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To Our Shareholders,

Securities Code: 9270

(Date of dispatch) November 7, 2025
(Commencement date of electronic provision measures) November 4, 2025
5-6-19 Minamiaoyama, Minato-ku, Tokyo
Valuence Holdings Inc.
Representative Director Shinsuke Sakimoto

Convocation Notice for the 14th Ordinary General Meeting of Shareholders

Dear Valuence Holdings Inc. Shareholders,

You are hereby notified that the 14th Ordinary General Meeting of Shareholders of Valuence Holdings Inc. (the “Company”) will be held as follows.

In convening this year's General Meeting of Shareholders, the Company has taken electronic provisions measures for the information contained in the Reference Materials for the General Meeting of Shareholders (“matters subject to electronic provision measures”) and posted it on the following websites. You are kindly requested to visit any of the websites and see the information.

The Company's website: <https://www.valuence.inc/ir/>

Tokyo Stock Exchange's website: <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

On the TSE website, please enter the Company's name or securities code in the stock search field, and select “Basic information,” “Documents for public inspection/PR information,” and “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting,” in that order, to see the documents.

Website posting the Reference Materials for the General Meeting of Shareholders: <https://d.sokai.jp/9270/teiji/>

If you choose not to attend the meeting in person, please check the guidance on the exercise of voting rights, review the Reference Materials for the General Meeting of Shareholders, and exercise your voting rights by 7:00 PM on Tuesday, November 25, 2025 (Japan Standard Time).

1. Date and time	Wednesday, November 26, 2025; 10:00 AM (reception opens at 9:30 AM) * Please make sure to note that the reception open time has changed from last year.	
2. Venue	THE STRINGS OMOTESANDO H B1F WEST SUITE 3-6-8 Kita-aoyama, Minato-ku, Tokyo	
3. Meeting agenda	Reports	1. Business Report, Consolidated Financial Statements, and Audit Report on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for 14th Fiscal Year (from September 1, 2024 to August 31, 2025) 2. Financial Statements for the 14th Fiscal Year (from September 1, 2024 to August 31, 2025)
	Matters for resolution	No. 1 Election of six Directors (excluding Directors who are the Audit and Supervisory Committee Members) No. 2 Election of three Directors who are the Audit and Supervisory Committee Members No. 3 Revision of Remuneration, etc. for the Allocation of Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Exercise of Voting Rights

If you choose not to attend the General Meeting of Shareholders



Exercise of voting rights in writing

Please indicate your approval or disapproval of resolutions on the voting form and return it by mail.

Deadline to exercise voting rights

Voting forms must be received by 7:00 PM on Tuesday, November 25, 2025



Exercise of voting rights via the internet

Please access the voting rights exercise website designated by the Company (<https://www.web54.net>) and enter your approval or disapproval of resolutions in accordance with the instructions onscreen.

Deadline to exercise voting rights

Tuesday, November 25, 2025; 7:00 PM

If you choose to attend the General Meeting of Shareholders



Attendance at the General Meeting of Shareholders

Please bring your voting form and submit it at the meeting reception desk. In addition, please bring this booklet as an agenda for the meeting.

Date and time of the meeting

Wednesday, November 26, 2025; 10:00 AM
(reception opens at 9:30 AM)

If attending the General Meeting of Shareholders, please submit your voting form at the meeting reception desk.

The Company may be forced to change the meeting venue, the start time of the meeting, and other details owing to future circumstances. In this case, the relevant information will be published on the Company's website (<https://www.valuence.inc/ir/>), so please confirm the details there.

Notes

- * If you do not indicate your approval or disapproval of a proposal on the voting form in exercising your voting rights in writing (by mail), it will be counted as a vote of approval.
- * If voting rights are exercised both in writing and via the internet, the votes submitted via the internet will be treated as valid, regardless of when the votes are received.
- * If voting rights are exercised multiple times via the internet, the final votes submitted will be treated as valid.
- * Any connection fees payable to providers, telecommunications fees payable to telecommunications carriers, and other expenses incurred when using the voting rights exercise website will be borne by the shareholder.

◎ If any change is made to the matters subject to electronic provision measures, the Company will post information before and after the change on each website listed on page 1.

