 29, 1960) [Reelection]</p> <p style="text-align: center;"><b>Attendance at Board of Directors meetings</b> 19 / 19</p>	<p>April 1984      Joined the Company</p> <p>April 2004      General Manager of West Japan Customer Solution Department</p> <p>July 2005        Director of E-SEMS Corporation (secondment)</p> <p>April 2008       President of E-SEMS Corporation</p> <p>June 2018       Executive Officer of the Company and President of E-SEMS Corporation</p> <p>April 2022       Managing Executive Officer and General Manager of Sales Division and General Manager of Corporate Administration Division</p> <p>June 2022       Director, General Manager of Sales Division and General Manager of Corporate Administration Division</p> <p>June 2023       Director, and General Manager of Sales Division (current position)</p> <p>(Significant concurrent positions outside the Company) Masashi Sugisaka has no significant concurrent positions outside the Company.</p>	2,000 shares
<p><u>Reasons for nomination as candidate for Director</u></p> <p>Masashi Sugisaka possesses abundant operational experience from having served in important positions in the Lighting Business Division of ENDO Lighting, especially in the division of environment-related products. He has made significant progress in relation to the lighting fixture rental business as President of E-SEMS Corporation where he was seconded, and has also made achievements as General Manager of Sales Division and General Manager of Corporate Administration Division at the Company. The Company has judged that he is suitably qualified to promote business management as we aim to sustainably enhance the corporate value of the Group in the future, and has therefore nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
4	<p style="text-align: center;"><b>Ritsue Miyashita</b> (May 3, 1962) [Independent officer] [Outside Director] [Reelection]</p> <p style="text-align: center;"><b>Attendance at Board of Directors meetings</b> 16 / 19</p>	<p>April 1986      Joined JAL Information Technology Co., Ltd. July 2001      Manager of Corporate Planning Department October 2015   Executive Officer, Application Business Department of Airline Business Division September 2018   Retired from JAL Information Technology Co., Ltd. October 2018   Director of Brighton Consulting, Inc. December 2018   Established Eternaria Co., Ltd., President (current position) June 2022      Outside Director of the Company (current position) June 2023      Outside Director of Tokushu Tokai Paper Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company) President of Eternaria Co., Ltd.</p>	0 shares
<p><u>Reasons for nomination as candidate for outside Director and summary of expected roles</u> Ritsue Miyashita has a wealth of experience and knowledge, having successfully completed large-scale IT projects at JAL Information Technology Co., Ltd., including a large-scale system renewal for the JAL/JAS management integration as an Executive Officer. The Company has judged that she will make a significant contribution to the Company's IT promotion in the future. In addition to her efforts to promote the advancement of women both inside and outside the Company, she has experience as a corporate manager, and concurrently serves as an outside Director of a listed company. Accordingly, the Company has judged that she will be able to supervise all aspects of management from an objective standpoint, and has therefore nominated her as a candidate for outside Director.</p>			



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
5	<p><b>Takaya Nagahata</b> (September 6, 1960) [Independent officer] [Outside Director] [New appointment]</p> <p><b>Attendance at Board of Directors meetings</b> - / -</p>	<p>April 1983      Joined ROHM Co., Ltd. November      General Manager of Sensor Business 2014              Promotion Division June 2016      General Manager of Optical Module Production                          Headquarters June 2019      Representative Director of LAPIS                          Semiconductor Miyazaki Co., Ltd. (currently                          LAPIS Semiconductor Co., Ltd) July 2022      Business Promotion Advisory (Sole Proprietor) November      Representative Director and President of BproA 2023              Co., Ltd. (current position) (Significant concurrent positions outside the Company) Representative Director and President of BproA Co., Ltd.</p>	0 shares
<p><u>Reasons for nomination as candidate for outside Director and summary of expected roles</u> Takaya Nagahata has many years of experience working at ROHM Co., Ltd., where he handled product design for electronic devices. As General Manager of the manufacturing department, he has extensive experience and knowledge in the semiconductor industry about manufacturing, from research and development to design, production, and sales expansion. As a Representative Director of LAPIS Semiconductor Miyazaki Co., Ltd., he also possesses experience in factory productivity improvement, and with next-generation investments such as new technologies and health management. Accordingly, the Company has judged that he will be able to supervise all aspects of management from an objective standpoint in the future, and has therefore nominated him as a candidate for outside Director.</p>			

