

Securities code: 2168

August 7, 2025

Start date of measures for electronic provision: July 24, 2025

To: Our shareholders

Hiroataka Wakamoto
Representative Director,
President and CEO
Pasona Group Inc.
1-5-1 Marunouchi, Chiyoda-ku
Tokyo, Japan

Notice of the FY2024 Ordinary General Meeting of Shareholders

Dear shareholders,

We would like to notify you of the FY2024 (June 1, 2024 through May 31, 2025) Ordinary General Meeting of Shareholders (hereinafter referred to as the "Meeting") of Pasona Group Inc. (referred to as "Pasona" or the "Company"), to be held as follows.

In accordance with the provisions of the Company's Articles of Incorporation, this Ordinary General Meeting of Shareholders will be held without a designated physical venue (hereinafter referred to as the "Virtual-Only Shareholders Meeting").

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing or via the internet, etc. We kindly ask that you follow the instructions on pages 5 to 8 of this Notice of the Ordinary General Meeting of Shareholders, review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, August 21, 2025 (Japan Standard Time).

1. Date & time 1:00 p.m., Friday, August 22, 2025

If this Ordinary General Meeting of Shareholders cannot be held on the above date and time due to communication problems, it will instead be held at 1:00 p.m. on the reserve date, Saturday, August 23, 2025.

2. How the Meeting will be held

Shareholders' Meeting without a designated physical venue (Virtual-Only Shareholders Meeting)

Please review the "Information on the Virtual-Only Shareholders Meeting" on pages 9 to 14 for details and then attend the Meeting. Since the Meeting will be held only on the Internet, there will be no venue for shareholders to actually attend the Meeting.

3. Meeting agenda

- Reporting**
- 1: Reporting on Business Report, Consolidated Financial Statements, and audit results of Consolidated Financial Statements by the Accounting Auditor and Audit and Supervisory Committee for FY2024
 - 2: Reporting on Non-consolidated Financial Statements for FY2024

- Resolutions**
- <Company Proposals (Proposal 1 to Proposal 6)>
Proposal 1: Partial Amendments to the Articles of Incorporation

Proposal 2: Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: Election of Five Directors Who Are Audit and Supervisory Committee Members

Proposal 4: Revision of Compensation Amount for Directors Who Are Audit and Supervisory Committee Members

Proposal 5: Determination of Compensation for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 6: Determination of Compensation for Granting Restricted Shares to Directors Who Are Audit and Supervisory Committee Members

<Shareholder Proposals (Proposal 7 and Proposal 8)>

Proposal 7: Appropriation of Surplus

Proposal 8: Partial Amendment to the Articles of Incorporation Concerning the Disclosure of Related-Party Transactions (Donations) With Due Consideration of Cost of Capital

Matters decided regarding the convening of the Meeting

- (1) The communication method used for sending and receiving information at this General Meeting of Shareholders shall be the internet.
- (2) If approval or disapproval is not indicated on the Voting Form for a proposal, it shall be treated as an indication of approval for company proposals and disapproval for shareholder proposals.
- (3) If communication failures or other disruptions seriously impede the proceedings, a resolution will be adopted at the outset of this General Meeting of Shareholders authorizing the Chairman to adjourn or continue the Meeting. If the Chairman decides to adjourn or continue based on the resolution, an adjourned or continued session of this General Meeting of Shareholders will be held at 1:00 p.m. on Saturday, August 23, 2025 (Japan Standard Time). In such an event, the Company will promptly post a notice on the Company's website (https://www.pasonagroup.co.jp/ir/info/stockholders_meeting.html). Please follow the procedures described in the "Information on the Virtual-Only Shareholders Meeting" starting on page 9 and attend the adjourned or continued session of this General Meeting of Shareholders.
- (4) If shareholders who exercise their voting rights in advance via the internet or in writing attend this General Meeting of Shareholders and exercise their voting rights in duplicate, the content of the vote exercised at this General Meeting of Shareholders shall be treated as valid. If they do not exercise their voting rights at this General Meeting of Shareholders, any votes cast in advance via the internet or in writing shall be treated as valid.
- (5) If you exercise your voting rights both in writing and via the Internet, the vote via the Internet shall be upheld as valid. If voting rights are exercised more than once via the internet, the last vote shall be upheld as valid.
- (6) Please note that the language available for this General Meeting of Shareholders is Japanese only.

The Company has decided to hold this General Meeting of Shareholders as a virtual-only meeting for the following reasons:

1. Ensuring equal opportunities for participation and improving convenience

By offering the same opportunities to all shareholders—including those who have difficulty traveling or who live in remote areas—we expect greater shareholder participation, more active exercise of voting rights, and more active shareholder communication.

2. Operational efficiency and cost reduction

By reviewing venue- and operation-related expenses, as well as staffing allocations, we can reduce costs and streamline the operation of the General Meeting of Shareholders.

3. Consideration for the environment

Reducing the need for physical travel, etc. to the Meeting venue will lower CO₂ emissions and is therefore expected to contribute to environmental protection.

Information on matters subject to measures for electronic provision

In convening this General Meeting of Shareholders, the Company has taken measures to provide information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the FY2024 Ordinary General Meeting of Shareholders” and “Notice of the FY2024 Ordinary General Meeting of Shareholders: Other Matters Subject to Measures for Electronic Provision (Matters Omitting the Distribution of Documents)” on the following websites.

The Company's website

https://www.pasonagroup.co.jp/ir/info/stockholders_meeting.html



Tokyo Stock Exchange website (Listed Company Search)

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

To access this information, please enter the company's name or securities code “2168” and click “Search”, then select “Basic information” and “Documents for public inspection/PR information” in that order.



In addition to this Notice, the Reference Documents for the General Meeting of Shareholders and performance highlights, which serve as reference when voting on the proposals, are to be sent to shareholders who have not requested the delivery of paper-based documents.

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- ◎ If you are unable to attend the Meeting in person, you may exercise your voting rights via the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders posted as the matters subject to measures for electronic provision, and exercise your voting rights by 5:30 p.m. on Thursday, August 21, 2025 (Japan Standard Time).
 - ◎ If revisions to the matters subject to measures for electronic provision arise, the revisions will be posted on the respective websites where the matters are posted.
 - ◎ In accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have requested the delivery of such documents. These matters are also included in the scope of audits by the Audit and Supervisory Committee or the Accounting Auditor when they create their audit reports.
 - (i) “Principal Business,” “Major Offices,” “Matters Concerning Employees,” “Major Lenders,” “Matters Concerning Stock,” “Matters Concerning Stock Acquisition Rights,” “Overview of Liability Limitation Agreements,” “Overview of Directors and Officers Liability Insurance Policy,” “Matters Concerning Accounting Auditors,” and “Systems for Ensuring Proper Operations of the Company and the Status of the Management” in Business Report
 - (ii) “Consolidated Statements of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements” in Consolidated Financial Statements
 - (iii) “Non-consolidated Balance Sheet,” “Non-consolidated Statement of Income,” “Non-consolidated Statement of Changes in Equity,” and “Notes to Non-consolidated Financial Statements” in Non-consolidated Financial Statements
 - (iv) “Accounting Auditor’s Report on the Consolidated Financial Statements,” “Accounting Auditor’s Report,” and “Audit Report of the Audit and Supervisory Committee” in Audit Reports

Proposal and Reference:

Company Proposals (Proposal 1 to Proposal 6)

Proposal 1:

Partial amendments to the Articles of Incorporation

1. Reasons for the Amendments:

In order to enable a flexible and agile response to the operation of the general meetings of shareholders and the meetings of the Board of Directors, Articles 13 and 21 of the Company's current Articles of Incorporation, which in principle limit the chairman of the general meeting of shareholders and the meetings of the Board of Directors to the President & Director, shall be amended to allow a Representative Director to serve as the chairperson.