◎ The Company will send the paper copy containing the matters subject to electronic provision measures to the shareholders who have requested it. However, pursuant to laws and regulations as well as Article 15, Paragraph 2 of the Company's Articles of Incorporation, and therefore are not included in the paper copy sent to shareholders who have requested: "Matters related to Stock Acquisition Rights, etc. of the Company," "System to Ensure Appropriate Business Management" and "Operating Status of System to Ensure Appropriate Business Management" (Business Report), "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements" (Consolidated Financial Statements), "Balance Sheet," "Statement of Income," "Statement of Changes in Shareholders' Equity" and "Notes to Financial Statements" (Financial Statements), and "Independent Auditor's Report on the Consolidated Financial Statements" and "Independent Auditor's Report on the Non-Consolidated Financial Statements" and "Audit report of the Audit and Supervisory Committee" (Audit report). Therefore, the paper copy sent to the shareholders who have requested it is part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in the preparation of audit reports.

**Proposal
No. 1**
Election of six Directors (excluding Directors who are the Audit and Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are the Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we ask for your election of six Directors.

The candidates for Directors have been determined by the Board of Directors after receiving reports from the Nomination and Compensation Committee, which is a voluntary advisory body to the Board of Directors. In addition, the Audit and Supervisory Committee of the Company has determined that all the candidates for Directors under this proposal are qualified.

The candidates for Directors are as described below.

Candidate no.	Name	Current position at the Company	Candidate attributes	Attendance at Board of Directors' meetings
1	Shinsuke Sakimoto	Representative Director	Reappointment	100% (16/16)
2	Susumu Muguruma	Director and Head of Overseas Business Division	Reappointment	100% (16/16)
3	Shinichiro Sato	Director and Office Manager of President's Office, Division Manager of Accounting Division	Reappointment	100% (16/16)
4	Mitsutoshi Tomita	Director	Reappointment	100% (13/13)
5	Kenji Fuma	Outside Director	Reappointment Outside Director	100% (16/16)
6	Ibun Hirahara	Outside Director	Reappointment Outside Director Independent Officer	100% (16/16)

(Note) Mitsutoshi Tomita became a newly elected Director at the 13th Ordinary General Meeting of Shareholders held on November 22, 2024. His attendance at Board of Directors' meetings represents meetings held since his election.

Candidate no.

1

Shinsuke SakimotoDate of birth
April 14, 1982

Reappointment



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

13 years 11 months

Number of the Company's shares owned

7,928,800 shares

Attendance at Board of Directors' meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

June	2004	Managing Director, MKS Corporation (currently DOROQUIA HOLATHETA Co., Ltd.)
December	2011	Established SOU Inc. (currently the Company), named Representative Director (current position)
November	2014	Representative Partner (currently Representative Director), SF Property Management LLC (currently SF Property Management Inc.) (current position)
November	2019	Director, SOU Technologies Inc. (currently Valence Technologies Inc.) (current position)
March	2021	Representative Director, Valence Ventures Inc. (current position)
August	2021	Director, Nankatsu SC Co., Ltd. (current position)
December	2023	Representative Director, Valence Japan Inc.
September	2025	Director, Valence Japan Inc. (current position)

Reasons for nomination as a Director candidate

Shinsuke Sakimoto established the Company in December 2011. Since then, he has been directing the Company's Group as representative director and has played an important role in both decision-making and supervision of business execution. He strives to enhance corporate value by demonstrating strong leadership in a rapidly changing business environment and leading the management of the Company group. In order to further promote the Company's growth and sustainable enhancement of corporate value in the future, the Company has named him again as a candidate for Director.

Candidate no.

2

Susumu MugurumaDate of birth
July 21, 1971

Reappointment



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

5 years

Number of the Company's shares owned

52,100 shares

Attendance at Board of Directors' meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

April	1996	Joined Olympus Corporation
January	2004	Joined Sony Corporation (currently Sony Group Corporation)
September	2018	Joined SOU Inc. (currently the Company), named General Manager, Overseas Business Head Office and Head of Overseas Business Strategy Division
June	2019	Representative Director, Star Buyers Limited (currently Valence International Limited) (current position)
September	2020	Representative Director, Valence Japan Inc.
November	2020	Director, the Company
December	2023	Director, Valence Japan Inc. (current position)
September	2025	Director and Head of Overseas Business Division, the Company (current position)

Reasons for nomination as a Director candidate

Susumu Muguruma was in charge of overseas businesses at major global companies. He has been responsible for the overseas strategy and business strategy as a whole of the Company's Group since joining the Company. In particular, he is working to increase the corporate value of the Company's Group by formulating business plans overseas, strengthening overseas businesses. The Company has determined that he will play an important role in promoting further global expansion in the future, the Company has named him again as a candidate for Director.

Candidate no.

