

*This document has been translated from the Japanese original for the convenience of non-Japanese shareholders.  
In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*

To Our Shareholders

(Securities Code: 2117)

June 6, 2025

(Start date of electronic provisioning measures: May 29, 2025)

14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo

**WELLNEO SUGAR Co., Ltd.**

Koji Yamamoto, President and Representative Director

## Notice of Convocation of the 14th Ordinary General Meeting of Shareholders

We thank you for your continued support.

We are pleased to inform you that the 14th Ordinary General Meeting of Shareholders of the Company will be held. The details are as follows.

When convening this General Meeting of Shareholders, the information contained in the Reference Documents for the General Meeting of Shareholders (matters provided electronically) is provided electronically. It is posted on each of the following websites on the Internet, so please access one to check the information.

**【Our website】**

<https://www.wellneo-sugar.co.jp/ir/library/meeting>



**【The website of the General Meeting of Shareholders】**

<https://d.sokai.jp/2117/teiji/>



**【Tokyo Stock Exchange website (TSE-listed company information service)】**

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



Please access the Tokyo Stock Exchange website (TSE Listed Company Information Service), enter or search for the stock name "WELLNEO SUGAR" or code "2117", select "Basic Information" and "Documents for Public Inspection/PR Information" in that order, then go to "Documents for Public Inspection" and check the "Notice of General Meeting of Shareholders/Materials for General Meeting of Shareholders" field.

You may exercise your voting rights in advance instead of attending on the day of the meeting in writing or via the Internet, as noted in "Guidance on Exercising Voting Rights" on page 4. After reviewing the following Reference Documents for the General Meeting of Shareholders, please exercise your voting rights no later than 5:30 p.m. on Wednesday, June 25, 2025.

## Details

- **Date and time:** Thursday, June 26 2025 at 10 a.m. Japan time  
(The reception desk is scheduled to open at 9 a.m.)
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- **Place:** Meeting Room “Ariake,” 2F, ROYAL PARK HOTEL,  
2-1-1 Kakigara-Cho, Nihonbashi, Chuo-ku, TOKYO
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- **Meeting Agenda:** Matters to be Reported:
1. 14th Fiscal Year (From April 1, 2024 to March 31, 2025)  
Reporting Business Report, Consolidated Financial Statements, and the result of Consolidated Financial Statements audits performed by the Audit & Supervisory Board
  2. 14th Fiscal Year (From April 1, 2024 to March 31, 2025)  
Matters regarding reporting of Non-consolidated Financial Statements
- Matters to be Resolved:
- Agenda Item No. 1: Dividend of Surplus  
Agenda Item No. 2: Approval of the Absorption-type Merger Agreement  
Agenda Item No. 3: Appointment of 9 Directors  
Agenda Item No. 4: Appointment of 1 Corporate Auditor  
Agenda Item No. 5: Introduction of a Performance-Based Stock Compensation Plan (RS Trust) for Directors (Excluding Outside Directors)  
Agenda Item No. 6: Revision of Remuneration Amount for Corporate Auditors
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- **Guidance on Exercising Voting Rights:** Please refer to “Guidance on Exercising Voting Rights” on page 4.

- We request the shareholders that will come to the venue to submit the Voting Form at the reception desk.
- Regarding the Matters Excluded from the Delivered Documents among the Electronic Provision Measures Pursuant to applicable laws and Article 14 of the Company’s Articles of Incorporation, the following matters among the electronic provision measures are not included in the documents delivered to shareholders who have requested delivery in writing.

Accordingly, the business report and consolidated financial statements included in the said documents only partially represent the documents audited by the Accounting Auditor and the Audit & Supervisory Board Members in preparing their respective audit reports.

- Business Report: Status of the Accounting Auditor; systems for ensuring proper business execution and the status of their implementation; and basic policies regarding the control of the Company
- Consolidated Financial Statements: Consolidated Statement of Changes in Equity; Notes to Consolidated Financial Statements
- Non-consolidated Financial Statements: Balance Sheet; Statement of Income; Statement of Changes in Shareholders’ Equity; Notes to Non-consolidated Financial Statements
- Audit Reports: Accounting Auditor’s Report on the Consolidated Financial Statements; Accounting Auditor’s Report on the Non-consolidated Financial Statements; Audit Report by the Audit & Supervisory Board
- Reference Documents for the General Meeting of Shareholders: Section “3. Summary of the Matters Prescribed in Article 191 of the Ordinance for Enforcement of the Companies Act” under “Proposal No. 2: Approval of Absorption-type Merger Agreement” – “(3) Matters related to the financial statements, etc. of the Absorbed Company”

Please note that, for this General Meeting of Shareholders, the Company will deliver a printed document excluding the above matters from the electronic provision measures to all shareholders, regardless of whether or not a request for written delivery has been submitted.

- In the event of any amendments to the electronic provision measure matters, a statement to that effect and the matters before and after the amendments will be posted on the respective internet websites listed on page 1.
- Persons other than shareholders who are entitled to exercise voting rights will not be admitted to the venue; however, one person accompanying a shareholder with physical disabilities, as well as guide dogs, service dogs, and hearing dogs, will be permitted entry.
- A designated area will be provided inside the venue for visitors arriving in wheelchairs. (Guidance will be provided at the reception.)

#### Guide to the Shareholder Passport

By registering as a member via the Shareholder Passport app and registering the Company as a stock you hold, you will be able to access “Smart Voting” and exercise your voting rights.

- (1) Please access the following URL to navigate to the app store, download the app, register as a member, and register the Company as a stock you hold.

<Information Site URL>

<https://www.smtb.jp/personal/procedure/agency/kabunushi-passport>



- (2) Tap “①: My Stocks” at the bottom of the app screen and select the Company. Next, tap “②: Events / Surveys” in the top menu of the app screen. The Company’s General Meeting of Shareholders information will be displayed. Tap “③: Voting Rights Exercise Website (Smart Voting)” to access it, and follow the on-screen instructions to exercise your voting rights.



\*The Shareholder Passport is a platform that connects shareholders and the Company, provided by Sumitomo Mitsui Trust Bank, Limited, the shareholder registry administrator of the Company.

\*From the next fiscal year onward, notifications regarding the dispatch of the convocation notice will also be sent via this app. For checking dividend amounts and other app functions, please refer to the information site at the URL above.

## Guidance on Exercising Voting Rights

Voting rights at General Meetings of Shareholders are important rights of you as a shareholder.

Please exercise your voting rights after reading and considering the details of the attached Reference Documents for the General Meeting of Shareholders.

The following three ways to exercise your voting rights are available.

### How to attend the General Meeting of Shareholders

Please submit the Voting Rights Exercise Form at the reception desk in the meeting venue.

Time and Date:

Thursday, June 26, 2025, at 10 a.m. (Japan time)

### How to exercise your voting right in writing (by mail)

Please state whether you are for or against the agenda items on the Voting Form and drop it into a post box. It is not necessary to affix a stamp. (Please return the Voting Form so that it will be received before the deadline below)

Deadline:

Votes reaching us by 5:30 p.m. on Wednesday, June 25, 2025

### How to exercise your voting right on the Internet

Please follow the instructions on the next page and enter your approval or disapproval of the agendas.

