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Securities Code: 6328

March 7, 2025

Start date of electronic provision measures: February 28, 2025

To our shareholders:

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

Notice of the 86th Annual General Meeting of Shareholders

We are pleased to announce the 86th 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/meeting/> (in Japanese)

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 Wednesday, March 26, 2025 (JST).

1. Date and Time: Thursday, March 27, 2025, 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 86th fiscal year (from January 1, 2024 to December 31, 2024), 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 86th fiscal year (from January 1, 2024 to December 31, 2024)

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)

<Shareholder Proposals>

Proposal No. 3 Revision of Remuneration Amount under Restricted Share-based Remuneration System

Proposal No. 4 Acquisition of Treasury Shares

Proposal No. 5 Amendment to the Articles of Incorporation Concerning the Number of Outside Directors

The outlines regarding the shareholder proposals (Proposal No. 3 to Proposal No. 5) 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 are to be delivered only 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) Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements in the Consolidated Financial Statements

(3) Non-consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements in 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 2024]

- ◆ The Company decided on paying an annual dividend of ¥95 per share, and based on a resolution made at the Board of Directors Meeting held on September 17, 2024, the Company acquired 72,800 treasury shares at a value of ¥311 million during the fiscal year ended December 31, 2024. Based on this, the total payout ratio for the fiscal year ended December 31, 2024, will be 45.8%.

2. Reduction of cross-shareholdings

- ◆ As of December 31, 2023, the Company's cross-shareholdings were four issues other than unlisted shares, valued at a market capitalization of ¥2,204 million (equivalent to 10.4% of consolidated net assets as of December 31, 2023). However, as of December 31, 2024, the Company had sold part of one issue on the market. As a result, cross-shareholdings other than unlisted shares as of December 31, 2024 were four issues, valued with a market capitalization of ¥2,936 million (equivalent to 12.5% of consolidated net assets as of December 31, 2024) 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 five times in the fiscal year ended December 31, 2024, and discussed matters including the formulation of talent pools and training plans based on succession plans, the consideration of director candidates and Representative Director, and the composition of the Board of Directors, etc.
- ◆ The Remuneration Committee met three times in the fiscal year ended December 31, 2024, and discussed matters including the remuneration amount for Directors and other individuals (basic remuneration, performance-linked remuneration, non-monetary remuneration) and the review of performance-linked remuneration criteria, etc.

Highlights of initiatives for enhancing sustainability

1. Initiatives for maximizing human capital

- ◆ As part of its materiality “Creating organizations that turn change into growth,” the Company is actively working on efforts to maximize human capital. Through initiatives related to promoting diversity, improving work-styles, enhancing the abilities of employees through educational training, and promoting health management, the Company is creating an environment in which all employees can give full play to their abilities. In the fiscal year ended December 31, 2024, the percentage of women in managerial positions and the percentage of male employees taking childcare leave, set as materiality-related KPIs (key performance indicators), reached 5.9% (target: 5.0%) and 110% (target: 100%) by the end of the fiscal year, respectively. Other KPIs are also steadily improving toward their targets, showing the results of various initiatives. Moving forward, the Company will continue to focus on human capital management to support the realization of its management strategy.

2. Enhancement of information disclosure based on the TCFD recommendations and setting of reduction targets.

- ◆ The Company enhanced information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and newly disclosed the items: “Strategy” and “Metrics and Targets.” The Company has adopted two scenarios, “4°C Scenario” and “1.5°C Scenario,” to predict the medium- to long-term effects of climate change, and publishes the results of its evaluation of business impacts and corresponding response measures for each scenario on the Company’s website. In addition, the Company has set a goal to reduce GHG emissions (Scope 1 + 2) to net zero by 2050, and established its mid-term targets as follows. To realize a sustainable global environment and the Group’s own sustainable growth, the Company is working on reducing GHG emissions.

Category	Target	Base year results (consolidated)
Scope 1 + 2	Reduce GHG emissions by 45% by 2030	1,252t-CO2 (FY2022)

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

¥47.50 per common share of the Company

Total dividends: ¥566,401,685

As the Company has already paid an interim dividend of ¥47.50 per share, the annual dividend for the fiscal year will be ¥95 per share.

