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(Stock Exchange Code: 3880)

June 9, 2025

(Electronically available from May 30, 2025)

**To Our Shareholders:**

Yorifusa Wakabayashi  
President and Representative Director  
Daio Paper Corporation  
2-60, Mishimakamiya-cho, Shikokuchuo City,  
Ehime Prefecture

**NOTICE OF THE 114TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby announce that the 114th Annual General Meeting of Shareholders of Daio Paper Corporation (the “Company”) will be held for the purposes as described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures for electronic provision and posted the matters subject to the measures for electronic provision on the following websites.

The Company’s website <https://www.daio-paper.co.jp/en/ir/stock/meeting/>

Website for informational materials for the general meeting of shareholders  
<https://d.sokai.jp/3880/teiji/> (in Japanese)

**If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to the measures for electronic provision and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 25, 2025, Japan time.**

**1. Date and Time:** Thursday, June 26, 2025 at 10:00 a.m. Japan time  
(Reception starts and doors open at 9:10 a.m.)

**2. Place:** Convention Hall on the 8th floor of Shikoku Headquarters & Production Center of the Company  
628 Mishimakamiya-cho, Shikokuchuo City, Ehime Prefecture, Japan

**3. Meeting Agenda:**

- Matters to be Reported:**
1. Business Report, Consolidated Financial Statements, and Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Company’s 114th Fiscal Year (April 1, 2024 - March 31, 2025)
  2. Non-Consolidated Financial Statements for the Company’s 114th Fiscal Year (April 1, 2024- March 31, 2025)

**Proposals to be Resolved:**

- Proposal 1: Appropriation of Surplus**  
**Proposal 2: Partial Amendments to the Articles of Incorporation**  
**Proposal 3: Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**  
**Proposal 4: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members**  
**Proposal 5: Setting Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

**Proposal 6: Setting Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members**

**Proposal 7: Setting Stock-based Remuneration Amount and Partial Amendments and Continuation of the Stock-based Remuneration Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)**

- Of the matters subject to the measures for electronic provision, the matters listed below are posted on the websites above pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation, and are not included in the documents to be delivered to shareholders who submit a request for delivery of written documents. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audits that include the following matters.
  - The Company's Systems and Policies, which is part of the Business Report
  - The Consolidated Statement of Changes in Equity and the Notes to Consolidated Financial Statements of the Consolidated Financial Statements
  - The Non-Consolidated Statement of Changes in Equity and the Notes to Non-Consolidated Financial Statements of the Non-Consolidated Financial Statements
- If the matters subject to the measures for electronic provision are amended, amended items will be announced on the websites above.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company regards the return of profits to all of its shareholders as one of its top management priorities, and its basic dividend policy is to continue making stable dividend payments, while taking into consideration factors such as the state of its business and the sufficiency of internal reserves.

For the fiscal year ended March 31, 2025, taking into consideration the Company's business performance and financial position, among other factors, we propose a year-end dividend of ¥7.00 (annual dividend of ¥14.00) per common share of the Company.

#### Matters relating to year-end dividends

- |   |   |
|---|---|
| 1 Dividend type   | Cash  |
| 2 Dividend allocation and total dividend payment        | We propose a year-end dividend of ¥7.00 per common share of the Company.<br>The total amount of dividends will be ¥1,173,398,793. |
| 3 Effective date of distributing dividends from surplus | We propose that the effective date of distributing dividends from surplus be June 27, 2025.                                       |

**Proposal 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the proposal

- (1) Amid the rapidly changing business environment surrounding the Daio Group, we propose to shift from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee so that the Board of Directors can focus on discussing and deciding medium- to long-term management strategies, etc., enhance corporate governance by further strengthening the supervisory function, and improve corporate value by further accelerating decision-making through delegation of authority. Accordingly, we propose to make changes to the provisions necessary for the transition to a company with an Audit & Supervisory Committee, including the establishment of new rules for Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, as well as the deletion of the provisions concerning the Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) We propose to establish the proposed amendment Article 9 (Rights Regarding Shares Less Than One Unit) for the purpose of clarifying the rights that can be exercised relating to shares less than one unit.
- (3) Regarding the exercise of voting rights by proxy, we propose to amend the provisions as described in the proposed amendment Article 17 (Proxy Voting) for the purpose of clarifying that the number of proxies who can attend a General Meeting of Shareholders is one person.
- (4) In order to change the convener and the chairperson of the Board of Directors meetings to a Director predetermined by the Board of Directors for the purpose of enabling the flexible operation of the Board of Directors meetings and enhancing objectivity and transparency in decision-making, and in order to provide that the period of notice for convening the Board of Directors meetings may be shortened in case of urgency with the aim of attempting the expeditious operation of the Board of Directors meetings, we propose to amend the provisions as described in the proposed amendment Article 24 (Convener and Chairperson of Board of Directors Meeting).
- (5) In addition, necessary amendments are made, such as the revision of words and phrases, the number of articles, etc., associated with each of the above amendments.

2. Description of the amendments

Details of the amendments are as follows.

Any amendments to the Articles of Incorporation relating to this proposal shall become effective at the conclusion of this Annual General Meeting of Shareholders.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 to Article 3 (Omitted) (Structures)</p> <p>Article 4</p> <p>The Company has the following structures in addition to the shareholders meeting and directors:</p> <p>(1) Board of Directors (2) <u>Auditors</u> (3) <u>Board of Auditors</u> (4) Accounting Auditor</p> <p>Article 5 to Article 6 (Omitted) (Acquisition of Own Shares)</p> <p>Article 7</p> <p>The Company may acquire own shares through market transactions, etc. <u>by resolution of the Board of Directors</u> pursuant to the provisions of Article 165, paragraph 2 of the Companies Act.</p> <p>Article 8 (Omitted) (Newly established)</p>	<p>Article 1 to Article 3 (Not amended) (Structures)</p> <p>Article 4</p> <p>The Company has the following structures in addition to the shareholders meeting and directors:</p> <p>(1) Board of Directors (2) <u>Audit &amp; Supervisory Committee</u> (Deleted) (3) <u>Accounting Auditors</u></p> <p>Article 5 to Article 6 (Not amended) (Acquisition of Own Shares)</p> <p>Article 7</p> <p>The Company may acquire own shares through market transactions, etc. <u>by a resolution at the Board of Directors meeting</u> pursuant to the provisions of Article 165, paragraph 2 of the Companies Act.</p> <p>Article 8 (Not amended) (Rights in Relation to Shareholdings Less than One Unit)</p> <p><u>Article 9</u></p> <p><u>Shareholders of the Company may not exercise any rights other than those listed below with respect to their shares of less than one unit.</u></p> <p>(1) <u>The rights listed in items of Article 189, paragraph 2 of the Companies Act</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Administrator of Shareholder Registry) Article <u>9</u></p> <ol style="list-style-type: none"> <li>1. (Omitted)</li> <li>2. The administrator of shareholder registry and the place of handling registry affairs shall be determined <u>by resolution of the Board of Directors</u>, and a public notice about such information shall be published.</li> <li>3. (Omitted)</li> </ol> <p>(Share Handling Rules) Article <u>10</u></p> <p>Handling of shares of the Company shall conform to the Share Handling Rules specified <u>by the Board of Directors</u> in addition to laws and regulations or these Articles of Incorporation.</p> <p>Article <u>11</u> to Article <u>15</u> (Omitted) (Proxy Voting) Article <u>16</u></p> <p>Any shareholder or a statutory proxy thereof may exercise a voting right of the Company as a proxy of another shareholder holding the voting right. However, the voting shareholder or proxy shall submit to the Company a document demonstrating the proxy at each shareholders meeting.</p> <p>(Minutes) Article <u>17</u></p> <p>The proceedings and the outcome of a shareholders meeting as well as other matters specified by laws and regulations shall be reduced into minutes, <u>and the minutes shall be preserved upon the chairperson and the attending directors affixing their own name and seal thereto.</u></p> <p>(Number of Directors) Article <u>18</u></p> <p>The Company shall have no more than 15 directors.</p> <p style="text-align: center;">(Newly established)</p> <p>(Election) Article <u>19</u></p> <p style="text-align: center;">(Newly established)</p> <ol style="list-style-type: none"> <li><u>1.</u> (Omitted)</li> <li><u>2.</u> (Omitted)</li> </ol>	<p><u>(2) The right to demand acquisition pursuant to the provisions of Article 166, paragraph 1 of the Companies Act</u></p> <p><u>(3) The right to receive an allotment of shares for subscription and an allotment of share options for subscription according to the number of shares owned by the shareholder</u></p> <p>(Administrator of Shareholder Registry) Article <u>10</u></p> <ol style="list-style-type: none"> <li>1. (Not amended)</li> <li>2. The administrator of shareholder registry and the place of handling registry affairs shall be determined <u>by a resolution at the Board of Directors meeting</u>, and a public notice about such information shall be published.</li> <li>3. (Not amended)</li> </ol> <p>(Share Handling Rules) Article <u>11</u></p> <p>Handling of shares of the Company shall conform to the Share Handling Rules specified <u>at the Board of Directors meeting</u> in addition to laws and regulations or these Articles of Incorporation.</p> <p>Article <u>12</u> to Article <u>16</u> (Not amended) (Proxy Voting) Article <u>17</u></p> <p>Any shareholder or a statutory proxy thereof may exercise a voting right of the Company as a proxy of <u>one other</u> shareholder holding the voting right. However, the voting shareholder or proxy shall submit to the Company a document demonstrating the proxy at each shareholders meeting.</p> <p>(Minutes) Article <u>18</u></p> <p>The proceedings and the outcome of a shareholders meeting as well as other matters specified by laws and regulations shall be reduced into <u>or recorded in</u> minutes.</p> <p>(Number of Directors) Article <u>19</u></p> <ol style="list-style-type: none"> <li><u>1.</u> The Company shall have no more than 15 directors <u>(excluding directors who are Audit &amp; Supervisory Committee Members).</u></li> <li><u>2.</u> <u>The Company shall have no more than five directors who are Audit &amp; Supervisory Committee Members.</u></li> </ol> <p>(Election) Article <u>20</u></p> <ol style="list-style-type: none"> <li><u>1.</u> <u>Directors shall be elected at the shareholders meeting, distinguishing between directors who are Audit &amp; Supervisory Committee Members and other directors.</u></li> <li><u>2.</u> (Not amended)</li> <li><u>3.</u> (Not amended)</li> </ol>