Deadline:

Entries completed by 5:30 p.m., Wednesday, June 25, 2025

### How to Fill the Voting Form

Agenda Item Nos. 1, 2, 4, 5 and 6:

If you agree to the proposal, circle 賛 [Agree]. If you disagree with the proposal, circle 否 [Disagree].

Agenda Item Nos. 3:

If you approve all candidates, circle 賛 [Agree]. If you disapprove all candidates, circle 否 [Disagree].

If you disapprove certain candidates, circle 賛 [Agree] and write the number of the candidates that you wish to disapprove.

Not indicating 賛 [Agree] or 否 [Disagree] will be considered 賛 [Agree].

If you exercise your voting rights in writing and via the Internet, we will treat the latter as the effective exercise of your voting rights.

If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.

## **On Voting Rights via the Internet\***

\* Institutional investors can use the platform to electronically exercise voting rights for institutional investors operated by ICJ, Inc.

### **How to enter your voting code and password**

Voting website: <https://www.web54.net>

1. Please access the voting website for PCs.  
Click “Next.”
  
2. Please enter your voting code printed on the voting card.  
Enter the voting code.  
Click “Login.”
  
3. Please enter your password, which is printed on the voting card. Enter the password.  
Click “Next.”
  
4. Please follow the instructions on the screen to register whether you approve or disapprove each proposal.

## How to scan the QR code: Smart Exercise

You can log into the voting website without entering a voting code and password using your smartphone.

1. Please scan the QR code on the lower right part of the voting card.

Note: QR Code is the registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the instructions on the screen to register whether you approve or disapprove each proposal.

**In Smart Exercise, voting rights may be exercised only once.**

If you wish to change your vote after exercising your voting rights, please access the website for PCs, log in to the website by entering your voting code and password printed on your voting card, and exercise your voting right again.

Note: If you scan the QR code again, you can access the PC website.

1. Handling of the exercise of voting rights

- (1) If you have voted twice by voting in writing and on the Internet, etc., your vote on the Internet will prevail.

If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.

- (2) Shareholders are responsible for the connection fees and other fees for the services of an internet provider and telecommunication carrier when using the voting website.
- (3) The voting website may not be available on a PC or smartphone in some internet settings.

2. Handling of a password and voting code

- (1) A password is essential for verifying that the voter is the shareholder. Please treat it with caution, like a seal and PIN number.

- (2) The password can no longer be used after incorrect numbers have been entered a certain number of times. To have a new password issued, please follow the guidance on the screen.

- (3) The voting code in the Voting Form is valid only for this general meeting of shareholders.

If you have questions about the operation procedure for exercising voting rights via the Internet using PCs and smartphones, please contact the inquiry desk on the right.

**Sumitomo Mitsui Trust Bank Securities Agency Web Support Dedicated Dial**

**TEL: 0120-652-031** (toll-free)

(Reception hours: 9 a.m. – 9 p.m.)

# Reference Documents for the General Meeting of Shareholders

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Agenda Item No. 1:

## Dividend of Surplus

The Company has stated in its Basic Policy for Capital that it aims to increase a medium- to long-term return on equity (ROE) and achieve successful growth investment and high shareholder returns. Dividend distribution is based on the consolidated dividend payout ratio (DPR) of 60% or dividend on equity (DOE) of 3%, whichever is higher.

The details of the calculation formula are as follows:

### 1. Calculation formula of the amount of annual dividend per share

Based on the consolidated DPR of 60%

60% of year-end consolidated basic earnings per share of 169.67 yen = 102 yen (a fraction of a yen is rounded up)

Based on DOE of 3%

3% of year-end equity attributable to owners of parent per share of 2,222.34 yen = 67 yen (a fraction of a yen is rounded up)

As the 60% consolidated dividend payout ratio (DPR) benchmark of 102 yen is greater than the 3% dividend on equity (DOE) standard, 102 yen will be the annual dividend amount per share.

### 2. Matters concerning year-end dividends

The year-end dividend for the year under review will be 56 yen per share, calculated by the dividend policy above (102 yen per share), less the interim dividend (46 yen per share) paid in December 2024.

Type of dividend property	Cash
Matters regarding allotment of dividend property and total amount of dividend	56 yen per common share of the Company Total dividends 1,836,802,800 yen
Effective date of dividends of surplus	June 27, 2025

### 1. Reasons for the absorption-type merger

On October 1, 2024, the Company executed an absorption-type merger in which the Company remained as the surviving company, and Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd., both of which were subsidiaries of the Company, were dissolved. This merger was intended to strengthen the foundation of the Sugar Segment and accelerate initiatives aimed at expanding and growing the business domains within the Food & Wellness Segment. However, in order to achieve the goals of the medium-term management plan aligned with our long-term vision, the Company believes it is necessary to further improve management efficiency and maximize the early realization of integration synergies by promoting even more unified group management. Accordingly, the Company has decided to conduct another absorption-type merger, in which the Company will be the surviving company and DAIICHI TOGYO CO., LTD. (hereinafter “DAIICHI TOGYO”) will be the dissolved company, with the effective date of the merger set as October 1, 2025 (hereinafter referred to as “the Merger”).

### 2. Outline of the contents of the Merger agreement

The details of the merger agreement signed by the Company and DAIICHI TOGYO on May 23, 2025 are as follows.

(Hereafter, a copy of the agreement)

#### Merger agreement

WELLNEO SUGAR Co., Ltd (hereinafter referred to as 'A') and DAIICHI TOGYO CO.,LTD. (hereinafter referred to as "B") shall enter into a merger agreement as follows.

#### Article 1 (Method of merger)

A and B shall merge in accordance with the provisions of this Agreement, with A as the surviving company and B as the absorbed company (hereinafter referred to as 'the Merger').

#### Article 2 (Trade name and address)

The trade names and addresses of the surviving company and the company dissolved in the absorption-type merger are as follows.

##### (A) Surviving company in the absorption-type merger

Trade name	WELLNEO SUGAR Co., Ltd.
Address	14-1, Nihonbashi-Koamicho, Chuo-ku, Tokyo

##### (B) Company dissolved in absorption-type merger

Trade name	DAIICHI TOGYO CO.,LTD.
Address	17371 Oaza Hichiya, Hyuga City, Miyazaki Prefecture

#### Article 3 (Effective date)

The date on which the Merger shall take effect (hereinafter referred to as the 'Effective Date') shall be October 1, 2025. However, if necessary, in accordance with the procedure's progress, this may be changed after consultation between A and B.

#### Article 4 (Money, etc. to be delivered upon Merger)

As A owns all the issued shares of B, it shall not provide any money, etc., instead of the shares it holds to the shareholders of B at the time of the Merger.

Article 5 (Matters relating to the amount of capital and reserves)

A's capital and reserves shall not be increased upon the Merger.

Article 6 (Resolution for approval of merger)

1. A is required to pass a resolution at the General Meeting of Shareholders on the approval of the Agreement and the matters necessary for the Merger by the day before the Effective Date of the Merger.
2. B shall carry out the Merger without the approval of the General Meeting of Shareholders by Article 784(1) of the Companies Act.

