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Securities code: 5451

June 2, 2025

To our shareholders:

Eiichi Tanaka, President and Representative Director  
**Yodogawa Steel Works, Ltd.**  
4-1-1 Minami-honmachi, Chuo-ku, Osaka

## NOTICE OF THE 126TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 126th Ordinary General Meeting of Shareholders of Yodogawa Steel Works, Ltd. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the shareholders meeting, etc. (items for which measures for providing information in electronic format are to be taken). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

[The Company’s website]

<https://www.yodoko.co.jp/ir/ir-stock/meeting/> (in Japanese)

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

<https://d.sokai.jp/5451/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

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

(Access the TSE website by using the Internet address shown above, enter “Yodogawa Steel Works” in “Issue name (company name)” or the Company’s securities code “5451” 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].”)

You may exercise your voting rights either electronically (via the Internet) or by postal mail (voting form). Please review the “Reference Documents for the General Meeting of Shareholders” attached or included in the items subject to measures for electronic provision and we request that you exercise your rights no later than 5:30 p.m., Monday, June 23, 2025 (Japan Standard Time).

**1. Date and Time:** Tuesday, June 24, 2025 at 10:00 a.m. (Japan Standard Time)

**2. Venue:** Banquet Room “Tsuru,” 5th Floor, Hotel Nikko Osaka  
1-3-3 Nishi-Shinsaibashi, Chuo-ku, Osaka

**3. Purposes:**

**Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 126th Term (from April 1, 2024 to March 31, 2025), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.
2. Non-Consolidated Financial Statements for the 126th Term (from April 1, 2024 to March 31, 2025)

**Items to be resolved:**

<Company Proposals (From Proposal 1 to Proposal 3)>

**Proposal 1:** Amendment to the Articles of Incorporation

**Proposal 2:** Election of Seven (7) Directors

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

<Shareholder Proposals (From Proposal 4 to Proposal 11)>

<b>Proposal 4:</b>	Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.
<b>Proposal 5:</b>	Disposal of Surplus
<b>Proposal 6:</b>	Amendment to the Articles of Incorporation in Relation to the Development and Disclosure of a Business Portfolio Plan
<b>Proposal 7:</b>	Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program
<b>Proposal 8:</b>	Abolition of the Shareholder Benefit Program
<b>Proposal 9:</b>	Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock
<b>Proposal 10:</b>	Cancellation of Treasury Stock
<b>Proposal 11:</b>	Amendment to the Articles of Incorporation in Relation to the Abolition of Advisors and Counselors, Etc.

- If attending the meeting in person, please present the enclosed voting rights form at the reception desk.
- 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 the websites above.
- Of the items subject to measures for electronic provision, the following items are not included in this notice of convocation in accordance with laws and regulations and the Company's Articles of Incorporation.
  - "Matters Concerning Stock Acquisition Rights" and "Overview of Systems for Ensuring Appropriateness of Business Activities and Operation Status" of the Business Report
  - "Consolidated Statement of Change in Net Assets" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
  - "Non-consolidated Statement of Change in Net Assets" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

The above items are a portion of the consolidated financial statements and non-consolidated financial statements that were audited by the Accounting Auditor in preparing the accounting audit report, and a portion of the business report, consolidated financial statements and the non-consolidated financial statements that were audited by the Audit & Supervisory Board Members in preparing the audit report.

#### 4. Exercise of Voting Rights:

You may exercise your voting rights by one of the following three (3) methods.

- 1) Exercise of voting rights by attendance at the General Meeting of Shareholders  
Please submit the enclosed voting form to the receptionist on the day of the General Meeting of Shareholders.  
Date and Time of the General Meeting of Shareholders: Tuesday, June 24, 2025, at 10:00 a.m. (Japan Standard Time)  
If you would like to exercise your voting rights by proxy, you may do so by nominating one shareholder with voting rights as proxy. Please also be advised that non-shareholders will not be permitted to attend the meeting.
- 2) Exercise of Voting Rights by Postal Mail  
Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us no later than the deadline for exercising voting rights.  
Deadline for exercising voting rights: To reach us no later than 5:30 p.m., Monday, June 23, 2025 (Japan Standard Time)  
In the event that there is no indication of approval or disapproval of a proposal on the voting form, this shall be treated as an intent of approval for Company Proposals, and disapproval for Shareholder Proposals.
- 3) Exercise of Voting Rights via the Internet  
Kindly peruse the "Guide to the Exercise of Voting Rights via the Internet" on page 4, and please exercise your voting rights by accessing the "Smart Exercise" or "Exercise of Voting Rights Website" no later than the deadline for exercising voting rights.  
Deadline for exercising voting rights: To input no later than 5:30 p.m., Monday, June 23, 2025 (Japan Standard Time)
  - 1) In cases of duplicate exercise of voting rights both by using the Internet and by using the voting form, the exercise of the voting rights via the Internet shall be treated as valid.

- 2) In cases in which multiple exercises of voting rights have been made via the Internet, the most recent exercise of voting rights shall be treated as valid.

## Guide to the Exercise of Voting Rights via the Internet

### 1. Exercise of Voting Rights by the “Smart Exercise”

- (1) Please read the QR code\*<sup>1</sup> on the right-hand side of the enclosed Voting Form using a smartphone or similar device\*<sup>2</sup>, access the “Smart Exercise” website designated by the Company, and indicate your approval or disapproval of the proposals in accordance with the guidance on the screen (It is not necessary to enter the Exercise of Voting Rights Code and the Password).
- (2) The exercise of voting rights using “Smart Exercise” can only be performed once. In the event that you wish to revise the approval or disapproval indicated after exercising voting rights, you must use method 2. below to exercise your voting rights once again.

\*1. QR Code is a registered trademark of DENSO WAVE INCORPORATED.

\*2. An application (or a feature) to read QR Codes will be required.

### 2. Exercise of Voting Rights by the entry of the Exercise of Voting Rights Code and the Password

- (1) Please access the “Exercise of Voting Rights Website” (refer to the URL below), and enter the Exercise of Voting Rights Code and the Password printed on the enclosed voting form to log in, then indicate your approval or disapproval in accordance with the guidance on the screen. It is necessary for you to change your password when you log in for the first time.

<a href="https://soukai.mizuho-tb.co.jp/">https://soukai.mizuho-tb.co.jp/</a>
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- (2) The Exercise of Voting Rights Code and the Password (including the new password selected by yourself when asked to change it) shall be valid only for this Ordinary General Meeting of Shareholders.
- (3) Please be careful how you manage your password, as it is used as a means of confirming the identity of the shareholder exercising voting rights. Please be noted that the Company (shareholder registry administrator) will not contact you to ask for your password.
- (4) If you enter your password incorrectly for a certain number of times, the password will be locked and you will no longer be able to use it. If this occurs, please complete the procedures indicated in the guidance on the screen.

