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Securities code: 5991

Date of sending by postal mail: June 9, 2025

Start date of measures for electronic provision: June 4, 2025

To Our Shareholders,

Kazuhisa Uemura,
Representative Member of the Board
President & COO
NHK SPRING CO., LTD.
3-10, Fukuura, Kanazawa-ku, Yokohama

Notice of the 105th Annual General Meeting of Shareholders

NHK SPRING CO., LTD. (the “Company”) hereby provides notice of the 105th Annual General Meeting of Shareholders of the Company to be held as follows:

When convening the General Meeting of Shareholders, we have adopted measures for providing information in electronic format, which is posted on the following website on the Internet. Please access one of the websites for confirmation.

The Company’s website:

<https://www.nhkspg.co.jp/> (in Japanese)

(Please access the Company’s website above, select “Investors” and “General Meeting of Shareholders” from the menu, in that order, and confirm.)

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 “NHK Spring” in “Issue name (company name)” or the Company’s securities code “5991” 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].”)

1. Date and Time: Wednesday, June 25, 2025, at 10:00 a.m. (Reception starts at 9:00 a.m.) (JST)

2. Venue: NHK SPRING CO., LTD. Head Office
3-10, Fukuura, Kanazawa-ku, Yokohama

3. Purpose of the Meeting:

Matters to be reported:

1. The Fiscal Year 2024 Business Report, the Consolidated Financial Statements, and audit results of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the 105th term (from April 1, 2024 to March 31, 2025)
2. The Fiscal Year 2024 Non-consolidated Financial Statements for the 105th term (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

<Company Proposals>

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Nine (9) Members of the Board
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member (External)
- Proposal 4:** Partial Revision of Stock-based Remuneration System for Members of the Board

<Shareholder Proposal>

- Proposal 5:** Amendment to the Articles of Incorporation Concerning the Composition of Members of the Board (External)

4. Matters determined relating to convocation

- (1) When voting rights are exercised in writing, if there is no indication of approval or disapproval of the proposal in the voting right exercise form, it will be treated as if there was an indication of approval of the company proposals and disapproval of the shareholder proposal.
- (2) If voting rights are exercised multiple times via the Internet, the last exercise of voting rights will be treated as valid.
- (3) If voting rights are duplicately exercised via the Internet and in writing (by mail), the exercise of voting rights via the Internet will be treated as valid regardless of the date and time of arrival.

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company Proposals>

Proposal 1: Appropriation of Surplus

The Company recognizes return of profits to our shareholders as the top priority and our basic policy is to continue to distribute dividends stably.

In light of this and as a result of comprehensive consideration given to such matters as consolidated business performance and dividend payout ratio, the Company proposes that the year-end dividend for the term will be 39 yen per share (of which, 33 yen is an ordinary dividend and 6 yen is a special dividend resulting from record high profits at all levels including operating profit), increasing the payment by 14 yen per share compared with the previous term.

<The fiscal year-end dividend>

(1) Type of dividend property

Cash

(2) Assignment of the dividend property to shareholders and the total amount:

39 yen per share of common stock of the Company

Total amount: 7,960,760,964 yen

As the Company has already paid an interim dividend of 30 yen per share, the annual dividend for the term will be 69 yen per share.

(3) Effective date of dividends of surplus

June 26, 2025

Proposal 2: Election of Nine (9) Members of the Board

The terms of office of all nine (9) Members of the Board will expire at the conclusion of this General Meeting of Shareholders.

In addition, Members of the Board, Mr. Kiyohiko Kanmei and Mr. Hidefumi Yoshimura will retire at the conclusion of this General Meeting of Shareholders.

Accordingly, we hereby request the election of nine (9) Members of the Board, including two (2) new Members of the Board.

The candidates for positions of Members of the Board are as follows:

No.	Name	(Gender) (Age)	Position and areas of responsibility in the Company	Important concurrent positions outside the Company	Number of years in office	Attendance at Board of Directors meetings
1	Takashi Kayamoto [Reelection]	(Male) (69 years old)	Chairman & Representative Member of the Board, CEO	—	10	14/14 meetings (100%)
2	Kazuhisa Uemura [Reelection]	(Male) (64 years old)	Representative Member of the Board President & COO	—	7	14/14 meetings (100%)
3	Noritoshi Takamura [New election]	(Male) (64 years old)	Representative Member of the Board Executive Vice President & CQO, CTO	—	[New election]	—
4	Masayuki Horie [New election]	(Male) (63 years old)	Representative Member of the Board Executive Vice President President of Procurement Division	—	[New election]	—
5	Shunsuke Sasaki [Reelection]	(Male) (60 years old)	Member of the Board Senior Corporate Officer President of Sales Division	—	2	14/14 meetings (100%)
6	Keiichiro Sue [Reelection] [External] [Independent]	(Male) (67 years old)	Member of the Board (External)	—	10	14/14 meetings (100%)
7	Katsuko Tanaka [Reelection] [External] [Independent]	(Female) (79 years old)	Member of the Board (External)	—	9	14/14 meetings (100%)
8	Hiromi Tamakoshi [Reelection] [External] [Independent]	(Female) (62 years old)	Member of the Board (External)	—	5	14/14 meetings (100%)
9	Reiko Furukawa [Reelection] [External] [Independent]	(Female) (66 years old)	Member of the Board (External)	1	1	10/10 meetings (100%)

* The position and areas of responsibility in the Company are described as scheduled in the event that the election of each candidate is approved.

* Important concurrent positions are the number of concurrent positions as of the date of notification of convocation of this Annual General Meeting of Shareholders.



* The number of years in office is the number of years in office at the conclusion of this Annual General Meeting of Shareholders.

[Reelection] Candidate for reelected Member of the Board


[New election] Candidate for newly elected Member of the Board

[External] Candidate for Member of the Board (External)



