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Securities Code: 6328

March 6, 2024

Start date of electronic provision measures: February 27, 2024

To our shareholders:

Toshinori Yoshida
Representative Director, President,
Executive Officer & COO
EBARA JITSUGYO CO., LTD.
7-14-1 Ginza, Chuo-ku, Tokyo

Notice of the 85th Annual General Meeting of Shareholders

We are pleased to announce the 85th Annual General Meeting of Shareholders of EBARA JITSUGYO CO., LTD. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes electronic provision measures for information contained in the reference documents, etc. for the general meeting of shareholders (matters subject to electronic provision measures), and posts this information on websites. Please access one of the following websites to review the information.

The Company’s website: <https://www.ejk.co.jp/ir/news.html> (in Japanese)

(Please access the above website and review the Notice of Convocation Annual General Meeting 2024 dated February 27, 2024.)

Website containing materials for the general meeting of shareholders:

<https://d.sokai.jp/6328/teiji/> (in Japanese)

Tokyo Stock Exchange website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter “EBARA JITSUGYO” in “Issue name (company name)” or the Company’s securities code “6328” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you will not attend the meeting in person, you may exercise your voting rights via the Internet, etc. or in writing (by mail). In that case, please review the Reference Documents for General Meeting of Shareholders, and vote according to the “Information on Exercising Voting Rights” (in Japanese only) by 5:30 p.m. on Monday, March 25, 2024 (JST).

1. Date and Time: Tuesday, March 26, 2024, at 10:00 a.m. (JST)

(Reception will open at 9:30 a.m.)

2. Venue: 6-14-10 Ginza, Chuo-ku, Tokyo

“Sakura,” 2F, Courtyard by Marriott Ginza Tobu Hotel

3. Purpose of the Meeting

Matters to be reported:

- (1) The Business Report and the Consolidated Financial Statements for the 85th fiscal year (from January 1, 2023 to December 31, 2023), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
- (2) Report on the Non-consolidated Financial Statements for the 85th fiscal year (from January 1, 2023 to December 31, 2023)

Matters to be resolved:

<Company Proposals>

- Proposal No. 1** Appropriation of Surplus
Proposal No. 2 Election of Four Directors (Excluding Audit and Supervisory Committee Members)
Proposal No. 3 Election of Five Directors Who Are Audit and Supervisory Committee Members
Proposal No. 4 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

<Shareholder Proposals>

- Proposal No. 5** Revision of Remuneration Amount under Restricted Share-based Remuneration System
Proposal No. 6 Acquisition of Treasury Shares
Proposal No. 7 Amendment to the Articles of Incorporation Concerning the Number of Outside Directors

The outlines regarding the shareholder proposals (Proposal No. 5 to Proposal No. 7) are as stated in the attached “Reference Documents for General Meeting of Shareholders.”

- When attending the meeting in person, please hand in the voting form at the reception desk at the meeting venue.
- If revisions to the matters subject to electronic provision measures arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website, the website containing materials for the general meeting of shareholders and the Tokyo Stock Exchange website.
- Matters subject to electronic provision measures in principle are to be checked by accessing one of the aforementioned websites and paper-based documents will be only delivered to those shareholders who have made a request before the record date for delivery of paper-based documents. However, for this General Meeting of Shareholders, regardless of any request made for delivery of paper-based documents, documents stating matters subject to electronic provision measures will be delivered without exception to shareholders regardless of whether they have made a request for delivery of such documents or not. Among the matters subject to electronic provision measures, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders.

(1) “System to Ensure the Properness of Operations and Operational Status of the System” of the Business Report

(2) Notes to the Consolidated Financial Statements

(3) Notes to the Non-consolidated Financial Statements

Therefore, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements provided in such documents constitute part of the documents included in the scope of audits over the course of the preparation of the accounting audit report and audit report by the Financial Auditor and the Audit and Supervisory Committee, respectively.

Highlights of initiatives for corporate governance

1. Capital policy and shareholder returns

[Basic Policy]

- ◆ Continuously implement stable dividends with a target consolidated payout ratio of 35%.
- ◆ As one means of returning profits to shareholders, the Company will flexibly purchase its own shares, taking into consideration such factors as demand for funds and stock price levels.

[Action in 2023]

- ◆ The Company decided on paying an annual dividend of ¥85 per share, and based on a resolution made at the Board of Directors Meeting held on November 2, 2022, the Company acquired 253,200 treasury shares at a value of ¥673 million during the fiscal year ended December 31, 2023. Based on this, the total payout ratio for the fiscal year ended December 31, 2023, will be 53.8%.

2. Reduction of cross-shareholdings

- ◆ As of December 31, 2022, the Company's cross-shareholdings were four issues other than unlisted shares, valued at a market capitalization of ¥1,537 million (equivalent to 8.3% of consolidated net assets as of December 31, 2022). However, as of December 31, 2023, the Company had sold part of two issues on the market. As a result, cross-shareholdings other than unlisted shares as of December 31, 2023 were four issues, valued with a market capitalization of ¥2,204 million (equivalent to 10.4% of consolidated net assets as of December 31, 2023) due to a rise in the market value of the shares.

3. Activities by the Nomination Committee and the Remuneration Committee

- ◆ To strengthen the independence and objectivity of the functions of the Board of Directors as well as its accountability, the Company has established a Nomination Committee and a Remuneration Committee chaired by an Independent Outside Director and with Independent Outside Directors making up the majority of members as voluntary advisory bodies.
- ◆ The Nomination Committee met seven times in the fiscal year ended December 31, 2023, and considered matters including the establishment and operation of succession plans, a review of the skill matrix, a review of the Independence Standard for Outside Directors, and the composition of the Board of Directors, etc.
- ◆ The Remuneration Committee met twice in the fiscal year ended December 31, 2023, and considered matters including the remuneration amount for Directors and other individuals (basic remuneration, performance-linked remuneration, non-monetary remuneration) and the director remuneration system, etc.

Highlights of initiatives for enhancing sustainability

1. Identifying materiality

- ◆ The Company has identified the following four subjects as materiality in order to actualize its policy in relation to sustainability and share an awareness of the relevant issues involved in business with stakeholders.