3

Shinichiro SatoDate of birth
September 1, 1968

Reappointment



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

5 years

Number of the Company's shares owned

28,800 shares

Attendance at Board of Directors' meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

April	1993	Joined Daiwa Institute of Research Ltd.
April	2000	Joined Monex, Inc.
January	2015	Joined Digital Garage, Inc.
May	2020	Joined the Company, named General Manager, Corporate Planning and Management Head Office
September	2020	Director, Valence Japan Inc. (current position)
November	2020	Director; Executive Officer; and General Manager, Corporate Strategy Head Office, the Company
March	2021	Director, Valence Ventures Inc. (current position)
September	2021	Director, Valence Technologies Inc. (current position)
August	2025	Director and Office Manager of President's Office, Division Manager of Accounting Division, the Company (current position)
October	2025	Director, Valence International Limited (current position)

Reasons for nomination as a Director candidate

Shinichiro Sato possesses a wealth of experience and a broad range of knowledge in general management and finance and plays an important role in overall management as the person in charge of the corporate management field and strives to increase corporate value. The Company has determined that the Company can expect to continue to promote appropriate oversight of the Company Group's management and medium-to long-term growth strategies, the Company has named him again as a candidate for Director.

Candidate no.

4

Mitsutoshi TomitaDate of birth
October 10, 1980

Reappointment



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

1 year

Number of the Company's shares owned

17,799 shares

Attendance at Board of Directors' meetings

100% (13/13)

Career summary, titles, and responsibilities (significant concurrent positions)

April	2005	Joined UFJ Bank Limited (currently MUFG Bank, Ltd.)
May	2015	Joined JPMorgan Chase Bank, N.A.
September	2018	Joined bitFlyer, Inc.
September	2020	Joined the Company, Valence Japan Inc., named General Manager, New Business Promotion Head Office
September	2021	Executive Officer and General Manager, New Business Head Office, Valence Japan Inc.
September	2022	Executive Officer and General Manager, Purchasing Head Office, Valence Japan Inc.
June	2024	Director, Valence Technologies Inc.
September	2024	Director, Executive Officer, and Head of Sales Division, Valence Japan Inc.
November	2024	Director, the Company (current position)
September	2025	Representative Director, and Head of Sales Division Valence Japan Inc. (current position)

Reasons for nomination as a Director candidate

Mitsutoshi Tomita has been engaged in formulating domestic business strategies and promoting operational efficiency at Valence Japan Inc., thereby contributing to the enhancement of the corporate value of the Company Group. Based on his ability to make decisions grounded in an accurate understanding of market conditions and his proactive efforts in expanding the Company's domestic business, the Company has determined that he will continue to play an important role in driving the domestic business forward, and has therefore named him again as a candidate for Director.

Candidate no.

5

Kenji Fuma

Date of birth
March 27, 1980

Reappointment

Outside
Director

Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

4 years

Number of the Company's shares owned

—

Attendance at Board of Directors' meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

April	2004	Joined Recruit Ablic Inc. (currently Recruit Co., Ltd.)
July	2013	Established Neural Inc., named Representative Director and CEO (current position)
July	2019	Councilor, Thunderbird School of Global Management General Incorporated Foundation (current position)
June	2020	Trustee, NPO WaterAid Japan (current position)
February	2021	Co-opted Member, Executive Committee, JAPAN PROFESSIONAL FOOTBALL LEAGUE (current position)
November	2021	Outside Director, the Company (current position)
March	2022	Director, General Incorporated Association MASHING UP (current position)
July	2022	Specially Appointed Professor, Office of Sustainability, Shinshu University (current position)
July	2023	Outside Director, AGBIOTECH Co., Ltd. (current position)
October	2023	Director, General Incorporated Association Resource Recycling Council (current position)
June	2024	Outside Director, T&D Holdings, Inc. (current position)

Reasons for nomination as an Outside Director candidate and summary of expected roles

Kenji Fuma has managed a company that provides advisory services related to sustainability and ESG investment since 2013 and possesses a wealth of experience and deep insight. He has provided practical and objective advice on overall management, especially the ESG strategy of the Company's Group. The Company has determined that he can be expected to contribute to the growth of the Company's group in the future, and has therefore named him again as a candidate for Outside Director.

Candidate no.

