

Note: M&A Capital Partners Co., Ltd. provides this translation for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.



November 19th, 2025

To all shareholders, M&A Capital Partners Co., Ltd.

Representative President: Satoru Nakamura

Ticker number : 6080, TSE Prime Market

Contact: So Shimoda

TEL: 03-6770-4304

## **Notice Regarding the Opinion of Our Board of Directors on Shareholder Proposals**

The Company has received a written notice from a shareholder indicating the intention to submit a shareholder proposal (hereinafter referred to as the “Proposal”) regarding the agenda and items to be discussed at the 20th Annual General Meeting of Shareholders scheduled to be held on December 25, 2025. At the meeting of our Board of Directors held today, it was resolved to oppose the Proposal. Accordingly, we hereby provide notice as follows.

### **1. Proposing Shareholder**

Panah Master Fund

### **2. Details of the Shareholder Proposal and the Opinion of Our Board of Directors**

The content and reasons for the proposal submitted by the proposing shareholder are presented exactly as originally submitted by the shareholder.

#### **(1): Appropriation of Surplus**

##### **i. Substance of the Proposal**

The appropriation of surplus shall be as follows. This proposal is independent and in addition to any proposal for appropriation of surplus submitted by the Company's Board of Directors at the Ordinary General Meeting.

(a) Type of Dividend Property: Cash

(b) Dividend Amount per Share

In addition to the surplus per common share of the Company approved at the Ordinary General Meeting as proposed by the Company's Board of Directors, 940 yen per share (or 990 yen per share if the Company's Board of Directors does not propose an appropriation of surplus at the

Ordinary General Meeting).

(c) Matters Regarding Allocation of Dividend Property and Total Amount

For the Company's common shares, the dividend amount per share as stated in (b) above (the total dividend amount shall be calculated by multiplying the dividend amount per share by the total number of issued common shares of the Company as of June 30, 2025, excluding treasury shares).

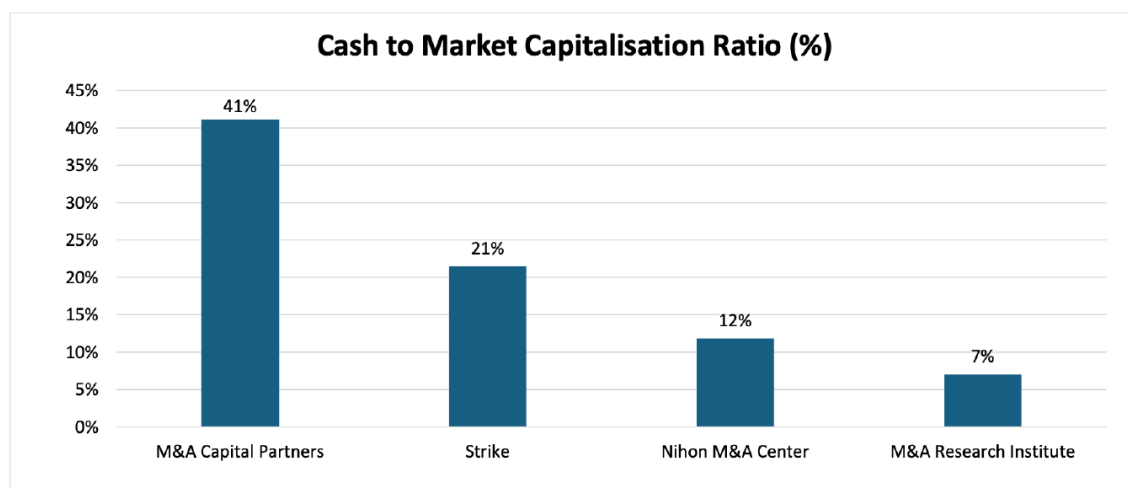
(d) Effective Date of Dividend from Surplus: The date of the Ordinary General Meeting.

(e) Dividend Payment Start Date: Three weeks after the business day following the date of the Ordinary General Meeting.

