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April 15, 2026

To Whom It May Concern,

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**Notice Concerning Continuation of the Response Policy Against Large-Scale Purchases of the Company's Shares
(Takeover Response Policy)**

DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD. (the "Company") hereby announces that the effective period of "Countermeasures Against Large-Scale Purchases of the Company's Shares," which was updated based on the resolution at the 120th Annual General Meeting of Shareholders held on June 29, 2023 (hereinafter the "Current Plan") shall end at the conclusion of the 123rd Annual General Meeting of Shareholders (hereinafter the "General Meeting of Shareholders") scheduled for June 26, 2026.

As the effective period of the Current Plan expires, the Company has considered the way the Current Plan should be continued, including the pros and cons of its continuation, as one of the measures to ensure and improve the Company's corporate value and the common interests of shareholders, in light of changes in social and economic conditions after the introduction of the Current Plan, various trends surrounding so-called takeover response policies, and the progress of various discussions.

As a result, at the Board of Directors meeting held on April 15, 2026, it was resolved to continue the plan (hereinafter the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by inappropriate persons, in light of the basic policies regarding the way a person is to control the determination of financial and business policies as stipulated in Article 118, Item (iii) of the Regulations for Enforcement of the Companies Act (hereinafter the "Basic Policy concerning Company Control"). This continuation is subject to the approval of the Company's shareholders at the General Meeting of Shareholders, and we hereby inform you as follows.

Regarding the continuation of the Plan, at the Company's aforementioned Board of Directors meeting, the resolution was passed with the unanimous approval of all ten Directors of the Company, including three Directors who are Audit and Supervisory Committee Members (of which two are outside Directors).

The status of the Company's shares as of March 31, 2026 is stated in Appendix 1. Moreover, as of today, there are no concrete proposals of large-scale purchases, etc. of the Company's shares.

In conjunction with the continuation of the Plan, minor revisions and adjustments have been made, taking into account recent trends in the practical aspects related to takeover response policies. However, there are no changes to the fundamental content of the Plan.

1. Basic Policy concerning Company Control

As expressed in the words of the Company's founder, Yoshihiro Takahashi, "It is our wish that our lives be enveloped by the colors we love." To fulfill the global wish for "more flexible coloring," the Group starts by providing colors and extends to offering materials with the functional attributes of "more convenient" and "safer" across various fields, thereby meeting the desires of society and our customers. To address the specific "needs" of its customers and the "seeds" generated through co-development in open innovation and intellectual property strategies, the Company is committed to further deepening its three core technologies: (1) pigment synthesis and surface treatment technology, (2) formulation and dispersion processing technology, and (3) polymer synthesis technology. Through its customers' products, the Company aims to continuously contribute to societal needs such as ESG (Environmental, Social, and Governance).

The three-year medium-term management plan "TRANSFORMATION for TOMORROW 2027" (hereinafter the "Medium-Term Management Plan"), which began in April 2024, targets several key markets. These include the new development markets of (1) functional materials for IT and electronics, and (2) life science & personal care, and the ongoing development markets of (3) mobility, and (4) environmentally friendly packaging. The Company considers these to be its central themes of development. The Company is actively investing funds and human resources to build a development structure that ensures competitive advantage through technology initiatives. As a result, the Company produces a wide range of products, including color materials, functional materials, synthetic resins, and polymers derived from natural substances, which are utilized in a broad spectrum of products from automotive, electrical equipment, and building material components to textiles, packaging, and information-related materials related to daily life.

The Company believes that those who control decisions on the Company's financial and business policies must thoroughly understand the corporate philosophy and sources of corporate value. They should also operate under a relationship of trust with the many stakeholders who support the Company, to ensure and enhance the Company's corporate value and, ultimately, the common interests of shareholders.

The makeup of the Company's shareholders is determined through free market transactions of the Company's shares. Even in cases where a large-scale purchase proposal involving a transfer of control is made, if it contributes to the Company's corporate value and, by extension, the common interests of its shareholders, such a proposal should not be rejected outright. Ultimately, the decision on whether to accept or reject it should be based on the will of the shareholders.

However, among the large-scale purchases and purchase proposals in the capital market in recent years, the purpose of some of those would have clearly undermined the Company's corporate value and, by extension, the common interests of its shareholders. Some would have not provided the Company and its shareholders with sufficient time or information to review the details of the purchase and any alternative proposals. The mechanisms of others would have effectively forced the Company's shareholders to accept the purchase, or imposed inappropriate purchase conditions. The Company considers that had such actions targeted the Company, they would have had a negative impact on the Company's corporate value and the common interests of its shareholders. The Company believes that those who engage in such large-scale purchases or proposals thereof are not suitable to control decisions on the Company's financial and business policies.

2. Initiatives that Contribute to Achieving the Basic Policy concerning Company Control

(1) Initiatives to enhance corporate value

The Company was founded in 1931 with the purpose of manufacturing and selling pigments. Since the mid-1940s, which marked the dawn of the plastic era, it has contributed to the coloration of plastic products by focusing on domestic production and in-house development. Additionally, in response to the emergence of synthetic fibers, the Company developed technology for coloring the raw materials of chemical and synthetic fibers. Since the 1970s, the Company has expanded into overseas markets, broadening its reach in line with the international expansion of Japanese companies. With a foundation of inherited technology cultivated since its founding and research and development in new fields, the Company has established itself as a material manufacturer well-versed in material properties. It has anticipated the era of colorization and met the diverse user needs through the development of basic technologies such as dispersion and processing, and the application of that development. As a result, the Company now offers a diverse product lineup. This includes colorants for plastics, printing inks, synthetic resins, functional products that meet contemporary demands, information recording-related products, and environmentally friendly products, thereby earning the trust of numerous clients across a wide range of industries.

Since its founding, the Company has considered that the source of its corporate value lies in its three core technologies: (1) pigment synthesis and surface treatment technology, (2) formulation and dispersion processing technology, and (3) polymer synthesis technology. To respond to the “needs” obtained through its customers and the “seeds” generated through co-development in open innovation and intellectual property strategies, the Company continues to refine these core technologies. The Company is committed to steadily improving quality, cost competitiveness, and brand value, while building long-standing relationships of trust with its shareholders, business partners, employees, and the local community.

The Company believes that the source of its value lies in the technological and development capabilities accumulated since its founding, as well as the rich experience, skills, and know-how that each employee has diligently built in their respective roles. The Company is confident that its corporate culture, values, and management policies, which foster the growth and careful transmission of these attributes, are key to its success.

