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(Securities code: 3708)

(June 4, 2026)

To Our Shareholders

Takashi Kimura, President and Chief Executive
Officer

Tokushu Tokai Paper Co., Ltd.

4379 Mukaijima-cho, Shimada-shi, Shizuoka, JAPAN

Notice of the 19th Annual General Meeting of Shareholders

It is a pleasure to inform you that the 19th Annual General Meeting of Shareholders of Tokushu Tokai Paper Co., Ltd. (the “Company”) will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of “Reference Documents for the General Meeting of Shareholders,” etc. (items subject to measures for electronic provision) in electronic format, and has posted the information on the Company’s website. Please access the following website to view the information.

The Company’s website:

<https://www.tt-paper.co.jp/ir/stock/meeting/> (in Japanese)



In addition to the Company’s website, items subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the following website to view the information.

TSE 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 “Tokushu Tokai Paper” in “Issue name (company name)” or the Company’s securities code “3708” 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].”)

You may exercise your voting rights via the internet or in writing (postal mail) in lieu of attending the meeting in person. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:40 p.m. on Thursday, June 25, 2026 (JST).

1. Date and Time: Friday, June 26, 2026, at 10:00 a.m. (JST) (Reception will open at 9:15 a.m.)

2. Venue: Hotel Associa Shizuoka, 3F, Sunpu

56 Kurogane-cho, Aoi-ku, Shizuoka-shi, Shizuoka Prefecture

Note that the venue has been changed from the previous meeting. When arriving at the venue, refer to the “Annual General Meeting of Shareholders Venue Map” at the end of this notice to ensure you are at the correct location.

* Please be aware that there will be no gifts for shareholders who attend the General Meeting of Shareholders in person.

Thank you for your understanding.

3. Meeting Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 19th fiscal year (April 1, 2025, to March 31, 2026) and Audit Results of Consolidated Financial Statements by Financial Auditor and the Audit & Supervisory Committee
2. Non-consolidated Financial Statements for the 19th fiscal year (April 1, 2025, to March 31, 2026)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Six (6) Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee) |
| Proposal No. 3 | Election of One (1) Substitute Director Who Is a Member of the Audit & Supervisory Committee |
| Proposal No. 4 | Determination of Compensation for the Allocation of Restricted Stock to Directors (Excluding Outside Directors and Directors Who Are Members of the Audit & Supervisory Committee) |

4. Matters to be Resolved in Convening the General Meeting of Shareholders (Guide to Exercising Voting Rights):

- (1) For shareholders opting to exercise their voting rights in writing (by post) using the Voting Rights Exercise Form, any voting right exercised without indicating approval or disapproval for a particular proposal will be treated as an intention of approval.
- (2) For shareholders exercising their voting rights more than once via the Internet, the last voting right exercised shall be deemed valid.
- (3) If any voting right is exercised both by mail and via the Internet, the voting right exercised via the Internet shall be deemed to be the valid exercise of the voting right.
- (4) If you intend to vote by proxy, you may appoint another shareholder with voting rights to vote on your behalf as proxy. Please note, however, that written proof of his/her right of proxy must be submitted.

- When you attend the meeting in person, please submit the Voting Form to the reception desk at the venue.
- For this General Meeting of Shareholders, paper-based documents stating items subject to measures for electronic provision are sent to all shareholders, regardless of whether or not they have made a request for delivery of such documents. However, those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation.
 - (i) Systems for ensuring the properness of business activities and outline of the operation of the systems
 - (ii) Consolidated statement of changes in equity and notes to consolidated financial statements
 - (iii) Statement of changes in equity and notes to non-consolidated financial statementsPlease note that the business reports and consolidated and non-consolidated financial statements described in this document are part of the documents audited by the Audit & Supervisory Committee and the Financial Auditor in the course of preparing the Audit Report or Accounting Audit Report.
- If there are any revisions to the items subject to measures for electronic provision, a notice of the revisions and the details of the matters before and after the revisions will be posted on the aforementioned Company website and the TSE website.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

Year-end dividends

The Company regards the return of profit to its shareholders as an important management theme and maintains a basic policy of paying stable dividends aiming for a dividend payout ratio of 30% while giving comprehensive consideration to factors, including strengthening the financial base for the future business environment and returning profit by way of purchasing its own shares.

The Company proposes to pay the fiscal year-end dividends as follows.

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and the aggregate amount
¥32 per common share of the Company, Total payment: ¥1,124,356,192
- (3) Effective date of dividends of surplus
June 29, 2026

Note: The Company split its common share in a ratio of one into three effective October 1, 2025, and the dividend per share is the amount after the share split.

<Reference>

[Dividend policy for the 7th Medium-Term Management Plan period]

In the 7th Medium-Term Management Plan, which starts in the fiscal year ending March 2027, we intend to execute aggressive growth investments with a view to achieving medium- to long-term returns, mainly in the recycling business. In addition, we have adopted a basic policy of providing returns based on “a payout ratio of 50% or dividend on equity ratio (DOE) of 4.0%, whichever is higher,” in order to improve capital efficiency and return profits through future growth while maintaining stable dividends to shareholders. We will combine this with flexible repurchases of our own shares to strengthen shareholder returns.