(3) Effective date of dividends of surplus

March 28, 2025

2. Other appropriation of surplus

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

General reserve: ¥2,000,000,000

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

Retained earnings brought forward: ¥2,000,000,000

<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	<input type="checkbox"/> Reelection
2	Takashi Ishii	Representative Director, President, Executive Officer & COO, Supervising Sales	<input type="checkbox"/> Reelection
3	Shuji Ohno	Director, Senior Managing Executive Officer, Head of Planning & Strategy Office, Supervising the Company's Products	<input type="checkbox"/> Reelection
4	Masufumi Shimojo	Director, Executive Officer, General Manager of Administration Division, General Manager of Legal Affairs Department	<input type="checkbox"/> 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>	<p>Sept. 1961 Joined the Company</p> <p>Nov. 1983 Director</p> <p>Dec. 1986 Managing Director</p> <p>Mar. 1990 Senior Managing Director</p> <p>Oct. 1991 Supervising Ozone Business Department</p> <p>Dec. 1993 Representative Director</p> <p>Dec. 1993 Supervising Administration</p> <p>Feb. 2000 Representative Director & Vice President</p> <p>Apr. 2001 Supervising Environmental Development Division</p> <p>Oct. 2002 Supervising New Business Promotion Office</p> <p>Jan. 2007 Representative Director & President</p> <p>Jan. 2007 Supervising Sales</p> <p>Mar. 2016 Representative Director & Chairman</p> <p>Jan. 2017 Representative Director, Chairman & President</p> <p>Apr. 2020 Representative Director, Chairman & CEO (current position)</p>	295,294 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>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 as the chief executive officer in further driving the Group's growth strategy forward and strengthening corporate governance.</p> <p>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 promote sustained enhancement of corporate value. Therefore, the Company proposes his reelection as Director.</p>			
2	Takashi Ishii (February 10, 1962) <u>Reelection</u>	<p>Mar. 1996 Joined the Company</p> <p>Jan. 2005 General Manager of Environmental Equipment Sales Department II</p> <p>July 2009 General Manager of Wind & Water Power Division</p> <p>Jan. 2012 Executive Officer</p> <p>Jan. 2013 Senior Executive Officer</p> <p>Jan. 2013 General Manager of Environmental Equipment Division</p> <p>Jan. 2017 Managing Executive Officer</p> <p>Mar. 2019 Director</p> <p>Mar. 2019 Supervising Sales as deputy</p> <p>Apr. 2020 Supervising Sales (current position)</p> <p>Mar. 2022 Senior Managing Executive Officer</p> <p>Sept. 2022 General Manager of Energy-Saving Equipment Business Division</p> <p>Mar. 2024 Representative Director, President, Executive Officer & COO (current position)</p>	29,043 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Mr. Takashi Ishii has long been engaged in trading business, and driven the growth of the business as the supervisor of the business. Since he was appointed to the position of Representative Director, President, Executive Officer & COO in 2024, he has led company-wide efforts for sales activities and promotion. He has also served as the Chairman of the Management Committee that promotes management reforms, the Research and Development Committee, and the Sustainability Committee, exhibiting strong leadership and fulfilling his role contributing to the sustained enhancement of corporate value.</p> <p>Based on his abundant experience concerning the Company's business and his proven ability as the top executive, he has responded to changes in the management environment and endeavored to promote sustained enhancement of corporate value. Therefore, the Company proposes his reelection as Director.</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	Shuji Ohno (June 9, 1967) <u>Reelection</u>	<p>Oct. 1996 Joined the Company</p> <p>Apr. 2002 General Manager of Accounting Department</p> <p>Jan. 2007 Executive Officer</p> <p>Jan. 2013 Senior Executive Officer</p> <p>Jan. 2013 General Manager of Administration Division</p> <p>July 2015 Head of President's Office</p> <p>July 2016 Head of Planning & Strategy Office (current position)</p> <p>Mar. 2020 Director (current position)</p> <p>Mar. 2020 Managing Executive Officer</p> <p>Mar. 2024 Senior Managing Executive Officer (current position)</p> <p>Mar. 2024 Supervising the Company's Products (current position)</p>	33,456 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>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. Since he was appointed to the position of Supervising the Company's Products in 2024, he accurately understands management issues while engaging 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.</p> <p>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.</p>			
4	Masufumi Shimojo (March 29, 1971) <u>Reelection</u>	<p>Feb. 2002 Joined the Company</p> <p>Jan. 2013 General Manager of Accounting Department</p> <p>Feb. 2018 Deputy General Manager of Administration Division</p> <p>Aug. 2021 General Manager of Administration Division (current position)</p> <p>Apr. 2022 Executive Officer (current position)</p> <p>Apr. 2022 General Manager of Legal Affairs Department (current position)</p> <p>Mar. 2024 Director (current position)</p>	8,140 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>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, succession plans and corporate brand, fulfilling an important role in contributing to the sustained enhancement of corporate value. He possesses overall skills and knowhow including finance and accounting, 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 reelection as Director.</p>			

- 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, 2024). In addition, the number presented includes shareholdings of the candidate in the Company's officer 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.