Current Articles of Incorporation	Proposed Amendments
<p>(Term of Office) Article <u>20</u></p> <ol style="list-style-type: none"> <li>The term of office of each director shall continue until the conclusion of the annual shareholders meeting for the last business year ending within one year following his/her election.</li> <li>The term of office of a director elected to fill a vacancy shall continue until the term of office of the director who has retired from office <u>before the expiration of the term of office</u> expires.</li> <li>The term of office of a director elected to increase the number of directors shall continue until the term of office of the other directors in office expires.</li> </ol> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	<p>(Term of Office) Article <u>21</u></p> <ol style="list-style-type: none"> <li>The term of office of each director (<u>excluding directors who are Audit &amp; Supervisory Committee Members</u>) shall continue until the conclusion of the annual shareholders meeting for the last business year ending within one year following his/her election.</li> <li>The term of office of a director (<u>excluding directors who are Audit &amp; Supervisory Committee Members</u>) elected to fill a vacancy of a director (<u>excluding directors who are Audit &amp; Supervisory Committee Members</u>) who has retired <u>before the expiration of the term of office</u> shall continue until the term of office of the director (<u>excluding directors who are Audit &amp; Supervisory Committee Members</u>) who has retired expires.</li> <li>The term of office of a director (<u>excluding directors who are Audit &amp; Supervisory Committee Members</u>) elected to increase the number of directors shall continue until the term of office of the other directors (<u>excluding directors who are Audit &amp; Supervisory Committee Members</u>) in office expires.</li> <li><u>The term of office of a director who is an Audit &amp; Supervisory Committee Member shall continue until the conclusion of the annual shareholders meeting for the last business year ending within two years following their election.</u></li> <li><u>The term of office of a director who is an Audit &amp; Supervisory Committee Member elected to fill a vacancy of a director who is an Audit &amp; Supervisory Committee Member who retired before their expiration of the term of office shall continue until the term of office of the director who has retired expires.</u></li> </ol>
<p>(Representative Director, etc.) Article <u>21</u></p> <ol style="list-style-type: none"> <li><u>The Board of Directors may elect, by its resolution, the Chairperson of the Board of Directors, President and Director, and Vice Presidents and Directors.</u></li> <li>The Board of Directors shall elect the Representative Director <u>by its resolution.</u></li> </ol> <p style="text-align: center;">(Newly established)</p>	<p>(Representative Director, etc.) Article <u>22</u></p> <p style="text-align: center;">(Deleted)</p> <ol style="list-style-type: none"> <li>The Board of Directors shall elect the Representative Director <u>from among the directors (excluding directors who are Audit &amp; Supervisory Committee Members) by a resolution at its meeting.</u></li> <li><u>The Board of Directors may elect, by a resolution at its meeting, the Chairperson of the Board of Directors, President and Director, and Vice Presidents and Directors from among the directors (excluding directors who are Audit &amp; Supervisory Committee Members).</u></li> </ol>
<p>(Authority of the Board of Directors) Article <u>22</u></p> <p>Unless otherwise provided for in the laws and regulations or these Articles of Incorporation, the Board of Directors shall decide on the execution of significant business of the Company.</p> <p style="text-align: center;">(Newly established)</p>	<p>(Authority of the Board of Directors and Delegation of Decisions on the Execution of Important Operations) Article <u>23</u></p> <ol style="list-style-type: none"> <li>(Not amended)</li> <li><u>Pursuant to Article 399-13, paragraph 6 of the Companies Act, the Company may delegate to directors all or part of decisions of execution of important operations (excluding matters set forth in items of Article 399-13, paragraph 5) by a resolution at the Board of Directors meeting.</u></li> </ol>

Current Articles of Incorporation	Proposed Amendments
<p>(Convener and Chairperson of Board of Directors Meeting) Article <u>23</u></p> <p>1. Unless otherwise provided for in the laws and regulations, a Board of Directors meeting shall be called by the <u>President and Director</u>, and the <u>President and Director</u> shall serve as the chairperson of the meeting. If the <u>President and Director</u> is unable to attend to his/her duties, another director according to the order of priority predetermined by the Board of Directors shall call the meeting and serve as its chairperson.</p> <p>2. A notice for calling a Board of Directors meeting shall be delivered to each of the directors <u>and auditors</u> no later than three days before the date of the meeting. When <u>compelled in an emergency</u>, however, a Board of Directors meeting may be <u>held without going through the calling procedures by obtaining consent of all the directors and auditors.</u></p> <p style="text-align: center;">(Newly established)</p>	<p>(Convener and Chairperson of Board of Directors Meeting) Article <u>24</u></p> <p>1. Unless otherwise provided for in the laws and regulations, a Board of Directors meeting shall be called by the <u>director predetermined by the Board of Directors</u>, and <u>said director</u> shall serve as the chairperson of the meeting. If <u>said director</u> is unable to attend to his/her duties, another director according to the order of priority predetermined by the Board of Directors shall call the meeting and serve as its chairperson.</p> <p>2. A notice for calling a Board of Directors meeting shall be delivered to each of the directors no later than three days before the date of the meeting. When <u>an urgent need arises</u>, however, <u>this period may be shortened.</u></p> <p>3. <u>If the consent of all members of the Board of Directors is obtained, a Board of Directors meeting may be held without going through the calling procedures.</u></p>
<p>Article <u>24</u> (Omitted) (Remuneration, etc.)</p>	<p>Article <u>25</u> (Not amended) (Remuneration, etc.)</p>
<p>Article <u>25</u> The financial benefits that directors receive from the Company as the consideration for the execution of their duties, such as remuneration and bonuses (<u>hereinafter, "Remuneration, etc."</u>) shall be determined <u>by resolution at the shareholders meeting.</u></p>	<p>Article <u>26</u> The financial benefits that directors receive from the Company as the consideration for the execution of their duties, such as remuneration and bonuses, shall be determined <u>by a resolution at the shareholders meeting, distinguishing between remuneration, etc. for directors who are Audit &amp; Supervisory Committee Members and remuneration, etc. for other directors.</u></p>
<p>Article <u>26</u> (Omitted) (Executive Officers)</p>	<p>Article <u>27</u> (Not amended) (Executive Officers)</p>
<p>Article <u>27</u> The Board of Directors may appoint, <u>by its resolution</u>, executive officers and have them execute the Company's business.</p> <p style="text-align: center;">Chapter 5: <u>Auditors and Board of Auditors</u></p>	<p>Article <u>28</u> The Board of Directors may appoint, <u>by a resolution at its meeting</u>, executive officers and have them execute the Company's business.</p> <p style="text-align: center;">Chapter 5: <u>Audit &amp; Supervisory Committee</u></p>
<p>(Number of Auditors) Article <u>28</u> <u>The Company shall have no more than five auditors.</u></p>	<p>(Deleted)</p>
<p>(Election) Article <u>29</u> <u>The resolution for the election of auditors shall be passed by a majority of the votes of the shareholders present at the shareholders meeting, where those attending shareholders hold one-third or more of the voting rights of all the shareholders who are entitled to exercise their voting rights.</u></p>	<p>(Deleted)</p>
<p>(Term of Office) Article <u>30</u> 1. <u>The term of office of each auditor shall continue until the conclusion of the annual shareholders meeting for the last business year ending within four years following his/her election.</u></p>	<p>(Deleted)</p>
<p>2. <u>The term of office of an auditor elected to fill a vacancy shall continue until the term of office of the auditor who has retired from office before the expiration of the term of office expires.</u></p>	<p>(Deleted)</p>
<p>(Full-Time Auditor(s)) Article <u>31</u> <u>The Board of Auditors shall elect full-time auditor(s) by its resolution.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Authority of the Board of Auditors)</u>  <u>Article 32</u>  <u>Unless otherwise provided for in the law, the Board of Auditors shall decide on matters concerning the execution of the duties of auditors only to the extent not to preclude the exercise of authority by auditors.</u>            (Newly established)</p>	<p><u>(Authority of the Audit &amp; Supervisory Committee)</u>  <u>Article 29</u>  <u>The Audit &amp; Supervisory Committee shall decide on matters provided for in laws and regulations or these Articles of Incorporation, and shall exercise the necessary authority to perform such duties.</u>  <u>(Full-Time Audit &amp; Supervisory Committee Members)</u>  <u>Article 30</u>  <u>The Audit &amp; Supervisory Committee may elect full-time Audit &amp; Supervisory Committee Members by a resolution at its meeting.</u></p>
<p><u>(Convener and Chairperson of Board of Auditors Meeting)</u>  <u>Article 33</u>            1. <u>A Board of Auditors meeting shall be called by the auditor predetermined by the Board of Auditors, and the auditor shall serve as the chairperson of the meeting. When necessary, however, another auditor may also call the meeting.</u>            2. <u>A notice for calling a Board of Auditors meeting shall be delivered to each of the auditors no later than three days before the date of the meeting. When compelled in an emergency, however, a Board of Auditors meeting may be held without going through the calling procedures by obtaining consent of all the auditors.</u></p>	<p><u>(Notice for Calling an Audit &amp; Supervisory Committee Meeting)</u>  <u>Article 31</u>            1. <u>A notice for calling an Audit &amp; Supervisory Committee meeting shall be delivered to each of the Audit &amp; Supervisory Committee Members no later than three days before the date of the meeting. When an urgent need arises, however, this period may be shortened.</u>            2. <u>If the consent of all members of the Audit &amp; Supervisory Committee is obtained, an Audit &amp; Supervisory Committee meeting may be held without going through the calling procedures.</u></p>
<p><u>(Remuneration, etc.)</u></p>	<p>(Deleted)</p>
<p><u>Article 34</u>  <u>The Remuneration, etc. for auditors shall be determined by resolution at the shareholders meeting.</u></p>	<p>(Deleted)</p>
<p><u>(Exemption from Liability of Auditor)</u>  <u>Article 35</u>            1. <u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution at the Board of Directors meeting, exempt an auditor (including those who were auditors) from his/her liability to compensate for damage under Article 423, paragraph 1 of the Act, within the limit provided for in the laws and regulations if the auditor has acted in good faith and without gross negligence.</u>            2. <u>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may conclude a contract with an auditor to the effect of limiting the liability to compensate for damage under Article 423, paragraph 1 of the Act, if the auditor has acted in good faith and without gross negligence. However, the limit amount for the liability based on the contract shall be either the amount of 10 million yen or greater as set in advance or the amount prescribed by laws and regulations, whichever is the higher.</u></p>	<p>(Deleted)</p>
<p>Article 36 to Article 37 (Omitted)            (Interim Dividend)  <u>Article 38</u>  <u>The Company may distribute interim dividends, by resolution of the Board of Directors, as a distribution of monies to the shareholders or registered pledgees of shares that are stated or recorded in the final shareholders registry as of September 30 of every year.</u></p>	<p>Article 32 to Article 33 (Not amended)            (Interim Dividend)  <u>Article 34</u>  <u>The Company may distribute interim dividends, by a resolution at the Board of Directors meeting, as a distribution of monies to the shareholders or registered pledgees of shares that are stated or recorded in the final shareholders registry as of September 30 of every year.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>39</u>  (Omitted)  (Newly established)  (Newly established)</p>	<p>Article <u>35</u> (Not amended)  <u>(Supplementary Provisions)</u>  <u>(Transitional Measures in Relation to Exemption from Liability of Auditor)</u>  1. Pursuant to the provisions of Article 423, paragraph 1 of the Companies Act, the Company may, by a resolution at the Board of Directors meeting, exempt an auditor (including those who were auditors) from their liability to compensate for damages in relation to acts prior to the conclusion of the 114th Annual General Meeting of Shareholders within the limit provided for in the laws and regulations.  2. The contract limiting liability to compensate for damages in relation to acts prior to the conclusion of the 114th Annual General Meeting of Shareholders of an auditor (including those who were auditors) under Article 423, paragraph 1 of the Companies Act shall be as stipulated in Article 35, paragraph 2 of the Articles of Incorporation prior to the amendment by resolution at the shareholders meeting.</p>