This policy will be applied during the period of the 7th Medium-Term Management Plan (the fiscal year ending March 2027 through March 2029), starting from the interim dividend for the fiscal year ending March 2027.

Proposal No. 2 Election of Six (6) Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee)

The term of office of all seven (7) Directors (excluding Directors who are members of the Audit & Supervisory Committee) will expire at the conclusion of the General Meeting of Shareholders. Accordingly, the Company requests that its shareholders elect six (6) Directors (excluding Directors who are members of the Audit & Supervisory Committee).

The Company follows a recommendation about this proposal given by the voluntary Nomination and Compensation Committee having its outside Directors as key members.

The candidates for Directors (excluding Directors who are members of the Audit & Supervisory Committee) are as follows.

Candidate No.	Name	Position and responsibility in the Company	Attributes	Attendance at Board of Directors Meetings
1	Yuji Matsuda	Chairman	Re-election	12/12
2	Takashi Kimura	President and Chief Executive Officer	Re-election	10/10
3	Michiaki Sano	Director, Vice President, Executive Officer, and Head of the Core Business Center	Re-election	12/12
4	Satoshi Fukui	Director, Senior Executive Officer, General Manager of the Environmental Business Headquarter and General Manager of the Practical-Use of Natural Environment Division	Re-election	12/12
5	Yuzo Ishikawa	Outside Director	Re-election Outside Independent	12/12
6	Ritsue Miyashita	Outside Director	Re-election Outside Independent Female	12/12

