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Securities Code: 6676

June 6, 2025

To our shareholders:

Hiroyuki Maki, President & C.E.O.

**Buffalo Inc.**

11-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

## **Notice of the 39th Annual General Meeting of Shareholders**

You are hereby notified that the 39th Annual General Meeting of Shareholders of Buffalo Inc. (the “Company”) will be held as described below.

The Company takes measures for providing information in electronic format for this General Meeting of Shareholders, and posts the matters subject to measures for electronic provision on the following websites in accordance with Article 325-3 of the Companies Act. Please access any of the websites to review the information.

Company’s website:

<https://www.buffalo.jp/ir/stock/shareholders.html> (in Japanese)

General meeting of shareholders information material provision website:

<https://d.sokai.jp/6676/teiji/> (in Japanese)

In lieu of attending the meeting, you may exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:45 p.m. on Tuesday, June 24, 2025 (JST).

- 1. Date and Time:** Wednesday, June 25, 2025, at 10:00 a.m. (JST) (Reception starts at 9:15 a.m.)
- 2. Venue:** Communication Space, Nagoya Headquarters of the Company, 9th Floor, Akamon-dori Building,  
30-20 Ohsu 3-chome, Naka-ku, Nagoya

### **3. Purpose of the Meeting**

#### **Matters to be reported**

1. Reports on the business report, the consolidated financial statements, and the results of audit of the consolidated financial statements by the Financial Auditor and the Audit and Supervisory Committee for the 39th fiscal term (from April 1, 2024 to March 31, 2025)
2. Report on the non-consolidated financial statements for the 39th fiscal term (from April 1, 2024 to March 31, 2025)

#### **Matters to be resolved**

- |                        |   |
|------------------------|---|
| <b>Proposal No. 1:</b> | Election of Three (3) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)   |
| <b>Proposal No. 2:</b> | Election of Two (2) Directors Who Are Audit and Supervisory Committee Members   |
| <b>Proposal No. 3:</b> | Presentation of Retirement Allowance to Retiring Directors  |
| <b>Proposal No. 4:</b> | Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) to Grant Restricted Stock Thereto |
| <b>Proposal No. 5:</b> | Revision of the Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members  |
| <b>Proposal No. 6:</b> | Determination of Remuneration for Directors Who are Audit and Supervisory Committee Members to Grant Restricted Stock Thereto                       |

#### **4. Matters Excluded From Paper-Based Documents to Be Delivered to Shareholders Who Requested the Delivery of Paper-Based Documents**

Of the matters to be described in documents that describe matters subject to measures for electronic provision, pursuant to the provisions of laws and regulations and the Articles of Incorporation, the matters are not included in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.

Consequently, the business report, the consolidated financial statements and the non-consolidated financial statements included in those paper-based documents are part of the documents which were audited by the Financial Auditor in preparing the financial audit reports, and by the Audit and Supervisory Committee in preparing the audit reports.

1. Matters concerning stock acquisition rights, etc. of the Company
2. Financial Auditor
3. Overview of system to ensure the appropriateness of operations and operational status of such system
4. Consolidated statement of changes in net assets
5. Notes to consolidated financial statements
6. Non-consolidated statement of changes in net assets
7. Notes to non-consolidated financial statements

- If you are attending on the date, you are kindly requested to present the voting form to the receptionist.
- Please note that in case of any changes in the matters subject to measures for electronic provision, the changes and the matter(s) before and after change will be posted on the websites on which such matters have been posted.
- Please review the slides describing the matters to be reported on the Company's website.  
<https://www.buffalo.jp/ir/stock/shareholders.html> (in Japanese)

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

**Proposal No. 1:** Election of Three (3) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The term of office of all current six (6) Directors (excluding Directors who are Audit and Supervisory Committee members. The same shall apply hereinafter in this proposal.) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, in order to establish a system that enables precise and prompt decision-making, the Company will reduce the number of Directors and requests the election of three (3) Directors in line with the introduction of the delegated executive officer system effective as of April 1, 2025.

Moreover, the Audit and Supervisory Committee has confirmed there are no matters in particular about which it should express an opinion in this General Meeting of Shareholders with regard to this proposal.