#### (Notes)

- The deadline for exercising voting rights is 5:30 p.m., Monday, June 23, 2025 (Japan Standard Time). Voting rights reaching the Company (shareholder registry administrator) before the deadline are valid, so we request that you kindly exercise them well in advance.
- In the event that voting rights are exercised both by using the voting form and via the Internet, only the vote performed via the Internet shall be deemed effective. If you exercise your voting rights more than once via the Internet, only your final vote shall be deemed effective.
- You shall bear your own expenses for connection to the Internet.
- Although operational checks have been carried out for the exercise of voting rights for common Internet connection devices, there is a possibility that you may be unable to access the site due to the device you are using and the situation at the time.

### 3. For your inquiries

If you have any inquiries, please contact the Securities Agent Dept. of Mizuho Trust & Banking Co., Ltd., which is the Company’s shareholder registry administrator, as shown below.

- (1) Inquiries regarding the operation of the “Smart Exercise” and “Exercise of Voting Rights Website”  
Tel: 0120-768-524 (toll free only from Japan) (Business hours: 9:00 a.m. to 9:00 p.m. except for year-end and New Year’s holidays)
- (2) Inquiries regarding share handling matters other than the above  
Tel: 0120-288-324 (toll free only from Japan) (Business hours: 9:00 a.m. to 5:00 p.m. on weekdays)

## Reference Documents for the General Meeting of Shareholders

### Items to be Resolved and Reference Documents

<Company Proposals (From Proposal 1 to Proposal 3)>

**Proposal 1:** Amendment to the Articles of Incorporation

1. Reasons for Proposal

The Company celebrated its 90th anniversary on January 30 of this year and has formulated the new corporate philosophy of “Make people, communities, and the future bloom.” to serve as a guiding compass as we look toward our 100th anniversary and beyond.

In conjunction with this, as well as to express our commitment to exploring new possibilities beyond our existing business domains, and to further enhance our corporate brand value, we propose to amend Article 1 (Trade Name) of the current Articles of Incorporation to change our company name to our long-familiar and well-recognized nickname, “YODOKO, Ltd.”

Furthermore, the effective date of this amendment to the Articles of Incorporation shall be set as October 1, 2025, upon adding a supplementary provision; this provision shall be deleted after the effective date has passed.

2. Details of the Amendment

The details of the amendment are as follows:

(Underlining indicates the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
(Trade Name) Article 1 The Company shall be called <u>Kabushiki Kaisha Yodogawa Seikoshō</u> , and in English, it shall be expressed as <u>Yodogawa Steel Works, Ltd.</u>  (Newly established)	(Trade Name) Article 1 The Company shall be called <u>Kabushiki Kaisha Yodoko</u> , and in English, it shall be expressed as <u>YODOKO, Ltd.</u>  (Supplementary Provisions) 1. <u>The amendment to Article 1 (Trade Name) shall enter into effect on October 1, 2025.</u> 2. <u>This supplementary provision shall be deleted after the effective date of the amendment to Article 1 (Trade Name).</u>

**Proposal 2:** Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of seven (7) Directors. The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Eiichi Tanaka (August 19, 1962) Reappointment	<p>Apr. 1985      Joined the Company</p> <p>Feb. 2014      Was seconded to PCM PROCESSING (THAILAND) LTD., Director and President</p> <p>June 2018      Executive Officer, Senior General Manager Corporate Planning Division, General Manager of Overseas Business Planning Dept. of the Company</p> <p>Apr. 2019      Executive Officer of the Company Director of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>June 2020      Executive Officer of the Company Chairman of the Board, YODOGAWA- SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>Apr. 2021      Senior Executive Officer of the Company Chairman of the Board, YODOGAWA- SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD.</p> <p>Apr. 2022      Managing Executive Officer, Senior General Manager Corporate Planning Division, and General Manager of Overseas Business Planning Dept. of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD., in charge of overseas affiliated companies of the Company</p> <p>June 2022      Director, Managing Executive Officer, Senior General Manager Corporate Planning Division, and General Manager of Overseas Business Planning Dept. of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH-TECH STEEL CO., LTD., in charge of overseas affiliated companies</p> <p>Apr. 2023      Director, Senior Managing Executive Officer, Senior General Manager Corporate Planning Division, and in charge of plants of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH- TECH STEEL CO., LTD., in charge of overseas affiliated companies</p> <p>Apr. 2024      Director, Senior Managing Executive Officer, Senior General Manager Corporate Planning Division, in charge of plants and in charge of Steel Sheet Development Dept. of the Company, Chairman of the Board of YODOGAWA-SHENGYU (HEFEI) HIGH- TECH STEEL CO., LTD., in charge of overseas affiliated companies</p> <p>Apr. 2025      President and Representative Director of the Company (Current Position)</p>	12,205
<p>Reasons for selection as a candidate for Director</p> <p>Eiichi Tanaka has worked mainly in the sales department of steel sheet-related business. Since he also has considerable operational experience relating to the management of overseas subsidiary companies, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Toshio Kumamoto (March 13, 1963) Reappointment	Apr. 1986      Joined the Company Apr. 2014      Executive Officer, General Manager of Kure Plant of the Company June 2016      Senior Executive Officer, General Manager Administration Division of the Company June 2017      Senior Executive Officer, Senior General Manager Administration Division, in charge of affiliated companies of the Company June 2018      Director, Managing Executive Officer, Senior General Manager Administration Division, in charge of affiliated companies of the Company Apr. 2022      Director, Managing Executive Officer, Senior General Manager Administration Division, in charge of domestic affiliated companies of the Company Apr. 2023      Director, Senior Managing Executive Officer, Senior General Manager Administration Division, General Manager of Legal Affairs Dept., in charge of domestic affiliated companies of the Company July 2024      Director, Senior Managing Executive Officer, Senior General Manager Administration Division, General Manager of Legal Affairs Dept., Branch Manager of Tokyo in charge of domestic affiliated companies of the Company Apr. 2025      Director, Senior Managing Executive Officer, Senior General Manager Administration Division, General Manager of Legal Affairs Dept., in charge of domestic affiliated companies of the Company (Current Position)	15,356
		Reasons for selection as a candidate for Director Toshio Kumamoto has worked mainly in the general affairs department. Since he also has considerable operational experience as a leader of main plants, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.	



