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(Mailing date) June 10, 2025

(Start date for electronic provision measures) June 2, 2025

Securities code: 4088

Kikuo Toyoda

Chairman and Representative Director

**AIR WATER INC.**

12-8, Minami-semba 2-chome, Chuo-ku, Osaka

To Our Shareholders:

### **Notice of the 25<sup>th</sup> Annual General Meeting of Shareholders**

We are pleased to inform you that the 25<sup>th</sup> Annual General Meeting of Shareholders of AIR WATER INC. (hereinafter referred to as the “Company”) will be held as set forth below.

Regarding the convocation of this General Meeting of Shareholders, measures for electronic provision have been taken for the information contained in the Reference Materials for the General Meeting of Shareholders, etc. (Electronic Provision Measures Matters), and the information has been posted on the website below.

- The Company’s website  
<https://www.awi.co.jp/en/ir/stock/investor.html>

In addition to the above, the information is also posted on the following website.

- The Tokyo Stock Exchange website (TSE Listed Company Search)  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter the Company name or securities code “4088” to conduct the search, select “Basic information” and “Documents for public inspection/PR information” in that order, and view the information from “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”

If you do not attend the meeting, you may exercise your voting rights either via postal mail, or via electronic means such as the Internet, in which case we ask that you carefully peruse “Reference Materials for General Meeting of Shareholders,” and submit your votes no later than 5:40 p.m. on Wednesday, June 25, 2025 by following the instructions on pages 5-6 (Japanese version).

**1. Date & Time:** Thursday, June 26, 2025, at 10:00 a.m. (Reception starts at 9:00 a.m.)

**2. Venue:** 1-1, Kita-nijo-nishi 1-chome, Chuo-ku, Sapporo  
(Banquet Room “TSURU” on the second floor of New Otani Inn Sapporo)

### **3. Agenda**

#### ***Reporting matters:***

1. The Business Report, the Consolidated Financial Statements for the 25<sup>th</sup> term (For the year ended March 31, 2025), and reports of the audit results on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors.
2. The Non-Consolidated Financial Statements for the 25<sup>th</sup> term (For the year ended March 31, 2025).

#### ***Proposal:***

**Proposal 1:** Election of Ten (10) Directors

**Proposal 2:** Revision of Amount of Remuneration for Corporate Auditors

- In accordance with laws and regulations and provisions of the Company's Articles of Incorporation, the following matters are not included in the documents sent to shareholders. Accordingly, said documents are part of the documents subject to audit by the Corporate Auditors and the Accounting Auditors when preparing their respective audit reports.
  - Matters concerning stock acquisition rights, etc. of the Company in the Business Report, systems to ensure the appropriateness of operations, and an overview of the status of operation of systems to ensure the appropriateness of operations
  - Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
  - Non-Consolidated Statement of Changes in Equity and Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements
- Should Electronic Provision Measures Matters require revisions, the items before and after revision will be posted on each of the websites indicated above.

## Reference Materials for General Meeting of Shareholders

### Proposal 1: Election of Ten (10) Directors

The terms of office of all the 9 Directors will expire at the close of this meeting. Accordingly, in order to further strengthen the management structure, the Company proposes to increase the number of Directors by 1 and to elect 10 Directors. The selection of Director candidates is determined by the Board of Directors through consultation with the Nomination and Compensation Committee, which is a voluntary advisory body to the Board of Directors.

The candidates for Director are as follows:

Candidate Number	Name / Attribute	Gender	Current Positions in the Company, etc.	Attendance at the Board of Directors Meetings
1	Kikuo Toyoda <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span>	Male	Chairman and Representative Director Chief Executive Officer (CEO)	13 / 13
2	Ryosuke Matsubayashi <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span>	Male	President and Representative Director Chief Operating Officer (COO)	13 / 13
3	Tsuyoshi Tanaka <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span>	Male	Director and Executive Vice President Executive Assistant to the CEO	13 / 13
4	Shigeki Otsuka <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span>	Male	Director and Senior Managing Executive Officer	13 / 13
5	Hidetoshi Onoe <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span>	Male	Director and Managing Executive Officer	13 / 13
6	Kikue Inoue <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span>	Female	Director and Executive Officer	10 / 10
7	Takao Matsui <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 0 2px;">Outside Director</span> <span style="border: 1px solid black; padding: 0 2px;">Independent Officer</span>	Male	Outside Director	13 / 13
8	Yoshihiro Senzai <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 0 2px;">Outside Director</span> <span style="border: 1px solid black; padding: 0 2px;">Independent Officer</span>	Male	Outside Director	13 / 13
9	Yuko Haga <span style="border: 1px solid black; padding: 0 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 0 2px;">Outside Director</span> <span style="border: 1px solid black; padding: 0 2px;">Independent Officer</span>	Female	Outside Director	10 / 10
10	Rochelle Kopp <span style="border: 1px solid black; padding: 0 2px;">Newly appointed</span> <span style="border: 1px solid black; padding: 0 2px;">Outside Director</span> <span style="border: 1px solid black; padding: 0 2px;">Independent Officer</span>	Female		—

Newly appointed: Candidate for new Director    Reappointed: Candidate for Director to be reappointed

