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Securities Code: 2918
May 7, 2024

To Our Shareholders:

Hideo Tsuji, Representative Director, President
WARABEYA NICHIO HOLDINGS CO., LTD.
13-19, Tomihisa-cho, Shinjuku-ku, Tokyo, Japan

Notice of the 60th Annual General Meeting of Shareholders

We are pleased to announce the 60th Annual General Meeting of Shareholders of WARABEYA NICHIO HOLDINGS CO., LTD. (the “Company”), which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items subject to measures for electronic provision) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

[The Company’s website]

<https://www.warabeYA.co.jp/ja/ir/stock/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/2918/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

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

(When accessing the TSE website by using the Internet address shown above, enter “WARABEYA NICHIO HOLDINGS” in “Issue name (company name)” or the Company’s securities code “2918” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review Reference Documents for General Meeting of Shareholders, and then exercise your voting rights by 6:00 p.m. on Wednesday, May 22, 2024 (JST).

1. **Date and Time:** Thursday, May 23, 2024 at 10:00 a.m. (JST)
(Reception starts at 9:00 a.m.)
2. **Venue:** Royal Hall I, 3rd Floor, Rihga Royal Hotel Tokyo
1-104-19 Totsuka-machi, Shinjuku-ku, Tokyo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 60th fiscal year (from March 1, 2023 to February 29, 2024), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee
2. The Non-consolidated Financial Statements for the 60th fiscal year (from March 1, 2023 to February 29, 2024)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) |
| Proposal No. 3 | Election of One Director Who Is an Audit & Supervisory Committee Member |
| Proposal No. 4 | Revision of Performance-based Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) |
| Proposal No. 5 | Revision of the Amount and Partial Revision of the Details of Share-based Remuneration, Etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) |

4. Other Decisions on the Convocation

(1) Voting by proxy

If you are unable to attend the Meeting in person, you can have another shareholder with voting rights attend the Meeting as a proxy. However, please note that it is necessary to submit a document certifying proxy authority.

- (2) If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of the proposals on the voting form, it shall be treated as if you indicated approval of the proposals.
- (3) Please note if you exercise your voting rights both in writing and via the Internet, your voting via the Internet shall prevail.
- (4) If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.

- If you attend the Meeting in person, please submit the voting form at the reception desk.
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.
 - i) "Company Structure and Policies" in the Business Report
 - ii) "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - iii) "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Note: The items listed above are available in Japanese only.

Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Audit & Supervisory Committee and the Financial Auditor when they create their respective audit reports.

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on each of the websites listed on page 1.
- Note that gifts will not be provided to shareholders who attend the General Meeting of Shareholders.
We would appreciate your understanding in advance.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Appropriation of Surplus

The Warabeya Nichiyo Group (the “Group”) regards the appropriate return of profit to its shareholders as an important management policy and its basic policy is to implement stable and continuous dividends with a targeted consolidated dividend payout ratio of 40%. The Company proposes to pay year-end dividends for the fiscal year as follows:

Year-end dividends

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥45 per common share of the Company
Total payment: ¥792,614,700
The annual dividends for the fiscal year will be ¥90 per share, including the interim dividends of ¥45 per share already paid.
- (3) Effective date of dividends of surplus
May 24, 2024

Proposal No. 2 Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all currently serving Directors (excluding Directors who are Audit & Supervisory Committee Members; the same is applicable to the rest of this proposal) will expire at the conclusion of this annual general meeting of shareholders. Therefore, the Company proposes the election of seven Directors, increasing the number of Directors by two to strengthen the management system.