**Proposal 3:** Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The Company will shift to a company with an Audit & Supervisory Committee if Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed. Following this, the terms of all ten (10) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, we propose the election of ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal).

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation under Proposal 2, “Partial Amendments to the Articles of Incorporation,” come into effect.

The candidates for Directors are as follows:

Candidate No.	Name	Gender	Attributes	Current position, etc. at the Company
1	Yorifusa Wakabayashi	Male	Re-appointment	President and Representative Director Chief Executive Officer
2	Hiroshi Yamasaki	Male	Re-appointment	Executive Vice President and Representative Director Executive Vice President
3	Atsushi Ishida	Male	Re-appointment	Director Managing Executive Officer
4	Hiroyuki Fujita	Male	Re-appointment	Director Managing Executive Officer
5	Toshikatsu Tanahashi	Male	Re-appointment	Director Managing Executive Officer
6	Shuhei Shinagawa	Male	Re-appointment	Director Managing Executive Officer
7	Naosuke Oda	Male	Re-appointment Outside Director Independent Director	Outside Director
8	Makoto Horie	Male	Re-appointment Outside Director Independent Director	Outside Director
9	Takako Masai	Female	Re-appointment Outside Director Independent Director	Outside Director
10	Yoshihiro Iwata	Male	New appointment Outside Director Independent Director	—