Outside Director: Candidate for Outside Director

Independent Officer: Independent Officer registered with the Exchanges

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company		Number of Shares of the Company owned by the Candidate
1	 Kikuo Toyoda (May 5, 1948) <u>Reappointed</u>	Jun. 2019	Chairman, Representative Director and Chief Executive Officer (CEO) of AIR WATER INC. (current position)	111,537
		Attendance at the Board of Directors Meetings: 13 / 13		
		Reasons for nomination as a candidate for Director: Since assuming office as Director in June 2003, Mr. Kikuo Toyoda has grown the Medical Business into a pillar of the Company's businesses and has accumulated a wealth of experience in fields of overall management such as personnel affairs, medical services and M&As. After assuming office as Chairman and Representative Director in June 2019, he has promoted human capital management based on the belief that "Employees create businesses while businesses make employees grow, so employees and businesses go hand in hand." With a growth axis of "global environment" and "wellness" established as business concepts towards 2030, he has led the Group by combining diverse businesses, human resources, and technologies, aiming to contribute to solving social issues facing the world. In consideration of the experience and insight, we believe that he is suitable for a Director.		
2	 Ryosuke Matsubayashi (Nov. 16, 1964) <u>Reappointed</u>	Apr. 2023	President, Representative Director and Chief Operating Officer (COO) of AIR WATER INC. (current position)	36,462
		Attendance at the Board of Directors Meetings: 13 / 13		
		Reasons for nomination as a candidate for Director: Mr. Ryosuke Matsubayashi has held important posts at the research and development division, and since assuming office as Executive Officer in 2014, he has promoted the structural reform of the engineering division. In addition, he has driven the Company's global development by, for example, leading marketing and business infrastructure building at overseas locations, including North America. He has served as President and Representative Director of the Company since April 2023, and led growth strategies such as an expansion of growth areas and creation of new business, in order to realize the long-term vision "terrAWell30". In consideration of the experience and insight, we believe that he is suitable for a Director.		
3	 Tsuyoshi Tanaka (Mar. 26, 1969) <u>Reappointed</u>	Apr. 2025	Director, Executive Vice President, Executive Assistant to the CEO, In charge of Agriculture & Foods Group of AIR WATER INC. (current position)	17,181
		Attendance at the Board of Directors Meetings: 13 / 13		
		Reasons for nomination as a candidate for Director: In addition to being well versed in the Industrial Gases Business of the Company, Mr. Tsuyoshi Tanaka served as the President and Representative Director of one of the Regional Business Companies, and contributed to the expansion of business performance. Since assuming office as Director, Managing Executive Officer in June 2023, he contributed to improving earning capacity of the Industrial Gases Business as a whole, while also strengthening the business foundation related to digital and semiconductor. Since April 2025, he has promoted solutions to social issues faced by agriculture and fruit and vegetable distribution from the standpoint of being responsible for the Agriculture & Foods Group. He has also been engaged in formulating medium- to long- term management strategies as Executive Assistant to the CEO. In consideration of the experience and insight, we believe that he is suitable for a Director.		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company		Number of Shares of the Company owned by the Candidate
4	 Shigeki Otsuka (Oct. 12, 1961) <u>Reappointed</u>	Apr. 2025	Director, Senior Managing Executive Officer, In charge of Digital & Industry Group of AIR WATER INC. (current position)  Attendance at the Board of Directors Meetings: 13 / 13  Reasons for nomination as a candidate for Director: After gaining a variety of international business experience, Mr. Shigeki Otsuka assumed office as President and Representative Director of the Company's subsidiary in 2021, and pushed ahead with the reorganization of engineering subsidiaries and overseas plant construction business. Appointed Director, Managing Executive Officer of the Company in June 2023 and Director, Senior Managing Executive Officer in June 2024, he worked to promote overseas business as well as to strengthen the structure of the engineering division to accelerate global development. In addition, since April 2025, he has promoted the expansion of the domestic and overseas industrial gas business as well as digital and semiconductor-related businesses from the standpoint of being responsible for the Digital & Industry Group. In consideration of the experience and insight, we believe that he is suitable for a Director.	8,833
5	 Hidetoshi Onoe (Nov. 5, 1963) <u>Reappointed</u>	Apr. 2025	Director, Managing Executive Officer, Group Representative of Tokyo, In charge of Health & Safety Group, and General Manager of Dental Care Business Unit of AIR WATER INC. (current position)  Attendance at the Board of Directors Meetings: 13 / 13  Reasons for nomination as a candidate for Director: After holding important posts at KYOWA CO., LTD., Mr. Hidetoshi Onoe assumed office as President and Representative Director of the Company's subsidiary in 2015, and promoted an expansion of OEM/ODM business in cosmetics. Since assuming office as Managing Executive Officer in charge of the Health & Safety Group in April 2023, he has also contributed to the expansion of the hospital business and the home medical care and consumer health areas. He has sought to maximize group synergies by, for example, driving the conversion of Kawamoto Corporation, then a listed subsidiary of the Company, into a wholly owned subsidiary, aiming to strengthen the competitiveness of the health care business. In consideration of the experience and insight, we believe that he is suitable for a Director.	10,409
6	 Kikue Inoue (Feb. 12, 1957) <u>Reappointed</u>	Jun. 2024	Director, Executive Officer, In charge of Promotion of Women's Active Engagement, HR, Corporate Communications & Investor Relations of AIR WATER INC. (current position)  Attendance at the Board of Directors Meetings: 10 / 10  Reasons for nomination as a candidate for Director: Ms. Kikue Inoue joined the Company in 2016 after holding important posts in public relations divisions at The Daiei, Inc. and other companies. She worked to enhance our corporate value by strengthening the structure of the corporate communications division and continuously providing information on the Group that operates various businesses so as to increase its presence. Since 2022, as the Head of HR Strategy Office, she transformed the personnel system toward the human capital management, working to foster management personnel and global personnel who will drive a future growth. Since assuming office as a Director, Executive Officer in June 2024, she has promoted Diversity, Equity & Inclusion (DE&I) initiatives and fostered a corporate culture in which diverse human resources can thrive as the person in charge of Promotion of Women's Active Engagement, HR, Corporate Communications & Investor Relations. In consideration of the experience and insight, we believe that she is suitable for a Director.	12,836