Realizing a sustainable global environment through innovation		Building infrastructure for water and air for the future	
Decarbonization	Coexistence with nature	Water infrastructure	Resilience
Water/resource circulation	Reduction of environmental load of our business	Clean air	
Providing trusted solutions		Creating organizations that turn change into growth	
Quality	Safety	Human resource development	Working environment
Supply chain		Corporate culture	Governance

2. Main initiatives for maximizing human capital

- ◆ As part of its efforts to “Creating organizations that turn change into growth,” the Company is actively working on efforts to maximize human capital. Through a range of initiatives, including promoting diversity by appointing women to management positions and engaging in fair hiring, improving work-styles through measures that encourage people to take paid leave, enhancing the abilities of each individual through the introduction of stage-appropriate education and training and 360-degree evaluations, and making a commitment to the employees’ health through regular health checkups and the like, the Company is creating an environment in which all employees can give full play to their abilities. To monitor the effects of these measures, the Company has introduced and continually conducts engagement surveys.

Reference Documents for General Meeting of Shareholders

<Company Proposal>

Proposal No. 1 Appropriation of Surplus

The Company pursues a balance between financial soundness, capital efficiency, and profit returns, while aiming to expand profits by making capital investments for new business development, growth investment such as business alliances and M&As, and improving profitability, aiming to improve shareholder value. The Company also recognizes that returning profits to shareholders is a significant management issue.

Regarding year-end dividends for the current fiscal year and other appropriation of surplus, the Company proposes the following, having given consideration to business performance for the current fiscal year and future business development.

1. Year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property and their aggregate amount

¥42.50 per common share of the Company

Total dividends: ¥508,510,630

As the Company has already paid an interim dividend of ¥42.50 per share, the annual dividend for the fiscal year will be ¥85 per share.

(3) Effective date of dividends of surplus

March 27, 2024

2. Other appropriation of surplus

(1) Item of surplus to be increased and amount of increase

General reserve: ¥1,000,000,000

(2) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥1,000,000,000

<Company Proposal>

Proposal No. 2 Election of Four Directors (Excluding Audit and Supervisory Committee Members)

The terms of office of all four Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this meeting.

In that regard, the Company proposes the election of four Directors.

In addition, the Company's Audit and Supervisory Committee has judged each candidate to be an appropriate nomination for the position of Director of the Company for this proposal.

The candidates for Director are as follows:

Candidate No.	Name	Position in the Company	
1	Hisashi Suzuki	Representative Director, Chairman & CEO	Reelection
2	Takashi Ishii	Director, Senior Managing Executive Officer, Supervising Sales	Reelection
3	Shuji Ohno	Director, Managing Executive Officer, Head of Planning & Strategy Office	Reelection
4	Masufumi Shimojo	Executive Officer, General Manager of Administration Division, General Manager of Legal Affairs Department	New

New Candidate for new Director to be elected

Reelection Candidate for Director to be reelected

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Hisashi Suzuki (November 30, 1939) <u>Reelection</u>	Sept. 1961 Joined the Company Nov. 1983 Director Dec. 1986 Managing Director Mar. 1990 Senior Managing Director Oct. 1991 Supervising Ozone Business Department Dec. 1993 Representative Director Dec. 1993 Supervising Administration Feb. 2000 Representative Director & Vice President Apr. 2001 Supervising Environmental Development Division Oct. 2002 Supervising New Business Promotion Office Jan. 2007 Representative Director & President Jan. 2007 Supervising Sales Mar. 2016 Representative Director & Chairman Jan. 2017 Representative Director, Chairman & President Apr. 2020 Representative Director, Chairman & CEO (current position)	291,767 shares
(Reasons for nomination as candidate for Director) Mr. Hisashi Suzuki has endeavored to enhance medium- to long-term corporate value and create a governance system as Representative Director & President since 2007, and since he was appointed to the position of Representative Director, Chairman & CEO in 2020, he has led the way in further driving the Group's growth strategy forward and strengthening corporate governance. Based on his abundant experience concerning the Company's business and advanced insight concerning corporate management and sales strategy, he has responded to changes in the management environment and endeavored to enhance sustained enhancement of corporate value. Therefore, the Company proposes his reelection as Director.			
2	Takashi Ishii (February 10, 1962) <u>Reelection</u>	Mar. 1996 Joined the Company Jan. 2005 General Manager of Environmental Equipment Sales Department II July 2009 General Manager of Wind & Water Power Division Jan. 2012 Executive Officer Jan. 2013 Senior Executive Officer Jan. 2013 General Manager of Environmental Equipment Division Jan. 2017 Managing Executive Officer Mar. 2019 Director (current position) Mar. 2019 Supervising Sales as deputy Apr. 2020 Supervising Sales (current position) Mar. 2022 Senior Managing Executive Officer (current position) Sept. 2022 General Manager of Energy-Saving Equipment Business Division	24,856 shares
(Reasons for nomination as candidate for Director) Mr. Takashi Ishii has long been engaged in wind and water powered cooling device-related business, and driven the growth of the business as the supervisor of the business. He was appointed to the position of Supervising Sales in 2020, and since he was appointed, he has led company-wide efforts for sales activities and promotion. He also has actively promoted the creation of a risk management system for quality, etc. on the Project Review Committee for responding to business risks, exhibiting strong leadership and fulfilling his role contributing to the sustained enhancement of corporate value. Based on the skills and knowhow including corporate management, sales and management strategy obtained through his experience to date, he has promoted the management vision and Medium- to Long-term Management Plan, and is expected to contribute to further enhancement of sustained corporate value of the Group in future. Therefore, the Company proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Shuji Ohno (June 9, 1967) <u>Reelection</u>	Oct. 1996 Joined the Company Apr. 2002 General Manager of Accounting Department Jan. 2007 Executive Officer Jan. 2013 Senior Executive Officer Jan. 2013 General Manager of Administration Division July 2015 Head of President's Office July 2016 Head of Planning & Strategy Office (current position) Mar. 2020 Director (current position) Mar. 2020 Managing Executive Officer (current position)	31,067 shares
		(Reasons for nomination as candidate for Director) Mr. Shuji Ohno has been involved in operations such as accounting and finance, corporate planning and public relations since joining the Company, and has abundant experience and knowledge in these areas. He accurately understands management issues, and also engaged in the formulation of the Medium- to Long-term Management Plan designed around initiatives including accelerating the creation of new businesses and development of new products, and has performed a central function in the drafting of the entire Group's management strategy. Based on the skills and knowhow including sales and management strategy as well as finance and accounting obtained through his experience to date, he is expected to contribute to further enhancement of the Group's sustained corporate value. Therefore, the Company proposes his reelection as Director.	
4	Masufumi Shimojo (March 29, 1971) <u>New</u>	Feb. 2002 Joined the Company Jan. 2013 General Manager of Accounting Department Feb. 2018 Deputy General Manager of Administration Division Aug. 2021 General Manager of Administration Division (current position) Apr. 2022 Executive Officer (current position) Apr. 2022 General Manager of Legal Affairs Department (current position)	6,144 shares
		(Reasons for nomination as candidate for Director) Mr. Masufumi Shimojo has served in key positions in the Company's corporate divisions, such as accounting and finance and legal affairs, for many years since joining the Company, and has supported the management of the Group by leveraging his wide network of contacts both inside and outside the Company as well as his abundant practical knowledge and experience. He currently serves not only as the supervisor for the Company's administration divisions, but also participates in measures for strengthening the foundations of management including sustainability and succession plans, fulfilling an important role in contributing to the sustained enhancement of corporate value. He possesses overall skills and knowhow including finance and accounting, legal, compliance and risk management at the Company through his knowledge to date, and is expected to contribute as an essential human resource to further enhancement of sustained corporate value of the Group in future. Therefore, the Company proposes his election as a new Director.	