By sincerely engaging with the source of its corporate value and continuously honing that value in response to environmental and societal changes, the Company believes it can enhance its brilliance. By taking this approach, the Company aims to keep enhancing its corporate value, ultimately maximizing value for all stakeholders, including shareholders, business partners, employees, and the local community.

In the Medium-Term Management Plan, the Company has outlined items for sustainable growth and the creation of long-term corporate value, considering the business environment and social challenges it faces. These items include: (1) securing a competitive advantage through technology initiatives, (2) expanding overseas business to strengthen business foundation, (3) promoting ESG-focused management to realize a sustainable society, (4) Promoting DX, and (5) implementing HR strategies. By promoting these initiatives, the Company aims to build a profit structure that generates an ROE of 9% or more and an ROA of 5% or more, thereby advancing management that places greater emphasis on capital efficiency.

(2) Initiatives on Corporate Governance

The Group considers the establishment and enhancement of corporate governance to be one of the key management challenges in ensuring transparency and efficiency in management, strengthening the trust of stakeholders, including our shareholders, and contributing to society. To this end, we transitioned from a “Company

with a Board of Company Auditors” to a “Company with an Audit and Supervisory Committee” at the 122nd Annual General Meeting of Shareholders held on June 27, 2025. The Audit and Supervisory Committee, the majority of whose members are outside Directors, is responsible for auditing and supervising the legality and appropriateness of business execution, thereby realizing more transparent management and aiming to build a system that can more accurately meet the expectations of domestic and overseas stakeholders.

Furthermore, we ensure the effectiveness of our audit and supervisory functions by voluntarily appointing multiple outside Directors (excluding Directors who are Audit and Supervisory Committee Members).

We have, in addition, independently established the Nomination and Remuneration Committee, composed of three or more Directors (excluding Directors who are Audit and Supervisory Committee Members), with a majority being outside Directors (excluding Directors who are Audit and Supervisory Committee Members), to ensure fairness and transparency in decision-making.

3. Details of the Plan (an effort to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate in light of the Basic Policy concerning Company Control)

(1) Purpose of the Plan

The Plan is a continuation of the Current Plan as an effort to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate in light of the Basic Policy concerning Company Control.

The Board of Directors of the Company believes that it is consistent with the corporate value of the Company and, in turn the common interests of its shareholders that, in the event of a large-scale purchase of the Company’s shares, necessary information and time should be secured for shareholders to make an appropriate decision and that negotiations with the purchaser, etc. should be conducted in accordance with certain reasonable rules. Accordingly, the Company has decided to continue the Plan, subject to approval by the shareholders at the General Meeting of Shareholders, as a countermeasure that includes a policy in the event that a large-scale purchase is conducted by a party inappropriate in light of the Basic Policy concerning Company Control, by establishing certain rules (hereinafter the “Large-Scale Purchase Rules”) concerning the provision of information and securing time for review at the time of a large-scale purchase as described below.

Please refer to Appendix 2 for an overview of the flow of the Plan.

(2) Purchase of the Company’s shares covered by the Plan

A purchase of the Company’s shares covered by the Plan shall be defined as a purchase of the Company’s share certificates, etc. (Note 3) with the aim of increasing the percentage of voting rights (Note 2) of a specific group of shareholders (Note 1) to 20% or more, or a purchase of the Company’s share certificates, etc. that results in the percentage of voting rights of a specific group of shareholders being 20% or more (in each case, except for those agreed to in advance by the Board of Directors, and regardless of the specific purchase method, such as market transactions, tender offers, etc. Such purchase is hereinafter referred to as a “Large-Scale Purchase” and the person conducting such purchase is hereinafter referred to as a “Large-Scale Purchaser.”).

Note 1: A specific group of shareholders means:

- (i) Holders of share certificates, etc. (share certificates, etc. as defined in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act.) of the Company (including those who are included in the holders pursuant to Article 27-23, paragraph (3) of the same Act; the same shall apply hereinafter) and their joint holders (meaning

- joint holders as defined in Article 27-23, paragraph (5) of the same Act, including those who are deemed to be joint holders based on Article 27-23, paragraph (6) of the same Act; the same shall apply hereinafter) or,
- (ii) Purchasers, etc. (including the purchase, etc. as defined in Article 27-2, paragraph (1) of the same Act, including the purchase, etc. conducted in a financial instruments exchange market.) and its specially related parties (refers to specially related parties as defined in Article 27-2, paragraph (7) of the same Act) of share certificates, etc. (meaning share certificates, etc. as defined in Article 27-2, paragraph (1) of the same Act) of the Company

Note 2: Percentage of voting rights means:

- (i) If the specific group of shareholders is as described in (i) of Note 1, the percentage of share certificates, etc. held by such holder (Meaning the percentage of share certificates, etc. held as defined in Article 27-23, paragraph (4) of the Financial Instruments and Exchange Act. In this case, the number of share certificates, etc. held by the joint holders of such holders shall also be added (the number of share certificates, etc. held as prescribed in the same paragraph; the same shall apply hereinafter)) or,
- (ii) If the specific group of shareholders is described in (ii) of Note 1, the total of the holding percentage of share certificates, etc. of such Large-Scale Purchaser and such specially related parties (refers to the percentage of share certificates, etc. held as defined in Article 27-2, paragraph (8) of the same Act.). In calculating the percentage of each voting right, the total number of voting rights (as defined in Article 27-2, paragraph (8) of the same Act) and the total number of outstanding shares (as defined in Article 27-23, paragraph (4) of the same Act) may be referred to in the most recently filed annual securities report, semi-annual securities report, and purchase of treasury stock status report.

Note 3: Share certificates, etc. means share certificates, etc. as defined in Article 27-23, paragraph (1) of the Financial Instruments and Exchange Act or share certificates, etc. as defined in Article 27-2, paragraph (1) of the same Act.

(3) Establishment of Independent Committee

The Board of Directors will make the final decision as to whether or not the Large-Scale Purchase Rules are complied with, or even if the Large-Scale Purchase Rules are complied with, whether or not to take countermeasures on the grounds that the Large-Scale Purchase would materially damage the corporate value of the Company and, in turn the common interests of its shareholders. However, in order to ensure the proper operation of the Plan, prevent arbitrary decisions by the Board of Directors, and ensure the objectivity and reasonableness of its decisions, the Company will establish an Independent Committee based on the Independent Committee Rules (please refer to Appendix 3 for an outline), as is the case with the Current Plan. The Independent Committee will have at least three members, who will be appointed from among outside Directors or outside experts (Note 4) who are independent of the execution of the Company's business in order to enable fair and neutral judgments. Please refer to Appendix 4 for the career summary of the members of the Independent Committee.

