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(Securities code: 4028)

June 6, 2025

To Those Shareholders with Voting Rights

Hiroshi Okubo

Executive Director, President

ISHIHARA SANGYO KAISHA, LTD.

3-15, Edobori 1-chome, Nishi-ku, Osaka

NOTICE OF THE 102nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Firstly, we would like to extend our sincere thanks for your ongoing support.

We are pleased to inform you that the 102nd Ordinary General Meeting of Shareholders will be held as follows.

We have adopted measures for providing information in electronic format for this General Meeting of Shareholders. The matters provided in electronic format have been posted on the following Internet website as “Notice of the 102nd Ordinary General Meeting of Shareholders” and “Other Matters Provided in Electronic Format (Matters Omitted from the Paper Copy).”

The Company’s website:

<https://www.iskweb.co.jp/eng/ir/stockholders.html>

This information also been posted on the following website.

The website of the Tokyo Stock Exchange:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

*Please access the website shown above, enter the Company’s name or securities code to search, and select “Basic information” then “Documents for public inspection/PR information” to view the information.

Please exercise your voting rights in writing or via the Internet, etc. by 5:30 p.m. on Wednesday, June 25, 2025, after reading the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS.

1. **Date and Time:** 10:00 a.m., Thursday, June 26, 2025 (Reception opens: 9:00 a.m.)
2. **Venue:** Hall on the 5th floor of Shin-Ishihara Building, at 3-15, Edobori 1-chome, Nishi-ku, Osaka
(Shin-Ishihara Building: Please use Exit 5-B of Higobashi Station, Osaka Metro Yotsubashi Line.)
3. **Objectives of the Meeting**
Reports:
 1. The Business Report and the Consolidated Financial Statements for the 102nd Fiscal Term (from April 1, 2024 to March 31, 2025), as well as the audit reports on the Consolidated Financial Statements by the Company's Accounting Auditors and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 102nd Fiscal Term (from April 1, 2024 to March 31, 2025)

Matters to Be Resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Nine (9) Directors

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

Proposal No. 5: Determination of the Amount and Details of Performance-linked Stock Compensation for Directors (Excluding Outside Directors)

4. How to Exercise Your Voting Rights

If you are attending the General Meeting of Shareholders

Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Date & Time: **10:00 a.m., Thursday, June 26, 2025**

(Reception opens: 9:00 a.m.)

If you are exercising your voting rights in writing

Please indicate your approval or disapproval of the matters to be resolved on the Voting Rights Exercise Form enclosed herewith, and return it to us. If you do not indicate your vote on a proposal, this will be treated as a vote in favor of the proposal.

Deadline: The form should arrive by 5:30 p.m., Wednesday, June 25, 2025.

If you are exercising your voting rights via the Internet, etc.

Please first read the attached Guidance on the Exercise of Voting Rights via the Internet, etc. (p. 3) and indicate your approval or disapproval.

Deadline: Votes should be accepted by 5:30 p.m., Wednesday, June 25, 2025.

- If you have exercised your voting rights both in writing and via the Internet, etc., the votes cast via the Internet, etc. shall be deemed valid. If you have exercised your voting rights via the Internet, etc. multiple times, the votes cast last shall be deemed valid.
- The costs incurred for access to the website for the exercise of voting rights via the Internet (such as Internet connection fees, phone charges, etc.) shall be borne by the shareholders.

* Of the matters provided in electronic format, the items listed below are not included in the paper copy sent to shareholders who have requested it, in accordance with laws and regulations, as well as the provisions of Article 19 of our Articles of Incorporation. Thus, the paper copy sent to shareholders who have requested it includes only part of the subjects audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their Audit Reports.

- Principal Business Locations, Employees, Accounting Auditor, and Systems to Ensure the Proper Business Operation of the Corporate Group Composed of the Company and Its Subsidiaries, Including Systems to Ensure that Directors Execute Duties in Line with Relevant Laws, Regulations and the Articles of Incorporation, and Status of Their Operation in the Business Report
- Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
- Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements

* If any situation arises that requires amendment to the matters provided in electronic format, such amendment will be posted on the websites on which they are posted, together with the matters before and after amendment.

* The results of voting will be posted on the Company's website, shown above, in addition to the written Notice of Resolutions.

Guidance on the Exercise of Voting Rights via the Internet, etc.

How to scan the QR code “Smart Voting”

You can log in to the voting rights exercise website without entering a “voting rights exercise code” and a “password.”

- ❶ Please use your smartphone to scan the “voting rights exercise website login QR code” on the bottom right of the voting rights exercise form.
- ❷ Please enter your vote for each proposal by following the instructions on the screen.

Voting rights can be exercised only once using “Smart Voting.”

If you want to change your vote after exercising your voting rights, please enter the “voting rights exercise code” and “password” on the voting rights exercise form to log in to the voting rights exercise website by following the instructions under “How to enter a voting rights exercise code and a password” on the right hand side, and exercise your voting rights again.

* You can access the voting rights exercise website on the right hand side by scanning the QR code again.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

How to enter a voting rights exercise code and a password

The voting rights exercise website:

<https://www.web54.net>

- ❶ Please access the voting rights exercise website.
- ❷ Please enter the “voting rights exercise code” on the bottom left of the reverse side of the voting rights exercise form.
- ❸ Please enter the “password” on the bottom left of the reverse side of the voting rights exercise form.
- ❹ Please enter your vote for each proposal by following the instructions on the screen.

Please call the number on the right hand side, if you have any questions relating to the exercise of voting rights via the Internet.

Transfer Agency Web Support
Hotline, Sumitomo Mitsui Trust Bank



0120-652-031

Business hours: 9:00 a.m. to 9:00 p.m.

To institutional investors

In addition to the exercise of voting rights via the Internet as stated above, you may use the electronic voting platform operated by ICJ, Inc. only if you apply for its use in advance.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1

Appropriation of Surplus

One of the most important management policies of the Company is to increase corporate value while returning profits to our shareholders.

Our basic principle for dividends is to continue to implement stable dividend distribution according to our business performance, taking into comprehensive consideration the business trends, financial condition, and need to enhance our internal reserve for business expansion into the future.

Under its current Mid-Term Management Plan (for fiscal 2024–2026) “Vision 2030 Stage II,” the Company targets a consolidated dividend payout ratio of 40% toward fiscal 2026, the final year of the plan. It will also ensure stable dividends, with a minimum dividend-on-equity (DOE) ratio of 3% for the same period, to achieve management focused on capital cost and stock price.

Based on this policy, we have decided to pay a year-end dividend of 85 yen per share, a 15-yen increase from that for the previous fiscal year, as summarized below.

- 1. Type of dividend property**
Cash
- 2. Matters concerning the allocation of dividend property to shareholders and the total amount thereof**
85 yen per share of common stock of the Company
Total: 3,252,004,460 yen
- 3. Date on which the dividend of surplus takes effect**
June 27, 2025

Proposal No. 2

Election of Nine (9) Directors

The terms of office of all current nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders.

We therefore propose that nine (9) Directors (three (3) of whom are Outside Directors) be elected.

The candidates for Directors are as follows:

Candidate No.	Full name		Posts and responsibilities held at the Company	Term of office as Director	Attendance at Board of Directors meetings
1	Hiroshi Okubo	Reappointment	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO)	3 years	100% (17/17)
2	Mikiya Horie	Reappointment	Executive Director, Senior Managing Executive Officer, Director of Bioscience Business Headquarters	1 year	100% (12/12)
3	Yoshio Nishiyama	Reappointment	Director, Managing Executive Officer, Director of General Affairs & Human Resources Headquarters	1 year	100% (12/12)
4	Yoshiyuki Shimmyo	Reappointment	Director, Managing Executive Officer, Director of Inorganic Chemicals Business Headquarters	1 year	100% (12/12)
5	Kenji Tanaka	New appointment	Managing Executive Officer, Director of Corporate Administration & Planning Headquarters	-	-
6	Ikuro Yamashita	New appointment	-	-	-
7	Satoshi Ando	Reappointment [Outside] [Independent]	Director	5 years	100% (17/17)
8	Akemi Uchida	Reappointment [Outside] [Independent]	Director	2 years	100% (17/17)
9	Yumi Sano	New appointment [Outside] [Independent]	-	-	-

New appointment Candidate for new Director Reappointment Candidate for reappointment [Outside] Outside Officer [Independent] Independent Officer

Notes:

- Nomination of the candidates for Directors is decided at the Board of Directors after consulting with the Personnel Committee, consisting of independent Outside Directors and Outside Audit & Supervisory Board Members. The Board of Directors nominates the persons who are deemed appropriate as candidates for Directors after comprehensive examination of their personalities, knowledge, abilities, etc. based on the perspective of prompt and proper decision making.
- The Company has concluded a directors and officers liability insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act, with all Directors as the insured. The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission) committed by the insured in his/her capacity as such. The Company is fully responsible for paying the insurance premium. The Company intends to include all candidates for Directors, if appointed, in the insured under this insurance contract. The Company intends to renew this insurance contract under the same terms when it comes due for renewal.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

1

Hiroshi Okubo (Born on December 9, 1961)

Reappointment

	A brief summary of his career, posts and responsibilities held, and other major offices concurrently held	
Number of the Company's shares held 18,401 shares	April 1986	Joined the Company
Term of office as Director 3 years (at the conclusion of this General Meeting of Shareholders)	June 2016	Seconded to ISK ENGINEERING PARTNERS CORPORATION (Executive Officer)
Attendance at Board of Directors meetings 17 times / 17 meetings (100%)	July 2017	Seconded to FUJI TITANIUM INDUSTRY CO., LTD. (Director, Managing Executive Officer)
	June 2020	General Manager of Corporate Planning & Administration Division, Corporate Administration & Planning Headquarters
	June 2020	Executive Officer, Deputy Director of Corporate Administration & Planning Headquarters
	June 2021	Managing Executive Officer, Director of Corporate Administration & Planning Headquarters
	June 2022	Director, Managing Executive Officer, Director of Corporate Administration & Planning Headquarters
	June 2023	Executive Director, Senior Managing Executive Officer, Director of Corporate Administration & Planning Headquarters
	April 2024	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO), Director of Corporate Administration & Planning Headquarters
	June 2024	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO) (to date)

Major other offices concurrently held

Director and Chairman at ISK AMERICAS INCORPORATED

◆ Reason for nomination as a candidate for Director

Mr. Hiroshi Okubo has led the promotion of the Mid-Term Management Plan “Vision 2030 Stage II” as Executive Director, President. In addition to aggressively pursuing reforms aimed at enhancing the corporate value of Group companies, he has contributed significantly to strengthening the management base and enhancing the governance structure. In fiscal 2025, he is expected to demonstrate his leadership in continuing and developing existing initiatives while also implementing strategies for further growth and resolving business challenges.

We expect that Mr. Okubo will continue to contribute to the Group's development through his extensive experience and strong executive ability. This resulted in our decision to re-appoint him as a candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Hiroshi Okubo.

Candidate No.

2

Mikiya Horie (Born on September 3, 1960)

Reappointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held	
Number of the Company's shares held 10,760 shares	December 1992 Joined the Company
Term of office as Director 1 year (at the conclusion of this General Meeting of Shareholders)	June 2018 Executive Officer, General Manager of Biosciences Sales & Marketing Division, Biosciences Business Headquarters
Attendance at Board of Directors meetings 12 times / 12 meetings (100%)	February 2019 Executive Officer, General Manager of Product Development & Marketing Division, Bioscience Business Headquarters
	June 2021 Managing Executive Officer, Deputy Director of Bioscience Business Headquarters
	June 2022 Managing Executive Officer, Director of Bioscience Business Headquarters
	June 2024 Senior Managing Executive Officer, Director of Bioscience Business Headquarters
	June 2024 Executive Director, Senior Managing Executive Officer, Director of Bioscience Business Headquarters (to date)
Major other offices concurrently held Director and Chairman at ISK BIOSCIENCES CORPORATION Director and Chairman at ISK BIOSCIENCES EUROPE N.V.	