In addition, having considered this proposal, the Audit & Supervisory Committee has determined that the nominations are appropriate.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Hiroyuki Otomo (January 30, 1962) Re-election	<p>Jan. 1988 Joined NICHIO CO., LTD.</p> <p>May 1991 Director and Assistant General Manager of Gourmet Business Dept. of the Company</p> <p>Mar. 1992 Director and General Manager in charge of Delicatessen, Sales Dept.</p> <p>May 1998 Managing Director</p> <p>May 2003 Managing Director and Head of Administrative Management Headquarters</p> <p>Oct. 2005 Director Representative Director, President of NICHIO CO., LTD.</p> <p>May 2009 Managing Director and Head of General Business Headquarters of the Company</p> <p>Aug. 2011 Executive Director and Head of General Business Headquarters</p> <p>Mar. 2012 Executive Director and Head of Production Headquarters</p> <p>Apr. 2014 Representative Director, Vice President and Head of Production Headquarters</p> <p>May 2015 Representative Director, President</p> <p>Mar. 2022 Representative Director, Chairperson (current position)</p>	520,800 shares
<p>[Reasons for nomination]</p> <p>Hiroyuki Otomo has accumulated experience and achievements in various fields including sales, production and management in the Group, and has been involved in business management. He has served as Representative Director and President of the Company since 2015 and has served as Representative Director and Chairperson of the Company since 2022, and has abundant experience in business and corporate management of the Company. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Hideo Tsuji (January 21, 1964)</p> <p style="text-align: center;">Re-election</p>	<p>Feb. 1997 Joined NICHIO CARRY CO., LTD. (currently BESTRANS CO., LTD.)</p> <p>May 2003 Director, Head of Sales Headquarters and General Manager of Business Promotion Dept.</p> <p>May 2006 Managing Director</p> <p>May 2011 Representative Director, President of WARABEYA HOKKAIDO CO., LTD.</p> <p>Mar. 2013 Representative Director, President of WARABEYA TOKAI CO., LTD.</p> <p>May 2016 Representative Director, President of WARABEYA KANSAI CO., LTD.</p> <p>Sept. 2016 Director, Executive Officer and Head of Western Japan Business Headquarters of WARABEYA NICHIO CO., LTD.</p> <p>June 2017 Director, Executive Officer and General Manager of Overseas Business Dept., supervising Quality Assurance Dept.</p> <p>May 2018 Director, Managing Executive Officer, in charge of Overseas Business and supervising Corporate Planning Dept. and Quality Assurance Dept. of the Company</p> <p>Mar. 2019 Director, Senior Managing Executive Officer, in charge of Overseas Business and supervising Corporate Planning Dept. and Quality Assurance Dept.</p> <p>Mar. 2020 Director, Executive Vice President, in charge of Overseas Business and supervising Corporate Planning Dept. and Quality Assurance Dept.</p> <p>May 2021 Representative Director, Vice President, in charge of Overseas Business and supervising Corporate Planning Dept. and Quality Assurance Dept.</p> <p>Sept. 2021 Representative Director, Vice President, Head of Overseas Business and supervising Corporate Planning Dept. and Quality Assurance Dept.</p> <p> Representative Director, President of WARABEYA NICHIO INTERNATIONAL CO., LTD.</p> <p>Mar. 2022 Representative Director, President of the Company (current position)</p>	4,800 shares
<p>[Reasons for nomination]</p> <p>Hideo Tsuji has been involved in sales, production, quality assurance, and overseas business in the Group, and has accumulated experience and achievements in various fields. He has served as Representative Director and Vice President of the Company since 2021, and Representative Director and President since 2022, and has knowledge and experience necessary for the sound and appropriate management of the Group. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p data-bbox="352 689 520 745">Naoshi Asano (August 7, 1962)</p> <p data-bbox="379 786 493 808">Re-election</p>	<p data-bbox="612 264 975 293">Jan. 2004 Joined the Company</p> <p data-bbox="612 300 1211 389">May 2007 General Manager of Accounting and Finance Dept., Administrative Management Headquarters</p> <p data-bbox="612 396 1241 486">May 2009 Director and General Manager of Accounting and Finance Dept., Administrative Management Headquarters</p> <p data-bbox="612 492 1206 582">Sept. 2016 Director, Managing Executive Officer, supervising Group Administration Dept. and Financial Planning Dept. Director, Managing Executive Officer of WARABEYA NICHIO CO., LTD.</p> <p data-bbox="612 589 1222 678">Mar. 2019 Director, Managing Executive Officer, supervising General Affairs Dept., Human Resources Dept. and Financial Planning Dept. of the Company</p> <p data-bbox="612 685 1230 775">Aug. 2019 Director, Managing Executive Officer, General Manager of Financial Planning Dept., supervising General Affairs Dept. and Human Resources Dept.</p> <p data-bbox="612 781 1235 871">Sept. 2021 Director, Managing Executive Officer, Head of Administrative Management Division and General Manager of Financial Planning Dept.</p> <p data-bbox="612 878 1225 967">Mar. 2022 Director, Senior Managing Executive Officer, Head of Administrative Management Division and General Manager of Financial Planning Dept.</p> <p data-bbox="612 974 1214 1064">June 2022 Director, Senior Managing Executive Officer and Head of Administrative Management Division (current position)</p>	3,900 shares