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yuji Matsuda (June 10, 1962) Re-election Number of years in office: 15 years Attendance at Board of Directors Meetings 12/12	<p>Mar. 1985 Joined Tokushu Paper Mfg. Co., Ltd.</p> <p>Mar. 2006 Senior General Manager, Deputy General Manager of the Sales Division, and Manager of the Sales Planning Department President and CEO of Tokushu Paper Trading Co., Ltd. (changed its trade name to TT TRADING CO., LTD. in July 2014 and merged through an absorption-type merger by the Company in April 2026)</p> <p>Jun. 2009 Executive Officer of the Company Executive Officer and General Manager of the Sales Development Division of Tokushu Paper Mfg. Co., Ltd.</p> <p>Jun. 2011 Director, Deputy Head of the Specialty Materials Business Group, and General Manager of the Sales Development Division of the Company</p> <p>Jun. 2012 Director, Deputy Head of the Comprehensive Development Center, General Manager of the Research and Development Division, and General Manager of the Overseas Business Promotion Department</p> <p>Jun. 2014 Director, Managing Executive Officer, and Head of Specialty Materials Business Group</p> <p>Apr. 2016 President and Chief Executive Officer</p> <p>Jun. 2025 Chairman (current position)</p>	17,438 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Matsuda has served as President and Chief Executive Officer since April 2016, and made many contributions to enhancement of corporate value, such as achieving record-high in consolidated ordinary income six times during his term of office, implementing multiple M&As to promote business portfolio transformation, and making the transition to a company with audit and supervisory committee. His wealth of experience and achievements have been deemed necessary to connect to the next generation of management and realize sustained enhancement of corporate value. Accordingly, we propose his re-election as a Director.</p>			
2	Takashi Kimura (June 27, 1972) Re-election Number of years in office: 1 year Attendance at Board of Directors Meetings 10/10	<p>Aug. 2002 Joined Tokushu Paper Mfg. Co., Ltd.</p> <p>Jun. 2016 General Manager of the Planning Department of the Corporate Planning Division of the Company</p> <p>Jul. 2022 Senior General Manager and General Manager of the Corporate Planning Division</p> <p>Jul. 2024 Executive Officer and General Manager of Resource Reuse Division</p> <p>Apr. 2025 Managing Executive Officer and Assistant to the President</p> <p>Jun. 2025 President and Chief Executive Officer (current position)</p>	5,600 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Kimura has served as General Manager of a Department in the Corporate Planning Division and of the Division, and has a wealth of knowledge and experience obtained through the drafting and execution of management measures contributing to the enhancement of corporate value. Furthermore, he also has experience as the General Manager of the Resource Reuse Division that handles the expansion of the recycling business in the environmental business, which is growing in to a core business of the Group. Judging that he is a person capable of greatly contributing to further growth and enhancement of corporate value of the Company and the Group by exhibiting this experience and leadership and moving forward with generational change of management while drafting and realizing management plans, we propose his re-election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p style="text-align: center;">Michiaki Sano (January 31, 1966)</p> <p style="text-align: center;">Re-election</p> <p style="text-align: center;">Number of years in office: 10 years</p> <p style="text-align: center;">Attendance at Board of Directors Meetings 12/12</p>	<p>Apr. 1989 Joined Daishowa Paper Manufacturing Co., Ltd.</p> <p>Dec. 2004 Joined Tokushu Paper Mfg. Co., Ltd.</p> <p>Jun. 2010 Executive Officer and Manager of Mishima Mill in Specialty Materials Business Group of the Company</p> <p>Jun. 2014 Executive Officer and General Manager of the Corporate Planning Division of the President Office</p> <p>Jun. 2015 Executive Officer, Deputy Head of Industrial Materials Business Group, and Manager of Shimada Mill</p> <p>Jun. 2016 Director, Executive Officer, COO of Industrial Materials Company, Manager of Shimada Mill, General Manager of Minami Alps Business of the Corporate Planning & Administration Office</p> <p>Oct. 2016 Director, Executive Officer, General Manager of Minami Alps Business of the Corporate Planning & Administration Office President of Shin Tokai Paper Co., Ltd.</p> <p>Jul. 2017 Director, Executive Officer, CEO of Industrial Materials Company, and General Manager of Minami Alps Business of the President Office of the Company</p> <p>Jun. 2019 Director, Executive Officer, and CEO of Industrial Materials Company</p> <p>Apr. 2020 Director, Executive Officer, General Manager of the Industrial Materials Business Headquarter, and in charge of Resource Reuse Division</p> <p>Jul. 2021 Director, Executive Officer, and General Manager of the Corporate Planning Division</p> <p>Jul. 2022 Director, Managing Executive Officer, Head of the Corporate Center, and General Manager of the Practical-Use of Natural Environment Division</p> <p>Apr. 2023 Director, Managing Executive Officer, and Head of the Corporate Center</p> <p>Jul. 2024 Director, Managing Executive Officer, Head of the Core Business Center, and General Manager of the Households Products Business Headquarters</p> <p>Apr. 2026 Director, Vice President, Executive Officer, and Head of the Core Business Center (current position)</p>	2,300 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Sano has extensive knowledge and experience in the fields of production technology and paper manufacturing and processing, and has contributed greatly to improving productivity and quality, served as Mill Manager of the Mishima and Shimada Mill, and as President of Shin Tokai Paper Co., Ltd., which produces containerboard and kraft paper. He is currently serving as Vice President, and is focusing on strengthening the profitability of business divisions in general. Having judged that he is a person capable of contributing to sustained enhancement of corporate value, we propose his re-election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Satoshi Fukui (December 20, 1964) Re-election Number of years in office: 2 years Attendance at Board of Directors Meetings 12/12	<p>Mar. 1990 Joined Tokushu Paper Mfg. Co., Ltd.</p> <p>Aug. 2002 General Manager of the Finance & Accounting Department of the Company</p> <p>Apr. 2016 Executive Officer and General Manager of the Corporate Planning Division of the Corporate Planning Management Office</p> <p>Apr. 2020 Executive Officer and General Manager of Resource Reuse Division</p> <p>Jul. 2020 Executive Officer and General Manager of Resource Reuse Division President of Rex Co., Ltd.</p> <p>Apr. 2023 Executive Officer, General Manager of the Environmental Business Headquarter, and General Manager of Resource Reuse Division Representative Director and President of Toei Holdings Co., Ltd.</p> <p>Jul. 2023 Senior Executive Officer, General Manager of the Environmental Business Headquarter, and General Manager of Resource Reuse Division</p> <p>Apr. 2024 Representative Director and President of Takafuji Holdings Co., Ltd.</p> <p>Jul. 2024 Director, Senior Executive Officer, and General Manager of the Environmental Business Headquarter of the Company (current position)</p> <p>Apr. 2026 General Manager of the Practical-Use of Natural Environment Division (current position)</p>	4,157 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Fukui has a wealth of experience and knowledge in the Finance & Accounting, the Information & Systems and the Corporate Planning departments, and has also served as Representative Director and President of several subsidiaries, such as Rex Co., Ltd., which handles industrial waste in the resource reuse business. As the person responsible for Environmental Business, he is currently in charge of the recycling business utilizing waste, which is a new business area, and expansion of businesses harnessing and utilizing nature, driving the creation of a foundation for growing the Group's core businesses. Having judged that he is a person capable of contributing to sustained enhancement of corporate value, we propose his re-election as a Director.</p>			
5	Yuzo Ishikawa (October 19, 1956) Re-election Outside Independent Number of years in office: 4 years Attendance at Board of Directors Meetings 12/12	<p>Sept. 1985 Joined DDI CORPORATION (currently KDDI CORPORATION)</p> <p>Jun. 2016 Executive Vice President, Representative Director of KDDI CORPORATION</p> <p>Jun. 2019 Chairman of the Board, Representative Director of JCOM Co., Ltd.</p> <p>Jun. 2020 President, Representative Director</p> <p>Apr. 2022 Special Advisor</p> <p>Jun. 2022 Outside Director of the Company (current position)</p> <p>Jul. 2022 Advisor of KDDI CORPORATION</p> <p>Dec. 2024 Outside Director of MTI Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Outside Director of MTI Ltd.</p>	3,700 shares
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles]</p> <p>Mr. Ishikawa has vast and extensive experience, knowledge, and insight in all aspects of corporate management as he has successively held positions such as a representative director of KDDI CORPORATION and JCOM Co., Ltd. He is therefore expected to not only supervise decision-making processes and business execution in the Company's group management, but also to continue providing suitable proposals with a lot of advice and recommendations for enhancing corporate value into the future. Accordingly, we propose his re-election as an outside Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Ritsue Miyashita (May 3, 1962) Re-election Outside Independent Female Number of years in office: 3 years Attendance at Board of Directors Meetings 12/12	Apr. 1986 Joined JAL Information Technology Co., Ltd. Jul. 2001 Manager of Corporate Planning Department Oct. 2015 Executive Officer, Application Business Department of Airline Business Division Oct. 2018 Director of Brighton Consulting, Inc. Dec. 2018 Established Eternaria Co., Ltd., President (current position) Jun. 2022 Outside Director of ENDO Lighting Corp. Jun. 2023 Outside Director of the Company (current position) Jun. 2024 Outside Director (Audit and Supervisory Committee Member) of NITTO FUJI FLOUR MILLING CO., LTD. (current position) Jun. 2025 Outside Director (Audit and Supervisory Committee Member) of COMSYS Holdings Corporation (current position) [Significant concurrent positions outside the Company] President of Eternaria Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of NITTO FUJI FLOUR MILLING CO., LTD. Outside Director (Audit and Supervisory Committee Member) of COMSYS Holdings Corporation	700 shares
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles] Ms. Miyashita is a former Executive Officer of JAL Information Technology Co., Ltd., and has extensive experience and knowledge in the IT field such as successfully completing numerous major IT projects. In her current independent role, she has played an extensive role promoting the advancement of women in fields other than IT and supporting human resource development. We propose her re-election as an outside Director in the expectation that she can supervise efforts to enhance corporate value from an objective standpoint which includes enhancing IT and implementing DX at the Company, and providing advice on human capital management.</p>			