- (Notes)
1. There is no special interest between the candidates and the Company.
  2. Ritsue Miyashita and Takaya Nagahata are candidates for outside Director.
  3. At the conclusion of this meeting, Ritsue Miyashita's tenure as outside Director of the Company will have been two years.
  4. Ritsue Miyashita is an independent officer as defined by the Tokyo Stock Exchange, Inc., and if she is reelected as Director, the Company intends for her to continue to be an independent officer. In addition, Takaya Nagahata satisfies the requirements for an independent officer as defined by the Tokyo Stock Exchange, Inc., and if he is elected as Director, the Company intends to submit notification to the aforementioned exchange concerning his designation as an independent officer.
  5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into a limited liability agreement with Ritsue Miyashita that limits her liability under Article 423, paragraph (1) of the Companies Act. If her election is approved, the Company intends to continue this agreement, and the maximum amount of liability pursuant to this agreement will be the amount provided for in laws and regulations. If the election of Takaya Nagahata is approved, the Company intends to enter into a similar liability limitation agreement with him.
  6. The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. This contract covers any statutory damages, legal expenses, etc., incurred by the insured parties due to claims for damages arising out of acts (including omissions) committed by the insured parties in the course of their duties as officers of the company. Each candidate will be included as an insured party under the contract and will be renewed under the same terms and conditions at the next renewal.

## Reference

### Criteria of ENDO Lighting on Independence of Outside Officers

ENDO Lighting Corp. (hereinafter, “the Company”) has established the following Criteria on Independence of Outside Officers of the Company. If any of the following items applies to an outside officer (including candidates; the same shall apply hereinafter), that outside officer shall be deemed as not being independent of the Company.

1. An outside officer who has been a person who executes business (Note 1) in the Group in any of the past 10 fiscal years
2. A person who executes business who belongs to a corporation, association, or other organization whose amount of payment or receipt in transactions with the Group has accounted for 2% or more of that organization’s consolidated sales during the 3 most recent fiscal years
3. A person who executes business who belongs to a financial institution whose outstanding loans to the Group account for 2% or more of the Company’s consolidated total assets or the financial institution’s consolidated total assets during the 3 most recent fiscal years
4. A person who executes business who belongs to a corporation, association, or other organization that has received a large amount of donations from the Group (an average of ¥10 million or more per year during the 3 most recent fiscal years)
5. A Lawyer, certified public accountant, consultant, and other person who receives a large amount of money (an average of ¥10 million or more per year during the 3 most recent fiscal years) or other assets from the Group other than executive remuneration
6. A major shareholder of the Company (Note 2), or person who executes business who belongs to a corporation, association, or other organization that is a major shareholder
7. A person who executes business who belongs to a corporation, association, or other organization of which the Group is a major shareholder
8. A person who belongs to an audit firm that is a Financial Auditor of the Group
9. If the person to whom any of 1. to 8. above applies an important person (Note 3), the spouse, a relative within the second degree of kinship, a relative living together with said person, or a person sharing the same livelihood as said person
10. A person to whom any of 2. to 9. above has applied during the past 3 years
11. Any other person for whom there are circumstances that can reasonably be judged as making it impossible for that person to perform his/her duties as an outside officer, such as the possibility of a conflict of interest with the Company

Note 1: “Person who executes business” refers to a current executive director, managing executive, managing executive officer, or other similar person or employee.

Note 2: “Major shareholder” refers to a shareholder who owns or holds 10% or more of the voting rights under his/her name or the name of another person as of the end of the most recent fiscal year of the Company.

Note 3: “Important person” refers to a director (excluding outside director), Audit & Supervisory Board Member (excluding outside Audit & Supervisory Board Member), managing executive, managing executive officer, and senior manager at the rank of general manager or higher.

Reference: Skill matrix for Directors and Audit & Supervisory Board Members

If Proposal 2 is approved as proposed at this meeting, the composition of the Directors and Audit & Supervisory Board Members, and the experience and expertise specifically expected from each of them, are as follows.

Please note that the following list does not represent all of the knowledge, abilities, and experience possessed by each of the Directors and Audit & Supervisory Board Members.