The candidates for Director are as follows:

Candidate No.	Name	Current position in the Company	
1	Hiroyuki Maki	President & C.E.O	Reelection
2	Chisato Nakayama	Director	Reelection
3	Iwao Tsusaka	Director	Reelection

Reelection: Candidate for Director to be reelected

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p>Hiroyuki Maki (November 15, 1980)</p> <p>Reelection</p> <p>Term of Office 14 years</p> <p>Attendance at meetings of the Board of Directors 15/15 meetings</p>	<p>Aug. 2004 Representative Director of Melco Asset Management Limited</p> <p>Nov. 2006 Representative Director of Melco Asset Management Pte. Ltd.</p> <p>Oct. 2007 Representative Director of MAM PTE. LTD.</p> <p>June 2011 Director of the Company</p> <p>June 2014 President and CEO</p> <p>May 2018 President and CEO of Buffalo Inc.</p> <p>May 2020 President and CEO of Buffalo IT Solutions Inc.</p> <p>Oct. 2020 President and CEO of Melco Financial Holdings Inc.</p> <p>May 2021 President and CEO of BIOS Corporation</p> <p>May 2022 Director of Shimadaya Corporation (current position)</p> <p>June 2022 Outside Board Member of Saison Information Systems Co., Ltd. (currently Saison Technology Co., Ltd.)</p> <p>June 2023 Outside Director of Kawasaki Kisen Kaisha, Ltd. (current position)</p> <p>June 2023 President and CEO of MELCO Group Inc. (current position)</p> <p>Apr. 2025 President &amp; C.E.O. of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Director of Shimadaya Corporation Outside Director of Kawasaki Kisen Kaisha, Ltd. President and CEO of MELCO Group Inc.</p>	2,247,610
<p>Reasons for nomination as a candidate for Director</p> <p>Hiroyuki Maki succeeded the position of President and CEO of the Company from the founder, also has been concurrently serving as President of a core operating company, Buffalo Inc., since May 2018, and has been focusing on developing a strong business foundation for the Company Group (the "Group")'s sustainable growth. He has spearheaded a series of reorganizations, including the recent merger between the Company and Buffalo Inc., and has been leading the Group's management by demonstrating strong leadership, as evidenced by the formulation of a new management concept based on the founding spirit. The Company has judged that his management skills are indispensable to the Group, and therefore has nominated him as a candidate for Director.</p> <p>(Notes) 1. "Buffalo Inc." in the columns of Mr. Maki's "Career summary, position and responsibility in the Company" and "Reasons for nomination as a candidate for Director" refers to the former Buffalo Inc., which has merged with the Company on April 1, 2025.</p> <p>2. Descriptions in the parts of the candidate's "Career summary, position and responsibility in the Company" and "Significant concurrent positions outside the Company" include his position and responsibility at present or during the past ten years as executive at MELCO Group Inc., a parent company, etc. of the Company, if applicable.</p> <p>3. Mr. Maki serves as Representative Director of MELCO Group Inc., with which the Company has business relations involving real estate leasing, and had business relations involving trademark sales, share sales, and financial market analysis.</p> <p>4. Mr. Maki plans to retire from the position of Director of Shimadaya Corporation at the conclusion of its Annual General Meeting of Shareholders scheduled to be held in June 18, 2025.</p> <p>5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which will cover damage that may be incurred by Directors of the Company as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If Mr. Maki is appointed and assumes the office of Director, he will become the insured under the insurance contract. The content of the insurance contract will be the same at the next renewal.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company		Number of the Company's shares owned
2	Chisato Nakayama (March 4, 1965)	Apr. 1987	Joined Brother Industries, Ltd.	288
	Reelection	Dec. 2001	Joined OASIS Patent Firm	
	Term of Office 2 years	Mar. 2008	Joined Buffalo Inc.	
	Attendance at meetings of the Board of Directors 15/15 meetings	Apr. 2017	General Manager of Legal Division of the Company	