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. The number of the Company's shares owned by each candidate is the current number of shares held as of the end of the fiscal year under review (December 31, 2023). In addition, the number presented includes shareholdings of the candidate in the Company's officer stock ownership or employee stock ownership.
 3. The Company has concluded an officer liability insurance policy pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act with an insurance company, and damages in the event of the insured including the Company's officers being liable for damages arising from operations are covered by the insurance. Each of the candidates will be insured under the insurance policy if elected and appointed as Directors. The Company bears the entire cost of insurance premiums. The Company also plans to renew the insurance policy with the same conditions at the time of the next renewal.

<Company Proposal>

Proposal No. 3 Election of Five Directors Who Are Audit and Supervisory Committee Members

The terms of office of all five Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting.

In that regard, the Company proposes the election of five Directors who are Audit and Supervisory Committee Members.

This proposal has been approved by the Audit and Supervisory Committee.

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

Candidate No.	Name	Current Position in the Company	Candidate Attributes			
1	Hitoshi Kobayashi	Director (Full-time Audit and Supervisory Committee Member)	<table border="1"><tr><td>Reelection</td></tr></table>	Reelection		
Reelection						
2	Kazuo Ishibashi	Outside Director (Audit and Supervisory Committee Member)	<table border="1"><tr><td>Outside</td></tr><tr><td>Independent</td></tr><tr><td>Reelection</td></tr></table>	Outside	Independent	Reelection
Outside						
Independent						
Reelection						
3	Aki Shimizu	Outside Director (Audit and Supervisory Committee Member)	<table border="1"><tr><td>Outside</td></tr><tr><td>Independent</td></tr><tr><td>Reelection</td></tr></table>	Outside	Independent	Reelection
Outside						
Independent						
Reelection						
4	Tomoki Kitagawa	—	<table border="1"><tr><td>Outside</td></tr><tr><td>Independent</td></tr><tr><td>New</td></tr></table>	Outside	Independent	New
Outside						
Independent						
New						
5	Atsuko Sakamoto	—	<table border="1"><tr><td>Outside</td></tr><tr><td>Independent</td></tr><tr><td>New</td></tr></table>	Outside	Independent	New
Outside						
Independent						
New						