2. Details of the Amendments:

The amendments are as follows.

(Underlined parts indicate being subject to amendment)

Current Articles of Incorporation	Proposed Amendments
(Convener and Chairperson) Article 13 The general meeting of shareholders shall be convened and chaired by the <u>President & Director</u> . In the event that the <u>President & Director</u> is unable to act, a Director shall take his/her place in the order previously determined by the Board of Directors.	(Convener and Chairperson) Article 13 The general meeting of shareholders shall be convened and chaired by the <u>Representative Director</u> . In the event that the <u>Representative Director</u> is unable to act, a Director shall take his/her place in the order previously determined by the Board of Directors.
(Convener and Chairperson of the Board of Directors) Article 21 Meetings of the Board of Directors shall be convened and chaired by the <u>President & Director</u> , except as otherwise provided by law. In the event that the <u>President & Director</u> is unable to act, a Director shall take his/her place in the order previously determined by the Board of Directors.	(Convener and Chairperson of the Board of Directors) Article 21 Meetings of the Board of Directors shall be convened and chaired by the <u>Representative Director</u> , except as otherwise provided by law. In the event that the <u>Representative Director</u> is unable to act, a Director shall take his/her place in the order previously determined by the Board of Directors.
2 to 4 (Omitted)	2 to 4 (Unchanged)

Proposal 2: Election of Five Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Mr. Yasuyuki Nambu resigned effective May 31, 2025, and the terms of office of all four Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of five Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Nomination and Compensation Committee, of which the majority are Independent Outside Directors, deliberates on this proposal, giving due consideration to the composition of the Board of Directors as a whole so as to ensure diversity in terms of knowledge, experience, qualifications, etc., and submits a draft proposal for candidates to the Board of Directors, which deliberates and determines the candidates for Directors based on such recommendation. The Audit and Supervisory Committee of the Company judges that the procedures for determining candidates are appropriate.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

Candidate no.	Name		Current position and responsibilities at the Company	Attendance at meetings of the Board of Directors
1	Hiroataka Wakamoto	Male Reappointment	Representative Director, President and CEO	100% (17 out of 17 meetings)
2	Shintaro Nakao	Male New appointment	Managing Executive Officer General Manager of the Group Sales General Headquarters	—
3	Junko Fukasawa	Female Reappointment	Director, Vice President and Executive Officer General Manager of the Pasona Way General Headquarters, responsible for the Social Contribution Department	100% (17 out of 17 meetings)
4	Kinuko Yamamoto	Female Reappointment	Director, Vice President and Executive Officer General Manager of the NATUREVERSE General Headquarters	100% (17 out of 17 meetings)
5	Makiya Nambu	Male Reappointment	Director and Managing Executive Officer General Manager of the Global Strategy General Headquarters, General Manager of the International Business Headquarters	100% (17 out of 17 meetings)

Male Reappointment

No. 1	Name	Birth date	No. of Company shares owned (No. of potential shares)
	Hiroataka Wakamoto	Nov. 2, 1960	45,200 shares (35,769 shares)
Position, main areas of responsibility, brief career summary, and important concurrent duties			
Apr. 1984	Joined Saitama Bank, Limited (currently Resona Bank, Limited, Saitama Resona Bank, Limited)		
Jun. 1989	Joined Temporary Center Inc. (currently Nambu Enterprise Inc.)		
Sep. 2006	Managing Director, responsible for the Legal Department, Affiliated Company Department, and International Business Department, General Manager of the Corporate Planning Department, Pasona Inc.		
Dec. 2007	Managing Director, responsible for the CMO Department and the International Business Department, General Manager of the Corporate Planning Division, Pasona Group Inc.		
Jun. 2010	Director, Benefit One Inc.		
Jul. 2012	Senior Managing Director, responsible for the Corporate Planning Division, Pasona Group Inc.		
Aug. 2017	Executive Officer & Vice President, General Manager of the Corporate Planning & Administration Headquarters, Pasona Group Inc.		
Aug. 2018	Executive Officer & Vice President, General Manager of the Corporate Planning Headquarters, Pasona Group Inc.		
Jun. 2019	President & COO, Pasona Knowledge Partner Inc. (to present)		
Aug. 2020	Director, Bewith Inc. (to present)		
Dec. 2021	Director, Vice President and Executive Officer, COO, General Manager of the Corporate Planning Headquarters, General Manager of the Growth Strategy General Headquarters, Pasona Group Inc.		
Feb. 2023	President & COO, Pasona Force Inc. (to present)		
Aug. 2024	Director, Vice President and Executive Officer, COO, General Manager of the Growth Strategy General Headquarters, General Manager of the Corporate Planning Headquarters, Pasona Group Inc.		
Jun. 2025	Representative Director, President and CEO, Pasona Group Inc. (to present)		
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Important concurrent duties			
Director, Bewith Inc.			
Reason for nomination as a Director			
As the person responsible for Corporate Planning Division, he has long spearheaded M&A initiatives and possesses a wealth of knowledge and experience. We expect that he will contribute to enhancing our corporate value, advancing group-wide management, and driving the Group's continuous growth; thus, the Company expects that he will continue to fulfill his duties as a Director.			

Male New appointment

No. 2	Name	Birth date	No. of Company shares owned (No. of potential shares)
	Shintaro Nakao	(September 11, 1974)	10,000 shares (26,827 shares)
Position, main areas of responsibility, brief career summary, and important concurrent duties			
Apr. 1998 Joined Pasona Inc. Aug. 2013 Director and Executive Officer, responsible for solution, Sales & Marketing Headquarters, General Manager, Dotank division, Pasona Inc. Aug. 2015 Director and Managing Executive Officer, Pasona Inc. Aug. 2016 Director and Executive Officer, Pasona Group Inc. Sep. 2017 Managing Executive Officer, Pasona Group Inc. Aug. 2018 President and Representative Director, Pasona Inc. (to present) Jun. 2020 Director, circlace Inc. Jun. 2025 Managing Executive Officer, General Manager of the Group Sales General Headquarters, Pasona Group Inc. (to present)			
Important concurrent duties			
President and Representative Director, Pasona Inc.			
Reason for nomination as a Director			
He drives our HR Solutions segment and serves as President and Representative Director of Pasona Inc., our core group company. In that capacity, he has been involved in several M&A transactions led by that company and has amassed a wealth of knowledge and experience. Believing that his expertise will help enhance our corporate value, the Company nominated him as a candidate for Director.			