The Board of Directors of the Company shall consult with the Independent Committee on the appropriateness of triggering the countermeasures prior to triggering the countermeasures, and the Independent Committee shall carefully evaluate and examine the Large-Scale Purchase from the perspective of enhancing the corporate value of the Company and, in turn the common interests of its shareholders, and make a recommendation to the Board of Directors of the Company as to whether or not the Board of Directors is in a position to implement the countermeasures. The Board of Directors of the Company shall decide on the implementation of the

countermeasures after respecting the recommendation of the Independent Committee to the maximum extent possible. A summary of the recommendations of the Independent Committee shall be promptly announced.

The Independent Committee may, at the cost of the Company, obtain advice from independent third party outside experts (including financial advisors, certified public accountants, attorneys at law, consultants, and other experts) in order to ensure that the judgment of the Independent Committee is made in a manner to contribute to the corporate value of the Company, and in turn the common interests of shareholders.

Note 4: Outside experts means company managers with a proven track record, persons from government agencies, attorneys at law, certified public accountants, academic experts, or persons with similar qualifications.

(4) Outline of Large-Scale Purchase Rules

(i) Prior submission of a letter of intent to the Company by the Large-Scale Purchaser

In the event that a Large-Scale Purchaser intends to conduct a Large-Scale Purchase, prior to the Large-Scale Purchase or the proposal of a Large-Scale Purchase, the Large-Scale Purchaser shall first submit to the Company's Board of Directors a letter of intent in Japanese, in a form prescribed by the Company, that contains the following information, including a legally binding covenant to the effect that it will comply with the Large-Scale Purchase Rules.

- (a) Name and address of the Large-Scale Purchaser
- (b) Law governing the incorporation
- (c) Name of representative
- (d) Contact address in Japan
- (e) Outline of the proposed Large-Scale Purchase
- (f) Pledge to comply with the Large-Scale Purchase Rules set forth in the Plan

If the Board of Directors of the Company receives a letter of intent from the Large-Scale Purchaser, the Board of Directors of the Company shall promptly announce to that effect and, if necessary, the details of the letter of intent.

(ii) Provision of necessary information from the Large-Scale Purchaser

Within ten business days from the day following the day on which the Board of Directors of the Company receives a letter of intent containing all of the items in (4) (i) (a) through (f) above, the Board of Directors will send to the Large-Scale Purchaser a list of information regarding the Large-Scale Purchase (hereinafter "Necessary Information") that the Board of Directors will request the Large-Scale Purchaser to provide to the Board of Directors (hereinafter "Necessary Information List"), and the Large-Scale Purchaser shall be required to submit the Necessary Information in writing in Japanese to the Board of Directors of the Company in accordance with the Necessary Information List.

The general items of the Necessary Information are as follows. Although the specific details will vary depending on the attributes of the Large-Scale Purchaser and the terms of the Large-Scale Purchase, in all cases, the Necessary Information shall be limited to what is necessary and sufficient for the shareholders to make a judgment and for the Board of Directors of the Company to form its opinion.

- (a) Details of the Large-Scale Purchaser and its Group (including joint holders, specially related parties, and partners (in the case of a fund) and other constituent members) (including information on the name, business activities, career or history, capital structure, financial position, experience in businesses similar to

- those of the Company and its Group companies)
- (b) Purpose, method, and details of the Large-Scale Purchase (including the price and type of consideration for the Large-Scale Purchase, timing of the Large-Scale Purchase, structure of related transactions, legality of the method of the Large-Scale Purchase, feasibility of the Large-Scale Purchase and related transactions, etc.)
 - (c) Basis for calculation of the purchase price for the Large-Scale Purchase of the Company's shares (including facts underlying the calculation, calculation method, numerical information used in the calculation, and details of synergies expected to be created by the series of transactions related to the Large-Scale Purchase)
 - (d) Supporting documents explaining the source of funds for the Large-Scale Purchase (including the specific name of the provider of the funds (including substantial providers of funds), funding methods and the details of any related transactions)
 - (e) Candidates for officers of the Company and its Group companies (including information on their experience in the same type of business as that of the Company and its Group companies) that are expected to be appointed after the completion of the Large-Scale Purchase, management policies, business plans, financial plans, capital policies, dividend policies, asset utilization policies, etc. of the Company and its Group companies
 - (f) Whether or not there will be any change in the relationship between the Company and its Group companies and its stakeholders, including customers, business partners, and employees of the Company and its Group companies, after the completion of the Large-Scale Purchase, and the details thereof

The Board of Directors of the Company may set a deadline for the Large-Scale Purchaser to provide information, as necessary, from the viewpoint of prompt implementation of the Large-Scale Purchase Rules. However, the deadline may be extended if the Large-Scale Purchaser requests an extension based on reasonable grounds.

If as a result of the Board of Directors' examination of the Necessary Information initially submitted in accordance with the above, the Board of Directors considers that such Necessary Information is not sufficient as information for evaluating and considering the Large-Scale Purchase, the Board of Directors may request the Large-Scale Purchaser to provide additional information until the Board of Directors has all the Necessary Information, after setting a reasonable deadline (up to 60 days from the date of receipt of the first Necessary Information).

If the Board of Directors of the Company determines that all of the Necessary Information sufficient to evaluate and consider the Large-Scale Purchase has been submitted by the Large-Scale Purchaser, it will send a notice to that effect to the Large-Scale Purchaser, submit the Necessary Information to the Independent Committee, and make a public announcement to that effect.

In addition, if the Board of Directors of the Company requests the Large-Scale Purchaser to provide additional Necessary Information, but the Large-Scale Purchaser provides a reasonable explanation to the effect that it is difficult to provide some of such information, the Board of Directors of the Company may terminate negotiations, etc. with the Large-Scale Purchaser concerning the provision of information even if all the Necessary Information requested by the Board of Directors of the Company is not available, and the Board of Directors may begin its evaluation and consideration of the Large-Scale Purchase described in (iii) below.