No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company		Number of the Company’s shares owned
3	Tadashi Hattori (July 16, 1958) Reappointment	Apr. 1982	Joined the Company	18,355
		Apr. 2012	Executive Officer, General Manager Sales Division of the Company	
June 2016	Senior Executive Officer of the Company President and Representative Director of YODOKO SHOJI CO., LTD.			
June 2019	Director, Managing Executive Officer, Senior General Manager of the Sales Division of the Company			
Apr. 2021	Director, Managing Executive Officer, Senior General Manager of the Sales Division, and in charge of Development Division of the Company			
Apr. 2023	Director, Senior Managing Executive Officer, Senior General Manager of the Sales Division, and in charge of Development Division of the Company			
Apr. 2024	Director, Senior Managing Executive Officer, Senior General Manager of the Sales Division, and in charge of Building Materials Development Dept. of the Company (Current Position)			
Reasons for selection as a candidate for Director Tadashi Hattori has worked mainly in the sales department of steel sheet-related business. Since he also has considerable operational experience relating to the management of subsidiary companies, we request that he continue to be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.				

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company		Number of the Company's shares owned
4	Seiichi Sakinaga (September 30, 1961) Newly appointed	Apr. 1991	Joined the Company	4,871
		Oct. 2009	General Manager, Product Development Center, Steel Sheet Dept., Osaka Plant of the Company	
		Sept. 2012	General Manager of Technical Research Center, Ichikawa Plant of the Company	
		June 2020	Corporate Officer, General Manager of Ichikawa Plant of the Company	
		Apr. 2021	Executive Officer, General Manager of Ichikawa Plant of the Company	
		Apr. 2025	Senior Executive Officer of the Company General Manager, Steel Sheet Development Division, Supervisor of Plant, and Branch Manager of Tokyo of the Company (Current Position)	
Reasons for selection as a candidate for Director Seiichi Sakinaga has worked mainly in the production and technology departments of steel sheet plants. Since he also has considerable operational experience, including serving as General Manager of the Ichikawa Plant, the Company's main production site, where he was involved in site operations, we request that he be appointed as a Director to utilize his extensive experience and knowledge as a member of the Board of Directors of the Company.				
5	Sadao Kobayashi (December 11, 1951) Reappointment	Apr. 1974	Joined Mitsubishi Plastics, Inc. (currently Mitsubishi Chemical Corporation)	0
		Apr. 2010	Executive Officer, General Manager of Nagahama Plant and General Manager of Santo Plant of Mitsubishi Plastics, Inc.	
		Apr. 2011	Director of the Board and Managing Executive Officer of Mitsubishi Plastics, Inc., and Managing Executive Officer of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)	
		Apr. 2015	Representative Director and Senior Managing Executive Officer of Mitsubishi Plastics, Inc.	
		Apr. 2017	Advisor to Mitsubishi Chemical Corporation	
		June 2019	Advisor to Japan Excel-Management Consulting Co., Ltd. (JEMCO)	
		June 2021	Outside Director of the Company (Current Position)	
Reasons for selection as a candidate for Outside Director and overview of expected role Sadao Kobayashi has extensive experience as a manager of a listed company, including leadership of overseas group companies, and a wide range of insight based on his many years of experience in the manufacturing and production technology sectors. The Company proposes that he be reappointed as an Outside Director so that his independent viewpoints from outside the Company can continue to be applied to the management of the Company for contributing to its further development. After his appointment, we expect him to fulfill the above role.				

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Katsuyuki Kuse (March 12, 1963) Reappointment	<p>Apr. 1991 Registered as Attorney Joined KANSAI LAW &amp; PATENT OFFICE</p> <p>Aug. 1993 Joined Kudawara &amp; Kuse Law Office (currently Kuse Law Office), Partner</p> <p>June 2009 Member of Committee on Intellectual Property Rights of Japan Federation of Bar Associations</p> <p>Sept. 2010 Representative Attorney of Kudawara &amp; Kuse Law Offices (currently Kuse Law Office) (Current Position)</p> <p>June 2013 Japan Intellectual Property Association Lecturer</p> <p>Apr. 2019 Osaka Bar Association, Intellectual Property Committee Chair</p> <p>June 2021 Outside Director of the Company (Current Position)</p>	0
<p>Reasons for selection as a candidate for Outside Director and overview of expected role</p> <p>Katsuyuki Kuse has tremendous experience as an attorney at law and insight into a wide range of corporate legal matters, particularly intellectual property rights. The Company proposes that he be re-elected as an Outside Director so that his independent viewpoints from outside the Company can continue to be applied to the management of the Company for contributing to further enhancement of the Company's corporate governance and the further revitalization of the Board of Directors. He has not been directly involved with the management of a company other than serving as an outside officer. However, he has considerable expertise involving legal matters as an attorney at law. Since he has sufficient knowledge to deal with these matters, the Company believes that he will be able to properly perform the duties of an Outside Director. After his appointment, we expect him to fulfill the above role.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Miho Ishihara (February 17, 1969) Reappointment	<p>Oct. 1996      Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>Jan. 2002      Registered as Certified Public Accountant</p> <p>Feb. 2006      Joined Protiviti Japan (currently Protiviti LLC)</p> <p>Apr. 2009      Joined EY Advisory Co., Ltd. (currently EY Strategy and Consulting Co., Ltd.)</p> <p>May 2010      Opened Ishihara Certified Public Accountant Office (currently Ishihara Certified Public Accountant &amp; Certified Public Tax Accountant Office) (Current Position)</p> <p>Joined Hibiki Audit Corporation</p> <p>Dec. 2010      Registered as Certified Public Tax Accountant</p> <p>June 2019      Outside Audit &amp; Supervisory Board Member of the Company</p> <p>June 2022      Outside Director of NICHIA STEEL WORKS, LTD. (Current Position)</p> <p>May 2023      Outside Director and Audit and Supervisory Committee Member of ZUIKO CORPORATION (Current Position)</p> <p>July 2023      Senior Partner of Kainan Audit Corporation (Current Position)</p> <p>June 2024      Outside Director of the Company (Current Position)</p> <p>[Significant concurrent position outside the Company] Outside Director of NICHIA STEEL WORKS, LTD. Outside Director and Audit and Supervisory Committee Member of ZUIKO CORPORATION</p>	0
<p>Reasons for selection as a candidate for Outside Director and overview of expected role</p> <p>Miho Ishihara has extensive experience mainly as a Certified Public Accountant and Certified Public Tax Accountant. In addition, she has experience as a consultant in matters concerning internal control and risk management. She has been contributing to the further enhancement of corporate governance as an Outside Audit &amp; Supervisory Board Member of the Company since June 2019. From the perspective of further enhancing the diversity of the Board of Directors of the Company, we believe that it would be useful to utilize her experience and knowledge at the Board of Directors, and so we request that she be re-elected as an Outside Director. She has not been directly involved with the management of a company other than serving as an outside officer. However, she has considerable expertise involving finance and accounting matters as a Certified Public Account and Certified Public Tax Accountant. Since she has sufficient knowledge to deal with these matters, the Company believes that she will be able to properly perform the duties of an Outside Director. After her appointment, we expect her to fulfill the above role.</p>			