◆ Reason for nomination as a candidate for Director

Mr. Mikiya Horie has led sales expansion in the global market as Director of Bioscience Business Headquarters. He has contributed to enhancing corporate value, including achieving a year-on-year increase in sales and profit, to reach to targets for the first fiscal year under the Mid-Term Management Plan. In fiscal 2025, he is expected to continue to take the lead in pioneering markets for corporate growth, balancing his senior management vision as Executive Director with his executive ability on the business front line.

We expect that Mr. Horie will continue to contribute to the sustained improvement of the corporate value of the Group through his extensive experience and strong executive ability. This resulted in our decision to re-appoint him as a candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Mikiya Horie.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

3 **Yoshio Nishiyama** (Born on March 26, 1962) Reappointment

	A brief summary of his career, posts and responsibilities held, and other major offices concurrently held	
Number of the Company's shares held 9,525 shares	April 1980	Joined the Company
Term of office as Director 1 year (at the conclusion of this General Meeting of Shareholders)	June 2021	Executive Officer, Director of General Affairs & Human Resources Headquarters
	June 2023	Managing Executive Officer, Director of General Affairs & Human Resources Headquarters
Attendance at Board of Directors meetings 12 times / 12 meetings (100%)	June 2024	Director, Managing Executive Officer, Director of General Affairs & Human Resources Headquarters (to date)

◆ Reason for nomination as a candidate for Director
<p>Mr. Yoshio Nishiyama has gained broad operational experience at plants, in the environmental, general affairs and labor departments, then as the head of the human resources department at the head office. In 2021, he was appointed Executive Officer, while simultaneously managing the Affairs & Human Resources Headquarters as its Director. Even since his appointment as Director of the Company in 2024, he has continued to strongly pursue links between the Company's human resources strategy and its corporate strategy.</p> <p>Mr. Nishiyama is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we expect that he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to re-appoint him as a candidate for our Director.</p> <p>Note: No special-interest relationships exist between the Company and Mr. Yoshio Nishiyama.</p>

Candidate No.

4

Yoshiyuki Shimmyo (Born on March 19, 1964)

Reappointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held 9,481 shares	April 1986	Joined the Company
Term of office as Director 1 year (at the conclusion of this General Meeting of Shareholders)	June 2022	Executive Officer, Deputy Director of Yokkaichi Plant
Attendance at Board of Directors meetings 12 times / 12 meetings (100%)	June 2023	Managing Executive Officer, Director of Yokkaichi Plant
	June 2024	Managing Executive Officer, Director of Inorganic Chemicals Business Headquarters
	June 2024	Director, Managing Executive Officer, Director of Inorganic Chemicals Business Headquarters (to date)

Major other offices concurrently held

Director and Chairman at ISHIHARA CORPORATION (U.S.A.)
Chairman at ISK TAIWAN CO., LTD.

◆ Reason for nomination as a candidate for Director

Mr. Yoshiyuki Shimmyo has extensive operational experience in sales in Japan and overseas in the inorganic chemicals department and has engaged in managing plant operations as head of the Yokkaichi Plant after his appointment as Executive Officer in 2022. Since being appointed Director in 2024, he has leveraged the extensive front-line experience he has gained as Director of Inorganic Chemicals Business Headquarters to strive to reform the business structure and promote greater business earning power.

Mr. Shimmyo is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we expect that he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to re-appoint him as a candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Yoshiyuki Shimmyo.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

5

Kenji Tanaka (Born on September 1, 1964)

New appointment

	A brief summary of his career, posts and responsibilities held, and other major offices concurrently held	
Number of the Company's shares held 7,125 shares	April 1988	Joined the Company
Term of office as Director -	June 2023	Executive Officer, Deputy Director of Corporate Administration & Planning Headquarters
Attendance at Board of Directors meetings -	June 2024	Managing Executive Officer, Director of Corporate Administration & Planning Headquarters (to date)

◆ Reason for nomination as a candidate for Director

Mr. Kenji Tanaka has been engaged in production, environment, safety and health, and other divisions at plants. He was appointed as an Executive Officer in 2023, and is currently engaged in managing operations as Director of Corporate Administration & Planning Headquarters.
Mr. Tanaka is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we consider that he is a suitable candidate for Director of the Company as he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to appoint him as a new candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Kenji Tanaka.

Candidate No.

6

Ikuo Yamashita (Born on October 23, 1962)

New appointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held	
Number of the Company's shares held 10,687 shares	April 1981 Joined the Company
Term of office as Director -	February 2017 General Manager of the Logistics Division
Attendance at Board of Directors meetings -	June 2021 Executive Director, President & Chief Executive Officer of ISK ENGINEERING PARTNERS CORPORATION (scheduled to retire in June 2025)

◆ Reason for nomination as a candidate for Director

Mr. Ikuo Yamashita has mainly been engaged in logistics at plants. He was appointed as Executive Director, President & Chief Executive Officer of ISK ENGINEERING PARTNERS CORPORATION in 2021. As the leader of the Group's construction company, he has been responsible for constructing and repairing the Group's manufacturing plants, and has made substantial contributions to the Group's stable business operations and growth.

Mr. Yamashita is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we consider that he is a suitable candidate for Director of the Company as he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to appoint him as a new candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Ikuo Yamashita.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

7

Satoshi Ando (Born on April 27, 1974)

Reappointment

Outside Officer

Independent Officer

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held
2,400 shares

Term of office as Outside Director
5 years (at the conclusion of this General Meeting of Shareholders)

Attendance at Board of Directors meetings
17 times / 17 meetings (100%)

October 2001 Admitted to the bar (Dai-Ichi Tokyo Bar Association)
October 2001 Joined Onishi Shoichiro Law Office
May 2015 Senior Partner of Onishi Shoichiro Law Office (to date)
May 2016 Outside Director (Audit & Supervisory Committee Member) of TOHO CO., LTD. (to date)
June 2020 Outside Director of the Company (to date)

Major other offices concurrently held

Attorney-at-law
Outside Director (Audit & Supervisory Committee Member) of TOHO CO., LTD.

◆ Reason for nomination as a candidate for Outside Director and summary of expected roles

Mr. Satoshi Ando, currently serving as Outside Director of the Company, has advanced professional expertise as an attorney-at-law, as well as extensive experience and broad insight in corporate legal affairs. He provides appropriate advice and supervision of the management of the Company, in the fields of law, risk management, finance, and accounting, from an independent and legal standpoint. In addition, he also serves as a member of the Compensation Committee, Personnel Committee and Evaluation Committee, actively expressing his opinions.

Mr. Ando has never in the past been involved in the management of a company except as an Outside Director. However, for these reasons, he is expected to perform his duties as Outside Director adequately from an independent standpoint. This resulted in our decision to re-appoint him as a candidate for our Outside Director.

Notes:

1. No special-interest relationships exist between the Company and Mr. Satoshi Ando.
2. Mr. Satoshi Ando is a candidate for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The Company has entered into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with Mr. Satoshi Ando, and will renew the current agreement with him upon the approval of his re-election at this General Meeting of Shareholders.
4. Mr. Satoshi Ando meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. The Company has notified the TSE of his election as an Independent Officer as required by the TSE. If his re-election is approved at this General Meeting of Shareholders, the Company will continue to appoint him as an Independent Officer.

Candidate No.

8

Akemi Uchida (Born on April 27, 1965)

Reappointment

Outside Officer

Independent Officer

A brief summary of her career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held
600 shares

Term of office as Outside Director
2 years (at the conclusion of this General Meeting of Shareholders)

Attendance at Board of Directors meetings
17 times / 17 meetings (100%)

April 2000	Joined TOMY Company, Ltd.
April 2008	General Manager of Internal Control Promotion Department, Corporate Planning Division
October 2016	Joined Topre Corporation, Assistant to Auditors (with General Manager status)
June 2020	Director
June 2022	Senior Advisor of Toprec Corporation
January 2023	Senior Director of Morpho, Inc.
June 2023	Outside Director of the Company (to date)
June 2024	Outside Director (Audit & Supervisory Committee Member) of IRISO ELECTRONICS CO., LTD. (to date)
June 2024	Outside Director (Audit and Supervisory Committee Member) of STELLA CHEMIFA CORPORATION (to date)

Major other offices concurrently held

Outside Director (Audit & Supervisory Committee Member) of IRISO ELECTRONICS CO., LTD.
Outside Director (Audit and Supervisory Committee Member) of STELLA CHEMIFA CORPORATION

◆ Reason for nomination as a candidate for Outside Director and summary of expected roles

Ms. Akemi Uchida has extensive experience related to corporate planning, human resources, risk management, and financial and management accounting, as well as experience as Director of a company engaged in the global development, manufacture and sale of automotive press components, refrigeration equipment, etc. She provides appropriate advice and supervision of the management of the Company from an external perspective and an objective and neutral standpoint. In addition, she serves as a member of the Compensation Committee, Personnel Committee and Evaluation Committee, actively expressing her opinions. She also provides valuable advice regarding matters such as diversity and inclusion, and she is expected to perform her duties as Outside Director adequately from an independent standpoint. This resulted in our decision to re-appoint her as a candidate for our Outside Director.

Notes:

1. No special-interest relationships exist between the Company and Ms. Akemi Uchida.
2. Ms. Akemi Uchida is a candidate for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The Company has entered into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with Ms. Akemi Uchida, and will renew the current agreement with her upon the approval of her re-election at this General Meeting of Shareholders.
4. Ms. Akemi Uchida meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. The Company has notified the TSE of her election as an Independent Officer as required by the TSE. If her re-election is approved at this General Meeting of Shareholders, the Company will continue to appoint her as an Independent Officer.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

9

Yumi Sano (Born on August 20, 1961)

New appointment

Outside Officer

Independent Officer

A brief summary of her career, posts and responsibilities held, and other major offices concurrently held	
Number of the Company's shares held 0 shares	April 1984
Term of office as Outside Director -	March 1997
Attendance at Board of Directors meetings -	April 2004
	April 2013
	April 2014
	June 2017
	June 2021
	June 2024

Joined Shikishima Boseki K.K. (currently SHIKIBO LTD.)
 Joined Kansai Employers Association (currently Kansai Economic Federation)
 General Manager of Membership Department, Kansai Employers Association (currently Kansai Economic Federation)
 Joined Japan Institute for Women's Empowerment & Diversity Management
 General Manager of Kansai Office, Japan Institute for Women's Empowerment & Diversity Management (to date)
 Outside Director of Sakai Chemical Industry co., Ltd.
 Outside Director of Sanyo Chemical Industries, Ltd. (to date)
 Outside Director of Sumitomo Densetsu Co., Ltd. (to date)

Major other offices concurrently held

General Manager of Kansai Office, Japan Institute for Women's Empowerment & Diversity Management
 Outside Director of Sanyo Chemical Industries, Ltd.
 Outside Director of Sumitomo Densetsu Co., Ltd.

◆ Reason for nomination as a candidate for Outside Director and summary of expected roles

Ms. Yumi Sano has held an important post for many years in public-service corporations and has extensive experience related to organizational management and human resources development. She has outstanding achievements, especially in areas such as promoting diversity, supporting the advancement of women in the workplace, and work-style reforms.
 Ms. Sano has never in the past been involved in the management of a company except as an Outside Director. However, she is expected to make effective use of her extensive insight and practical experience to contribute to the Company's management from an external perspective and an objective and neutral standpoint. This resulted in our decision to appoint her as a new candidate for our Outside Director.

Notes:

1. No special-interest relationships exist between the Company and Ms. Yumi Sano.
2. Ms. Yumi Sano is a candidate for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. If the election of Ms. Yumi Sano is approved at this General Meeting of Shareholders, the Company intends to enter into an agreement with her on the limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations).
4. Ms. Yumi Sano meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. If her election is approved at this

General Meeting of Shareholders, the Company intends to elect her as an Independent Officer as required by the TSE and notify the TSE accordingly.

Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Mr. Yoshihito Akiyama will resign at the conclusion of this General Meeting of Shareholders. We therefore propose the election of one (1) Audit & Supervisory Board Member as a substitute for him.