Article 7 (Succession of company assets)

A shall succeed to all employees of B, their assets and liabilities, and all rights and obligations incidental to it as of the Effective Date.

Article 8 (Management of company property, etc.)

A and B shall execute their respective businesses with the duty of care of a good manager after the conclusion of this Agreement and up to the Effective Date of the Agreement and shall carry out any act that may materially affect their property and rights and obligations, after consultation between the contracting parties in advance.

Article 9 (Changes to the terms of the Merger and termination of the Agreement)

If, between the date of execution of the Merger and the Effective Date of the Merger, a natural disaster or other event causes a material change in the asset or management status of the contracting parties, or a situation arises which seriously hinders the execution of the Merger, the contracting parties may, after consultation, change the conditions of the Merger and other terms and conditions of the Merger, or the Agreement may be terminated.

Article 10 (Matters to be discussed)

In addition to the matters set out in this Agreement, any necessary issues about the Merger shall be determined by consultation between A and B, as required by the purpose of this Agreement.

One copy of this document shall be prepared as evidence of the conclusion of this Agreement. Each party shall affix the name and seal it. A shall hold the original, and B shall keep one copy.

May 23, 2025

A 14-1, Nihonbashi-Koamicho, Chuo-ku, Tokyo  
WELLNEO SUGAR Co., Ltd.  
Koji Yamamoto, President and Representative Director

B. 17371 Oaza Hichiya, Hyuga City, Miyazaki Prefecture  
DAIICHI TOGYO CO., LTD.  
Masaki Akagi, President and Representative Director

### 3. Summary of the contents of the matters set out in Article 191 of the Enforcement Regulations of the Companies Act

(1) Matters concerning the reasonableness of the merger consideration

As the Company and DAIICHI TOGYO CO., LTD. are in a wholly owned parent-subsidary relationship, the Company will not deliver any shares or other money upon the Merger.

(2) Matters relating to the reasonableness of the provisions on subscription rights

Not applicable.

(3) Matters relating to the financial statements of the companies absorbed in the absorption-type merger

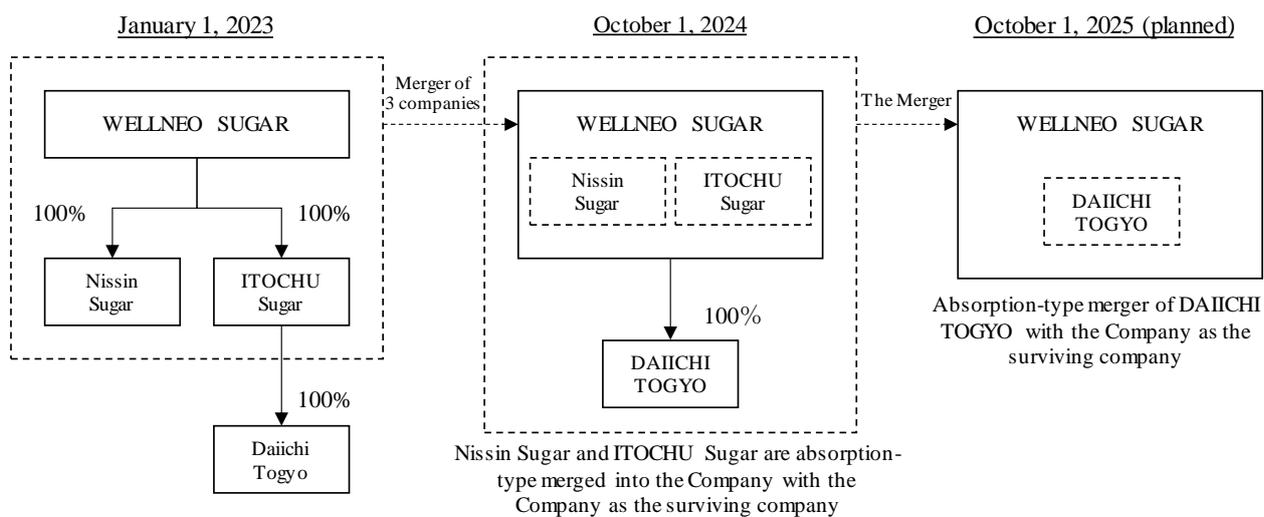
By the law and Article 14 of the Articles of Association of the Company, the financial statements, etc. of

DAIICHI TOGYO, the absorbed company, for the last fiscal year of the absorption-type merger, are not included in the documents to be delivered to shareholders who have requested the delivery of the documents. Please access the website listed on page 1 of the Notice of Convocation to confirm the information.

As of the date of publication of the prior disclosures relating to the absorption merger as stipulated in Article 794(1) of the Companies Act and Article 191 of the Enforcement Regulations of the Companies Act, the financial statements and other documents for the financial year ended 31 March 2025 of DAIICHI TOGYO have not been approved at the General Meeting of Shareholders of the company, so the financial statements and other documents for the financial year ended 31 March 2024 are included.

- (4) Details of any disposal of significant assets, the incurrence of significant liabilities, or other events that may have a substantial impact on the status of Company assets after the end of the last financial year of the Company and the absorbed company  
Not applicable.

(For reference)



Agenda Item No. 3: **Appointment of 9 Directors**

All Directors (nine in total) will reach the end of their term of office upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine Directors with the aim of further strengthening and enhancing the management structure.

Please note that Mr. Masato Konishi, Candidate No. 3, is currently serving as a Corporate Auditor of the Company, but he will resign from that position upon the conclusion of this General Meeting of Shareholders.

The candidates for Directors are as follows.

No.		Name		Current position in the Company
1	Renomination	Shinji Nakano		Chairman and Representative Director
2	Renomination	Koji Yamamoto		President and Representative Director
3	New Nomination	Masato Konishi		Corporate Auditor
4	Renomination	Naruto Ito		Director
5	Renomination	Katsuko Iizuka	Outside Independent	Director
6	Renomination	Hiroshi Fujiwara	Outside Independent	Director
7	Renomination	Masaji Santo	Outside Independent	Director
8	Renomination	Katsuyuki Minami	Outside	Director
9	Renomination	Shinji Ota	Outside	Director

No.

1

# Shinji Nakano

(Born December 1, 1960)

Renomination



Number of the Company's shares owned

1,400 shares

Attendance at  
Board of Directors Meetings

16 out of 16 meetings  
attended (100%)

Number of years as Director

2 years

## Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1984      Joined SUMITOMO CORPORATION
- June 2008      President of Sumitomo Corporation (China) Ltd. (Beijing)
- April 2010      General Manager, Kansai Block, SUMITOMO CORPORATION
- April 2013      Corporate Officer, General Manager of Employee Relations & Compensation Dept., SUMITOMO CORPORATION
- April 2015      Corporate Officer, Head of Asia Pacific Corporate Unit., SUMITOMO CORPORATION
- May 2017      President and CEO of Sumitomo Corporation Thailand Ltd.
- April 2018      Executive Officer of SUMITOMO CORPORATION
- April 2021      Managing Executive Officer Corporate Division, Secretary & Human Resources, SUMITOMO CORPORATION
- April 2023      Advisor to the Company  
Advisor to Nissin Sugar Co., Ltd.
- June 2023      Chairman and Representative Director to the Company (current)  
President and Representative Director to Nissin Sugar Co., Ltd.

