May 25, 2026

To Shareholders:

Company name: NIHON NOHYAKU CO., LTD.
Representative: Hiroyuki Iwata,
Representative Director, President
(Stock Exchange Code: 4997,
Prime Market of the Tokyo Stock Exchange)
Contact: Masaki Yoshioka,
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Supplementary Explanation Regarding Proposal to the 127th Ordinary General Meeting of Shareholders
(Company's Opinion Regarding Proxy Advisory Firm ISS's Recommended Vote 'Against')

The Company has confirmed that the proxy advisory firm Institutional Shareholder Services Inc. ("ISS") has issued a report recommending a vote "against" the election of Representative Director and President Hiroyuki Iwata in "Proposal 2: Election of 7 Directors (Excluding Directors Serving as the Audit & Supervisory Committee Members)" (the "Proposal") to be presented to the 127th Ordinary General Meeting of Shareholders, scheduled to be held on June 17, 2026. The reasons for selecting this nominee are as outlined in the general meeting's Convocation Notice, but given the recommendation to vote "against" the proposal, we are providing this supplementary explanation of the Company's opinion. We ask that shareholders once again read the Convocation Notice and the contents of this supplementary explanation to understand this proposal.

1. Details of ISS's recommendation "against" the Proposal

ISS is recommending a vote "against" the election of Representative Director and President Hiroyuki Iwata, citing the fact that the Company's Board of Directors does not meet ISS's criterion of a majority of the board being independent outside directors. Specifically, although one of the Proposal's nominees for Outside Director, Shiyo Yamana, was previously employed by Mitsubishi Corporation, a company with which the Company has business transactions, because the volume of those transactions is not disclosed, ISS is unable to determine Ms. Yamana's independence and therefore regards her not to be independent and considers her to be an affiliated outsider. As a result, under ISS's criteria, five (5) of the board's 11 members are independent Outside Directors, falling short of a majority, and ISS is therefore recommending a vote "against" Mr. Iwata's nomination.

2. Company's opinion

(1) Ms. Yamana is independent

The Company understands that ISS has made its judgement regarding Ms. Yamana's independence alluding to her past work history and transactional relationships. Nevertheless, we understand that ISS's criteria for independence do not deem a candidate not to be independent based solely on the fact of their previous employment, but rather comprehensively take into account when the candidate retired from that company, the amount of time that has elapsed, and their career after retiring from that company.

Ms. Yamana was an employee of Mitsubishi Corporation from April 1997 until August 1999, and **roughly 27 years have already passed since her retirement**. Under the 2014 revisions to the Companies Act, even if a person has worked for the company itself, they meet the requirements for an

outside director if 10 years have passed since their retirement, and from this perspective, 27 years since retirement is a sufficient "cooling-off" period, and we consider no conflicts of interest to exist between Ms. Yamana and Mitsubishi Corporation.

In addition, during the period since Ms. Yamana retired from Mitsubishi Corporation, no instance of her being involved in or a point of contact in dealings between the Company and Mitsubishi Corporation has been confirmed.

Furthermore, **ISS's Japan Proxy Voting Guidelines (2026), states, "in the event a person retires from a company while in their 20s and subsequently pursues a career that has no relationship with that company and there is a cooling-off period of more than 10 years, there is little concern with regard to their independence." After retiring from Mitsubishi Corporation while in her 20s, Ms. Yamana pursued a career unrelated to Mitsubishi Corporation, including in risk management in the financial sector and corporate governance at overseas businesses, which is exactly the type of career the ISS criterion envisions.**

The Company's determination of independence for Outside Directors is based on the requirements for independent officer stipulated by the Tokyo Stock Exchange and the Independence Standards for Appointment of Independent Officers set forth by the Company. In addition to the fact that 27 years have passed since Ms. Yamana retired from Mitsubishi Corporation, the Company has determined that there is no possibility of conflicts of interest with general shareholders arising and that there are absolutely no problems related to her independence. The Company has notified the Tokyo Stock Exchange that Ms. Yamana is an independent officer based on the exchange's requirements for independent officer.

(2) Appropriateness of election of Mr. Iwata and contribution to the Company's corporate governance

As outlined above, Ms. Yamana has sufficient independence to serve as an Outside Director. Accordingly, **upon the conclusion of the general meeting of shareholders, six (6) of the board's members (stipulated as 11), including Ms. Yamana, will be independent Outside Directors, a clear majority. Therefore, the premise for ISS's recommendation "against" Mr. Iwata, that the board "will not be majority independent," is based on an incorrect premise and does not constitute a reason to vote against the election of Mr. Iwata.** As Representative Director and President, Mr. Iwata has contributed significantly to the promotion of the Company's growth strategy and is indispensable as a leader of the Group's management in the enhancement of corporate value.

(3) Request to shareholders

We ask that shareholders who are referencing ISS's report when exercising their voting rights recognize that there are no concerns with regard to Ms. Yamana's independence, based on her career history and the fact that approximately 27 years have elapsed since her retirement from Mitsubishi Corporation, as well as ISS's clear intent in its independence criteria, and take the Company's opinion into account when exercising your voting rights.

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