- Notes:
- 1 There is no special interest between each candidate and the Company.
 - 2 Mr. Ishikawa and Ms. Miyashita are candidates for outside Director.
 - 3 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Ishikawa and Ms. Miyashita to limit their liability for damages under Article 423, paragraph (1) of the said Act. The maximum amount of liability for damages based on this agreement is ¥1 million or the amount stipulated in Article 425, paragraph (1) of the Companies Act, whichever is higher. If the re-election of Mr. Ishikawa and Ms. Miyashita is approved at this General Meeting of Shareholders, the Company plans to renew the agreement with them.
 - 4 The Company has entered into a directors and officers liability insurance agreement with an insurance company. If the re-election and election of each candidate are approved, each candidate will be included in the insured of this agreement. The Company plans to renew the insurance agreement at the next renewal under the same terms and conditions.
 - 5 The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Ishikawa and Ms. Miyashita satisfy requirements for an independent officer as provided for by the exchange and the Company. If the re-election of both candidates is approved, the Company plans for their designation as independent officers to continue.

Proposal No. 3 Election of One (1) Substitute Director Who Is a Member of the Audit & Supervisory Committee

The Company requests approval for the election of one (1) substitute Director who is a Member of the Audit & Supervisory Committee to be ready to fill a vacant position should the number of Audit & Supervisory Committee Members fall below the number required by laws and regulations.

In addition, the consent of the Audit & Supervisory Committee has been obtained for this proposal.

The candidate for substitute Director who is a member of the Audit & Supervisory Committee is as follows.

Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Yoshiaki Tomotake (December 22, 1969)	Apr. 1994 Joined Tokushu Paper Mfg. Co., Ltd. Jun. 2015 General Manager of Manufacturing Department 1 of Mishima Mill, the Specialty Materials Company of the Company Jan. 2020 Senior General Manager, Manager of Mishima Mill of the Core Business Center of the Specialty Materials Business Headquarter Jul. 2024 Senior General Manager of the Internal Control and Audit Division, and Secretariat of the Audit & Supervisory Committee (current position) [Significant concurrent positions outside the Company] Attorney at law	3,857 shares
	[Reasons for nomination as candidate for substitute Director who is a member of the Audit & Supervisory Committee] Mr. Tomotake has extensive knowledge and experience regarding plant management as a plant manager, including production, labor management, health and safety, and risk management. Currently he serves as an auditor at several Group companies, and he has experience of contributing to the enhancement of audits and governance. Since he serves in the role of secretariat of the Company's Audit & Supervisory Committee, we have judged that he is a person capable of contributing sufficiently to the strengthening of the Company's governance and its audit and supervisory functions, and we therefore propose his election as substitute Director who is a member of the Audit & Supervisory Committee.	