6

Ibun Hirahara

Date of birth
October 3, 1993

Reappointment

Outside
DirectorIndependent
Officer

Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

2 years

Number of the Company's shares owned

—

Attendance at Board of Directors' meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

April	2017	Joined Janssen Pharmaceutical K.K.
June	2019	Co-founder of World Road Inc.
November	2021	Founder, HI Corporation (current position)
May	2022	External advisor, Mitsui Sumitomo Insurance Company, Limited. (current position)
August	2022	Councilor, The Peace Communication Foundation (current position)
July	2023	Executive Director, MIRAI EDUTAINMENT FOUNDATION (current position)
November	2023	Outside Director, the Company (current position)
June	2024	Outside Director, AMUSE INC. (current position)

Reasons for nomination as an Outside Director candidate and summary of expected roles

Ibun Hirahara possesses a achievements and insight in sustainability, education, and international business through her experience studying abroad in several countries and working at a major pharmaceutical company and other places. The Company has received practical and objective advice on the Company Group's overseas strategy and organizational HR areas. The Company has determined that she can be expected to contribute to the growth of the Company's group in the future, and has therefore named her again as a candidate for Outside Director.

- (Notes)
1. No special relationships exist between the candidates and the Company.
 2. Kenji Fuma, and Ibun Hirahara are Outside Director candidates.
 3. Kenji Fuma is Representative Director and CEO of Neural Inc., with which the Company had concluded consulting contracts regarding ESG with Neural Inc., and the actual average transactions with them over the past three fiscal years has been less than 0.1% of the Company's average consolidated net sales for the past three fiscal years. Although each of the other candidates serves concurrently as Director at other companies, no special relationships exist between them and the Company.
 4. The Company has executed liability limitation agreements with Outside Directors Kenji Fuma and Ibun Hirahara to limit their liability for compensation of damages in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability shall be the minimum amount of liability determined in Article 425, Paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence. In the event the elections of Kenji Fuma and Ibun Hirahara are approved, the Company intends to continue the liability limitation agreements with both of them.
 5. The Company has designated Ibun Hirahara as Independent Officer based on the provisions of the Tokyo Stock Exchange via filings with the Stock Exchange, and if her election is approved, the Company intends to continue to designate her as Independent Officer.
 6. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to insure Directors and Executive Officers of the Company or its subsidiaries as well as Auditors of the Company's subsidiaries. The insured person shall receive compensation for the damage arising from their liability borne from performance of their duties or the damage arising from claims in pursuit of that liability. The insurance premiums are fully borne by the Company. However, a claim for losses or damage an insured person has caused intentionally or with gross negligence will not be covered by the above-mentioned insurance contract. If the candidates assume the office of Director, each of them will be insured under the insurance contract, which is to be renewed in May 2026.
 7. The number of shares owned by Shinsuke Sakimoto includes 7,368,200 shares owned by his asset management company, SF Property Management Inc.
 8. Shinsuke Sakimoto is a major shareholder of the Company and falls under a parent company, etc.

Election of three Directors who are the Audit and Supervisory Committee Members

The terms of office of three Directors who are the Audit and Supervisory Committee Members, namely Masahide Kamachi, Takashi Goto, and Emi Omura, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we ask for your election of three Directors who are the Audit and Supervisory Committee Members.

The candidates for Directors who are the Audit and Supervisory Committee Members have been determined by the Board of Directors after receiving reports from the Nomination and Compensation Committee, which is a voluntary advisory body to the Board of Directors. Furthermore, the consent of the Audit and Supervisory Committee has been obtained in regard to this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as described below.

Candidate no.	Name	Current position at the Company	Candidate attributes	Attendance at Board of Directors' meetings
1	Masahide Kamachi	Outside Director (Audit and Supervisory Committee Member)	Reappointment	100% (16/16)
			Outside Director	
			Independent Officer	
2	Takashi Goto	Outside Director (Audit and Supervisory Committee Member)	Reappointment	100% (16/16)
			Outside Director	
			Independent Officer	
3	Mina Kobayashi	—	New appointment	—
			Outside Director	
			Independent Officer	

Candidate no.

