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Stock Exchange Code: 7914

June 3, 2025

(Electronic provision measures commencement date: May 27, 2025)

To Shareholders with Voting Rights:

Teruomi Ohashi
Representative Director & President
Kyodo Printing Co., Ltd.
4-14-12 Koishikawa, Bunkyo-ku, Tokyo

NOTICE OF THE 145th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your continued support and patronage.

The 145th Annual General Meeting of Shareholders of Kyodo Printing Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this meeting, the Company has taken measures for electronic provision, and matters to be provided electronically (Electronic Provision Measures Matters) are posted on the website described below.

The Company’s website:

https://www.kyodoprinting.co.jp/ir_info/irdata/meeting.html (in Japanese)

From the front page of the Company’s corporate website (<https://www.kyodoprinting.co.jp/> (in Japanese)), please select “IR Information,” “IR Library,” and “Information on General Meeting of Shareholders” in this order to confirm the relevant information.

Aside from the abovementioned website, Electronic Provision Measures Matters are posted on the websites described below.

Tokyo Stock Exchange website (TSE Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

On the abovementioned website, please search by entering “Kyodo Printing” in the field of issue name (company name) or the stock exchange code “7914,” and select “Basic information” and “Documents for public inspection/PR information” in this order to confirm the information.

Website of Sumitomo Mitsui Trust Bank, Limited (“The Portal of Shareholders’ Meeting”; in Japanese)

<https://www.soukai-portal.net>

Please scan the QR code printed on the Voting Rights Exercise Form or use your ID and password to access the website.

The QR code is printed on the Voting Rights Exercise Form.

* Please note that any of these websites may be temporarily inaccessible due to scheduled maintenance or other reasons. If you are unable to view one of the provided websites, please try a different website or wait a moment to try again.

If you are not attending the meeting in person, you can exercise your voting rights via the Internet, etc. or in writing. Please review the Reference Documents for the General Meeting of Shareholders provided in Electronic Provision Measures Matters, and exercise your voting rights by referring to the Instructions for the Exercise of Voting Rights, no later than 6:00 p.m. on Tuesday, June 24, 2025, Japan time.

- 1. Date and Time:** Wednesday, June 25, 2025 at 10:00 a.m. Japan time (Reception starts at 9:30 a.m.)
- 2. Place:** **Kyodo Printing Co., Ltd. Head Office, 1F Hall**
located at 4-14-12 Koishikawa, Bunkyo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 145th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Board of Company Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 145th Fiscal Year (April 1, 2024 - March 31, 2025)
- Proposals to be resolved:**
- Proposal 1:** Distribution of Surplus
- Proposal 2:** Election of Seven (7) Directors
- Proposal 3:** Amendments to Performance-linked Stock Compensation Plan
- Proposal 4:** Renewal of the Policy on Defense against Large-scale Purchases of the Company's Shares (Policy for dealing with Acquisitions)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- If there is no indication of a vote for or against a specific proposal in the exercise of voting rights in writing, it shall be deemed as an indication of approval to that proposal.
- If you exercise your voting rights multiple times, the last vote that arrives the Company shall be deemed as a valid exercise of voting rights. If the vote via the Internet, etc. and that in the Voting Rights Exercise Form arrives the Company on a same day, the voting rights exercised via the Internet, etc. shall be deemed valid.
- Should the Electronic Provision Measures Matters require revisions, the revised versions will be posted on each of the websites where these matters are posted.
- Should changes arise to the operation of the meeting, we will notify on the Company's website (in Japanese) (<https://www.kyodoprinting.co.jp/>).
- The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. As the record date for voting rights is March 31, 2025, the number of shares owned and the number of voting rights listed on the Voting Rights Exercise Form are based on the number of shares prior to the stock split.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

Upon consideration of the stable return of profits to shareholders and future management initiatives, the Company proposes the following appropriation of surplus.

Items Related to the Year-end Dividend

1) Type of dividend property

Cash

2) Items related to the allocation of dividend property and its total amount

85 yen per common share

Total amount will be 619,954,895 yen, and the annual dividend will be a total of 140 yen per share including the interim dividend.

3) Effective date of the distribution of surplus

June 26, 2025

* The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. As the record date of for the year-end dividend for the year under review is March 31, 2025, the distribution of surplus will be based on the number of shares prior to the said stock split.