[Independent] Candidate for Independent Officer

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company and important concurrent positions		Number of Company's shares owned
1	<p>Takashi Kayamoto (Male) (February 5, 1956) (69 years old)</p>  <p>[Reelection]</p> <p>Attendance at Board of Directors meetings 14/14 meetings</p>	<p>Apr. 1979 Joined the Company</p> <p>Jun. 2010 Corporate Officer Vice President of Research and Development Division and Director of Development Department</p> <p>Apr. 2013 Senior Corporate Officer President of Suspension Spring Division</p> <p>Jun. 2015 Member of the Board Senior Corporate Officer President of Sales Division</p> <p>Apr. 2016 Member of the Board Executive Corporate Officer President of Sales Division</p> <p>Apr. 2017 Representative Member of the Board President & COO</p> <p>Apr. 2019 Representative Member of the Board President & CEO</p> <p>Apr. 2024 Chairman & Representative Member of the Board, CEO (present)</p>		81,564
<p>Reason for election</p> <p>Dr. Takashi Kayamoto was appointed Representative Member of the Board and President in 2017 and Chairman & Representative Member of the Board in 2024, and he has abundant experience and advanced knowledge about the business activities of the Company through his duties, and accordingly, we request his reelection as a Member of the Board.</p>				
2	<p>Kazuhisa Uemura (Male) (July 24, 1960) (64 years old)</p>  <p>[Reelection]</p> <p>Attendance at Board of Directors meetings 14/14 meetings</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2014 Corporate Officer Vice President of Sales Division and Director of Seating & Component Sales Department</p> <p>Apr. 2018 Senior Corporate Officer President of Sales Division</p> <p>Jun. 2018 Member of the Board Senior Corporate Officer President of Sales Division</p> <p>Apr. 2022 Member of the Board Executive Corporate Officer President of Sales Division</p> <p>Apr. 2023 Member of the Board Executive Corporate Officer President of Corporate Planning and Control Division</p> <p>Apr. 2024 Representative Member of the Board President & COO (present)</p>		20,142
<p>Reason for election</p> <p>Mr. Kazuhisa Uemura was appointed Representative Member of the Board and President in 2024 after his service as President of Sales Division and President of Corporate Planning and Control Division, and he has abundant experience and advanced knowledge about the business activities of the Company through his duties, and accordingly, we request his reelection as a Member of the Board.</p>				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company and important concurrent positions	Number of Company's shares owned
3	<p>Noritoshi Takamura (Male) (August 16, 1960) (64 years old)</p>  <p>[New election]</p> <p>Attendance at Board of Directors meetings -/- meetings</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2014 Corporate Officer Vice President of Precision Spring and Components Division and Ina Plant Manager</p> <p>Apr. 2016 Corporate Officer Vice President of Precision Spring and Components Division and Director of Development Department</p> <p>Apr. 2017 Corporate Officer Vice President of Precision Spring and Components Division and Director of Engineering Department</p> <p>Dec. 2017 Corporate Officer Vice President of Precision Spring and Components Division</p> <p>Apr. 2019 Senior Corporate Officer Vice President of Precision Spring and Components Division</p> <p>Jan. 2020 Senior Corporate Officer Vice President of Engineering Division and Director of Quality Control Department</p> <p>Apr. 2021 Senior Corporate Officer Vice President of Engineering Division</p> <p>Apr. 2023 Executive Corporate Officer President of Precision Spring and Components Division, and in charge of Electrification Business Promotion Department</p> <p>Apr. 2025 Executive Vice President & CQO, CTO In charge of Electrification Business Promotion Department (present)</p>	16,232
<p>Reason for election</p> <p>Mr. Noritoshi Takamura has many years of experience in engineering and manufacturing fields and deep insight into these fields, as well as a wealth of experience relating to management through his duties as Vice President of Engineering Division and President of Precision Spring and Components Division and in charge of Electrification Business Promotion Department, and accordingly, we request his election as a Member of the Board.</p>			

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company and important concurrent positions		Number of Company's shares owned
4	<p>Masayuki Horie (Male) (April 19, 1962) (63 years old)</p>  <p>[New election]</p> <p>Attendance at Board of Directors meetings -/- meetings</p>	<p>Apr. 1986 Joined the Company</p> <p>Jun. 2009 Director of Administration Department of Disk Drive Suspension Division</p> <p>Apr. 2017 Corporate Officer Vice President of Suspension Spring Division and Director of Planning and Control Department</p> <p>Jan. 2019 Corporate Officer Vice President of Industrial Machinery and Equipment Division</p> <p>Apr. 2019 Corporate Officer Vice President of Industrial Machinery and Equipment Division and Director of Administration Department</p> <p>Apr. 2021 Senior Corporate Officer President of Industrial Machinery and Equipment Division</p> <p>Apr. 2024 Executive Corporate Officer President of Industrial Machinery and Equipment Division</p> <p>Apr. 2025 Executive Vice President President of Procurement Division (present)</p>		2,292
<p>Reason for election</p> <p>Mr. Masayuki Horie has extensive management experience through his duties as Director of Administration Department of Disk Drive Suspension Division, Vice President of Suspension Spring Division and President of Industrial Machinery and Equipment Division, and accordingly, we request his election as a Member of the Board.</p>				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company and important concurrent positions		Number of Company's shares owned
5	<div>Shunsuke Sasaki (Male) (October 2, 1964) (60 years old)</div> <div></div> <div>[Reelection]</div> <div>Attendance at Board of Directors meetings 14/14 meetings</div>	<div>Apr. 1987</div> <div>Apr. 2018</div> <div>Apr. 2019</div> <div>Apr. 2022</div> <div>Apr. 2023</div> <div>Jun. 2023</div>	<div>Joined the Company</div> <div>Corporate Officer; Representative Member of the Board and Executive Vice President of NHK International Corporation</div> <div>Corporate Officer Vice President of Suspension Spring Division and Director of Planning and Control Department</div> <div>Senior Corporate Officer Vice President of Suspension Spring Division and Director of Planning and Control Department</div> <div>Senior Corporate Officer, President of Sales Division</div> <div>Member of the Board Senior Corporate Officer President of Sales Division (present)</div>	<div>5,336</div>
	<div>Reason for election</div> <div>Mr. Shunsuke Sasaki has many years of experience in Sales Division and deep insight into this field, as well as a wealth of experience relating to management through his duties as Representative Member of the Board and Executive Vice President of NHK International Corporation, and Director of Planning and Control Department, Suspension Spring Division, and accordingly, we request his reelection as a Member of the Board.</div>			