	Name	Gender	Corporate management/ Management strategy	Finance/ Accounting/ Taxation	Technical development	Manufacturing/ Supply	Business strategy/ Sales/ Marketing	Global business	Legal/ Compliance	Internal control/ Governance	IT/Digital	Sustainability/ ESG
Directors	Kunihiko Endo	Male	●		●		●	●				
	Kiyoshi Hishitani	Male			●	●		●				●
	Masashi Sugisaka	Male	●	●			●		●			
	Ritsue Miyashita	Female	●				●				●	●
	Takaya Nagahata	Male			●	●		●		●		
Audit & Supervisory Board Members	Akira Kubo	Male		●				●		●		
	Jun Murai	Male							●	●		
	Yasuo Kouzaki	Male					●			●		

**(Company Proposal)****Proposal 3****Election of One Substitute Audit & Supervisory Board Member**

The Company requests approval for the election of one substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations. The validity of the election of a substitute Audit & Supervisory Board Member can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
<p style="text-align: center;"><b>Hidetaka Sakata</b> (November 29, 1959) [Independent officer] [Substitute outside Audit &amp; Supervisory Board Member]</p> <p style="text-align: center;"><b>Attendance at Board of Directors meetings</b> - / -</p> <p style="text-align: center;"><b>Attendance at Audit &amp; Supervisory Board meetings</b> - / -</p>	<p>April 1982    Joined Hidetaka Sakata Accounting Office September 1984    Retired from Hidetaka Sakata Accounting Office October 1984    Joined Tohmatsu Awoki &amp; Co. (currently Deloitte Touche Tohmatsu LLC) March 1988    Registered as Certified Public Accountant June 1997    Transferred to Business Development Department, Deloitte Touche Tohmatsu (currently Deloitte Tohmatsu Financial Advisory LLC) and served as Senior Manager June 2000    Partner January 2019    Retired from Deloitte Tohmatsu Financial Advisory LLC January 2019    Representative Director of MAGIC Co., Ltd. (current position) June 2020    Representative Partner of dep.FAS LLC (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director of MAGIC Co., Ltd. Representative Partner of dep.FAS LLC</p>	0 shares
<p><u>Reasons for nomination as candidate for substitute outside Audit &amp; Supervisory Board Member</u> Hidetaka Sakata is well versed in corporate accounting as a Certified Public Accountant, and possesses experience developed from his advanced expert knowledge and wide-ranging insight. Accordingly, the Company has judged that he is suitably qualified to execute duties related to audits of the Company, and has therefore nominated him as a candidate for substitute outside Audit &amp; Supervisory Board Member.</p>		

- (Notes)
1. There is no special interest between Hidetaka Sakata and the Company.
  2. Hidetaka Sakata is a candidate for substitute outside Audit & Supervisory Board Member.
  3. There are no special interests between MAGIC Co., Ltd. and dep.FAS LLC and the Company.
  4. Hidetaka Sakata satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and if he is appointed Audit & Supervisory Board Member, the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer.
  5. If Hidetaka Sakata is appointed Audit & Supervisory Board Member, the Company plans, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation of the Company, to enter into a limited liability agreement with him that limits his liability under Article 423, paragraph (1) of the Companies Act. Furthermore, the maximum amount of liability pursuant to the limited liability agreement will be the amount provided for in laws and regulations.
  6. The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. This contract covers the insured party's losses, legal expenses, etc., incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured party as an officer of the Company, and if Hidetaka Sakata is appointed Audit & Supervisory Board Member, he will be included in the insured parties under this insurance contract.

**(Company Proposal)**

**Proposal 4            Payment of Retirement Benefits for Retiring Director**

The Company proposes the payment of retirement benefits within a reasonable amount, in accordance with the standards set forth in the internal regulations of the Company, to Takao Bamba, a Director who will retire owing to the expiration of his terms of office at the conclusion of this meeting, in order to reward him for his efforts during his tenure. The Company proposes that decisions concerning the specific amount, timing of payment, method of payment, etc. be entrusted to the Board of Directors, with respect to his tenure as Director, and be entrusted to the Audit & Supervisory Board Members' consultation, with respect to his tenure as Audit & Supervisory Board Member. The Company considers it appropriate to pay retirement benefits to Takao Bamba because of his efforts to improve the Company's business performance and corporate value as a Director.

The career summary of the retiring Director is as follows:

Name	Career summary
<b>Takao Bamba</b>	June 2008    Audit & Supervisory Board Member (outside) of the Company
	June 2013    Director (outside) (current position)

## <Company Proposal and Shareholder Proposal (Proposal 5)>

The Company Proposal and the Shareholder Proposal (proposed by one shareholder) in Proposal 5 are identical in substance.