1

Masahide KamachiDate of birth
May 18, 1981

Reappointment

Outside
DirectorIndependent
OfficerTenure as Director (as of the
conclusion of this General Meeting
of Shareholders)

6 years

Number of the Company's shares
owned

15,240 shares

Attendance at Board of Directors'
meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

November	2005	Joined Chuo Aoyama Tax Accountants (currently PwC Tax Japan)
September	2009	Registered as a Certified Public Accountant
December	2014	Registered as a Certified Tax Accountant
November	2016	Established Kamachi Certified Public Accountants Office, named Partner (current position)
		Managing Partner, Kamachi Certified Tax Accountants Office (current position)
		Outside Director, SOU Inc. (currently the Company)
January	2017	Representative Director, WILL CONSULTING (current position)
March	2017	Outside Member of the Audit and Supervisory Board, Medley Inc. (current position)
November	2019	Outside Director, Audit and Supervisory Committee Member, SOU Inc. (currently the Company) (current position)
March	2023	Outside Director, Audit and Supervisory Committee Member, Poppins Corporation (current position)
April	2023	Full-time Professor, Graduate School of Management, GLOBIS University (current position)

Reasons for nomination as an Outside Director candidate and summary of expected roles

Masahide Kamachi possesses advanced expert knowledge developed as a certified public accountant and tax accountant, as well as a wealth of experience as an outside officer at other companies, equipping him with significant knowledge to oversee corporate management. In our judgment, he can be expected to continue to play a significant role in the supervision of business execution, etc., as an Audit and Supervisory Committee Member. Accordingly, we have named him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

Candidate no.

2

Takashi GotoDate of birth
June 28, 1979

Reappointment

Outside
DirectorIndependent
OfficerTenure as Director (as of the
conclusion of this General Meeting
of Shareholders)

6 years

Number of the Company's shares
ownedAttendance at Board of Directors'
meetings

100% (16/16)

Career summary, titles, and responsibilities (significant concurrent positions)

October	2004	Registered as a Lawyer
		Joined Mori Hamada & Matsumoto
July	2008	Joined STW & Partners (currently Shiomizaka)
January	2010	Partner, STW & Partners (currently Shiomizaka) (current position)
September	2017	Outside Director, Machine Learning Solutions (current position)
November	2017	Outside Auditor, SOU Inc. (currently the Company)
March	2018	Outside Director, Edge Intelligence Systems (current position)
May	2018	Representative Director, Langsmith inc. (current position)
March	2019	Outside Auditor, Learning Agency Co., Ltd. (currently ALL DIFFERENT Co., Ltd.) (current position)
November	2019	Outside Director, Audit and Supervisory Committee Member, SOU Inc. (currently the Company) (current position)
June	2024	Outside Director, Audit and Supervisory Committee Member, LTV-X Inc. (current position)

Reasons for nomination as an Outside Director candidate and summary of expected roles

Takashi Goto possesses a wealth of expert knowledge as a lawyer, as well as a wealth of experience as an outside officer at other companies, equipping him with significant knowledge to oversee corporate management. In our judgment, he can be expected to continue to play a significant role in the supervision of business execution, etc., as an Audit and Supervisory Committee Member. Accordingly, we have named him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

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Number of the Company's shares owned

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Attendance at Board of Directors' meetings

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Career summary, titles, and responsibilities (significant concurrent positions)

December	2009	Registered as a Lawyer
January	2010	Joined Mori Hamada & Matsumoto
June	2014	Registered as an attorney in New York State
July	2015	Joined Koga & Partners
May	2019	Member, Board of Councilors, Kidney Foundation, Japan (current position)
January	2020	Member, Ethics Review Committee, Medical Corporation Tentakai (current position)
March	2021	Member, Compliance Committee, Tokaido REIT Management Co., Ltd. (current position)
August	2022	Contract lawyer, International Affairs Office, Japan Federation of Bar Associations (current position)
April	2024	Legal Manager, Japan Center for Engagement and Remedy on Business and Human Rights (current position)
August	2024	Non-executive Auditor, LATRICO Inc. (current position)
January	2025	Joined ANSWERZ LPC (current position)

Reasons for nomination as an Outside Director candidate and summary of expected roles

Mina Kobayashi possesses knowledge and advanced insight developed through experience as an attorney. In our judgement, she can be expected to actively offer her opinions concerning the Company Group's future global development and ESG initiatives. Accordingly, we have named her as a new candidate for Outside Director who is an Audit and Supervisory Committee Member. Furthermore, Mina Kobayashi does not have experience of direct participation in corporate management, other than as an outside officer, but given the reasons provided above, we believe she will properly execute her duties as an Outside Director.