- Notes:
1. There is no particular business or other relationship between any of the candidates and the Company.
  2. Number of Years since the Candidates for Outside Directors were appointed as Outside Directors or Audit & Supervisory Board Members of the Company  
As of the date of the conclusion of this General Meeting of Shareholders, Sadao Kobayashi and Katsuyuki Kuse both will have served as Outside Directors of the Company for a period of four (4) years, and Miho Ishihara will have served for a period of one (1) year. In addition, Miho Ishihara had served as Outside Audit & Supervisory Board Member of the Company for a period of five (5) years.
  3. Director candidates Sadao Kobayashi, Katsuyuki Kuse, and Miho Ishihara are candidates for election as Outside Directors. A notice has been submitted to the Tokyo Stock Exchange that these three candidates are designated as Independent Officers in accordance with the regulations of this exchange.
  4. The Company has agreements with Sadao Kobayashi, Katsuyuki Kuse and Miho Ishihara respectively that limit their liability as prescribed in Article 423, Paragraph 1 of the Companies Act, in accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act. The liability limit in these agreements is the higher of 8 million yen or the minimum limit on liability in Article 425, Paragraph 1 of the Companies Act, and in case they are re-elected, the Company plans to continue such agreements with them.
  5. The Company shall enter into a liability insurance agreement with an insurance company for Directors, Officers, and others, as provided for in Article 430-3, Paragraph 1 of the Companies Act, and the insurance policy covers damages and

litigation expenses incurred by the insured due to claims for damages arising from the insured's acts (including omissions) committed by the insured in the course of their duties as Director and Officers of the Company. If each candidate is elected, the candidate will be included as an insured person under this insurance policy. The Company plans to renew this insurance policy with the same terms and conditions during the term of office.

(Reference) Structure of the Board of Directors (projected makeup from June 24, 2025)

1. Expertise and experience expected of Directors

Name	Years in office	Independent outside officer	Experience in managing other companies	Committee member	Areas of particular expertise								
					Business management and management strategy	Sales and marketing	Production, technology, and development	Human resources and labor	Finance and accounting	Legal affairs	Foreign operations	ICT and DX	ESG and sustainability
Eiichi Tanaka	3			○	●	●	●				●	●	●
Toshio Kumamoto	7				●			●	●	●			●
Tadashi Hattori	6				●	●	●				●		
Seiichi Sakinaga	Newly appointed						●	●				●	●
Sadao Kobayashi	4	○	○	○	●		●				●		
Katsuyuki Kuse	4	○		○						●			●
Miho Ishihara	1	○		○					●				●

2. Description of expertise and experience expected of above Directors

Eiichi Tanaka	In addition to the fields of Sales and marketing and Foreign operations, in which he has long experience, he is expected to provide expertise in ICT and DX, ESG and sustainability, and Production, technology and development, for which he was responsible as Senior General Manager Corporate Planning Division and in charge of plants.
Toshio Kumamoto	In addition to the field of Human resources and labor, in which he has long experience, he is expected to provide expertise in the fields of Finance and accounting, Legal affairs, and ESG and sustainability as Senior General Manager of Administration Division.
Tadashi Hattori	In addition to the field of Sales and marketing, in which he has long experience, he is expected to provide expertise in development and Foreign operations, leveraging his marketing perspective.
Seiichi Sakinaga	In addition to the fields of production, technology, and development, in which he has long experience, he is also expected to provide expertise in ICT and DX, as well as ESG and sustainability, which he has actively addressed at production sites.
Sadao Kobayashi	He is expected to provide general management advice based on his extensive experience in the Production and Technology sector, including leadership of overseas group companies, as well as his knowledge as a manager in a listed company.
Katsuyuki Kuse	He is expected to contribute to corporate governance by utilizing his knowledge as an attorney with experience in corporate legal affairs.
Miho Ishihara	In addition to the fields of finance and accounting, in which she has extensive experience and knowledge, she is expected to provide advice on corporate governance based on her experience in risk-management related consultancy.

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

The Company proposes that one (1) substitute Audit & Supervisory Board Member be elected to prepare for a case where the number of the members of Audit & Supervisory Board falls below the number stipulated by laws and regulations.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and significant concurrent position outside the Company		Number of the Company's shares owned
Toru Yasuhara (January 27, 1960)	Apr. 1983	Joined Export-Import Bank of Japan (currently Japan Bank for International Cooperation)	0
	Oct. 1995	Joined Seigo Yasuhara Accounting Office (currently Yasuhara Accounting Office) (Current Position)	
	Apr. 1999	Registered as Certified Public Accountant	
	July 2003	Registered as Certified Public Tax Accountant	
	July 2014	Senior Partner of PKF HIBIKI AUDIT CORPORATION	
Reasons for selection as a candidate for substitute Outside Audit & Supervisory Board Member Toru Yasuhara has considerable knowledge of finance and accounting from his many years of experience as a Certified Public Accountant. He was asked to become a substitute Outside Audit & Supervisory Board Member candidate in order to utilize this knowledge in the Company's auditing activities. He has not been directly involved with the management of a company. However, he has considerable expertise involving finance, and accounting matters as a Certified Public Accountant. Since he has sufficient knowledge to deal with these matters, the Company believes that he will be able to properly perform the duties of an Outside Audit & Supervisory Board Member.			

- Notes:
1. There is no particular business or other relationship between the candidate and the Company.
  2. Toru Yasuhara is a candidate for election as a substitute Outside Audit & Supervisory Board Member.
  3. Toru Yasuhara fulfills the requirements as an Outside Audit & Supervisory Board Member.
  4. If Toru Yasuhara is elected as Outside Audit & Supervisory Board Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that he is designated as an Independent Officer in accordance with the regulations of this exchange.
  5. If Toru Yasuhara is elected as Outside Audit & Supervisory Board Member, in accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company plans to establish an agreement with this individual that limits his liability as prescribed in Article 423, Paragraph 1 of the Companies Act. The liability limit in this agreement will be the higher of 8 million yen or the minimum limit on liability in Article 425, Paragraph 1 of the Companies Act.
  6. The Company shall enter into a liability insurance agreement with an insurance company for Directors, Officers, and others, as provided for in Article 430-3, Paragraph 1 of the Companies Act, and the insurance policy covers damages and litigation expenses incurred by the insured due to claims for damages arising from the insured's acts (including omissions) committed by the insured in the course of their duties as Director and Officers of the Company. If Toru Yasuhara is appointed as Outside Audit & Supervisory Board Member, he will be included as an insured person under this insurance policy. The Company plans to renew this insurance policy with the same terms and conditions during the term of office.