The term of office of the Audit & Supervisory Board Member elected at this General Meeting of Shareholders will expire at the same time as the term of office for which the Audit & Supervisory Board Member's predecessor was elected, based on the provisions of the Company's Articles of Incorporation. This proposal has obtained the consent of the Audit & Supervisory Board.

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

Hirotsugu Sakai (Born on February 22, 1965)

New appointment

Number of the Company's shares held
4,659 shares

A brief summary of his career and posts held, and other major offices concurrently held

April 1987	Joined the Company
February 2019	General Manager of Accounting Division, Finance & Accounting Headquarters
June 2021	General Manager of Planning & Administration Division, Yokkaichi Plant
June 2022	General Manager of Information Systems Division, Corporate Administration & Planning Headquarters
March 2023	General Manager of Finance Division, Finance & Accounting Headquarters
December 2024	General Manager of Secretary Division, General Affairs & Human Resources Headquarters
March 2025	Associate Director, General Manager of Secretarial Division, General Affairs & Human Resources Headquarters (to date)

◆ Reason for nomination as a candidate for Audit & Supervisory Board Member

Mr. Hirotsugu Sakai has acquired abundant practical experience in the Corporate Administration & Planning Headquarters and Finance & Accounting Headquarters, and possesses a high level of expertise in corporate strategy formulation and financial administration. In addition, he currently supports management decision-making in the secretarial division and has developed an overarching perspective encompassing all aspects of management and high risk-perceptiveness, including coordination between internal and external parties and the appropriate management of business information.

As an Audit & Supervisory Board Member, he is expected to make effective use of this experience and insight to contribute to ensuring sound and transparent management. This resulted in our decision to appoint him as a candidate for our Audit & Supervisory Board Member.

Notes:

1. No special-interest relationships exist between the Company and Mr. Hirotsugu Sakai.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act, with all Audit & Supervisory Board Members as the insured. The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission) committed by the insured in his/her capacity as such. If the election of Mr. Hirotsugu Sakai is approved at this General Meeting of Shareholders, then he will be included in the insured under this insurance contract. The Company intends to renew this insurance contract under the same terms when it comes due for renewal.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No. 4

Election of One (1) Substitute Audit & Supervisory Board Member

At the 101st Ordinary General Meeting of Shareholders held on June 26, 2024, Mr. Masaki Nakajima was elected as a substitute Audit & Supervisory Board Member. The election is effective until the time of the start of this General Meeting of Shareholders. Therefore, one (1) substitute Audit & Supervisory Board Member shall be appointed anew in the case that a vacancy occurs in the statutory number of auditors.

This proposal has obtained the consent of the Audit & Supervisory Board.

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

Masaki Nakajima (Born on July 19, 1973)

Substitute Outside Audit & Supervisory Board

Independent Officer

A brief summary of his career and posts held, and other major offices concurrently held

Number of the Company's shares held
0 shares

October 2001	Admitted to the bar (Osaka Bar Association)
September 2007	Opened ACT Osaka Law Office
October 2007	Outside Auditor, Nippon Parking Development Co., Ltd.
April 2021	Vice-president of Osaka Bar Association
October 2024	Outside Auditor, Nippon Car Service Development Co., Ltd. (to date)

Major other offices concurrently held

Attorney-at-law
Outside Auditor of Nippon Car Service Development Co., Ltd.

◆ Reason for nomination as a candidate for substitute Outside Audit & Supervisory Board Member

Mr. Masaki Nakajima has professional knowledge and experience of legal practice and sufficient insight into corporate management. He currently serves as an outside auditor at a company engaged in developing car-sharing services. Although he has never been involved in corporate management except in the capacity of outside officer, for the reasons above, he is expected to audit business execution from an independent and unbiased perspective. This resulted in our decision to appoint him as a substitute Outside Audit & Supervisory Board Member.

Notes:

1. No special-interest relationships exist between the Company and Mr. Masaki Nakajima.
2. Mr. Masaki Nakajima is a candidate for a substitute Outside Audit & Supervisory Board Member.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Audit & Supervisory Board Member that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. If the election of Mr. Masaki Nakajima is approved at this General Meeting of Shareholders and he assumes his Audit & Supervisory Board Member role, the Company will enter into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with him.
4. Mr. Masaki Nakajima meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. If his election is approved by this General Meeting of Shareholders and he assumes his Audit & Supervisory Board Member role, the Company will notify the TSE of his election as an Independent Officer as required by the TSE.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act, with all Audit & Supervisory Board Members as the insured. The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission)

committed by the insured in his/her capacity as such. If the election of Mr. Masaki Nakajima is approved at this General Meeting of Shareholders and he assumes his Audit & Supervisory Board Member role, then he will be included in the insured under this insurance contract. The Company intends to renew this insurance contract under the same terms when it comes due for renewal.

Determination of the Amount and Details of Performance-linked Stock Compensation Plan for Directors (Excluding Outside Directors)

1. Reasons for the proposal and justification for the proposed compensation

Compensation for the Company's Directors is composed of "basic compensation," "performance-linked compensation (annual performance-linked compensation and long-term performance-linked compensation)," and "restricted stock compensation" as non-monetary compensation. We now propose to introduce a new performance-linked stock compensation plan using a trust structure (hereinafter referred to as the "RS Trust") for the Company's Directors, excluding Outside Directors. Decisions on the details of the RS Trust will be entrusted to the Board of Directors, provided they fall within the limits specified below.

The compensation in this proposal is separate from the compensation limit for Directors approved by the 82nd Ordinary General Meeting of Shareholders held on June 29, 2005 (460 million yen per annum). Compensation through the RS Trust will be paid to Directors (excluding Outside Directors; the same applies hereinafter within this proposal) in office during the five-year period from the day following the day on which this Ordinary General Meeting of Shareholders concludes to the day on which the Ordinary General Meeting of Shareholders to be held in June 2030 concludes (hereinafter referred to as the "Period of Eligibility").

The RS Trust is designed to more clearly link the remuneration of Directors to the Company's performance and the value of its stock and to encourage Directors to contribute to improving medium- to long-term business performance and maximizing corporate value by ensuring that they share with stockholders the benefits and risks of stock price movements. Transfer restrictions are attached to the shares delivered to Directors, effective until immediately after the time of retirement (meaning the time when a person ceases to hold any of the offices of Director, Executive Officer not concurrently serving as Director, Executive Fellow, Adviser, or other equivalent position at the Company; the same applies hereinafter), to impart an incentive for Directors to strive for the sustained improvement of corporate value, even after receiving the shares.

An outline of the Company's decision policy regarding the details of compensation, etc. for individual Directors is presented under "3. Company Officers (2) Compensation, etc. for Directors and Audit & Supervisory Board Members" in the Business Report. At its meeting held on May 20, 2025, the Board of Directors has resolved, after receiving the recommendations of the Compensation Committee, composed of independent Outside Directors and independent Outside Audit & Supervisory Board Members, to amend the policy as set forth under "(References)" at the end of this proposal, subject to the approval of this proposal. The content of this proposal is therefore necessary and reasonable in order to pay compensation in line with the amended policy.

We believe that the content of this proposal is appropriate as the objectives of the RS Trust are reasonable, as stated above, and it is in accordance with the amended decision policy.

The introduction of a restricted stock compensation plan was approved at the 99th Ordinary General Meeting of Shareholders. If this proposal is approved as proposed, we plan to abolish the compensation limits associated with this restricted stock compensation plan and deliver no further shares of restricted stock based on the plan.

If Proposal No. 2 "Election of Nine (9) Directors" is approved as proposed, then the number of Directors of the Company eligible for the RS Trust will be six (6).

Note: If this proposal is approved as proposed, the Company plans to introduce a similar stock compensation plan for Executive Officers, Executive Fellows, and Associate Director who have concluded delegation contracts with the Company (hereinafter collectively referred to as "Delegated Executive Officers, etc."), as well as the Delegated Executive Officers, etc. of some of its subsidiaries.

2. Amount and other details of remuneration under the RS Trust

(1) Overview of the RS trust

The RS Trust is a stock compensation plan under which the Company establishes a trust (hereinafter, the "Trust") through a monetary contribution and the Trust acquires shares of the Company's common stock (hereinafter, the "Company's shares") for delivery by the Trust to each Director, in a number corresponding to the number of points awarded by the Company to that Director. (However, the shares

delivered to each Director will carry transfer restrictions based on a transfer restriction agreement concluded between each Director and the Company, as described in 3. below.)

Directors will receive deliveries of the Company's shares, in principle, at a predesignated time each fiscal year during the trust period.

1) Persons eligible for the RS Trust	Directors of the Company (excluding Outside Directors)
2) Period of Eligibility	From the day following the day on which this Ordinary General Meeting of Shareholders concludes to the day on which the Ordinary General Meeting of Shareholders to be held in June 2030 concludes
3) Maximum amount to be contributed by the Company to fund the acquisition of the Company's shares necessary for delivery to the persons eligible in 1) during five (5) years of the Period of Eligibility in 2)	500 million yen in total
4) Method used to acquire the Company's shares	Receipt of disposal of treasury stock or acquisition via stock markets (including off-floor trading)
5) Maximum total number of points to be awarded to the persons eligible in 1)	106,800 points each fiscal year
6) Criteria for the award of points	Points will be awarded based on factors such as rank and the degree of achievement of business performance targets
7) Timing of the delivery of the Company's shares to the eligible persons in 1)	A predesignated time each fiscal year during the trust period
8) Duration of transfer restrictions under the transfer restriction agreement set forth in 3.	From the day of the delivery of the Company's shares until immediately after retirement

(2) Upper limit of the Company's monetary contribution

The initial trust period under the RS Trust will be approximately five (5) years. During the Period of Eligibility, the Company will contribute a total amount of money not exceeding 500 million yen as compensation for Directors in office during the Period of Eligibility to fund the acquisition of the number of the Company's shares necessary to deliver to Directors based on the RS Trust. This contribution will establish the Trust, of which the beneficiaries will be the Directors who satisfy the designated conditions. The Trust will use the money contributed by the Company to acquire the Company's shares through the disposal of treasury stock by the Company or acquisition via stock markets (including off-floor trading).

Note: The amount of money that the Company contributes to the Trust will be the total of necessary expenses, such as trust fees and compensation for the trust administrator, in addition to the funds required for the acquisition of the Company's shares, as set forth above. If, as described above, a similar performance-linked stock compensation plan is introduced for the Delegated Executive Officers, etc. of the Company and some of its subsidiaries, then the Company and relevant subsidiaries will likewise contribute to the Trust the funds necessary to acquire the number of the Company's shares needed to deliver to these Delegated Executive Officers, etc. under that plan.

The Company's Board of Directors may decide to continue the RS Trust by extending the Period of Eligibility for up to five (5) years at a time, and extending the trust period for a corresponding period (or effectively extending the term of the Trust through the establishment of another trust with the same purpose, to which the assets of the Trust are transferred; the same applies hereinafter). In such a case, the Company will contribute an additional amount of money not exceeding ¥100 million, multiplied by the number of years extended, to the Trust during the period by which the Period of Eligibility is extended, as funds for the acquisition of the Company's shares to be delivered to Directors through the RS Trust. The Company will then continue to award points and deliver the Company's shares as set forth in (3) below.

(3) Calculation method and maximum number of the Company's shares to be delivered to Directors

1) Method used to award points to Directors

Based on the share delivery guidelines established by the Board of Directors, the Company will award points to each Director on the days designated for the award of points under the share delivery guidelines (once each fiscal year, in principle) during the trust period, based on factors such as rank and the degree of achievement of performance targets.

The total number of points that the Company awards to Directors will not exceed 106,800 points per fiscal year.

2) Delivery of the Company's shares in accordance with the number of points allocated

The number of shares delivered will correspond to the number of points awarded, as described in 1) above. Directors will follow the procedures set forth in 3) below to accept delivery of the Company's shares. Each point shall correspond to one (1) of the Company's shares. However, the number of the Company's shares to be delivered per point may be reasonably adjusted, where adjustment is deemed reasonable due to an event such as a stock split or stock consolidation of the Company's shares, in accordance with the stock split ratio, consolidation ratio, etc.