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	<p data-bbox="300 472 517 566">Yorifusa Wakabayashi August 13, 1961 (Age 63)</p> <p data-bbox="288 600 528 723">Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p data-bbox="312 757 504 853">Period of service as Director: 8 years</p> <p data-bbox="312 887 504 913">&lt;Re-appointment&gt;</p>	<p data-bbox="555 264 1240 741"> April 1984      Joined the Company  January 2012    Executive Officer, General Manager of Newsprint Sales Division, the Company  April 2016      Executive Officer, General Manager of Paper Sales Division, the Company  June 2017      Director, General Manager of Home &amp; Personal Care Domestic Business Group, the Company  July 2018      Director and Managing Executive Officer, General Manager of Home &amp; Personal Care Domestic Business Group, the Company  April 2019      Director and Managing Executive Officer, General Manager of Domestic Business Group, Home &amp; Personal Care Unit, the Company  April 2021      President and Representative Director, Chief Executive Officer, the Company (current position) </p> <p data-bbox="555 745 879 772">[Significant concurrent positions]</p> <p data-bbox="555 777 576 804">—</p> <p data-bbox="555 808 1230 1120"> [Reason for nomination as a candidate for Director]  Mr. Yorifusa Wakabayashi has engaged in the paper business, the finance division, home &amp; personal care business, etc. After serving as Director, and Director and Managing Executive Officer, he currently serves as President and Representative Director, Chief Executive Officer. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Daio Group, considering that he has a wealth of business experience and achievements in the Company and its group companies. </p>	14,400 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	<p>Hiroshi Yamasaki</p> <p>March 10, 1962 (Age 63)</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>Period of service as Director: 12 years</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1984      Joined the Company</p> <p>June 2012      Executive Officer, Acting General Manager of Mishima Mill, Production Division, the Company</p> <p>June 2013      Director, General Manager of Resource and Material Division, the Company</p> <p>July 2016      Director, General Manager of Resource and Material Procurement Division, the Company</p> <p>May 2017      Director, Deputy General Manager of Production Division and General Manager of Mishima Mill, the Company</p> <p>April 2019      Director, Deputy General Manager of Production Division, Production Unit and General Manager of Mishima Mill, the Company</p> <p>April 2021      Director, Managing Executive Officer Responsible for Production Unit; General Manager of Production Division, the Company</p> <p>June 2023      Director, Managing Executive Officer, General Manager of Resource and Material Procurement Division, and General Manager of Sustainability Promotion Division, the Company</p> <p>June 2024      Executive Vice President and Representative Director, Executive Vice President Responsible for Human Resources Division, Corporate Unit, Resources and Procurement Division, and Risk &amp; Compliance, General Manager of General Affairs Division, Corporate Unit, and General Manager of Sustainability Promotion Division, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Hiroshi Yamasaki has engaged mainly in the production division and procurement division. After serving as Director, Managing Executive Officer, he currently serves as Executive Vice President and Representative Director, Executive Vice President, and General Manager of General Affairs Division, Corporate Unit and General Manager of Sustainability Promotion Division. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Daio Group, considering that he has a wealth of business experience and achievements in the Company and its group companies.</p>	9,800 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	<p data-bbox="336 645 480 674">Atsushi Ishida</p> <p data-bbox="336 707 480 768">March 6, 1967 (Age 58)</p> <p data-bbox="288 801 528 927">Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p data-bbox="312 963 504 1055">Period of service as Director: 4 years</p> <p data-bbox="312 1090 504 1120">&lt;Re-appointment&gt;</p>	<p data-bbox="555 259 660 288">April 1991</p> <p data-bbox="555 293 660 322">July 2018</p> <p data-bbox="555 389 660 418">June 2019</p> <p data-bbox="555 486 660 515">April 2021</p> <p data-bbox="555 582 660 611">June 2021</p> <p data-bbox="555 707 660 736">May 2023</p> <p data-bbox="555 804 660 833">June 2023</p> <p data-bbox="555 965 660 994">June 2024</p> <p data-bbox="555 1155 879 1184">[Significant concurrent positions]</p> <p data-bbox="555 1189 576 1218">—</p> <p data-bbox="555 1223 1054 1252">[Reason for nomination as a candidate for Director]</p> <p data-bbox="555 1256 1225 1498">Mr. Atsushi Ishida has mainly engaged in the paper and paperboard business, and currently serves as Director, Managing Executive Officer, General Manager of Paper and Paperboard Business Group, Paper &amp; Paperboard Unit. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Daio Group, considering that he has a wealth of business experience and achievements in the Company and its group companies.</p>	7,500 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
4	<p>Hiroyuki Fujita</p> <p>November 22, 1964 (Age 60)</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>Period of service as Director: 2 years</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1987      Joined the Company</p> <p>June 2015      Executive Officer, the Company President and Representative Director, Elleair International (Thailand) Co., Ltd.</p> <p>July 2018      Executive Officer, General Manager of Paper Business Group, the Company</p> <p>June 2019      Director, General Manager of Newsprint and Paper Business Group, Paper &amp; Paperboard Unit, the Company</p> <p>July 2020      Director, the Company Chairman and Director, Santher-Fábrica de Papel Santa Therezinha S.A.</p> <p>June 2021      Managing Executive Officer, the Company Chairman and Director, Santher-Fábrica de Papel Santa Therezinha S.A.</p> <p>June 2023      Director, Managing Executive Officer, General Manager of Domestic Business Group, Home &amp; Personal Care Unit, the Company</p> <p>June 2024      Director, Managing Executive Officer, General Manager of Domestic Business Group, Home &amp; Personal Care Unit, and Responsible for Overseas Business Group, the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Hiroyuki Fujita has mainly engaged in the home &amp; personal care business, paper and paperboard business, etc., and currently serves as Managing Executive Officer and General Manager of Domestic Business Group, Home &amp; Personal Care Unit. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Daio Group, considering that he has a wealth of business experience and achievements in the Company and its group companies, including those overseas.</p>	5,000 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
5	<p>Toshikatsu Tanahashi</p> <p>February 25, 1967 (Age 58)</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>Period of service as Director: 2 years</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1989      Joined Nagoya Pulp Co., Ltd. (currently Kani Mill of the Company)</p> <p>April 2019      Executive Officer, Acting General Manager of Mishima Mill, Production Division, Production Unit, the Company (in charge of Home &amp; Personal Care Paper Products)</p> <p>July 2019        Executive Officer, Assistant General Manager of Mishima Mill, Production Division, Production Unit, the Company (in charge of Manufacturing Group)</p> <p>April 2021      Senior Executive Officer, Deputy General Manager of Production Division, Production Unit and General Manager of Mishima Mill, the Company</p> <p>April 2023      Managing Executive Officer, Deputy General Manager of Production Division, Production Unit and General Manager of Mishima Mill, the Company</p> <p>June 2023      Director, Managing Executive Officer Responsible for Production Unit, General Manager of Production Division, and General Manager of Mishima Mill, the Company</p> <p>June 2024      Director, Managing Executive Officer, Responsible for Production Unit, and General Manager of Production Division, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Toshikatsu Tanahashi has engaged mainly in the production division and currently serves as Director, Managing Executive Officer Responsible for Production Unit and General Manager of Production Division. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Daio Group, considering that he has a wealth of business experience and achievements in the Company and its group companies.</p>	7,500 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
6	<p>Shuhei Shinagawa</p> <p>August 11, 1970 (Age 54)</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>Period of service as Director: 2 years</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1994      Joined the Company</p> <p>April 2019      Executive Officer, General Manager of Corporate Planning Group, Corporate Planning Division, Corporate Unit, the Company</p> <p>April 2021      Senior Executive Officer, General Manager of Corporate Planning Group, Corporate Planning Division, Corporate Unit, the Company</p> <p>June 2021      Senior Executive Officer, General Manager of Corporate Planning Division, Corporate Unit, the Company</p> <p>July 2022      Managing Executive Officer, General Manager of Corporate Planning Division, Corporate Unit, the Company</p> <p>June 2023      Director, Managing Executive Officer, General Manager of Corporate Planning Division and General Manager of Business Administration Division, Corporate Unit, the Company</p> <p>April 2024      Director, Managing Executive Officer, General Manager of Corporate Planning Division and General Manager of Business Administration Division, and Responsible for Intellectual Property Department, Corporate Unit, the Company</p> <p>June 2024      Director, Managing Executive Officer, General Manager of Corporate Planning Division and General Manager of Business Administration Division, Responsible for Intellectual Property Department, and Responsible for Corporate Policy Department, Corporate Unit, the Company</p> <p>October 2024    Director, Managing Executive Officer, General Manager of Corporate Planning Division and Business Administration Division, Corporate Unit, the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Shuhei Shinagawa has engaged mainly in the administration division, and currently serves as Director, Managing Executive Officer, General Manager of Corporate Planning Division and General Manager of Business Administration Division, Corporate Unit. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Daio Group, considering that he has a wealth of business experience and achievements in the Company and its group companies.</p>	8,500 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
7	<p data-bbox="341 658 475 685">Naosuke Oda</p> <p data-bbox="341 723 475 786">June 3, 1953 (Age 71)</p> <p data-bbox="288 819 528 943">Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p data-bbox="312 981 504 1070">Period of service as Outside Director: 3 years</p> <p data-bbox="312 1106 504 1196">&lt;Re-appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p data-bbox="555 259 1171 322">April 1977 Joined NKK Corporation (current JFE Steel Corporation)</p> <p data-bbox="555 327 1171 416">April 2000 Management Staff, Automobile Steel Sales Department, Steel Business Division, NKK Corporation (current JFE Steel Corporation)</p> <p data-bbox="555 421 1230 510">February 2002 Manager, Steel Integration Promotion Team, Steel Business Division, NKK Corporation (current JFE Steel Corporation)</p> <p data-bbox="555 515 1238 604">May 2002 General Manager, Corporate Planning Department, Steel Business Division, NKK Corporation (current JFE Steel Corporation)</p> <p data-bbox="555 609 1206 667">April 2003 General Manager, Corporate Planning Division, JFE Holdings, Inc.</p> <p data-bbox="555 672 1150 730">April 2004 General Manager, Automobile Steel Sales Department, JFE Steel Corporation</p> <p data-bbox="555 734 1150 792">April 2007 Vice President (Sales Division), JFE Steel Corporation</p> <p data-bbox="555 797 1222 855">April 2010 Senior Vice President (Sales Division), JFE Steel Corporation</p> <p data-bbox="555 860 1222 949">April 2012 Representative Director and Executive Vice President (Supervising Sales Division), JFE Steel Corporation</p> <p data-bbox="555 954 1222 1012">April 2016 Representative Director and President, JFE Shoji Corporation</p> <p data-bbox="555 1016 1015 1052">June 2017 Director, JFE Holdings, Inc.</p> <p data-bbox="555 1057 1118 1093">April 2021 Senior Adviser, JFE Shoji Corporation</p> <p data-bbox="555 1097 1222 1133">June 2022 Outside Director, the Company (current position)</p> <p data-bbox="555 1137 1222 1173">April 2023 Adviser, JFE Shoji Corporation (current position)</p> <p data-bbox="555 1178 1174 1214">June 2024 Outside Director, Mitsubishi Estate Co., Ltd. (current position)</p> <p data-bbox="555 1218 991 1308">[Significant concurrent positions] Adviser, JFE Shoji Corporation Outside Director, Mitsubishi Estate Co., Ltd.</p> <p data-bbox="555 1312 1238 1592">[Reason for nomination as a candidate for Outside Director and expected role] The Company nominates Mr. Naosuke Oda again as a candidate for Outside Director because it expects that by leveraging his wealth of experience and extensive insight gained through his career as Representative Director and President and in other executive positions of other companies, he will provide advice and make proposals from an independent standpoint to contribute to enhancing the Company's corporate value.</p>	0 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
8	<p data-bbox="336 613 478 640">Makoto Horie</p> <p data-bbox="331 678 488 736">March 15, 1959 (Age 66)</p> <p data-bbox="288 775 531 898">Attendance record at the Board of Directors meeting: 100% (11/11)</p> <p data-bbox="316 936 504 1025">Period of service as Outside Director: 1 year</p> <p data-bbox="316 1064 504 1153">&lt;Re-appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p data-bbox="555 264 663 291">April 1981</p> <p data-bbox="555 297 663 324">April 2003</p> <p data-bbox="555 394 663 421">April 2009</p> <p data-bbox="555 517 663 544">April 2012</p> <p data-bbox="555 647 663 674">June 2015</p> <p data-bbox="555 743 663 770">June 2017</p> <p data-bbox="555 808 663 835">June 2019</p> <p data-bbox="555 904 663 931">June 2022</p> <p data-bbox="555 1032 663 1059">July 2023</p> <p data-bbox="555 1066 663 1093">June 2024</p> <p data-bbox="555 1099 879 1126">[Significant concurrent positions]</p> <p data-bbox="555 1133 959 1160">Special Advisor, TOYO KANETSU K.K.</p> <p data-bbox="555 1167 820 1193">Advisor, KTX Corporation</p> <p data-bbox="555 1200 1171 1249">[Reason for nomination as a candidate for Outside Director and expected role]</p> <p data-bbox="555 1256 1238 1503">The Company nominates again Mr. Makoto Horie as a candidate for Outside Director because it expects that by leveraging his wealth of experience and expertise related to corporate management, including experience in global businesses, gained through his career as Representative Director and President and in other executive positions of other companies, he will provide advice and make proposals from an independent standpoint to contribute to enhancing the Company's corporate value.</p>	0 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
9	<p>Takako Masai</p> <p>March 8, 1965 (Age 60)</p> <p>Attendance record at the Board of Directors meeting: 100% (11/11)</p> <p>Period of service as Outside Director: 1 year</p> <p>&lt;Re-appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p>November 1988    Joined Tokyo Branch of The Bank of Nova Scotia</p> <p>July 1989        Joined Tokyo Branch of The Toronto-Dominion Bank</p> <p>March 1998      General Manager, Financial Products Sales Department, Tokyo Branch, Crédit Agricole Indosuez Bank (currently Crédit Agricole Corporate and Investment Bank)</p> <p>May 2007        General Manager, Capital Markets Department, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>April 2013      Executive Officer and Head of Market Research Office, Markets Division, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>July 2015        Executive Officer and General Manager of Financial Market Research Department, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)</p> <p>June 2016        Member of the Policy Board, The Bank of Japan</p> <p>June 2021        Director, SBI Financial and Economic Research Institute Co., Ltd. (current position)</p> <p>July 2021        Outside Director, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>July 2021        Outside Director, TOBISHIMA CORPORATION Advisory Board member, Sim Kee Boon Institute for Financial Economics (current position)</p> <p>August 2021     Outside Director, BlackRock Japan Co., Ltd.</p> <p>August 2021     Chairperson, SBI Financial and Economic Research Institute Co., Ltd. (current position)</p> <p>April 2022       Visiting Professor, Jissen Women’s University</p> <p>March 2024      Director, Japan Professional Football League (current position)</p> <p>June 2024        Outside Director, the Company (current position)</p> <p>June 2024        Outside Director, Kawasaki Kisen Kaisha, Ltd. (“K” LINE) (current position)</p> <p>August 2024     Outside Director and Audit &amp; Supervisory Committee Member, Bewith, Inc. (current position)</p> <p>October 2024    Outside Director, TOBISHIMA HOLDINGS Inc. (current position)</p> <p>[Significant concurrent positions] Director and Chairperson, SBI Financial and Economic Research Institute Co., Ltd. Outside Director, Kawasaki Kisen Kaisha, Ltd. (“K” LINE) Outside Director and Audit &amp; Supervisory Committee Member, Bewith, Inc. Outside Director, TOBISHIMA HOLDINGS Inc.</p> <p>[Reason for nomination as a candidate for Outside Director and expected role] The Company nominates again Ms. Takako Masai as a candidate for Outside Director because it expects that by leveraging her wealth of experience, advanced expertise, and extensive insight gained through her career of holding key senior positions in the financial industry, such as at foreign-affiliated banks, a Japanese bank, and The Bank of Japan, she will provide advice and make proposals from an independent standpoint to contribute to enhancing the Company’s corporate value.</p>	0 shares