(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 of a majority of Independent Outside Directors, deliberated the matter.

Name		Knowledge, experience, and abilities particularly expected					
		Corporate management	Sales and management strategy	Technology and development	Finance and accounting	Human resource and organizational development	Compliance and risk management
Directors	Hisashi Suzuki	●	●		●		●
	Takashi Ishii	●	●	●			
	Shuji Ohno		●	●	●		
	Masufumi Shimojo				●	●	●
Directors who are Audit and Supervisory Committee Members	Hitoshi Kobayashi		●	●			●
	Kazuo Ishibashi [Independent Outside]				●	●	●
	Aki Shimizu [Independent Outside]					●	●
	Tomoki Kitagawa [Independent Outside]	●	●		●		
	Atsuko Sakamoto [Independent Outside]	●				●	●

- Notes: 1. The above table does not represent all of the knowledge and experience of each person.
2. The knowledge, experience, and abilities particularly expected in the Skill Matrix are defined as follows.

[Corporate management]

Having broad and deep knowledge, experience, and abilities to make decisions and implement management control aimed at enhancing corporate value as a management executive of a listed company or equivalent organization, and to supervise the effectiveness of such decisions and control.

[Sales and management strategy]

Having broad and deep knowledge, experience, and abilities to draft management visions and medium- to long-term management plans from the Group's medium- to long-term perspective, and accurately execute such plans in order to achieve sustainable business growth and profit improvement.

[Technology and development]

Having broad and deep knowledge, experience, and abilities to conduct research and development that creates new technologies that will be key to future competitiveness, in order to realize sustainable business growth.

[Finance and accounting]

Having broad and deep knowledge, experience, and abilities to achieve the Group's medium- to long-term management plans, and to improve financial soundness, pursue capital efficiency, and monitor these aspects.

[Human resource and organizational development]

Having broad and deep knowledge, experience, and abilities to pursue a personnel composition that supports the realization of management strategies, and to aim for maximizing the value of the Group's human capital by enhancing engagement.

[Compliance and risk management]

Having broad and deep knowledge, experience, and abilities to stabilize management through appropriate risk management related to the Group's management and business, and to monitor such management.

(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.

Proposal No. 3 to Proposal No. 5 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. 3 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 56,000 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 12,000 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 85th fiscal year (from January 1, 2023 to December 31, 2023), in contrast to fixed remuneration of ¥95 million, restricted share-based remuneration was equivalent to ¥26 million, which is only 27.4% 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 regarding Proposal No. 3

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, profit attributable to owners of parent, 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 three times in the fiscal year ended December 31, 2024, 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 56,000 shares) lacks a balance between the fixed basic remuneration and 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. 4 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 ¥6,465,000,000 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

As a reflection of the Company's initiatives that take into account the business and share price, the Company's share price has grown steadily during 2024. Furthermore, at the Board of Directors Meeting held on September 17, 2024, the Company resolved to acquire treasury shares with a maximum amount of ¥500 million, which can be evaluated positively to some extent. However, the Company holds approximately ¥28,000 million in cash and cross-shareholdings and its capital efficiency remains insufficient. As such, it is believed that steps should be taken to acquire approximately 10% of the Company's total number of issued shares as treasury shares and cancel them pursuant to Article 178 of the Companies Act to further expand shareholder returns and increase capital efficiency.

Opinion of the Company’s Board of Directors regarding Proposal No. 4

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

To achieve its long-term vision of becoming a “Total Environmental Solutions Company,” the Company believes that it needs to increase the scope and diversity of the environmental solutions in which its business is involved. Going forward, it may be expected that many external new technologies and expertise will be used in the manufacturing business dealing with “environment,” where further market growth is anticipated. Furthermore, to maximize revenues in stable revenue businesses such as engineering and trading over the medium to long term, it is essential that we improve our market share and presence.

With all these perspectives in mind, we believe that measures leveraging our financial capital, such as M&As and partnerships that involve contributing funds, will play a prominent role.

Under these circumstances, the Company aims to continuously improve corporate value by expanding profits through making capital investments for new business development and making growth investments such as business alliances and M&As, while pursuing a balance between financial soundness, capital efficiency, and profit returns.