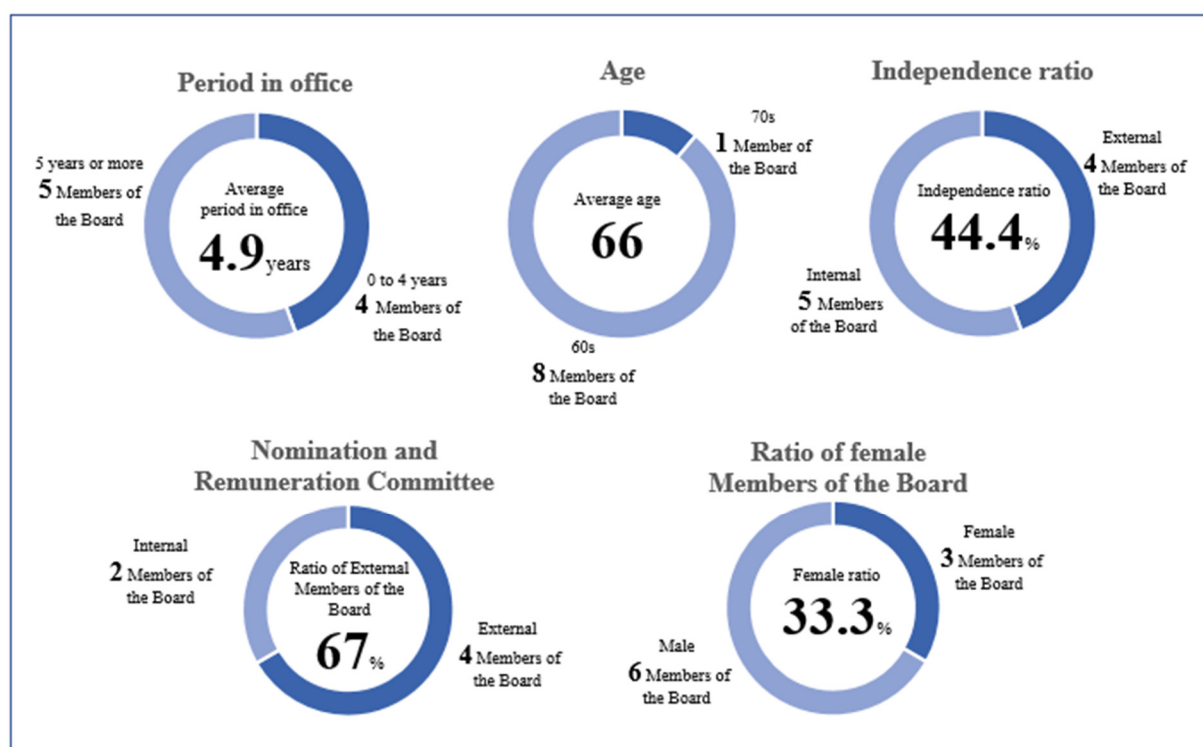
No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company and important concurrent positions		Number of Company's shares owned
6	<div>Keiichiro Sue (Male) (July 27, 1957) (67 years old)</div> <div></div> <div>[Reelection] [External] [Independent]</div> <div>Attendance at Board of Directors meetings 14/14 meetings</div>	<div>Apr. 1984</div> <div>Registered as Attorney at Law (a member of Dai-Ichi Tokyo Bar Association) Joined the Nobuo Takai Law Firm</div> <div>Jan. 1989</div> <div>Joined Matsuo & Kosugi</div> <div>Oct. 1995</div> <div>Registered as Attorney at Law in New York State, USA</div> <div>Jun. 2009</div> <div>Partner of Blakemore & Mitsuki (present)</div> <div>Jun. 2014</div> <div>External Director of METAWATER Co., Ltd.</div> <div>Jun. 2014</div> <div>Corporate Auditor (External) of the Company</div> <div>Jun. 2015</div> <div>Member of the Board (External) of the Company (present)</div>		None
	<div>Reason for election and expected role</div> <div>Since being appointed as Member of the Board (External) in 2015, Dr. Keiichiro Sue has appropriately fulfilled the role of overseeing the execution of business, as well as having a wealth of experience as an attorney at law. He has never in the past been directly involved in the management of a company except as an external officer. However, we judge that he can be expected to provide objective opinions on the operation of a business enterprise, and contribute to strengthening the corporate governance of the Company, and accordingly, we request his reelection as a Member of the Board (External).</div>			
7	<div>Katsuko Tanaka (Female) (September 3, 1945) (79 years old)</div> <div></div> <div>[Reelection] [External] [Independent]</div> <div>Attendance at Board of Directors meetings 14/14 meetings</div>	<div>Apr. 1970</div> <div>Researcher, hygiene class, Okayama University Medical School (Worked in the local hospital.)</div> <div>Jul. 1970</div> <div>Medical license registration (No. 207731)</div> <div>May 1976</div> <div>Worked at Yokohama City Hall</div> <div>May 1998</div> <div>Mayor, Sakae Ward, Yokohama City</div> <div>Apr. 2000</div> <div>Director General, Social Welfare Bureau, Yokohama City</div> <div>Apr. 2004</div> <div>Director General, Civic Affairs Bureau, Yokohama City</div> <div>Apr. 2006</div> <div>Trustee and Secretary General of Public University Corporation Yokohama City University</div> <div>Apr. 2013</div> <div>Chairperson of Yokohama City University</div> <div>Jun. 2016</div> <div>Member of the Board (External) of the Company (present)</div>		None
	<div>Reason for election and expected role</div> <div>Since being appointed as Member of the Board (External) in 2016, Dr. Katsuko Tanaka has appropriately fulfilled the role of overseeing the execution of business and she has extensive experience relating to organizational management of public bodies. She has never in the past been directly involved in the management of a company except as an external officer. However, we judge that she can be expected to provide objective opinions on the operation of a business enterprise, and accordingly, we request her reelection as a Member of the Board (External).</div>			

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company and important concurrent positions		Number of Company's shares owned
8	<div>Hiromi Tamakoshi (Female) (June 18, 1962) (62 years old)</div> <div></div> <div>[Reelection] [External] [Independent]</div> <div>Attendance at Board of Directors meetings 14/14 meetings</div>	Oct. 1987 Apr. 1999 Apr. 2017 Jun. 2020 Apr. 2021	Joined Chuo Audit Corporation Registered as Attorney at Law (Kanagawa Bar Association) Joined Ryoji Kimura Law Office Auditor of Yokohama City University Member of the Board (External) of the Company (present) Established Yokohama Nagomi Law Office (present)	None
	Reason for election and expected role Since being appointed as Member of the Board (External) in 2020, Ms. Hiromi Tamakoshi has appropriately fulfilled the role of overseeing the execution of business, as well as having a wealth of experience as an attorney at law. She has never in the past been directly involved in the management of a company except as an external officer. However, we judge that she can be expected to provide objective opinions on the operation of a business enterprise, and contribute to strengthening the corporate governance of the Company, and accordingly, we request her reelection as a Member of the Board (External).			
9	<div>Reiko Furukawa (Female) (February 12, 1959) (66 years old)</div> <div></div> <div>[Reelection] [External] [Independent]</div> <div>Attendance at Board of Directors meetings 10/10 meetings</div>	Apr. 1981 Apr. 2005 Apr. 2007 Apr. 2009 Apr. 2011 Apr. 2014 Jul. 2017 Jun. 2022 Jun. 2024	Joined Nippon Univac Kaisha, Ltd. (currently, BIPROGY Inc.) General Manager of Service Department, Mechanical Solutions Division, Nihon Unisys Excelutions, Ltd. (currently, UEL Corporation) General Manager of Industry Development Department Executive Officer General Manager of Outsourcing Planning Department, MBK Outsourcing Center, UNIADEX, Ltd. General Manager of Quality Assurance Department Full-time Audit & Supervisory Board Member of UNIADEX, Ltd. Audit & Supervisory Board Member (External) of the Company Director (Outsider) of Hanwa Co., Ltd. (present) Member of the Board (External) of the Company (present)	None
	Reason for election and expected role Since being appointed as Member of the Board (External) in 2024, Ms. Reiko Furukawa has appropriately fulfilled the role of overseeing the execution of business, she has extensive experience relating to the management of a business enterprise and deep insight into this field and can be expected to provide objective opinions on the operation of a business enterprise and advice on overall management of the Company, and accordingly, we request her reelection as a Member of the Board (External).			

Notes to Proposal 2:

1. There is no special interest between the candidates and the Company.
2. Dr. Keiichiro Sue, Dr. Katsuko Tanaka, Ms. Hiromi Tamakoshi and Ms. Reiko Furukawa are candidates for Members of the Board (External).
3. The Company's Articles of Incorporation allow for the conclusion of agreements limiting the liability specified in Article 423, Paragraph 1 of the Companies Act to two years of remuneration and other consideration received or to be received for the performance of duties, and if the election of Dr. Keiichiro Sue, Dr. Katsuko Tanaka, Ms. Hiromi Tamakoshi and Ms. Reiko Furukawa is approved as proposed, the Company plans to renew such limited liability agreement.
4. The Company has concluded a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. In the event that a claim for damages is filed by a shareholder or third party, etc., the insurance policy will cover the damages and litigation costs, etc. to be paid by an insured party. If the election of each candidate is approved as proposed, the Company plans to include them as insured parties under the insurance policy.
5. Notification has been submitted to Tokyo Stock Exchange, Inc. that Dr. Keiichiro Sue, Dr. Katsuko Tanaka, Ms. Hiromi Tamakoshi and Ms. Reiko Furukawa have been appointed as independent officers as provided for by the regulations of the aforementioned exchange. If their reelection is approved, the Company plans for them to continue as independent officers.
6. Dr. Keiichiro Sue, Dr. Katsuko Tanaka, Ms. Hiromi Tamakoshi and Ms. Reiko Furukawa are candidates for Members of the Board (External). At the conclusion of this meeting, the tenures since assuming office as Members of the Board (External) will have been ten years, nine years, five years and one year, respectively.