<p data-bbox="276 1240 528 1270">[Reasons for nomination]</p> <p data-bbox="276 1274 1394 1449">Naoshi Asano has been involved in accounting, finance, and general affairs in the Group, and has accumulated experience and achievements in various fields. He has served as Director and Managing Executive Officer of the Company since 2016, and as Director and Senior Managing Executive Officer since 2022, and has knowledge and experience necessary for the sound and appropriate management of the Group. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Minoru Tanamoto (August 22, 1971)</p> <p style="text-align: center;">Re-election</p>	<p>May 1993 Joined the Company</p> <p>Sept. 2011 General Manager of 1st Manufacturing Dept., Capital Region Business Headquarters</p> <p>May 2015 Director, General Manager of Capital Region 1st Production Dept. and General Manager of Capital Region 2nd Production Dept. of Production Headquarters</p> <p>Sept. 2016 Director, Executive Officer and General Manager of Capital Region Production Dept., Capital Region Business Headquarters of WARABEYA NICHIO CO., LTD.</p> <p>June 2017 Director, Executive Officer, Chief of Deputy Head of Capital Region Business Headquarters and General Manager of Capital Region Production Dept.</p> <p>Mar. 2018 Director, Executive Officer and Head of Eastern Japan Business Headquarters</p> <p>Mar. 2019 Director, Executive Officer and Head of Regional Business Headquarters</p> <p>Sept. 2021 Executive Officer, Head of Regional Business of the Company</p> <p>Dec. 2021 Executive Officer, Head of Production Division</p> <p>Mar. 2022 Managing Director, Executive Officer of WARABEYA NICHIO INTERNATIONAL CO., LTD. Managing Executive Officer, Head of Production Division of the Company</p> <p>Sept. 2022 Representative Director, President of WARABEYA NICHIO FOODS CO., LTD. (current position) Representative Director, President of WARABEYA CO., LTD. (currently WARABEYA DELICA CO., LTD.)</p> <p>May 2023 Director, Managing Executive Officer, Head of Production Division of the Company</p> <p>Mar. 2024 Director, Managing Executive Officer in charge of Domestic Food Products Business (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director, President of WARABEYA NICHIO FOODS CO., LTD.</p>	1,900 shares
<p>[Reasons for nomination] Minoru Tanamoto has been involved in production operations in the Group, and has accumulated experience and achievements in the field. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned	
5	Koji Mori (April 25, 1971) New election	Nov. 1994 May 2016 Sept. 2019 Jan. 2021 Sept. 2021 Mar. 2022 (Significant concurrent positions outside the Company) Representative Director, President of WARABEYA NICHIO INTERNATIONAL CO., LTD.	Joined the Company Representative Director, President of WARABEYA U.S.A., INC. Director, Executive Officer and General Manager of Overseas Business Dept. of WARABEYA NICHIO CO., LTD. (currently WARABEYA NICHIO INTERNATIONAL CO., LTD.) Director, Executive Officer, General Manager of Overseas Business Dept. and General Manager of New Products Development Dept. Executive Officer, Deputy Head of Overseas Business of the Company Managing Executive Officer, Head of Overseas Business and supervising Quality Assurance Dept. (current position) Representative Director, President of WARABEYA NICHIO INTERNATIONAL Co., LTD. (current position)	200 shares
		<p>[Reasons for nomination] Koji Mori has been involved in the overseas business in the Group, and has accumulated experience and achievements in the field. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.</p>		
6	Masahide Ebata (September 25, 1973) Re-election	Jan. 2010 Mar. 2015 May 2018 Sept. 2019 May 2020 June 2021 Mar. 2022 Dec. 2022	Joined the Company General Manager of Beijing Want-Yang Foods Ltd. Executive Officer, General Manager of Corporate Planning Dept. of the Company Representative Director, President of PROSYSTAS CO., LTD. Director, Executive Officer and General Manager of Corporate Planning Dept. of the Company Representative Director, President of WARABEYA NICHIO FOODS CO., LTD. Director, Executive Officer and General Manager of Corporate Planning Dept. and in charge of Sustainability of the Company (current position) Director, Executive Officer, supervising Chinese Business of WARABEYA NICHIO INTERNATIONAL CO., LTD. (current position)	1,600 shares
		<p>[Reasons for nomination] Masahide Ebata has been involved in the overseas business and corporate planning of the Group, and has accumulated experience and achievements in various fields. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Atsushi Inoue (July 8, 1967)	Oct. 2022 Joined the Company, General Manager of Financial Planning Dept.	- shares
	New election	Mar. 2023 Executive Officer, General Manager of Financial Planning Dept. (current position)	
[Reasons for nomination] Atsushi Inoue has been involved in finance and accounting in the Group, and has accumulated experience and achievements in these fields. The Company proposes his election because it is expected that he will utilize his experience to contribute to the further growth of the Group and the improvement of corporate value.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The Group has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with Directors and Audit & Supervisory Board Members of the Group companies as the insureds, and plans to renew the policy in June 2024. If the election of each candidate is approved and adopted in this proposal, the candidate for re-election will continue to be insured, and the candidate for new election will newly become insured.
 - i) Summary of insurance incidents covered
The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or such like, or receipt of claims pertaining to the pursuit of such liability.
 - ii) Insurance premiums
Insurance premiums are paid in full by the Company.
 3. Shown herein are the numbers of shares of WARABEYA NICHIO HOLDINGS CO., LTD. owned by candidates at the end of the fiscal year (February 29, 2024), including shares owned in the WARABEYA NICHIO HOLDINGS CO., LTD. Officers Share Ownership Association.