Proposal 2: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of seven (7) Directors is proposed.

The candidates for Director are as follows:

No.	Name		Current positions and responsibilities at the Company	
1	[Reappointment]	Yoshiaki Fujimori (Male)	Representative Director & Chairman	
2	[Reappointment]	Teruomi Ohashi (Male)	Representative Director & President	In charge of Internal Audit Division and Secretarial Division
3	[Reappointment]	Hidenori Watanabe (Male)	Director & Vice President Executive Officer	General Manager of Group Corporate Headquarters and in charge of Corporate Planning Headquarters
4	[Reappointment]	Takaharu Takahashi (Male)	Director & Managing Executive Officer	In charge of Production Supervisory Headquarters, Technology Supervisory Division and IT Supervisory Division
5	[Reappointment] [Independent] [Outside]	Mika Takaoka (Female)	Director	
6	[Reappointment] [Independent] [Outside]	Yosuke Mitsusada (Male)	Director	
7	[New appointment] [Independent] [Outside]	Chieko Ouchi (Female)	-	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Yoshiaki Fujimori (Male) (May 20, 1949) [Reappointment] [Attendance at the Board of Directors meetings] 19 out of 19 meetings [Years of service as Director] 21 years (at the conclusion of this General Meeting of Shareholders)	April 1976 April 1998 April 2003 April 2004 June 2004 June 2006 June 2010 April 2011 May 2011 June 2013 April 2025	Joined the Company General Manager of Legal Division General Manager of Technology Development Division, Technical Supervisory Division and General Manager of Legal Division General Manager of Technical Supervisory Division Director and General Manager of Technical Supervisory Division Managing Director Senior Managing Director Senior Managing Director and General Manager of Accounting Division Senior Managing Director Representative Director & President Representative Director & Chairman (current position)	19,800
[Reason for nomination as a candidate for Director] Since joining the Company, the candidate has held important positions in the legal affairs and intellectual property division and technical supervisory division, and has abundant experience and knowledge of overall management as Chairman, who is chief executive officer of business execution. The Company has judged that he is an appropriate person to continue to take on the duties of Director, such as important management decisions and supervision of business execution of the Company, and renominated him as a candidate for Director.				
2	Teruomi Ohashi (Male) (December 2, 1963) [Reappointment] [Attendance at the Board of Directors meetings] 19 out of 19 meetings [Years of service as Director] 2 years (at the conclusion of this General Meeting of Shareholders)	April 1987 April 2011 April 2013 April 2018 April 2019 April 2020 April 2021 June 2023 April 2024 April 2025 [Responsibilities] Internal Audit Division and Secretarial Division	Joined the Company General Manager of Management & Planning Department, Business Media Division General Manager of Sales Planning Department, Business Media Division Executive Officer and Deputy General Manager of Business Media Division Executive Officer and General Manager of Business Media Division Senior Executive Officer and General Manager of Business Media Division Managing Executive Officer and General Manager of Information & Security Headquarters Director & Managing Executive Officer and General Manager of Information & Security Headquarters Director & Vice President Executive Officer and Business Supervisor Representative Director & President (current position)	16,971
[Reason for nomination as a candidate for Director] The candidate has held important positions mostly in corporate planning division and served as General Manager of Information & Security Headquarters. Currently serving as President, who is chief executive officer overseeing business execution, he has abundant experience and knowledge in overall management. The Company has judged that he is an appropriate person to take on the duties of Director, such as important management decisions and supervision of business execution of the Company, and renominated him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Hidenori Watanabe (Male) (September 3, 1959) [Reappointment] [Attendance at the Board of Directors meetings] 19 out of 19 meetings [Years of service as Director] 14 years (at the conclusion of this General Meeting of Shareholders)	April 1982 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.) March 2006 General Manager of American Fund Office, ALM Department of Mizuho Corporate Bank, Ltd. April 2009 General Manager of Global Credit Investment Department of Mizuho Corporate Bank, Ltd. April 2011 Joined the Company May 2011 General Manager of Accounting Division June 2011 Director and General Manager of Accounting Division October 2012 Director, General Manager of Accounting Division and General Manager of Legal Division April 2013 Director and General Manager of Accounting Division June 2014 Director and General Manager of Business Management Headquarters June 2016 Director & Managing Executive Officer and General Manager of Corporate Planning Headquarters April 2020 Director & Senior Managing Executive Officer and General Manager of Group Corporate Headquarters April 2022 Director & Senior Managing Executive Officer, General Manager of Group Corporate Headquarters and General Manager of Corporate Planning Headquarters April 2024 Director & Vice President Executive Officer and General Manager of Group Corporate Headquarters (current position) [Responsibilities] Corporate Planning Headquarters	7,400