3) Delivery of the Company's shares to Directors

Each Director will gain beneficiary rights to the Trust and receive delivery of the number of the Company's shares described in 2) above from the trust each fiscal year during the trust period, in principle, subject to the conclusion of the transfer restriction agreement with the Company set forth in 3. below and the completion of other designated procedures.

However, where the Company's shares held in the Trust have been converted to cash, such as where it has accepted and settled a tender offer for the Company's shares, money (the amount converted to cash) may be delivered in place of the Company's shares.

(4) Exercise of voting rights

Based on the instructions of the trust administrator, who is independent from the Company and its officers, no voting rights pertaining to the Company's shares held in the Trust will be exercised. This method is designed to ensure the neutrality of the exercise of voting rights held in the Trust with regard to the Company's management.

(5) Treatment of dividends

Dividends pertaining to shares of the Company held in the Trust will be received by the Trust and allocated to pay for the acquisition of the Company's shares, as well as for trust fees payable to the trustee of the Trust.

3. Transfer restriction agreement concerning the Company's shares delivered to Directors

When the Company's shares are delivered to Directors, as described in 2. (6) 2), above, each Director will conclude a transfer restriction agreement containing the content summarized below (hereinafter, the "Transfer Restriction Agreement") with the Company. (The delivery of the Company's shares to each Director will be conditional on the conclusion of the Transfer Restriction Agreement.)

However, the Company may deliver shares of its common stock without transfer restrictions to a Director on or after the relevant retirement date, if the Director has retired for a reason deemed proper, or in equivalent cases.

(1) Transfer restriction period

Directors must not transfer, pledge or otherwise dispose of the shares received through the RS Trust (hereinafter, the "Delivered Shares") during the period from the date on which they receive delivery (or the respective date of each delivery, in the case of multiple deliveries) until immediately after retirement (hereinafter, the "Transfer Restriction Period"). These restrictions are hereinafter referred to as the "Transfer Restrictions."

During the Transfer Restriction Period, it is planned to hold the Delivered Shares in accounts at a securities company nominated by the Company for the purpose of managing these shares separately from shares already held by each Director.

(2) Acquisition of the Delivered Shares for no consideration

- 1) If a Director transfers, pledges, or otherwise disposes of all or some of the Delivered Shares in violation of (1) above, the Company will automatically acquire all of the Delivered Shares for no consideration.
- 2) The Company will automatically and immediately acquire all of the Delivered Shares for no consideration if the relevant Director falls under any of the following cases during the Transfer Restriction Period.
 - i) If the Director has been sentenced to imprisonment or more serious punishment;
 - ii) If a filing for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or other similar proceedings has been made concerning the Director;
 - iii) If the Director receives a petition for attachment, provisional attachment, provisional disposition, compulsory execution, or auction, or receives a disposition for delinquent public taxes and duties;
 - iv) If the Director leaves office for any reason other than the expiration of the relevant term of office, age limit, death, or other reasonable grounds; or
 - v) If the Board of Directors deems that the Director has significantly violated laws, regulations, the Company's internal rules, or this agreement.
- 3) The Company will automatically acquire all of the Delivered Shares for no consideration upon the delivery of a written notification to the Director regarding this acquisition of the Delivered Shares for no consideration, if the relevant Director falls under any of the following cases during the Transfer Restriction Period.
 - i) If the Board of Directors determines that the Director is engaged in business activities that compete with the Company or the Group, or has assumed a position as an officer or employee of a competing corporation or other organization (except when prior written consent has been obtained from the Company); or
 - ii) If the Company's Board of Directors determines that it is appropriate for the company to acquire all of these shares for no consideration.

(3) Treatment in the case of organizational restructuring, etc.

The Transfer Restrictions will be removed from the Delivered Shares regardless of the provisions of (1), above, if the Company's General Meeting of Shareholders (or the Company's Board of Directors, for matters in ii) that do not require the approval of the General Meeting of Shareholders and matters in vi)) approves any of the following items during the Transfer Restriction Period, and if the relevant date in the item (hereinafter, the "Effective Date of Organizational Restructuring, etc.") falls before the expiration of the Transfer Restriction Period. In this case, the Transfer Restrictions will be removed immediately prior to the business day before the Effective Date of Organizational Restructuring, etc.

- i) A merger agreement under which the Company will be the non-surviving company:
The effective date of the merger agreement;
- ii) A company split based on an absorption-type company split agreement or an incorporation-type company split plan (limited to cases where the Company distributes all or part of the consideration received from the company split to shareholders on the effective date of the company split):
The effective date of the company split;
- iii) A share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary:
The effective date of the share exchange agreement or share transfer plan;
- iv) A consolidation of shares (limited to cases where the consolidation will result in a fractional shareholding of less than one share by the Director):
The effective date of the consolidation of shares;
- v) The acquisition of all the shares of the Company's common stock subject to the acquisition clause set forth in Article 108, Paragraph 1, Item 7 of the Companies Act:
The acquisition date prescribed in Article 171, Paragraph 1, Item 3 of the Companies Act; or
- vi) A request for the sale of shares of the Company's common stock (a request for the sale of shares as defined in Article 179, Paragraph 2 of the Companies Act):
The acquisition date prescribed in Article 179-2, Paragraph 1, Item 5 of the Companies Act.

(4) Other matters to be determined by the Board of Directors

The Transfer Restriction Agreement will contain other matters to be determined by the Board of Directors, including the methods used for indicating intention and notification under the Transfer Restriction Agreement and amending the Transfer Restriction Agreement.

(Reference)

If Proposal No. 5 is approved as proposed at this General Meeting of Shareholders, then the content of the decision policy regarding the details of compensation, etc. for individual Directors will be as presented below.

1) Basic policy

Compensation for the Directors of the Company shall be determined with consideration for the factors listed below, taking into account the content of each Director's duties and the Company's condition. Specifically:

- a) Compensation shall be fair and highly reasonable, enabling Directors to fulfill their accountability to stakeholders;
- b) Compensation shall be structured to raise the incentive for Directors to increase corporate value;
- c) Compensation shall be structured to enable the Company to secure and retain outstanding human resources as Directors;

Compensation shall be composed of "basic compensation," "annual performance-linked compensation" and "long-term performance-linked compensation." Compensation for Outside Directors shall be composed only of basic compensation due to their independence from business execution.

2) Basic compensation

Basic compensation is paid as fixed monetary compensation based on the Officers Compensation Regulations, in amounts corresponding to the roles and responsibilities of each Director.

Basic compensation is paid per calendar month, with a monthly amount paid on the same day as employees' salaries.

3) Annual performance-linked compensation

Annual performance-linked compensation, paid as monetary compensation, is aimed at ensuring that compensation is linked to corporate performance and securing its objectivity. Whether annual performance-linked compensation is paid, and the amount of such payment, is calculated upon comprehensive consideration of the Company's performance, including operating income and net income attributable to owners of parent, which represent the ultimate results of corporate activities, and corporate ESG performance, as well as individual performance evaluation.

After the results for each fiscal year are finalized, they are discussed by the Compensation Committee, and the amount to be paid is decided at the first meeting of the Board of Directors held after the General Meeting of Shareholders. Annual performance-linked compensation is paid on the same day as employees' summer bonuses.

4) Long-term performance-linked compensation

Long-term performance-linked compensation is paid through a share delivery trust, composed of restricted stock units and performance share units.

The restricted stock units are aimed at promoting the enhancement of corporate value by encouraging each Director to continuously hold the Company's stock while in office, thereby participating in shareholder value. The number of shares to be delivered is calculated for each rank. The performance share units are aimed at promoting the enhancement of corporate value. The number of shares to be delivered is calculated with regard to ROE, which represents the ultimate results of corporate activities, and corporate ESG performance.

Long-term performance-linked compensation is paid at a certain time based on the share delivery guidelines established by the resolution of the Board of Directors.

5) Proportions of each type of compensation for individual Directors

The proportions of basic compensation, annual performance-linked compensation, and long-term performance-linked compensation are proposed, taking into account each year's financial results, etc., by an Executive Director, who is delegated authority by resolution of the Board of Directors. It is then referred to the Compensation Committee for deliberation, and determined by the Board of Directors, after discussion among the Executive Directors, based on the report by the Compensation Committee. If the standard amounts of annual performance-linked compensation and long-term performance-linked compensation are paid, then the relative proportions of each type of compensation will be roughly as shown below.

- Executive Director, President

Basic compensation (60%), annual performance-linked compensation (20%), long-term performance-linked compensation (20%)

- Other Directors

Basic compensation (65%), annual performance-linked compensation (20%), long-term performance-linked compensation (15%)

6) Delegation of authority concerning the determination of compensation, etc. for individual Directors

The details of compensation for individual Directors will be determined after deliberation by the Compensation Committee, which is composed of independent Outside Directors and independent Outside Audit & Supervisory Board Members. The Compensation Committee will provide advice and recommendations, based on the information from officers' compensation surveys carried out by third-party firms, and each member's insight, before the decision is made.

Compensation, etc. for individual Directors of the Company will be decided by the Executive Director, President, who is delegated authority by resolution of the Board of Directors. The Executive Director, President will evaluate the individual performance of each Director and determine compensation within the range approved by the Board of Directors, after deliberations by the Compensation Committee.

(Reference)

Skills Matrix of Director and Audit & Supervisory Member Candidates

Name	Vision		Business base		Management base			
	Corporate management and corporate strategy	Environment and society	R&D and production	Global business	Legal and risk management	Human resources strategy	Financial accounting	DX
Directors								
Hiroshi Okubo	●	●	●		●		●	●
Mikiya Horie	●	●	●	●				
Yoshio Nishiyama		●	●			●		
Yoshiyuki Shimmyo	●	●	●	●				
Kenji Tanaka	●	●	●				●	●
Ikuo Yamashita	●	●	●					
Satoshi Ando [Outside] [Independent]					●	●		
Akemi Uchida [Outside] [Independent]	●	●			●	●	●	●
Yumi Sano [Outside] [Independent]		●			●	●		
Audit & Supervisory Members								
Yoichi Kobayashi				●	●			
Hirotsugu Sakai	●						●	●
Norihisa Kusumi [Outside] [Independent]	●				●	●	●	
Yasuhiro Koike [Outside] [Independent]					●			

(Reference)

Explanation of Skills

■ Corporate management and corporate strategy	The skills to establish growth strategies, make swift management decisions, and lead the organization to achieve our Purpose “To continue contributing to better living environments through chemical technologies” This includes corporate management experience at other companies
■ Environment and society	The skills to identify issues and formulate policies on engaging with the environment and society, which are vital elements of conducting corporate activities, promote continuing activities, and balance economic value and sustainable value
■ R&D and production	The skills to lead the development of new products that leverage our strengths “develop proprietary technologies” and “accommodate quality and environmental requirements” such as new product development, the improvement of production technology, the search for new businesses, and challenges to create high-quality, environmentally-friendly products
■ Global business	The skills to leverage our strength “collaborate globally,” leading distribution, development, and registration activities firmly rooted in each local community, while also driving the establishment of robust global supply chains and the expansion of new products to achieve further business growth
■ Legal and risk management	The skills to lead corporate activities that prioritize compliance, to achieve sustainable corporate growth by fulfilling our social responsibilities and contributing to society
■ Human resources strategy	The skills to lead the development of strategies to generate human resources who will drive the creation of new value and innovations to resolve social issues, and the creation of safe and vibrant workplaces where all people can make the most of their individual abilities
■ Financial accounting	The skills to formulate and manage budgets to achieve medium- and long-term management strategies, prepare financial reports, and formulate dividend policies
■ DX	The skills to promote Group-wide DX to strengthen the business base and achieve work style reform through more efficient operations

(Reference)

Criteria for the Independence of Outside Officers at the Company

Outside Directors and Outside Audit & Supervisory Board members are considered independent if none of the following applies to them.