**<Shareholder Proposals (From Proposal 4 to Proposal 11)>**

**Proposal 4 through to Proposal 11 were filed by shareholders (two shareholders).**

**The following agenda items, proposal content, and reasons for proposal have been arranged as individual proposals using the original text as submitted by the proposing parties.**

**Content of proposal**

In regard to the proposals of 1, 3, 4, 6, and 8 below (hereinafter referred to as “the Proposals to Amend the Articles of Incorporation”), in the event of it becoming necessary to make formal adjustments to the chapters or articles of the Company’s Articles of Incorporation mentioned in the Proposals to Amend the Articles of Incorporation (including but not limited to the revision of article numbers) due to the approval or rejection of other proposals at this Ordinary General Meeting of Shareholders (including proposals related to Company Proposals), the text of the Proposals to Amend the Articles of Incorporation shall be reworded based on the actual text after such necessary adjustments have been made. A detailed explanation of each Shareholder Proposal below can be found by visiting <https://stracap.jp/5451-YODOGAWA/> or via the special site link shown on the top right of the Strategic Capital, Inc. website at <https://stracap.jp/>. All company figures stated in each Shareholder Proposal, with the exception of where expressly stated as being (non-consolidated), are based on the Consolidated Financial Statements.

(Company Note) “The proposals of 1, 3, 4, 6, and 8 below” refer to Proposals 4, 6, 7, 9, and 11.



**Proposal 4:** Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.

1. Overview of Proposal

Article 35 and Article 36 of the current Articles of Incorporation shall be amended as follows.

Current Articles of Incorporation

(Decision-making body for determining dividends from surplus, etc.)

Article 35 – The Company shall determine the matters provided for in each item of Article 459 Paragraph 1 of the Companies Act, including dividends from surplus, etc. by a resolution of the Board of Directors and not by a resolution of the General Meeting of Shareholders, unless otherwise provided for by laws and regulations.

(Record date for dividends from surplus)

Article 36 – The record date for the year-end dividend of the Company shall be March 31 of each year.

2. The record date for the interim dividends of the Company shall be September 30 of each year.

3. In addition to the preceding two paragraphs, the Company may declare dividends from surplus by setting a record date.

Proposed Amendments (The underlined sections indicate changes.)

(Dividends from surplus)

Article 35 – The Company may, by resolution of the General Meeting of Shareholders, pay a year-end dividend to the shareholders or registered share pledges stated or recorded on the shareholder registry as of the last day of each fiscal year.

2. In addition to the preceding paragraph, the Company may, by a resolution of the Board of Directors, pay interim dividends to the shareholders or registered share pledges stated or recorded on the shareholder registry as of September 30 of each year.

3. In addition to the preceding two paragraphs, the Company may declare dividends from surplus by setting a record date.

Article 36 - Delete

2. Reasons for Proposal

This proposal aims to make the General Meeting of Shareholders the decision-making body for year-end dividends.

The Company specifies dividends by resolution of the Board of Directors rather than by resolution of a General Meeting of Shareholders; however, the Company's share price has remained sluggish for a long period, and it is difficult to say that the Board of Directors is conducting management in a manner that contributes to improved shareholder value.

The shareholder return policy in the Company's Medium-term Management Plan is for "an annual dividend amount of 200 yen or more" and "a consolidated payout ratio of 75% or higher"; however, the Company's equity ratio, as of December 31, 2024, is at the extremely high level of approximately 72%, and further increases in equity capital would only cause a decline in ROE.

For the past 25 years, the Company's PBR has never consistently exceeded the dissolution value of 1x. This is mainly due to ROE being less than the cost of shareholders' equity.

The Company should therefore change its management policy to one that contributes to improving shareholder value by making the General Meeting of Shareholders the decision-making body for dividends, as this will result in improved governance and increased ROE, as well as reducing the cost of shareholders' equity, etc.

[Opinion of the Board of Directors Concerning Proposal 4]

The Board of Directors is **opposed to Proposal 4.**

This Shareholder Proposal seeks to amend the Articles of Incorporation so that decisions on dividends from surplus, etc. are made by resolution of a General Meeting of Shareholders.

The Company believes it to be reasonable for the policy on shareholder returns, which also includes the specific amount of dividends, etc. for each fiscal year, to be determined by the Board of Directors of the Company, pursuant to the medium- to long-term management policy of the Company, which is based on the business environment surrounding the Company and its business characteristics. For this reason, we believe that agile and flexible decision making at the Board of Directors, rather than at a General Meeting of Shareholders, with these matters regarded as being subject to management decisions, will lead to improvements in the medium- to long-term corporate value of the Company, and will contribute to the interests of all shareholders; based on Article 35 of the Company's Articles of Incorporation, the Board of Directors is designated as the decision-making body for matters such as the distribution of surplus.

The Company recognizes the return of profit to all shareholders as being one of its most important issues, and in terms of measures to this end, we use the payment of dividends based on business performance, purchases of treasury stock, etc. Our basic policy is to pay dividends in accordance with business performance in a stable and ongoing manner, with dividends being paid in consideration of the capital required for investments, etc. towards improving corporate value, forecasts for future business performance, and the maintenance of a sound financial position, etc.

Based on the basic policy outlined above, the Company has also established a shareholder return policy for the period of the "Yodogawa Steel Group Medium-term Management Plan (2025)" (hereinafter referred to as the "current Medium-term Management Plan"), as stated in the announcement titled "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" published on April 25, 2024; under this policy, greater emphasis is placed on shareholder returns through dividends, while maintaining an annual dividend amount of 200 yen or more per share of common stock and a consolidated payout ratio of 75% or higher being prescribed. For FY2024, as published in the "Notice Concerning Dividends of Surplus" dated May 9, 2025, the Company plans to pay an annual dividend of 351 yen per share of common stock, which represents a significant increase in dividends, and reflects the shareholder return policy outlined in the current Medium-term Management Plan.