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
7	 Takao Matsui (Apr. 8, 1956) <u>Reappointed</u>	Apr. 2024 Adjunct Instructor, Institute of Business and Accounting, Professional Graduate School, Kwansai Gakuin University (current position) <u>Outside Director</u> <u>Independent officer</u> Attendance at the Board of Directors Meetings: 13 / 13 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Mr. Takao Matsui has accumulated a wealth of experience and deep insight through his career as a Certified Public Accountant. Believing that he will make use of them for the management, we have determined that he is suitable for an Outside Director of the Company. Although Mr. Takao Matsui has never been involved in corporate management, we expect that he will further strengthen the function of the Board of Directors of the Company by providing advice and performing supervisory functions for overall management from a unique viewpoint not shared by the internal Directors, while making use of his wealth of experience and deep insight.	336
8	 Yoshihiro Senzai (Apr. 2, 1948) <u>Reappointed</u>	Jun. 2024 Executive Adviser of ENAX, Inc. <u>Outside Director</u> <u>Independent officer</u> Attendance at the Board of Directors Meetings: 13 / 13 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Mr. Yoshihiro Senzai, in addition to his achievement as an engineer at Hitachi Maxell, Ltd. (current Maxell Holdings, Ltd.), served as Representative Director, President, and Chairman. He has also accumulated a wealth of experience and deep insight in corporate management, such as serving as Outside Director of other company. Believing that he will make use of his experience and insight for the management of the Company, we have determined that he is suitable for an Outside Director of the Company. We expect that he will further strengthen the function of the Board of Directors of the Company by providing advice and performing supervisory functions for overall management from a unique viewpoint not shared by the internal Directors, while making use of his wealth of experience and deep insight.	10,218
9	 Yuko Haga (Dec. 8, 1955) <u>Reappointed</u>	Jun. 2024 Outside Director of AIR WATER INC. (current position) <u>Outside Director</u> <u>Independent officer</u> Attendance at the Board of Directors Meetings: 10 / 10 Reasons for nomination as a candidate for Outside Director and summary of expected roles: Ms. Yuko Haga has specialized insight on M&A and corporate governance, etc. as a researcher of corporate strategies, as well as a wealth of experience and deep insight that she has cultivated as a management consultant. Believing that she will make use of her experience and insight for the management of the Company, we have determined that she is suitable for an Outside Director of the Company. We expect that she will further strengthen the function of the Board of Directors of the Company by providing advice and performing supervisory functions for overall management from a unique viewpoint not shared by the internal Directors, while making use of her wealth of experience and deep insight.	554

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility in the Company	Number of Shares of the Company owned by the Candidate
10	 Rochelle Kopp (Jun. 29, 1964) <u>Newly appointed</u>	Apr. 2021 Visiting Professor, Department of Business Design, Faculty of Global Business, Showa Women's University (current position) <u>Outside Director</u> <u>Independent officer</u> Attendance at the Board of Directors Meetings: - Reasons for nomination as a candidate for Outside Director and summary of expected roles: Ms. Rochelle Kopp has her cross-cultural understanding and global perspective, as well as a wealth of experience and deep insight that she has cultivated as a management consultant in Japan and the United States. Believing that she will make use of her experience and insight for the management of the Company, we have determined that she is suitable for an Outside Director of the Company. We expect that she will further strengthen the function of the Board of Directors of the Company by providing advice and performing supervisory functions for overall management from a unique viewpoint not shared by the internal Directors, while making use of her wealth of experience and deep insight.	0

Notes:

- There are no conflicts of interest between each candidate and the Company.
- Mr. Takao Matsui, Mr. Yoshihiro Senzai, Ms. Yuko Haga, and Ms. Rochelle Kopp are candidates for Outside Directors.
- The Company has entered into liability limitation agreements with Mr. Takao Matsui, Mr. Yoshihiro Senzai, and Ms. Yuko Haga to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum amount prescribed in Article 425, Paragraph 1 of the same Act under the condition that they perform their duties in good faith with no acts of gross negligence. If the election of Mr. Takao Matsui, Mr. Yoshihiro Senzai, and Ms. Yuko Haga is approved as per this Proposal, the Company plans to continue the agreements. If the election of Ms. Rochelle Kopp is approved as per this Proposal, the Company plans to enter into the agreements with her with the same contents as above.
- The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of each candidate for Director is approved as per this Proposal, each candidate for Director will be insured under the insurance policy. A summary of the policy is stated in (3) Matters Concerning Directors and Officers (D&O) Liability Insurance Policy on page 35 (Japanese version).
- Mr. Takao Matsui has served as an Outside Director of the Company since June 2020, and his term of office will reach five years at the close of this Annual General Meeting of Shareholders.
- Mr. Yoshihiro Senzai has served as an Outside Director of the Company since June 2022, and his term of office will reach three years at the close of this Annual General Meeting of Shareholders.
- Ms. Yuko Haga has served as an Outside Director of the Company since June 2024, and her term of office will reach one year at the close of this Annual General Meeting of Shareholders.
- Mr. Takao Matsui, Mr. Yoshihiro Senzai, and Ms. Yuko Haga satisfy the requirements for independent officers set forth in the regulations of the Tokyo Stock Exchange and Sapporo Securities Exchange and the Criteria for Assessing the Independence of Outside Officers stipulated by the Company. Therefore, if the election of Mr. Takao Matsui, Mr. Yoshihiro Senzai, and Ms. Yuko Haga is approved as per this Proposal, the Company will continue to file the same notification with the Exchanges on which the Company's shares are listed. If the election of Ms. Rochelle Kopp is approved as per this Proposal, the Company also plans to file the notification with the Exchanges, designating her as the independent officer.
- Although the Company had an outsourcing contract until June 2024 with Haga Management Consulting Office at which Ms. Yuko Haga serves as a representative, consideration for the contract is less than 5 million yen per year, which is less than 1% of consolidated net sales of the Company. Accordingly, the Company deems that there is no problem about her independence. At present, there is no contractual relationship.
- Ms. Yuko Haga's name in her family register is Yuko Hayashi.
- There are no transactions between the Company and Japan Intercultural Consulting at which Ms. Rochelle Kopp serves as managing principal, and the Company deems that there is no problem with her independence.
- The "Number of Shares of the Company owned by the Candidate" is the number of shares effectively owned, including shares owned thereby in the shareholding associations for Directors and Corporate Auditors of the Group.

**[Reference] Skill Matrix of Directors and Corporate Auditors after the conclusion of this Annual General Meeting of Shareholders**

Based on the belief that the diversity of the Directors who make up the Board of Directors determines its effectiveness and has a significant impact on sustainable growth and the enhancement of medium- to long- term corporate value, the Board of Directors deliberated on the balance and diversity of the composition of the Board of Directors, including the knowledge, experience, and abilities of Directors, taking into account the recommendations of the Nomination and Compensation Committee. We have identified the skills required of Directors and Corporate Auditors and published them in a “Skill Matrix”.

These skills comprise eight categories: (1) Corporate management, (2) Finance affairs and accounting, (3) Risk management and legal, (4) Business strategy and marketing, (5) Technology and R&D, (6) Human resources management, (7) ESG and sustainability, and (8) Global.

Overview of skills required for Directors and Corporate Auditors

(1) Corporate management	Experience and knowledge of corporate management
(2) Financial affairs and accounting	Experience and knowledge of financial accounting
(3) Risk management and legal	Experience and knowledge in the assessment and management of various risks necessary for the sustainable growth of the company, or expertise in contentious and contractual legal matters
(4) Business strategy and marketing	Management experience as head of a business unit or expertise in marketing
(5) Technology and R&D	Experience and knowledge of R&D
(6) Human resources management	Experience and expertise in human resources strategy and human capital investment
(7) ESG and sustainability	Experience and knowledge in developing strategies to achieve a carbon neutral society or knowledge of corporate governance
(8) Global	Experience and knowledge in corporate management overseas or in business operations and strategy development at globally expanding companies

If the Proposal 1 “Election of Ten (10) Directors” is approved as proposed, the skill matrix of Directors and Corporate Auditors will be as follows.

	Name / Attribute	Gender / Remarks	Expertise and Experience (Skill Matrix)									
			Corporate management	Finance affairs and accounting	Risk management and legal	Business strategy and marketing	Technology and R&D	Human resources management	ESG and sustainability	Global		
Director	Kikuo Toyoda	Male Member of the Nomination and Compensation Committee	●	●	●	●			●	●		
	Ryosuke Matsubayashi	Male	●	●		●	●			●	●	
	Tsuyoshi Tanaka	Male	●			●				●		
	Shigeki Otsuka	Male	●			●	●				●	
	Hidetoshi Onoe	Male	●			●			●			
	Kikue Inoue	Female	●		●				●	●		
	Takao Matsui	Male Member of the Nomination and Compensation Committee <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>		●							●	
	Yoshihiro Senzai	Male <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	●		●	●	●	●				
	Yuko Haga	Female Chairperson of the Nomination and Compensation Committee <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	●								●	●
	Rochelle Kopp	Female <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	●							●	●	●
Corporate Auditor	Yuji Ando	Male	●	●	●							
	Junko Shigefuji	Female		●	●							
	Kenji Yamada	Male <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>	●	●	●							
	Atsushi Hayashi	Male Member of the Nomination and Compensation Committee <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>			●				●			
	Nobuo Hayashi	Male <span style="border: 1px solid black; padding: 2px;">Outside Independent</span>			●				●			