1. A current or past (within the past 10 years) business executor*1 for ISK or its subsidiaries (collectively, “ISK Group”)
2. A current or past (within the past 5 years) principal ISK shareholder (i.e., a shareholder that owns 10% or more of ISK’s voting shares) or a business executor of the principal ISK shareholder
3. An ISK Group client, or a business executor of an ISK Group client, whose business dealings with ISK Group have accounted for more than 2% of ISK Group’s annual consolidated net sales for any of the most recent three fiscal years
4. An ISK Group supplier, or a business executor of an ISK Group supplier, whose business dealings with ISK Group have accounted for more than 2% of said party’s annual consolidated net sales for any of the most recent three fiscal years
5. An accounting professional, legal professional, or other type of consultant or a member of a consulting organization, which receives significant financial or other economic benefit*2 from ISK Group, other than Director remuneration
6. A party, or a business executor of a party, which receives or has received (within the past three years) significant financial contribution or assistance*3 from ISK Group
7. A spouse, relative within the second degree of kinship, or relative living together, of anyone that meets the criteria of #1 to #6 above

*1: A person who meets the criteria stipulated in Article 2, paragraph (3), item (6) of the Ordinance for Enforcement of the Companies Act.

*2: Normal remuneration averaging more than 10 million yen over the past three years.

*3: Annual contribution or assistance totaling more than 10 million yen over the past three years.

Business Report

(April 1, 2024 - March 31, 2025)

I. Overview of the Corporate Group

1. Business Progress and Results

(1) Business Conditions

In fiscal 2024 (from April 1, 2024 to March 31, 2025), while domestic business conditions showed a modest recovery, growth in personal consumption and capital expenditures was limited, with recovery prospects varying significantly by region and industry. Internationally, the global economy remained unstable due to concerns over trade policies associated with the potential re-election of Donald Trump as President of the United States, along with geopolitical risks, continuing inflationary pressures, and fluctuations in foreign exchange markets.

The environments for the Group's main businesses are as follows. The organic chemicals business performed strongly due to strong sales of agrochemicals, the main product, in Europe. In the inorganic chemicals business, functional materials experienced weak domestic sales but strong sales overseas. Meanwhile, results were impacted by a slump in domestic demand for titanium dioxide. Under these conditions, the Group pursued "Vision 2030 Stage II," its Mid-Term Management Plan for the three years from fiscal 2024 to fiscal 2026, under the banner of "Vision 2030 – Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry," its long-term vision. The Group strengthened its business activities built on sustainability, aiming to enhance corporate value.

As a result, the Company posted consolidated net sales of ¥145.1 billion (up ¥6.7 billion YoY) and consolidated operating income of ¥10.4 billion (down ¥1.0 billion YoY) for the fiscal year ended March 31, 2025 (the "current fiscal year"). Consolidated ordinary income was ¥11.3 billion (down ¥3.4 billion YoY) and net income attributable to owners of parent was ¥8.4 billion (up ¥0.4 billion YoY).

Results for each business segment

[Organic Chemicals Business]

Sales composition ratio: 47%

Net sales: (Fiscal 2023) ¥67.1 billion ► (Fiscal 2024) ¥67.7 billion Up ¥0.6 billion

Operating income: (Fiscal 2023) ¥11.3 billion ► (Fiscal 2024) ¥12.4 billion Up ¥1.1 billion

Details of business: Manufacture and sale of herbicides, pesticides, fungicides, plant growth regulators, organic intermediates and pharmaceuticals; manufacture and sale of veterinary drugs

- For agrochemicals, the impact of damp weather resulted in strong demand for fungicides in Europe. Pesticides and other products also performed robustly as the Group was able to maintain a steady supply. On the other hand, the Americas saw only a moderate recovery in sales of fungicides, amid increasingly intense price competition with generic products manufactured in China.
- Net sales in the healthcare business, including veterinary drugs and active pharmaceutical ingredients, were below the previous fiscal year's results.
- As a result, both sales and income increased in the organic chemicals business.

[Inorganic Chemicals Business]

Sales composition ratio: 50%

Net sales: (Fiscal 2023) ¥68.0 billion ► (Fiscal 2024) ¥73.2 billion Up ¥5.2 billion

Operating income: (Fiscal 2023) ¥3.2 billion ► (Fiscal 2024) ¥1.5 billion Down ¥1.6 billion

Details of business: Manufacture and sale of titanium dioxide, functional materials, electronics materials, plaster, etc.

- For functional materials, overseas sales of materials for electronics components were strong, while sales of conductive materials also performed robustly, primarily overseas, leading to an increase in income.
- Sales of titanium dioxide increased due to the success of sales expansion activities targeting Asia, leading to an increase in income, despite a slump in domestic demand, primarily for construction applications.
- Income decreased due to the impact of factors such as higher fixed costs associated with a decline in production adjustments, in addition to a deterioration in market conditions in the EU and elsewhere, resulting from anti-dumping regulation.

[Other Businesses]

Sales composition ratio: 3%

Net sales: (Fiscal 2023) ¥3.2 billion ► (Fiscal 2024) ¥4.1 billion Up ¥0.9 billion

Operating income: (Fiscal 2023) ¥0.2 billion ► (Fiscal 2024) ¥0.7 billion Up ¥0.4 billion

Details of business: Construction, trading, etc.

- Both net sales and operating income were higher than in the previous fiscal year.

(2) Capital Expenditures

Capital expenditures during the current fiscal year amounted to ¥10.1 billion, mainly comprising ¥4.3 billion in the organic chemicals business and ¥5.6 billion in the inorganic chemicals business. The main facilities under construction at the end of the current fiscal year are shown below.

Construction of the Technology Research Center, Hyogo-Ono of the Company
(Ono City, Hyogo Prefecture); planned investment: ¥7.2 billion

Construction of the MF MATERIAL CO., LTD. functional materials manufacturing plant
(Nobeoka City, Miyazaki Prefecture); planned investment: ¥9.5 billion

(3) Financing

Investment in the maintenance and renewal of facilities increased year over year, mainly due to the construction of new research facilities.

Research and development costs increased year over year, mainly due to the impact of an increase in the organic chemicals department.

Interest-bearing debt at the end of the current fiscal year increased by ¥1.8 billion year over year to ¥72.2 billion, as the Group increased its borrowings to finance the purchase of non-current assets.

(4) Issues to Be Addressed

The Group has been implementing its long-term vision, “Vision 2030” and the Mid-Term Management Plan “Vision 2030 Stage II” (for fiscal 2024–2026), founded on this vision.

1) Long-term vision “Vision 2030”

We took the opportunity of the 100th anniversary of the Group’s founding to visualize our ideal for the Group in 2030, ten years from now, and establish “Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry.” as our long-term vision, “Vision 2030.” We aim to achieve the following management targets and policy approach.

- Management targets (2030)
 Consolidated operating income: ¥24.0 billion or greater (anticipated consolidated net sales: ¥180.0 billion or greater); secure stable ROE of 10% or greater
 Shareholder returns: maintain stable shareholder returns
- Basic policy approach
 We will strive to achieve Vision 2030 through our “three strengths” — “developing proprietary technologies,” “accommodating quality and environmental requirements” and “collaborating globally” — centered on our core competency in “chemical technologies” and underpinned by “management drive.”
 The Group will contribute to realizing a sustainable society while simultaneously enhancing corporate value through its business activities.
- Business policies and key measures
 - i) Organic chemicals business
 - Business policy: Supply unique products that directly enhance customer value across the world, and support people’s nutrition, health and life to contribute to the realization of a sustainable society.
 - Key measures:
 - Promote development and commercialization with an awareness of the entire value chain
 - Refine and evolve proprietary technologies to accelerate value creation and return to a growth trajectory
 - Achieve global lowest-cost manufacture and stable customer supply of main products
 - ii) Inorganic chemicals business
 - Business policy: Create new value based on the technologies developed for titanium dioxide products to support the environment and digital society, and contribute to the realization of a sustainable society.
 - Key measures:
 - Diversify the optical characteristics of titanium dioxide to achieve new value creation
 - Contribute to the resolution of social issues including the spread of ICT and the shift to electric vehicles through functional materials
 - Reform production structures to achieve both a reduction in environmental impact and an increase in production efficiency

2) Mid-Term Management Plan (for fiscal 2024/2026) “Vision 2030 Stage II”

- Basic policy
 The Mid-Term Management Plan “Vision 2030 Stage II,” the second stage backcast from the long-term vision, “Vision 2030,” continues the basic policy of “Vision 2030 Stage I” aimed at creating sustainable corporate value. By implementing key measures such as enhancing the strength and efficiency of research and technological development capabilities aimed at originality, accelerating globalization to demonstrate the Group’s technological strength in overseas markets, promoting ROIC-focused management, and maintaining stable shareholder returns, the plan promotes the strengthening of the Group’s business foundations and the reform of the business structure.
- Management targets
 Consolidated operating income: ¥19.0 billion or greater (anticipated consolidated net sales: ¥160.0 billion or greater); ROE of 10% or greater
 Shareholder returns: maintain stable shareholder returns
 - Target a consolidated payout ratio of 40% for fiscal 2026
 - Implement flexible share buybacks.

	Fiscal 2023 results (A)	New Mid-Term Management Plan “Vision 2030 Stage II”		
		Fiscal 2024 results	Fiscal 2026 (B)	(B) / (A)
Net sales	¥138.4 billion	¥145.1 billion	¥160.7 billion	1.2
Operating income	¥11.4 billion	¥10.4 billion	¥19.8 billion	1.7
Ordinary income	¥14.8 billion	¥11.3 billion	¥19.3 billion	1.3
Net income attributable to owners of parent	¥7.9 billion	¥8.4 billion	¥13.6 billion	1.7
Operating income ratio	8.3%	7.2%	12.3%	1.5
ROE	7.9%	7.6%	11.2%	1.4

• Key measures

The key measures to be implemented across the Group and within each business are as follows. We will review the business plan each fiscal year, and strive to achieve performance targets for the final fiscal year of the plan.

Group

- Enhance the strength and efficiency of research and technological development capabilities aimed at originality
- Accelerate globalization
- Promote ROIC-focused management
- Maintain stable shareholder returns
- Contribute to the environment and society
- Promote DX
- Promote human capital management
- Continue and enhance corporate governance

Organic chemicals business

- Promote the development and commercialization of new agrochemicals, veterinary drugs, etc.
- Expand the Group’s global market share by maintaining the stable supply of agrochemicals and reducing costs
- Acquire and maintain agrochemicals registration in countries around the world
- Expand sales of the veterinary drug PANOQUELL™ in the United States and develop sales across major countries around the world
- Implement strategic and innovative sales initiatives, such as the use of multiple agrochemicals sales companies
- Expand the business scale by promoting corporate acquisitions and corporate alliances, and introducing other companies’ products
- Develop and commercialize products in the biological field

Inorganic chemicals business

- Structural reform of the inorganic chemicals business
 - Reorganization to establish the Inorganic Chemicals Sales & Marketing Headquarters
 - Full-scale shift of the product portfolio from general-purpose titanium dioxide to the functional materials domain
 - Focus and rationalization of manufacturing bases and product lineup
- Expand sales of electronic component materials and strengthen production capacity
- Business expansion by marketing new developed products and creating new business

- Enhance technical sales capabilities overseas
- Expand the business through alliances with other companies
- Achieve more favorable procurement terms for the main raw materials and fuel

(5) Sustainable management

The Group upholds its corporate purpose – “to continue contributing to better living environments through chemical technologies” – and actively promotes a range of specific measures to address environmental and other issues as sustainability management initiatives.

Under this corporate purpose, we work to address ESG and the SDGs through our businesses, based on our vision for 2050 as a global company loved by people and society, bringing them healthy, rich and fulfilling lifestyles.

1) Environmental initiatives

To further the Group’s response to the urgent issue of climate change, we are aiming to achieve a 30% reduction in CO₂ emissions by 2030 (against fiscal 2019) and carbon neutrality by 2050. As part of these efforts, we completed a companywide analysis based on the framework (governance, strategy, risk management, and metrics and targets) established by the Task Force on Climate-Related Financial Disclosures (TCFD), and disclosed the results. We also ascertained the volume of greenhouse gas (GHG) emissions across the entire Group, including its supply chains. We will reduce GHG emissions by, for example, replacing coal for boilers with low-carbon fuels, rebuilding the inorganic chemicals business, thoroughly saving energy, using renewable energy, and improving facilities. At the same time, we will also engage in creating systems to develop more environmentally friendly products and technologies. In addition, we will ascertain and analyze the ways that natural capital and biodiversity impact business, and vice versa.