- Notes:
- 1 There is no special interest between Mr. Tomotake and the Company.
 - 2 If Mr. Tomotake is elected and approved, the Company plans to enter into an agreement with him, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, to limit his liabilities for damages under Article 423, paragraph (1) of the said Act. The maximum amount of liability for damages based on this agreement is ¥1 million or the amount stipulated in Article 425, paragraph (1) of the Companies Act, whichever is higher.
 - 3 The Company has entered into a directors and officers liability insurance agreement with an insurance company. If Mr. Tomotake is elected and becomes a Director who is a member of the Audit & Supervisory Committee, he will be included in the insured of this agreement. The Company plans to renew the insurance agreement at the next renewal under the same terms and conditions.

Proposal No. 4 Determination of Compensation for the Allocation of Restricted Stock to Directors (Excluding Outside Directors and Directors Who Are Members of the Audit & Supervisory Committee)

The amount of compensation for the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee) was approved at the 16th Annual General Meeting of Shareholders held on June 28, 2023, to be no more than ¥350 million per year (of which, no more than ¥50 million for outside Directors; excluding employee's salary of Directors who concurrently serve as employees).

The Company hereby proposes to allocate to its Directors (excluding outside Directors and Directors who are members of the Audit & Supervisory Committee; hereinafter, the "Eligible Directors") common shares of the Company subject to a certain transfer restriction period and provisions including the grounds for the Company's acquisition of such shares without contribution as set forth below (hereinafter, the "Restricted Stock"), for the purposes of providing the Eligible Directors with incentive to continuously enhance the corporate value of the Group, sharing with its shareholders the benefits and risks of share price volatility, and promoting further value sharing.

Accordingly, the Company proposes to set the total amount of compensation, etc. relating to the Restricted Stock for the Eligible Directors at no more than ¥60 million per year separately from the aforementioned amount of compensation for Directors, after comprehensively taking into account various factors such as the extent of contributions and positions of the Eligible Directors. The Company deems that the details of the allocation of the Restricted Stock are appropriate given that such allocations are determined after comprehensively taking into account various factors including the extent of contributions and positions of the Eligible Directors, and given that the dilution rate is negligible in that the maximum number of shares of Restricted Stock to be allocated in each fiscal year as set forth in 2., below, constitutes approximately 0.129% of the total number of issued shares (approximately 1.29% under a scenario where the maximum number of shares of Restricted Stock is issued over a period of ten years).

If this proposal is approved, the Company plans to amend its policy for determining the details of individual compensation, etc. for Directors set forth on page 39 of the Business Report (in Japanese) in a manner consistent with the approved content and as described in the Reference section of this proposal, at a meeting of its Board of Directors to be held after the conclusion of this General Meeting of Shareholders. The Company has judged that the content of this proposal is appropriate, aligned with the amended policy.

In addition, the current number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) is seven (7) (including two (2) outside Directors). If Proposal No. 2 is approved, the number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) will be six (6) (including two (2) outside Directors) and the number of Eligible Directors will be four (4).

Specific details and maximum number of shares of Restricted Stock for the Eligible Directors

1. Restricted Stock allocation and payment

The allocation of Restricted Stock shall be carried out based on a resolution of the Company's Board of Directors, using one of the following methods:

- i. a method whereby Restricted Stock is allocated to Eligible Directors as compensation, etc. relating to Restricted Stock without requiring payment for the issuance or disposal thereof (hereinafter, "Delivery without Contribution"); or
- ii. a method whereby Restricted Stock is allocated to Eligible Directors by providing monetary compensation claims as compensation, etc. relating to Restricted Stock within the aforementioned annual limit, and by having each Eligible Director make contribution in kind of the entire amount of such monetary compensation claims (hereinafter, "In-Kind Contribution Delivery").

(1) In the case of Delivery without Contribution

In the case of Delivery without Contribution, payment for the issuance or disposal of the Restricted Stock is not required. However, the amount of compensation, etc. relating to Restricted Stock for the Eligible Directors shall be calculated based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Company's Board of Directors regarding such issuance or disposal (or the closing price on the most recent trading day prior thereto if no transactions took place on that day). Such calculated amount of compensation, etc. relating to Restricted Stock shall be kept within the aforementioned annual limit.

In addition, the Restricted Stock described above shall be allocated on the condition that the Eligible Director has entered into a restricted stock allocation agreement that includes the details set forth in 3., below.

(2) In the case of In-Kind Contribution Delivery

In the case of In-Kind Contribution Delivery, the amount to be paid in for the Restricted Stock shall be determined by the Company's Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Company's Board of Directors regarding such issuance or disposal (or the closing price on the most recent trading day prior thereto if no transactions took place on that day), within a range that does not constitute an amount particularly advantageous to the Eligible Director subscribing for such Restricted Stock.

In addition, the aforementioned monetary compensation claims shall be provided on the condition that the Eligible Director has agreed to the aforementioned contribution in kind and has entered into a restricted stock allocation agreement that includes the details set forth in 3., below.