- (Notes)
1. No special relationships exist between the candidates and the Company.
 2. Each candidate is an Outside Director candidate.
 3. Although each candidate serves concurrently as Director and Auditor at other companies, no special relationships exist with the Company.
 4. The Company has executed liability limitation agreements with Masahide Kamachi and Takashi Goto to limit their liability for compensation of damages in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability shall be the minimum amount of liability determined in Article 425, Paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence. In the event the elections of these two persons are approved, the Company intends to continue the liability limitation agreements with them. In addition, in the event the election of Mina Kobayashi is approved, the Company intends to execute the same liability limitation agreement with her.
 5. The Company has designated Masahide Kamachi and Takashi Goto as Independent Officers based on the provisions of the Tokyo Stock Exchange via filings with the Stock Exchange, and if the elections of these two persons are approved, the Company intends to continue to designate them as Independent Officers. In addition, in the event the election of Mina Kobayashi is approved, the Company intends to notify the Tokyo Stock Exchange of her designation as an Independent Officer.
 6. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to insure Directors and Executive Officers of the Company or its subsidiaries as well as Auditors of the Company's subsidiaries. The insured person shall receive compensation for the damage arising from their liability borne from performance of their duties or the damage arising from claims in pursuit of that liability. The insurance premiums are fully borne by the Company. However, a claim for losses or damage an insured person has caused intentionally or with gross negligence will not be covered by the above-mentioned insurance contract. If the candidates assume the office of Directors who are Audit and Supervisory Committee Members, each of them will be insured under the insurance contract, which is to be renewed in May 2026.

[Reference] Skill matrix of the Board of Directors at end of this General Meeting of Shareholders (pending)

The Company's criteria for selecting Directors are that they must be able to contribute to the materialization of the value inherent in the corporate philosophy of the Company's Group at a high level; they must possess a wealth of experience, advanced abilities, and knowledge; and they must be able to contribute to the further development of the Company's Group. Additionally, with regard to the composition of officers serving on the Board of Directors, in order to ensure that the Board of Directors effectively fulfills its roles and responsibilities, the Company does not just prioritize a good overall balance of knowledge, experience, and abilities; instead, the Company also prioritizes the diversity of the composition of the Board of Directors, based on the understanding that diversity – including gender, international experience, professional background, and age – will contribute to the promotion of the Company's Group's businesses and the supervision of management. In consideration of such factors as the future acceleration of the Company's overseas development, as well as the characteristics of its businesses, the Company determined the areas (skills) that it particularly expects before selecting candidates for Directors.

Furthermore, the Company set forth the above policy in the "Basic Policy on Corporate Governance."

◆ : Refers to areas that the Company particularly expects.

Name	Title	Attributes		Experience, knowledge, expertise, etc.							
		Gender	Independence	Corporate management	Finance, accounting	Legal affairs, risk management	Personnel affairs	International business	Sustainability	Technology	Marketing
Shinsuke Sakimoto	Representative Director	Male		◆			◆		◆		◆
Susumu Muguruma	Director	Male		◆				◆			
Shinichiro Sato	Director	Male			◆	◆			◆		
Mitsutoshi Tomita	Director	Male								◆	◆
Kenji Fuma	Outside Director	Male						◆	◆		
Ibun Hirahara	Outside Director	Female	●				◆	◆	◆		
Kenta Takami	Director (Full-time Member of the Audit and Supervisory Committee)	Male			◆	◆					
Masahide Kamachi	Outside Director (Member of the Audit and Supervisory Committee)	Male	●		◆						
Takashi Goto	Outside Director (Member of the Audit and Supervisory Committee)	Male	●			◆					
Mina Kobayashi	Outside Director (Member of the Audit and Supervisory Committee)	Female	●			◆		◆	◆		

Revision of Remuneration, etc. for the Allocation of Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

With respect to compensation for Directors (excluding Directors who are the Audit and Supervisory Committee Members), the Company has obtained approval (i) for the total amount of such compensation to be no more than 300 million yen per year (of which, up to 30 million yen for Outside Directors) at the 8th Ordinary General Meeting of Shareholders held on November 22, 2019, and (ii) for the total amount of monetary compensation claim to be granted as restricted stock compensation to Directors (excluding Directors who are the Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Directors”), separate from the above-mentioned amount of compensation, being no more than 300 million yen per year and for the total number of restricted stock to be allotted being no more than 30,000 shares per fiscal year at the 10th Ordinary General Meeting of Shareholders held on November 25, 2021.

Currently, under the basic policy set out in the Company’s mid-term management plan, “To the Next Stage: For 2030 Revival Vision,” the Company is working on carrying out structural reforms to improve the Company’s profitability and continuing selective investments. In advancing such initiatives, as a result of having comprehensively taken into account factors such as the recent economic conditions and changes in the business environment surrounding the Company, the increasing roles and responsibilities expected of Directors from a corporate governance perspective, along with stock price trends, the Company would like to revise the content of the current restricted stock compensation from the perspective of promoting such compensation, with the aim to ensure that Eligible Directors can further share with shareholders both the merits and risks associated with stock price fluctuations, and to enhance their motivation to contribute to increasing stock price and improving corporate value.