Outside

 Candidate for Outside Director

Independent

 Candidate for independent officer

New

 Candidate for new Director to be elected

Reelection

 Candidate for Director to be reelected

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Hitoshi Kobayashi (February 25, 1958)</p> <p style="text-align: center;"><u>Reelection</u></p>	<p>Mar. 1978 Joined the Company</p> <p>Apr. 1996 General Manager of General Affairs Department</p> <p>Jan. 2007 Executive Officer</p> <p>May 2007 General Manager of Legal Affairs Department</p> <p>Mar. 2008 Director</p> <p>Mar. 2008 General Manager of Administration Division</p> <p>Jan. 2013 Senior Executive Officer</p> <p>Jan. 2013 General Manager of Measurement Equipment and Medical Division</p> <p>Jan. 2015 General Manager of Engineering Division</p> <p>Jan. 2022 General Manager of Audit Office</p> <p>Mar. 2022 Director (Full-time Audit and Supervisory Committee Member) (current position)</p>	29,466 shares
<p>(Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member)</p> <p>Mr. Hitoshi Kobayashi has served in key positions not only in the Company's corporate divisions such as General Affairs, Legal Affairs and the Business Planning Office, but also business divisions playing a role in the environmental business that the Company is focusing upon, and has abundant experience such as building internal controls required of listed companies for ensuring the appropriateness of financial reporting. In addition, he currently handles the role of monitoring and supervising the Company's management as Director (Full-time Audit and Supervisory Committee Member).</p> <p>He is expected to continue to supervise management as a Director who is an Audit and Supervisory Committee Member based on skills and knowhow including production/technology/quality/R&D, legal/compliance obtained through his experience to date. For this reason, the Company proposes his reelection as Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Kazuo Ishibashi (November 5, 1952)</p> <p style="text-align: center;"> Outside Independent Reelection </p>	<p>Nov. 1975 Joined Tohmatsu Awoki & Co. (now Deloitte Touche Tohmatsu LLC)</p> <p>Aug. 1980 Registered as a Certified Public Accountant</p> <p>July 1988 Partner, Tohmatsu Awoki & Co. (now Deloitte Touche Tohmatsu LLC)</p> <p>Aug. 1989 Assigned to New York Office of Touche Ross & Co. (now Deloitte&Touche LLP), Executive Partner of New York Regional Operations</p> <p>Nov. 2007 Headquarters Auditor, Tohmatsu Awoki & Co. (now Deloitte Touche Tohmatsu LLC)</p> <p>Nov. 2014 Chairman of Audit Committee, Deloitte Tohmatsu LLC</p> <p>Jan. 2018 Managing Partner, Kazuo Ishibashi Certified Public Accountant's Office (current position)</p> <p>June 2018 Auditor, the Amada Foundation (current position)</p> <p>June 2019 Auditor, the Salt Industry Center of Japan (current position)</p> <p>Mar. 2020 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)</p> <p>Mar. 2023 Auditor, Sugino Gakuen (current position)</p> <p><Significant concurrent positions outside the Company> Managing Partner, Kazuo Ishibashi Certified Public Accountant's Office</p>	0 shares
<p>(Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles)</p> <p>Mr. Kazuo Ishibashi has abundant experience and advanced knowledge in his specialized area accumulated as a Certified Public Accountant at a globally operating, major audit firm, taking charge of the audit of a large company for many years. In particular, he actively comments on areas such as auditing, accounting and risk management, stimulates discussion in the Board of Directors and contributes to the improvement of effectiveness of the Company's Board of Directors, in addition to actively offering suggestions on the Company's corporate governance as chair of the Remuneration Committee and as a member of the Nomination Committee.</p> <p>He can be expected to supervise management from an objective viewpoint independent of executives as an Outside Director who is an Audit and Supervisory Committee Member based on up-to-date skills and knowhow including not only audit/finance/accounting, but also human resource development, compliance and capital policy obtained through his experience to date and current work involved in operations as a Certified Public Accountant. For this reason, the Company proposes his reelection as Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Although Mr. Ishibashi has not been directly involved in corporate management in ways other than being an outside officer, he has overseen management meetings, etc. as an Auditor, etc. of a large auditing firm for many years and has experience of being involved in organizational management. The Company has determined that he will appropriately fulfill his duties as Outside Director for the reasons above.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p style="text-align: center;">Aki Shimizu (June 18, 1977)</p> <p style="text-align: center;"> Outside Independent Reelection </p>	<p>Nov. 2004 Passed the bar exam</p> <p>Oct. 2006 Assistant Judge, Saitama District Court</p> <p>Apr. 2009 Prosecutor attached to the Litigation Department, Sapporo Legal Affairs Bureau</p> <p>Apr. 2011 Assistant Judge, Yokohama Family Court</p> <p>Apr. 2012 Assistant Judge, Yokohama District Court</p> <p>Apr. 2015 Assistant Judge of Matsudo Branch, Chiba District and Family Court</p> <p>Oct. 2016 Judge, Chiba District and Family Court</p> <p>Jan. 2018 Registered as an attorney at law</p> <p>Jan. 2018 Joined Seiwa Meitetsu Law Office (now Meitetsu Law Offices)</p> <p>Mar. 2022 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)</p> <p>Mar. 2022 Outside Director (Audit and Supervisory Committee Member), ISB Corporation (current position)</p> <p>Oct. 2022 Partner, Meitetsu Law Offices (current position)</p> <p><Significant concurrent positions outside the Company></p> <p>Outside Director (Audit and Supervisory Committee Member), ISB Corporation</p>	0 shares
<p>(Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles)</p> <p>Ms. Aki Shimizu has served as a judge resolving general civil cases, labor cases and administrative cases, etc., and currently works as an attorney. She has advanced knowledge and abundant experience in legal affairs in general, including corporate law.</p> <p>She can be expected to supervise management from an objective viewpoint independent of executives as an Outside Director who is an Audit and Supervisory Committee Member such as providing expert suggestions on strengthening the supervisory functions of the Company's Board of Directors, strengthening compliance management and promoting diversity from a position independent from management by utilizing the abundant experience and advanced insight and expertise in the legal field based on skills and knowhow including legal affairs/compliance and labor/human resource development. For this reason, the Company proposes her reelection as Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Although Ms. Shimizu has not been directly involved in corporate management in ways other than being an outside director, the Company has determined that she will appropriately fulfill her duties as Outside Director for the reasons above.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Tomoki Kitagawa (September 7, 1959)</p> <div style="text-align: center; border: 1px solid black; padding: 2px;"> Outside Independent New </div>	<p>Apr. 1982 Joined HAZAMA CORPORATION</p> <p>Apr. 2014 Deputy Director of Metropolitan Area Building Branch and General Manager of Administration Division, HAZAMA ANDO CORPORATION</p> <p>June 2015 General Manager of CSR Promotion Department, President Office, HAZAMA ANDO CORPORATION</p> <p>Apr. 2017 Executive Officer, Deputy Director of President Office and General Manager of CSR Promotion Department, HAZAMA ANDO CORPORATION</p> <p>Apr. 2018 Executive Officer and Director of President Office, HAZAMA ANDO CORPORATION</p> <p>June 2019 Audit and Supervisory Board Member, HAZAMA ANDO CORPORATION</p> <p>June 2023 Corporate Advisor, HAZAMA ANDO CORPORATION (current position)</p> <p><Significant concurrent positions outside the Company> Corporate Advisor, HAZAMA ANDO CORPORATION</p>	0 shares
<p>(Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles)</p> <p>Mr. Tomoki Kitagawa has advanced insight and a wide range of knowledge on areas such as CSR, group governance, internal audits and compliance, and risk management cultivated through work experience accumulated as the supervisor for the corporate planning, financial, administration, CSR and other divisions at a globally operating general construction corporation.</p> <p>He can be expected to supervise management from an objective viewpoint independent of executives such as providing suggestions on strengthening the supervisory functions of the Company's Board of Directors and toward strengthening the systems for group governance, compliance, risk management, etc., based on skills and knowhow including not only audit/finance/accounting, but also sales and management strategy through his work experience and knowledge accumulated to date. For this reason, the Company proposes his election as a new Outside Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Atsuko Sakamoto (October 15, 1962) <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;"> Outside Independent New </div>	Apr. 1983 Joined Japan Airlines Co., Ltd. Apr. 1991 Joined BASF Japan Ltd. Feb. 1995 CEO, Prime (now Prime Time, Inc.) (current position) Apr. 2004 Member of Independent Administrative Institution Evaluation Committee, Ministry of Economy, Trade and Industry Apr. 2015 Expert Member of Open Hearing on Business Performance Evaluation, Japan External Trade Organization (JETRO) Apr. 2018 Expert Member on Management, Japan External Trade Organization (JETRO) (current position) June 2022 External Director, SUN-WA TECHNOS CORPORATION (current position) <Significant concurrent positions outside the Company> CEO, Prime Time, Inc. External Director, SUN-WA TECHNOS CORPORATION	0 shares
(Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles) Ms. Atsuko Sakamoto has abundant experience and advanced insight on diversity and cultivating next-generation leaders in addition to corporate management. She has also maintained a proactive stance toward external activities as exemplified by her appointment to multiple positions, including as Expert Member on Management at Japan External Trade Organization (JETRO), and provides a wide range of suggestions on areas such as human resource cultivation and career development. She can be expected to supervise management from an objective viewpoint independent of executives as an Outside Director who is an Audit and Supervisory Committee Member such as providing expert suggestions from an external perspective on strengthening the supervisory functions of the Company's Board of Directors, promoting diversity and maximizing human capital based on skills and knowhow including corporate management and labor/human resource development through her experience to date. For this reason, the Company proposes her election as a new Outside Director who is an Audit and Supervisory Committee Member.			