		Apr. 2021	General Manager of Audit Division	
		May 2021	Director of Buffalo Inc.	
		June 2023	Director of the Company (current position)	
		[Significant concurrent positions outside the Company]		
		None		
Reasons for nomination as a candidate for Director				
Chisato Nakayama has participated in the acquisition of rights for intellectual property and the conflict resolution in Japan and overseas as an intellectual property professional (patent attorney) at an international patent firm, the Company, and the Group companies, has worked on the promotion of compliance, the enhancement of internal controls, and the improvement of governance at the Group as a Director of the Company, and therefore has abundant knowledge. The Company has judged that such knowledge and experience will help improve the Group's corporate value, and therefore has nominated her as a candidate for Director.				
(Notes) 1. "Buffalo Inc." in the column of Ms. Nakayama's "Career summary, position and responsibility in the Company" refers to the former Buffalo Inc., which has merged with the Company on April 1, 2025.				
2. There are no special interests between the candidate and the Company.				
3. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which will cover damage that may be incurred by Directors of the Company as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If Ms. Nakayama is appointed and assumes the office of Director, she will become the insured under the insurance contract. The content of the insurance contract will be the same at the next renewal.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
	Iwao Tsusaka (May 28, 1957)  Reelection  Term of Office 21 years  Attendance at meetings of the Board of Directors 15/15 meetings	Oct. 1992 Head of Iwao Tsusaka Certified Public Accountant Office (current position) Oct. 1999 Auditor of Buffalo Inc. June 2004 Director of the Company (current position) June 2023 Director of MELCO Group Inc. (current position) [Significant concurrent positions outside the Company] Head of Iwao Tsusaka Certified Public Accountant Office Director of MELCO Group Inc.	8,493
3	<p>Reasons for nomination as a candidate for Director</p> <p>Iwao Tsusaka has been conducting business as an independent certified public accountant for many years and has abundant experience and expertise. As a Director of the Company, he also has been helping to enhance the effectiveness of the Company's Board of Directors by actively making remarks. With an expectation that he will continue to actively contribute to management from perspectives of accounting and taxes in particular, the Company has nominated him as a candidate for Director.</p> <p>(Notes) 1. "Buffalo Inc." in the column of Mr. Tsusaka's "Career summary, position and responsibility in the Company" refers to the former Buffalo Inc., which changed its trade name to Melco Holdings Inc. (currently the Company) as of May 7, 2003.</p> <p>2. There are no special interests between the candidate and the Company.</p> <p>3. Descriptions in the parts of the candidate's "Career summary, position and responsibility in the Company" and "Significant concurrent positions outside the Company" include his position and responsibility at present or during the past ten years as executive at MELCO Group Inc., a parent company, etc. of the Company, if applicable.</p> <p>4. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which will cover damage that may be incurred by Directors of the Company as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If Mr. Tsusaka is appointed and assumes the office of Director, he will become the insured under the insurance contract. The content of the insurance contract will be the same at the next renewal.</p> <p>5. Under the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement which limits liability for damages pursuant to the provisions of Article 423, paragraph (1) of the Companies Act with Mr. Tsusaka. The limit of liability under the agreement shall be the amount provided for as the minimum liability amount by Article 425, paragraph (1) of the Companies Act. If his re-election is approved, the Company plans to continue the agreement with him.</p>		