## Reasons for nomination as candidate for Director

Mr. Shinji Nakano has extensive experience and a high degree of insight as a manager, having served as a Managing Executive Officer in the Corporate Division of SUMITOMO CORPORATION, in addition to his business experience as a manager in overseas operations. Based on these experiences and achievements, he is expected to contribute to the sustainable growth of the Group, the enhancement of corporate value and the strengthening of the decision-making and supervisory functions of the Board of Directors, and is therefore newly nominated as a candidate for the Board of Directors.

No.

2

# Koji Yamamoto

(Born September 8, 1966)

Renomination



Number of the Company's shares owned

1,200 shares

Attendance at  
Board of Directors Meetings

16 out of 16 meetings  
attended (100%)

Number of years as Director

2 years and 6 months

## Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1991      Joined ITOCHU Corporation
- November 2014      Manager of Provisions Division Planning & Administration Sect,  
Provisions Division Food Company of ITOCHU Corporation
- April 2019      General Manager of Sugar, Confectionary Materials, Coffee & Dairy  
Products Department of ITOCHU Corporation  
Director of ITOCHU Sugar Co., Ltd. (part-time)
- April 2022      President and Representative Director of ITOCHU Sugar Co., Ltd.
- January 2023      President and Representative Director of the Company, In charge of  
the Internal Audit Office
- June 2023      President and Representative Director of the Company, In charge of  
the Internal Audit Office and Neo-Functional Materials Division
- October 2024      President and Representative Director of the Company (current)

## Reasons for nomination as candidate for Director

Mr. Koji Yamamoto has a wealth of experience and deep insight in his area of responsibility at ITOCHU Corporation, and has a track record as management executive, serving in positions including President and Representative Director of ITOCHU Sugar Co., Ltd. The Company has renominated him as a candidate for Director with the expectation that he will contribute to the sustainable enhancement of corporate value of the Company Group and the strengthening of decision-making and supervisory functions of the Board of Directors, based on his experience and track record described above.

No.

3

Masato Konishi

(Born October 15, 1964)

New  
Nomination



Number of the Company's shares owned

0 share

**Brief personal history, positions and responsibilities in the Company and significant concurrent positions**

- April 1988      Joined SUMITOMO CORPORATION
- April 2011      General Manager, Food Business Operations and Planning Division of SUMITOMO CORPORATION
- August 2017    Head of the Americas Food Group of SUMITOMO CORPORATION
- April 2018      Head of the Americas Food and Lifestyle Group of SUMITOMO CORPORATION
- April 2019      Assistant to the General Manager of the Food Business Department and General Manager of the Food Business Division 2
- June 2019      Director of the Company
- April 2021      Assistant to General Manager, Food Business Department and General Manager, Food Business Division 1 of SUMITOMO CORPORATION
- April 2022      General Manager, Asia Pacific Lifestyle Unit of SUMITOMO CORPORATION
- June 2024      Corporate Auditor of the Company (current)

**Reasons for nomination as candidate for Director**

Mr. Masato Konishi possesses broad experience and insights through his global business experience at a general trading company and is deemed capable of appropriately performing his duties as a Director from a fair and objective standpoint. In addition, having served as a Director of the Company from June 2019 to June 2021 and as a Corporate Auditor from June 2024 until the conclusion of this General Meeting of Shareholders, he is expected to contribute to enhancing the decision-making and supervisory functions of the Company's Board of Directors. Accordingly, he has been newly nominated as a candidate for Director.

No.

4

Naruto Ito

(Born November 20, 1965)

Renomination



**Brief personal history, positions and responsibilities in the Company and significant concurrent positions**

- April 1988      Joined ITOCHU Sugar Co., Ltd.
- May 2003      General Manager of Sales Department of ITOCHU Sugar Co., Ltd.
- June 2013      Executive Officer of ITOCHU Sugar Co., Ltd., in charge of industry, corporate planning and information systems
- June 2019      Managing Executive Officer of ITOCHU Sugar Co., Ltd., in charge of industry, corporate planning and information systems
- January 2023   Executive Officer of the Company, in charge of Corporate Planning Division
- June 2024      Director, Executive Officer of the Company, in charge of Human Resources Division and Corporate Planning Division (current)

Number of the Company's shares owned

0 share

Attendance at Board of Directors Meetings

13 out of 13 meetings attended (100%)

Number of years as Director

1 year

**Reasons for nomination as candidate for Director**

Mr. Naruto Ito has extensive experience and a high degree of insight in his area of responsibility at ITOCHU Sugar Co., Ltd. and is expected to contribute to the sustainable enhancement of the Group's corporate value and the strengthening of the decision-making and supervisory functions of the Board of Directors, and is therefore capable of appropriately performing his duties as a Director. Therefore, he has been nominated as a candidate for the position of Director.

\*Mr. Naruhito Ito was newly appointed as a director at the 13th Ordinary General Meeting of Shareholders held on June 26, 2024, and therefore the number of board meetings he has attended differs from that of other Director candidates.

No.

5

# Katsuko Iizuka

(Born December 24, 1964)

Renomination

Outside

Independent



Number of the Company's shares owned

0 share

Attendance at  
Board of Directors Meetings

16 out of 16 meetings  
attended (100%)

Number of years as Director

10 years

## Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1987      Joined The Mitsubishi Bank Ltd. (now MUFG Bank Ltd.)
- April 1998      Registered as a lawyer  
Joined Hirakawa, Sato & Kobayashi Law Office (now CITY-YUWA Partners)
- April 2013      Partner of the same law firm (current)
- June 2015      Director of the Company (current)
- June 2016      Outside director (member of the Audit Committee), Yushiro Chemical. Industries Co., Ltd. (now YUSHIRO INC.) (current)
- February 2017   Outside Corporate Auditor of K.R.S Corporation  
(Significant concurrent positions)  
Partner, CITY-YUWA Partners  
Outside director (member of the Audit Committee) of YUSHIRO INC.

## Reasons for nomination as candidate for Director

Ms. Katsuko Iizuka is a partner at CITY-YUWA Partners and specializes mainly in corporate legal affairs. She has a wealth of expertise and experience as a lawyer and has the ability and insight to perform her duties as a director from a fair, objective and unique standpoint as a legal expert, which is extremely useful for ensuring the legality of the Company and is considered to contribute to improving the effectiveness of the Board of Directors, she is renominated as a candidate for director. She has never been involved in company management in any way other than as an Director, but for the reasons stated above, she is deemed capable of performing her duties as an outside director of the Company in an appropriate manner. If she is appointed, we expect her to continue to fulfil the above-mentioned role and, as a member of the Nomination and Remuneration Committee, to be involved from an objective and neutral standpoint in the selection of the Company's Director candidates and in the determination of director's remuneration and other matters.

No.