The reasons for the proposal (Shareholder Proposal) are presented with the original text as submitted by the proposing shareholder, except for formal adjustments.

### (Company Proposal and Shareholder Proposal)

#### Proposal 5            Amendment to the Articles of Incorporation

##### 1. Reasons for the Proposal (Company Proposal)

In order to clarify the management responsibility of Directors and establish a management structure that can promptly respond to changes in the business environment, the Company proposes to shorten Directors' terms of office from two years to one year, and to make the necessary changes to Article 21 (Directors' Terms of Office) of the current Articles of Incorporation.

##### 2. Reasons for the Proposal (Shareholder Proposal)

In 1 - 1 - 2. Directors and the board, (1) Term of directorships in the TSE-Listed Companies White Paper on Corporate Governance 2023, published by the Tokyo Stock Exchange (TSE) on April 4, 2023, it is stated that "Article 332, Paragraph 1 of the Companies Act stipulates that the term of directorships shall, in principle, continue within two years from the time of their election. However, it also provides for shortening the term of directorships by the articles of incorporation or by a resolution of a general shareholders' meeting. [...] Recently, in order to respond flexibly to changes in the management environment and to strengthen the corporate governance structure by clarifying management responsibility and gaining the trust of shareholders every year, there has been an increase in the ratio of Companies with Board of Company Auditors that specify a one year term of office for directors (Chart 18)." Chart 18 shows that the ratio of companies (Companies with Board of Company Auditors) that have a one year term of office for directors in their articles of incorporation has increased from 56.9% in 2014 to 65.2% in 2022, with the ratio rising in each biennial survey. This indicates that two-thirds of all companies have set a one year term for directors in their articles of incorporation, as demonstrated by specific figures.

Regarding the shortening of the term of office of directors, ISS, a global voting advisory firm, states in its 2024 edition of its Proxy Voting Guidelines Benchmark Policy Recommendations for Japan that it "recommends voting in favor of such a proposal in principle," and therefore it is anticipated that the majority of listed companies will set the term of office of directors at one year in the near future.

As stated in the TSE White Paper on Corporate Governance, the primary purpose of the shortening the term of office of directors is to strengthen the corporate governance structure by clarifying management responsibility. In addition, I believe that it will serve to convey to stakeholders that the Company's compliance with the Corporate Governance Code is not merely superficial, but an effective measure aimed at increasing the agility of management and strengthening the supervisory function of the Board of Directors. Regarding the improvement of PBR (Price to Book-value Ratio) requested by the TSE at the end of March last year, many experts have pointed out that it is important to steadily implement growth investment, research and development, and investment in human capital from a medium- to long-term perspective, as well as to devise ways to effectively disclose information, including business strategies and management stances, instead of improving short-term profit and implementing special dividends.

I propose this proposal with the expectation that it will contribute to enhancing the Company's corporate value over the medium to long term by improving the Company's corporate governance structure.

2. Details for the amendment

The details of the amendment are as follows:

(Underlines indicate the amendments.)

Current Articles of Incorporation	Proposed amendments
<p>(Directors' Terms of Office) Article 21</p> <ol style="list-style-type: none"> <li>1. Directors' terms of office shall expire at the conclusion of the annual general meeting of shareholders relating to the final fiscal year ending within <u>two years</u> after their election.</li> <li>2. Directors' terms of office elected as a substitute or for increasing the number of Directors shall expire at the end of the terms of office of incumbent Directors.</li> </ol>	<p>(Directors' Terms of Office) Article 21</p> <ol style="list-style-type: none"> <li>1. Directors' terms of office shall expire at the conclusion of the annual general meeting of shareholders relating to the final fiscal year ending within <u>one year</u> after their election.</li> <li>2. (Unchanged)</li> </ol>

## <Shareholder Proposals (Proposal 6 and Proposal 7)>

Proposal 6 and Proposal 7 were made by one (1) shareholder.

The Board of Directors is against both shareholder proposals for the reasons shown below.

A summary of the proposal and reasons for the proposal are presented with the original text as submitted by the proposing shareholder, except for formal adjustments.

### (Shareholder Proposal)

#### Proposal 6            Appropriation of Surplus

##### (i) Summary of the proposal

The appropriation of surplus shall be as follows. If the Board of Directors of the Company proposes the appropriation of surplus at this annual general meeting of shareholders, this proposal shall be proposed in addition to and independently from the said proposal.