Proposal No. 3 Election of One Director Who Is an Audit & Supervisory Committee Member

The Company proposes the election of one Director who is an Audit & Supervisory Committee Member to strengthen the audit and supervisory structure.

The consent of the Audit & Supervisory Committee has been obtained for this proposal.

The candidate for Director who is an Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
Chikako Irie (March 8, 1972) New election	Oct. 1996 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Apr. 2000 Registered as a CPA July 2013 CPA Audit Inspector of Certified Public Accountants and Auditing Oversight Board of Financial Services Agency July 2016 Senior Manager of Deloitte Touche Tohmatsu LLC July 2019 Managing Director July 2023 Representative of Irie CPA Office (current position)	– shares

[Reasons for nomination and summary of expected roles as outside Director]

Chikako Irie has never been directly involved in the management of a company. However, she has expert knowledge and extensive experience as a CPA and possesses practical experience during her work at the Financial Services Agency. Based on her broad, cross-industry insight through her knowledge and experience, the Group expects her to monitor and supervise the management of the Group from an independent viewpoint.

- (Notes)
1. There is no special interest between Chikako Irie and the Company.
 2. Chikako Irie is a candidate for outside Director who is an Audit & Supervisory Committee Member.
 3. If Chikako Irie is elected, the Company plans to enter into an agreement with her to limit her liability for damages under Article 427, paragraph (1) of the Companies Act and Article 32 of the Company's Articles of Incorporation. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
 4. The Group has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with Directors and Audit & Supervisory Board Members of the Group companies as the insureds, and plans to renew the policy in June 2024. If the election of Chikako Irie is approved and adopted in this proposal, she will also be insured.
 - i) Summary of insurance incidents covered
The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or such like, or receipt of claims pertaining to the pursuit of such liability.
 - ii) Insurance premiums
Insurance premiums are paid in full by the Company.
 5. The Company plans to submit notification to the Tokyo Stock Exchange that Chikako Irie has been designated as an independent officer as provided for by the aforementioned exchange.
 6. Shown herein is the number of shares of WARABEYA NICHIO HOLDINGS CO., LTD. owned by Chikako Irie at the end of the fiscal year (February 29, 2024).