Under this proposal, the total amount of monetary compensation claim to be granted as restricted stock compensation to Eligible Directors will be up to 500 million yen per year, separate from the amount of compensation mentioned in (i) above for the Company’s Directors (excluding Directors who are the Audit and Supervisory Committee Members), and the total number of restricted stock to be allotted will be up to 500,000 shares per fiscal year (provided, however, that after the date of the resolution of this proposal, in the event of a stock split (including allotment of stock without contribution) or a reverse stock split performed on the Company’s common shares, or other similar event where adjustments to the total number of restricted stock to be allotted are necessary, the total number of restricted stock may be reasonably adjusted).

The restricted stock to be allotted to Eligible Directors will continue to be a combination of two types of restricted stock, as necessary: (i) those with a transfer restriction period set for a fixed term, with conditions for lifting such transfer restrictions based on the level of achievement of predetermined performance criteria (hereinafter referred to as “Restricted Stock I”); and (ii) those with a transfer restriction period set until the retirement of the Eligible Director (hereinafter referred to as “Restricted Stock II”; Restricted Stock I and Restricted Stock II are hereinafter collectively referred to as “Restricted Stock”).

The specific timing and allocation for each Eligible Director will be determined by the Company’s Board of Directors. Moreover, based on the purpose stated above, from the perspective of ensuring that Eligible Directors further share with shareholders both the merits and risks associated with stock price fluctuations, and enhancing their motivation to contribute to increasing stock price and improving corporate value, the Company has been actively promoting the granting of restricted stock, and the Company would also like to request the approval of this revision of the restricted stock compensation under this proposal to be applied retroactively to the beginning of the fiscal year ending August 2023.

The number of the Company’s Directors (excluding Directors who are the Audit and Supervisory Committee Members) is currently seven (including three Outside Directors), and, if Proposal No. 1 “Election of six Directors (excluding Directors who are the Audit and Supervisory Committee Members)” is approved, that number will become six (including two Outside Directors).

The content and the total number of restricted stock to be allotted to Eligible Directors under this proposal are as follows.

The maximum amount of compensation and the total number of restricted stock to be allotted in this proposal, and other conditions for granting restricted stock to Eligible Directors under this proposal have been determined after receiving reports from the Nomination and Compensation Committee and by taking into account the purpose stated above, the Company's business conditions including recent economic conditions, the policy on determining the individual compensation terms of the Company's Directors, and other relevant circumstances, and the Company believes that they are appropriate.

1. Allocation and Payment of Restricted Stock

The Company will provide the monetary compensation claims as restricted stock compensation to the extent of the aforementioned annual amount based on the resolution of the Company's Board of Directors to the Company's Eligible Directors, each of whom will be allotted restricted stock by making a contribution in kind of the entire amount of such monetary compensation claims.

The amount to be paid for the restricted stock will be determined by the Company's Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately prior to the date of resolution of the Board of Directors (or if no transaction has occurred on that day, the closing price on the trading day immediately preceding that date), to the extent that the amount is not particularly favorable to the Eligible Directors subscribing for such restricted stock.

Moreover, the aforementioned monetary compensation claims will be granted on the condition that the Company's Eligible Directors have agreed to the above contribution in kind and have entered into a restricted stock allocation agreement with the Company that includes the terms specified in item 3 below.

2. Total Number of Restricted Stock

The total number of restricted stock to be allotted to the Company's Eligible Directors will be up to 500,000 shares per fiscal year. However, after the date of the resolution of this proposal, in the event of a stock split (including allotment of stock without contribution) or a reverse stock split performed on the Company's common shares, or other similar event where adjustments of the total number of restricted stock are necessary, the total number of restricted stock may be reasonably adjusted.

3. Terms of the Restricted Stock Allocation Agreement

The restricted stock allocation agreement to be entered into between the Company and each Eligible Director receiving the restricted stock allocation, based on a resolution of the Company's Board of Directors upon the allocation of restricted stock, will generally include the following terms.

[Restricted Stock I]

(1) Content of Transfer Restrictions

Directors who have received the allocation of Restricted Stock I (hereinafter referred to as the "Allotted Stock I" in this [Restricted Stock I] section) shall not perform any acts of transfer, establishment of pledge, creation of security interest, inter vivos gift, bequest, or any other disposal to a third party regarding their Allotted Stock I (hereinafter referred to as the "Transfer Restrictions" in this [Restricted Stock I] section) during the period of more than one year from the allocation date as prescribed by the Company's Board of Directors (hereinafter referred to as the "Transfer Restriction Period" in this [Restricted Stock I] section).