## [Reference] Criteria for Independence of Outside Officers

The Company deems an outside director and outside corporate auditor (hereinafter collectively referred to as “outside officer”) or a candidate for outside officer to have sufficient independence against the Company, if none of the following attributes applies to.

- (1) A person who is a business executive\*<sup>1</sup> of the Company and its subsidiaries (hereinafter collectively referred to as “the Group”) or a person who was a business executive of the Group within the last 10 years
- (2) A person who was a non-executive director or corporate auditor of the Group within the last 10 years and also served as an executive of the Group within 10 years prior to his/her appointment as the aforementioned non-executive post
- (3) A person to whom the Group is a major business partner\*<sup>2</sup>, or a business executive of that person
- (4) A person who is a major business partner of the Group\*<sup>3</sup>, or its business executive
- (5) A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total number of voting rights. The same applies hereinafter.), or its business executive
- (6) A business executive of a person for which the Group is a major shareholder
- (7) A person who belongs to an auditing firm that is the accounting auditor of the Group
- (8) A legal professional, certified public accountant, tax accountant, consultant, etc. who receives a large amount of money\*<sup>4</sup> or any other financial benefits from the Group other than executive remuneration (If the person receiving such financial benefits is an organization, such as corporation or association, a person who belongs to such organization.)
- (9) A person who receives a large amount\*<sup>4</sup> of donation or grant from the Group, or a business executive of that person
- (10) When a business executive of the Group serves as an outside director of another company, the business executive of that company or its parent company or subsidiary
- (11) A person who has fallen under any of the above (3) through (10) in the last three years
- (12) A spouse or a relative within the second degree of kinship of a person who falls under any of the above (1) through (11) and is an important business executive\*<sup>5</sup>

Please note that, even in cases where none of the above attributes apply, an outside officer may not be designated as an independent officer if there is sufficient ground for judging that he/she cannot fulfill his/her responsibilities as an independent officer.

\* 1 A business executive refers to an executive director, operating officer, executive officer, executive member, administration officer, or any other person who executes the business of a person equivalent to these officers and employees.

\* 2 A person to whom the Group is a major business partner refers to a person who has received 2% or more of its annual consolidated net sales from the Group in any of the last three fiscal years.

\* 3 A person who is a major business partner of the Group refers to a person who has paid 2% or more of its annual consolidated net sales to the Group in any of the last three fiscal years, or a person who has provided the Group a loan worth 2% or more of the Company’s consolidated total assets as of the end of the most recent fiscal year.

\* 4 A “large amount” refers to an average amount of at least ¥10 million per year over the last three fiscal years for an individual, or in the case of an organization, such as corporation or association, an amount equivalent to 2% of the consolidated net sales or gross income of that organization or ¥10 million per year, whichever is higher.

\* 5 An “important business executive” refers to a business executive who executes important business such as executive director, operating officer, executive officer, and department head.

Note: “Fiscal year” above shall be read as the year for which income tax is calculated in the case of individuals.

***Proposal 2: Revision of Amount of Remuneration for Corporate Auditors***

The amount of remuneration for Corporate Auditors of the Company was resolved to be not more than 98 million yen per year at the 7th Annual General Meeting of Shareholders held on June 28, 2007 and this amount has remained unchanged since then.