(Reference) Structure of the Board of Directors if Proposal 2 is approved




Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member (External)

This proposal is to request the election of one (1) Substitute Audit & Supervisory Board Member (External) to provide for the case in which the number of Audit & Supervisory Board Member (External) falls short of the number stipulated in laws and regulations.

Consent of the Audit & Supervisory Board has been obtained concerning this proposal.

The candidate for position of Substitute Audit & Supervisory Board Member (External) is as follows:

Name (Date of birth)	Career summary, position and important concurrent positions	Number of Company's shares owned
Nobuaki Mukai (Male) (April 19, 1969) (56 years old) 	Apr. 1996 Registered as Attorney at Law (Dai-Ichi Tokyo Bar Association) Joined Momo-o, Matsuo & Namba 2001 Registered as Attorney at Law in New York State, USA Jan. 2004 Partner of Momo-o, Matsuo & Namba (present) Apr. 2022 Specially Appointed Professor (Antitrust Law) of department of Business Law, Graduate School of Law, Hitotsubashi University Apr. 2024 Visiting Professor (Antitrust Law) of department of Business Law, Graduate School of Law, Hitotsubashi University (present)	None
Reason for election Dr. Nobuaki Mukai has had no experience in corporate management, but he has professional knowledge and experience in corporate legal affairs as an attorney at law and therefore the Company nominates him as the candidate for Substitute Audit & Supervisory Board Member (External).		

Notes to Proposal 3:

1. There is no special interest between the candidate and the Company.
2. Dr. Nobuaki Mukai is a candidate for Substitute Audit & Supervisory Board Member (External).
3. The Company's Articles of Incorporation allow for the conclusion of agreements limiting the liability specified in Article 423, Paragraph 1 of the Companies Act to two years of remuneration and other consideration received or to be received for the performance of duties, and if Dr. Nobuaki Mukai assumes office as Audit & Supervisory Board Member (External), the Company plans to enter into such limited liability agreement with him.
4. The Company has concluded a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. In the event that a claim for damages is filed by a shareholder or third party, etc., the insurance policy will cover the damages and litigation costs, etc. to be paid by an insured party. If Dr. Nobuaki Mukai is elected as Audit & Supervisory Board Member (External), the Company plans to include him as an insured party under the insurance policy.
5. If Dr. Nobuaki Mukai assumes office as Audit & Supervisory Board Member (External), the Company plans to register him with Tokyo Stock Exchange as an independent officer as provided for by the aforementioned exchange.

Proposal 4: Partial Revision of Stock-based Remuneration System for Members of the Board

1. Reason for the proposal and reason why the proposal is deemed appropriate

At the 102nd Annual General Meeting of Shareholders held on June 28, 2022, the Company received approval of the introduction of a Board Benefit Trust (BBT; “the Current BBT System”), a stock-based remuneration system, for Member of the Board (excluding Members of the Board (External) of the Company; the following shall be the same in this proposal unless otherwise noted), which continues to this day (hereinafter, the resolution at the Annual General Meeting of Shareholders above shall be referred to as “the Original Resolution”).

This proposal is to request approval of the revision of the Current BBT System into a Board Benefit Trust-Restricted Stock (BBT-RS; “the System”) as specified in 2. below in order to make it serve as an appropriate incentive to increase the Company’s medium- to long-term corporate value and enhance its alignment with the purpose of this system, which is to promote shared value with our shareholders.

This proposal aims to clarify the linkage between the remuneration of Members of the Board and the value of shares, and to raise awareness that Members of the Board contribute to the improvement of medium- to long-term performance and enhance corporate value by sharing not only the merits of rising stock price but also the risk of stock price declines with shareholders, and we received reports from the Nomination and Remuneration Committee, of which independent Members of the Board (External) form a majority, that the introduction of the System is appropriate, based on the purpose of the System, effects of providing an incentive for medium- to long-term performance improvement and other factors. In addition, if this proposal is approved, the Policy on Determination of Remuneration, etc., of Individual Members of the Board will be revised as specified in <Reference> below at the Board of Directors meeting after the conclusion of this Annual General Meeting of Shareholders in order to ensure consistency with the approval. Thus, this proposal is also in line with the Company’s Policy on Determination of Remuneration, etc., of Individual Members of the Board (see below). As a result, the Company believes that the content of this proposal is appropriate.

Separate from the amount of Member of the Board remuneration (up to 600 million yen per year; of which, up to 100 million yen for Members of the Board (External)) approved at the 104th Annual General Meeting of Shareholders held on June 25, 2024, the Company requests approval of the specific calculation method and specific details of the amount of remuneration, etc. in order to provide remuneration based on the System to Members of the Board of the Company. Details of the System will be left to the discretion of the Board of Directors within the details outlined in 2. below.

In addition, if Proposal 2 is approved as proposed, the number of Members of the Board eligible for the System will be five (5).

Notwithstanding this revision, the provision of the Company’s shares based on the points given to Members of the Board by the end of June 2025 under the Current BBT System shall be made at the time of their retirement, as before, in principle, pursuant to the Original Resolution.

2. Specific calculation method and specific details of the amount of remuneration, etc. pertaining to the System

The content of the existing, Current BBT System shall be partially revised as below.

(1) Overview of the System

Under the System, which is a stock-based remuneration system, shares of the Company will be placed in a trust (hereinafter, referred to as “the Trust” established under the Current BBT System) using the money contributed by the Company as the source of funds, and the Company’s shares and cash equivalent to the amount calculated by converting the Company’s shares into market value (“the Company’s Shares, etc.”) will then be provided to Members of the Board through the Trust in accordance with the Officer’s Stock Benefit Regulations established by the Company.

Members of the Board will receive the Company’s shares in principle at the specified time each year and cash equivalent to the amount calculated by converting the Company’s shares into market value in principle when they retire. In the event that Members of the Board receive the Company’s shares during

their term of office, they shall conclude a share transfer restriction agreement with the Company beforehand, as specified in 3. Accordingly, the Company's shares received by Members of the Board during their term of office shall be restricted from being disposed of by transfer, etc., until the retirement of the Members of the Board.

(2) Eligible persons under the System

Members of the Board (Member of the Board (External) and Audit & Supervisory Board Members are not eligible for the System)

(3) Trust period

From August 2022 until the end of the Trust (the trust period of the Trust does not have a specific closing date, and the Trust will continue as long as the System continues. The System ends due to delisting of the Company's shares or the abolition of the Officer's Stock Benefit Regulations, etc.)

(4) Trust amount

Subject to approval of this proposal, the Company shall refer to the five fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030 (hereinafter referred to as the "BBT-RS Initial Target Period," and the period for each of the five fiscal years that starts after the BBT-RS Initial Target Period and the BBT-RS Initial Target Period is referred to as the "Target Period," respectively) and introduce the System for each period thereafter. In order to provide the Company's Shares, etc. for Members of the Board, the Company's shares and cash acquired by the Trust with cash contributed by the Company under the Current BBT System as a source of funds and remaining in the trust property shall be allocated to the source of benefits based on the System following the revision of the system by approval and adoption of this proposal.