**Proposal No. 2:** Election of Two (2) Directors Who Are Audit and Supervisory Committee Members

The terms of office of currently serving Directors who are Audit and Supervisory Committee Members, Masanao Tsuzuki and Jun Kamiya will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of two (2) Directors who are Audit and Supervisory Committee Members.

The Company has obtained the consent to this proposal from the Audit and Supervisory Committee.

The candidates for Director who is Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Current position in the Company	
1	Yoshimasa Nagase	Director	New election
2	Jun Kamiya	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent

New election: Candidate for Director to be newly elected

Reelection: Candidate for Director to be reelected

Outside: Candidate for outside Director

Independent: Candidate for independent officer as defined by the stock exchange

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
1	<p>Yoshimasa Nagase (November 3, 1957)</p> <p>New election</p> <p>Term of Office -</p> <p>(Note) The total term of office served as Director prior to the transition to a company with an audit and supervisory committee and as Director who is not Audit and Supervisory Committee Member is four years.</p> <p>Attendance at meetings of the Board of Directors 15/15 meetings</p>	<p>Apr. 1981      Joined Daiwa Securities Co., Ltd.</p> <p>Apr. 2006      Nagoya Branch Officer of Daiwa Securities SMBC Co., Ltd.</p> <p>Sept. 2008      International Planning &amp; Administration Officer</p> <p>Apr. 2009      Senior Executive Officer</p> <p>Apr. 2011      Executive Managing Director of Daiwa Securities Co., Ltd. Deputy Head of Sales Division and Corporate Officer</p> <p>Apr. 2013      Senior Executive Managing Director and Head of Product Solution Division</p> <p>Apr. 2015      Senior Executive Managing Director of Daiwa Securities Group Inc. Representative Senior Executive Managing Director and Compliance Officer of Daiwa Securities Co. Ltd.</p> <p>Apr. 2019      Representative Director of J&amp;You Corporation. (current position)</p> <p>July 2020      Director of Buffalo IT Solutions Inc.</p> <p>June 2021      Director of the Company (current position)</p> <p>June 2024      Outside Board Member of Saison Technology Co., Ltd. (current position)</p> <p>June 2025      Director of Shimadaya Corporation (Audit and Supervisory Committee Member) (scheduled)</p> <p>[Significant concurrent positions outside the Company] Representative Director of J&amp;You Corporation. Outside Board Member of Saison Technology Co., Ltd. Director of Shimadaya Corporation (Audit and Supervisory Committee Member) (scheduled)</p>	3,714
<p>Reasons for nomination as a candidate for Director</p> <p>Yoshimasa Nagase has a background of participating in management of a corporate group as Representative Senior Executive Managing Director and Compliance Officer of Daiwa Securities Co., Ltd. and in other positions, and therefore has wide-ranging experience, a good track record, and insight, including in compliance and IR. Currently, he has been actively making remarks in the Board of Directors as Director who is not Audit and Supervisory Committee Member of the Company. With an expectation that he will continue to audit management of the Company based on his abundant experience, a good track record, and knowledge, the Company has nominated him as a candidate for new Director who is Audit and Supervisory Committee Member.</p> <p>(Notes) 1. There are no special interests between the candidate and the Company.</p> <p>2. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which will cover damage that may be incurred by Directors of the Company as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If Mr. Nagase is appointed and assumes the office of Director who is Audit and Supervisory Committee Member, he will become the insured under the insurance contract. The content of the insurance contract will be the same at the next renewal.</p> <p>3. If the election of Mr. Nagase is approved, under the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement which limits liability for damages pursuant to the provisions of Article 423, paragraph (1) of the Companies Act with him. The limit of liability under the agreement shall be the amount provided for as the minimum liability amount by Article 425, paragraph (1) of the Companies Act.</p>			



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company	Number of the Company's shares owned
	<p>Jun Kamiya (February 11, 1959)</p> <p>Reelection Outside Independent</p> <p>Term of Office 2 years (Note) The total term of office which includes the term served as outside Director who is not Audit and Supervisory Committee Member of the Company is three years.</p> <p>Attendance at meetings of the Board of Directors 15/15 meetings</p> <p>Attendance at Audit and Supervisory Committee meetings 14/14 meetings</p>	<p>Apr. 1981      Joined Brother Industries, Ltd.</p> <p>Oct. 1995      Director &amp; President of Brother International Corporation (Canada) Ltd.</p> <p>Apr. 1999      General Manager of Business Machines Division of Brother Sales, Ltd.</p> <p>June 2001      Director</p> <p>June 2003      Director &amp; Managing Executive Officer</p> <p>June 2005      Representative Director and President</p> <p>Apr. 2008      Executive Officer of Brother Industries, Ltd.</p> <p>Dec. 2009      Representative Director &amp; Chairman of Xing Inc.</p> <p>Apr. 2010      Group Managing Executive Officer of Brother Industries, Ltd.</p> <p>June 2014      Director &amp; Managing Executive Officer</p> <p>June 2022      Outside Director of the Company</p> <p>June 2023      Outside Director (Audit and Supervisory Committee Member) (current position)</p> <p>[Significant concurrent positions outside the Company] None</p>	535
2	<p>Reasons for nomination as a candidate for outside Director and overview of expected roles</p> <p>Jun Kamiya has a background of participating in management of a corporate group as Director &amp; Managing Executive Officer of Brother Industries, Ltd. and officer of its domestic and overseas group companies, and therefore has abundant experience, a good track record, and insight. Currently, he has been actively making remarks in the Board of Directors and the Audit and Supervisory Committee as Director who is Audit and Supervisory Committee Member of the Company, offering beneficial opinions and guidance on the Group's management. With an expectation that he will continue to audit management of the Company based on his abundant expertise, a good track record and knowledge from the position independent from management of the Company, the Company has nominated him as a candidate for outside Director who is Audit and Supervisory Committee Member.</p> <p>(Notes) 1. There are no special interests between the candidate and the Company.</p> <p>2. Mr. Kamiya is currently outside Director who is Audit and Supervisory Committee Member of the Company. His term of office will be two years at the conclusion of this General Meeting of Shareholders, and the total term of office including the term served as Director who is not Audit and Supervisory Committee Member will be three years.</p> <p>3. Mr. Kamiya meets the requirements for an independent officer specified by the Tokyo Stock Exchange and Nagoya Stock Exchange; the Company therefore has appointed him as independent officer and submitted notification to both exchanges.</p> <p>4. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which will cover damage that may be incurred by Directors of the Company as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. If Mr. Kamiya is appointed and assumes the office of Director who is Audit and Supervisory Committee Member, he will become the insured under the insurance contract. The content of the insurance contract will be the same at the next renewal.</p> <p>5. Under the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement which limits liability for damages pursuant to the provisions of Article 423, paragraph (1) of the Companies Act with Mr. Kamiya. The limit of liability under the agreement shall be the amount provided for as the minimum liability amount by Article 425, paragraph (1) of the Companies Act. If his election is approved, the Company plans to continue the agreement with him.</p>		