##### (a) Type of dividend property

Cash

##### (b) The amount of dividend per share

The amount corresponds to one-third of the amount of basic earnings per share for the fiscal year ended March 31, 2024, rounded down to the nearest whole number (hereinafter referred to as “one-third of actual EPS”) as stated in “(1) Consolidated Operating Results” under “1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)” in the “Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]” of the Company, subtracted by the amount of the interim dividend of ¥17.5 for the 53rd fiscal year and the amount equivalent to the appropriation amount of surplus per share of the Company’s stock proposed by the Board of Directors of the Company at this annual general meeting of shareholders and approved at this annual general meeting of shareholders (if the Board of Directors of the Company does not propose an appropriation of surplus this annual general meeting of shareholders, the amount shall be one-third of the actual EPS minus the interim dividend of ¥17.5 for the 53rd fiscal year).

##### (c) Allotment of dividend property and its aggregate amount

The amount of dividend per share of Company stock as described in (b) above (the total amount of dividend is calculated by multiplying the amount of dividend per share by the total number of the Company’s issued shares (excluding own shares) as of March 31, 2024).

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

Date of this annual general meeting of shareholders

##### (e) Starting date of dividend payments

The date three weeks after the next business day following this annual general meeting of shareholders

##### (ii) Reasons for the Proposal

Over the past five years, the Company’s operating cash flow has been consistently well into the positive range, with an average value of ¥4.80 billion, a maximum value of ¥5.84 billion, and a minimum value of ¥2.78 billion. During this period, investment cash flow averaged only a deficit of ¥2.60 billion, so free cash flow over the past five years of the Company has been consistently well into the positive range, with an average value of ¥2.20 billion, a maximum value of ¥4.04 billion, and a minimum value of ¥530 million, while net interest-bearing debt balance declined sharply from ¥14.61 billion at the end of March 2018 to ¥3.97 billion at the end of March 2023.



In the lighting equipment sales industry, which is the main business of the Company, the rapid expansion of the LED lighting market in the first half of the 2010s was followed by a slowdown in growth as a reaction to the rapid expansion. However, the market has continued to expand, supported by the replacement demand of existing facilities and the market shift to high-value-added products that meet the demand for more sophisticated power consumption management in response to worsening environmental issues. Therefore, free cash flow is expected to remain stable and profitable in the future.

The Company's annual dividend over the past five years have been ¥30, ¥30, ¥15, ¥22.5, and ¥30, which indicates stable dividends. However, the average dividend payout ratio for the past five years was 16.9%, with a maximum of 23.1%, and a minimum of 10.0%, which is significantly below the average dividend payout ratio of approximately 35% for listed companies for the fiscal year ended March 31, 2023. Continuing to maintain a low dividend payout ratio in the future in the midst of large profits in free cash flow will lead to excessive cash reserves, which could result in a decline in value due to inflation, and investment losses due to unreasonable fund management, thereby creating unnecessary financial risks. In addition, the Company's Corporate Governance Policy, "Capital Policy and Shareholder Returns," states, "The Company's basic policy is to distribute one-third of all profits earned by the Company to shareholders, employees, and retained earnings, respectively." Failure to comply with this basic policy that the Company established and declared to external parties over a long period of time without any specific reason is an act that may give the impression to all parties concerned that the Company is neglecting corporate governance. Therefore, it is believed that there is an urgent need to adjust the dividend payout ratio to an appropriate level.

Based on the above, it is believed that paying a dividend of one-third of the actual EPS for the Company's 53rd fiscal year will contribute to improved medium- to long-term corporate value based on appropriate returns to shareholders, who are important stakeholders, improved financial risk management, and increased market confidence in the Company's financial management policies. Therefore, this proposal has been made.

[Opinion of the Board of Directors of the Company on Proposal 6]

The Board of Directors of the Company is against Proposal 6.

Our basic policy on capital policy and shareholder returns is to set maximum profit as a management objective, and to use the profits earned to strengthen our financial position and management base, while maintaining stable dividends and providing appropriate return of profit to shareholders.