Should the Company find itself in a situation where the number of shares necessary to provide benefits to Members of the Board based on the System for the BBT-RS Initial Target Period is expected to be insufficient, the Company shall reasonably anticipate such required number, and will make additional contributions to the Trust using funds deemed necessary for the Trust to acquire shares in advance.

In addition, even after the BBT-RS Initial Target Period has elapsed, until the end of the System, the Company shall, in principle, reasonably anticipate the number of shares necessary to provide benefits to Members of the Board based on the System for each Target Period, and will make additional contributions to the Trust using funds deemed necessary for the Trust to acquire shares in advance. Provided, however, that in the case of such additional contributions, when there are the Company's shares remaining in the trust property (excluding those that are shares equivalent to the number of points awarded to Members of the Board in relation to each of the previous Target Periods, and whose benefits to Members of the Board have not yet expired) and cash (hereinafter referred to as "residual stock, etc."), the residual stock, etc. shall be allocated to the source of benefits based on the System during the subsequent Target Period, and the additional contribution amount shall be calculated taking into consideration the residual stock, etc.

When it decides to make additional contributions, the Company will disclose such in a timely and appropriate manner.

(5) Method of acquisition of the Company's shares by the Trust and the number of shares to be acquired

The acquisition of the Company's shares by the Trust shall be carried out through the stock exchange market or by a method of underwriting the disposal of the Company's treasury stock, using the funds contributed by (4) above as the source. Since the maximum number of points awarded to Members of the Board is 100,000 points per fiscal year, as shown in (6) below, the maximum number of shares acquired by the Trust for each Target Period will be 500,000 shares. Details regarding the acquisition of the Company's shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Maximum number of the Company's Shares, etc. to be provided to Members of the Board

Members of the Board will be awarded a specified number of points for each fiscal year, taking into account their positions, etc. in accordance with the Officer's Stock Benefit Regulations. The total number of points awarded to Members of the Board per fiscal year will be limited to 100,000 points.

This is determined by comprehensively considering the current level of executive compensation, trends in the number of Members of the Board, and future prospects, and is judged to be appropriate.

Each point awarded to Members of the Board will be converted into one common share at the time of the provision of the Company's Shares, etc. set forth in (7) below (if, however, after approval of this proposal, there is a stock split, gratis allotment, or reverse stock split, etc. of the Company's shares, according to the ratio, etc., the Company will make reasonable adjustments to the maximum number of points and the number of points awarded or the conversion ratio).

The ratio of 1,000 voting rights related to shares equivalent to the maximum number of points per fiscal year granted to Members of the Board to the number of voting rights related to the total number of issued shares (2,039,567 voting rights; as of March 31, 2025) is approximately 0.04903%.

In principle, the number of points for Members of the Board, which forms the basis for the provision of the Company's Shares, etc. as set forth in (7) below shall be the number of points awarded to the Member of the Board by the time of determination of beneficiary rights as set forth in (7) below (hereinafter referred to as the "number of confirmed points").

(7) Provision of the Company's Shares, etc. and specific calculation method of the amount of remuneration, etc.

Members of the Board who meet the beneficiary requirements stipulated in the Officer's Stock Benefit Regulations, in principle, will receive benefits from the Trust at the specified time each year for the number of the Company's shares based on the number of confirmed points stipulated in accordance with the provisions of (6) above by performing the prescribed beneficiary determination procedure. However, if they meet the requirements stipulated in the Officer's Stock Benefit Regulations, they will receive monetary compensation equivalent to the market value of the Company's shares in principle at the time of their retirement to a certain percentage of the points, instead of the provision of the Company's shares. In order to provide monetary compensation, the Company's shares may be sold via the Trust.

In the event that Members of the Board receive the Company's shares during their term of office, they shall conclude a share transfer restriction agreement with the Company beforehand, as specified in 3. Accordingly, the Company's shares received by Members of the Board during their term of office shall be restricted from being disposed of by transfer, etc., until the retirement of the Members of the Board.

Even if a Member of the Board has been granted points, if he/she is resolved to be dismissed at the General Meeting of Shareholders or the Board of Director meeting, if he/she resigns due to certain illegalities during his/her term of office, or if he/she engages in an inappropriate act that may cause damage to the Company during his/her term of office, said Member of the Board shall not be able to obtain the right to receive benefits in whole or in part by decision of the Board of Directors. At the same time, in the event that a Member of the Board who received shares and monetary compensation is found to have engaged in certain illegalities or an inappropriate act that may cause damage to the Company during his/her term of office, the Company may claim the return of some or all of such benefits by decision of the Board of Directors.

The amount of remuneration, etc. received by Members of the Board, at the time points are awarded, shall be the total of the number of points awarded to Members of the Board multiplied by the book value per share of the Company's shares held by the Trust (however, in the event of a stock split, gratis allotment, or reverse share split, etc. of the Company's shares, reasonable adjustments will be made according to the ratio, etc.). In addition, if deemed appropriate in such instances where cash is provided as an exception in accordance with the provisions of the Officer's Stock Benefit Regulations, the amount of said cash shall be added to the total.

(8) Exercising of voting rights

Voting rights pertaining to the Company's shares in the Trust Account shall not be exercised uniformly based on the order of the trust custodian. By such a method, the Company intends to ensure neutrality in the management of the Company in the exercise of voting rights pertaining to the Company's shares in the Trust Account.

(9) Handling of dividends

Dividends pertaining to the Company's shares in the Trust Account will be received by the Trust and used for the acquisition cost of the Company's shares and the trust fees of the Trustee pertaining to the Trust. In the case of termination of the Trust, dividends, etc. remaining in the Trust will be prorated to Members of the Board who are in office at that time according to the provisions of the Officer's Stock Benefit Regulations, depending on the number of points held by each.

(10) Handling at the end of the Trust

The Trust shall be terminated in the event of a reason such as the delisting of the Company's shares or the abolition of the Officer's Stock Benefit Regulations.

All remaining assets of the Trust upon termination of the Trust will be acquired free of charge by the Company and will be cancelled by resolution of the Board of Directors. Of the remaining assets of the Trust upon its termination, the remainder of the cash, excluding the cash provided to Members of the Board as described in (9) above, will be provided to the Company.

3. Overview of a share transfer restriction agreement related to the Company's shares provided to Members of the Board

In the event that a Member of the Board receives the Company's shares during his/her term of office, he/she shall conclude a share transfer restriction agreement which includes the following as an outline with the Company beforehand (the "Share Transfer Restriction Agreement"; Members of the Board receive the Company's shares subject to conclusion of the Share Transfer Restriction Agreement).

(1) Details of transfer restrictions

In principle, a Member of the Board may not engage in transfer, creation of a security interest on or other disposition of the Company's shares provided thereto from the date of receipt of the Company's shares to his/her retirement.

(2) Acquisition by the Company without compensation

In the event that a Member of the Board engaged in certain illegalities or does not meet the requirements for lifting transfer restrictions described in (3) below, the Company shall acquire the relevant shares without compensation.

(3) Lifting of transfer restrictions

In principle, when a Member of the Board resigns for justifiable reasons or due to death, transfer restrictions shall be lifted at that time.