Moving forward as well, we will continue to pursue both the maximizing profits through a review of the business portfolio, while at the same time optimizing capital through a review of the capital policy, with the aim of achieving sustainable growth and enhancing our corporate value over the medium to long term.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

## **Proposal 5:** Disposal of Surplus

### **1. Overview of Proposal**

On the condition that Proposal 1 is approved, a year-end dividend from surplus shall be paid as follows.

- (1) Type of dividend property  
Cash

- (2) Matters relating to the allotment of dividend property and the total amount thereof

In addition to the amount of the Company dividend, the figure obtained by deducting the amount of dividends per share of common stock based on the proposal relating to the disposal of surplus determined by the Company's Board of Directors (hereinafter referred to as "Company Proposal for Disposal of Surplus") or the amount of dividends per share of common stock determined by the Board of Directors for the disposal of surplus (including interim-dividends and planned disposals) as of March 31, 2025 by the date of the 126th General Meeting of Shareholders based on Article 35 of the Company's Articles of Incorporation (hereinafter these dividend amounts based on the decision of the Board of Directors are collectively referred to as "Company Dividend Amount") from 392 yen (hereinafter referred to as "Additional Dividend Amount") shall be paid per share of common stock to shareholders of the common stock of the Company as of the record date for voting rights at the 126th General Meeting of Shareholders (hereinafter referred to as "Allotment Date").

In the event of the amount obtained by multiplying the net assets per share as of March 31, 2025 (refers to the value as calculated upon excluding the number of shares of treasury stock from the number of outstanding shares, in accordance with the ASBJ Guidance No. 4 "Guidance on Accounting Standard for Earnings Per Share") by 0.06 (fractions shall be rounded down; the same applies hereinafter) differing from 392 yen, the 392 yen indicated at the beginning shall be rephrased to an amount equivalent to 6% DOE.

The total amount of dividends shall be the amount obtained by multiplying the number of shares eligible for dividends as of the Company's allotment date by the Additional Dividend Amount.

- (3) Date of effect of dividends from surplus

The day following the Company's 126th General Meeting of Shareholders

This proposal is an additional proposal that is both independent from and compatible with the Company Proposal for Disposal of Surplus if proposed at the 126th General Meeting of Shareholders.

### **2. Reasons for Proposal**

This proposal is intended to set dividends at a rate of 6% of equity capital.

As described in the reasons for proposal provided for the previous proposal, there is no need for the Company to accumulate any further equity capital, and a reduction in the cost of capital and an increase in ROE cannot be expected with the current shareholder return policy.

We would therefore like to change the current shareholder return policy from an "annual dividend of 200 yen or more" and a "consolidated payout ratio of 75% or more" to a "consolidated payout ratio of 100%, and 6% DOE." In the event of ROE being less than 6%, the payout ratio will exceed 100%. Based on this, the Company should demonstrate a policy of gradually reducing equity capital and improving capital efficiency, as well as providing stable returns to shareholders.

(Company Note) "Proposal 1" above refers to Proposal 4 at this meeting.

[Opinion of the Board of Directors Concerning Proposal 5]

The Board of Directors is **opposed to Proposal 5.**

This Shareholder Proposal seeks that the dividend for FY2024 be set at an amount equivalent to a consolidated payout ratio of 100% or more and a DOE of 6% on the condition that “Proposal 4. Amendment to the Articles of Incorporation in Relation to the Decision-making Body for Dividends from Surplus, Etc.” is approved.

The Company, as described in the current Medium-term Management Plan, is working towards further strengthening earning power and further improving capital efficiency over the medium to long term under the axes of “Build an even stronger profit structure,” “Take on the challenge of entering new business fields,” and “Establish a foundation for sustainable operations.” Suitable growth investment will be necessary to realize these goals, and therefore, the Company has established a basic capital policy that seeks to maintain a balance between business investment and shareholder returns.

Specifically, as the Company’s business requires an enormous amount of investment in production equipment, etc., a plan for capital investment of the entire consolidated group has been set forth in the current Medium-term Management Plan. In addition, towards the prompt realization of an ROE of 8% or more, a shareholder return policy has been prescribed to the effect that shareholder returns with a consolidated payout ratio of 75% or more will be actualized, while maintaining an annual dividend amount of 200 yen or more per share of common stock during the term of the current Medium-term Management Plan. As already announced in the “Notice Concerning Dividends of Surplus” dated May 9, 2025, the annual dividend for FY2024 is planned to be 351 yen per share of common stock, consisting of an interim dividend of 100 yen and a year-end dividend of 251 yen; this represents a significant increase, and is based on the shareholder return policy set forth in the current Medium-term Management Plan.

In addition to such capital investment and shareholder returns, the Company has prescribed its financial and capital policies for the period of the current Medium-term Management Plan, taking into account the need to maintain sufficient cash on hand to support growth investments, etc., aimed at “strengthening existing businesses” and the “creation of new businesses.” The Shareholder Proposal requesting a dividend for FY2024 equivalent to a consolidated payout ratio of over 100% and a DOE of 6% is inconsistent with the Company’s financial and capital strategy, which seeks to simultaneously achieve profit maximization through portfolio review and capital optimization through the reassessment of our capital policy.

The Company believes that the most appropriate way to enhance the common interests of shareholders would be to steadily achieve the shareholder return policy prescribed in the current Medium-term Management Plan, while simultaneously maximizing profits through the review of our business portfolio.

Based on the above, **the Company’s Board of Directors opposes this Shareholder Proposal.**

**Proposal 6:** Amendment to the Articles of Incorporation in Relation to the Development and Disclosure of a Business Portfolio Plan

1. Overview of Proposal

To add the following article to the current Articles of Incorporation.

Chapter 7 - Business Portfolio Plan

(Business Portfolio Plan)

Article 37. The Company shall formulate a business portfolio plan based on capital costs and capital efficiency for the businesses (which include, but are not limited to, steel sheet-related business, roll business, grating business, and real estate business) conducted by the Company as well as its domestic and international affiliates in various countries (including, but not limited to, Japan, Taiwan, China, and Thailand).

2. In the plan of the preceding paragraph, for any business in which capital efficiency is lower than the capital cost, the Company shall formulate a response policy, including possible withdrawal from such business.

3. The Company shall disclose the progress status of paragraph 1 and paragraph 2 for each fiscal year in its integrated report, etc.

2. Reasons for Proposal

The profit contribution from businesses other than the steel sheet-related business in Japan and Taiwan remains extremely limited at the Company. The roll business, grating business, as well as the steel sheet-related business in China and Thailand, have continued to operate at a loss or with profit levels that are close to zero. The real estate business, in theory, is incapable of generating returns that exceed the capital efficiency.