2. Total number of shares of Restricted Stock

The total number of shares of Restricted Stock to be allocated to the Eligible Directors shall be 45,000 shares, which shall be the maximum number of shares of Restricted Stock to be allocated in each fiscal year.

However, after the date of the resolution of this proposal, the Company may reasonably adjust such total number of shares of Restricted Stock if it conducts a share split (including an allotment of shares without contribution with respect to the Company's common shares) or a share consolidation of the Company's common shares, or if an adjustment to the total number of shares of Restricted Stock to be allocated is otherwise necessary under circumstances comparable to the foregoing.

3. Restricted stock allocation agreement content

Upon the allocation of Restricted Stock, the restricted stock allocation agreement to be entered into between the Company and the Eligible Director receiving the allocation of Restricted Stock based on a resolution of the Company's Board of Directors shall include the following details.

(1) Details of the transfer restrictions

An Eligible Director who has received an allocation of Restricted Stock may not transfer, create a pledge on, create a transfer security interest on, make an inter vivos gift of, bequeath, or otherwise dispose of the Restricted Stock allocated to such Eligible Director (hereinafter, the "Allocated Shares") with respect to any third party during the period from the delivery date of the Restricted Stock until the date on which such Eligible Director resigns or retires from a position predetermined by the Company's Board of Directors (hereinafter, the "Transfer Restriction Period") (hereinafter, such prohibitions referred to as the "Transfer Restrictions").

(2) Acquisition of Restricted Stock without contribution

If an Eligible Director who has received an allocation of Restricted Stock resigns or retires from a position predetermined by the Company's Board of Directors on or before the day immediately preceding the date of the first Annual General Meeting of Shareholders of the Company to be held after the commencement date of the Transfer Restriction Period, the Company shall automatically acquire the Allocated Shares without contribution, unless the Company's Board of Directors recognizes reasonable grounds for doing otherwise.

In addition, if any of the Allocated Shares remain subject to Transfer Restrictions at the time the Transfer Restriction Period set forth in (1) above expires because such restrictions have not been released pursuant to the provisions regarding grounds for release of Transfer Restrictions set forth in (3) below, the Company shall automatically acquire such shares without contribution.

(3) Release of the Transfer Restrictions

The Company shall release the Transfer Restrictions on all of the Allocated Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Director who has received an allocation of Restricted Stock has continuously held a position predetermined by the Company's Board of Directors through to the date of the first Annual General Meeting of Shareholders of the Company to be held after the commencement date of the Transfer Restriction Period.

However, if the Eligible Director resigns or retires from a position predetermined by the Company's Board of Directors on or before the day immediately preceding the date of the first Annual General Meeting of Shareholders of the Company to be held after the commencement date of the Transfer Restriction Period on grounds recognized as reasonable by the Company's Board of Directors, the Company shall reasonably adjust, as necessary, the number of Allocated Shares for which Transfer Restrictions are to be released and the timing for release of the Transfer Restrictions.

(4) Treatment in the event of organizational restructuring, etc.

If, during the Transfer Restriction Period, a proposal relating to a merger agreement under which the Company is the disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or other organizational restructuring, etc. is approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the organizational restructuring, etc.; limited to cases where the effective date of such organizational restructuring, etc. is to occur prior to the expiration of the Transfer Restriction Period; hereinafter, the "Time of Approval of the Organizational Restructuring, Etc."), and if an Eligible Director who has received an allocation of Restricted Stock is to resign or retire from a position predetermined by the Company's Board of Directors in connection with such organizational restructuring, etc., then the Transfer Restrictions on a number of Allocated Shares reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc. shall be released pursuant to a resolution of the Company's Board of Directors.

In addition, at the Time of Approval of the Organizational Restructuring, Etc., the Company shall automatically acquire without contribution the Allocated Shares for which the Transfer Restrictions have not been released as of the business day immediately preceding the effective date of such organizational restructuring, etc.

<Reference 1>

After the conclusion of this General Meeting of Shareholders, the Company plans to allocate Restricted Stock similar to the Restricted Stock described above (by way of In-Kind Contribution Delivery) to the Company's Executive Officers and Directors of the Company's subsidiaries.

<Reference 2>

[Policy on Determining Officer Compensation]

If this proposal is approved as proposed, the Company's Board of Directors shall amend its policy on determining officer compensation, etc. as follows.

1. Matters regarding policy for determining details of individual compensation, etc. for Directors

The basic policy of the Company is to adopt a compensation structure that utilizes performance-linked compensation and restricted stock compensation so that Director compensation functions as an incentive to bolster motivation toward facilitating continuous improvement of business performance and enhancement of corporate value, and to set the compensation of individual Directors at a level that reflects their respective duties and responsibilities, contribution to business performance, and other factors.