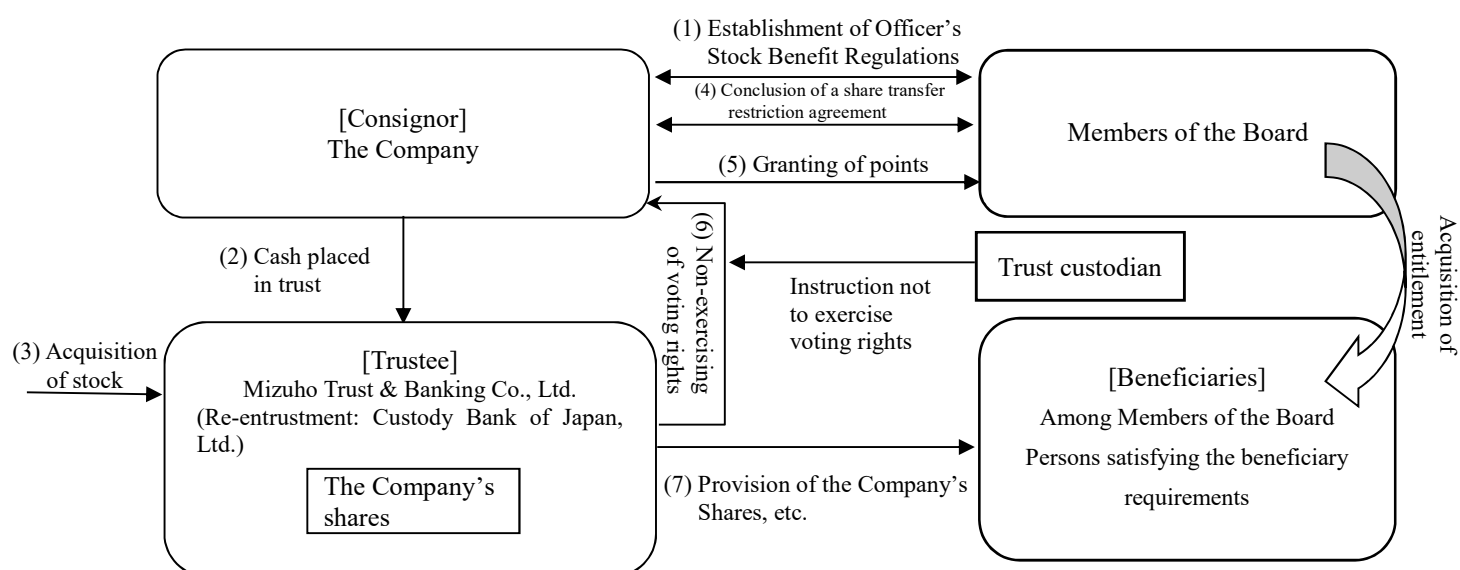
(4) Treatment in the event of reorganization, etc.

If a merger agreement in which the Company is the disappearing company or other matters related to reorganization, etc. are approved at the General Meeting of Shareholders, etc., transfer restrictions shall be lifted immediately before the business day preceding the effective date of such reorganization, etc., by resolution of the Board of Directors of the Company.

The shares of the Company subject to transfer restrictions under the Share Transfer Restriction Agreement shall be managed in a dedicated account opened by the relevant Member of the Board at a securities firm designated by the Company throughout the restriction period, in order to prevent them from being subject to transfer, creation of a security interest or other disposition during such period.

In addition to the above, the methods of expression of intention and notification under the Share Transfer Restriction Agreement, the methods of amending the Share Transfer Restriction Agreement and other matters determined by the Board of Directors shall constitute the contents of the Share Transfer Restriction Agreement.

<Reference: Mechanisms of the System>



- (i) The Company shall establish the Officer's Stock Benefit Regulations within the framework approved for this proposal.
- (ii) The Company will place cash in trust to the extent that it has been approved under this proposal.
- (iii) The Trust will acquire the Company's shares using the cash in trust in (2) as the source of funds through the stock exchange market or by a method of underwriting the disposal of the Company's treasury stock.
- (iv) Members of the Board will conclude a share transfer restriction agreement with the Company that includes a provision that restricts the transfer of the Company's shares received during their tenure of office until their retirement, as well as a provision that allows the Company to acquire a certain number of shares without compensation.
- (v) The Company will grant points to Members of the Board in accordance with the Officer's Stock Benefit Regulations.
- (vi) The Trust will not exercise voting rights pertaining to the Company's shares in the Trust Account in accordance with the instructions of the trust custodian independent of the Company.
- (vii) The Trust will provide the Company's shares based on the number of points awarded to Members of the Board who satisfy the beneficiary requirements set forth in the Officer's Stock Benefit Regulations (hereinafter referred to as "Beneficiaries") at the specified time each year. However, if Members of the Board meet the requirements stipulated in the Officer's Stock Benefit Regulations, the Company will provide them with monetary compensation equivalent to the market value of the Company's shares in principle at the time of their retirement to a certain percentage of the points.

<Reference: Policy on Determination of Remuneration, etc., of Individual Members of the Board>

If this proposal is approved, the following policy draft will be resolved at the Board of Directors meeting immediately after this General Meeting of Shareholders.

Overview of the Policy on Determination of Remuneration, etc., of Individual Members of the Board

The remuneration for the Company's Members of the Board shall be determined based on the Basic Policy on Compensation for Officers. Specifically, Member of the Board remuneration shall consist of fixed remuneration as monetary remuneration, performance-linked remuneration, and stock-based remuneration as non-monetary remuneration. In view of their duties, Members of the Board (External) shall only be paid fixed remuneration. Fixed remuneration shall be monthly remuneration according to the responsibilities of each position. Performance-linked remuneration shall be cash compensation that reflects performance indicators in order to raise awareness of performance improvement for each fiscal year. The amount calculated based on the level of consolidated ordinary income for the current fiscal year and the amount of change in consolidated ordinary income compared to the previous fiscal year shall be paid annually at a predetermined time as a bonus. Non-monetary remuneration shall be used as stock-based remuneration by a Board Benefit Trust in order to provide incentive to improve the Company's medium- to long-term performance and increase corporate value. Shares with restriction on transfer according to points based on the position granted at a predetermined time every year will be provided. With regard to the amount of remuneration for individuals, based on the resolution of the Board of Directors, the determination of the specific content shall be delegated to consultations of the Representative Member of the Board based on contents of reports by the Nomination and Remuneration Committee.

<Shareholder Proposal>

Proposal 5: Amendment to the Articles of Incorporation Concerning the Composition of Members of the Board (External)

Proposal 5 is made by LONGCHAMP SICAV (shareholder proposal).

The outline of and reason for the proposal is described as per original text.

(1) Outline of proposal

Article 19 of the Company's Articles of Incorporation shall be amended as follows in order to make Members of the Board (External) the majority of Members of the Board.

Before amendment	After amendment
(Number of members) Article 19 1. The Company shall have twelve (12) or fewer Members of the Board. <u>2. (Newly established)</u>	(Number of members) Article 19 1. The Company shall have twelve (12) or fewer Members of the Board. <u>2. As long as the Company remains a listed company, a majority of the Company's Members of the Board shall be Outside Directors as defined in Article 2, Paragraph 1, Item 15 of the Companies Act.</u>

(2) Reason for proposal

Our company believes that a board of directors' diversity and independence are indispensable in today's management of a listed company. A diverse board of directors refers to a board capable of making management decisions from a wide range of perspectives, including skills, experience, age, nationality, and gender. An independent board of directors refers to a board where a majority of the members are independent external directors.