The Necessary Information provided to the Board of Directors of the Company will be submitted to the

Independent Committee, and if deemed necessary for the shareholders to make a decision, all or part of the Necessary Information will be made public at a time deemed appropriate by the Board of Directors of the Company.

(iii) Evaluation and consideration of Necessary Information, etc. by the Board of Directors of the Company

The Board of Directors of the Company shall, depending on the degree of difficulty of the evaluation of the Large-Scale Purchase, etc., allow up to 60 days in the case of a purchase of all shares of the Company by tender offer with cash (yen)-only consideration or up to 90 days in the case of any other Large-Scale Purchase after the Large-Scale Purchaser has provided the Board of Directors of the Company with the Necessary Information to evaluate, examine, negotiate, form an opinion, and develop an alternative proposal (hereinafter the “Board Evaluation Period”).

During the Board Evaluation Period, the Board of Directors of the Company will fully evaluate and review the Necessary Information provided to it, receiving advice from independent third-party outside experts (financial advisors, certified public accountants, lawyers, consultants, and other experts) as necessary, and will then carefully summarize and disclose its opinion. Furthermore, the Board of Directors of the Company will also negotiate the terms and conditions and the method of the Large-Scale Purchase with the Large-Scale Purchaser as necessary and may present an alternative proposal to its shareholders.

(5) Response policy in the event of a Large-Scale Purchase

(i) If the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules

In the event that a Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, regardless of the specific method of purchase, the Board of Directors of the Company may take countermeasures permitted under the Companies Act, other laws, and the Company’s Articles of Incorporation, such as the gratis allotment of stock acquisition rights, in order to protect the Company’s corporate value, and in turn the common interests of shareholders.

In determining whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, the Company shall take into account the circumstances of the Large-Scale Purchaser to a reasonable extent and shall not deem that the Large-Scale Purchaser has not complied with the Large-Scale Purchase Rules merely because some of the Necessary Information has not been submitted.

(ii) If the Large-Scale Purchaser complies with the Large-Scale Purchase Rules

In cases where a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Board of Directors of the Company will, even if it is opposed to the Large-Scale Purchase, merely seek the understanding of shareholders by expressing its opposition to the purchase proposal, presenting an alternative proposal, etc., and in principle will not take any countermeasures against such Large-Scale Purchase. Whether or not to accept the Large-Scale Purchaser’s purchase proposal shall be determined by the shareholders after considering the purchase proposal and the opinions, alternative plans, etc. presented by the Company in response to such purchase proposal.

However, even if the Large-Scale Purchase Rules are complied with, if the Board of Directors of the Company judges that the Large-Scale Purchase falls under, for example, any of the following (a) through (i) and will

significantly damage the corporate value of the Company, and in turn the common interests of its shareholders, such as causing irreparable damage to the Company as a result, exceptionally, the Board of Directors of the Company may decide to trigger the countermeasures mentioned in (i) above to the extent necessary and reasonable for the purpose of protecting the corporate value of the Company, and in turn the common interests of shareholders.

- (a) Cases where the Large-Scale Purchaser is found to be acquiring shares of the Company for the sole purpose of raising the share price and having the Company's related parties purchase the shares at a high price, even though the purchaser has no intention of truly participating in the management of the Company (so-called greenmailer)
- (b) Cases where the Large-Scale Purchaser is found to be acquiring shares of the Company for the purpose of transferring such assets of the Company or the Group companies as intellectual property rights, know-how, corporate secrets, major business partners or customers that are necessary for the business operation of the Company or the Group companies to the Large-Scale Purchaser or its group companies, etc. for the purpose of so-called scorched-earth management
- (c) Cases where the Large-Scale Purchaser is found to be acquiring shares of the Company for the purpose of using the assets of the Company or the Group companies as collateral for or the source of funds to repay, debts of the Large-Scale Purchaser or its group companies, etc. after acquiring the control over the corporate management of the Company
- (d) Cases where the Large-Scale Purchaser is found to be acquiring shares of the Company for the purpose of temporarily acquiring the control over the management of the Company and disposing high-value assets, such as real estate, securities, etc. of the Company or the Group companies by sale, etc. and temporarily paying higher dividends from the disposition proceeds or deliberately selling the shares of the Company at a high price as the share price surges during the period of the said temporarily higher dividends
- (e) Cases where the method of purchase of shares of the Company proposed by the Large-Scale Purchaser is found to impose restrictions on the opportunity or freedom of shareholders to make a decision by way of so-called coercive two-tier tender offer (the method of carrying out a tender offer in two steps where the Large-Scale Purchaser does not solicit the sale of all shares of the Company in the first stage while specifying unfavorable terms and conditions for purchase in the second stage or not clarifying the terms and conditions for purchase in the second stage) and shareholders could be effectively forced to sell the shares of the Company
- (f) Cases where the terms and conditions for purchasing the Company's shares (including but not limited to class of shares, amount of the consideration, basis of calculation of the consideration, other specific terms and conditions, whether there is any illegality and the feasibility) proposed by the Large-Scale Purchaser are found significantly inadequate or unsuitable with respect to the Company's corporate value and, in turn the common interests of shareholders
- (g) Cases where the Company's management policy, etc. after the Large-Scale Purchase by the Large-Scale Purchaser is judged to be insufficient or inappropriate, which may impede the growth and stability of the business of the Company or the Group companies and materially impede the corporate value of the Company and, in turn the common interests of its shareholders
- (h) Cases where it is judged that the acquisition of control of the Company by the Large-Scale Purchaser will destroy the relationships with customers, business partners, employees, local residents, and other

stakeholders, which are indispensable for the realization of sustainable growth of the corporate value of the Company and the Group companies, and will significantly damage the corporate value of the Company, and in turn the common interests of its shareholders

- (i) Cases where it is judged on reasonable grounds that the Large-Scale Purchaser is inappropriate as the controlling shareholder of the Company from the viewpoint of public order and morals, such as when the Large-Scale Purchaser's management or major shareholders or investors include persons who have relationships with anti-social forces

(iii) Resolutions of the Board of Directors and holding of General Meeting of Shareholders

When making a decision on whether or not to take countermeasures in (i) or (ii) above, the Board of Directors of the Company shall respect the recommendation of the Independent Committee to the maximum extent possible, and shall pass a resolution as an organ under the Companies Act regarding implementation or non-implementation of countermeasures after giving due consideration to the necessity, reasonableness, etc. of such countermeasures.