2) Social initiatives

• Respect for human rights

We have undertaken human rights due diligence and identified the Group’s “Priority risks for human rights countermeasures,” based on the ISK Group Policy on Human Rights: respect for the human rights of all people related to our business activities. We will continue to work to ascertain the status of any human rights issues at our suppliers or business partners and strengthen risk management throughout the supply chain. Through workshops for all employees and human rights training for management, we aim to increase understanding and awareness of human rights.

• Human capital management initiatives

With an understanding of human resources as the source of our competitive strength, we have established the ISK Group Human Resources Management Policy and we are striving to accelerate the development of human resources, promote diversity, and enhance engagement. We have defined our vision for human resources as “people capable of understanding the essence of things, applying this understanding, and ‘changing’ in order to ‘change’ them.” We are working to enhance education and training and actively supporting employees’ career-building. In addition, we are focused on helping women’s empowerment, supporting work-life balance, and securing diverse talent, based on our belief that diverse backgrounds will drive the creation of new value. In addition to undertaking regular engagement surveys, we are working to continually improve workplace environments, aiming to create workplace environments that enable all employees to achieve a sense of job fulfillment.

Regarding health and productivity management, we are promoting various initiatives based on the ISK Health Management Declaration. These efforts were recognized with our certification as a Health & Productivity Management Outstanding Organization for 2025 (large enterprise category), marking the third consecutive year that we have received this certification. We will continue to engage in maintaining and promoting employees’ health and productivity.

3) Governance initiatives

We are working to strengthen corporate governance based on our philosophy of transparent management that contributes to social development, protection of life and environmental preservation, while respecting all our stakeholders. At meetings of the Board of Directors, we discuss and resolve on important matters, primarily concerning management plans and sustainability management, but also relating to governance, risk management, and compliance. By evaluating the effectiveness of the Board of Directors and our internal control system, as well as risk management activities and internal audit reports, etc., we are continually working to improve our management system.

We have transferred the Sustainability Promotion Committee, which was previously under the direct control of the President, under the Board of Directors, strengthening the control and management of sustainability promotion. The Sustainability Promotion Committee is chaired by the Executive Director, President and mainly composed of Executive Officers. It meets at least twice each year. Matters approved by the committee are submitted for deliberation by the Board of Directors. We have also established the new Office of Sustainability Promotion to accelerate the planning, formulation, and promotion of sustainability management measures. A system is in place to report on the progress of these activities to the Board of Directors every three months.

2. Trends in Assets and Income

(Millions of yen, unless otherwise specified)

Item	The 99th fiscal year ended March 31, 2022	The 100th fiscal year ended March 31, 2023	The 101st fiscal year ended March 31, 2024	The 102nd fiscal year ended March 31, 2025 (Current fiscal year)
Net sales	110,955	131,238	138,456	145,196
Ordinary income	13,272	10,349	14,850	11,392
Net income attributable to owners of parent	11,690	6,947	7,988	8,410
Net income per share (Yen)	292.58	175.75	209.27	219.98
Total assets	185,758	201,913	224,324	225,097
Total net assets	91,869	97,431	106,116	114,448

- Notes
1. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other guidance from the 99th fiscal year. Assets and income from the 99th fiscal year onward are presented after the application of these accounting standards.
 2. The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) and other guidance from the current fiscal year. Assets and income from the current fiscal year are presented after the application of these accounting standards.

3. Significant Parent Companies and Subsidiaries, etc. (As of March 31, 2025)

(1) Relationship with Parent
Not applicable.

(2) Significant Subsidiaries, etc.

1) Significant Subsidiaries

Name	Capital	Ownership Ratio (%)	Main Business
ISK BIOSCIENCES K.K.	¥312 million	100	Agrochemical sales
ISK AMERICAS INCORPORATED	US\$27,253 thousand	100	Management and administration of subsidiaries in the United States
ISK BIOSCIENCES EUROPE N.V.	€7,436 thousand	100	Management of the European agrochemicals business; manufacture and sale of agrochemicals
ISHIHARA TECHNO CORPORATION	¥100 million	100	Trading
FUJI TITANIUM INDUSTRY CO., LTD.	¥450 million	100	Manufacture and sale of titanium dioxide, functional materials, etc.
MF MATERIAL CO., LTD.	¥100 million	65 [55]	Manufacture and sale of functional materials
ISK ENGINEERING PARTNERS CORPORATION	¥100 million	100	Construction

Note: The figure shown in square brackets [] in the Ownership Ratio column represents the indirect ownership ratio.

2) Significant Affiliates

Name	Capital	Ownership Ratio (%)	Main Business
CERTIS BELCHIM B.V.	€3,942 thousand	15 [15]	Sale of materials related to agriculture

Note: The figure shown in square brackets [] in the Ownership Ratio column represents the indirect ownership ratio.

4. Principal Businesses (As of March 31, 2025)

Business Segment	Details of Business
Organic chemicals business	Manufacture and sale of herbicides, pesticides, fungicides, plant growth regulators, organic intermediates and pharmaceuticals; manufacture and sale of veterinary drugs
Inorganic chemicals business	Manufacture and sale of titanium dioxide, functional materials, electronics materials, plaster, etc.
Other businesses	Construction, trading, etc.

5. Major Lenders (As of March 31, 2025)

Lender	Balance of Loans (in millions of yen)
SBI Shinsei Bank, Limited	11,648
Sumitomo Mitsui Banking Corporation	8,753
Development Bank of Japan Inc.	6,429
The Norinchukin Bank	4,752
JA Mie Shinren	3,700

II. Status of the Company

1. Shares (As of March 31, 2025)

- (1) Total Number of Shares Authorized to be Issued 100,000,000 shares
- (2) Total Number of Shares Outstanding 40,383,943 shares
(including 2,125,067 shares of treasury stock)
- (3) Number of Shareholders 29,753 persons
- (4) Major Shareholders (Top10)

Name of Shareholder	Investment to the Company	
	Number of Shares of the Company Held (Thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	5,357	14.00
MITSUI & CO., LTD.	2,019	5.28
Toagosei Co., Ltd.	1,722	4.50
Takateru Murakami	1,540	4.03
Custody Bank of Japan, Ltd. (trust account)	1,427	3.73
UPL Japan GK	1,170	3.06
Ishihara Sangyo Kaisha Client Stock Ownership Association	1,156	3.02
Ishihara Sangyo Kaisha Employee Stock Ownership Association	836	2.19
DFA INTL SMALL CAP VALUE PORTFOLIO	771	2.02
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	531	1.39

- Notes: 1. The shareholding ratio is calculated after deducting treasury stock.
2. Shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank of Japan, Ltd. (trust account) are held in connection with their trust operations.
3. The Company holds 2,125 thousand shares of treasury stock in addition to the shares shown above.

(5) Shares Delivered to Company Officers during the Current Fiscal Year as Consideration for the Execution of Duties

Post	Number of shares	Number of recipients
Directors (excluding Outside Directors)	9,840 shares	6

Note: The details of the Company's stock compensation are presented in "3. Company Officers (2) Compensation, etc. for Directors and Audit & Supervisory Board Members."

(6) Other Important Matters Concerning Shares

Not applicable.

2. Stock Acquisition Rights (As of March 31, 2025)

Not applicable.

3. Company Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2025)

Name	Posts	Responsibilities	Major Other Offices Concurrently Held
Kenichi Tanaka	Director, Chairman		
Hiroshi Okubo	Executive Director, President (President & Chief Executive Officer)	Chief Compliance Officer (CCO)	Director and Chairman at ISK AMERICAS INCORPORATED
Mikiya Horie	Executive Director (Senior Managing Executive Officer)	Director of Bioscience Business Headquarters	Director and Chairman at ISK BIOSCIENCES CORPORATION Director and Chairman at ISK BIOSCIENCES EUROPE N.V.
Yasunobu Kawazoe	Director (Senior Managing Executive Officer)	Director of Finance & Accounting Headquarters	
Yoshio Nishiyama	Director (Managing Executive Officer)	Director of General Affairs & Human Resources Headquarters	
Yoshiyuki Shimmyo	Director (Managing Executive Officer)	Director of Inorganic Chemicals Business Headquarters	Director and Chairman at ISHIHARA CORPORATION (U.S.A.) Chairman at ISK TAIWAN CO., LTD.
Tatsuo Hanazawa	Director		
Satoshi Ando	Director		Attorney-at-law Outside Director (Audit & Supervisory Committee Member) of TOHO CO., LTD.

Name	Posts	Responsibilities	Major Other Offices Concurrently Held
Akemi Uchida	Director		Outside Director (Audit & Supervisory Committee Member) of IRISO ELECTRONICS CO., LTD. Outside Director (Audit and Supervisory Committee Member) of STELLA CHEMIFA CORPORATION Audit & Supervisory Board Member at ISHIHARA TECHNO CORPORATION Audit & Supervisory Board Member at FUJI TITANIUM INDUSTRY CO., LTD. Audit & Supervisory Board Member at MF MATERIAL CO., LTD. Audit & Supervisory Board Member at ISK ENGINEERING PARTNERS CORPORATION Audit & Supervisory Board Member at ISHIHARA TECHNO CORPORATION Audit & Supervisory Board Member at ISK BIOSCIENCES K.K. Audit & Supervisory Board Member at ISK BIOSCIENCES K.K. Audit & Supervisory Board Member at FUJI TITANIUM INDUSTRY CO., LTD. Audit & Supervisory Board Member at ISK ENGINEERING PARTNERS CORPORATION
Yoshihito Akiyama	Standing Audit & Supervisory Board Member		
Yoichi Kobayashi	Standing Audit & Supervisory Board Member		
Norihisa Kusumi	Standing Audit & Supervisory Board Member		
Yasuhiro Koike	Audit & Supervisory Board Member		Attorney-at-law

Notes: 1. Of the Directors, Mr. Tatsuo Hanazawa, Mr. Satoshi Ando and Ms. Akemi Uchida are Outside Directors.
2. Of the Audit & Supervisory Board Members, Mr. Norihisa Kusumi and Mr. Yasuhiro Koike are Outside Audit & Supervisory Board Members.
3. No special-interest relationships exist between the Company and TOHO CO., LTD., at which Outside Director Mr. Satoshi Ando concurrently serves.
ISK BIOSCIENCES K.K., FUJI TITANIUM INDUSTRY CO., LTD. and ISK ENGINEERING PARTNERS CORPORATION, at which Outside Audit & Supervisory Board Member Mr. Norihisa Kusumi concurrently serves, are subsidiaries of the Company.

4. Audit & Supervisory Board Member, Mr. Yoshihito Akiyama has extensive experience in accounting and administrative duties for many years, and Audit & Supervisory Board Member, Mr. Norihisa Kusumi has extensive experience in the operations of financial institutions for many years. Both individuals possess considerable knowledge of finance and accounting.
5. Changes in Directors and Audit & Supervisory Board Members during the current fiscal year were as follows:
 - 1) At the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 26, 2024. Directors Mr. Hideo Takahashi, Mr. Kiyomitsu Yoshida, and Mr. Masaki Shimojo left office due to the expiration of their terms of office.
 - 2) Mr. Mikiya Horie, Mr. Yoshio Nishiyama, and Mr. Yoshiyuki Shimmyo were newly elected and appointed to the post of Director at the 101st Ordinary General Meeting of Shareholders held on June 26, 2024.
 - 3) Mr. Masaki Nakajima was elected as a substitute Audit & Supervisory Board Member at the 101st Ordinary General Meeting of Shareholders held on June 26, 2024.
6. Outside Directors Mr. Tatsuo Hanazawa, Mr. Satoshi Ando and Ms. Akemi Uchida, and Outside Audit & Supervisory Board Members, Mr. Norihisa Kusumi and Mr. Yasuhiro Koike have been registered with the TSE as Independent Officers as stipulated by its regulations.