Candidate No.	Name, Date of birth, etc.	Career summary	Number of shares of the Company held
10	<p>Yoshihiro Iwata</p> <p>August 21, 1961 (Age 63)</p> <p>Attendance record at the Board of Directors meeting: —</p> <p>Period of service as Outside Director: —</p> <p>&lt;New appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p>April 1984      Joined Sapporo Breweries Ltd. (currently Sapporo Holdings Limited)</p> <p>March 2006      Director of Corporate Planning Department, Sapporo Breweries Limited</p> <p>March 2011      Director of Corporate Planning Department, Sapporo Holdings Limited and Director, Sapporo International Inc.</p> <p>March 2014      President and Representative Director, Sapporo International Inc., and Director and Group Managing Officer, Sapporo Holdings Limited</p> <p>March 2016      Director and Senior Executive Managing Director, POKKA SAPPORO Food &amp; Beverage Ltd.</p> <p>January 2017     President and CEO, POKKA SAPPORO Food &amp; Beverage Ltd. and Group Managing Officer, Sapporo Holdings Limited</p> <p>March 2017      President and CEO, POKKA SAPPORO Food &amp; Beverage Ltd., and Group Managing Executive Officer, Sapporo Holdings Limited</p> <p>March 2020      Managing Director, Sapporo Holdings Limited</p> <p>March 2022      Adviser, Sapporo Holdings Limited (current position)</p> <p>[Significant concurrent positions] Consultant, Sapporo Holdings Limited</p> <p>[Reason for nomination as a candidate for Outside Director and expected role] The Company nominates Mr. Yoshihiro Iwata as a candidate for Outside Director because it expects that by leveraging his wealth of experience and expertise related to corporate management, including experience in global businesses, gained through his career as President and Representative Director and in other executive positions of other companies, he will provide advice and make proposals from an independent standpoint to contribute to enhancing the Company's corporate value.</p>	— shares

- (Notes)
- There are no conflicts of interests between each candidate and the Company.
  - Mr. Naosuke Oda, Mr. Makoto Horie, Ms. Takako Masai, and Mr. Yoshihiro Iwata are candidates for Outside Director.
  - The Company has entered into a liability limitation agreement with Mr. Naosuke Oda, Mr. Makoto Horie, and Ms. Takako Masai that limits their liability for damages to the Company within a certain extent, pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Company's Articles of Incorporation.  
The limit of liability for damages set out under such agreement is ¥10 million or the minimum liability amount of liability for damages set out under Article 425, Paragraph 1 of the Companies Act, whichever is higher.  
Such agreement with each of Mr. Naosuke Oda, Mr. Makoto Horie, and Ms. Takako Masai shall be renewed once their appointments are approved at this Annual General Meeting of Shareholders.  
The Company will enter into the same liability limitation agreement with Mr. Yoshihiro Iwata once his appointment is approved.
  - The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The overview of the said insurance contract is as described in "(4) Matters regarding directors and officers liability insurance agreements" of "IV Matters Regarding Directors (and other Officers)" in the Business Report (available only in Japanese).  
The Company plans to renew the contract, with similar terms, when it comes up for renewal. Each of the candidates will become the insured under the said insurance contract, once they are appointed.
  - The Company has appointed and registered Mr. Naosuke Oda, Mr. Makoto Horie, and Ms. Takako Masai as independent directors with the Tokyo Stock Exchange pursuant to the rules of the Exchange. The Company shall keep them registered as independent directors upon the approval of their appointments at this Annual General Meeting of Shareholders. Mr. Yoshihiro Iwata satisfies the requirements for independent director pursuant to the rules of the Tokyo Stock Exchange. The Company will appoint and register him as an independent director with the Exchange upon the approval of his appointment.
  - The name on the family registry of Ms. Takako Masai is Ms. Takako Nishida.

**Proposal 4:** Election of Five (5) Directors Who Are Audit & Supervisory Committee Members

The Company will shift to a company with an Audit & Supervisory Committee if Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed. Accordingly, we propose the election of five (5) Directors who are Audit & Supervisory Committee Members.

The Company has obtained the Audit & Supervisory Board’s consent to the submission of this proposal.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation under Proposal 2, “Partial Amendments to the Articles of Incorporation,” come into effect.

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

Candidate No.	Name	Gender	Attributes	Current position, etc. at the Company
1	Yukihiro Tanaka	Male	New appointment	Audit & Supervisory Board Member
2	Yosuke Kimura	Male	New appointment	General Manager of Nagoya Branch Office
3	Yoichi Takei	Male	New appointment Outside Director Independent Director	Outside Director
4	Kyoko Okada	Female	New appointment Outside Director Independent Director	Outside Audit & Supervisory Board Member
5	Yoshikuni Noguchi	Male	New appointment Outside Director Independent Director	Outside Audit & Supervisory Board Member