Specifically, the compensation of full-time Directors (Executive Directors) consists of base compensation as fixed compensation, performance-linked compensation, and restricted stock compensation. The breakdowns of

the total annual compensation and the base compensation amounts are determined for each position. In the case of the President & Chief Executive Officer, the breakdown is 50% base compensation, 30% performance-linked compensation, and 20% restricted stock compensation. In addition, the compensation of part-time (outside) Directors and Directors who are members of the Audit & Supervisory Committee, who assume management supervisory functions, consists solely of base compensation.

(1) Base compensation

Base compensation for the Company's Directors constitutes monetary compensation with the monthly base compensation determined by multiplying the standard amount of officer compensation (fixed amount) by a standard value determined according to "position," "presence or absence of representative authority," and "full-time or part-time."

(2) Performance-linked compensation

Performance-linked compensation constitutes monetary compensation whereby consolidated operating income and consolidated ordinary income serve as indicators because ensuring that Executive Directors remain aware of the management of all consolidated entities, including entities accounted for using the equity method, and achieving sustained profitability strengthens the corporate foundation, enhances corporate value, and serves as the source of a sustainable corporate group. Specifically, two-thirds of the performance-linked compensation (30% of total compensation) determined in line with the base compensation amount for each position constitutes an amount multiplied by a coefficient calculated based on the year-on-year rate of change and the percentage of forecast achieved with respect to consolidated operating income (30%) and consolidated ordinary income (70%). The remaining one-third constitutes an amount multiplied by a coefficient calculated based on a qualitative assessment underpinned by the degree of impact on business performance or the extent of contribution to management relative to fiscal year targets set on an individual basis. The sum of these amounts constitutes the annual performance-linked compensation amount. Consolidated operating income for the current fiscal year was ¥4,296 million, and consolidated ordinary income was ¥5,728 million.

(3) Restricted stock compensation

Restricted Stock is allocated to Directors (excluding outside Directors and Directors who are members of the Audit & Supervisory Committee; hereinafter, the "Eligible Directors") for the purposes of strengthening the linkage between the Company's business performance and stock value, and sharing with shareholders not only the benefits of a rising stock price but also the risks of a declining stock price, thereby bolstering motivation toward facilitating even greater enhancement of corporate value over the medium to long term. The allocation of Restricted Stock is to be determined after comprehensively taking into account factors such as the Eligible Director's extent of contribution and position within the Company.

(4) Matters regarding ratios of amounts of compensation, etc. and consultation with the Nomination and Compensation Committee

The Company does not fix to a certain level the ratio of monetary compensation (the sum of base compensation and performance-linked compensation) or restricted stock compensation with respect to compensation for individual Directors. The Company consults with the Nomination and Compensation Committee, which serves as an advisory body to the Board of Directors, in regard to total maximum compensation amounts of each type of compensation determined based on resolutions of the General Meeting of Shareholders, and in regard to proposals on individual compensation for Directors, including performance-linked compensation. The Nomination and Compensation Committee deliberates on the level, structure, and appropriateness of individual compensation amounts.

The Nomination and Compensation Committee consists of the following members.

Chairperson: Takashi Nagasaka (Outside Director, Member of the Audit & Supervisory Committee)
Member: Yuzo Ishikawa (Outside Director)
Member: Ritsue Miyashita (Outside Director)
Member: Yuji Matsuda (Representative Chairman)
Member: Takashi Kimura (President and Chief Executive Officer)

2. Matters regarding resolutions of the General Meeting of Shareholders concerning Director compensation, etc.
At the 16th Annual General Meeting of Shareholders held on June 28, 2023, it was resolved that the amount of monetary compensation for Directors (excluding Directors who are members of the Audit & Supervisory Committee) shall be no more than ¥350 million per year for fifteen (15) Directors as set forth in the Articles of Incorporation (including five (5) Directors who are members of the Audit & Supervisory Committee; of which, no more than ¥50 million for outside Directors, excluding the employee portion of salary for Directors who concurrently serve as employees). In addition, at the 19th Annual General Meeting of Shareholders held on June 26, 2026, it was resolved that the allocation of restricted stock compensation to Eligible Directors shall be no more than ¥60 million per year separate from monetary compensation. There were six (6) Directors at the conclusion of said Annual General Meeting of Shareholders (of which two (2) were outside Directors). At the 16th Annual General Meeting of Shareholders held on June 28, 2023, it was resolved that the amount of monetary compensation for Directors who are members of the Audit & Supervisory Committee shall be no more than ¥60 million per year for five (5) Directors who are members of the Audit & Supervisory Committee as set forth in the Articles of Incorporation. There were three (3) Directors who are members of the Audit & Supervisory Committee at the conclusion of said Annual General Meeting of Shareholders.

