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Notice Regarding the Determination of Company-Proposed Outside Director Candidates and the Withdrawal of the Shareholder Proposal

Syuppin Co., Ltd. (the "Company") hereby announces that, with respect to the request for convening an Extraordinary General Meeting of Shareholders (the "Shareholder Proposal") received on July 9, 2026 from TAKUMI CAPITAL MANAGEMENT MASTER FUND LP, a shareholder of the Company (the "Proposing Shareholder"), the Board of Directors resolved, at its meeting held on August 7, 2026, to nominate Mr. Tomoyuki Izumi and Mr. Yuji Nishimura, who were proposed as candidates for Outside Director in the Shareholder Proposal, as the Company's candidates for Outside Director and to submit their election as a Company proposal.

In connection with the above, the Company has reached an agreement with the Proposing Shareholder to withdraw the Shareholder Proposal, and hereby announces such agreement.

Following the withdrawal of the Shareholder Proposal, the Company plans to convene a separate Extraordinary General Meeting of Shareholders for the purpose of electing the two candidates.

1. Reasons for Submitting the Candidates Proposed in the Shareholder Proposal as the Company's Proposal and the Evaluation Process

Following receipt of the Shareholder Proposal, the Nomination and Compensation Committee, chaired by an Independent Outside Director, carefully discussed and evaluated the qualifications of both candidates to serve as Outside Directors of the Company. The evaluation process and the reasons for the Committee's recommendation are as follows.

(1) Background to the Transition to the New Management Structure and Summary of the Proposal

The Company had previously expressed its opinion regarding the shareholder proposal to elect the two individuals at the Extraordinary General Meeting of Shareholders held on January 22, 2026, and did not nominate either individual as a Director candidate for election at the Annual General Meeting of Shareholders held on June 25, 2026. However, following the change in Representative Director and other changes in the management structure, the Company has renewed its management structure by transitioning the Board of Directors to a monitoring board structure, which clearly separates supervision from execution.

The Company, under this new management structure and as it proceeds with the formulation of its next medium-term management plan, has recognized, through the objective evaluation process described in "(2) Definition of Management Challenges and Required Skills" through "(4) Evaluation of the Candidates and Reasons for Recommendation" below, that the execution of its M&A strategy and the acceleration of its global business expansion are essential to further advancing its growth strategy and driving business transformation. Accordingly, the Company concluded that it would be effective to invite professionals with a high level of expertise in these areas, rather than limiting itself to the current composition of the Board of Directors. Furthermore, following receipt of the Shareholder Proposal, the Company held direct discussions with both candidates and reconfirmed their strong commitment to enhancing the Company's medium- to long-term corporate value, rather than pursuing the Company's short-term interests.

Taking these changes in circumstances into consideration, the Nomination and Compensation Committee conducted renewed and extensive discussions from both objective and substantive perspectives. As a result, the Committee concluded that, in order to overcome the management challenges currently facing the Company, the most appropriate course of action would be to directly incorporate the outstanding expertise of both candidates into the Company's management supervision, and therefore decided to nominate both individuals as the Company's candidates for Outside Director.

(2) Definition of Management Challenges and Required Skills

Based on the selection criteria for Outside Directors established by the Nomination and Compensation Committee, the Company identified Business Strategy as its highest-priority management challenge over the medium term.

The Committee then identified the following as the essential skills required for Outside Directors to provide appropriate advice and effective supervision with respect to this management challenge:

- Corporate management experience
- Capital cost management
- M&A experience
- Global business experience

(3) Identification of Priority Skills and Evaluation of the Current Board Composition

The Company assessed the extent to which the current Board of Directors possesses the essential skills described above.

As a result, the Company found that only one Outside Director possesses experience in global business and capital cost management, while only two Outside Directors possess M&A experience.

Based on this assessment, and from the perspective of importance and complementing the areas where expertise is currently lacking, the Company identified global business experience, capital cost management, and M&A experience as the highest-priority skills to be strengthened.

(4) Evaluation of the Candidates and Reasons for Recommendation

Through interviews with both candidates, the Nomination and Compensation Committee evaluated their respective achievements, experience and expertise with respect to the highest-priority skills identified above.

As a result, the Committee concluded that appointing both individuals as candidates for Outside Director proposed by the Company would contribute to enhancing the Company's corporate value and therefore recommended their nomination for the following reasons:

●Reasons for Recommendation of Mr. Yuji Nishimura

Based on the Company's medium-term management challenges, the Nomination and Compensation Committee determined that Mr. Yuji Nishimura possesses extensive achievements, experience and expertise in the highest-priority skills required of Outside Director candidates.

In particular, Mr. Nishimura has extensive global business experience, including his experience as Regional Managing Director for the Asia-Pacific region at Accenture and his broad consulting experience supporting companies in their overseas business expansion. He also possesses significant M&A experience, including experience in corporate management and investment decision-making at an investment fund, as well as extensive consulting experience in formulating corporate strategies and implementing business restructuring projects, including M&A transactions.

The Committee also concluded that Mr. Nishimura is expected to contribute to strengthening the Company's corporate governance through his ability to provide effective supervision and oversight of management.