Female **Reappointment**

No. 3	Name	Birth date	No. of Company shares owned (No. of potential shares)
	Junko Fukasawa	May 28, 1953	196,600 shares (35,769 shares)
Position, main areas of responsibility, brief career summary, and important concurrent duties			
Apr. 1974	Joined Mitsui Toatsu Chemicals Inc. (currently Mitsui Chemicals, Inc.)		
Jul. 1978	Joined DENTSU INC. (currently Dentsu Group Inc.)		
Sep. 1981	Joined Temporary Center Inc. (currently Nambu Enterprise Inc.)		
Jan. 1990	Director, General Manager of the Public Relations Department, Temporary Center Inc.		
Jun. 2000	Senior Managing Executive Officer, General Manager of the Human Resources & Planning Headquarters, Pasona Inc.		
Apr. 2003	President & COO, Pasona Heartful Inc. (to present)		
Dec. 2007	Senior Managing Director, responsible for the Human Resources Division, Public Relations and Advertising Department, General Manager of the Social Contribution Department, Pasona Group Inc.		
Jun. 2015	Senior Managing Director, General Manager of the Human Resources & Planning Headquarters, responsible for the Social Contribution Department, Pasona Group Inc.		
Aug. 2017	Executive Officer & Vice President, General Manager of the Human Resources & Planning Headquarters, responsible for the Social Contribution Department, Pasona Group Inc.		
Aug. 2018	Executive Officer & Vice President, General Manager of the Pasona Way Headquarters, responsible for the Social Contribution Department, Pasona Group Inc. (to present)		
Aug. 2024	Director, Vice President and Executive Officer, General Manager of the Pasona Way General Headquarters, responsible for the Social Contribution Department, Pasona Group Inc. (to present)		
Oct. 2024	Chairperson and Representative Director, Pasona Heartful Inc. (to present)		
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Important concurrent duties			
President & COO, Pasona Heartful Inc.			
Reason for nomination as a Director			
As the person responsible for the Human Resources, Public Relations, Advertising, and Social Contribution Department, she possesses a wealth of knowledge and experience. We expect that she will contribute to the improvement of corporate value. thus the Company expects that she will continue to fulfill her duties as a Director.			

Female **Reappointment**

No. 4	Name	Birth date	No. of Company shares owned (No. of potential shares)
	Kinuko Yamamoto	Nov. 5, 1955	147,400 shares (35,769 shares)
Position, main areas of responsibility, brief career summary, and important concurrent duties			
Feb. 1979	Joined Man Power Center Inc. (currently Nambu Enterprise Inc.)		
Jan. 1990	Director, responsible for the Osaka Sales Headquarters, Man Power Center Inc.		
Jun. 2000	Managing Executive Officer, General Manager of the Employment Development Department, Pasona Inc.		
Jun. 2005	President & COO, Kansai Employment Creation Organization Inc. (currently Pasona Masters Inc.)		
Dec. 2007	Senior Managing Director, responsible for the New Business Development Division, Pasona Group Inc.		
Sep. 2012	President & COO, Pasona Furusato Incubation Inc.		
Jun. 2015	Senior Managing Director, General Manager of the New Business Development Headquarters, Pasona Group Inc.		
Dec. 2016	President & COO, Nijigennomori Inc.		
Aug. 2017	Executive Officer & Vice President, General Manager of the New Business Development Headquarters, General Manager of the Smart Life Initiative Headquarters, Pasona Group Inc.		
Sep. 2018	Executive Officer & Vice President, General Manager of the New Business Development Headquarters, Pasona Group Inc. (to present)		
Aug. 2024	Director, Vice President and Executive Officer, General Manager of the NATUREVERSE General Headquarters, Pasona Group Inc. (to present)		
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Important concurrent duties			
Not applicable			
Reason for nomination as a Director			
As the person responsible for new business development, she has worked for many years in the field of regional revitalization and in various new businesses with the mission of creating jobs, and she possesses a wealth of knowledge and experience related to business development. We expect that she will contribute to the improvement of corporate value, thus the Company expects that she will continue to fulfill her duties as a Director.			

Male Reappointment

No. 5	Name	Birth date	No. of Company shares owned (No. of potential shares)
	Makiya Nambu	Jul. 31, 1984	300 shares (1,531 shares)
Position, main areas of responsibility, brief career summary, and important concurrent duties			
Apr. 2008	Joined Mitsubishi Corporation		
Jun. 2013	Joined Pasona Inc.		
Sep. 2018	Executive Officer, General Manager of the Global Business Division, Pasona Inc.		
Dec. 2018	General Manager of the International Business Division, Pasona Group Inc.		
Sep. 2021	Managing Executive Officer, General Manager of the Global Business Division, Pasona Inc.		
Aug. 2022	Managing Executive Officer & Director, General Manager of the International Business Division (to present)		
	Managing Executive Officer & Director, General Manager of the International Business Headquarters & Deputy General Manager of the Corporate Planning Headquarters, Pasona Group Inc. (to present)		
Aug. 2024	Director and Senior Managing Executive Officer, General Manager of the Global Business Division, Pasona Inc. (to present)		
Jun. 2025	Director and Managing Executive Officer, General Manager of the Global Strategy General Headquarters, General Manager of the International Business Headquarters, Pasona Group Inc. (to present)		
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Important concurrent duties			
Director and Senior Managing Executive Officer, Pasona Inc.			
Reason for nomination as a Director			
He has abundant experience and insight as the person in charge of the division tasked with global operations of the Company and its important subsidiary company, and he is expected to contribute to the enhancement of the Company's corporate value. It is for these reasons that the Company expects that he will continue to fulfill his duties as a Director.			

(Notes)

- There are no conflicts of interest between each candidate and the Company.
- The Company has an Officers Liability Insurance Contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which all directors are insured. In addition to the Company-borne costs for compensation for securities related damages, litigation costs, costs for internal investigation when incidents of inappropriate conduct arise, the insurance contract covers costs for compensation for damages and litigation costs incurred by the insured persons arising from claims for compensation of damages arising from actions (including negligence) carried out pursuant to the company position of the relevant director or officer. However, certain exemptions apply, such that the contract will not compensate for damages caused by acts committed with the knowledge that such acts violate laws or regulations. Each Candidate is insured under the insurance contract. The insurance contract is scheduled to be renewed during the term of office of each candidate.
- The number of potential shares represents the number of points corresponding to the vested rights under the trust-based performance-linked stock compensation plan as of May 31, 2025.

Proposal 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 General Meeting of Shareholders. Therefore, the Company proposes the election of five Directors who are Audit and Supervisory Committee Members.

The Nomination and Compensation Committee, of which the majority are Independent Outside Directors, deliberates on this proposal, giving due consideration to the composition of the Board of Directors as a whole so as to ensure diversity in terms of knowledge, experience, qualifications, etc., and submits a draft proposal for candidates to the Board of Directors, which deliberates and determines the candidates for Directors based on such findings, with the prior consent of the Audit and Supervisory Committee.

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

Candidate No.	Name		Current position and responsibilities at the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Committee
1	Kazufumi Nomura	Male Reappointment	Director (Full-time Audit and Supervisory Committee Member)	100% (17 out of 17 meetings)	100% (15 out of 15 meetings)
2	Haruo Funabashi	Male Reappointment Outside Director Independent Director	Outside Director (Audit and Supervisory Committee Member)	100% (17 out of 17 meetings)	100% (15 out of 15 meetings)
3	Kazuo Furukawa	Male Reappointment Outside Director Independent Director	Outside Director (Audit and Supervisory Committee Member)	100% (17 out of 17 meetings)	100% (15 out of 15 meetings)
4	Ryohei Miyata	Male Reappointment Outside Director Independent Director	Outside Director (Audit and Supervisory Committee Member)	100% (17 out of 17 meetings)	100% (15 out of 15 meetings)
5	Yutaka Atomi	Male Reappointment Outside Director Independent Director	Outside Director (Audit and Supervisory Committee Member)	100% (17 out of 17 meetings)	100% (15 out of 15 meetings)