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	<p data-bbox="328 595 488 622">Yukihiro Tanaka</p> <p data-bbox="339 658 477 719">May 15, 1957 (Age 68)</p> <p data-bbox="288 757 528 880">Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p data-bbox="288 916 528 1039">Attendance record at the Audit &amp; Supervisory Board meeting: 100% (10/10)</p> <p data-bbox="280 1075 536 1198">Period of service as Audit &amp; Supervisory Board Member: 1 year</p> <p data-bbox="304 1234 512 1261">&lt;New appointment&gt;</p>	<p data-bbox="555 264 663 291">April 1980</p> <p data-bbox="555 300 663 327">June 2006</p> <p data-bbox="555 394 663 421">April 2010</p> <p data-bbox="555 461 663 488">April 2013</p> <p data-bbox="555 528 663 555">June 2015</p> <p data-bbox="555 595 663 622">May 2017</p> <p data-bbox="555 663 663 689">June 2017</p> <p data-bbox="555 788 663 815">April 2019</p> <p data-bbox="555 887 663 913">April 2021</p> <p data-bbox="555 985 663 1012">June 2021</p> <p data-bbox="555 1084 663 1111">June 2023</p> <p data-bbox="555 1209 663 1236">June 2024</p> <p data-bbox="555 1276 879 1303">[Significant concurrent positions]</p> <p data-bbox="555 1317 576 1339">—</p> <p data-bbox="555 1348 1230 1404">[Reason for nomination as a candidate for Director who is an Audit &amp; Supervisory Committee Member]</p> <p data-bbox="555 1413 1230 1592">The Company nominates Mr. Yukihiro Tanaka as a candidate for Director who is an Audit &amp; Supervisory Committee Member because it has judged that he will execute effective audits, considering that he has a wealth of experience and expertise in each business area of the sales and administrative divisions at the Company and its group companies.</p>	21,200 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	<p data-bbox="331 367 485 394">Yosuke Kimura</p> <p data-bbox="320 434 496 495">February 11, 1961 (Age 64)</p> <p data-bbox="288 533 528 645">Attendance record at the Board of Directors meeting: —</p> <p data-bbox="288 689 528 801">Attendance record at the Audit &amp; Supervisory Board meeting: —</p> <p data-bbox="280 846 536 958">Period of service as Audit &amp; Supervisory Board Member: —</p> <p data-bbox="304 1003 512 1030">&lt;New appointment&gt;</p>	<p data-bbox="555 264 667 291">April 1984</p> <p data-bbox="555 297 687 324">January 1999</p> <p data-bbox="555 365 655 392">July 2002</p> <p data-bbox="555 459 708 486">December 2003</p> <p data-bbox="555 526 655 553">July 2005</p> <p data-bbox="555 593 655 620">June 2011</p> <p data-bbox="555 687 667 714">April 2016</p> <p data-bbox="555 786 687 813">October 2018</p> <p data-bbox="555 853 879 880">[Significant concurrent positions]</p> <p data-bbox="555 898 576 925">—</p> <p data-bbox="555 925 1230 981">[Reason for nomination as a candidate for Director who is an Audit &amp; Supervisory Committee Member]</p> <p data-bbox="555 987 1230 1133">The Company nominates Mr. Yosuke Kimura as a candidate for Director who is an Audit &amp; Supervisory Committee Member because it has judged that he will execute effective audits, considering that he has a wealth of experience and expertise in each business area of the sales and administrative divisions at the Company.</p>	5,500 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	<p>Yoichi Takei</p> <p>June 10, 1961 (Age 63)</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>Attendance record at the Audit &amp; Supervisory Board meeting: —</p> <p>Period of service as Outside Director: 5 years</p> <p>&lt;New appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p>April 1993 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Iwata Godo</p> <p>April 2000 Partner of Meitetsu Law Offices (current position)</p> <p>June 2003 Outside Audit &amp; Supervisory Board Member of NIPPON THOMPSON CO., LTD.</p> <p>June 2006 Outside Audit &amp; Supervisory Board Member of YAMAKIN (JAPAN) CO., LTD. (current position)</p> <p>June 2013 Outside Director of NIPPON THOMPSON CO., LTD. (current position)</p> <p>June 2020 Outside Director of the Company (current position)</p> <p>January 2022 Outside Audit &amp; Supervisory Board Member of Nippon Export and Investment Insurance (NEXI) (current position)</p> <p>[Significant concurrent positions] Partner of Meitetsu Law Offices Outside Audit &amp; Supervisory Board Member of YAMAKIN (JAPAN) CO., LTD. Outside Director of NIPPON THOMPSON CO., LTD. Outside Audit &amp; Supervisory Board Member of Nippon Export and Investment Insurance (NEXI)</p> <p>[Reason for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member and expected role] The Company nominates Mr. Yoichi Takei as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member, because it has judged that he will appropriately execute his duties as Outside Director who is an Audit &amp; Supervisory Committee Member from an independent standpoint by leveraging his expertise as an attorney and high perspective and extensive experience gained through his career as an officer of other companies.</p>	— shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
4	<p data-bbox="336 405 475 432">Kyoko Okada</p> <p data-bbox="336 465 475 528">July 26, 1959 (Age 65)</p> <p data-bbox="288 562 528 685">Attendance record at the Board of Directors meeting: 93% (13/14)</p> <p data-bbox="288 719 528 842">Attendance record at the Audit &amp; Supervisory Board meeting: 93% (13/14)</p> <p data-bbox="288 875 528 999">Period of service as Audit &amp; Supervisory Board Member: 5 years</p> <p data-bbox="304 1032 512 1133">&lt;New appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p data-bbox="555 264 1241 327">April 1982      Joined Shiseido Company, Limited October 2011    General Manger, Corporate Culture Department, Shiseido Company, Limited</p> <p data-bbox="555 360 1201 450">April 2015      General Manager, Secretary Office, General Affairs Department, Shiseido Company, Limited</p> <p data-bbox="555 461 1225 524">June 2015      Audit &amp; Supervisory Board Member, Shiseido Company, Limited</p> <p data-bbox="555 535 1074 562">June 2018      Director, Japan Cancer Society</p> <p data-bbox="555 573 1134 622">June 2019      Independent Outside Auditor, Subaru Corporation</p> <p data-bbox="555 633 1193 660">June 2019      Outside Auditor, NS Solutions Corporation</p> <p data-bbox="555 669 1169 732">June 2020      Audit &amp; Supervisory Board Member, the Company (current position)</p> <p data-bbox="555 743 1198 792">June 2021      Outside Director, JACCS Co., Ltd. (current position)</p> <p data-bbox="555 804 1214 866">June 2022      Outside Audit &amp; Supervisory Board Member, NEC Corporation</p> <p data-bbox="555 878 1126 927">June 2023      Outside Member of the Board, NEC Corporation (current position)</p> <p data-bbox="555 938 882 965">[Significant concurrent positions]</p> <p data-bbox="555 974 890 1001">Outside Director, JACCS Co., Ltd.</p> <p data-bbox="555 1010 1230 1059">[Reason for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member and expected role]</p> <p data-bbox="555 1068 1238 1272">The Company nominates Ms. Kyoko Okada as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member, because it has judged that she will appropriately execute her duties as Outside Director who is an Audit &amp; Supervisory Committee Member from an independent standpoint by leveraging her extensive expertise on CSR and corporate culture and her wealth of experience gained through her career as an officer of other companies.</p>	— shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
5	<p>Yoshikuni Noguchi</p> <p>October 10, 1966 (Age 58)</p> <p>Attendance record at the Board of Directors meeting: 100% (11/11)</p> <p>Attendance record at the Audit &amp; Supervisory Board meeting: 100% (10/10)</p> <p>Period of service as Audit &amp; Supervisory Board Member: 1 year</p> <p>&lt;New appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p>October 1990      Joined Eiwa Audit Corporation (currently KPMG AZSA LLC)</p> <p>April 1997      Registered as a certified public accountant</p> <p>June 2005      Partner, KPMG AZSA LLC</p> <p>September 2023      Representative, Noguchi Accounting Office (current position)</p> <p>June 2024      Audit &amp; Supervisory Board Member, the Company (current position)</p> <p>[Significant concurrent positions] Representative, Noguchi Accounting Office</p> <p>[Reason for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member and expected role] The Company nominates Mr. Yoshikuni Noguchi as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member because it has judged that he will appropriately execute his duties as Outside Director who is an Audit &amp; Supervisory Committee Member from an independent standpoint by leveraging his experience as a partner of an audit corporation and his advanced expertise on finance and accounting.</p>	— shares

- (Notes)
- There are no conflicts of interests between each candidate and the Company.
  - Mr. Yoichi Takei, Ms. Kyoko Okada, and Mr. Yoshikuni Noguchi are candidates for Outside Director.
  - Although Mr. Yoichi Takei has not been involved in the management of a company other than as an outside officer, the Company has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his expertise as an attorney and high perspective and extensive experience gained through his career as an officer of other companies.
  - Although Mr. Yoshikuni Noguchi has not been involved in the management of a company other than as an outside officer, the Company has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his experience as a partner of an audit corporation and his advanced expertise on finance and accounting.
  - The Company has entered into a liability limitation agreement with Mr. Yukihiro Tanaka, Mr. Yoichi Takei, Ms. Kyoko Okada, and Mr. Yoshikuni Noguchi that limits their liability for damages to the Company within a certain extent, pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Company's Articles of Incorporation. The limit of liability for damages set out under such agreement is ¥10 million or the minimum liability amount of liability for damages set out under Article 425, Paragraph 1 of the Companies Act, whichever is higher. Such agreement with Mr. Yoichi Takei shall be renewed once his appointment is approved at this Annual General Meeting of Shareholders. The Company will enter into the same liability limitation agreement with Mr. Yukihiro Tanaka, Mr. Yosuke Kimura, Ms. Kyoko Okada, and Mr. Yoshikuni Noguchi once their appointments are approved.
  - The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The overview of the said insurance contract is as described in "(4) Matters regarding directors and officers liability insurance agreements" of "IV Matters Regarding Directors (and other Officers)" in the Business Report (available only in Japanese). The Company plans to renew the contract, with similar terms, when it comes up for renewal. Each of the candidates will become the insured under the said insurance contract, once they are appointed.
  - The Company has appointed and registered Mr. Yoichi Takei, Ms. Kyoko Okada, and Mr. Yoshikuni Noguchi as independent audit & supervisory board members with the Tokyo Stock Exchange pursuant to the rules of the Exchange. The Company shall keep them registered as independent audit & supervisory board members upon the approval of their appointments at this Annual General Meeting of Shareholders.

<Reference>

### **Election Policy for Director of the Company**

Candidates for Director of the Company shall be determined from among a wide diversity of human resources, in accordance with the following nomination policy, by a resolution of the Board of Directors. In determining the candidates for Director, the Board of Directors shall consult and receive a report of the Nomination Committee, which is chaired by an Independent Outside Director and of which Independent Outside Directors constitute a majority:

- i) Those who have a wealth of knowledge and experience concerning business management and business operations of the Daio Group; and
- ii) Those who understand the social responsibility and the mission of operations and are capable of executing business management and business operations fairly and accurately based on high ethical standards.

### **Election Policy for Independent Outside Director of the Company**

Candidates for Independent Outside Director shall be determined from among a wide diversity of human resources, in accordance with the following nomination policy, by a resolution of the Board of Directors:

- i) Those who meet the independence criteria\* of the Company and are deemed to have no potential conflict of interest with general shareholders;
- ii) Those who understand the management philosophy of the Company and fully understand the social responsibilities and roles of the Daio Group; and
- iii) Those who fully recognize the role of an Outside Director and are able to leverage their knowledge and activities in such fields as corporate management, economics, law, accounting, tax and audit to supervise execution of duties by Directors and management of the Company, and provide opinion and advice in an accurate and appropriate manner.

\* The independence criteria for Independent Outside Director specified by the Corporate Governance Basic Policy of the Company are as follows.

In selecting candidates for Independent Outside Director, the Company assesses independence taking into consideration the following requirements.

1. There are no significant conflicts of interest with the Daio Group, and substantial independence can be ensured. Specifically, the candidates shall not fall under any of the following items:
  - 1) A person whose principal business partner is the Company or a business executor of such person, or a person who is the Company's principal business partner or a business executor of such person;
  - 2) A consultant, accounting specialist or legal specialist who receives a large amount of cash and other financial assets other than directors' remuneration from the Company (in the event that the person who receives such financial assets is a corporation, association or some other organization, a person who belongs to such organization);
  - 3) A business executor of a major shareholder of the Company (including Director who is not a business executor);
  - 4) A person who recently fell under 1) to 3) above; or
  - 5) A close relative of the person mentioned in a. to c. below (excluding those who are not important):
    - a. Person mentioned in 1) to 4) above;
    - b. A business executor of a subsidiary of the Company; or
    - c. A person who recently fell under b. above or a business executor of the Company.

<Reference> Areas expected of each Director after election at this Annual General Meeting of Shareholders

Indicated below are areas regarding which, based on Directors' achievements and experience, the Company has particularly high expectations of its Directors as it strives to achieve the Daio Group's long-term vision "Daio Group Transformation 2035."