<Reference>

Skill Matrix of Directors (if Proposal No. 2 and Proposal No. 3 are approved)

Name	Experience in corporate management	Experience in foods business	Experience in sales and marketing	Experience in quality control	Experience in overseas business	Finance and accounting	Legal affairs	IT	Sustainability
Hiroyuki Otomo	✓	✓	✓		✓				✓
Hideo Tsuji	✓	✓	✓	✓	✓				✓
Naoshi Asano	✓					✓	✓	✓	
Minoru Tanamoto	✓	✓	✓	✓					
Koji Mori	✓	✓	✓	✓	✓				
Masahide Ebata	✓	✓	✓		✓				✓
Atsushi Inoue			✓			✓			✓
Yasuyuki Nagahama Audit & Supervisory Committee Member	✓		✓		✓	✓	✓		✓
Takashi Himeda Audit & Supervisory Committee Member Outside Independent		✓		✓			✓		✓
Hidetora Yoshimine Audit & Supervisory Committee Member Outside Independent	✓	✓	✓		✓				✓
Shio Harada Audit & Supervisory Committee Member Outside Independent							✓		✓
Chikako Irie Audit & Supervisory Committee Member Outside Independent						✓			

Proposal No. 4 Revision of Performance-based Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Remuneration for Directors of the Company (excluding Audit & Supervisory Committee Members) is composed of a basic salary as a fixed remuneration, together with directors' bonuses and stock-based compensation as performance-based remuneration. The payment of directors' bonuses not exceeding ¥150 million, as performance-based remuneration based on the profit attributable to owners of parent, was approved by shareholders at the 55th Annual General Meeting of Shareholders held on May 23, 2019.

Directors' bonuses, which are performance-based remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors; the same is applicable to the rest of this proposal), depend on the performance achievement targets per each fiscal year, based on the medium-term management plan. In this respect, to further boost the incentive for Directors to achieve the performance targets set forth in the medium-term management plan, the Company proposes to revise the indicator used to calculate these bonuses from profit attributable to owners of parent to performance indicators used in the plan, such as consolidated operating profit. The Company also proposes to revise the maximum amount for these bonuses to ¥200 million.

This proposal is intended to raise the motivation and morale of Directors to build a management base for the Group that is capable of handling any environment, strengthen the earnings structure, boost corporate value, and improve performance under the aim to be a united corporate group that achieves sustainable growth. This conforms with the Company's policy on determination of the details of remuneration for individual Directors, and the Company; therefore, considers it appropriate. This proposal has been deliberated and examined by the Company's Nomination and Remuneration Advisory Committee, where the majority is composed of outside Directors.

Upon approval of Proposal No. 2: "Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" as proposed, seven Directors will be eligible for directors' bonuses as performance-based remuneration.

As at present, the amount of directors' bonuses as performance-based remuneration does not include employee wages for Directors who concurrently serve as an employees of the Company.

Proposal No. 5 Revision of the Amount and Partial Revision of the Details of Share-based Remuneration, Etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

1. Reason for proposal

The Company has introduced a share-based remuneration plan based on performance (hereinafter referred to as the “Plan”) with the approval from shareholders at the 51st Annual General Meeting of Shareholders held on May 28, 2015. Under the Plan, eligible Directors of the Company (excluding Directors who do not have authority for business execution) receive delivery of a number of the Company’s shares based on their position and performance indicators.

Recipients of share-based remuneration are subject to an increased tax burden if the share price has risen at the time of the delivery of shares, which may decrease the effectiveness of this remuneration as an incentive to aim for a higher share price. Hence, the Company proposes to partially revise the content of the Plan, including the conversion to cash of some of the Company’s shares to be delivered to Directors (excluding Directors who are Audit & Supervisory Committee members, outside Directors, and Directors not resident in Japan; the same is applicable to the rest of this proposal) and payment in cash, in order to ensure sufficient funds to pay this tax, further enhancing the Plan’s function as an incentive to boost the share price.