6

# Hiroshi Fujiwara

(Born September 9, 1957)

Renomination

Outside

Independent



Number of the Company's shares owned

0 share

Attendance at  
Board of Directors Meetings

16 out of 16 meetings  
attended (100%)

Number of years as Director

2 years and 6 months

## Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1981      Joined JEOL Ltd.
- March 1986    Manager of the U.S. corporation JEOL USA Inc.
- October 1995   Manager of Management Administration Department of SAP Japan Co., Ltd.
- April 1997      CFO of SAP North-East Asia Region
- February 2005   CFO, COO and Representative Director of SAP Japan Co., Ltd.
- November 2007   COO of Philips Japan, Ltd.
- July 2008      Representative Executive Officer and President of Philips Electronics Japan, Ltd.
- July 2011      Managing Executive Officer of Japan Kodak Co., Ltd. (current name: Kodak Japan Ltd.)
- February 2012   Representative Executive Officer and President of Japan Kodak Co., Ltd.
- June 2022      Senior Managing Director of iLAC Co., Inc. (current)
- January 2023    Director of the Company (current)

## Reasons for nomination as candidate for Director

Mr. Hiroshi Fujiwara has served as the Japanese representative of major European and U.S. companies and has management experience and abundant insight in global companies, as well as excellent management capabilities. The Company has determined that he is capable of appropriately executing the duties as a Director from a fair and objective standpoint.

In addition, based on his experience and insight as a corporate manager, the Company has determined that he can be expected to provide appropriate advice and highly effective supervision from a diversified perspective on the management and strategies of the Company Group's business, and has renominated him as a candidate for director. Also, if he is elected, we expect him to continue to fulfil the above-mentioned roles and, as a member of the Nomination and Remuneration Committee, to be involved from an objective and neutral standpoint in the selection of our executive candidates and the determination of executive remuneration and other matters.

No.

7

# Masaji Santo

(Born October 21, 1957)

Renomination

Outside

Independent



Number of the Company's shares owned

0 share

Attendance at  
Board of Directors Meetings

16 out of 16 meetings  
attended (100%)

Number of years as Director

2 years and 6 months

## Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1981      Joined Mitsubishi Corporation
  - April 2009      President of Mitsubishi Chile Ltda.
  - April 2012      Senior Vice President of Mitsubishi Corporation, President of Mitsubishi Chile Ltda.
  - July 2012      Senior Vice President and Division COO, Environment and Infrastructure Business Division of Mitsubishi Corporation
  - April 2017      Senior Executive Vice President of Chiyoda Corporation
  - June 2017      Representative Director and President of Chiyoda Corporation
  - April 2022      Executive Corporate Advisor of Chiyoda Corporation (current)
  - January 2023    Director of the Company (current)
  - February 2023   Executive Corporate Advisor to Nitto Kohki Co., Ltd.
  - June 2023      Outside director of Nitto Kohki Co., Ltd. (current)
- (Significant concurrent positions)  
Outside director of Nitto Kohki Co., Ltd.

## Reasons for nomination as candidate for Director

Mr. Masaji Santo has held positions such as Senior Vice President of Mitsubishi Corporation and President and Representative Director of Chiyoda Corporation and has extensive experience and insight through his global business experience. The Company has determined that he is capable of appropriately executing the duties as a Director from a fair and objective standpoint.

In addition, based on his experience and insight as a corporate manager, the Company has determined that he can be expected to provide appropriate advice and highly effective supervision from a diversified perspective on the management and strategies of the Company Group's business, and has renominated him as a candidate for director. Also, if he is elected, we expect him to continue to fulfil the above-mentioned roles and, as a member of the Nomination and Remuneration Committee, to be involved from an objective and neutral standpoint in the selection of our executive candidates and the determination of executive remuneration and other matters.

No.

8

# Katsuyuki Minami

(Born December 26, 1970)

Renomination

Outside



Number of the Company's shares owned

0 share

Attendance at  
Board of Directors Meetings

16 out of 16 meetings  
attended (100%)

Number of years as Director

4 years

## Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1994      Joined SUMITOMO CORPORATION
- December 2017      Seconded to Emerald Grain Pty Ltd. (Australia)  
Chairman & Executive Director
- April 2021      General Manager of Food Business Division II, SUMITOMO CORPORATION
- June 2021      Director of the Company (current)
- April 2023      General Manager of Food Business Division I, SUMITOMO CORPORATION
- April 2024      Executive Officer of Food SBU, Lifestyle Business Group, SUMITOMO CORPORATION
- April 2025      Officer of Food SBU, Lifestyle Business Group, SUMITOMO CORPORATION (current)

(Significant concurrent positions)

Officer of Food SBU, Lifestyle Business Group, SUMITOMO CORPORATION

## Reasons for nomination as candidate for Director

Mr. Katsuyuki Minami has extensive experience and insight through his global business experience at a general trading company and is deemed, from a fair and objective perspective, to be able to perform his duties as a Director appropriately.

He is renominated as a candidate for Director because he is expected to provide appropriate advice and effective supervision of the management and business strategies of the Group's businesses, based on his experience as a corporate manager.

No.

9

# Shinji Ota

(Born September 19, 1975)

Renomination

Outside



**Brief personal history, positions and responsibilities in the Company and significant concurrent positions**

- April 2005      Joined ITOCHU Corporation
  - June 2022      Director (part-time) of ITOCHU Sugar Co. Ltd.
  - April 2023      General Manager of Sugar, Confectionary Materials, Coffee & Dairy Products Department of ITOCHU Corporation (current)
  - June 2023      Director of the Company (current)
- (Significant concurrent positions)
- General Manager of Sugar, Confectionary Materials, Coffee & Dairy Products Department of ITOCHU Corporation

**Reasons for nomination as candidate for Director**

Mr. Shinji Ota has extensive experience and a high degree of insight in his area of responsibility at ITOCHU Corporation and can be expected to provide appropriate advice and highly effective supervision of the management and business strategies of the Group's businesses from a fair and objective perspective, and is judged to be able to perform his duties as a director appropriately. He is, therefore, renominated as a candidate for director.

Number of the Company's shares owned

0 share

Attendance at Board of Directors Meetings

16 out of 16 meetings attended (100%)

Number of years as Director

2 years

(Note ) 1. Special interests between the candidate and the Company are as follows.