However, in light of changes in the business environment surrounding the Group, as well as the growth of its business scale and the enhancement of its group governance structure, the roles and responsibilities of the Corporate Auditors have expanded. In addition, the number of Corporate Auditors has increased from four, as assumed in the original resolution, to five. Accordingly, the Company proposes revising the remuneration for Corporate Auditors to an amount not exceeding 120 million yen per year.

## Consolidated Statement of Financial Position

(As of March 31, 2025)

	<i>(Millions of yen)</i>
<b>Assets</b>	
Current assets	
Cash and cash equivalents .....	¥70,609
Trade and other receivables .....	242,386
Inventories .....	98,215
Other financial assets .....	10,736
Income taxes receivable .....	1,273
Other current assets .....	33,373
Total current assets .....	456,594
Non-current assets	
Property, plant and equipment .....	525,995
Goodwill .....	80,280
Intangible assets .....	42,866
Investments accounted for using equity method .....	37,856
Retirement benefit asset .....	4,406
Other financial assets .....	95,302
Deferred tax assets .....	2,676
Other non-current assets .....	4,170
Total non-current assets .....	793,554
Total assets .....	¥1,250,149

\* Figures under one million are omitted.

(As of March 31, 2025)

	<i>(Millions of yen)</i>
Liabilities and equity	
Liabilities	
Current liabilities	
Trade and other payables	¥167,590
Bonds and borrowings	95,410
Other financial liabilities	12,015
Income taxes payable	13,932
Provisions	812
Other current liabilities	38,096
Total current liabilities	327,857
Non-current liabilities	
Bonds and borrowings	322,818
Other financial liabilities	21,950
Retirement benefit liability	6,331
Provisions	4,407
Deferred tax liabilities	23,261
Other non-current liabilities	6,664
Total non-current liabilities	385,433
Total liabilities	713,290
Equity	
Share capital	55,855
Capital surplus	47,723
Treasury shares	(808)
Retained earnings	369,842
Other components of equity	44,525
Total equity attributable to owners of parent	517,139
Non-controlling interests	19,719
Total equity	536,858
Total liabilities and equity	¥1,250,149

\* Figures under one million are omitted.

## Consolidated Statement of Profit or Loss

(For the year ended March 31, 2025)

	<i>(Millions of yen)</i>
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Continuing operations	
Revenue .....	¥1,075,929
Cost of sales .....	(844,399)
Gross profit .....	231,529
Selling, general and administrative expenses .....	(166,769)
Other income .....	10,497
Other expenses .....	(4,276)
Share of profit of investments accounted for using equity method .....	4,264
Operating profit .....	75,246
Finance income .....	4,084
Finance costs .....	(5,354)
Profit before tax .....	73,975
Income tax expense .....	(23,564)
Profit from continuing operations .....	50,410
<hr/>	
Discontinued operations	
Loss from discontinued operations .....	(11)
Profit .....	50,398
<hr/>	
Profit attributable to	
Owners of parent .....	49,074
Non-controlling interests .....	1,323
Profit .....	¥50,398
<hr/>	

\* Figures under one million are omitted.

## Non-Consolidated Balance Sheet

(As of March 31, 2025)

*(Millions of yen)*

<b>Assets:</b>	
<b>Current assets</b>	
Cash and deposits .....	¥29,189
Trade notes receivable .....	34
Trade accounts receivable .....	41,159
Merchandise and finished goods .....	780
Work in process .....	1
Raw materials and supplies .....	3,660
Prepaid expenses .....	943
Short-term loans receivable .....	35,820
Other accounts receivable .....	10,822
Others .....	3,104
Allowance for doubtful accounts .....	(702)
<b>Total current assets .....</b>	<b>124,813</b>
<b>Fixed assets</b>	
<b>Property, plant and equipment</b>	
Buildings .....	34,121
Structures .....	4,184
Machinery and equipment .....	35,447
Vehicles .....	73
Tools, furniture and fixtures .....	746
Land .....	32,346
Lease assets .....	7,190
Construction in progress .....	31,725
<b>Total property, plant and equipment .....</b>	<b>145,836</b>
<b>Intangible fixed assets .....</b>	<b>5,543</b>
<b>Investments and other assets</b>	
Investment securities .....	42,001
Stocks of subsidiaries and associates .....	313,573
Investments in capital .....	26
Investments in capital of subsidiaries and associates .....	2,627
Long-term loans receivable .....	6,396
Distressed receivables .....	50
Long-term prepaid expenses .....	521
Prepaid pension cost .....	4,858
Others .....	1,391
Allowance for doubtful accounts .....	(106)
<b>Total investments and other assets .....</b>	<b>371,341</b>
<b>Total fixed assets .....</b>	<b>522,720</b>
<b>Total assets .....</b>	<b>¥647,534</b>

\* Figures under one million are omitted.