These partial revisions of the Plan are designed to raise the desire of Directors to contribute to the Group’s sustainable growth and the enhancement of mid- to long-term corporate values. This conforms with the Company’s policy on the determination of the details of remuneration, etc. for individual Directors, and the Company; therefore, considers them appropriate. These partial revisions of the Plan have been deliberated and examined by the Company’s Nomination and Remuneration Advisory Committee, where the majority is composed of outside Directors.

Upon approval of Proposal No. 2: “Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” as proposed, seven Directors will be eligible for the Plan.

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

(1) Details of the revisions to the Plan

The Company will revise the following parts of the existing details of the Plan, subject to the approval of this General Meeting of Shareholders.

<Main revisions to the Plan>

Item	Before revisions	After revisions
Delivery of shares to Directors	The Company shall deliver a number of its shares corresponding to the cumulative number of points awarded up to the time when the Director ceases to serve as a director of the Company or any of its subsidiaries.	The Company shall deliver a number of its shares corresponding to <u>70% (rounded down to the nearest trading unit) of the cumulative number of points awarded up to the time when the Director ceases to serve as a director of the Company or any of its subsidiaries. The Company shall convert the remaining shares into cash and pay the equivalent amount of cash to the Director.</u>

(2) Details of the Plan after the revisions

The Plan is a share-based remuneration plan, where a trust purchases shares of the Company using the amounts of Directors’ remuneration contributed by the Company. Some of the Company’s shares, together with cash equivalent to the converted value of some of the remainder of the shares (hereinafter referred to as “the Company’s shares, etc.”), are delivered and paid (hereinafter referred to as “delivery, etc.”) to Directors. Details are presented under (3) below.

i) Persons eligible for delivery, etc. of the Company’s shares, etc. under the Plan	• Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members, outside Directors, and Directors not resident in Japan)
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<p>ii) Impact of the Company's shares subject to the Plan on the total number of shares outstanding</p> <p>Maximum amount to be contributed by the Company</p> <p>Maximum number of the Company's shares, etc. for delivery, etc. to Directors through the trust and method used to purchase the Company's shares</p>	<p>on the total number of shares outstanding</p> <p>• ¥245 million in total over five fiscal years</p> <p>• The maximum total number of points (shares) awarded to Directors during the trust period is 21,000 points (shares) per year, or 105,000 points (shares) in total over five years</p> <p>• This is equivalent to approximately 0.6% of the total number of shares outstanding (as of February 29, 2024)</p> <p>Note: The maximum number of points (shares) awarded per year is equivalent to approximately 0.1% of the total number of shares outstanding</p> <p>• No additional purchase of shares will result from these revisions</p>
<p>iii) Details of the performance requirements</p>	<p>• The number of points (shares) awarded to Directors varies between 70% and 100% of the maximum number based on the degree to which performance targets (profit attributable to owners of parent, etc.) have been achieved in each fiscal year during the plan period</p>
<p>iv) Timing of the delivery, etc. of the Company's shares, etc. to Directors</p>	<p>• When the Director has retired as a director of the Company and any of the Company's subsidiaries</p>

(3) Maximum amount to be contributed by the Company

The Plan has a duration of five consecutive fiscal years (hereinafter referred to as the "Plan Period"). The current Plan Period comprises the five fiscal years from the fiscal year ended on February 29, 2020, to the fiscal year ending on February 28, 2025. If the trust period is extended as described in paragraph 3 of this section (3), the new Plan Period will be the subsequent five fiscal years.