(2) Compensation, etc. for Directors and Audit & Supervisory Board Members

- 1) Decision policy regarding the amount and calculation method of compensation, etc. for individual Directors and other officers

The standards for basic compensation and performance-linked compensation are based on rank in accordance with the Officers Compensation Regulations decided by the Board of Directors. Basic compensation is paid based on the Officers Compensation Regulations, in amounts corresponding to the roles and responsibilities of Directors and Executive Officers.

Compensation for Audit & Supervisory Board Members is determined through discussion among Audit & Supervisory Board Members.

The maximum amount of compensation for Directors was determined as 460 million yen per annum by the 82nd Ordinary General Meeting of Shareholders held on June 29, 2005. There were 12 incumbent Directors at the conclusion of that Ordinary General Meeting of Shareholders. The maximum amount of compensation for Audit & Supervisory Board Members was determined as 90 million yen per annum at the 71st Ordinary General Meeting of Shareholders held on June 29, 1994. There were four incumbent Audit & Supervisory Board Members at the conclusion of that Ordinary General Meeting of Shareholders.

Only basic compensation is paid to Outside Directors and Audit & Supervisory Board Members.

- 2) Details of performance indicators, the decision policy for calculating the amount or number for performance-linked compensation, etc.

Under the Officers Compensation Regulations decided by the Board of Directors, performance-linked compensation comprises annual performance-linked compensation aimed at ensuring objectivity and linkage with the Company's financial results, and long-term performance-linked compensation. The amount of annual performance-linked compensation is calculated and determined upon comprehensive consideration of factors including the results of corporate activities, such as net income attributable to owners of parent, and individual performance evaluation. Long-term performance-linked compensation is calculated based on the degree to which the net income targets under the Mid-Term Management Plan have been achieved.

(Targets and results for indicators associated with performance-linked compensation)
Consolidated operating indicator targets under the Mid-Term Management Plan
[Fiscal 2024]

Net income attributable to owners of parent: 6.0 billion yen (result: 8.4 billion yen)

[Fiscal 2025]

Net income attributable to owners of parent: 10.3 billion yen

[Fiscal 2026]

Net income attributable to owners of parent: 13.6 billion yen

3) Delegation of authority concerning the determination of compensation, etc. for individual Directors

Compensation, etc. for individual Directors of the Company is proposed by Executive Director, President, Mr. Hiroshi Okubo, who is delegated authority by resolution of the Board of Directors. It is then referred to the Compensation Committee for deliberation, and determined the Executive Director, President after discussion among Executive Directors, based on the report by the Compensation Committee.

The reason for delegating this authority is that the Executive Director, President, who chairs the Board of Directors, is most aptly suited to evaluating each Director based on his or her rank, and in accordance with his or her responsibilities and roles, etc., while maintaining a comprehensive view of the Company as a whole.

The details of compensation for individual Directors are determined after deliberation by the Compensation Committee. The Compensation Committee provides advice and recommendations, based on the information from officers' compensation surveys carried out by third party firms, and each member's insight, before the decision is made, in order to ensure that the Executive Director, President exercises his authority appropriately. The Board of Directors therefore deems the details of compensation for individual Directors to be in accordance with the decision policy set forth above.

4) Details of non-monetary compensation, etc., and the decision policy for calculating the amount or number for non-monetary compensation, etc. or the calculation method thereof

At the 99th Ordinary General Meeting of Shareholders held on June 28, 2022, the Company resolved to pay compensation for the grant of restricted stock to Directors (excluding Outside Directors) of the Company. The maximum total amount of monetary claims provided for the grant of restricted stock to Directors (excluding Outside Directors) is 90 million yen per annum (not including compensation received in the capacity of an employee, for Directors who serve concurrently as employees), and the maximum total number of shares of common stock to be issued or disposed by the Company is 95,000 shares. Six (6) Directors (excluding Outside Directors) were in office at the conclusion of that Ordinary General Meeting of Shareholders.

5) Decision policy for the proportions of compensation, etc. for individual Directors by type

The proportions of basic compensation and performance-linked compensation, etc. are proposed, taking into account each year's financial results, etc., by the Executive Director, President, who is delegated authority by resolution of the Board of Directors. It is then referred to the Compensation Committee for deliberation, and determined by the Board of Directors, after discussion among Executive Directors, based on the report by the Compensation Committee.

6) Decision policy on the timing and conditions for paying compensation, etc. to Directors

It is prescribed in the Officers Compensation Regulations decided by the Board of Directors that basic compensation shall be calculated per calendar month, that the amount for each month shall be paid on the same day as salaries for employees and that performance-linked compensation, etc. shall be paid on the same day as summer bonuses for employees, and that the timing and allocation of payments of restricted stock compensation shall be determined by the Board of Directors.

7) Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members

Post	Total Amount of Compensation, etc. (million yen)	Total Amount of Compensation, etc. by type (million yen)			Number of Eligible Recipients
		Basic Compensation	Performance-linked Compensation	Restricted Stock Compensation	
Directors [of whom Outside Directors]	282 [33]	218 [33]	50 [-]	13 [-]	12 [3]
Audit & Supervisory Board Members [of whom Outside Audit & Supervisory Board Members]	66 [30]	66 [30]	- [-]	- [-]	4 [2]
Total	348	284	50	13	16

- Notes:
1. The amounts of compensation, etc. and the number of recipients shown in the table above include compensation, etc. for three Directors who retired at the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 26, 2024.
 2. The amount shown for restricted stock compensation is the amount expensed in the current fiscal year.

(3) Summary of Agreement on Limitation of Liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director or Outside Audit & Supervisory Board Member that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The limitation of liability, provided the Outside Director or Outside Audit & Supervisory Board Member acted in good faith and without gross negligence, shall be the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations. Accordingly, the Company has entered into liability limitation agreements with all Outside Directors and Outside Audit & Supervisory Board Members.

(4) Summary of the Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act.

1) Insured parties

All Directors (including Outside Directors) and Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members).

2) Summary of the insurance contract

The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission) committed by the insured in his/her capacity as such. However, individual officers, etc. are not covered by the insurance for damages arising from criminal acts such as offering or receiving bribes, or intentional unlawful acts, to ensure the proper execution of duties by officers, etc. The Company is fully responsible for paying the insurance premium.

(5) Outside Directors and Outside Audit & Supervisory Board Members

1) Main activities of Outside Directors and Outside Audit & Supervisory Board Members

Post	Name	Main Activities
Director	Tatsuo Hanazawa	Mr. Tatsuo Hanazawa attended all 17 meetings of the Board of Directors held during the current fiscal year. He expressed opinions as necessary, with an external perspective from an objective and neutral standpoint, utilizing his experience in public administration, especially of agricultural policies both inside and outside Japan, and his experience in the environmental field.
Director	Satoshi Ando	Mr. Satoshi Ando attended all 17 meetings of the Board of Directors held during the current fiscal year. He expressed opinions as necessary with an external perspective from an objective and neutral standpoint, mainly utilizing professional knowledge, cultivated as an attorney-at-law and abundant experience related to legal affairs, risk management, finance and accounting.
Director	Akemi Uchida	Ms. Akemi Uchida attended all 17 meetings of the Board of Directors held during the current fiscal year. She expressed opinions as necessary with an external perspective from an objective and neutral standpoint, utilizing her extensive knowledge related to corporate planning, human resources, risk management, and financial and management accounting, as well as her experience as manager of a company engaged in the global development, manufacture and sale of automotive press components, refrigeration equipment, etc.
Standing Audit & Supervisory Board Member	Norihisa Kusumi	Mr. Norihisa Kusumi attended all 17 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal year. He expressed opinions as necessary, with an external perspective from an objective and neutral standpoint, utilizing his wide-ranging knowledge and insights cultivated at financial institutions and his experience as a manager.
Audit & Supervisory Board Member	Yasuhiro Koike	Mr. Yasuhiro Koike attended all 17 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal year. He expressed opinions as necessary, with an external perspective from an objective and neutral standpoint, mainly utilizing his professional knowledge and extensive experience of corporate legal affairs as an attorney-at-law.

- 2) Details of situations where decisions on the Company's business policy or other matters were changed due to the opinions of Outside Directors or Outside Audit & Supervisory Board Members
Not applicable.
- 3) Any incident or scandal in business execution at the Company during the fiscal year that violated laws, regulations, or the Articles of Incorporation, or were otherwise improper
Not applicable.
- 4) Duties performed in relation to expected roles of Outside Directors during the fiscal year
Outside Directors Mr. Tatsuo Hanazawa, Mr. Satoshi Ando and Ms. Akemi Uchida attended all meetings of the Board of Directors held during the fiscal year. In addition, Mr. Tatsuo Hanazawa and Ms. Akemi Uchida attended all 16 meetings and Mr. Satoshi Ando attended 15 meetings of the Executive Management Committee, a body established under the Board of Directors to enable swifter decision making by the Board of Directors and more efficiently supervise and evaluate the execution status of important items of business, held during the fiscal year. At these meetings, they expressed their opinions without reserve on overall important matters concerning management of the Company and important items of business execution, based on their extensive experience and insight.
- 5) Any opinions of Outside Directors or Outside Audit & Supervisory Board Members regarding matters related to Outside Directors or Outside Audit & Supervisory Board Members
Not applicable.

4. Policy Regarding Decisions on Dividends of Surplus, etc.

One of the most important management policies of the Company is to return profits to our shareholders while raising the Company's corporate value.

The Company's basic principle for dividends is to continue to implement stable dividend distribution according to our business performance, taking into comprehensive consideration the business trends, financial condition, and need to enhance our internal reserve for business expansion into the future. Moreover, the Company flexibly implements repurchases of treasury stock.

Under the Mid-Term Management Plan "Vision 2030 Stage II," we aim to achieve a consolidated payout ratio of 40% by the final year of the plan (fiscal 2026).

We will pay dividends based on a minimum dividend-on-equity (DOE) ratio of 3% for the duration of the Mid-Term Management Plan "Vision 2030 Stage II" (fiscal 2024 to fiscal 2026).

Based on this dividend policy, the Company requests the General Meeting of Shareholders to resolve on a year-end dividend of 85 yen per share for the current fiscal year.

Reference:

Amounts and numbers of shares presented in this business report have been rounded down to the nearest unit, and percentages have been rounded off to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Description	Amount	Description	Amount
ASSETS	[225,097]	LIABILITIES	[110,648]
Current assets	154,830	Current liabilities	46,667
Cash and deposits	24,948	Notes and accounts payable - trade	14,809
Notes receivable - trade	3,149	Electronically recorded obligations - operating	1,335
Accounts receivable - trade	36,733	Short-term bank loans	7,680
Electronically recorded monetary claims - operating	2,637	Current portion of long-term bank loans	8,197
Contract assets	534	Current portion of bonds	812
Merchandise and finished goods	49,248	Lease obligations	472
Work in process	6,116	Accrued income taxes	883
Raw materials and supplies	27,500	Contract liabilities	39
Other	4,274	Accrued expenses	5,180
Allowance for doubtful receivables	(315)	Provision for bonuses	929
		Other	6,327
Non-current assets	70,267		
Property, plant and equipment	46,579		
Buildings and structures	13,030		
Machinery, equipment and vehicles	12,438	Long-term liabilities	63,981
Land	6,851	Bonds	1,779
Leased assets	1,360	Long-term bank loans	49,013
Construction in progress	11,959	Lease obligations	988
Other	938	Provision for maintenance	68
Intangible assets	1,881	Retirement benefit liability	10,067
Software	1,856	Asset retirement obligations	68
Software in progress	12	Other	1,996
Leased assets	1		
Other	11		
Investments and other assets	21,806		
Investments in securities	11,488	NET ASSETS	[114,448]
Deferred tax assets	6,557	Shareholders' equity	107,699
Retirement benefit asset	36	Common stock	43,420
Other	3,782	Capital surplus	10,645
Allowance for doubtful receivables	(58)	Retained earnings	56,226
		Treasury stock	(2,591)
		Accumulated other comprehensive income (loss)	6,572
		Valuation difference on available-for-sale securities	727
		Translation adjustments	4,497
		Remeasurements of defined benefit plans	1,348
		Non-controlling interests	175
Total assets	225,097	Total liabilities and net assets	225,097