- (1) Mr. Katsuyuki Minami is the Officer of Food SBU, Lifestyle Business Group, SUMITOMO CORPORATION, and there is a business relationship between the Company and SUMITOMO CORPORATION, including the purchase of raw materials and a capital relationship whereby SUMITOMO CORPORATION holds 24.9% of the voting rights in the Company.
  - (2) Mr. Shinji Ota is the General Manager of Sugar, Confectionary Materials, Coffee & Dairy Products Department of ITOCHU Corporation, and there is a business relationship between the Company and ITOCHU Corporation, including the purchase of raw materials and a capital relationship whereby ITOCHU Corporation holds 37.1% of the voting rights in the Company.
  - (3) There are no other special interests between the candidate and the Company.
2. Ms. Katsuko Iizuka, Mr. Hiroshi Fujiwara, Mr. Masaji Santo, Mr. Katsuyuki Minami and Mr. Shinji Ota are candidates for outside directors.
  3. In the event that Ms. Katsuko Iizuka, Mr. Hiroshi Fujiwara, Mr. Masaji Sando, Mr. Katsuyuki Minami, and Mr. Shinji Ota are appointed, the Company intends to continue the agreement with each of them to limit their liability for damages in accordance with Article 427, Paragraph 1 of the Companies Act, and to limit their liability for damages in accordance with Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under such agreement shall be the minimum liability limit specified in Article 425, Paragraph 1 of the Companies Act.
  4. The Company has concluded a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3(1) of the Companies Act. The insurance policy covers (i) all Directors, Corporate Auditors and Executive Officers of the Company and all of its subsidiaries, and (ii) persons seconded from the Company to unlisted companies other than subsidiaries of the Company as Directors and Corporate Auditors, and the premiums for such insurance are borne entirely by the Company and all of its subsidiaries. The Company and all its subsidiaries fully bear the premiums for the insurance. Under the relevant insurance policy, the insured is covered for damages incurred by the insured due to claims made against the insured during the insurance period due to the insured's conduct (except those falling under the exclusion events stipulated in the insurance policy).  
If each candidate in this election proposal is elected and assumes office as a Director, they will be included as insured under the relevant insurance policy. The relevant insurance policy will be renewed similarly at the time of the next renewal.
  5. Each of Ms. Katoko Iizuka, Mr. Hiroshi Fujiwara and Mr. Masaji Santo fulfil the requirements for independent directors as stipulated by the Tokyo Stock Exchange. If each of them is appointed, the Company will continue to register each of them as independent directors with the Exchange.
  6. On April 1, 2013, the Company merged with its subsidiaries Nissin Sugar Co., Ltd. and Shinko Sugar Co., Ltd. and changed its trade name from Nissin Sugar Holdings Co. to Nisshin Sugar Co., Ltd..
  7. On January 1, 2023, the Company carried out a business integration with ITOCHU Sugar Corporation through a share exchange, making the company a wholly-owned subsidiary of the Company, and changed its trade name from Nisshin Sugar Co., Ltd. to WELLNEO SUGAR Co., Ltd.
  8. On January 1, 2023, the Company carried out a company split (absorption-type split) with Nissin Sugar Spin-off Preparatory Company, which was established on October 3, 2022 as a wholly-owned subsidiary of the Company, and the company changed its trade name to Nissin Sugar Co., Ltd..
  9. On October 1, 2024, the Company executed an absorption-type merger in which the Company remained as the surviving company, and Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd., both of which were subsidiaries of the Company, were dissolved.

As Corporate Auditor Mr. Masato Konishi will resign after this General Meeting of Shareholders, the appointment of one Corporate Auditor is proposed.

The proposal is to appoint a replacement for the retiring Corporate Auditor. The term of office of the Corporate Auditor to be elected will expire at the end of the term of office of the retiring Corporate Auditor (after the General Meeting of Shareholders to be held in June 2027), in accordance with the provisions of the Company's Articles of Association.

The Board of Auditors has given its consent to this proposal.

The candidate for Corporate Auditors are as follows.

## Kahori Asaoka

(Born March 22, 1964)

New  
Nomination



Number of the Company's shares owned

0 share

### Brief personal history, positions and responsibilities in the Company and significant concurrent positions

- April 1987      Joined SUMITOMO CORPORATION
- April 2004      Head of Planning Team, Legal Department of SUMITOMO CORPORATION
- August 2005    Head of Document Team, Document Administration Department of SUMITOMO CORPORATION
- November 2013 Head of Planning Team, General Affairs Department of SUMITOMO CORPORATION
- April 2019      Officer, Legal Affairs Department of SCSK Corporation
- April 2020      Officer, Assistant General Manager of Legal & Risk Management Department of SCSK Corporation
- December 2022 Head of Documentation and Intellectual Property Team, Corporate Legal & General Affairs Department of SUMITOMO CORPORATION
- April 2024      Head of Audit & Supervisory Board Members' Administration Team, Audit & Supervisory Board Members' Administration Department of SUMITOMO CORPORATION (current)

### Reasons for nomination as candidate for corporate auditor

Ms. Kahori Asaoka has served for many years in the Legal and General Affairs Departments at SUMITOMO CORPORATION, and possesses extensive experience and specialized expertise cultivated in her field of work. She is deemed capable of appropriately performing her duties as an Audit & Supervisory Board Member from a fair and an objective standpoint. Considering the above, she is expected to contribute to strengthening the functionality of the Company's Audit & Supervisory Board and has therefore been nominated as a candidate for Corporate Auditor.

- (Notes)1. Ms. Kahori Asaoka currently serves as Head of Audit & Supervisory Board Members' Administration Team, Audit & Supervisory Board Members' Administration Department at SUMITOMO CORPORATION. There are transactional relationships between the Company and SUMITOMO CORPORATION, including the purchase of raw materials, as well as a capital relationship whereby SUMITOMO CORPORATION holds 24.9% of the Company's voting rights. However, if Ms. Asaoka is elected, she is scheduled to resign from SUMITOMO CORPORATION.
2. The Company has concluded a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3(1) of the Companies Act. The insurance policy covers (i) all Directors, Corporate Auditors, and Executive Officers of the Company and all of its subsidiaries, and (ii) persons seconded from the Company to unlisted companies other than subsidiaries of the Company as directors and corporate auditors, and the premiums for such insurance are borne entirely by the Company and all of its subsidiaries. The Company and all its subsidiaries fully bear the premiums for the insurance. Under the relevant insurance policy, the insured is covered for damages incurred by the insured due to claims made against the insured during the insurance period due to the insured's conduct (except those falling under the exclusion events stipulated in the insurance policy). If each candidate in this election proposal is elected and assumes office as a Director, they will be included as insured under the relevant insurance policy, which will be renewed similarly at the next renewal.

For reference | Expertise and Experience of Directors and Corporate Auditors (Skill Matrix)

If Proposal No. 3 and Proposal No. 4 are approved and adopted as originally proposed at this General Meeting of Shareholders, the expertise and experience of the Directors and Corporate Auditors will be as follows.

Name	Expertise and experience									
	Business management Management strategy	Sustainability	Compliance Risk management	Internal controls Governance	Financial affairs Accounting	Human resource controls / development	Sales Marketing	Production Quality control	R&D New business	IT DX
Director	Shinji Nakano	●	●		●	●	●			
	Koji Yamamoto	●		●	●			●		●
	Masato Konishi	●		●	●			●		●
	Naruto Ito	●					●		●	●
	Katsuko Iizuka	●		●	●		●			
	Hiroshi Fujiwara	●			●				●	●
	Masaji Santo	●	●		●				●	
	Katsuyuki Minami	●						●		
	Shinji Ota	●						●		
Corporate Auditor	Hideaki Imai			●	●	●				
	Kahori Asaoka			●	●					●
	Masao Wada				●	●				
	Kazuko Naruse			●	●					

(Notes) To clarify the balance of skills as a Board of Directors, the areas of expertise and experience possessed by each director and corporate auditor that are particularly expected in the Company are listed and do not represent all the expertise and experience possessed.

End

If Proposal No. 3 and Proposal No. 4 are approved and adopted as originally proposed at this General Meeting of Shareholders, the executive structure of the Company will be as follows.