With respect to the specific countermeasures to be taken, the Board of Directors of the Company shall select those it deems most appropriate at the time. The outline of cases in which the Board of Directors of the Company implements a gratis allotment of stock acquisition rights as one of the specific countermeasures, for example, is shown in Appendix 5 in principle. However, in cases where the Board of Directors actually implements a gratis allotment of stock acquisition rights, conditions may be set in consideration of the effectiveness as a countermeasure, such as making it a condition for exercising stock acquisition rights that the shareholder does not belong to a specific group of shareholders whose voting rights account for a certain percentage or more of the voting rights.

In addition, in cases where the Independent Committee makes a recommendation for the implementation of countermeasures and requests a General Meeting of Shareholders to be held for a resolution for the implementation of such countermeasures, the Board of Directors of the Company may set a period of up to 60 days as a period for shareholders to fully consider whether or not to implement countermeasures under the Plan (hereinafter the "Shareholder Consideration Period"), and hold a General Meeting of Shareholders during such Shareholder Consideration Period.

If the Board of Directors of the Company resolves to hold a General Meeting of Shareholders and determine the record date, the Board Evaluation Period will end on that date and immediately shift to the Shareholder Consideration Period.

Upon the holding of such General Meeting of Shareholders, the Board of Directors of the Company will send to the shareholders a document stating the Necessary Information provided by the Large-Scale Purchaser, the Board of Directors' opinion on the Necessary Information, the Board of Directors' alternative proposal, and any other matters that the Board of Directors of the Company deems appropriate, together with the notice of the General Meeting of Shareholders, and will make a public announcement to that effect in a timely and appropriate manner.

If the General Meeting of Shareholders resolves to implement or not to implement a countermeasure, the Board of Directors of the Company shall comply with the resolution of such General Meeting of Shareholders. If such General Meeting of Shareholders resolves to reject the implementation of the countermeasure, the Board of Directors of the Company will not implement the countermeasure.

The Shareholder Consideration Period shall end at the conclusion of such General Meeting of Shareholders, and

the results of such General Meeting of Shareholders shall be announced in a timely and appropriate manner after the resolution is passed.

(iv) Large-Scale Purchase waiting period

If a Shareholder Consideration Period is not established, the Large-Scale Purchase waiting period shall be from the date of submission of the letter of intent to the Board of Directors of the Company as described in 3. (4) (i) above, to the end of the Board Evaluation Period, or if a Shareholder Consideration Period is established, the Large-Scale Purchase waiting period shall be from the date the letter of intent is submitted to the Board of Directors of the Company to the end of the combined period of the Board Evaluation Period and the Shareholder Consideration Period. During the Large-Scale Purchase waiting period, a Large-Scale Purchase shall not be implemented.

Accordingly, a Large-Scale Purchase may be commenced only after the expiration of the Large-Scale Purchase waiting period.

(v) Suspension of triggering of countermeasures, etc.

In the event that the Board of Directors of the Company or the General Meeting of Shareholders resolves to take specific countermeasures in (iii) above and the Board of Directors of the Company judges that it is not appropriate to implement the countermeasures, such as when the Large-Scale Purchaser withdraws or changes the Large-Scale Purchase, after respecting the opinion or recommendation of the Independent Committee to the maximum extent possible, the implementation of countermeasures may be suspended.

For example, in the case of a gratis allotment of stock acquisition rights as a countermeasure, even after the Board of Directors of the Company resolves to implement the gratis allotment or the gratis allotment is implemented, if the Board of Directors of the Company determines that it is not appropriate to implement the countermeasure because the Large-Scale Purchaser withdraws or changes the Large-Scale Purchase, etc., the Board of Directors of the Company may suspend the triggering of countermeasures by canceling the gratis allotment of stock acquisition rights until the day before the effective date of the stock acquisition rights, or, after the gratis allotment of stock acquisition rights, by means of a gratis acquisition of stock acquisition rights by the Company (the stock acquisition rights of shareholders will be extinguished when the Company acquires the stock acquisition rights for no consideration) until the day before the commencement date of the exercise period, after respecting the recommendations of the Independent Committee to the maximum extent possible.

In the event that the Company suspends the implementation of such countermeasures, etc., the Company will disclose such decision in a timely and appropriate manner in accordance with laws and regulations and the listing rules, etc., of the financial instruments exchanges on which the Company is listed.

(6) Impact, etc. of the Plan on shareholders

(i) Impact, etc. of the Large-Scale Purchase Rules on shareholders

The purpose of the Large-Scale Purchase Rules is to provide information necessary for shareholders to decide whether or not to accept a Large-Scale Purchase, to provide the opinion of the Board of Directors of the Company, which is actually in charge of the management of the Company, and to ensure that shareholders have an opportunity to receive an alternative proposal. We believe that this will enable shareholders to make an appropriate

decision as to whether or not to accept the Large-Scale Purchase based on sufficient information and proposals, which will lead to the protection of the Company's corporate value and, in turn the common interests of shareholders. Accordingly, we believe that the establishment of the Large-Scale Purchase Rules is a prerequisite for shareholders to make an appropriate judgment and contributes to the interests of all shareholders.

As stated in (5) above, depending on whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the response policy of the Company to the proposed Large-Scale Purchase will be different. Therefore, shareholders are advised to pay attention to any action that the Large-Scale Purchaser may or may not take.

(ii) Effect on shareholders at the time of implementation of countermeasures

In cases where a Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, or even if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if the Large-Scale Purchase is judged to significantly damage the Company's corporate value and, in turn the common interests of shareholders, such as by causing irreparable damage to the Company, the Board of Directors of the Company may take countermeasures permitted under the Companies Act and other laws and the Articles of Incorporation of the Company, such as the gratis allotment of stock acquisition rights, in order to protect the Company's corporate value and, in turn the common interests of shareholders. However, under the mechanism of such countermeasures, the Company does not expect that shareholders (excluding Large-Scale Purchasers who do not comply with the Large-Scale Purchase Rules and Large-Scale Purchasers who conduct a Large-Scale Purchase that is deemed to damage the interests of the Company's shareholders as a whole by causing irreparable damage to the Company, etc.) will suffer any extraordinary loss in terms of legal rights or economic aspects.

In the event that the Board of Directors of the Company decides to take specific countermeasures, the Board of Directors of the Company will disclose such information in a timely and appropriate manner in accordance with laws and regulations and the rules of the financial instruments exchanges on which the Company is listed.