**ii. Reasons for the Proposal**

As of June 30, 2025, the Company holds 41.9 billion yen in cash and deposits on its balance sheet. This represents approximately 87% of the Company's total assets as of the same date and approximately 41% of its market capitalization as of September 30, 2025 (the median for domestically listed peers is approximately 12%; see Figure 1). This cash-to-market capitalization ratio is significantly higher than that of any domestically listed peers. On the other hand, the return on investment for the Company's cash and deposits is extremely low. For example, in the fiscal year ended September 2024, the Company had an average cash balance of 39.2 billion yen but generated only about 4 million yen in interest income, resulting in a yield of just 0.01%.

[Figure 1]

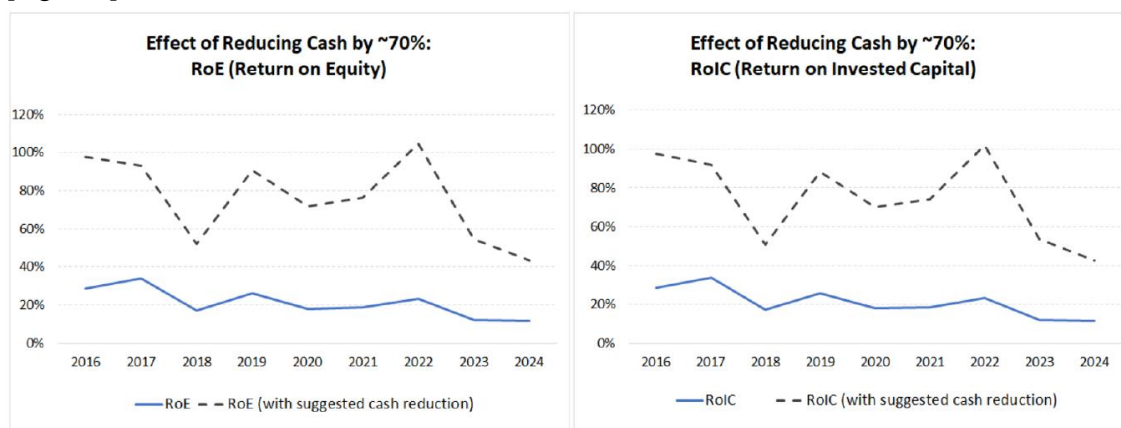


Furthermore, the Company's business model is an asset-light advisory business, with very limited needs for working capital or ongoing capital expenditures. For instance, the Company has a negative working capital cycle, and its annual capital expenditures over the past 10 years have averaged only about 5% of operating cash flow. This means that the Company does not require large amounts of cash for normal business operations or growth.

From any reasonable perspective, the Company's cash ratio is extremely high, and there is no apparent rational reason for holding such cash. Nevertheless, continuing to hold large amounts of cash contradicts the basic principles of efficient capital management, lowers the Company's return on equity (ROE) and return on invested capital (ROIC), and ultimately damages corporate value.

From an investor's perspective, the Tokyo Stock Exchange also advocates that one of the responsibilities of management and the board of directors is "to avoid holding excessive cash and deposits." If the Company reduces its cash holdings to the level sought in this proposal, ROE and ROIC would improve dramatically (see Figure 2).

[Figure 2]



We believe that the best use of the Company's large cash holdings is to return it to shareholders, as there is an extremely high risk that these funds could be misallocated to expensive and misguided acquisitions. In fact, the Company's past use of funds in acquisitions and investments has been significantly inappropriate. For example, the acquisition of Recof in 2016 for a total of 3 billion yen was a high-cost failure, continuing to incur losses and becoming a significant burden on management. Additionally, the approximately 19.5% (2.49 billion yen) minority equity investment in Frontier Management in August 2024 has seen its stock price decline by about 33% as of September 30, 2025, with no explanation from management to shareholders regarding its strategic rationale. Based on the above, we propose this agenda item. This is the first step toward reducing the Company's cash and deposit balance from approximately 41% of its current market capitalization to the median of approximately 12% for domestically listed peers. If this proposal is approved, the Company's cash and deposits would decrease from approximately 41.9 billion yen to about 12 billion yen, with the difference of approximately 29.9 billion yen distributed to shareholders as a special dividend. Even after such a large distribution, we believe the Company would still hold sufficient funds and have ample capacity to pursue growth strategies. Rather, the Company is strongly urged to formulate a clear growth strategy and effectively communicate it to all shareholders.