[Board of Directors]

Chairman and Representative Director	Shinji Nakano
President and Representative Director	Koji Yamamoto
Director	Masato Konishi
Director	Naruto Ito
Outside Director (Independent Officer)	Katsuko Iizuka
Outside Director (Independent Officer)	Hiroshi Fujiwara
Outside Director (Independent Officer)	Masaji Santo
Outside director	Katsuyuki Minami
Outside director	Shinji Ota

[Corporate Auditors]

Corporate Auditor	Hideaki Imai
Corporate Auditor	Kahori Asaoka
Outside Corporate Auditor (Independent Officer)	Masao Wada
Outside Corporate Auditor (Independent Officer)	Kazuko Naruse

[Executive Officers]

President and Executive Officer	Koji Yamamoto	
Managing Executive Officer	Masato Konishi	In charge of Internal Audit Department
Executive Officer	Yasuo Yamaguchi	In charge of Corporate Planning Division
Executive Officer	Naruto Ito	In charge of Human Resources Division, Corporate Planning Division
Executive Officer	Kenji Oba	In charge of Finance Division
Executive Officer	Hiroki Anzai	In charge of Neo-Functional Materials Division
Executive Officer	Hiroyuki Iizuka	In charge of General Affairs Division
Executive Officer	Kei Saegusa	General Manager of Sales Headquarters
Executive Officer	Shizunori Sunasaka	General Manager of Production Headquarters
Executive Officer	Katsuki Hirabayashi	Acting General Manager of Sales Headquarters
Executive Officer	Kazuhiko Sugiura	Acting General Manager of Production Headquarters
Executive Officer	Masaki Akagi	President and Representative Director of DAIICHI TOGYO CO., LTD.
Executive Officer	Tomonobu Miki	President and CEO of Toyo Sugar Refining Co., Ltd.

End

## 1. Reason for the Proposal and Appropriateness of the Compensation Plan

This proposal seeks approval to introduce a new performance-based stock compensation plan (RS Trust) for Directors of the Company (excluding Outside Directors), in place of the Restricted Stock Compensation Plan approved at the 9th Ordinary General Meeting of Shareholders held on June 25, 2020 (hereinafter the “Advance-Type RS Plan”), and the Performance-Linked Post-Grant Restricted Stock Compensation Plan approved at the 13th Ordinary General Meeting of Shareholders held on June 26, 2024 (hereinafter the “Performance-Linked Post-Grant RS Plan”). The details of this plan shall be delegated to the Board of Directors as outlined in Section 2 below.

The purposes of this plan are as follows:

- By granting shares as compensation according to performance, the plan aims to more clearly link Directors’ compensation with the Company’s performance and share value, and to enable Directors to share profits and risks from stock price fluctuations with shareholders. This is expected to increase Directors’ motivation to improve performance from the same perspective as shareholders, and to further enhance their commitment to sustainable stock price growth and corporate value enhancement.
- By imposing transfer restrictions on the shares granted to Directors until retirement (note: “retirement” refers to the time when the individual ceases to hold any position as a Director or Executive Officer with whom a delegation agreement has been concluded with the Company; hereinafter the same), the plan provides an incentive for continued efforts to enhance corporate value even after share allocation.

Specifically, new performance-based stock compensation under this plan will be granted to Directors (excluding Outside Directors; same hereinafter) who are in office during the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028 (hereinafter the “Target Period”), in addition to the existing cap of 300 million yen per year for Directors’ compensation (excluding employee salaries), which was approved at the 12th Ordinary General Meeting of Shareholders held on June 28, 2023 (this Target Period may be extended as described in Section 2 (2) below).

If this proposal is approved and adopted as originally proposed, the compensation limits related to the Advance-Type RS Plan and the Performance-Linked Post-Grant RS Plan will be abolished, and no further allotments of restricted stock under those plans will be made.

The introduction of this plan is in line with the Company’s basic policy on Directors’ compensation, and this proposal has been determined to be appropriate by the Board of Directors, based on comprehensive consideration of the Company’s business scale, the Directors’ compensation framework and payment levels, and following deliberation by the Nomination and Compensation Committee.

If Proposal No. 3 “Appointment of 9 Directors” is approved as proposed, the number of Directors subject to this plan will be four.

\*If this proposal is approved and adopted as originally proposed, a similar stock compensation plan will be introduced for Executive Officers.

## 2. Amount and Details of Compensation, etc. under the Plan

### (1) Overview of the Plan

Under this plan, a trust (hereinafter referred to as the “Trust”) funded by the Company will acquire shares of common stock of the Company (hereinafter the “Company Shares”), and the number of Company Shares equivalent to the number of points granted by the Company to each Director will be delivered to each Director through the Trust (provided, however, that such shares will be subject to transfer restrictions

pursuant to a transfer restriction agreement concluded between the Company and each Director, as described in Section 3 below). This constitutes a stock-based compensation plan.

In principle, the timing of the delivery of Company Shares to Directors shall be a specific point in time during each fiscal year within the trust period.

① Eligible Participants	Directors of the Company (excluding Outside Directors)
② Applicable Period	From the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028
③ The maximum amount of cash that the Company will contribute as funds necessary for acquiring the Company shares to be delivered to the recipients specified in ① during the target period specified in ② (three fiscal years)	Total of 150 million yen
④ Method of Acquiring Company Shares	Disposal of treasury stock or purchase on the stock exchange (including off-auction trading)
⑤ Maximum total number of points awarded to eligible participants in ①	30,000 points per fiscal year
⑥ Criteria for Granting Points	Points granted based on position and level of achievement of performance targets
⑦ Timing of delivery of our shares to the persons eligible for ①	A specific point in time during each fiscal year of the trust period
⑧ Transfer Restriction Period under the Transfer Restriction Agreement specified in Section 3	From the date of delivery of Company Shares until retirement

## (2) Maximum Amount of Funds to be Contributed by the Company

The initial trust period of the Trust shall be approximately three years. During the applicable period, the Company will contribute, as compensation to Directors who are in office during such period, a maximum of 150 million yen in total as funds necessary for the acquisition of Company Shares to be delivered under this plan. A trust will be established in which the Directors who acquire beneficial interests as stipulated in (3) ③ below will be the beneficiaries.

The Trust will acquire Company Shares using the funds entrusted by the Company, either through the disposal of treasury shares by the Company or purchases made on the stock exchange (including off-auction trading).

(Note) The actual amount of money to be entrusted by the Company to the Trust will include not only the funds required to acquire the Company Shares as described above, but also an estimated amount of necessary expenses such as trustee fees and trust administrator fees. In addition, if a similar stock compensation plan is introduced for Executive Officers as mentioned above, the funds required to acquire Company Shares to be granted to such Executive Officers will also be entrusted to the Trust.

Furthermore, the Board of Directors may decide to extend the applicable period by specifying, each time, a period of up to three fiscal years, and, in conjunction with this, the trust period may also be extended (including cases where the trust property of this Trust is transferred to another trust established for the same purpose, thereby effectively extending the trust period; the same shall apply hereinafter), thereby continuing the plan. In such case, the Company will additionally contribute to the Trust, as funds necessary for acquiring additional Company Shares to be granted to Directors under this plan during the extended applicable period, an amount up to the product of 50 million yen and the number of fiscal years

in the extended applicable period. The allocation of points and delivery of Company Shares to Directors as described in item (3) below shall continue (and the same shall apply hereinafter).