As one of the countermeasures, for example, if the Company implements a gratis allotment of stock acquisition rights, shareholders will receive an allotment of stock acquisition rights without being required to subscribe for them, and if the Company performs procedures to acquire the stock acquisition rights, shareholders will receive the Company's shares as consideration for the acquisition of the stock acquisition rights without having to pay the amount equivalent to the exercise price of the stock acquisition rights, so no procedures such as application or payment will be required. However, in this case, the Company may separately request shareholders who receive an allotment of stock acquisition rights to submit a written pledge in the form prescribed by the Company that they are not a Large-Scale Purchaser, etc.

Even after the allotment date of stock acquisition rights or after the stock acquisition rights become effective, the Company may, for example, cancel the allotment of stock acquisition rights or acquire the stock acquisition rights without consideration without delivering the Company's shares for the stock acquisition rights by the day before the commencement date of the exercise period of stock acquisition rights due to circumstances such as the withdrawal of a Large-Scale Purchase by a Large-Scale Purchaser. In these cases, shareholders or investors who sell or otherwise dispose of their shares based on the assumption that the value per share will be diluted after the shareholders who are to receive the gratis allotment of such stock acquisition rights are determined (after the exercise date) may suffer a commensurate loss due to fluctuations in the share price.

(7) Commencement of application, effective period, continuation, and abolition of the Plan

The Plan shall become effective as of the date of the resolution at the General Meeting of Shareholders, and shall remain in effect until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending by March 31, 2029.

However, even after the continuation of the Plan is approved at the General Meeting of Shareholders and the Plan becomes effective, the Plan shall be abolished at that time if (1) a resolution to abolish the Plan is passed at the Company's General Meeting of Shareholders or (2) a resolution to abolish the Plan is passed by the Board of Directors of the Company.

In addition, even during the effective period of the Plan, the Board of Directors of the Company may review the Plan from time to time from the viewpoint of improving corporate value of the Company, and in turn the common interests of shareholders, and may amend the Plan with the approval of the General Meeting of Shareholders. In this manner, in the event that the Board of Directors of the Company decides to continue, amend, or abolish the Plan, the Board of Directors of the Company will promptly announce the details of such decision.

Even during the effective period of the Plan, the Board of Directors of the Company may amend or revise the Plan as necessary with the approval of the Independent Committee when it is not disadvantageous to the shareholders, such as when laws and regulations, financial instruments exchange rules, etc. concerning the Plan are newly established, amended, or abolished and it is appropriate to reflect such establishment, amendment, or abolishment, or when it is appropriate to amend the wording due to typographical errors, omissions, or other reasons.

4. Reasonableness of the Plan (regarding the Plan's conformity to the Basic Policy concerning Company Control, its conformity to the corporate value of the Company and, in turn the common interests of its shareholders, and it is not intended to maintain the status of the Company's corporate officers)

In designing the Plan, the Company believes that the Plan is in line with the Basic Policy concerning Company Control in 1. above, consistent with the Company's corporate value and, in turn the common interests of its shareholders, and does not aim to maintain the status of the Company's corporate officers by taking the following points into consideration.

(1) The Plan satisfies all the requirements of the guidelines on the takeover response policy.

The Plan satisfies all three principles (principle of protecting and enhancing corporate value and shareholders' common interests, principle of prior disclosure and shareholders' will and principle of ensuring the necessity and reasonableness of defensive measures) prescribed in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" jointly published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. It additionally fulfills the three principles (principle of corporate value and shareholders' common interests, principle of shareholders' intent, and principle of transparency) outlined in the "Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholders' Interests—" announced by the Ministry of Economy, Trade and Industry on August 31, 2023.

It also takes into consideration the contents of the "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry on June 30, 2008, and the "Principle 1.5 Anti-Takeover Measures" in the "Corporate

Governance Code” revised by Tokyo Stock Exchange Inc. on June 11, 2021.

(2) Continuation for the purpose of securing and enhancing the common interests of shareholders

As noted in the 3. (1) “Purpose of the Plan” above, the continuation of the Plan is proposed for the purpose of protecting and enhancing the corporate value of the Company and, in turn the common interests of shareholders in the case where a Large-Scale Purchase of shares of the Company is proposed by securing information and time necessary for the shareholders to decide whether to accept the proposal for the Large-Scale Purchase or for the Board of Directors of the Company to present an alternative proposal, as well as by enabling the Company to negotiate with the Large-Scale Purchaser on behalf of its shareholders or to take similar actions.

(3) Reflecting the intent of shareholders

The Plan is subject to the approval of the shareholders at the General Meeting of Shareholders, and the shareholders will be asked about the continuation to the Plan at the General Meeting of Shareholders, which will reflect the shareholders’ intent.

In addition, after the continuation of the Plan, even during the effective period, if a resolution to abolish the Plan is passed at the Company’s General Meeting of Shareholders, the Plan will be abolished at that time, and the shareholders’ intent will be reflected.

(4) The Plan respects the judgment of highly independent outside parties and discloses information.

As stated in 3. (5) “Response policy in the event of a Large-Scale Purchase” above, the triggering of countermeasures under the Plan is subject to consultation with the Independent Committee, which consists of members who are independent of the management team that executes the Company’s business, and the recommendations of the Independent Committee are to be respected to the maximum extent possible. In this manner, procedures to ensure the transparent operation of the Plan have been secured in order to contribute to the Company’s corporate value and, in turn the common interests of shareholders.

A summary of the Independent Committee’s recommendations will be made public.

(5) Neither a dead-hand measure nor a slow-hand measure

The Plan can be abolished by the Board of Directors, which is composed of Directors elected at the Company’s General Meeting of Shareholders. Therefore, the Plan is not a dead-hand measure (a countermeasure whose exercise cannot be prevented even after replacing a majority of the members of the Board of Directors). Moreover, the Company is a Company with an Audit and Supervisory Committee, and the term of office for Directors (excluding Directors who are Audit and Supervisory Committee Members) is one year, while for Directors who are Audit and Supervisory Committee Members, it is two years. Since the Company does not use staggered terms for Directors who are Audit and Supervisory Committee Members, the Plan is not a slow-hand response policy (a response policy that requires time to prevent the triggering of the Plan because it is impossible to replace all members of the Board of Directors at the same time). Furthermore, the Company does not impose any additional requirements for the resolution of the dismissal of Directors (excluding Directors who are Audit and Supervisory Committee Members), such as the requirement for a special resolution.