No. 1	Name	Birth date	No. of the Company's shares owned (No. of potential shares)
	Kazufumi Nomura	March 15, 1955	46,100 shares (-)
Positions, main areas of responsibility, brief career summary and important concurrent duties			
Apr. 1977	Joined Man Power Center Inc. (currently Nambu Enterprise Inc.)		
Apr. 1985	Director, Man Power Center Inc.		
Jun. 2000	Managing Executive Officer, General Manager of Kanto Sales & Marketing Division, Pasona Inc.		
Jun. 2001	President & COO, NS Personnel Service Co., Ltd.		
Apr. 2010	Chairman & Representative Director, NS Personnel Service Co., Ltd.		
May. 2013	Senior Advisor, Pasona Inc.		
Aug. 2013	Full-time Audit & Supervisory Board Member, Pasona Inc.		
Aug. 2019	Director & Full-time Audit and Supervisory Committee Member, Pasona Group Inc. (to present)		
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Attendance at meetings of the Audit and Supervisory Committee			
15 out of 15 meetings (100%)			
Important concurrent duties			
Not applicable			
Reason for nomination as a Director who is an Audit and Supervisory Committee Member			
He has acquired profound knowledge from working as the President of an affiliated company, as well as an Audit & Supervisory Board Member of Pasona Inc. We therefore expect him to apply this insight in supervising the operations of the Company, which will then improve decision making along with audit and supervisory functions. It is for these reasons that the Company expects that he will continue to fulfill his duties as a Director who is an Audit and Supervisory Committee Member.			

No. 2	Name	Birth date	No. of the Company's shares owned (No. of potential shares)
	Haruo Funabashi	Sep. 19, 1946	17,700 shares (-)
Positions, main areas of responsibility, brief career summary and important concurrent duties			
Jul. 1969	Joined the Ministry of Finance		
Jun. 1988	Head of the International Tax Division, Tax Bureau, Ministry of Finance		
May. 1989	Councilor, Embassy of Japan in France, Ministry of Foreign Affairs		
Jul. 1994	Deputy Vice Minister of Finance, Ministry of Finance		
Mar. 1995	Tokyo Directors-General of Custom-Houses, Ministry of Finance		
Jun. 1998	Secretary - General, Securities and Exchange Surveillance Commission		
Jun. 2000	Director General & Chief Cabinet Secretary, National Land Agency (currently the Ministry of Land, Infrastructure and Transport)		
Jul. 2001	Deputy Director - General of Land, Infrastructure and Transport, Ministry of Land, Infrastructure and Transport		
Jul. 2002	Resigned from the Ministry of Land, Infrastructure and Transport		
Feb. 2003	Representative Director, Sirius Institute Ltd. (to present)		
Mar. 2005	Outside Audit & Supervisory Board Member, Kenedix, Inc. (to present)		
Jun. 2006	Outside Audit & Supervisory Board Member, Konoike Transport Co., Ltd. (to present)		
Dec. 2007	Outside Audit & Supervisory Board Member, Pasona Group Inc,		
Dec. 2011	Outside Audit & Supervisory Board Member, EPS Corporation (currently EPS Holdings, Inc.) (to present)		
Aug. 2019	Outside Director & Audit and Supervisory Committee Member, Pasona Group Inc. (to present)		
Dec. 2019	Outside Director, EPS Holdings, Inc. (to present)		
No. of years served as an Outside Director & Audit and Supervisory Committee Member			
Six years (as of the conclusion of the Meeting)			
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Attendance at meetings of the Audit and Supervisory Committee			
15 out of 15 meetings (100%)			
Important concurrent duties			
Representative Director, Sirius Institute Ltd. Outside Director, EPS Holdings, Inc.			
Reason for nomination as an Outside Director who is an Audit and Supervisory Committee Member			
He has a wealth of experience from working in administration and as an Outside Director for the listed companies. Thus, we expect him to apply the profound knowledge he has acquired from his experience into supervising the operations of the Company, and to improve decision making along with audit and supervisory functions from an independent standpoint. It is for these reasons that the Company expects that he will continue to fulfill his duties as a Director who is an Audit and Supervisory Committee Member.			
Mr. Haruo Funabashi has been registered as an Independent Director as prescribed by Tokyo Stock Exchange, Inc. and will continue to serve as an Independent Director upon the approval of his reappointment.			

No. 3	Name	Birth date	No. of the Company's shares owned (No. of potential shares)
	Kazuo Furukawa	Nov. 3, 1946	15,300 shares (-)
Positions, main areas of responsibility, brief career summary and important concurrent duties			
Apr. 1971	Joined Hitachi, Ltd.		
Apr. 2005	Representative Executive Officer, Executive Vice President, General Manager and CEO of the Telecommunications Group, General Manager of Export Control, Hitachi, Ltd.		
Apr. 2006	Representative Executive Officer and President, Hitachi, Ltd.		
Jun. 2006	Director, Representative Executive Officer and President, Hitachi, Ltd.		
May. 2007	Vice President, Incorporated association Japan Business Federation (currently General incorporated association Japan Business Federation)		
Apr. 2009	Director, Representative Executive Officer and Vice President, Hitachi, Ltd.		
Jun. 2009	Senior Advisor, Hitachi, Ltd.		
Jun. 2011	Chairman, General incorporated association Information Processing Society of Japan		
Oct. 2011	Chief Director, Incorporated Administrative Agency New Energy and Industrial Technology Development Organization (currently National Research and Development Agency New Energy and Industrial Technology Development Organization)		
Jun. 2019	Outside Director, NGK Insulators Ltd. (to present)		
Aug. 2019	Outside Director & Audit and Supervisory Committee Member, Pasona Group Inc. (to present)		
No. of years served as an Outside Director & Audit and Supervisory Committee Member			
Six years (as of the conclusion of the Meeting)			
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Attendance at meetings of the Audit and Supervisory Committee			
15 out of 15 meetings (100%)			
Important concurrent duties			
Not applicable			
Reason for nomination as an Outside Director who is an Audit and Supervisory Committee Member			
He has worked as a Director, Representative Executive Officer and President for Hitachi, Ltd. He also has expertise in technical fields including telecommunications, and has a wealth of experience in corporate and organizational management. Thus, we expect him to apply the profound knowledge he has acquired from his experience to supervise the operations of the Company, and to improve decision making along with audit and supervisory functions from an independent standpoint. It is for these reasons that the Company expects that he will continue to fulfill his duties as a Director who is an Audit and Supervisory Committee Member.			
Mr. Kazuo Furukawa has been registered as an Independent Director as prescribed by Tokyo Stock Exchange, Inc. and will continue to serve as an Independent Director upon the approval of his reappointment.			

Male Reappointment Outside Independent

No. 4	Name	Birth date	No. of the Company's shares owned (No. of potential shares)
	Ryohei Miyata	Jun. 8, 1945	1,800 shares (-)
Positions, main areas of responsibility, brief career summary and important concurrent duties			
Apr. 1997	Professor, Faculty of Fine Arts, Tokyo University of the Arts		
Apr. 2004	Director & Vice-President, Tokyo University of the Arts		
Dec. 2005	President, Tokyo University of the Arts		
Feb. 2016	Commissioner, Agency of Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology		
Apr. 2016	Professor Emeritus & Advisor, Tokyo University of the Arts (to present)		
Jul. 2021	Guest Professor, Nagaoka Institute of Design (to present)		
Aug. 2021	Outside Director & Audit and Supervisory Committee Member, Pasona Group Inc. (to present)		
May. 2022	President, The Nitten Public Interest Incorporated Association (to present)		
No. of years served as an Outside Director & Audit and Supervisory Committee Member			
Four years (as of the conclusion of the Meeting)			
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Attendance at meetings of the Audit and Supervisory Committee			
15 out of 15 meetings (100%)			
Important concurrent duties			
Professor Emeritus & Advisor, Tokyo University of the Arts Guest Professor, Nagaoka Institute of Design President, The Nitten Public Interest Incorporated Association			
Reason for nomination as an Outside Director who is an Audit and Supervisory Committee Member			
He has won many awards, including the Japan Art Academy Award, as a metal craftsman. In addition to a wealth of experience in university management, he has also acquired expertise in art & culture, which is fundamental for the Company's Regional Revitalization Projects, due to leading Japanese cultural administration as a commissioner for the Agency of Cultural Affairs. Thus, the Company expects him to apply the profound knowledge that he has acquired via his experience in supervising the operations of the Company and to improve decision-making along with audit and supervisory functions, from an independent standpoint. Although he has not been involved in the Company's corporate management, it is for these reasons that the Company expects that he will continue to fulfill his duties as a Director who is an Audit and Supervisory Committee Member.			
Mr. Ryohei Miyata has been registered as an Independent Director as prescribed by Tokyo Stock Exchange, Inc. and will continue to serve as an Independent Director upon the approval of his reappointment.			