●Reasons for Recommendation of Mr. Tomoyuki Izumi

Based on the Company's medium-term management challenges, the Nomination and Compensation Committee determined that Mr. Tomoyuki Izumi possesses extensive achievements, experience and expertise in the highest-priority skills required of Outside Director candidates.

Mr. Izumi has extensive global business experience, including his professional experience at international consulting firms and overseas asset management companies. He also possesses significant expertise in capital cost management, gained through establishing an independent asset management company and serving as a portfolio manager making long-term investments in Japanese companies from the perspective of an institutional investor. In addition, he has substantial M&A experience, including extensive experience supporting the transformation of numerous Japanese companies as a management consultant and analyzing portfolio companies from both financial and strategic perspectives.

The Committee also concluded that Mr. Izumi is expected to contribute to strengthening the Company's corporate governance through his ability to provide effective supervision and oversight of management.

2. Withdrawal of the Shareholder Proposal

As described above, following the resolution of the Board of Directors to submit Mr. Yuji Nishimura and Mr. Tomoyuki Izumi as candidates for Outside Director under the Company's proposal at the Extraordinary General Meeting of Shareholders, the Company held discussions with the Proposing Shareholder.

As a result of these discussions, the Company received, today, an agreement from the Proposing Shareholder confirming the withdrawal of the Shareholder Proposal (the request for convening an Extraordinary General Meeting of Shareholders).

Accordingly, no shareholder proposal will be submitted at the Extraordinary General Meeting of Shareholders, and shareholders will instead be asked to vote on the election of both individuals as candidates proposed by the Company.

3. Career Summary of New Outside Director Candidates

Name (Date of birth)	Past experience		Number of shares of the Company held
Yuji Nishimura (November 2, 1963)	1986 1990 2013 2013 2017	Joined Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation) Joined Andersen Consulting Japan Ltd. (currently Accenture Japan Ltd) Founded PROfusion Inc., Representative Director (current position) Director, Asuka Corporate Advisory Co., Ltd. (current position) Founded DYArt Inc., Representative Director (current position)	11,900
Tomoyuki Izumi (January 25, 1974)	1997 2001 2004 2008 2014	Joined Andersen Consulting Japan Ltd. (currently Accenture Japan Ltd) Joined Roland Berger Ltd. Joined Accenture Japan Ltd. Joined Equinox Partners, LLC Founded VIS Advisors, LP, Founder and Portfolio Manager (current position)	0

Both candidates satisfy the requirements for Independent Directors stipulated by the Tokyo Stock Exchange. However, both candidates fall within the Company's own "Criteria for the Independence of Outside Directors" (the "Company's Independence Criteria") set forth in the Corporate Governance Report disclosed on July 31, 2026. Accordingly, even if the election of both candidates is approved at the Extraordinary General Meeting of Shareholders, the Company does not intend to designate and notify either candidate as an Independent Director to the Tokyo Stock Exchange.

Nevertheless, the Nomination and Compensation Committee and the Board of Directors of the Company have determined that, in light of the high level of expertise possessed by both candidates and their ability to provide independent and objective supervision, among other factors, despite the fact that they formally fall within the Company's Independence Criteria, their substantive independence and high level of qualification to serve as Outside Directors can be sufficiently ensured. The specific reasons for this assessment are as follows.

・Assessment of Mr. Yuji Nishimura's Qualifications
Mr. Nishimura has made investments in VIS Advisors, LP (and funds managed or otherwise operated by VIS Advisors, LP), of which Mr. Tomoyuki Izumi, the representative of a certain major shareholder of the Company, serves as representative. Accordingly, Mr. Nishimura falls within Item 11 of the Company's Independence Criteria, which applies to "a person who is reasonably determined to have circumstances that may give rise to a conflict of interest with the Company or its general shareholders."

However, after comprehensively considering Mr. Nishimura's extensive experience as a global management consultant, his deep expertise in business management and investment discipline, and other relevant factors, the Company has determined that, although there is a certain potential for a conflict of interest, he possesses substantive independence and is qualified to serve as an Outside Director, as he is fully capable of performing supervisory and advisory functions from an objective standpoint independent of management.

・Assessment of Mr. Tomoyuki Izumi's Qualifications

Mr. Izumi falls within Item 2 of the Company's Independence Criteria, which applies to "officers and employees, etc. of shareholders (major shareholders) who directly or effectively hold 5% or more of the Company's voting rights," and therefore does not formally satisfy the Company's Independence Criteria.

However, after comprehensively considering Mr. Izumi's high level of expertise, his strong commitment to enhancing the Company's medium- to long-term corporate value, and other relevant factors, the Company has determined that, although there is a certain potential for a conflict of interest due to his relationship with a certain major shareholder, he possesses substantive independence and is qualified to serve as an Outside Director, as he is fully capable of performing supervisory functions from an objective standpoint independent of management.

The Company will promptly announce the date, time and venue of the Extraordinary General Meeting of Shareholders and other related details once they have been determined.

By welcoming both individuals, who bring new perspectives and specialized expertise, to the Board of Directors, the Company will further promote management with greater awareness of capital costs and continue striving to enhance its medium- to long-term corporate value.

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