(Appendix 1)

Status of the Company's shares (As of March 31, 2026)

1. Total number of authorized shares 50,000,000 shares
2. Total number of issued shares 18,113,110 shares
3. Major shareholders (top 10)

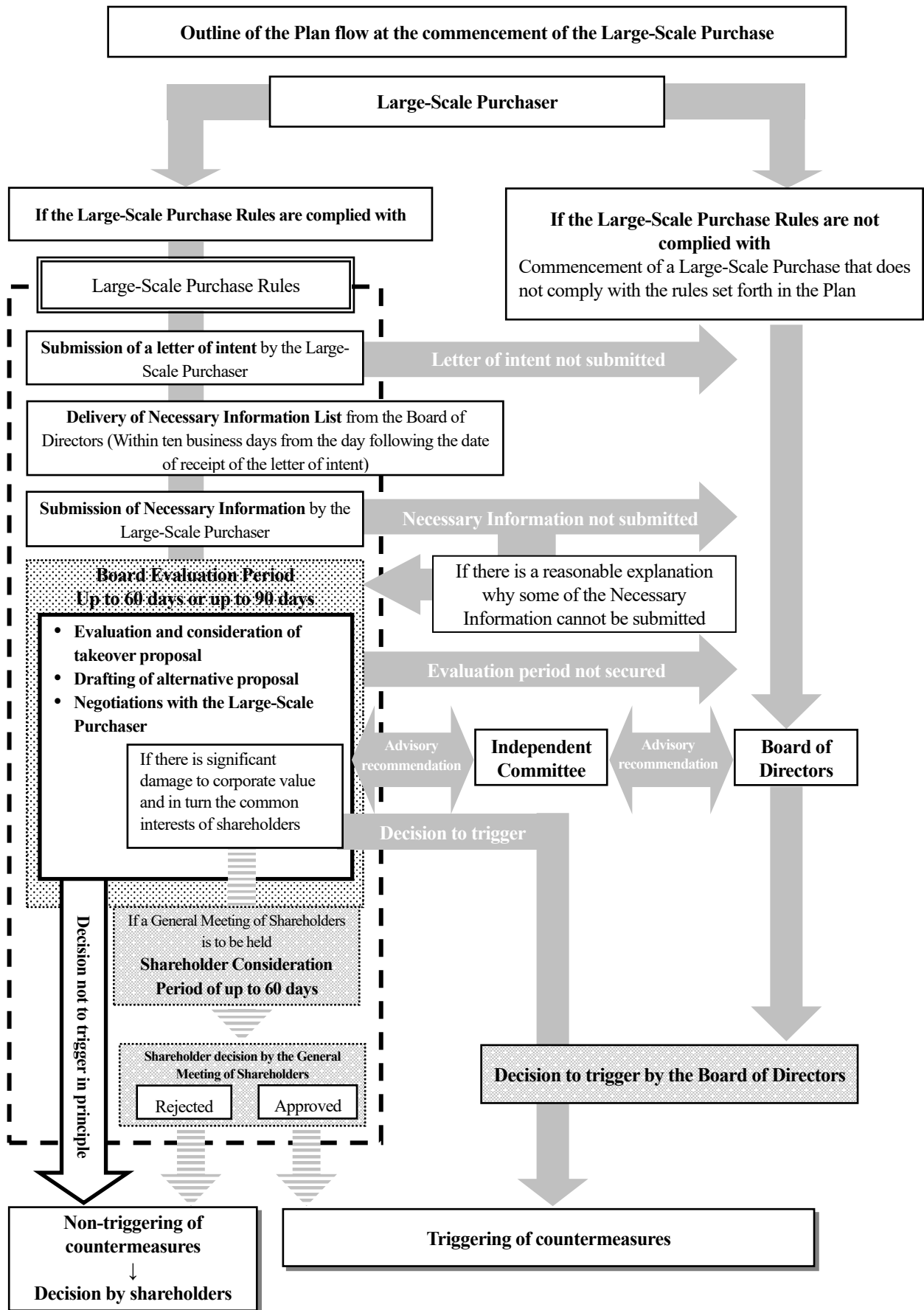
Name of shareholder	Status of investment in the Company	
	Number of shares held (thousands of shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,992	11.67
Dainichiseika Employee Shareholding Association	872	5.11
TAIJU LIFE INSURANCE COMPANY LIMITED	556	3.26
Sumitomo Mitsui Banking Corporation	529	3.10
Koji Takahashi	433	2.54
STATE STREET BANK AND TRUST COMPANY 505103	433	2.53
Custody Bank of Japan, Ltd. (Trust Account)	381	2.23
MUFG Bank, Ltd.	360	2.11
Nihon Parkerizing Co., Ltd.	359	2.10
Mizuho Trust & Banking Co., Ltd.	312	1.82

(Notes) 1. The number of shares held is rounded down to the nearest thousand shares.

2. "Ratio of shares held to total number of issued shares" is rounded down to two decimal places.

3. The Company owns 1,047,650 shares of treasury stock, which are not included in the above.

(Appendix 2)



(Note) This diagram is a schematic representation of the typical flow of procedures for the purpose of contributing to an understanding of the Plan, and does not necessarily show all procedures. For details, please refer to the text.

Outline of the Independent Committee Rules

- The Independent Committee shall be established by resolution of the Board of Directors.
- The Independent Committee shall consist of three or more members. In order to enable fair and neutral judgments, the Independent Committee members shall be appointed by resolution of the Board of Directors of the Company from among persons who are either of outside Directors of the Company or outside experts (senior corporate executives with proven track record, ex-government officials, attorneys at law, certified public accountants, persons with academic experience or persons equivalent thereto) and who are independent from the senior executives in charge of business execution of the Company.
- The Independent Committee shall, in principle, make recommendations on matters for which it is consulted by the Board of Directors, together with reasons and grounds for such determination, such as judgments as to whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, judgments as to whether or not the Large-Scale Purchase would materially damage the corporate value of the Company and the common interests of shareholders, judgments as to whether or not to trigger countermeasures, judgments as to whether or not to suspend countermeasures once triggered, etc. Each member of the Independent Committee shall make such decisions from the perspective of whether or not they contribute to the corporate value of the Company and, in turn the common interests of its shareholders.
- The Independent Committee may, at the Company's expense, obtain advice from independent third-party outside experts (financial advisors, certified public accountants, lawyers, consultants and other experts) as necessary.
- The resolution of the Independent Committee shall be adopted by a majority of the members.