- Notes:
- There is no special interest between any of the candidates for Outside Director who are Audit and Supervisory Committee Members and the Company.
 - The number of the Company's shares owned by each candidate is the current number of shares held as of the end of the fiscal year under review (December 31, 2023). In addition, the number presented includes shareholdings of the candidate in the Company's officer stock ownership.
 - Mr. Kazuo Ishibashi and Ms. Aki Shimizu are Outside Directors of the Company, and their respective terms of office are as follows as of the conclusion of this meeting.
Kazuo Ishibashi: 4 years, Aki Shimizu: 2 years
 - The Company has concluded agreements with Mr. Kazuo Ishibashi and Ms. Aki Shimizu limiting liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to Article 427, paragraph (1) of the Companies Act, and the limit on damages pursuant to the agreement is the minimum liability amount specified in Article 425, paragraph (1) of the Companies Act. The Company intends to renew the agreements with the same content if the reappointment of the two candidates is approved. Furthermore, the Company intends to conclude a similar agreement limiting liability with Mr. Tomoki Kitagawa and Ms. Atsuko Sakamoto if the appointment of the two candidates is approved.
 - The Company has concluded an officer liability insurance policy pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act with an insurance company, and damages in the event of the insured including the Company's officers being liable for damages arising from operations are covered by the insurance. Each of the candidates will be insured under the insurance policy if elected and appointed as Directors who are Audit and Supervisory Committee Members. The Company bears the entire cost of insurance premiums. The Company also plans to renew the insurance policy with the same conditions at the time of the next renewal.
 - The Company has provided notification that Mr. Kazuo Ishibashi and Ms. Aki Shimizu are independent officers pursuant to the provisions set forth by the Tokyo Stock Exchange. The Company intends to continue to treat the two candidates as independent officers if their reappointment is approved.
Furthermore, the Company intends to provide notification to the Tokyo Stock Exchange on Mr. Tomoki Kitagawa and Ms. Atsuko Sakamoto as independent officers.

7. Matters regarding the unfair execution of business at a company where a candidate for Outside Director has held office in the past five years as a director, executive officer, or company auditor which occurred during their term of office are as follows:

ISB Corporation (hereinafter referred to as "ISB"), where Ms. Aki Shimizu has served as an Outside Director and Audit and Supervisory Committee Member since March 2022, was informed by tax authorities that inappropriate transactions, etc., had been conducted over the past several years by officers of Three-s inc., a consolidated subsidiary of ISB, and of infix & Co., which was a consolidated subsidiary of ISB prior to its absorption through a merger with Three-s inc. in 2019.

She had been unaware of these inappropriate transactions, etc. until the company was informed of their existence by tax authorities. After such matters were revealed, she requested an accurate investigation and report on the facts of the matter and assumed the position as a member of the special investigation committee established with the aim of accurately identifying the facts of the matter and considering measures to prevent recurrence, etc. as an Outside Director who is a member of the Audit and Supervisory Committee. She also identified issues with internal controls and expressed her opinions on suggestions for measures to prevent recurrence while analyzing causes and considering measures to prevent recurrence.

(Reference)

Skill Matrix

The Company has achieved growth by contributing to the development of infrastructure for the sustainability of society. In addition, as climate change and other environmental and social issues are brought to the forefront, the role that the Company must fulfill is gaining importance.

In this pursuit, the Company believes that in order for the Board of Directors to appropriately fulfill its own decision-making function and its function of management oversight, the following skill matrix is presented to specify the expected roles and possessed skills and experience of each director candidate. In addition, consideration is given not only to a candidate's power of judgment, expertise and knowledge required of them, but also their high sense of ethics.

The nominations of the candidates for Director were decided by the Board of Directors after it received advice and suggestions from the Nomination Committee, after said committee, which is chaired by an Independent Outside Director and whose members are made up by a majority of Independent Outside Directors, deliberated the matter.

Name		Areas of specialization and experience					Outside Independence	
		Corporate management	Sales and management strategy	Production and technology Quality Research and development	Finance and accounting	Labor Human resource development		Legal, compliance, risk management
Directors	Hisashi Suzuki	●	●	●	●		●	
	Takashi Ishii	●	●	●				
	Shuji Ohno		●	●	●			
	Masufumi Shimojo				●	●	●	
Directors who are Audit and Supervisory Committee Members	Hitoshi Kobayashi		●	●			●	
	Kazuo Ishibashi				●	●	●	●
	Aki Shimizu					●	●	●
	Tomoki Kitagawa	●	●		●			●
	Atsuko Sakamoto	●				●	●	●

Notes: 1. The above table does not represent all of the knowledge and experience of each person.

2. The areas of specialization and experience in the Skill Matrix are defined as follows.

[Corporate management]

- Having experience as a management executive of a listed company or equivalent organization, and the skill to make decisions and execute business management for the enhancement of medium- to long-term corporate value
- Experience as a supervising officer, etc. negotiating with both internal and external parties from a company-wide perspective

[Sales and management strategy]

- Having the skill to draft management visions and medium- to long-term management plans from a medium- to long-term perspective, monitor progress, and formulate action to take as needed
- Experience working in management strategy, corporate planning divisions and/or experience as an officer, etc.

[Production and technology, Quality, Research and development]

- Having the skill of making decisions in the area of production and technology and research and development, such as capital investment, production planning, allocation of resources such as funds and personnel, and formulation of research and development themes, in addition to maintaining and improving quality of products and services, and implementing quality improvements for safety and health or environmental preservation in production facilities, etc.
- Experience working in production and technology, quality, research and development divisions and/or experience as a director or other officer

[Finance and accounting]

- Having knowledge and experience in finance and accounting, and having the skill to monitor and report management issues and perform disclosure in an appropriate way

- Experience working in finance and accounting divisions and/or experience as an officer, etc.

[Labor, Human resource development]

- Having the skill of securing diverse human resources, supporting the growth of each person and promoting human resource strategy such as work styles based on the approach that human resources are the cornerstone of business activities

- Experience working in human resource divisions and/or experience as an officer, etc.

[Legal, compliance, risk management]

- The skill of having a perspective of legal compliance while building systems and raising awareness of various risks that could arise in business activities

- Experience working in legal and compliance divisions and/or experience as a director or other officer

(Reference)

Independence Standard for Outside Directors

EBARA JITSUGYO CO., LTD. (hereinafter referred to as “the Company”) has specified the following independence standards for Outside Directors in the Company, and if an Outside Director is found to not fall under any of the following items, the Outside Director is judged to have adequate independence for the Company.