(As of March 31, 2025)

(Millions of yen)

<b>Liabilities:</b>	
<b>Current liabilities</b>	
Trade notes payable	¥31
Trade accounts payable	15,636
Short-term bank loans	109,303
Lease obligations	1,804
Other accounts payable	20,685
Income taxes payable	1,076
Accrued expenses	215
Deposits received	88
Notes of facilities payable	0
Reserve for bonuses to directors and corporate auditors	126
Others	412
<b>Total current liabilities</b>	<b>149,381</b>
<b>Non-current liabilities</b>	
Bonds payable	100,000
Long-term bank loans	147,979
Lease obligations	6,077
Deferred tax liabilities	10,321
Deferred tax liabilities for land revaluation	578
Reserve for retirement allowances	190
Provision for loss on business of subsidiaries and associates	239
Others	2,532
<b>Total non-current liabilities</b>	<b>267,920</b>
<b>Total liabilities</b>	<b>417,302</b>
<b>Net assets:</b>	
<b>Shareholders' equity</b>	<b>224,070</b>
<b>Common stock</b>	<b>55,855</b>
<b>Capital surplus</b>	<b>59,453</b>
Legal capital surplus	57,333
Other capital surplus	2,120
<b>Retained earnings</b>	<b>109,569</b>
Legal retained earnings	2,617
Other retained earnings	106,951
Reserve for advanced depreciation of fixed assets	5,832
Reserve for special depreciation	5
Reserve for dividend equalization	835
Reserve for retirement allowances	250
General reserve	13,259
Retained earnings brought forward	86,768
<b>Treasury stock</b>	<b>(808)</b>
<b>Evaluation and foreign currency adjustments</b>	<b>6,028</b>
<b>Net unrealized gains on available-for-sale securities</b>	<b>14,386</b>
<b>Net deferred losses on hedges</b>	<b>22</b>
<b>Revaluation reserve for land</b>	<b>(8,381)</b>
<b>Share warrant</b>	<b>133</b>
<b>Total net assets</b>	<b>230,232</b>
<b>Total liabilities and net assets</b>	<b>¥647,534</b>

\* Figures under one million are omitted.

## Non-Consolidated Statement of Income

(For the year ended March 31, 2025)

	<i>(Millions of yen)</i>
<b>Net sales</b> .....	<b>¥145,299</b>
<b>Cost of sales</b> .....	<b>130,156</b>
<b>Gross profit</b> .....	<b>15,143</b>
<b>Selling, general and administrative expenses</b> .....	<b>21,846</b>
<b>Operating loss</b> .....	<b>(6,703)</b>
<b>Non-operating income</b>	
Interest and dividends income .....	27,093
Others .....	9,383
<b>Non-operating expenses</b>	
Interest expense .....	1,636
Others .....	6,682
<b>Ordinary income</b> .....	<b>21,454</b>
<b>Extraordinary income</b>	
Gain on sales of fixed assets .....	4,488
Gain on sale of investment securities .....	2,467
Gain on liquidation of shares of subsidiaries and associate .....	869
Gain on sale of shares of subsidiaries and associates .....	325
Others .....	140
<b>Extraordinary losses</b>	
Loss on sales and retirement of fixed assets .....	449
Loss on valuation of shares of subsidiaries and associates .....	1,979
Others .....	937
<b>Profit before income taxes</b> .....	<b>26,380</b>
Income taxes current .....	114
Income taxes deferred .....	238
<b>Profit</b> .....	<b>¥26,027</b>

\* Figures under one million are omitted.