(Reference)

[Criteria for Selecting Director Candidates]

The Company, under its management concept of “Original Value Creation” rooted in the founding spirit, aims to achieve sustainable growth and appropriately distribute the profits and achievements generated to its stakeholders. Based on this policy, the Company selects Director candidates with a balanced consideration of knowledge, experience, and competencies, so that the Board of Directors, including outside Directors, can formulate management strategies and effectively supervise the execution of duties by the Executive Officer Committee.

In line with the above criteria for selecting Director candidates, the Company has reviewed the knowledge, experience, and competencies its Directors are expected to possess, and accordingly updated the skill matrix for Directors as shown in the table below.

[Skill Matrix (to be applied after this general meeting of shareholders)]

The skill matrix of the Directors, which will apply upon approval of Proposal No. 1 and Proposal No. 2 as proposed, is as follows.

	Name	Gender	Knowledge, Experience and Competencies						
			IT-related Knowledge in the industry Experience	Business management	Sales Marketing	Compliance	Finance Accounting	IR	M&A
Director who is not Audit and Supervisory Committee Member	Hiroyuki Maki	Male	•	•	•			•	•
	Chisato Nakayama	Female	•			•			
	Iwao Tsusaka	Male					•		
Director who is Audit and Supervisory Committee Member	Yoshimasa Nagase	Male		•	•	•		•	•
	Jun Kamiya	Male	•	•	•				•
	Hiroyuki Miyajima	Male	•	•	•				
	Kumiko Otsuka	Female		•	•		•	•	

**Proposal No. 3:** Presentation of Retirement Allowance to Retiring Directors

The Company proposes to pay retirement allowance to Directors who will retire due to the expiration of their terms of office at the conclusion of this General Meeting of Shareholders to reward their services during their terms of office, within a reasonable amount in accordance with certain standards determined by the Company.

The Company also proposes the specific amount and the timing and method of presentation be left to the Board of Directors in the case of the retiring Directors (excluding Directors who are Audit and Supervisory Committee Members), and to the discussion of Directors who are Audit and Supervisory Committee Members in the case of the retiring Director who is Audit and Supervisory Committee Member.

This proposal requests approval for aggregating the amounts of the allowances recorded for each fiscal year during the term of office in accordance with the officer retirement allowance regulations and paying an amount within the aggregated amount, and the content is considered appropriate.

The career summary of the retiring Directors is as follows:

Name	Career summary	
Yoshimasa Nagase	June 2021	Director of the Company (current position)
Manabu Yano	June 2022	Director of the Company (current position)
Masanao Tsuzuki	June 2023	Director of the Company (Full-Time Audit and Supervisory Committee Member) (current position)

**Proposal No. 4:** Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) to Grant Restricted Stock Thereto

The amount of remuneration for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) was approved at the 37th Annual General Meeting of Shareholders held on June 26, 2023 to be within an annual limit of ¥300,000,000 including the amount of bonuses for officers (of which up to ¥50,000,000 is allocated to outside Directors, with portion of employee salaries of Directors who concurrently serve as employees and bonuses excluded). However, for the purpose of providing an incentive for the Company's Directors (the "Eligible Directors," excluding Directors who are Audit and Supervisory Committee Members and outside Directors) to contribute to the sustainable enhancement of corporate value, and to further promote value sharing with shareholders, the Company requests approval for the grant of stock with transfer restrictions ("restricted stock") as remuneration or the payment of remuneration to grant restricted stock to the Eligible Directors, separately from the aforementioned remuneration framework.