Name	Position	Independence	Areas regarding which the Company has particularly high expectations									
			1) Corporate management	2) Corporate planning / M&A	3) Sales & marketing	4) Manufacturing / R&D	5) Finance / accounting	6) Human resources / HR development	7) Legal affairs / risk management	8) Overseas business / international experience	9) Sustainability / ESG	10) IT / DX
Yorifusa Wakabayashi	Representative Director President and Chief Executive Officer		•	•	•		•	•		•	•	
Hiroshi Yamasaki	Representative Director Executive Vice President		•			•		•	•	•	•	
Atsushi Ishida	Director Managing Executive Officer			•	•							•
Hiroyuki Fujita	Director Managing Executive Officer		•		•	•				•		
Toshikatsu Tanahashi	Director Managing Executive Officer		•			•			•		•	
Shuhei Shinagawa	Director Managing Executive Officer			•			•		•			•
Naosuke Oda	Outside Director	•	•	•	•				•			•
Makoto Horie	Outside Director	•	•	•	•					•		
Takako Masai	Outside Director	•						•	•	•	•	
Yoshihiro Iwata	Outside Director	•	•	•				•		•		
Yukihiro Tanaka	Director, Audit & Supervisory Committee Member			•					•	•	•	

Name	Position	Independence	Areas regarding which the Company has particularly high expectations									
			1) Corporate management	2) Corporate planning / M&A	3) Sales & marketing	4) Manufacturing / R&D	5) Finance / accounting	6) Human resources / HR development	7) Legal affairs / risk management	8) Overseas business / international experience	9) Sustainability / ESG	10) IT / DX
Yosuke Kimura	Director, Audit & Supervisory Committee Member				•			•		•		
Yoichi Takei	Outside Director, Audit & Supervisory Committee Member	•		•				•		•		•
Kyoko Okada	Outside Director Audit & Supervisory Committee Member	•							•	•		•
Yoshikuni Noguchi	Outside Director Audit & Supervisory Committee Member	•						•		•		•

**Proposal 5:** Setting Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

At the 110th Annual General Meeting of Shareholders held on June 29, 2021, it was approved that the amount of remuneration for Directors of the Company shall be no more than ¥500 million per year (including ¥72 million for Outside Directors). If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee, and therefore, this amount of remuneration will be abolished. We propose that the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal) after the Company transitions to a company with an Audit & Supervisory Committee be set at no more than ¥500 million per year (including no more than ¥72 million for Outside Directors).

This proposal is considered to be reasonable, as the Board of Directors resolved it after deliberation by the Remuneration Committee, the majority of which is composed of Independent Outside Directors, while comprehensively taking into account the scale of the Company’s business, the officers remuneration system, the standards for payment thereof, the current number of Directors, and future trends.

In addition, at the Board of Directors meeting held on May 27, 2025, the Company resolved to change the Policy for Determining Individual Remuneration of Directors (current policy is as described in “IV Matters Regarding Directors (and other Officers)” in the Business Report (available only in Japanese)) as described in [Reference] shown after Proposal 7, subject to approval of Proposal 2, “Partial Amendments to the Articles of Incorporation,” and this proposal through Proposal 7, “Setting Stock-based Remuneration Amount and Partial Amendments and Continuation of the Stock-based Remuneration Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors).” This proposal is necessary and reasonable for the payment of monetary remuneration based on the policy.

Currently, there are ten (10) Directors (four (4) of whom are Outside Directors). If Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” are approved as originally proposed, the number of Directors will be ten (10) (four (4) of whom are Outside Directors).

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” become effective.

**Proposal 6:** Setting Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed, the Company will shift to a company with an Audit & Supervisory Committee. We propose that the amount of remuneration for Directors who are Audit & Supervisory Committee Members after the transition to a company with an Audit & Supervisory Committee shall be no more than ¥100 million per year. This proposal is considered to be reasonable, taking into account the scale of the Company’s business, the roles and responsibilities of Directors who are Audit & Supervisory Committee Members, global standards, and economic situation.

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 4, “Election of Five (5) Directors Who Are Audit & Supervisory Committee Members,” are approved as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be five (5) (three (3) of whom are Outside Directors).

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” become effective.

**Proposal 7:** Setting Stock-based Remuneration Amount and Partial Amendments and Continuation of the Stock-based Remuneration Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

1. Reason for the proposal and reason for considering such remuneration reasonable

The remuneration of Directors of the Company (excluding Outside Directors) consists of “basic remuneration,” “bonus,” and “stock-based remuneration.” Among these, “stock-based remuneration” is a stock-based remuneration plan (hereinafter referred to as the “Plan”) using a trust as remuneration to Directors of the Company (excluding Outside Directors) with the approval of shareholders at the 108th Annual General Meeting of Shareholders held on June 27, 2019 (the resolution approved by the said General Meeting of Shareholders is hereinafter referred to as the “Previous Resolution”), and has been put in place up to the present.

In the event that Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed, the Company will shift to a company with an Audit & Supervisory Committee. Accordingly, we ask for approval to re-establish and continue the amount of remuneration for the Plan as the amount for remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter referred to as “Directors” in this Proposal 7) with partial amendments to its content.

The details thereof are to be left to the discretion of the Board of Directors within the framework of 2. below.

This proposal shall become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” become effective.

The Plan was introduced to clarify the link between Directors’ remuneration and the Company’s stock value, and to raise Directors’ awareness regarding contributing to improvement of business performance over the medium- to long-term and expansion of corporate value by having them share the profits and risks from the fluctuations of share price with the shareholders.

By amending the Plan in accordance with this proposal, the number of shares to be delivered to Directors based on the Plan will be linked to the Company’s performance. The aim is to clarify the link between Directors’ remuneration and the Company’s performance and stock value, and to enhance incentives for achieving performance targets.

This proposal, which is separate from the maximum amount of remuneration for Directors who are not members of the Audit & Supervisory Committee (annual amount of up to ¥500 million (of which annual amount of up to ¥72 million for Outside Directors)), which is proposed for approval in Proposal 5, “Setting Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” is to provide stock-based remuneration under the amended Plan to Directors who will be in office during the period from the last day of March 2026 to the last day of March 2029 (hereinafter referred to as the “Covered Period”).

The content of this proposal is considered to be reasonable, as the Board of Directors resolved it after deliberation by the Remuneration Committee, the majority of which is composed of Independent Outside Directors, while comprehensively taking into account the purpose of the amendments to the Plan described above, the scale of the Company’s business, the officers remuneration system, the standards for payment thereof, the current number of Directors, and future trends.

In addition, at the Board of Directors meeting held on May 27, 2025, the Company resolved to change the Policy for Determining Individual Remuneration of Directors (current policy is as described in “IV Matters Regarding Directors (and other Officers)” in the Business Report (available only in Japanese)) as described in [Reference] shown after this proposal, subject to approval of Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 5, “Setting Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” through this proposal. The content of this proposal is necessary and reasonable to grant remuneration in accordance with the policy.

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Ten (10) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” are approved as originally proposed, the number of Directors subject to the Plan will be six (6).

\* If this proposal is approved as originally proposed, the Company plans to continue a similar stock-based compensation plan with partial amendments for the Executive Officers who have entered into a mandate agreement with the Company (hereinafter referred to as the “Executive Officers.”)

2. Amount and details of remuneration, etc. under the Plan after the amendments

The contents of the previous Plan will be partially amended as follows.

(1) Outline of the Plan

The Plan is a stock-based compensation plan in which a trust established by the Company with monetary contributions (established at the time of the introduction of the Plan in 2019; hereinafter referred to as the “Trust”) acquires shares in the Company and the number of shares in the Company that corresponds to the number of points the Company grants to each Director is delivered for each Director.

In principle, Directors receive these shares in the Company when they leave their Directors’ positions.

1. Eligible persons for the Plan (Note)	Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members)
2. Covered Period	From the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2029
3. The upper limit of the amount of money the Company contributes to the acquisition of shares in the Company necessary for the delivery to the eligible persons in 1. (Note) during the Covered Period in 2. (4 business years) and in the period from June 27, 2024 to June 26, 2025 under the Plan before the amendments.	Total ¥440 million
4. Method of acquiring shares in the Company	Method of disposing of treasury shares or method of acquiring from the exchange market (including off-floor transactions)
5. Upper limit of total number of points granted to the eligible persons under 1.	104,000 points per business year
6. Criteria for granting points	Granting points according to positions and achievement of performance targets
7. Timing for granting of shares in the Company to the eligible persons under 1.	At the time of retirement in principle

Note: For the period until the transition to a company with an Audit & Supervisory Committee, as in the Previous Resolution, Directors excluding Outside Directors are eligible.

(2) Maximum contribution amount by the Company

In accordance with the Previous Resolution, the Company has extended the trust period for the Trust that has been established. However, as the funds required for the acquisition of shares in the Company to be provided as stock-based remuneration to Directors under the Plan, the Company will entrust an additional amount up to a total amount of ¥440 million as remuneration for Directors who are in office during the Covered Period. The said amount (total of ¥440 million) includes the funds to acquire shares in the Company as remuneration for Directors for the period from June 27, 2024 to June 26, 2025 under the Plan prior to the amendments. The Trust will use the money the Company has entrusted as the source of payment (including the additional money the Company has entrusted as described above, as well as the money remaining in the Trust prior to the additional entrustment) by the method of disposing of the Company’s treasury shares or by the method of acquiring the Company’s shares from the exchange market (including off-floor trading).

Note: The additional amount of money that the Company actually contributes to the Trust shall be the sum of the aforementioned funds for the acquisition of shares in the Company and the estimated amount of necessary expenses such as trust fees and trust administrator fees. The Company also holds additional trust funds for the acquisition of shares in the Company, which are necessary for delivery to Executive Officers.