Principle 4.8 of the Corporate Governance Code states that "Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors." In addition, Principle 4.7 of the Corporate Governance Code states that one of the roles and responsibilities of independent external directors is to "appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders."

Although the Company currently has four (4) Members of the Board (External) out of nine (9) Members of the Board in total, which satisfies the requirements of the Corporate Governance Code principles, we believe that being more proactive and making Members of the Board (External) the majority of the Board will enable us to further improve capital efficiency, enhance shareholder returns, and establish a governance structure that contributes to our sustainable growth and corporate value enhancement over the medium to long term.

In addition to the number of Members of the Board (External), we believe that the qualifications of Members of the Board (External) should be such that they can contribute to the Company's sustainable growth and medium- to long-term improvement of corporate value, and in this regard, the Company should consider appointing individuals, such as women and analysts, with deep experience and skills.

The appointment of "highly experienced and skilled equity analysts" will bring the perspective of outside investors and shareholders to the Board of Directors, and at the same time, we believe it is an effective means of contributing to the enhancement of corporate value through sound risk-taking. Although the Boards of Directors of listed companies and investors/shareholders share the same goal of increasing corporate value over the long term, unfortunately in Japan, the two are often viewed as adversaries. We believe that having Members of the Board with the experience and skills mentioned above participate in Board discussions and decision-making will help to make the relationship between the Board and the stock market more constructive through sound risk-taking and capital allocation, as well as better communication with the market. It is often explained that bankers and accountants are responsible for the finance portion of the Board's skill matrix, but from the perspective of promoting "sound risk-taking," we believe that expertise in accounting and debt markets alone is not sufficient, and that is where the appointment of equity market professionals is significant.

<Opinion of Board of Directors of the Company>

The Board of Directors of the Company opposes this shareholder proposal (Proposal 5).

Establishing a provision in the Articles of Incorporation to make Members of the Board (External) the majority of Members of the Board could reduce the recruitment selection of flexible human resources for societal conditions and changes and potentially hinder the Company's ability to structure the Board of Directors optimally and to improve its effectiveness. As such, the Board of Directors objects to this proposal.

The Company has established a Nomination and Remuneration Committee, a majority of the members of which are independent Members of the Board (External), as a voluntary advisory body to the Board of Directors to ensure objectivity and transparency in the nomination of Members of the Board and in decisions regarding their remuneration.

Regarding the appointment of candidates for Members of the Board, based on deliberations and recommendations from the Nomination and Remuneration Committee, and in light of the Company's business strategy, the Board of Directors has decided to seek out individuals who possess deep insight into our business, act in accordance with our corporate philosophy, have the ability to collaborate with other officers and solve problems, and maintain a strong awareness of compliance with laws and corporate ethics, by comprehensively considering these and other factors to ensure that candidates for Members of the Board contribute to enhancing corporate value. The candidates for Members of the Board proposed at this Annual General Meeting of Shareholders have been selected through this decision-making process. Based on the above, the Company has defined the necessary skills for Members of the Board and Audit & Supervisory Board Members to achieve the 2026 Medium-term Management Plan and to contribute to the realization of a sustainable society by providing "indispensable key parts." These skills are defined as: Corporate Management, Technology/Research and Development/Manufacturing, Finance/Accounting, Sales/Marketing, Overseas Experience/Internationality, Global Environment, Human Resources/Labor/Human Rights, Corporate Governance, Risk Management/Compliance/Legal, and IT/DX. As demonstrated in the skills matrix to be provided later, the candidates for Members of the Board proposed by the Company at this Annual General Meeting of Shareholders comprehensively cover these skills. Under our Board of Directors structured based on this philosophy, the Company has consistently engaged in discussions aimed at sustainably growing corporate value while leveraging the supervisory function of our independent Members of the Board (External) over the Board of Directors.

Furthermore, within the same Medium-term Management Plan, the Company has set a target of achieving a consolidated ROE of 10% or higher and is implementing various financial measures aimed at achieving this target. In addition to continuously increasing dividends since the fiscal year ended March 31, 2022 (for the fiscal year ended March 2025, it increased by 27 yen year on year to 69 yen), we are steadily implementing proactive shareholder returns, such as ongoing treasury share purchases (cumulative treasury share purchases of 15,610,000 shares expected for the fiscal year ended March 31, 2025). We believe that we have established a governance system that contributes to our sustainable growth and enhancement of our corporate value over the medium to long term.

If the proposal for the appointment of Members of the Board (including Members of the Board (External)) submitted by the Company at this Annual General Meeting of Shareholders is approved, the Board of Directors will consist of nine (9) members, of whom four (4) will be independent Members of the Board (External), resulting in an independent Member of the Board (External) ratio of 44.4%. This fulfills the requirement under the Corporate Governance Code for companies listed on the Prime Market to have independent external directors comprise at least one-third of their board members. Furthermore, as three (3) of the independent Members of the Board (External) are female, the ratio of female Members of the Board will be 33.3%.

The Company's Board of Directors is composed of internal Members of the Board who are highly knowledgeable about its business and possess extensive experience and expertise, as well as Members of the Board (External) with diverse professional knowledge, including experienced business executives, attorneys at law, certified public accountants, and individuals with organizational management experience in government institutions. We believe that the Board of Directors is of an appropriate size and composition to ensure a balance of skills and diversity, fostering frank and active discussions from objective perspectives.

As described above, the Board of Directors, if composed of the candidates for Members of the Board proposed by the Company, will have sufficient independence and diversity necessary to oversee the

execution of management, and we believe this will benefit our shareholders through the sustainable enhancement of our corporate value.

The Board of Directors of the Company, therefore, opposes the shareholder proposal regarding the “Amendment to the Articles of Incorporation Concerning the Composition of Members of the Board (External).”

(Reference) Executive structure if Proposal 2 is approved

The abilities and experience of Members of the Board and Audit & Supervisory Board Members of the Company in relation to the skills required for the Company to achieve its 2026 Medium-term Management Plan and to contribute to a sustainable society by supplying “indispensable key parts” are as follows:

Note: The following table does not represent all the knowledge possessed by Members of the Board and Audit & Supervisory Board Members.

Of the expected skills in the following table, a “○” indicates skills possessed by each candidate and a “◎” indicates an area in which a candidate can particularly demonstrate his/her expertise.

The expected skills for the Members of the Board and Audit & Supervisory Board Members are reviewed according to changes in the business environment and management policies.