(2) Gratis Acquisition of Restricted Stock

If a Director who has received the allocation of Restricted Stock I resigns from the position of the Company's Director before the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock I without contribution, unless the reason for such resignation is deemed justified by the Company's Board of Directors.

If any Allotted Stock I of which the Transfer Restrictions have not been lifted under the provisions of item (3) below as of the expiration of the Transfer Restriction Period in item (1) above remains, the Company shall automatically acquire such Allotted Stock I without contribution.

Additionally, if certain conditions, such as the failure to achieve performance conditions, determined by the Company's Board of Directors arise before the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock I without contribution.

(3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions as of the expiration of the Transfer Restriction Period for the calculated number of Allotted Stock I based on the achievement level of performance conditions determined by the Company's Board of Directors, provided that such Director has continuously remained in the position of the Company's Director during the Transfer Restriction Period and has fulfilled such performance conditions.

However, if such Director resigns from the position of the Company's Director before the expiration of the Transfer Restriction Period due to a reason deemed justified by the Company's Board of Directors, the number of Allotted Stock I for which the Transfer Restrictions are to be lifted and the timing for lifting such Transfer Restrictions shall be reasonably adjusted as necessary.

(4) Treatment in Case of Organizational Restructuring, etc.

During the Transfer Restriction Period, if a proposal for a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or other organizational restructuring, etc. is approved at the Company's General Meeting of Shareholders (or at the Company's Board of Directors, if the approval of the Company's General Meeting of Shareholders is not required for such organizational restructuring, etc.), the Transfer Restrictions for Allotted Stock I shall not be lifted.

In such case, the Company shall automatically acquire the Allotted Stock I of which the Transfer Restrictions have not been lifted at the time prior to the effective date of such organizational restructuring, etc., determined by the Company's Board of Directors.

[Restricted Stock II]

(1) Content of Transfer Restrictions

Directors who have received the allocation of Restricted Stock II (hereinafter referred to as the "Allotted Stock II" in this [Restricted Stock II] section) shall not perform any acts of transfer, establishment of pledge, creation of security interest, inter vivos gift, bequest, or any other disposal to a third party regarding their Allotted Stock II (hereinafter referred to as the "Transfer Restrictions" in this [Restricted Stock II] section) during the period from the allocation date to the day such Director resigns as a Director of the Company (hereinafter referred to as the "Transfer Restriction Period" in this [Restricted Stock II] section).

(2) Gratis Acquisition of Restricted Stock

If a Director who has received the allocation of Restricted Stock II resigns from the position of the Company's Director by the day prior to the day of the first Ordinary General Meeting of Shareholders after the start date of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock II without contribution, unless the reason for such resignation is deemed justified by the Company's Board of Directors.

If any Allotted Stock II of which the Transfer Restrictions have not been lifted under the provisions of item (3) below as of the expiration of the Transfer Restriction Period in item (1) above remains, the Company shall automatically acquire such Allotted Stock II without contribution.

Additionally, if certain conditions determined by the Company's Board of Directors arise before the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock II without contribution.

(3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions for all of Allotted Stock II as of the expiration of the Transfer Restriction Period, if the Director has continuously remained in the position of the Company's Director from the start date of the Transfer Restriction Period until the day of the first Ordinary General Meeting of Shareholders.

However, if such Director resigns from the position of the Company's Director by the day prior to the day of the first Ordinary General Meeting of Shareholders after the start of the Transfer Restriction Period due to a reason deemed justified by the Company's Board of Directors, the number of Allotted Stock II for which the Transfer Restrictions are to be lifted and the timing for lifting such Transfer Restrictions shall be reasonably adjusted as necessary.

(4) Treatment in Case of Organizational Restructuring, etc.

During the Transfer Restriction Period, if a proposal for a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or other organizational restructuring, etc., is approved at the Company's General Meeting of Shareholders (or at the Company's Board of Directors, if the approval of the Company's General Meeting of Shareholders is not required for such organizational restructuring, etc.), the Transfer Restrictions for Allotted Stock II shall be lifted before the effective date of such organizational restructuring, etc. In such case, the Company shall automatically acquire the Allotted Stock II of which the Transfer Restrictions have not been lifted immediately after the lifting under the foregoing.

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