(Appendix 4)

Career summary of the Independent Committee members

The following three persons are scheduled to be Independent Committee members after the continuation of the Plan.

Name (Date of birth)	Career summary	
Ichiro Wakabayashi (October 25, 1957)	Apr. 1981	Joined Nagase & Co., Ltd.
	Apr. 2008	General Manager of Industrial Materials Division
	Apr. 2010	Executive Officer and General Manager of Industrial Materials Division
	June 2015	Director and Executive Officer
	Apr. 2018	Director and Managing Executive Officer
	Apr. 2019	Representative Director and Managing Executive Officer
	June 2021	Advisor
	June 2022	Resigned from Nagase & Co., Ltd.
	June 2023	Outside Director of Sekisui Kasei Co., Ltd. (Current)
		Appointed as Outside Audit & Supervisory Board Member of the Company
	June 2025	Appointed as Outside Director, Audit and Supervisory Committee Member of the Company (Current)
Shuichiro Ikari (January 2, 1960)	Apr. 1978	Joined Tokyo Regional Taxation Bureau
	June 2002	Obtained the Certificate of Tax Accountant
	July 2016	District Director of Fujisawa Tax Office
	July 2019	Assistant Regional Commissioner of the Fourth Large Enterprise Department of Tokyo Regional Taxation Bureau
	July 2020	Resigned from Tokyo Regional Taxation Bureau
	Aug. 2020	Opened Ikari Tax Accountant Office (Current)
	Apr. 2021	Advisor Tax Accountant of the Company
	June 2021	Substitute Audit & Supervisory Board Member of the Company
	Dec. 2021	Outside Auditor of STEP CO., LTD (Current)
	June 2023	Outside Director of Central General Development Co., Ltd. (Current)
	Apr. 2024	Senior Partner of Ikari Accounting Office LLC (Current)
	June 2025	Appointed as Outside Director, Audit and Supervisory Committee Member of the Company (Current)
	Mar. 2026	Outside Auditor of AKTIO HOLDINGS Corporation (Current)

Name (Date of birth)	Career summary	
Hirokazu Takamatsu (January 11, 1963)	Apr. 1981	Joined Tokyo Regional Taxation Bureau
	July 2017	District Director of Shimada Tax Office
	July 2018	Director, Personnel Evaluation Division of Planning and Administration Department of Tokyo Regional Taxation Bureau
	July 2019	Director, Co-ordination Division of the Third Large Enterprise Examination Department
	July 2020	Director, Co-ordination Division of the First Large Enterprise Examination Department
	July 2021	Deputy Assistant Regional Commissioner of the Fourth Large Enterprise Department
	July 2022	Assistant Regional Commissioner of the Third Large Enterprise Department
	July 2023	Assistant Internal Inspector of Tokyo Regional Taxation Bureau, Commissioner's Secretariat of National Tax Agency (for reelection)
	July 2024	Resigned from Tokyo Regional Taxation Bureau
	Aug. 2024	Opened Takamatsu Tax Accountant Office (Current)
	Apr. 2025	Advisor Tax Accountant of the Company (Current)
	June 2025	Substitute Director, Audit and Supervisory Committee Member of the Company (Current)

There is no special interest between the Independent Committee members and the Company.

The Company has submitted notification to Tokyo Stock Exchange Inc. that the outside Directors who are Audit and Supervisory Committee members Ichiro Wakabayashi and Shuichiro Ikari have been designated as independent officers as provided for by the aforementioned exchange.

Outline of the gratis allotment of the stock acquisition rights

1. Shareholders eligible for gratis allotment of the stock acquisition rights and the method of allotment

The Company will newly allot stock acquisition rights to shareholders recorded in the final shareholders' register as of the allotment date determined by the Board of Directors of the Company at a ratio of one stock acquisition right per one share of common stock of the Company held by such shareholders (excluding, however, common stock of the Company held by the Company) without requiring new payment.

2. Class and number of shares that are the subject of the stock acquisition rights

The class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued upon exercise of each stock acquisition right shall be one share. However, the necessary adjustments shall be made if the Company conducts a stock split or a reverse stock split.

3. Total number of stock acquisition rights to be allotted to shareholders

The total number of stock acquisition rights to be allotted to shareholders shall be limited to the number obtained by subtracting the total number of outstanding shares of common stock of the Company (excluding, however, common stock of the Company held by the Company) from the total number of shares authorized to be issued by the Company as of the allotment date, as determined by the Board of Directors of the Company. The Board of Directors of the Company may allot stock acquisition rights more than once.

4. Assets to be contributed upon exercise of the stock acquisition rights and their value

Assets to be contributed upon exercise of each stock acquisition right shall be in the form of cash, the value of which shall be determined by the Board of Directors of the Company in an amount of one yen or more. In the event that the Board of Directors of the Company decides to acquire the stock acquisition rights, the Company may deliver new shares to the shareholders as consideration for the acquisition of the stock acquisition rights by the Company without payment of an amount equivalent to the exercise price.

5. Restrictions on the transfer of the stock acquisition rights

Acquisition of stock acquisition rights by transfer of stock acquisition rights shall be subject to the approval of the Board of Directors of the Company.

6. Exercise conditions of the stock acquisition rights

Provide for exercise conditions such as that the person must not belong to a specific group of shareholders who hold 20% or more of the voting rights (excluding those who have been approved in advance by the Board of Directors of the Company). The details shall be separately determined by the Board of Directors of the Company.

7. Exercise period, etc. of the stock acquisition rights

The date when the allotment of stock acquisition rights becomes effective, exercise period, acquisition terms and other necessary matters shall be separately determined by the Board of Directors of the Company. With respect to the acquisition terms, the Company may stipulate a clause to the effect that the Company may acquire stock acquisition rights held by persons other than those who are not permitted to exercise stock acquisition rights under the exercise conditions stipulated in 6. above and deliver the number of shares of common stock of the Company separately

determined by the Board of Directors of the Company per one stock acquisition right or that the Company may acquire stock acquisition rights without consideration without delivering shares of the Company for each stock acquisition right. The Company does not expect to deliver money as consideration for the acquisition of stock acquisition rights held by persons who are not permitted to exercise their stock acquisition rights under the exercise conditions set forth in 6. above.