### iii. Board of Directors' Opinion on the Proposal

#### **The Company's Board of Directors opposes this shareholder proposal for the following reasons.**

- ✓ The Company has as its corporate philosophy "We aspire to be the world's leading investment

bank, seeking maximum contributions to clients and striving for the happiness of all employees.” In an effort to achieve this, we continuously advocated both organic business growth as well as inorganic business growth, through mergers and acquisitions and other growth investments. By no means has this been a smooth journey, and while recognizing there are a multitude of challenges, we have set ambitious goals and have centered the Company’s values on having all officers and employees work together in a concerted effort in the achievement of this philosophy. Through these efforts, the Company has grown and has attracted excellent human resources.

- ✓ The Company’s cash and deposits serve as essential and vital resources for the consideration and implementation of the merger and acquisition strategies and partnership strategies (growth investments) that facilitate the achievement of inorganic business growth.
- ✓ In growth investments (mergers and acquisitions), we consider those deals that are expected to improve our consolidated EPS and capital efficiency (ROE) and elevate our corporate value and shareholder value through the acquisition of new capabilities, the elevation of brand power, the enhancement of the values of target companies, and other factors.
- ✓ In 2016, we were fortunate enough to be able to welcome RECOF Corporation, Japan’s most historic merger and acquisition advisory firm, into our group. This company’s name recognition, sustained by its long history and illustrious track record, contributed to the Company’s dramatic growth from 2017 onward, through the enhancement of our own brand power as we welcomed them into our group. Our investment in Frontier Management Inc. and the subsequent business partnership therewith will lead to our further growth and enhanced corporate value and shareholder value by providing capabilities and added value that our group previously did not possess.
- ✓ Based on the above approach, with regard to our dividend policy, as disclosed in our securities reports, we have adopted a basic policy under which the Company engages in appropriate profit distributions, while comprehensively taking into consideration future business development and other factors, being mindful of dividends as returned profits to our shareholders, internal reserves sufficient to strengthen our constitution to promptly respond business opportunities, and incentives for officers and employees to facilitate the stimulation of business.
- ✓ In accordance with this basic policy, in our financial results briefing materials disclosed on October 30, 2025, we have disclosed a policy that seeks a continuous increase in dividends per share through profit growth while making provisions for growth investments, and provides stable and consistent shareholder returns centered on dividends.
- ✓ In addition to the appropriation of surplus proposed by the Company’s Board of Directors (JPY 52.10 per share, total dividend of JPY 1,654,622,018), this shareholder proposal seeks an appropriation of surplus in the amount of JPY 940 per share, for a total dividend of JPY 29,853,065,200. An appropriation of surplus in this amount would set our dividend payout ratio at approximately 571%.
- ✓ This shareholder proposal, which allocates a majority of our internal reserves and cash and deposits on hand to a one-time special dividend, will significantly restrict the agility of growth investments, and as such it fails to fall in line with the Company’s policy as previously disclosed

and explained to our shareholders and investors.

- ✓ Furthermore, since our listing on the stock market, the Company has maintained capital efficiency (ROE) that exceeds the cost of the shareholder's equity recognized by the Company, all while accumulating internal reserves and maintaining financial soundness through high-level sales growth rates and profit margins. With regard to ROE in the future we will seek further enhancement through advancements from high growth and high profit margins (advancement by increasing the numerator) and agile growth investments utilizing our cash and deposits on hand, while continuing to properly recognize the importance of capital efficiency.

## **(2): Partial Amendment to the Articles of Incorporation**

### **i. Substance of the Proposal**

Add the following chapter and articles to the Company's Articles of Incorporation. If other proposals at the Ordinary General Meeting (including those proposed by the Company) are approved, resulting in the need for formal adjustments to the articles described in this proposal (including but not limited to corrections for article numbering shifts), the articles in this proposal shall be read with the necessary adjustments.