1. A former employee (Note 1) of the Company or a consolidated subsidiary of the Company (hereinafter referred to as “the Group”)
 2. A person below who is currently related to the Group or has been in the past three years:
 - (1) An executive of a company, etc. falling under any of the following:
 - (i) A major customer to which sales account for more than 2% of the consolidated net sales of the Group
 - (ii) A major supplier from which purchases account for more than 2% of the consolidated net sales of the supplier
 - (iii) A financial institution from which outstanding borrowings exceed 2% of the Group’s consolidated total assets
 - (2) A shareholder holding 10% or more of the total voting rights in the Company, or an executive thereof if the shareholder is an organization such as a corporation
 - (3) A person who was directly engaged in accounting audit operations pertaining to the Company
 - (4) A person providing professional services who receives a large amount of consideration (Note 2)
 - (5) A recipient of a large donation, financing or credit guarantee (Note 3)
 3. A spouse, relative within the second degree of kinship or person living with a person falling under any of the above items
 4. A person who has served as Outside Director of the Company for a total of over 12 years (Note 4)
- (Note 1) Former employee refers to a Director (excluding Outside Directors), company auditor (excluding outside company auditors), executive officer, other similar person or employee (hereinafter referred to as “executive”) of the Group or person who has served as an executive of the Group in the past ten years.
- (Note 2) A person providing professional services such as an attorney, a certified public accountant, a certified public tax accountant, a patent attorney, a judicial scrivener or a management consultant receiving more than ¥10 million (excluding tax) per year in consideration other than officer remuneration from the Group, or if the party is an organization such as a corporation, executives and persons belonging to an organization whose consideration from the Group exceeds 2% of the organization’s consolidated net sales.
- (Note 3) A person who has received donations, financing or credit guarantees exceeding ¥10 million per year from the Group, or an executive thereof if the recipient is an organization such as a corporation.
- (Note 4) This standard shall not apply to persons who have already been appointed as an Outside Director of the Company until the end of their term of office.

<Company Proposal>

Proposal No. 4 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

In case of a shortage in the number of Directors who are Audit and Supervisory Committee Members specified by law, the Company proposes the election of one substitute Director who is an Audit and Supervisory Committee Member.

This proposal has been approved by the Audit and Supervisory Committee.

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

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Akihiro Fukushima (June 15, 1961)	Apr. 1993 Registered as an attorney at law Joined Hirayama, Suzuki and Urabe Law Office (now Hirayama, Fukushima and Suzuki Law Office) (current position)	0 shares
(Reasons for nomination as candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles)		
Mr. Akihiro Fukushima has expert knowledge and experience as an attorney, and the Company proposes him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member because it is of the view that he will reflect his perspective from an outside independent position in auditing and that the Company's Audit and Supervisory Committee will be rejuvenated. Although Mr. Fukushima does not have experience of direct involvement in corporate management, the Company has determined that he will appropriately fulfill his duties as Outside Director for the reasons above.		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Mr. Akihiro Fukushima is a candidate for substitute Outside Director.
 3. If Mr. Akihiro Fukushima is appointed as a Director who is an Audit and Supervisory Committee Member, the Company intends to conclude an agreement with him limiting liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to Article 427, paragraph (1) of the Companies Act. The limit on damages pursuant to the agreement will be the minimum liability amount specified in Article 425, paragraph (1) of the Companies Act.
 4. The Company has concluded an officer liability insurance policy pursuant to the provision of Article 430-3, paragraph (1) of the Companies Act with an insurance company, and damages in the event of the insured including the Company's officers being liable for damages arising from operations are covered by the insurance. Mr. Akihiro Fukushima will be insured under the insurance policy if appointed as a Director who is an Audit and Supervisory Committee Member.
 5. The Company intends to provide notification on Mr. Akihiro Fukushima as an independent officer if he is appointed as a Director who is an Audit and Supervisory Committee Member.

Proposal No. 5 to Proposal No. 7 are proposals by one shareholder (hereinafter referred to as “proposing shareholder”).

The outline of the proposal and reason for the proposal submitted are translated into English in this document and stated without changes to the original Japanese text.

<Shareholder Proposal>

Proposal No. 5 Revision of Remuneration Amount under Restricted Share-based Remuneration System

(1) Outline of the Proposal

It is proposed that, in order to grant a monetary remuneration claim for granting restricted shares, the remuneration amount for Directors eligible for the Restricted Share-based Remuneration System (hereinafter referred to as “the System”) (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) is set to within a total amount of ¥280 million per year apart from the annual remuneration amount of basic remuneration, and that the maximum number of shares to be granted is 112,000 shares, and also that the annual remuneration amount for Outside Directors and Directors who are Audit and Supervisory Committee Members who are eligible for the System for granting a monetary remuneration claim for granting restricted shares is set to ¥60 million apart from the annual remuneration amount of basic remuneration, and that the maximum number of shares granted is 24,000 shares. It is proposed that the specific timing of payment and distribution is to be determined in the Board of Directors.

(2) Reasons for the Proposal

The Company resolved to pay up to a total amount of ¥35 million per year as remuneration for granting restricted shares to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) in the Annual General Meeting of Shareholders held in March 2021, but it cannot be considered that value is sufficiently shared between Directors and shareholders, which is the objective of the Restricted Share-based Remuneration System, because the amount is extremely small and Outside Directors and Directors who are Audit and Supervisory Committee Members are excluded from the Eligible Directors.

Looking at the results of granting by the Company in the 84th fiscal year (from January 1, 2022 to December 31, 2022), in contrast to fixed remuneration of ¥94 million, restricted share-based remuneration was equivalent to ¥26 million, which is only 27.6% of the amount of fixed remuneration. At this pace, it would take 11 years until this reaches three times the amount of fixed remuneration, which is a guideline for effective share-based remuneration for sharing value between Directors and shareholders. Due to the purpose being to share value between Directors and shareholders, restricted share-based remuneration has no meaning unless granted while in office, and as it cannot be assumed that the term of office will be approximately 11 years, it is necessary to grant a certain amount within a shorter period.

Furthermore, the Company should establish shareholding guidelines pertaining to the restricted share-based remuneration system, specify that the target for acquisition of the Company’s shares while an officer is in office is equivalent to three times the amount of fixed basic remuneration, and disclose the status of acquisition of the Company’s shares by individual officers in the Corporate Governance Report submitted to the Tokyo Stock Exchange by the Company.