The Company's dividends per share over the last five years have been ¥30.00 for the 48th fiscal year (the fiscal year ended March 31, 2019), ¥30.00 for the 49th fiscal year (the fiscal year ended March 31, 2020), ¥15.00 for the 50th fiscal year (the fiscal year ended March 31, 2021), ¥22.50 for the 51st fiscal year (the fiscal year ended March 31, 2022), and ¥30.00 for the 52nd fiscal year (the fiscal year ended March 31, 2023). Although the Company reduced the dividend in the 50th fiscal year due to a temporary decline in business performance as a result of the COVID-19 pandemic, we have been steadily strengthening profit return since then. In the 53rd fiscal year (the fiscal year ended March 31, 2024), non-consolidated business performance was higher than initially forecasted. Therefore, the Company's proposal is to increase the annual dividend from ¥35.0 forecasted at the beginning of the term to ¥40.00.

A dividend equivalent to one-third of the Group's consolidated net income, requested by the shareholder proposal, amid the business environment surrounding the Company, including the risk of rising prices and exchange rate fluctuations, may hinder the realization of medium- to long-term growth, including expansion of overseas business, which is expected to grow strongly in the future, and could make stable shareholder returns more difficult in the future. Therefore, the Board of Directors of the Company is against this proposal.

The Company is considering local growth investments and reinvestment in overseas business expansion where there are opportunities for high growth. Kunshan Endo Lighting Co., Ltd., which is a manufacturing subsidiary in China, has been in operation for 20 years and is now in a period of reinvestment, and we have started to consider investment for growth to increase production capacity. We are also considering investment for growth to further expand sales within Europe for Ansell in the UK.

We will use the surplus in the next medium-term management plan starting with the 55th fiscal year (the fiscal year ending March 31, 2026) to invest in the development of new businesses and new products from a long-term perspective and to improve the efficiency and labor-saving features of our management structure, after considering investment for growth and shareholder return initiatives, in order to further strengthen our corporate structure and competitiveness. We will also use the surplus to stably provide increased shareholder returns for shareholders going forward.

## **(Shareholder Proposal)**

### **Proposal 7            Acquisition of Own Shares**

#### **(i) Summary of the proposal**

Pursuant to Article 156, paragraph (1) of the Companies Act, within one year of the conclusion of this annual general meeting of shareholders, the Company shall acquire 735,000 shares of its common stock (approximately 5% of the total number of issued shares) at a total acquisition cost of up to ¥1,600 million by means of cash payment.

#### **(ii) Reasons for the Proposal**

Needless to say, enhancing capital adequacy contributes to improved corporate value through enhanced financial stability. However, an excessively conservative capital policy that places the highest priority on internal reserves and securing excessive capital adequacy effectively lowers corporate value by increasing the weighted average cost of capital (hereinafter referred to as “WACC”), which is taught in corporate finance theory.

Our capital adequacy ratio has steadily increased from 41.3% to 55.0% over the five-year period from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2023. The average growth rate over the past five years has been 2.7% for net sales and 4.1% for operating profit, and business has been highly stable, never falling into an operating deficit despite the intervening years of the COVID-19 pandemic. Regarding free cash flow, as described above in (1) Appropriation of Surplus, it is expected to remain stable and profitable in the future. Therefore, implementing a capital policy with a target capital adequacy ratio of 50% is believed to constitute sufficiently conservative financial management.

This proposal is based on the belief that maintaining an appropriate capital adequacy ratio and keeping WACC at a reasonable level will enable both effective financial risk management and medium- to long-term improvement in corporate value. More specifically, the intention is to improve corporate value over the medium- to long-term through stable capital policy management with a medium- to long-term capital adequacy ratio target of 50%. This proposal was made based on the belief that continuous acquisition of own shares based on a clear capital policy will contribute to improving the Company’s corporate value over the medium- to long-term, rather than a one-off acquisition of own shares.

[Opinion of the Board of Directors of the Company on Proposal 7]

The Board of Directors of the Company is against Proposal 7.

While the Company recognizes that acquisition of own shares is effective for improving capital efficiency and shareholder returns as well as for implementing a flexible capital policy in response to changes in the business environment, it also believes that such repurchases should be implemented at an appropriate time, taking into account the trading conditions and stock price of the Company's shares and balancing such repurchases with investments for future growth.

The Company believes that the acquisition of own shares of approximately 5% of the total number of issued shares, which is called for in the shareholder proposal, would undermine financial resources for growth investment being considered in our next medium-term management plan, the first year of which is the 55th fiscal year (the fiscal year ending March 31, 2026), and could stagnate our medium- to long-term growth and improvement in corporate value, and as a result, could damage the interests of our shareholders. Therefore, the Board of Directors of the Company is against this proposal.