As outlined in the “EJ2027” Medium-term Management Plan, the Company plans to allocate a total of between ¥5,500 million and ¥9,500 million to growth investment, which includes between ¥2,500 million and ¥3,500 million for “R&D investment” related to new products and solutions, and between ¥3,000 million and ¥6,000 million for “capital investment and growth strategy investment” for facility improvements, operational efficiency, decarbonization and climate change measures, and synergy formation through capital relationships.

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. For the fiscal year ended December 31, 2024, the Company decided to pay an annual dividend of ¥95 per share, with a payout ratio of 36.0%. Additionally, at the Board of Directors Meeting held in September 2024, the Company resolved to acquire treasury shares, setting the acquisition period from September 18, 2024 to March 31, 2025. The resolution established an upper limit of 170,000 shares (equivalent to 1.4% of issued shares, excluding treasury shares) and a maximum amount of ¥500 million. As of the fiscal year ended December 31, 2024, the Company has acquired 72,800 shares for a total amount of ¥311 million. As a result, the total shareholder return ratio for the fiscal year ended December 31, 2024 reached 45.8%.

Furthermore, for the fiscal year ending December 31, 2025, the Company plans to pay a dividend of ¥120 per share, including a commemorative dividend of ¥20 for the 80th anniversary of its founding, which is expected to result in a payout ratio of 43.5%.

Meanwhile, the upper limit of ¥6,465 million set for the acquisition of treasury shares based on this shareholder proposal is well above the ¥3,300 million profit forecast for the fiscal year ending December 31, 2025, 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, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Fiscal year ending December 31, 2025
Annual dividend per share	¥85	¥85	¥85	(Note 1) ¥95	(Note 2) ¥120
Acquisition of treasury shares	¥1,000 million	¥320 million	¥670 million	¥310 million	(Note 3) –
Payout ratio	33.6%	48.0%	32.3%	(Note 1) 36.0%	(Note 2) 43.5%
Total payout ratio	65.3%	63.1%	53.8%	(Note 1) 45.8%	(Note 3) –

- Notes:
1. The annual dividend per share for the fiscal year ended December 31, 2024 is subject to approval of the Company proposal at this Annual General Meeting of Shareholders.
 2. The annual dividend per share and payout ratio for the fiscal year ending December 31, 2025 is the forecast amount.
 3. At the Board of Directors Meeting held in September 2024, the Company resolved to acquire an upper limit of 170,000 treasury shares with a maximum amount of ¥500 million. In the fiscal year ending December 31, 2025, the Company has

acquired treasury shares worth approximately ¥190 million, which is the difference between the maximum amount of ¥500 million and the total acquisition amount of ¥310 million for the fiscal year ended December 31, 2024. Additionally, the Company is continuously considering the acquisition of treasury shares based on its basic policy. Therefore, at this point, the treasury share acquisition and total payout ratio for the fiscal year ending December 31, 2025 are not indicated.

4. A 1:2 share split was conducted on July 1, 2021, and the values of the annual dividend per share are shown based on the value after the share split.

<Shareholder Proposal>

Proposal No. 5 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 expected that being more proactive in ensuring that the majority of Directors are Outside Directors will lead to an effective governance system that increases capital efficiency, seeks shareholder returns, and contributes to the Company's sustained growth and enhancement of medium- to long-term corporate value. However, with regard to the qualifications and not simply the number 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 shares the same goal as investors and shareholders of enhancing long-term corporate value, unfortunately, the two are often understood as being in conflict in Japan. Directors with the experience and skills mentioned above participating in discussion and decision making in the Board of Directors are 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 both 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 regarding Proposal No. 5

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; sales and management strategy; technology and development; finance and accounting; human resource and organizational development; and 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. 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 R&D 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 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 are well-versed in the Company's operations, and each has knowledge, experience and expertise in areas such as corporate management; sales and management strategy; technology and development; finance and accounting; human resource and organizational development; and compliance and risk management. Furthermore, of the five Directors who are Audit and Supervisory Committee Members, four are Independent Outside Directors, and its composition consists of a certified public accountant, an attorney, a person with corporate planning division experience, and an expert of human resource and organizational development, with each having expert knowledge and a wide variety of experience in addition to deep insight into corporate governance. In addition, two of the nine Directors are female, resulting in a female Director ratio of 22%. Please refer to the attached Skill Matrix on page 9 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 has adequate independence and is optimally diverse in composition for supervising the execution of management aimed at the achievement of the Company's "EJ2027" Medium-term Management Plan as well as the long-term vision, and that this will lead to the continuous enhancement 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 would rather 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 the Board of Directors and enhance its effectiveness.

The Board of Directors therefore opposes this Shareholder Proposal.