Opinion of the Company's Board of Directors

The Board of Directors **opposes this Shareholder Proposal.**

The Company's basic policy on remuneration for the Company's Directors is to have a remuneration system that promotes the sharing of value with shareholders, thereby enabling the recruitment and retention of excellent human resources who can implement the Company's management philosophy while suitably functioning as an incentive to sustainably improve the Company's corporate value, and to determine an appropriate level of remuneration for Directors based on their respective responsibilities.

At the Annual General Meeting of Shareholders held in March 2021, the introduction of a restricted share-based remuneration system was approved with the aim of providing Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) an incentive to continuously improve the Company's corporate value and to further promote shared value with shareholders. When introducing the system, the overall remuneration level, the percentage of each type of remuneration, etc. were analyzed by referring to officer remuneration survey data provided by an external research organization, and consideration was given to the suitability of introducing the system. Furthermore, the Company has established the Remuneration Committee chaired by an Independent Outside Director and with Independent Outside Directors making up the majority of members as a voluntary advisory body to the Board of Directors in order to ensure objectivity and fairness concerning the remuneration of Directors, and the introduction of the system was submitted to the General Meeting of Shareholders after undergoing deliberation in the Remuneration Committee.

Based on the above determination process, the current remuneration for the Company's Directors is made up of fixed basic remuneration determined according to position and duties, performance-linked remuneration for the purpose of increasing responsibility and consciousness of achievement of fiscal year performance targets, and restricted share-based remuneration providing an incentive for continuously increasing corporate value.

The fixed basic remuneration is calculated based on the required duties and responsibilities, etc., and the performance-linked remuneration is calculated based on a comprehensive assessment of the achievement rates, etc. of the respective management indicators, including consolidated operating profit, consolidated net profit, along with consolidated ROE, etc., that are set as the performance items in order to clearly express the Group's business performance for the fiscal year. Moreover, the total amount of monetary remuneration paid for granting restricted share-based remuneration is set to within ¥35 million per year as an amount that is adequate for achieving the above objective and considering the current level of Director remuneration while considering the balance with fixed basic remuneration and performance-linked remuneration, with up to 19,200 of the Company's common shares being delivered as restricted shares (the maximum number may be reasonably adjusted in the event of a share split, etc.), and this was approved at the Annual General Meeting of Shareholders held in March 2021. The Company believes that such a balanced remuneration system supports the recruitment and retention of excellent human resources who can implement the Company's management philosophy and meet the expectations of its shareholders and a wide range of stakeholders, leading to continuous improvement of corporate value.

The Remuneration Committee periodically deliberates on the appropriateness of the Company's remuneration system described above, and reports to the Board of Directors. The Remuneration Committee met twice in the fiscal year ended December 31, 2023, and its evaluation was that the current remuneration system is appropriate in view of the state of directors' execution of their duties, and the Board of Directors also grasped the details of this evaluation.

Meanwhile, under such a remuneration system, the shareholder proposal to set the remuneration amount for Directors eligible for the restricted share-based remuneration system to within a total amount of ¥280 million per year (maximum number of shares to be granted of 112,000 shares) lacks a balance between the fixed basic remuneration and the performance-linked remuneration and deviates considerably from the Company's basic policy for Director remuneration, and it can be considered as an excessive remuneration amount.

Furthermore, this shareholder proposal indicates that this restricted share-based remuneration system would be introduced for all Directors including Directors who are Audit and Supervisory Committee Members, but the Company, after giving consideration based on the contents of the report from the Remuneration Committee, has set a policy to not include Directors who are Audit and Supervisory Committee Members within the scope of those eligible for restricted share-based remuneration because they are expected to audit the execution of operations by Directors and strengthen management supervisory functions of the Board of Directors.

The Board of Directors therefore opposes this Shareholder Proposal.

<Shareholder Proposal>

Proposal No. 6 Acquisition of Treasury Shares

(1) Outline of the Proposal

It is proposed that the Company acquires a total of 1,293,000 of the Company's common shares in exchange for cash with a total acquisition value of up to ¥3,879,000,000 within one year of the conclusion of this Annual General Meeting of Shareholders pursuant to the provision of Article 156, Paragraph (1) of the Companies Act.

(2) Reasons for the Proposal

Irrespective of the fact that the Company's business has displayed favorable performance, the Company's share price remained stagnant during 2023. It could be said that the market has assessed the Company's measures to be inadequate. The Company holds approximately ¥20,000 million in cash and cross-shareholdings and maintains a state of inadequate capital efficiency. As such, it is believed that steps should be taken to acquire approximately 10% of the Company's total number of issued shares (excluding treasury shares) to further expand shareholder returns and increase capital efficiency.

Opinion of the Company's Board of Directors

The Board of Directors **opposes this Shareholder Proposal.**

The Company strives to expand profits by making capital investments for new business development, making growth investment such as business alliances and M&A, and improving profitability, aiming to continuously improve corporate value while also pursuing a balance between financial soundness, capital efficiency, and profit returns.

Regarding growth investment, as outlined in the EJ2024 Medium-term Management Plan, the Company plans to allocate a total of between ¥2,500 million and ¥4,500 million to growth investment, which includes between ¥1,500 million and ¥2,000 million for capital investment and between ¥1,000 million and ¥2,500 for M&A, etc. The Company considers the return of profits to shareholders to be an important management issue, and our basic policy for the distribution of profits is to continue to provide stable dividends with a target consolidated payout ratio of 35%, and to flexibly acquire treasury shares with consideration for aspects such as funding needs and share price as one means of providing returns.

Based on this basic policy, the Company is continuously engaged in improving and strengthening returns to shareholders as shown in the table below.

Meanwhile, the upper limit of ¥3,879 million set for the acquisition of treasury shares based on this shareholder proposal is well above the ¥3,150 million consolidated profit forecast for the fiscal year ending December 31, 2024, and is also an excessive level when considering the liquidity of the Company's shares. If such a proposal were to be approved, the source of funding for growth investment would be impaired, and this may stagnate the Company's medium- to long-term growth and improvement of corporate value, and it is believed that this would damage the interests of shareholders as a result.

The Board of Directors therefore opposes this Shareholder Proposal.