No. 5	Name	Birth date	No. of the Company's shares owned (No. of potential shares)
	Yutaka Atomi	Dec. 5, 1944	700 shares (-)
Positions, main areas of responsibility, brief career summary and important concurrent duties			
Apr. 1970	Intern Doctor, First Department of Surgery, Faculty of Medicine, The University of Tokyo		
Jun. 1988	Visiting Researcher, Department of Surgery, University of California, San Francisco		
Jul. 1992	Lecturer, First Department of Surgery, Faculty of Medicine, The University of Tokyo		
Oct. 1992	Professor, First Department of Surgery, Faculty of Medicine, Kyorin University		
Apr. 2004	Dean, Faculty of Medicine, Kyorin University		
Apr. 2010	President, Kyorin University		
Apr. 2018	President Emeritus, Kyorin University (to present)		
Jun. 2018	President, Pancreas Research Foundation of Japan		
Apr. 2019	President, International Medical Research Foundation (to present)		
Jun. 2019	External Audit & Supervisory Board Member, SANKI ENGINEERING CO., LTD. (to present)		
Jun. 2022	Outside Director, JCR Pharmaceuticals Co., Ltd. (to present)		
Jun. 2023	President, The Japan China Medical Association (to present) President, Atomi Gakuen (to present)		
Aug. 2023	Outside Director & Audit and Supervisory Committee Member, Pasona Group Inc. (to present)		
No. of years served as an Outside Director & Audit and Supervisory Committee Member			
Two years (as of the conclusion of the Meeting)			
Attendance at meetings of the Board of Directors			
17 out of 17 meetings (100%)			
Attendance at meetings of the Audit and Supervisory Committee			
15 out of 15 meetings (100%)			
Important concurrent duties			
President Emeritus, Kyorin University President, International Medical Research Foundation External Audit & Supervisory Board Member, SANKI ENGINEERING CO., LTD. Outside Director, JCR Pharmaceuticals Co., Ltd. President, The Japan China Medical Association President, Atomi Gakuen			
Reason for nomination as an Outside Director who is an Audit and Supervisory Committee Member			
He has broad knowledge as a medical scientist, which is indispensable for the Company's healthcare business, and abundant experience as a president and in the management of a university. We expect that he will utilize the wide range of knowledge he has cultivated through his career in supervising the management of the Company, thereby strengthening the decision-making function and auditing supervisory function of the Board of Directors from an independent standpoint. Therefore, we have determined that he is qualified for the position of Outside Director who is an Audit and Supervisory Committee Member.			
Although he has not been involved in corporate management in the past by any means other than being an outside director, for the reasons stated above, we believe that he will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member.			
Upon approval of Mr. Yutaka Atomi's appointment, he will serve as an Independent Director as prescribed by Tokyo Stock Exchange, Inc.			

(Notes)

- There are no conflicts of interest between each candidate and the Company.
- The Company has entered into a limited liability agreement with Mr. Haruo Funabashi, Mr. Kazuo Furukawa, Mr. Ryohei Miyata and Mr. Yutaka Atomi to limit the amount of liability as stipulated in Article 423, Paragraph 1 of the Companies

- Act to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. Upon the approval of reappointment, the Company will renew the limited liability agreement with each candidate under the same conditions.
3. The Company has an Officers Liability Insurance Contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which all directors are insured. In addition to the Company-borne costs for compensation for securities related damages, litigation costs, costs for internal investigation when incidents of inappropriate conduct arise, the insurance contract covers costs for compensation for damages and litigation costs incurred by the insured persons arising from claims for compensation of damages arising from actions (including negligence) carried out pursuant to the company position of the relevant director or officer. However, certain exemptions apply, such that the contract will not compensate for damages caused by acts committed with the knowledge that such acts violate laws or regulations. Each Candidate is insured under the insurance contract. The insurance contract is scheduled to be renewed during the term of office of each candidate.
 4. The number of potential shares is stated as “(-)” because, the Directors who are Audit and Supervisory Committee Member do not hold any vested points under the trust-based performance-linked stock compensation plan as of May 31, 2025.

(Reference) Criteria for evaluating the independence of the Company's Outside Directors

The Company's Outside Directors and Outside Director candidates are individuals who fulfil the following independence criteria established by the Company.

- Does not have a relative within the second degree of kinship that is currently registered or has been registered in the past as a Managing Director of the Company or a subsidiary
- If there is a transaction between the Group and the Company where the individual is currently registered as a Business Administrator and Employee, the transaction amount shall not exceed 2% of the Company's consolidated sales in the past three fiscal years
- Has not directly received salary (excluding payment received as an Officer of the Company and payment received from the organization or firm in which the relevant Outside Director belongs) of over 10 million yen in the past three fiscal years while working as a Legal, Accounting or Tax Specialist or Consultant
- Was not a Business Administrator for an organization that receives over 10 million yen in annual donations from the Group in the past three fiscal years

(Reference) Expertise of the candidates for Board of Directors (If Proposal 2 and Proposal 3 are approved as proposed)

Name		Knowledge/experience/abilities acquired by the candidates								
		Corporate management	HR development	New business development	Compliance/ risk management	Finance/ accounting	Regional revitalization/ culture/art	Sustainability/ ESG	Global	Well-being
Hiroataka Wakamoto		●	●	●	●			●		
Shintaro Nakao		●	●	●	●					●
Junko Fukasawa		●	●				●	●		●
Kinuko Yamamoto		●	●	●			●			●
Makiya Nambu		●		●					●	
Kazufumi Nomura	Full-time Audit and Supervisory Committee Member	●			●					
Haruo Funabashi	Outside Audit and Supervisory Committee Member				●	●	●			
Kazuo Furukawa	Outside Audit and Supervisory Committee Member	●		●	●			●	●	
Ryohei Miyata	Outside Audit and Supervisory Committee Member		●				●			●
Yutaka Atomi	Outside Audit and Supervisory Committee Member	●	●		●					●

Proposal 4:
Revision of Compensation Amount for Directors Who Are Audit and Supervisory Committee Members Election

At the FY2016 Ordinary General Meeting of Shareholders held on August 18, 2017, it was approved that the monetary compensation amount for Directors who are Audit and Supervisory Committee Members shall not exceed 100 million yen per year.

If Proposal 3 is approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will remain at five (including four Outside Directors), which represents an increase of one member compared with the time when the monetary compensation amount was previously approved. In light of this increase and the expansion of the duties and expected roles of both Directors and Audit and Supervisory Committee Members, the Company hereby requests approval to set the maximum annual compensation for Directors who are Audit and Supervisory Committee Members at no more than 200 million yen. The content of this proposal has been determined in consideration of the above background, the Company's business conditions and various other circumstances, and therefore, the Company believes it is appropriate.