The grant of restricted stock under this proposal shall be based on resolution of the Board of Directors and carried out through one of the following methods.

- 1) A method in which the Company issues or disposes of its common shares as remuneration for the Eligible Directors, without requiring payment in cash or contribution of property in kind
- 2) A method in which the Company grants monetary remuneration claims to the Eligible Directors as remuneration, and the Eligible Directors contribute the entire amount of such claims as property contributed in kind to receive issuance or disposition of the Company's common shares (the "in-kind contribution")

Under this proposal, the total number of the Company's common shares to be issued or disposed of for the Eligible Directors shall not exceed 25,000 shares per year, and the total amount of remuneration shall not exceed ¥50,000,000 per year, the level of amount deemed as reasonable in light of the aforementioned objective. However, in the event that the total number of issued shares of the Company changes due to a stock consolidation or stock split (including allotment of shares without contribution), the maximum number of shares stated above shall be adjusted in proportion to the ratio of such change.

In the case of the in-kind contribution, the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to the Eligible Directors.

The specifics regarding allocation to each Eligible Director and its timing shall be deliberated and reviewed by the Remuneration Committee after being consulted by the Board of Directors, then the committee shall submit a proposal. Based on this proposal, the final decision shall be made by the Board of Directors.

Currently, the number of the Eligible Directors is six (6). If Proposal No. 1 is approved and adopted as originally proposed, the number will be three (3).

For the grant of restricted stock under this proposal, an agreement on allotment of restricted stock that includes the provisions as summarized below (the "Allotment Agreement") shall be entered into between the Company and each Eligible Director.

- (1) The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the "Allotted Shares") for a period of minimum three years and maximum five years as determined by the Board of Directors of the Company (the "Restriction Period"). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the "transfer restrictions."
- (2) If an Eligible Director loses his/her position as Director of the Company or any other position specified by the Board of Directors before the end of the period designated by the Board of Directors (the "Service Period"), the Company shall automatically acquire the Allotted Shares without contribution, unless there is a reason deemed justifiable by the Board of Directors.
- (3) The Company shall lift the transfer restrictions on the entirety of the Allotted Shares at the expiration of the Restriction Period, on the condition that the Eligible Director has continuously held the position designated in (2) above during the Service Period. However, if the Eligible Director loses the position designated in (2) above before the expiration of the Service Period due to the reason the Board of Directors of the Company deems justifiable as set forth in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting as needed.

- (4) The Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted at the expiration of the Restriction Period in accordance with the provisions of (3) above.
- (5) The Company shall automatically acquire the Allotted Shares without contribution if, during the Restriction Period, the Eligible Director is found to have violated laws and regulations, internal rules, or the Allotment Agreement, or otherwise falls under any reason specified by the Board of Directors as justifying such acquisition.
- (6) Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Service Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.
- (7) In cases specified in (6) above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted in accordance with the provisions of (6) above.

[Reasons Justifying the Grant of Restricted Stock]

This proposal is intended to grant restricted stock to the Eligible Directors as remuneration or provide them with the remuneration to grant restricted stock for the purposes of providing an incentive for the Eligible Directors to contribute to the sustainable enhancement of the Company's corporate value, while also further promoting value sharing with shareholders.

At the Board of Directors meeting held on June 26, 2023, the Company determined the policy regarding decisions on the details of individual remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members). However, if this proposal is approved, the Company plans to revise the policy in line with the content of this proposal. Furthermore, the number of shares to be issued or disposed of over the one-year period under this proposal accounts for approximately 0.16% of the maximum total number of issued shares (as of March 31, 2025), with the rate of share dilution staying minimal.

Accordingly, the Company has determined that the details of this proposal are appropriate.

[Reference]

Prior to the introduction of the restricted stock-based remuneration plan subject to the approval of this proposal, the Company introduced a similar plan for its Executive Officers in April 2025.