The Company, in the revised Medium-term Management Plan announced on April 25, 2024, committed to business portfolio reform, including the assessment of unprofitable businesses and group restructuring, however, after nearly a year has passed, no progress has been observed.

Former Representative Director and President Mr. Nitta previously served as the representative of the Company's unprofitable subsidiary in China, which may be one of the reasons that the current management is hesitant to address and restructure the issues inherited from the past.

Therefore, from the perspectives of capital efficiency and cost of capital, the Company should formulate a business portfolio plan and accelerate measures, including potential withdrawal, in relation to unprofitable businesses. In addition, the Company should disclose such measures and aim to reduce its cost of capital.

[Opinion of the Board of Directors Concerning Proposal 6]

The Board of Directors is **opposed to Proposal 6.**

This Shareholder Proposal seeks that the Articles of Incorporation be amended to include three points comprising the formulation of a business portfolio plan for each of the Group's businesses, taking into account cost of capital and capital efficiency; the inclusion in such plan of a response policy, including potential withdrawal, for any business in which capital efficiency falls below the cost of capital; and the disclosure of the progress status of such plan in the integrated report, etc. for each respective fiscal year.

The Company recognizes, as stated in the current Medium-term Management Plan, that reviewing the business portfolio within the Group is one of its key management priorities, however, we believe that the formulation and disclosure of specific plans related to such review should be determined as managerial decisions based on the prevailing business environment and circumstances facing the Group at any given time. We further believe that agile and flexible decision making will lead to the medium- to long-term enhancement of corporate value and will contribute to the interests of all shareholders.

Therefore, we do not consider it to be appropriate to include the obligation to uniformly formulate and disclose, for each fiscal year, a business portfolio review plan and its progress status, in the Articles of Incorporation, which serves the role of prescribing the fundamental standards of the Company.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

**Proposal 7:** Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program

1. Overview of Proposal

To add the following chapter and article to the current Articles of Incorporation.

Chapter 8 Introduction of Shareholder Benefit Program, Etc.

(Introduction of Shareholder Benefit Program, Etc.)

Article 38 The introduction, continuation, amendment and abolition of a shareholder benefit program shall be subject to a resolution at a General Meeting of Shareholders.

2. Reasons for Proposal

This proposal intends to abolish the shareholder benefit program.

The Company previously introduced the shareholder benefit program, and under the shareholder benefit program announced on February 27, 2025, catalog gifts and shareholder admission tickets to Yodoko Guest House are distributed to eligible shareholders.

However, this plan is unfair for major shareholders, as they receive the same benefits regardless of how much their shareholding increases. In addition, there are cases where institutional investors refuse receipt of shareholder vouchers, in which case they receive no benefit whatsoever.

If there were a shareholder benefit program involving the provision of the Company's own products and services, etc., this would raise awareness of the Company's products and services, and would likely contribute to an indirect improvement of performance and increase in shareholder value; however, the shareholder benefit program of the Company is completely unrelated to the Company's core business, and cannot be expected to produce any similar effect.

It is therefore difficult to say that the Company's shareholder benefit program provides equal benefit to all shareholders, and it would be desirable for the introduction, continuation, amendment, and abolition of the shareholder benefit program to be made subject to resolution at a General Meeting of Shareholders.

[Opinion of the Board of Directors Concerning Proposal 7]

The Board of Directors is **opposed to Proposal 7.**

This Shareholder Proposal seeks to amend the Articles of Incorporation so that decisions on the introduction, continuation, revisions and abolition of the shareholder benefit program are made by resolution of a General Meeting of Shareholders.

The Company considers the shareholder benefits program to be a means of raising awareness of the Company and increasing the understanding of its business, and that it serves as an incentive and motivation for individuals to become shareholders; we consider matters related to the shareholder benefits program to be part of our overall IR strategy, and that they should be evaluated comprehensively together with other investor-focused initiatives. On those grounds, we believe that agile and flexible decision making will lead to the medium- to long-term enhancement of corporate value and will contribute to the interests of all shareholders.

Therefore, the Company believes that it is desirable for the introduction, continuation, revisions and abolition of the shareholder benefit program to be determined by resolution of the Board of Directors rather than by resolution of a General Meeting of Shareholders. In addition, we consider it appropriate for decisions on the individual specific details of business execution to be entrusted to the Board of Directors and do not consider it to be appropriate to include such details as described in this Shareholder Proposal in the Articles of Incorporation, which serves the role of prescribing the fundamental standards of the Company.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

**Proposal 8:** Abolition of the Shareholder Benefit Program

1. Overview of Proposal

On the condition that Proposal 4 is approved, the shareholder benefit program for the period ended March 2025, which was announced on February 27, 2025, shall be abolished.

2. Reasons for Proposal

As described in the previous proposal, the shareholder benefit program of the Company is an unequal plan for shareholders and cannot be expected to result in enhancement of shareholder value through increased awareness of the Company's products and services.

The Company has described the purpose of the shareholder benefit program on its website as having "the main objectives of expressing gratitude to all shareholders for their continued support, increasing the appeal of investing in shares of the Company, and encouraging shareholders to retain their shares of the Company in the medium to long term." Return for shareholders, however, only concerns the share price and dividends, and the appeal of the shares should be increased through these issues.

Therefore, it would be desirable for the shareholder benefit program to be abolished, and to transition to a policy that seeks to increase shareholder value through the share price and dividends.

(Company's Note) "Proposal 4" above refers to Proposal 7 at this meeting.

[Opinion of the Board of Directors Concerning Proposal 8]

The Board of Directors is **opposed to Proposal 8.**

This Shareholder Proposal seeks to abolish the Company's shareholder benefit program on the condition that "Proposal 7. Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program" is approved.

The shareholder benefit program has the intent of expressing gratitude to all shareholders for their continued support, increasing the appeal of investing in shares of the Company, and encouraging shareholders to retain their shares of the Company in the medium to long term.

As stated in our reasons for opposing Proposal No. 7, "Amendment to the Articles of Incorporation in Relation to the Shareholder Benefit Program," the Company's shareholder benefits program is intended to raise awareness of the Company, promote understanding of its business, and encourage and motivate individuals to become shareholders; as such, we believe that the program contributes to attracting new individual investors, encouraging medium- to long-term shareholdings, and supporting share price stability.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

**Proposal 9:** Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock

1. Overview of Proposal

To add the following chapter and article to the current Articles of Incorporation.

Chapter 9 Cancellation of Treasury Stock

(Cancellation of Treasury Stock)

Article 39 The Company may cancel treasury stock (including determination of the class and number of each class of treasury stock to be cancelled) by a resolution of the General Meeting of Shareholders.