Proposal 5:**Determination of Compensation for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

At the FY2016 Ordinary General Meeting of Shareholders held on August 18, 2017, the monetary compensation amount for Company Directors (excluding Directors who are Audit and Supervisory Committee Members) was approved to be no more than 600 million yen per year (of which the amount for Outside Directors is no more than 50 million yen per year; this does not include the salaries they receive in their capacity as employees for Directors who concurrently serve as employees). As for the performance-linked stock compensation plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), separate from the above monetary compensation limit, the cash to be contributed to the trust as funds for acquiring shares is capped at 800 million yen over five fiscal years, and the total number of points granted is capped at 260,000 points per fiscal year. Both matters were duly approved.

As part of the ongoing review of the officer compensation system, the Company now intends, within the scope of the above-mentioned monetary compensation limit, to newly grant restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee Members, hereinafter, “eligible Directors” in this proposal) in order to provide them with incentives to achieve the sustainable enhancement of the Company’s corporate value and to further promote value sharing with shareholders.

The compensation paid under this proposal shall consist of (1) common shares of the Company or (2) monetary claims contributed in kind for the acquisition of common shares of the Company, and, pursuant to a resolution of the Board of Directors of the Company, the Company shall issue or dispose of its common shares to the eligible Directors.

The total amount of common shares of the Company or monetary claims to be paid as compensation pursuant to this proposal shall be no more than 300 million yen per year (including no more than 25 million yen per year for outside Directors. However, this amount does not include the portion of salaries paid to Directors who also serve as employees for their services as employees.)

As compensation to be paid under this proposal, if the Company grants its common shares to the eligible Directors instead of granting them monetary claims, such common shares shall be issued or disposed of as compensation for the eligible Directors, and no payment of monetary claims as an in-kind contribution in exchange for those shares shall be required. The value per share of common shares of the Company to be granted to the eligible Directors shall be calculated, as the issue or disposal price per share, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors concerning such issuance or disposal (or, if no trade is executed on that day, the closing price on the most recent prior trading day).

On the other hand, if, as compensation to be paid under this proposal, monetary claims are granted to the eligible Directors as property to be contributed in kind for the acquisition of restricted shares, the eligible Directors shall, pursuant to a resolution of the Board of Directors of the Company, pay in all such monetary claims as a contribution in kind and shall receive an allotment of common shares of the Company to be issued or disposed of. In this case, the amount payable per share shall be determined by the Board of Directors, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date on which each resolution of the Board of Directors is adopted (or, if no trade is made on that day, the closing price on the most recent prior trading day), within a range that does not confer any particular advantage on the eligible Directors in connection with their

subscription for such common shares.

The total number of common shares of the Company to be issued or disposed of to eligible Directors shall be no more than 150,000 shares per year (of which no more than 12,500 shares per year shall be allotted to Outside Directors). However, if, on or after the date this proposal is approved, a stock split (including a gratis allotment of common shares of the Company) or a reverse stock split of common shares of the Company is carried out, or if any other event occurs that necessitates an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, such total number will be adjusted within a reasonable range.

The specific timing of payment and allocation to each eligible Director will be determined by the Nomination and Compensation Committee, which is composed of a majority of independent outside Directors who satisfy the Company's independence criteria.

Currently, there are four Directors (excluding Directors who are Audit and Supervisory Committee Members) (including zero Outside Directors). If Proposal 2 is approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be five (including zero Outside Directors).

In addition, pursuant to this proposal, the issuance or disposal of common shares of the Company to the eligible Directors, as well as the delivery of monetary claims to them as property contributed in kind, shall be conditional upon the Company and the eligible Directors entering into a restricted share allotment agreement (hereinafter, the "Allotment Agreement") that contains the following provisions. In addition, the upper limit of the compensation amount proposed in this proposal, the total number of common shares of the Company to be issued or disposed of, and other conditions for granting restricted shares to eligible Directors pursuant to this proposal are determined in consideration of the above objectives, the business conditions of the Company, the policy for determining the content of individual compensation, etc. for the Company's Directors, and various other circumstances, and are therefore considered reasonable.

[Overview of the Contents of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors must not transfer, create any security interest over, or otherwise dispose of the common shares of the Company allotted to them under this Allotment Agreement (the "Allotted Shares") (such prohibition, the "transfer restriction") during the period commencing on the allotment date and ending on the later of the moment immediately following their resignation or retirement from the position as an officer or employee of the Company or any of its affiliated companies that has been designated in advance by the Board of Directors of the Company and the date separately determined by the Board of Directors of the Company (the "transfer restriction period").

(2) Treatment upon resignation or retirement

If an eligible Director resigns or retires from a position as an officer or employee of the Company or its affiliated companies that is determined in advance by the Board of Directors, prior to the expiration of a period determined in advance by the Board of Directors of the Company (hereinafter referred to as the "service provision period"), the Company shall automatically acquire the Allotted Shares without consideration, except where such resignation or retirement is due to expiration of the Director's term of office, the Director's death, or other justifiable grounds.

(3) Lifting of transfer restrictions

The Company shall lift transfer restrictions on all Allotted Shares upon expiration of the transfer restriction

period on the condition that the eligible Director continues to be in a position determined in advance by the Board of Directors of the Company out of the positions as an officer or employee of the Company or its affiliated companies during the service provision period. However, if, prior to the expiration of the service provision period, the relevant eligible Director resigns or retires from a position as an officer or employee of the Company or any of its affiliated companies that has been designated in advance by the Board of Directors, due to the expiration of his or her term of office, death or any other justifiable grounds, the Company shall, as necessary, reasonably adjust the number of the Allotted Shares whose transfer restrictions are to be lifted and the timing of such lifting. In addition, the Company shall, at the time immediately after the transfer restrictions are lifted in accordance with the provisions above, automatically acquire, without consideration, any Allotted Shares on which the transfer restrictions have not yet been lifted.

(4) Handling in organizational restructuring, etc.

Notwithstanding the provisions of paragraph (1) above, if, during the transfer restriction period, any matter concerning an organizational restructuring—such as a merger agreement under which the Company will be the disappearing (absorbed) company, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or any other form of organizational restructuring—is approved at a General Meeting of Shareholders of the Company (or, if approval by a General Meeting of Shareholders is not required for such restructuring, at a meeting of the Board of Directors of the Company), then the Company shall, prior to the effective date of such organizational restructuring, lift the transfer restrictions on the Allotted Shares, in a number reasonably determined in light of the period from the date on which the allotment was resolved by the Board of Directors to the date of such approval. In addition, in the case stipulated above, the Company shall automatically acquire without consideration any Allotted Shares on which the transfer restrictions remain in effect as of the moment immediately after such restrictions have been lifted.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

*In addition to the Eligible Directors, the Company plans to grant the same restricted shares to Executive Officers who do not concurrently serve as Directors of the Company.

*If Proposal 5 and Proposal 6 are approved and passed as proposed at this General Meeting of Shareholders, the Company plans to introduce, as a new stock-based compensation plan separate from the existing performance-linked stock compensation, restricted shares compensation for Directors who are not Audit and Supervisory Committee Members and for Directors who are Audit and Supervisory Committee Members, respectively, and also plans to revise the policy regarding the content of individual compensation, etc. for Directors in line with the introduction of this compensation system.