(Reference) Status of shareholder returns

Classification	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ending December 31, 2024
Annual dividend per share	¥55	¥85	¥85	(Note 2) ¥85	(Note 3) ¥95
Acquisition of treasury shares	¥570 million	¥1,000 million	¥320 million	¥670 million	(Note 4) –
Payout ratio	29.8%	33.6%	48.0%	(Note 2) 32.3%	(Note 3) 36.0%
Total payout ratio	53.9%	65.3%	63.1%	(Note 2) 53.8%	(Note 4) –

- Notes:
1. A 1:2 share split was conducted on July 1, 2021, and the values of the annual dividend per share for the fiscal year ended December 31, 2021 and earlier are also shown based on the value after the share split.
 2. The annual dividend per share for the fiscal year ended December 31, 2023 is subject to approval of the Company proposal at this Annual General Meeting of Shareholders.
 3. The annual dividend per share and payout ratio for the fiscal year ending December 31, 2024 is the forecast amount.
 4. The Company maintains the basic policy to flexibly purchase its own shares, taking into consideration such factors as demand for funds and stock price levels, as one means of returning profits to shareholders, in the fiscal year ending December 31, 2024. However, the Company has not made any decisions on the acquisition of treasury shares as of the current point in time.

<Shareholder Proposal>

Proposal No. 7 Amendment to the Articles of Incorporation Concerning the Number of Outside Directors

(1) Outline of the Proposal

It is proposed to amend Article 18 of the Company's Articles of Incorporation as follows to make the Company's Outside Directors a majority.

Before Amendment	After Amendment
(Number of Directors) Article 18 1. The number of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not exceed eight (8). 2. The number of the Company's Directors who are Audit and Supervisory Committee Members shall be no more than five (5). 3. <u>(New)</u>	(Number of Directors) Article 18 1. The number of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not exceed eight (8). 2. The number of the Company's Directors who are Audit and Supervisory Committee Members shall be no more than five (5). 3. <u>The majority of the Company's Directors shall be Outside Directors prescribed under Article 2, paragraph (1), item (xv) of the Companies Act.</u>

(2) Reasons for the Proposal

Principle 4.8 of Japan's Corporate Governance Code states "Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors." Furthermore, Principle 4.7 of Japan's Corporate Governance Code states one of the roles and responsibilities of independent outside directors to be "Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders."

Although the Company satisfies the requirement of one-third or more with four Outside Directors among the nine Directors, it is believed that more actively appointing Outside Directors as a majority of Directors will enable the establishment of a governance system that increase capital efficiency, seeks shareholder returns, and contributes to the Company's sustained growth and enhancement of medium- to long-term corporate value.

Furthermore, with regard to not only the number of Outside Directors, but also the qualifications of Outside Directors, personnel able to contribute to the Company's sustained growth and enhancement of medium- to long-term corporate value are required, and the appointment of stock analysts with a high level of experience and skill should be considered to address this point.

The appointment of "personnel with a high level of experience and skill as stock analysts" will bring the viewpoints of external investors and shareholders to the Board of Directors, and at the same time, is believed to be an effective means of contributing to the enhancement of corporate value through sound risk taking. Although the Board of Directors of a listed company originally share the same goal as investors and shareholders of enhancing long-term corporate value, unfortunately, the two are often understood as in conflict in Japan. Directors with the experience and skills mentioned above participating in discussion and decision making in the Board of Directors is believed to make the intrinsic constructive relationship between the Board of Directors and the stock market through sound risk taking and capital allocation, and better communication with the market. It is frequently explained that personnel from banks or accountants handle the financial part of the Director skill matrix, but expertise in accounting and debt markets is inadequate from the perspective of promoting "sound risk taking," and the appointment of equity market experts is believed to be meaningful in this respect.

Opinion of the Company's Board of Directors

The Board of Directors **opposes this Shareholder Proposal.**

The Company has established the Nomination Committee chaired by an Independent Outside Director and with Independent Outside Directors making up the majority of members as a voluntary advisory body to the Board of Directors in order to ensure objectivity and fairness concerning the election of Directors. The selection of candidates for Director is determined in the Board of Directors based on advice and proposals from the Nomination Committee, and the candidates for Director submitted to this Annual General Meeting of Shareholders have also undergone the same determination process.

The Nomination Committee defines skills such as in corporate management; labor and human resource development; and legal, compliance, and risk management as those that will contribute to the monitoring function of the Board of Directors aimed at continuously improving the Company's corporate value. In addition, to further ensure the independence of Outside Directors and periodically bring new viewpoints into the Board of Directors, the Company has newly established a provision in the Independence Standard for Outside Directors that prevents cumulative term of office from exceeding 12 years. The Company believes that the Board of Directors, which is composed based on this view, has realized high capital efficiency through the practical implementation of the management philosophy and constructive discussions aimed at continuously improving corporate value, and also by flexibly acquiring treasury shares while emphasizing a balance between growth investment, such as research and development investment, human resource investment, and capital investment, and the return of profits to shareholders.

At this Annual General Meeting of Shareholders, if the proposal on the election of Directors (including Directors who are Audit and Supervisory Committee Members) submitted by the Company is approved, the composition of the Board of Directors will be four of the nine Directors as Independent Outside Directors.

All four candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are well-versed in the Company's operations, and each has knowledge, experience and expertise in areas such as sales; production and technology; finance and accounting; and labor and human resource development. Furthermore, of the five candidates for Director who are Audit and Supervisory Committee Members, four are Independent Outside Directors, and its former composition of one person with corporate management experience, two attorneys, and one certified public accountant, will be changed to one person with corporate management experience, one attorney, one certified public accountant, and one person with corporate planning division experience, with each having expert knowledge and a wide variety of experience in addition to deep insight into corporate governance. The election will also add one female Director for a total of two females among the nine Directors. The Company expects this change in Board of Director composition to increase diversity and further enhance Board of Director effectiveness. Please refer to the attached Skill Matrix for information on the skills possessed by the candidates for Director proposed by the Company at this Annual General Meeting of Shareholders.

The Company's Board of Directors believes that the Board of Directors made up of the candidates for Director proposed by the Company have adequate independence and is the optimal composition with diversity for supervising the execution of management aimed at the achievement of the Company's EJ2024 Medium-term Management Plan as well as the long-term vision, and that this will lead to the continuous improvement of the Company's corporate value, and is thereby in the interest of shareholders.

Meanwhile, the Company believes that establishing this provision in the Articles of Incorporation as proposed in this shareholder proposal will limit the scope when selecting candidates for Director and that, as a result, it could hinder the Company's efforts to optimize the composition of and enhance the effectiveness of the Board of Directors.

The Board of Directors therefore opposes this Shareholder Proposal.