[Reason for nomination as a candidate for Director] The candidate has served as General Manager of Accounting Division, General Manager of Legal Division, General Manager of Business Management Headquarters, and General Manager of Corporate Planning Headquarters, and is currently Director & Vice President Executive Officer, while acting as General Manager of Group Corporate Headquarters and being in charge of the Corporate Planning Headquarters. He has abundant experience and knowledge of overall management. The Company has judged that he is an appropriate person to continue to take on the duties of Director, such as important management decisions and supervision of business execution of the Company, and renominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
4	Takaharu Takahashi (Male) (August 7, 1962) [Reappointment] [Attendance at the Board of Directors meetings] 19 out of 19 meetings [Years of service as Director] 4 years (at the conclusion of this General Meeting of Shareholders)	April 1985	Joined the Company	3,500
		April 2006	General Manager of Goka Plant, Printing & Finishing Division, Headquarters Production Division	
		April 2011	General Manager of Production Division, Publications & Commercial Printing Division	
		April 2013	General Manager of Facilities & Environment Division	
		April 2016	General Manager of Production Supervisory Headquarters	
		June 2016	Executive Officer and General Manager of Production Supervisory Headquarters	
		April 2019	Senior Executive Officer and General Manager of Production Supervisory Headquarters	
		April 2021	Managing Executive Officer and General Manager of Production Supervisory Headquarters	
		June 2021	Director & Managing Executive Officer and General Manager of Production Supervisory Headquarters	
		April 2023	Director & Managing Executive Officer (current position)	
[Responsibilities] Production Supervisory Headquarters, Technology Supervisory Division and IT Supervisory Division				
[Reason for nomination as a candidate for Director] The candidate has held important positions mostly in production division, and is currently Director & Managing Executive Officer while being in charge of the Production Supervisory Headquarters, Technology Supervisory Division and IT Supervisory Division. He has abundant experience and knowledge in overall management. The Company has judged that he is an appropriate person to take on the duties of Director, such as important management decisions and supervision of business execution of the Company, and renominated him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Mika Takaoka (Female) (June 19, 1968) [Reappointment] [Independent] [Outside] [Attendance at the Board of Directors meetings] 19 out of 19 meetings [Years of service as Director] 10 years (at the conclusion of this General Meeting of Shareholders)	April 2001 Assistant Professor of Institute for Economic Research, Osaka City University (currently Osaka Metropolitan University) April 2002 Assistant Professor of College of Economics, Rikkyo University April 2006 Assistant Professor of College of Business, Rikkyo University April 2007 Associate Professor of College of Business, Rikkyo University April 2009 Professor of College of Business, Rikkyo University (current position) May 2011 Outside Corporate Auditor of FamilyMart Co., Ltd. May 2014 Outside Director of TSI HOLDINGS CO., LTD. June 2014 Outside Director of MOS FOOD SERVICES, INC. June 2015 Outside Director of the Company (current position) June 2018 Outside Director of SG HOLDINGS CO., LTD. (current position) May 2019 Outside Director of FamilyMart UNY Holdings Co., Ltd. (currently FamilyMart Co., Ltd.) June 2023 Outside Director of FANCL CORPORATION June 2024 Outside Director of NIPPON CORPORATION (current position) [Significant concurrent positions] Professor of College of Business, Rikkyo University Outside Director of SG HOLDINGS CO., LTD. Outside Director of NIPPON CORPORATION	0