| Current Articles of Incorporation | Proposed Amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Newly Established)               | <p>Chapter 6: Rules Regarding Shareholder Return Policy and Special Committee (Rules Regarding Shareholder Return Policy)</p> <p>Article 36</p> <p>The Company shall adopt as its basic rule (hereinafter referred to as the "Basic Rule") a policy of continuously maintaining a total payout ratio of 50% or more relative to earnings per share (EPS) each period, with 30% allocated to dividends from surplus and the remaining 20% implemented in the form of share repurchases or additional dividends.</p> <p>The Company's Board of Directors shall deliberate on the shareholder return policy based on the preceding paragraph, and if it does not satisfy the Basic Rule (i.e., if the total payout ratio is less than 50% or the breakdown ratios differ), it must refer the matter to the Special Committee under the following article.</p> <p>(Special Committee)</p> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Article 37</p> <ol style="list-style-type: none"> <li>1. The Company's Board of Directors shall establish a Special Committee (hereinafter referred to as the "Special Committee") to provide recommendations to the Board from the perspective of improving the Company's capital efficiency.</li> <li>2. The Special Committee shall be composed of all of the Company's outside directors and outside auditors.</li> <li>3. The Special Committee shall review the results of the Board of Directors' deliberations and examine matters such as the appropriateness of the Company's shareholder return policy, its impact on capital efficiency, and whether it contributes to maximizing shareholder interests, and shall provide recommendations to the Board of Directors.</li> <li>4. Resolutions of the Special Committee shall be made by a majority of the attending members, with a quorum of more than half of the members constituting the Special Committee.</li> <li>5. The results of the Special Committee's review under Paragraph 3 must be explained to the shareholders.</li> <li>6. Other matters regarding the operation of the Special Committee shall be governed by rules established by the Special Committee.</li> </ol> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **ii. Reasons for the Proposal**

Since its establishment in October 2005, the Company has generated abundant cash flow, but the Board of Directors has not paid any dividends for many years, only introducing a dividend policy (payout ratio of 30%) in the fiscal year ended September 2023. However, this payout ratio is significantly low compared to domestically listed peers with similarly long business histories. Furthermore, considering that the Company's business has extremely limited needs for ongoing capital expenditures and working capital, shareholder capital returns should be expanded further. Given that

the Company's shares are held by insiders, with the President and Representative Director owning approximately 44% and the three internal directors holding a majority of the shares, it is essential to review the shareholder return policy through a body completely independent from internal management. Therefore, this proposal ensures the establishment of an independent committee, with the goal of raising the total payout ratio to a higher level and flexibly reviewing methods of capital returns.

### **iii. Board of Directors' Opinion on the Proposal**

#### **The Company's Board of Directors opposes this shareholder proposal for the following reasons.**

- 1) Regarding the Proposal on Rules Regarding the Shareholder Return Policy
  - ✓ The total return ratio, its breakdown and other details are matters that are considered and determined in a flexible manner by the Board of Directors based on the market environment, business environment, the Companies business and financial details, its medium-to long-term strategies and plans, the exertion status of its competitive edge and issues therewith, the existence or nonexistence and consideration status of growth investment opportunities, and other factors. Stipulating matters in the Articles of Incorporation harms flexibility and agility of this decision making.
  - ✓ Furthermore, the pros and cons of share repurchases will need to be examined while taking the perspective of the free-float weight of the listed shares, a criteria for maintaining our listing on the Prime Market, and the free-float market capitalization, a criteria for being selected as a TOPIX constituent stock, into account. The Company's Board of Directors will consider this matter while also taking into account the possibility that large-scale share repurchases, at the Company, may be disadvantageous from the perspective medium- to long-term shareholder value.
- 2) Regarding the Proposal on the Establishment of a Special Committee
  - ✓ The Company welcomes a wide range of opinions by having our officers, including the representative director, and employees engage in direct dialogues with all shareholders and investors through financial results briefings directed at institutional investors and individual investors, investor relations meetings with institutional investors, general meetings of shareholders, and other numerous occasions.
  - ✓ The opinions presented at financial results briefings and investor relations meetings are routinely reported to the Board of Directors. Based on the opinions provided by our shareholders, the Company's Board of Directors decided in July 2023 to pay the first dividend since listing, and decided in January 2025 to modify our dividend policy (increasing the dividend payout ratio).
  - ✓ The Board of Directors, integrally comprised of executive directors, who are well versed in the Company's business and hold a significant number of our shares, and outside directors, who hold a variety of knowledge based on a skills matrix and have an outside perspective, is the conference body best suited for effective conduct of considerations regarding the maximization of total shareholder returns. We do not believe it is necessary to establish a separate advisory body.

End of notice.