Name	Position	Gender	Attribute	Qualifications	Expected Skill	
					Corporate Management	Technology/ Research and Development/ Manufacturing
Takashi Kayamoto	Chairman & Representative Member of the Board, CEO	Male	[Nomination and Remuneration Committee member]		◎	◎
Kazuhisa Uemura	Representative Member of the Board President & COO	Male	[Nomination and Remuneration Committee member]		◎	
Noritoshi Takamura	Representative Member of the Board Executive Vice President & CQO, CTO	Male			◎	◎
Masayuki Horie	Representative Member of the Board Executive Vice President President of Procurement Division	Male			◎	
Shunsuke Sasaki	Member of the Board Senior Corporate Officer President of Sales Division	Male			○	
Keiichiro Sue	Member of the Board (External)	Male	[External] [Independent] [Nomination and Remuneration Committee member]	Attorney at law Attorney at Law in New York State, USA		
Katsuko Tanaka	Member of the Board (External)	Female	[External] [Independent] [Nomination and Remuneration Committee member]	Doctor		
Hiromi Tamakoshi	Member of the Board (External)	Female	[External] [Independent] [Nomination and Remuneration Committee member]	Attorney at law Certified public accountant		
Reiko Furukawa	Member of the Board (External)	Female	[External] [Independent] [Nomination and Remuneration Committee member]		○	
Masakazu Toyoda	Audit & Supervisory Board Member	Male			○	
Naoya Mizutani	Audit & Supervisory Board Member	Male				
Ichiro Ebihara	Audit & Supervisory Board Member (External)	Male	[External] [Independent]	Certified public accountant	○	
Yuko Yamada	Audit & Supervisory Board Member (External)	Female	[External] [Independent]	Certified internal auditor U.S. certified public accountant		

Name	Expected Skill							
	Finance/ Accounting	Sales/ Marketing	Overseas Experience/ Inter- nationality	Global Environment	Human Resources/ Labor/ Human Rights	Corporate Governance	Risk Management/ Compliance/ Legal	IT/DX
Takashi Kayamoto		◎	○	○		◎		○
Kazuhisa Uemura	○	◎	◎		○	◎	○	
Noritoshi Takamura		○	○	◎				○
Masayuki Horie	○	◎	○		◎		○	
Shunsuke Sasaki	○	◎	◎					
Keiichiro Sue			◎		◎	○	◎	○
Katsuko Tanaka			○	○	◎			
Hiromi Tamakoshi	◎				○	○	◎	
Reiko Furukawa					◎	○		◎
Masakazu Toyoda	◎		◎			○	◎	
Naoya Mizutani	◎					◎	○	
Ichiro Ebihara	◎					◎	○	
Yuko Yamada	◎		◎			○	○	

Definition of Each Skill
Corporate Management Perceives changes in the management environment, formulates appropriate strategies, and supports responsible management execution
Technology/Research and Development/Manufacturing Ensures the provision of world-leading quality through innovative research and technological development
Finance/Accounting In addition to accurate financial and accounting reporting, supports the formulation of financial strategies that contribute to continuous improvement in corporate value
Sales/Marketing Formulates sales strategies that accurately capture the business environment and customer needs, and ensures our market advantages
Overseas Experience/Internationality Understands diverse values and cultures, and makes decisions from a global perspective
Global Environment Promotes building a decarbonized society through reductions in CO ₂ emissions, and the achievement of zero industrial waste
Human Resources Development/Labor/Human Rights Serves as a driving force behind our corporate culture of “Respect for People,” and promotes support for the growth and active participation of diverse human resources
Corporate Governance Understands the state of governance concerning business execution, and raises appropriate issues
Risk Management/Compliance/Legal Understands the state of risk control, and raises appropriate issues
IT/DX Serves as a driving force behind improvements in productivity and operational efficiency while utilizing knowledge about the latest IT and DX

(Reference) Shares held as cross-shareholdings

(1) Basic policy

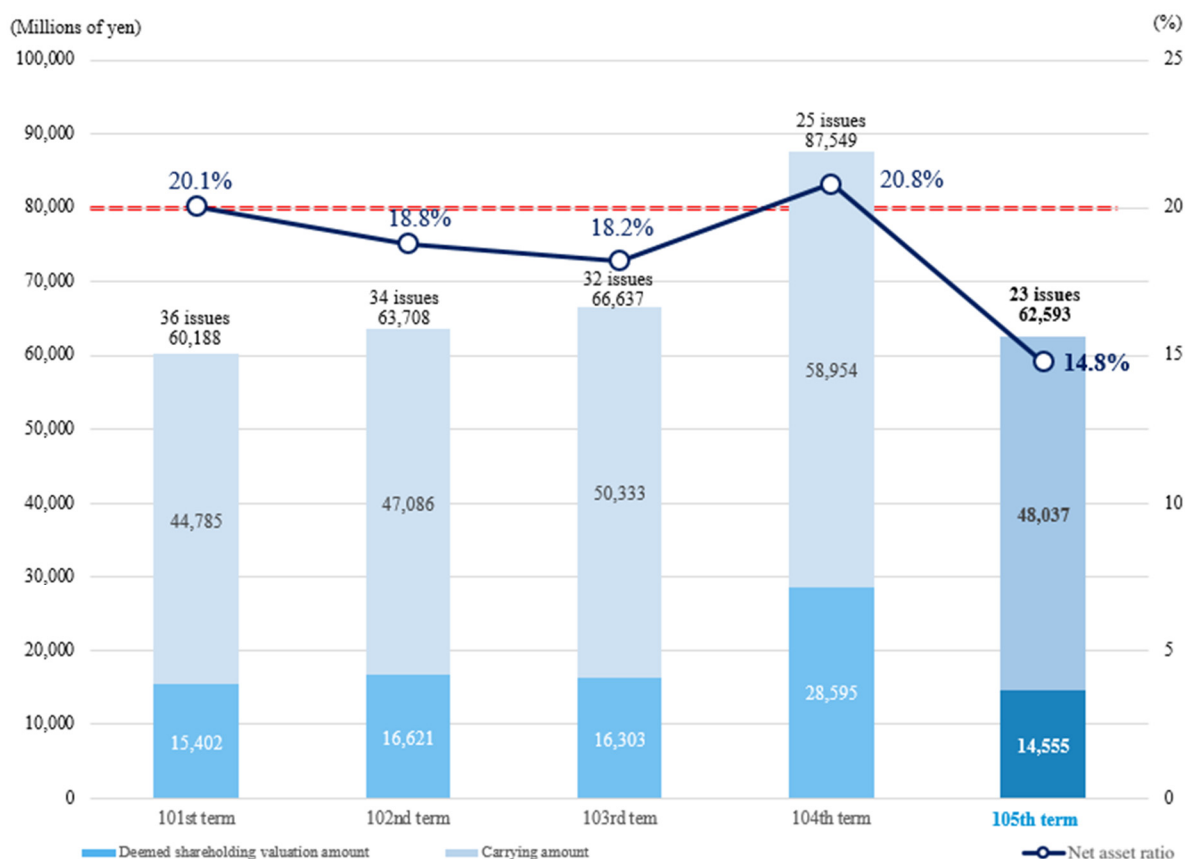
We do not, in principle, hold investment stocks purely for the purpose of investment. The Company holds investment shares for purposes other than pure investment only when they are judged to contribute to the enhancement of the Company's corporate value, such as suppliers and sales partners for new development and production activities to sustain growth in the Company's main business fields of automotive components business, electronic components business, and industrial equipment-related business.

In the "2026 Medium-term Management Plan" announced in May 2024, we set a target of reducing the balance of shares held as cross-shareholdings, including deemed holdings, to less than 20% of consolidated net assets. We will continue to reduce shares held as cross-shareholdings while monitoring the trends in transactions with our business partners and examining our future relationships with them.

(2) Status of shares held as cross-shareholdings

As of March 31, 2025, the ratio of shares held as cross-shareholdings to net assets was 14.8%, marking a year-on-year decrease of 6.0%.

(3) Changes in shares held as cross-shareholdings (as of March 31, 2025)



*As of March 31, 2025, the amount recorded on the balance sheet was 48,037 million yen, accounting for 11.4% of net assets.