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Income

(April 1, 2024 - March 31, 2025)

(Millions of yen)

Description	Amount	
Net sales		145,196
Cost of sales		105,665
Gross profit		39,531
Selling, general and administrative expenses		29,048
Operating income		10,482
Non-operating income		
Interest income	261	
Dividend income	458	
Equity in earnings of affiliates	1,502	
Foreign exchange gains	28	
Other	455	2,706
Non-operating expenses		
Interest expense	759	
Financial fee	606	
Other	430	1,796
Ordinary income		11,392
Extraordinary income		
Gain on sale of investment securities	47	47
Extraordinary losses		
Loss on disposal of non-current assets	531	
Impairment loss	102	633
Income before income taxes		10,806
Income taxes - current	1,707	
Income taxes - deferred	636	2,344
Net income		8,462
Profit attributable to non-controlling interests		51
Net income attributable to owners of parent		8,410

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Description	Amount	Description	Amount
ASSETS	[191,987]	LIABILITIES	[103,437]
Current assets	129,863	Current liabilities	43,146
Cash and deposits	16,728	Accounts payable - trade	12,146
Notes receivable - trade	2,387	Electronically recorded obligations - operating	399
Accounts receivable - trade	49,221	Short-term bank loans	7,680
Electronically recorded monetary claims - operating	666	Current portion of long-term bank loans	7,210
Merchandise and finished goods	36,100	Current portion of bonds	812
Work in process	4,995	Lease obligations	307
Raw materials and supplies	15,402	Accrued income taxes	561
Advance payments to suppliers	738	Contract liabilities	22
Prepaid expenses	252	Accounts payable - other	4,743
Short-term loans receivable	2,235	Accrued expenses	4,924
Other	1,692	Deposits received	2,231
Allowance for doubtful receivables	(556)	Provision for bonuses	623
Non-current assets	62,124	Other	1,484
Property, plant and equipment	34,787	Long-term liabilities	60,291
Buildings	5,155	Bonds	1,779
Structures	4,478	Long-term bank loans	46,499
Machinery and equipment	10,591	Lease obligations	626
Vehicles	51	Long-term deposits received	69
Tools, furniture and fixtures	797	Provision for retirement benefits	10,302
Land	5,657	Provision for maintenance	68
Leased assets	846	Asset retirement obligations	68
Construction in progress	7,208	Other	877
Intangible assets	1,834		
Software	1,824		
Leased assets	0		
Other	9		
Investments and other assets	25,502	NET ASSETS	[88,550]
Investments in securities	2,205	Shareholders' equity	87,957
Shares of subsidiaries and affiliates	10,010	Common stock	43,420
Long-term loans receivable	544	Capital surplus	9,874
Long-term loans receivable from subsidiaries and affiliates	5,402	Legal capital surplus	9,155
Long-term prepaid expenses	2,502	Other capital surplus	719
Deferred tax assets	4,743	Retained earnings	36,757
Other	200	Legal retained earnings	1,041
Allowance for doubtful receivables	(107)	Other retained earnings	35,716
		Retained earnings brought forward	35,716
		Treasury stock	(2,095)
		Valuation and translation adjustments	592
		Valuation difference on available-for-sale securities	592
Total assets	191,987	Total liabilities and net assets	191,987

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Statement of Income
(April 1, 2024 - March 31, 2025)

(Millions of yen)

Description	Amount	
Net sales		117,924
Cost of sales		89,222
Gross profit		28,701
Selling, general and administrative expenses		21,898
Operating income		6,803
Non-operating income		
Interest income	117	
Dividend income	2,443	
Foreign exchange gains	54	
Other	457	3,073
Non-operating expenses		
Interest expenses	653	
Financial fee	590	
Other	382	1,626
Ordinary income		8,250
Extraordinary income		
Gain on sale of investment securities	47	47
Extraordinary losses		
Loss on disposal of non-current assets	452	
Impairment loss	102	554
Income before income taxes		7,742
Income taxes - current	870	
Income taxes - deferred	329	1,200
Net income		6,542

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Independent Auditor's Report
(English Translation)

May 15, 2025

To the Board of Directors
ISHIHARA SANGYO KAISHA, LTD.

Ernst & Young ShinNihon LLC
Osaka, Japan

Shunsuke Sakai
Designated Engagement Partner
Certified Public Accountant
Daiji Tokuno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to consolidated financial statements of ISHIHARA SANGYO KAISHA, LTD. and its consolidated subsidiaries (the "Group") applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the consolidated financial statements, and we express no opinion on it.

Our responsibility with respect to the audit of the consolidated financial statements is to read through other information and, in this process, to consider whether any material differences exist between other information and the consolidated financial statements or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management, the Audit & Supervisory Board and Its Members for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the establishment and operation of such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible to evaluate whether it is appropriate to prepare the consolidated financial statements as a going concern. As required by accounting principles generally accepted in Japan, if it is necessary for the Group to disclose matters relating to a going concern, the management has the responsibility to disclose such information.

The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance, based on the audit we conducted, about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion regarding the consolidated financial statements from an independent viewpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We perform the following procedure in accordance with auditing standards generally accepted in Japan, while exercising professional judgment and maintaining professional skepticism throughout the audit process:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at our discretion. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies and accounting methods adopted by the management, the reasonableness of accounting estimates made by the management, and the appropriateness of the related notes to the consolidated financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty regarding the going concern assumption exists, we are required to draw attention in our auditor's report that the related notes to the consolidated financial statements should be considered. Or, if any note to the consolidated financial statements regarding significant uncertainty is inadequate, we are required to express a modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes comply with the corporate accounting principles generally accepted in Japan, and whether the overall presentation, structure and contents of the consolidated financial statements, including the related notes, accurately represent the underlying transactions and events.
- Plan and execute an audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries

on which to base our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board and its members regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control, that we identify during our audit, and other matters required by audit standards.

We also report to the Audit & Supervisory Board and its members that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, matters that are reasonably considered to affect the independence of us, and where applicable, related measures implemented to remove factors that could hinder our independence and safeguards applied to reduce them to an acceptable level.

Interest

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

(English Translation)

May 15, 2025

To the Board of Directors
ISHIHARA SANGYO KAISHA, LTD.

Ernst & Young ShinNihon LLC
Osaka, Japan

Shunsuke Sakai
Designated Engagement Partner
Certified Public Accountant
Daiji Tokuno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to financial statements, and the supplementary schedules thereto ("financial statements, etc.") of ISHIHARA SANGYO KAISHA, LTD. (the "Company") applicable to the 102nd fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying financial statements, etc. present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements, etc.* section of our report. We are independent of the Company in accordance with the ethical requirements in Japan that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the financial statements, etc., and we express no opinion on it.

Our responsibility with respect to the audit of the financial statements, etc. is to read through other information and, in this process, to consider whether any material differences exist between other information and the financial statements, etc. or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management, the Audit & Supervisory Board and Its Members for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with accounting principles generally accepted in Japan, including the establishment and operation of such internal control as management determines is necessary to enable the preparation of financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible to evaluate whether it is appropriate to prepare the financial statements, etc. as a going concern. As required by accounting principles generally accepted in Japan, if it is necessary for the Company to disclose matters relating to a going concern, the management has the responsibility to disclose such information.

The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance, based on the audit we conducted, about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion regarding the financial statements, etc. from an independent viewpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements, etc.

We perform the following procedure in accordance with auditing standards generally accepted in Japan, while exercising professional judgment and maintaining professional skepticism throughout the audit process. We also:

- Identify and assess the risks of material misstatement of the financial statements, etc., whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at our discretion. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements, etc. is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies and accounting methods adopted by the management, the reasonableness of accounting estimates made by the management, and the appropriateness of the related notes to the financial statements, etc.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty regarding the going concern assumption exists, we are required to draw attention in our auditor's report that the related notes to the financial statements, etc. should be considered. Or, if any note to the financial statements, etc. regarding significant uncertainty is inadequate, we are required to express a modified opinion on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements, etc. and notes comply with the corporate accounting principles generally accepted in Japan, and whether the overall presentation, structure and contents of the financial statements etc., including the related notes, accurately represent the underlying transactions and events.

We communicate with the Audit & Supervisory Board and its members regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control, that we identify during our audit, and other matters required by audit standards.

We also report to the Audit & Supervisory Board and its members with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial

statements, matters that are reasonably considered to affect the independence of us, and where applicable, related measures implemented to remove factors that could hinder our independence and safeguards applied to reduce them to an acceptable level.

Interest

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report (English Translation)

The Audit & Supervisory Board prepared this audit report regarding the performance of duties by Directors for the 102nd fiscal year from April 1, 2024 to March 31, 2025, upon deliberation based on audit reports from individual Audit & Supervisory Board Members and reports as follows.

1. Methods and Details of Audit by Audit & Supervisory Board and its members

- (1) The Audit & Supervisory Board established the audit policy, allocation of duties, etc., and received reports from each Audit & Supervisory Board Member regarding the state of implementation of his or her audits and results thereof, as well as received reports from Directors, etc., and the accounting auditor regarding performance of their duties, and sought explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards established by the Audit & Supervisory Board, in accordance with the audit policy, allocation of duties, etc., communicated with the Directors, the internal audit department, other employees, etc., and made efforts to collect information and improve the audit environment, and conducted audits by the following methods:
 - 1) We attended the meetings of the Board of Directors, the Executive Management Committee, and other important meetings, received reports from Directors, Executive Officers, employees, etc., regarding the state of performance of their duties, sought explanations as necessary, inspected important approval documents, etc., and investigated the state of activities and property at the head office and other main business offices of the Company. With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, employees, etc., of the subsidiaries, and ascertained the status of business, management and administration.
 - 2) With respect to the systems stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act to ensure the proper business operation of a corporate group composed of a parent and its subsidiaries, including systems to ensure compliance of the duties performed by directors and reported in business reports with relevant laws, regulations and the Articles of Incorporation of the Company ("internal control system"), the Audit & Supervisory Board Members regularly received reports from Directors, Executive Officers, employees, etc., asked for explanations and expressed opinions as needed, regarding the resolutions adopted by the Board of Directors on the establishment of such system, the system established in accordance with the resolutions, and the status of improvement and operation of the system.
 - 3) We monitored and verified whether the accounting auditor maintained independence and implemented appropriate audits, and we received reports from the accounting auditor regarding the state of performance of their duties and sought explanations as necessary. In addition, we received notice from the accounting auditor that systems for ensuring that the correct performance of duties (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) are organized in accordance with the Standards for Quality Control of Audit (Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and supplementary schedules thereto, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and related notes) and supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and related notes) for the fiscal year under review.

2. Results of Audit

(1) Results of audit of the business report and other relevant documents

- 1) We recognize the business report and supplementary schedules thereto represent the situation of the Company correctly in accordance with laws, regulations, and the Articles of Incorporation.
- 2) We do not recognize any misconduct related to Directors' execution of their duties or material facts that constitute violations of laws, regulations or the Articles of Incorporation.
- 3) We recognize the contents of the resolutions by the Board of Directors regarding the internal control system are appropriate. We do not recognize any matters to be noted on the contents of the business report regarding the said internal control system or Directors' execution of duties.

(2) Results of the audit of the non-consolidated financial statements and supplementary schedules thereto

We recognize the methods and results of audits by Ernst & Young ShinNihon LLC, the accounting auditor, are appropriate.

(3) Results of the audit of consolidated financial statements

We recognize the methods and results of audits by Ernst & Young ShinNihon LLC, the accounting auditor, are appropriate.

May 16, 2025

Audit & Supervisory Board,
ISHIHARA SANGYO KAISHA, LTD.

Standing Audit & Supervisory Board Member
Standing Audit & Supervisory Board Member
Standing Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)
Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Yoshihito Akiyama
Yoichi Kobayashi
Norihisa Kusumi
Yasuhiro Koike