Proposal 6:

Determination of Compensation for Granting Restricted Shares to Directors Who Are Audit and Supervisory Committee Members

The amount of compensation, etc. for Directors who are Audit and Supervisory Committee Members was approved at the FY2016 Ordinary General Meeting of Shareholders held on August 18, 2017, to be no more than 100 million yen per year. If Proposal 4 is approved as originally proposed, the amount of compensation, etc. for Directors who are Audit and Supervisory Committee Members will be no more than 200 million yen per year.

As part of the ongoing review of the officer compensation system, the Company now intends, within the scope of the above-mentioned compensation limit, to newly grant restricted shares to Directors who are Audit and Supervisory Committee Members (hereinafter, “eligible Directors (Audit and Supervisory Committee Members)” in this proposal) in order to provide them with incentives to achieve the sustainable enhancement of the Company’s corporate value and to further promote value sharing with shareholders.

The compensation paid under this proposal shall consist of (1) common shares of the Company or (2) monetary claims contributed in kind for the acquisition of common shares of the Company, and, pursuant to a resolution of the Board of Directors of the Company, the Company shall issue or dispose of its common shares to the eligible Directors (Audit and Supervisory Committee Members).

The total amount of common shares or monetary claims of the Company to be paid as compensation pursuant to this proposal shall be no more than 100 million yen per year (however, this amount does not include the portion of salaries paid to Directors who also serve as employees for their services as employees.)

As compensation to be paid under this proposal, if the Company grants its common shares to the eligible Directors (Audit and Supervisory Committee Members) instead of granting them monetary claims, such common shares shall be issued or disposed of as compensation for the eligible Directors (Audit and Supervisory Committee Members), and no payment of monetary claims as an in-kind contribution in exchange for those shares shall be required. The value per share of common shares of the Company to be granted to the eligible Directors (Audit and Supervisory Committee Members) shall be calculated, as the issue or disposal price per share, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors concerning such issuance or disposal (or, if no trade is executed on that day, the closing price on the most recent prior trading day).

On the other hand, if, as compensation to be paid under this proposal, monetary claims are granted to the eligible Directors (Audit and Supervisory Committee Members) as property to be contributed in kind for the acquisition of restricted shares, the eligible Directors (Audit and Supervisory Committee Members) shall, pursuant to a resolution of the Board of Directors of the Company, pay in all such monetary claims as a contribution in kind and shall receive an allotment of common shares of the Company to be issued or disposed of. In this case, the amount payable per share shall be determined by the Board of Directors, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date on which each resolution of the Board of Directors is adopted (or, if no trade is made on that day, the closing price on the most recent prior trading day), within a range that does not confer any particular advantage on the eligible Directors (Audit and Supervisory Committee Members) in connection with their subscription for such common shares.

The total number of common shares of the Company to be issued or disposed of to eligible Directors (Audit and Supervisory Committee Members) shall be no more than 50,000 shares per year; however, if, on or after the date this proposal is approved, a stock split (including a gratis allotment of common shares of the Company) or a reverse stock split of common shares of the Company is carried out, or if any other event occurs that necessitates an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, such total number will be adjusted within a reasonable range.

The specific timing of payment and allocation to each eligible Director (Audit and Supervisory Committee Member) will be determined based on consultations among the Company's Directors who are Audit and Supervisory Committee Members.

Currently, there are five Directors who are Audit and Supervisory Committee Members (including four Outside Directors). If Proposal 3 is approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be five (including four Outside Directors).

In addition, pursuant to this proposal, the issuance or disposal of common shares of the Company to the eligible Directors (Audit and Supervisory Committee Members), as well as the delivery of monetary claims to them as property contributed in kind, shall be conditional upon the Company and the eligible Directors (Audit and Supervisory Committee Members) entering into a restricted share allotment agreement containing provisions substantially identical to the outline of the Allotment Agreement described in Proposal 5. In addition, the upper limit of the compensation amount proposed in this proposal, the total number of common shares of the Company to be issued or disposed of, and other conditions for granting restricted shares to eligible Directors (Audit and Supervisory Committee Members) pursuant to this proposal are determined in consideration of the above objectives, the business conditions of the Company, and various other circumstances, and are therefore considered reasonable.

Shareholder Proposals (Proposal 7 and Proposal 8)

Proposal 7 and Proposal 8 are proposals submitted by a shareholder who holds 0.76% of the voting rights. The name of each proposal, the content of the proposal, and the reasons for the proposal are presented as they appear in the original text.

<Shareholder Proposals>

The Companies Act permits shareholders to submit proposals when certain requirements are satisfied. When a shareholder proposal is made, the Company is required to include the proposed agenda item(s) and the reasons for the proposal and other related information in the convocation notice and the reference documents for the general meeting of shareholders, except in cases such as violations of laws, regulations, the Articles of Incorporation, etc.

The Board of Directors of the Company is opposed to all of the proposals submitted by shareholders.

Proposal 7: Appropriation of Surplus

1. Proposed agenda

Appropriation of surplus

2. Details of proposal and reasons for proposal

[Content of the proposal]

(1) Type of dividend property

Cash

(2) Matters concerning allocation of dividend property and the total amount

The Company shall distribute, as the dividend per common share (hereinafter “dividend per share”), an amount equal to 288 yen minus (i) the dividend per share based on the proposal for appropriation of surplus submitted by the Board of Directors and approved at the FY2024 Ordinary General Meeting of Shareholders (hereinafter “Company Proposal for Appropriation of Surplus”) or (ii) the dividend per share resolved by the Board of Directors, pursuant to Article 29 of the Articles of Incorporation, as the appropriation (including any planned appropriation) of surplus at the end of the fiscal year ending May 2025, provided such resolution is adopted by the date on which the FY2024 Ordinary General Meeting of Shareholders is held.

If the amount obtained by taking eight-hundredths (8/100) of the net assets per share for the fiscal year ending May 2025 and rounding it down to the nearest 1 yen differs from 288 yen, the figure 288 yen appearing at the beginning shall be replaced with that amount.

Incidentally, the total amount of dividends shall be the amount obtained by multiplying the dividend per share by the number of shares entitled to receive dividends as of the record date for voting rights for the FY2024 Ordinary General Meeting of Shareholders of the Company.

(3) The date on which the dividend of surplus takes effect

The day after the FY2024 Ordinary General Meeting of Shareholders of the Company

If a company proposal for the appropriation of surplus is submitted at the FY2024 Ordinary General Meeting of Shareholders, this proposal will be submitted in addition as an independent and compatible proposal.

[Reasons for the proposal]

The proposal aims to pay dividends equivalent to eight-hundredths (8/100) of net assets per share, or Dividend on Equity (“DOE”) of 8%. DOE is a shareholder return indicator calculated by dividing the annual dividend per share by net assets per share. Further, the proposing shareholder estimates cost of equity of the Company to be approximately 8%.

The stock price of the Company is well below the PBR (stock price to net assets ratio) of 1x. While ensuring minimum returns through shareholder returns, it is expected that shareholder value of at least 1X PBR will be realized by working to improve business performance and capital efficiency through, among other measures, the reorganization of the business portfolio described in the “Corporate Governance Report” dated April 14, 2025.

Please refer to the following QR Code for details of the shareholder proposal.

Enhancing shareholder value for the Pasona Group (2168)



[Opinion of the Board of Directors on Proposal 7]

The Board of Directors of the Company is against this proposal.