### (3) Method for Calculating and Maximum Number of Company Shares Delivered to Directors

#### ① Method for Granting Points to Directors

The Company will grant points to each Director based on the Stock Delivery Regulations as determined by the Board of Directors, in principle, during each fiscal year of the trust period, taking into consideration factors such as position and the level of achievement of performance targets.

However, the total number of points to be granted to Directors by the Company shall be capped at 30,000 points per fiscal year.

#### ② Delivery of Company Shares According to the Number of Points Granted

Each Director will receive Company Shares corresponding to the number of points granted under item ① above, in accordance with the procedures outlined in item ③ below.

However, in cases such as voluntary resignation, some or all of the points granted until that time will be forfeited, and no Company Shares corresponding to the forfeited points will be delivered.

In principle, one point shall be equivalent to one share of Company Stock. However, in the event of a stock split, reverse stock split, or other reasonable circumstance requiring adjustment, the number of Company Shares per point will be adjusted according to the applicable ratio.

#### ③ Delivery of Company Shares to Directors

Each Director will acquire beneficial interests in the Trust during each fiscal year of the trust period, on the condition that they enter into a transfer restriction agreement with the Company as specified in Section 3, and complete other prescribed procedures. Company Shares corresponding to the number of points granted under item ② above will then be delivered from the Trust.

However, if the Company Shares within the Trust are tendered and settled in a tender offer, or are otherwise converted to cash, the Company Shares will be replaced by monetary payment in the amount equivalent to such conversion.

### (4) Voting Rights Exercise

Voting rights related to Company Shares held in the Trust shall not be exercised uniformly, as the trustee shall follow instructions from an independent trust administrator who is independent from the Company and its officers. This arrangement is intended to ensure neutrality in the exercise of voting rights related to the Company Shares held in the Trust with respect to the Company's management.

### (5) Handling of Dividends

Dividends related to the Company Shares held in the Trust shall be received by the Trust and used to cover the acquisition cost of the Company Shares and trust-related expenses such as trustee fees.

### 3. Transfer Restriction Agreement Pertaining to Company Shares Delivered to Directors

Upon delivery of Company Shares as described in Section 2. (3) ②, the Company shall enter into a transfer restriction agreement (hereinafter referred to as the "Transfer Restriction Agreement") with each Director. The execution of such agreement shall be a condition for receiving the Company Shares.

However, Company Shares delivered after the date of retirement will not be subject to transfer restrictions. In such cases, a portion of the Company Shares may be sold by the Trust to secure funds for withholding tax and delivered as cash in lieu of shares.

### (1) Transfer Restriction

Each Director shall not transfer, pledge, or otherwise dispose of the shares delivered under this Plan (hereinafter “Delivered Shares”) during the period from the date of delivery (in the case of multiple deliveries, from the respective delivery dates) until the date of retirement (hereinafter the “Transfer Restriction Period”).

During the Transfer Restriction Period, the Delivered Shares must be managed in a securities account designated by the Company, separately from any other shares held by the Director.

### (2) Forfeiture of Delivered Shares without Compensation

① If a Director attempts to transfer, pledge, or otherwise dispose of all or part of the Delivered Shares in violation of the above clause (1), the Company shall automatically forfeit all such shares without compensation.

② If the Director falls under any of the following conditions during the Transfer Restriction Period, the Company shall automatically forfeit all of the Delivered Shares as of the time the condition applies:

- i) The Director is sentenced to imprisonment or more severe punishment
- ii) A petition is filed to commence bankruptcy or civil rehabilitation proceedings against the Director

③ If the Director falls under any of the following conditions during the Transfer Restriction Period, and the Company notifies the Director in writing, all or part of the Delivered Shares (as determined appropriate) shall be forfeited without compensation at the time such notice is received:

- i) The Director engages in competing business or becomes an officer or employee of a competing entity, as determined by the Company’s Board of Directors (unless prior written approval is obtained from the Company)
- ii) The Director commits a significant violation of laws, internal rules, or the agreement, or the Board of Directors otherwise determines that forfeiture is appropriate
- iii) The Director damages the Company’s reputation or causes significant harm to the Company, as recognized by the Board of Directors

### (3) Treatment upon Reorganization

If any of the following events occur during the Transfer Restriction Period and are approved at a General Meeting of Shareholders (or, where shareholder approval is not required, by the Board of Directors as noted in item vi), and if the effective date of the event (hereinafter the “Effective Date of Reorganization”) precedes the end of the Transfer Restriction Period, the Transfer Restriction will be lifted at the close of business on the day immediately preceding the Effective Date of Reorganization:

- i) Merger agreement in which the Company becomes the disappearing company: Effective date of merger
- ii) A merger agreement or a plan for a new company split in which our company becomes the split company (limited to cases where, on the effective date of the company split, our company delivers all or part of the consideration for the split to our shareholders): Effective date of company split
- iii) Share exchange or share transfer in which the Company becomes a wholly owned subsidiary: Effective date of stock swap or stock transfer
- iv) Share consolidation that causes a Director’s holding to fall below one share: Effective date of consolidation of shares

- v) Acquisition of all common stock by the Company based on a clause under Article 108, Paragraph 1, Item 7 of the Companies Act: Acquisition date specified in Article 171, Paragraph 1, Item 3 of the Companies Act
- vi) Demand for sale of all common stock under Article 179, Paragraph 2 of the Companies Act: Acquisition date specified in Article 179-2, Paragraph 1, Item 5 of the Companies Act

(4) Other Matters Determined by the Board of Directors

In addition to the above, matters such as how to express intent, provide notices, amend the agreement, and any other necessary terms of the Transfer Restriction Agreement shall be determined by resolution of the Board of Directors.

## Revision of Remuneration Amount for Corporate Auditors

The total monthly amount of remuneration for the Company's Corporate Auditors was approved to be within 4 million yen at the 1st Ordinary General Meeting of Shareholders held on June 27, 2012. More than ten years have passed since the last resolution, and during this period, the Company's business scale has expanded, and the scope of responsibilities of Corporate Auditors has broadened significantly due to enhancements in the corporate governance system. In light of these circumstances, the Company has reviewed the structure of the Audit & Supervisory Board. Furthermore, the roles expected of Corporate Auditors and their associated responsibilities are expected to increase further as management governance continues to evolve.

Accordingly, in order to establish a level of remuneration commensurate with these roles and responsibilities, the Company proposes to revise the total monthly remuneration amount for Corporate Auditors to within 6 million yen.

This proposal has been thoroughly deliberated by the Nomination and Compensation Committee, which serves as an advisory body to the Board of Directors and is composed of a majority of Independent Outside Directors. Based on the committee's recommendation and confirmation by the Audit & Supervisory Board, the proposal was resolved by the Board of Directors, and it is deemed appropriate. Currently, the Company has four Corporate Auditors (including two Outside Corporate Auditors). Even if Proposal No. 4 "Appointment of 1 Corporate Auditor" is approved as originally proposed, there will be no change in the number of members.

End