3. Matters regarding delegation of decisions concerning details of individual compensation, etc. for Directors
The amount of compensation for each officer is to be determined by Takashi Kimura, President and Chief Executive Officer, to whom authority has been delegated by the Board of Directors. He has been delegated such authority because he is best positioned to conduct a comprehensive evaluation based on factors such as the overall Group's business performance and the business environment. With respect to such decision, the Company seeks to ensure that the authority delegated to the President and Chief Executive Officer is exercised appropriately by having the Board of Directors consult with and receive recommendations from the Nomination and Compensation Committee, whose chairperson is an outside Director and of which a majority of members are outside Directors, on the level, structure, and appropriateness of individual compensation amounts in regard to Director compensation in general. Because the individual compensation amounts for Directors have been determined through the above procedures, the Board of Directors deems that the compensation amounts align with the determination policy.

[Reference 1]

Significant experience and expertise of candidates for Directors
(including Audit & Supervisory Committee Members)

For the Board of Directors, we have selected Directors who have the experience, insight, expertise, and other qualities necessary for realizing the 7th Medium-Term Management Plan (covering the period from April 2026 through March 2029), which has been positioned as a period for building a foundation for profitability improvement under the long-term plan, “Vision 2035.”

Under the 7th Medium-Term Management Plan, we aim to strengthen the foundation of existing businesses in the recycling business, which is our growth engine; expand the scale of earnings over the medium- to long-term by entering new domains and new businesses; stabilize earnings in our three existing paper manufacturing businesses and create businesses that will drive new earnings; promote human capital management and DX; and ensure compliance and strengthen our risk management system. In order to achieve these, we judge that we can reflect the knowledge and experience of each Director in overall management and can aim for achieving sustainable management.

Name	Corporate management and management strategy	Research and development, and business development	Sales and marketing	Manufacturing and production technology	Finance and accounting	Compliance and risk management	IT/DX	Sustainability	Personnel and human resource development	Global
Yuji Matsuda	●	●	●					●		●
Takashi Kimura	●	●			●	●				
Michiaki Sano	●			●				●	●	
Satoshi Fukui	●	●			●		●	●		
Yuzo Ishikawa	●		●				●			●
Ritsue Miyashita	●						●	●	●	
Takashi Nagasaka	●				●					
Naoto Higaki						●			●	
Kayoko Yamato						●				

Note: The table above does not indicate all of the experiences and expertise possessed by each candidate. The details of skills are as follows.

Corporate management and management strategy	Possesses experience in managing a company themselves, possesses experience in managing a public interest corporation or general incorporated association, or possesses experience in planning and promoting management strategies, including management plans and M&A
Research and development, and business development	Possesses experience in developing new products and services, or possesses management experience in a research or business development division
Sales and marketing	Possesses management experience in a sales and marketing division, or has made significant achievements in sales or sales expansion
Manufacturing and production technology	Possesses knowledge and experience related to management in a manufacturing division and production technology

Finance and accounting	Possesses knowledge and business experience in the overall field of finance and accounting, or is a certified public accountant, certified public tax accountant, etc.
Compliance and risk management	Possesses knowledge, practical experience or an official qualification related to compliance, etc., or possesses knowledge and business experience in managing potential risks in businesses
IT/DX	Possesses knowledge and experience in improving business processes through utilizing IT and DX
Sustainability	Possesses knowledge and experience necessary to address the materiality of the Group in the pursuit of sustainability
Personnel and human resource development	Possesses knowledge and experience related to the overall field of personnel and to human resource training and development aimed at strengthening human capital management
Global	Possesses business experience overseas or with overseas companies, or possesses overseas-related management experience

[Reference 2]

Independence Standards for Independent Outside Officers

In the independence standards for the Company's independent outside officers, it is set out that they shall not fall under the following criteria.

1. Persons who currently execute business at the Company and its subsidiaries (hereinafter the "Group") or have done so in the last ten years
2. Persons who belong to or execute business at a company, etc. (in case of a subsidiary, it is limited to an important one) that is a major shareholder of the Company
3. Persons who belong to or execute business at a company, etc. that is a main business partner of the Group
4. Persons who belong to or execute business at a company, etc. whose main business partner is the Group
5. Consultants, attorneys at law, certified public accountants, or certified public tax accountants who receive a large amount of money or other property other than executive remuneration from the Group
6. Persons who receive a large amount of donations from the Group or who are executives belonging to an organization that receives a large amount of donations from the Group
7. Spouses or relatives within the second degree of kinship of persons who execute business at the Group
8. Notwithstanding any of the preceding paragraphs, persons who cause a conflict of interest with the Company

- Notes:
- 1 "Persons who execute business" shall mean Executive Director, Executive Officer, General Manager or above, or any other person equivalent thereto.
 - 2 "A major shareholder" shall mean a person or an entity that directly or indirectly holds 10% or more of the Company's total voting rights.
 - 3 "A main business partner" shall mean a business partner with which payments of 2% or more of consolidated net sales were made to or from the Group over the past three years.
 - 4 "A large amount of money or other property" shall mean that the total value of money and property is ¥10 million or more per year on average over the past three years, and in the case of an organization, it exceeds 2% of consolidated net sales.
 - 5 "A large amount of donations" shall mean donations worth more than ¥10 million per year on average over the past three years.