The Company recognizes the return of profit to shareholders as one of its highest priorities. In order to play a sufficient role as a company with sustainable development, the Company will strive to strengthen its management base and profitability while securing growth funds such as new business investments and capital expenditures, with the aim of increasing shareholder returns by enhancing corporate value. Based on our basic policy of providing shareholder returns in line with performance, we will raise the consolidated dividend payout ratio to 40% in the fiscal year ending May 2025 in order to further enhance shareholder returns, and we are also working to maintain continuous and stable dividends.

This year, the Company celebrated its 50th anniversary. The business environment surrounding the Company is changing as the working-age population declines due to the declining birthrate and aging of the domestic population, while people’s values and lifestyles are becoming more diverse. In addition, the remarkable advancement of digital technologies such as AI is bringing about dramatic changes, affecting not only the way we work but also the very nature of the work itself. Also, the composition of the Company’s consolidated business portfolio has changed as a result of the sale of shares of consolidated subsidiaries in the fiscal year ending May 2024. The Company plans to use the funds obtained from the sale of shares of consolidated subsidiaries for growth investments such as new business investments, capital expenditures, and M&A investments to enhance the Company’s corporate value over the medium to long term, while strengthening its management base and providing shareholder returns.

As for improving shareholder returns, as announced in the “Resolution to Pay Special Dividends and Revision of Dividend Forecast for the Fiscal Year Ending May 2024” dated April 12, 2024, the Company has resolved to pay a special dividend of 60 yen per share for each fiscal year over the five fiscal years

from the fiscal year ending May 2024 to the fiscal year ending May 2028. As announced in the “Notice Regarding Share Repurchase ” dated January 14, 2025, the Company is conducting share repurchases, as a further return to shareholders returns utilizing the sale proceeds, with the aim of further enhancing capital efficiency and executing a flexible capital policy in line with the business environment, with an upper limit of up to 5 billion yen in total acquisition cost and up to 2 million shares (equivalent to 4.97% of the total number of issued shares, excluding treasury shares).

As stated above, the Company is striving to enhance shareholder returns and formulate new growth strategies for the next 50 years as a company that grows sustainably, with the aim of further enhancing its corporate value. Therefore, we believe it is important to strike an optimal balance between securing the funds necessary for our growth strategy and providing shareholder returns.

This proposal is aimed to use an amount equivalent to eight-hundredths (8/100) of the Company’s net assets, or a DOE of 8%, as a dividend source for the fiscal year ending May 2025. Based on the amount of net assets per share of 3,517.00 yen as of the consolidated financial statements for the fiscal year ending May 2025, the amount obtained by rounding down the figure representing 8/100 of such amount to the nearest yen is 281 yen. Accordingly, the total dividend amount proposed in this shareholder proposal is estimated to be approximately 11.1 billion yen. On the other hand, as mentioned above, the Company has indicated its intention to enhance shareholder returns, and when the total amount of special dividends of approximately 12 billion yen is combined with the maximum amount of 5 billion yen of share repurchases, it is presenting a shareholder return plan totaling roughly 17 billion yen. The Company has also formulated the PASONA GROUP VISION 2030, a five-year medium term vision covering the period from the fiscal year ending May 2026 through the fiscal year ending May 2030. Its basic policy for shareholder returns during this period is to provide returns in line with business performance, aiming for a consolidated dividend payout ratio of around 40%. In order to achieve continuous and stable dividends that are not affected by temporary performance fluctuations, the Company has resolved to introduce a progressive dividend policy that maintains or increases dividends with a minimum of 75 yen per share. Therefore, the Company believes that such a proposal is based on a short term perspective and does not take into account the Company’s sustainable corporate growth and continuous and stable shareholder returns, and that this proposal will not lead to the Company’s enhanced corporate value over the medium to long term.

For the reasons stated above, the Board of Directors of the Company is against this proposal.

Proposal 8:

Partial Amendment to the Articles of Incorporation Concerning the Disclosure of Related-Party Transactions (Donations) With Due Consideration of Cost of Capital

1. Proposed agenda

Partial Amendment to the Articles of Incorporation Concerning the Disclosure of Related-Party Transactions (Donations) With Due Consideration of Cost of Capital

2. Details of proposal and reasons for proposal

[Content of the proposal]

The following chapters and articles will be newly established in the current Articles of Incorporation.

Chapter 7 Management with awareness of the cost of capital

Article 32 (Disclosure of related-party transactions with due consideration of capital costs)

When the Company enters into a transaction with a related party that is required to be disclosed in the annual securities report as a donation, a director who has no interest in the transaction shall verify that the expected return exceeds the amount obtained by multiplying the transaction amount by either (i) the shareholders' cost of equity or (ii) the weighted average cost of capital. Furthermore, if the Company resolves to execute the relevant transaction, it shall, within two weeks of such resolution, publicly disclose the results of the aforementioned verification through the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange, Inc.

[Reasons for the proposal]

This proposal is intended to clarify the appropriateness of donations to related parties.

According to the disclosures regarding related-party transactions in the annual securities report of the Company for the fiscal year ending May 31, 2024, 680 million yen was donated to the Pasona Professional Graduate University Preparatory Foundation (General Incorporated Foundation (Awaji City, Hyogo Prefecture), for which the Company's officers and their family members serve as Representative Directors. This is a large amount of spending equivalent to 10% of the consolidated operating profit of approximately 6.8 billion yen for the fiscal year ending May 31, 2024. It is also stated that "the objective of the Foundation's activities is to establish a graduate university with the aim of cultivating human resources who can contribute to the creation of attractive communities by utilizing unique resources such as the natural environment, history, culture, and food that vary from region to region." However, it is difficult to determine a causal relationship between the realization of these objectives and the enhancement of the Company's shareholder value.

The donation of large amounts of money to related parties at the expense of shareholder value is simply unacceptable.

[Opinion of the Board of Directors on Proposal 8]

The Board of Directors of the Company is against this proposal.

The Company appropriately addresses related-party transactions by examining them in advance and, for those exceeding a certain amount, deliberating on them at meetings of the Board of Directors, and it also discloses the details of such transactions in accordance with the law. Moreover, because it would

be inappropriate to stipulate uniformly and rigidly in the Company's Articles of Incorporation individual and specific matters such as the deliberation and disclosure of related-party transactions, the Company believes that this proposal is not appropriate.

Pasona Professional Graduate University Preparatory Foundation (General Incorporated Foundation) is a foundation for the preparation for establishment of professional graduate school for training highly specialized human resources to take responsibility for the promotion of local industry and tourism. The funds from the donation will be used for the expenses necessary for graduate school operations.

The professional graduate school concerned focuses its teaching and research on "regional revitalization," that is, conceiving and implementing sustainable regional development that addresses local issues in Japan and maximizes each region's appeal by making effective use of its unique resources and characteristics.

Meanwhile, the Group is engaged in a variety of regional-revitalization businesses aimed at solving local problems. In order to establish a new model for regional revitalization, we need human resources with the managerial knowledge and skills to make the most of local resources and characteristics and to manage tourist destinations. We also believe that the professional graduate school concerned will generate substantial synergies that will help enhance the profitability of the Group's regional revitalization business.

When making investments, the Group makes investment decisions using multifaceted evaluation indicators, such as comparing the internal rate of return (IRR) with the cost of capital, and the Board of Directors assesses their appropriateness. Donations to the professional graduate school concerned cannot be discussed on the same basis as ordinary investments; however, when making such donations, we make our decisions by taking into account both the social significance and the potential group synergies.

In addition, the establishment of this proposal in the Articles of Incorporation, which is the basic code of conduct for the Company, may hinder the implementation of management measures in response to changes in the business environment, and is therefore not appropriate.

For the reasons stated above, the Board of Directors of the Company is against this proposal.