The Company contributes up to a maximum total of ¥245 million over the five fiscal years of each Plan Period as remuneration for Directors and establishes trust with a trust period of five years (hereinafter referred to as the "Trust"). The beneficiaries of the Trust are Directors who satisfy the beneficiary requirements. The Trust uses the money entrusted to it to purchase the Company's shares from the stock market or the Company (through the disposal of treasury shares) based on the instructions of the trust administrator. The Company awards points to Directors during the trust period (see (4) below for details). Delivery, etc. is made for a number of the Company's shares, etc. based on the number of points awarded. Instead of establishing a new trust at the expiration of the trust period of the Trust, the Trust may be continued by amendment of the trust agreement and the entrustment of additional funds. Upon continuation, the trust period of the Trust shall be extended by five years, and the new Plan Period shall be the five fiscal years after the extension of the trust period. The Company shall contribute an additional amount not exceeding ¥245 million in total for each extended trust period, shall continue to award points to the Directors during the extended trust period, and shall continue the delivery, etc. of the Company's shares, etc. during the extended trust period. However, the Trust may still hold the Company's shares (excepting shares of the Company that correspond to the points already awarded to Directors but for which delivery, etc. has not been completed) and cash (these shares and cash are hereinafter referred to collectively as "residual shares, etc.") among the residual trust assets as of the last day of the trust period prior to the extension. In this case, the sum of these residual shares, etc. and the additional contribution made by the Company shall not exceed ¥245 million in total.

(4) Calculation method and maximum number of the Company's shares, etc. to be acquired by Directors

At a predesignated time each year during the trust period, the Company awards points to Directors based on their positions and performance indicators for the fiscal year ended on the last day of February that year (hereinafter referred to as the "fiscal year for evaluation"). For Directors who die while in office, the Company adjusts this number for the period up to death.

Points are awarded each year during the trust period.

Directors shall be awarded a maximum of 21,000 points in total each year.

Delivery, etc. is made of a number of the Company's shares, etc. based on the cumulative number of points held at the time of each Director's retirement (or death, if the Director has died). This cumulative number of points is hereinafter referred to as the "cumulative number of points." If the relevant Director has also served as a director of a subsidiary of the Company (including cases where the Director assumes office as

director of a subsidiary of the Company at the same time as retiring as Director of the Company), combined delivery, etc. is made of the Company's shares, etc. when the Director ceases to serve as a director of the Company or any of its subsidiaries.

Each point corresponds to one share of the Company, rounded down to the nearest whole number of points. In the event of a stock split, stock consolidation, or other cause deemed fair during the trust period, the number of the Company's shares per point will be adjusted based on the stock split ratio, stock consolidation ratio, etc.

(5) Timing of the delivery, etc. of the Company's shares, etc. to Directors

The delivery, etc. of a number of the Company's shares, etc. to each Director takes place upon the retirement (or death) of each Director who satisfies the beneficiary requirements, after the completion of the designated beneficiary vesting procedures. The number of the Company's shares, etc. corresponds to the cumulative number of points awarded up to the time when the Director ceases to serve as a director of the Company or any of its subsidiaries (or at the time of death, for Directors who have died). At this time, the Director receives delivery of a number of the Company's shares corresponding to 70% (rounded down to the nearest trading unit) of the cumulative number of points awarded, together with an amount of cash equivalent to the value of the remaining shares, after they are converted to cash within the Trust.

If a Director dies while in office, the Director's heir receives the payment of an amount of cash equivalent to the value of the Company's shares corresponding to the cumulative number of points awarded up until that time, after they are converted to cash within the Trust.

(6) Exercise of voting rights associated with the Company's shares held in the Trust

Voting rights associated with the Company's shares held in the Trust are not exercised during the trust period to ensure neutrality with respect to management.

(7) Treatment of dividends associated with the Company's shares held in the Trust

Dividends associated with the Company's shares held in the Trust are received by the Trust and used to pay the trust fees and expenses for the Trust. If, after the payment of trust fees and expenses, residual cash from dividends remains in the Trust at its termination, this will be delivered to the Directors who satisfy the designated beneficiary requirements and have become beneficiaries of the Trust based on the trust agreement at the time of the termination of the Trust.

(8) Other details of the Plan

Other details of the Plan will be determined by the Board of Directors each time the Trust is established, the trust agreement is amended, and additional contributions are made to the Trust.

(Reference)

The Plan is designed to boost the Directors' desire to contribute to the Group's sustainable growth and the enhancement of its corporate value in the medium and long term. Some of the Group's subsidiaries are also eligible for the Plan.