2. Reasons for Proposal

The Company, as of the end of December 2024, holds treasury stock representing approximately 9.2% of the total number of outstanding shares.

In general, there are cases where treasury stock is held with the intent of using it as consideration in M&A transactions, etc.; however, the Company holds excessive assets, including cross-shareholdings and leased properties, and even if there is a good opportunity for an M&A, funds for this should be allocated from the sale, etc. of assets held.

On the other hand, the continued holding of a large amount of treasury stock by the Company means that shareholders face the possibility of their shares being diluted at any time.

In the revised Medium-term Management Plan announced on April 25, 2024, the Company formulated a policy of keeping treasury stock below 10% of the total number of issued shares, and subsequently cancelled a portion of its treasury stock.

However, the Company itself is aware that the threshold of “less than 10%” lacks any particular meaning. Rather than taking half-baked measures, we urge that the Company promptly cancel all of its treasury stock.

[Opinion of the Board of Directors Concerning Proposal 9]

The Board of Directors is **opposed to Proposal 9.**

This Shareholder Proposal seeks to amend the Articles of Incorporation so that decisions on the disposal of treasury stock are made by resolution of a General Meeting of Shareholders.

The Company believes that it should make decisions on the holding and cancellation of treasury stock as a matter for managerial decision making, including use for agile capital policies, such as for future fundraising, M&As, stock-based remuneration, etc., based also on consistency with the management strategy, etc. We also believe that agile and flexible decision making will lead to the medium- to long-term enhancement of corporate value and will contribute to the interests of all shareholders.

This Shareholder Proposal will restrict such range of choices and agility of the Company and may not contribute to the interests of shareholders. Regarding the cancellation of treasury stock, as prescribed in the Companies Act, we consider it appropriate for such matters to be determined at the Board of Directors rather than a General Meeting of Shareholders.

In addition, we consider it appropriate for decisions on the individual specific details of business execution to be entrusted to the Board of Directors and do not consider it to be appropriate to include such details as described in this Shareholder Proposal in the Articles of Incorporation, which serves the role of prescribing the fundamental standards of the Company.

Based on the above, **the Company’s Board of Directors opposes this Shareholder Proposal.**



**Proposal 10:** Cancellation of Treasury Stock

1. Overview of Proposal

On the condition that Proposal 6 is approved, to cancel all of the treasury stock held by the Company.

2. Reasons for Proposal

The cancellation of treasury stock will contribute to improving the shareholder value of the Company, and therefore, in the case of the amendment to the Articles of Incorporation proposed in Proposal 6 being approved, this proposal seeks the cancellation of all treasury stock held by the Company.

(Company's Note) "Proposal 6" above refers to Proposal 9 at this meeting.

[Opinion of the Board of Directors Concerning Proposal 10]

The Board of Directors is **opposed to Proposal 10.**

This Shareholder Proposal seeks the cancellation of all of the Company's treasury stock on the condition that "Proposal 9. Amendment to the Articles of Incorporation in Relation to the Cancellation of Treasury Stock" is approved.

As published in "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" dated April 25, 2024, the Company has a policy in place that seeks to keep the upper limit for treasury stock at less than 10% of the total number of outstanding shares in order to prevent the excessive holding of treasury stock, and the Company cancelled 3,000,000 shares of treasury stock (8.16% of the total number of issued shares before the cancellation) on May 31, 2024. As a result of this, the ratio of treasury stock to the total number of issued shares as of March 31, 2025 is 9.17%.

On the other hand, in light of potential future uses such as fundraising, M&As, stock-based remuneration, etc., and from the perspective of securing a range of choices and agility of the Company, the Company has a policy of holding treasury stock within the necessary range, and therefore does not consider it appropriate at this time to cancel all treasury stock.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**

**Proposal 11:** Amendment to the Articles of Incorporation in Relation to the Abolition of Advisors and Counselors, Etc.

1. Overview of Proposal

To add the following chapter and article to the current Articles of Incorporation.

Chapter 10 Advisors and Counselors, Etc.

(Advisors and Counselors, Etc.)

Article 40 The Company shall not permit any individual who has retired from the position of Director of the Company to assume a role under the title of Advisor or Counselor, etc. at the Company or any of its consolidated subsidiaries, nor to maintain any ongoing relationship with the Company or its consolidated subsidiaries in such a capacity.

2. Reasons for Proposal

On February 27, 2025, the Company announced that Mr. Nitta would retire from his position as Director as of the date of this Annual General Meeting of Shareholders and is planned to assume the role of Advisor.

However, as noted in the Ministry of Economy, Trade and Industry's "Practical Guidelines for Corporate Governance Systems (CGS Guidelines) (dated July 19, 2022)," concerns have been raised regarding the possibility that Advisors or Counselors, who do not bear responsibility for corporate management, may exert undue influence over the current management team and, accordingly, the system of appointing Advisors or Counselors, etc. is not considered desirable from the perspective of corporate governance.

It is not expected that Mr. Nitta, under whose leadership the Company's stock price stagnated, would contribute any constructive input toward enhancing corporate value; rather, on the contrary, his continued presence as an Advisor could hinder the new management team from pursuing reforms that go against past decisions.

In the first place, as the Company's Articles of Incorporation do not contain any provisions regarding Advisors or Counselors, it should be expressly stated in the Articles of Incorporation that former Directors of the Company are not permitted to serve as officers or employees at the Company, or any of its subsidiaries or affiliates, as an Advisor or Counselor, etc.

[Opinion of the Board of Directors Concerning Proposal 11]

The Board of Directors is **opposed to Proposal 11.**

This Shareholder Proposal seeks an amendment to the Articles of Incorporation that would prohibit any individual who has retired from the position of Director of the Company from assuming a role using the title of Advisor or Counselor, etc. at the Company or any of its consolidated subsidiaries, as a means to maintain an ongoing relationship.

The Company may on occasion appoint individuals who have previously served as Representative Director or in other key positions and who possess extensive knowledge of the Group's business operations to the role of Advisor or Counselor (hereinafter referred to as "Advisor, etc."). We consider Advisor, etc., to be a valuable role, as such individuals can contribute to the acceleration of decision-making within the Group by providing advice based on their past experience and expertise in relation to the Group's business operations.

Furthermore, even when advice is provided by an Advisor, etc., the Company believes that no undue influence will be exerted on the Group's management, as the Board of Directors, which includes independent Outside Directors, appropriately monitors and supervises the execution of business operations.

Based on the above, **the Company's Board of Directors opposes this Shareholder Proposal.**