In addition, the Company may, by a decision of the Board of Directors, determine a new covered period (not exceeding five (5) business years) from time to time after the current Covered Period and further extend the trust period of the Trust (including effectively extending the trust period by transferring the trust assets of the Trust to a trust established by the Company with the same purpose as the Trust; the same shall apply hereinafter), and accordingly the Plan may be continued. In this case, during such new covered period, the Company will make an additional trust of money to the Trust up to the amount of ¥88 million multiplied by the number of business years in such new covered period as the additional acquisition funds of shares in the Company necessary to deliver to Directors under the Plan, and will continue granting points as described in (3) below and delivering shares in the Company.

In addition, even if the Plan is not continued by the establishment of the new covered period as described above, the trust period of the Trust may be extended until the Directors retire and the delivery of shares in the Company is completed if there are Directors who have already been granted points but have not yet retired at the expiration of the trust period.

(3) The method and upper limit for calculating shares in the Company delivered to Directors

(i) Method of granting points to Directors, etc.

In accordance with the Share Issuance Rules specified by the Board of Directors, the Company grants points based on position and achievement of performance targets of each Director on the date of point grant specified in the Share Issuance Rules during a trust period. After the conclusion of this Annual General Meeting of Shareholders, points for the execution of duties until the conclusion of this Annual General Meeting of Shareholders may be granted within the scope of the Previous Resolution.

However, the total number of points to be granted to Directors shall be up to 104,000 per business year.

(ii) Delivery of shares in the Company according to the number of points granted

Directors will receive the delivery of shares in the Company in accordance with the procedures described in (iii) below in accordance with the number of points granted in (i) above (including points granted based on the Previous Resolution).

One point corresponds to one share in the Company. Provided, however, that in the event that it is deemed reasonable to adjust the number of shares in the Company to be delivered, such as a stock split or consolidation of shares, the number of shares in the Company per point shall be adjusted in accordance with such a split ratio or consolidation ratio, etc.

(iii) Delivery of shares in the Company to Directors

Delivery of shares in the Company to each Director as described in (ii) above shall be made from the Trust, in principle, by each Director carrying out the prescribed procedures for the determination of beneficiaries at the time of his/her retirement.

However, a certain proportion of shares in the Company may be given in cash in lieu of those shares after the Trust sells the shares for cash so that the Company deducts a tax (e.g., withholding tax) at source. In addition, in the event that shares in the Company in the Trust are converted into cash, such as when shares in the Company in the Trust are settled by participating in a tender offer, the Company may deliver money in cash in lieu of shares in the Company.

(4) Exercise of voting rights

The voting rights pertaining to shares in the Company in the Trust shall, uniformly, not be exercised, based on the instructions of the trust administrator who is independent from the Company and the officers of the Company. By using this method, the Company intends to ensure the neutrality of the exercise of voting rights relating to shares in the Company in the Trust to the management of the Company.

(5) Treatment of dividends

Dividends on shares in the Company in the Trust will be received by the Trust and allocated to the purchase of shares in the Company and the trust fees of the trustee related to the Trust, etc.

[Reference] Policy for Determining Individual Remuneration of Directors

At a meeting of the Board of Directors held on May 27, 2025, the Board of Directors resolved to amend the Policy for Determining Individual Remuneration of Directors subject to the approval of Proposals 2, 5, 6, and 7 submitted to this Annual General Meeting of Shareholders. Details of the Policy for Determining Individual Remuneration of Directors after the amendments are as follows.

“Policy for Determining Individual Remuneration of Directors”

<Basic Policy>

In principle, the remuneration system for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter) is designed to motivate them to improve their performance and to retain talented human resources as part of our effort to enhance the corporate value of the Company. As a basic policy, the Company sets appropriate levels of remuneration, taking into consideration the business environment, business performance, consistency with the treatment of employees, etc.

1. Policy for decision of calculation method of basic remuneration
  - A fixed amount that the Officers’ Remuneration Rules specifies by position is paid to each full-time Director.
  - A fixed amount shall be added to remuneration for a Director with the responsibility for representing the Company.
  - Remuneration for Outside Directors consists of basic remuneration only. A fixed amount is paid to each of these Directors based on their membership in the committees established within the Company.
2. Policy on the details of bonus-related performance indicators and decision on calculation method of bonuses
  - Key performance indicators (KPI) for annual incentive remuneration, linked with the Company’s performance for a single fiscal year, are consolidated operating profit, which indicates accomplishments in corporate activities, and corporate net sales, which is the source of corporate activities.
  - The scoring weight of both KPIs is the same for all positions with consolidated operating profit: consolidated net sales = 80:20. The payment amount is calculated based on the pay ratio that fluctuates between 0 to 150% in accordance with the achievement level, etc. for the performance target related to each KPI.
  - Bonuses may be reduced or not paid if a considerable amount of extraordinary loss has been recorded in the consolidated financial results for the previous fiscal years.
3. Policy on the details of non-monetary compensation and calculation method of non-monetary compensation
  - The Company has a stock-based remuneration system for its full-time Directors. In this system, a trust established by the Company with monetary contributions acquires shares in the Company, and the number of shares in the Company that corresponds to the number of points the Company gives to each of these Directors is delivered for each Director.
  - Points are granted to each Director in accordance with their position, after adding a performance-linked portion, on the date of point grant specified in the Share Issuance Rules specified by the Board of Directors during a trust period in accordance with the Share Issuance Rules. Points of the performance-linked portion are granted based on the Share Issuance Rules, etc. of the Company that specify the performance achievement standards for the ROIC indicator and ESG indicators (the achievement rate of CO<sub>2</sub> reduction targets and the achievement level for engagement indicators) for the purpose of giving incentive for medium- to long-term performance improvement and corporate value growth.  
Points granted = Stock-based remuneration amount by position / Book value per share in the Company held by the trust
  - One point corresponds to one share in the Company.
  - The total number of points to be granted to Directors shall be up to 104,000 per fiscal year.
  - When stock-based compensation is provided, a certain proportion of shares in the Company may be given in cash in lieu of those shares after the trust sells the shares for cash so that the Company deducts a tax (e.g., withholding tax) at source.
  - Directors on overseas assignments each receive a monetary amount of stock-based remuneration specified for each position after deduction of an amount equivalent to a tax that would be imposed if they received the compensation in Japan.

4. Policy on decision of the percentages of basic remuneration, a bonus, and non-monetary compensation
  - Regarding the percentage of compensation by type for Executive Directors, performance-based weights are designed to increase depending on types and performance in light of the compensation level of companies that have a business size similar to that of the Company and that are classified into industries and business formats related to those of the Company as the benchmark, based on an officers' remuneration survey conducted by a third-party organization.
  
5. Policy on decision of timing or condition of providing remuneration for Directors
  - Monthly remuneration is paid for each month.
  - A bonus is paid in July for the period between July of the previous year and June of the current year. Note that the evaluation used for calculation is for the previous fiscal year.
  - Points as stock-based remuneration shall be granted on the day of point grant, stipulated by the Stock Issuance Rules. Directors will normally receive these shares in the Company when they leave their Directors' positions.
  - Based on a resolution by the Board of Directors, a Director to whom the stock-based remuneration system applies shall lose all or some of the points that have been granted to him/her, and he/she shall be no longer entitled to receive points henceforth, nor shall he/she acquire any beneficiary rights connected to the lost points if he/she:
    - 1) Has been dismissed from or is to leave the Director's post due to damage he/she has caused to the Company.
    - 2) Has acted against the Company's interests or convenience, such as violating a law or breaching the obligation not to compete.
    - 3) Is to resign as Director for his/her own reasons, excluding inevitable reasons such as his/her own illness or the need to provide care for family members.
  
6. Matters regarding the delegation of decision-making on the details of Directors' remuneration
  - 1) Names of those who are to be delegated, their positions and responsibilities at the Company
    - The Remuneration Committee as a non-mandatory committee  
Remuneration Committee member  
Chair: Naosuke Oda, Outside Director  
Members: Makoto Horie, Takako Masai, and Yoshihiro Iwata, Outside Directors  
Yorifusa Wakabayashi, Representative Director and Chief Executive Officer
  - 2) Delegated authority
    - Authority to determine the amounts of remuneration for individual full-time Directors and Executive Officers (excluding employed officers)
    - Authority to carry out evaluations related to remuneration for individual full-time Directors and Executive Officers (excluding employed officers)
  - 3) Measures to ensure the appropriate exercise of authority
    - The Remuneration Committee is chaired by an Outside Director, and more than half of its members are Outside Directors.
    - The Remuneration Committee strengthens its independence by raising the percentage of Outside Directors in order to ensure transparency and fairness.
    - The Remuneration Committee is structured in such a way that allows the Chair of the Audit & Supervisory Committee to participate in it as an observer, so that he/she can share the deliberations of the Committee.
    - The Officers' Remuneration Rules, the Share Issuance Rules for Directors, and the Overseas Assignment Rules shall prescribe matters regarding the determination of remuneration for each individual, and these matters shall be carried out in accordance with these rules. The Board of Directors shall resolve on the revision or removal of any of the rules about Directors' remuneration specified in these rules.
  
7. Policy for determination of remuneration for each individual
  - Individual bonus-related targets are determined through the deliberations of the Remuneration Committee, and evaluations through individual interviews conducted by the Remuneration Committee members and the deliberations of the Committee.
  - When setting remuneration levels and a remuneration system, the Company decides on plans through comparing them with a group of companies that have a business size similar to that of the Company and that

are classified into industries and business formats related to those of the Company, based on an officers' remuneration survey conducted by a third-party organization.

8. Other important matters regarding determination of remuneration
  - Remuneration may be temporarily cut in line with our business performance and according to other needs, pursuant to the Officers' Remuneration Rules.