**Proposal No. 5:** Revision of the Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members

The amount of remuneration for the Company's Directors who are Audit and Supervisory Committee Members was approved at the 37th Annual General Meeting of Shareholders held on June 26, 2023 to be within an annual limit of ¥50,000,000.

The Company has reviewed the remuneration amount for Directors who are Audit and Supervisory Committee Members. In light of changes in the economic situation and business environment, the increasing responsibilities of Audit and Supervisory Committee Members, and the outlook that the duties and expected roles of Directors who are Audit and Supervisory Committee Members will expand for the Company, the Company proposes to revise the annual remuneration limit for Directors who are Audit and Supervisory Committee Members to ¥70,000,000.

This proposal is decided comprehensively considering the business size of the Company, the aforementioned circumstances, etc., and is considered appropriate.

The number of Directors who are Audit and Supervisory Committee Members is currently four (4) (including three (3) outside Directors). Subject to the approval and adoption of Proposal No. 2 as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be four (4) (including three (3) outside Directors).

**Proposal No. 6:** Determination of Remuneration for Directors Who are Audit and Supervisory Committee Members to Grant Restricted Stock Thereto

If Proposal No. 5, “Revision of the Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members,” is approved and adopted as originally proposed, the annual remuneration limit for the Company’s Directors who are Audit and Supervisory Committee Members will be ¥70,000,000. At this time, in light of the expanded roles and responsibilities required of Directors who are Audit and Supervisory Committee Members, and without impairing their independence, the Company requests approval to newly grant restricted stock as remuneration to the Company’s Directors who are Audit and Supervisory Committee Members (excluding Directors who are part-time Audit and Supervisory Committee Members; the “Eligible Audit and Supervisory Committee Members”), or to provide them with the remuneration to grant restricted stock, separately from the aforementioned remuneration framework, for the purposes of further strengthening the auditing system to contribute to the sustainable maintenance and enhancement of corporate value, and promoting value sharing with shareholders.

The grant of restricted stock under this proposal shall be based on resolution of the Board of Directors and carried out through one of the following methods.

- 1) A method in which the Company issues or disposes of its common shares as remuneration for the Eligible Audit and Supervisory Committee Members, without requiring payment in cash or contribution of property in kind
- 2) A method in which the Company grants monetary remuneration claims to the Eligible Audit and Supervisory Committee Members as remuneration, and the Eligible Audit and Supervisory Committee Members contribute the entire amount of such claims as property contributed in kind to receive issuance or disposition of the Company’s common shares (the “in-kind contribution”)

Under this proposal, the total number of the Company’s common shares to be issued or disposed of for the Eligible Audit and Supervisory Committee Members shall not exceed 20,000 shares per year, and the total amount of remuneration shall not exceed ¥40,000,000 per year, the level of amount deemed as reasonable in light of the aforementioned objective. However, in the event that the total number of issued shares of the Company changes due to a stock consolidation or stock split (including allotment of shares without contribution), the maximum number of shares stated above shall be adjusted in proportion to the ratio of such change.

In the case of the in-kind contribution, the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to the Eligible Audit and Supervisory Committee Members.

The specifics regarding allocation to each Eligible Director and its timing shall be discussed and resolved in the Audit and Supervisory Committee.

If Proposal No. 2 is approved and adopted as originally proposed, the number of the Eligible Audit and Supervisory Committee Members will be two (2).

Moreover, for granting restricted stock under this proposal, the Company shall enter into a restricted stock allotment agreement with the Eligible Audit and Supervisory Committee Members, which shall contain provisions similar to those of the Allotment Agreement described in Proposal No. 4, “Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) to Grant Restricted Stock Thereto.”

**[Reasons Justifying the Grant of Restricted Stock]**

In light of the expanded roles and responsibilities required of Directors who are Audit and Supervisory Committee Members, and without impairing their independence, this proposal is intended to grant restricted stock to the Eligible Audit and Supervisory Committee Members as remuneration or provide them with the remuneration to grant restricted stock for the purposes of further strengthening the auditing system to contribute to the sustainable maintenance and enhancement of corporate value, and promoting value sharing with shareholders.

Furthermore, the number of shares to be issued or disposed of over the one-year period under this proposal accounts for approximately 0.13% of the maximum total number of issued shares (as of March 31, 2025), with the rate of share dilution staying minimal.

Accordingly, the Company has determined that the details of this proposal are appropriate.