[Reason for nomination as a candidate for Outside Director and a summary of expected roles] The candidate has specialized knowledge in business administration, etc. as university professor, and also possesses abundant experience and knowledge, including serving as outside officer of the Company and other companies. Based on such extensive experience, she has provided useful and valuable opinions and suggestions from an objective standpoint independent from Directors who conduct business execution. The Company expects that she will also provide supervision and advice, etc. on Directors' business execution from a professional perspective regarding overall management strategy. Thus, the Company has judged that she is an appropriate person for Outside Director of the Company, and renominated her as a candidate for Outside Director. If she is appointed, the Company also expects that she will examine the appointment and dismissal of officers, the officer compensation plan, etc., and will be involved in building a highly objective and transparent governance system as chairperson of the Nomination and Remuneration Committee. In addition, she is expected to assume the office of chairperson of the Independent Officers Committee as Lead Independent Outside Director to activate discussions in the Board of Directors by communicating opinions and recommendations proposed at the meeting of the said committee. Although she has never been involved in corporate management other than having served as outside officer, the Company has judged that she is an appropriate person for a candidate for Outside Director for the above reasons.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Yosuke Mitsusada (Male) (December 24, 1963) [Reappointment] [Independent] [Outside] [Attendance at the Board of Directors meetings] 19 out of 19 meetings [Years of service as Director] 4 years (at the conclusion of this General Meeting of Shareholders)	April 1986 Joined The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.) October 1999 Joined Unison Capital, Inc. May 2002 Corporate Auditor of Tohato Inc. July 2002 Director of Bolsa Co., LTD. (current position) May 2004 Corporate Auditor of Drug Eleven Co., Ltd. June 2004 Corporate Auditor of Orient Credit Co., Ltd. June 2004 Corporate Auditor of Mine-Mart Holdings Co., Ltd. March 2005 Joined Asuka Asset Management Limited (currently Aizawa Asset Management Co., Ltd.) April 2007 Associate Professor of School of Management, SANNO University April 2012 Professor of School of Management, SANNO University (current position) July 2013 Joined Asuka Asset Management Limited (currently Aizawa Asset Management Co., Ltd.) (current position) August 2013 Director and Founding Partner of Asuka Corporate Advisory Co., Ltd. (current position) November 2016 Outside Director of Yume no Machi Souzou Iinkai Co., Ltd. (currently Demae-can Co., Ltd.) June 2019 Outside Director of PHYZ, Inc. (currently PHYZ Holdings Inc.) June 2021 Outside Director of the Company (current position) November 2023 Outside Director of MANI, INC. (current position) [Significant concurrent positions] Professor of School of Management, SANNO University Outside Director of MANI, INC.	0
[Reason for nomination as a candidate for Outside Director and a summary of expected roles] The candidate has a track record of engaging in practical operations relating finance, investment and M&A in multiple investment companies, and has abundant experience and knowledge, including serving as outside officer in other companies. Based on such extensive experience, he can provide useful and valuable opinions and suggestions from an objective standpoint independent from Directors who conduct business execution. The Company expects that he will also provide supervision and advice, etc. on Directors' business execution from a professional perspective regarding overall corporate finance. Thus, the Company has judged that he is an appropriate person for Outside Director of the Company, and renominated him as a candidate for Outside Director. If he is appointed, the Company also expects that he will be involved in strengthening cooperation with the Board of Directors to enhance corporate governance from an objective standpoint as a member of the Independent Officers Committee.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
7	Chieko Ouchi (Female) (October 9, 1962) [New appointment] [Independent] [Outside] [Attendance at the Board of Directors meetings] - [Years of service as Director] - (at the conclusion of this General Meeting of Shareholders)	April 1983 April 2003 January 2010 January 2016 January 2018 January 2022 October 2022 August 2023 June 2024 [Significant concurrent positions] Outside Director of Japan Green Investment Corp. for Carbon Neutrality Outside Director of nosh Co., Ltd. Outside Director of Daito Trust Construction Co., Ltd.	Joined DENTSU INC. General Manager, Medical Solutions Department, Account Planning Solutions Division, DENTSU INC. Assistant Division Manager / Senior Planning Director. Communication Design Center, DENTSU INC. Managing Director, CR Planning III Division, DENTSU INC. Executive Officer, DENTSU INC. Executive Advisor DENTSU INC. Outside Director of Japan Green Investment Corp. for Carbon Neutrality (current position) Outside Director of nosh Co., Ltd. (current position) Outside Director of Daito Trust Construction Co., Ltd. (current position)	0
	[Reason for nomination as a candidate for Outside Director and a summary of expected roles] As DENTSU INC.'s first female managing director of the creative division and executive officer, the candidate was involved in workplace reform and human capital management and led DE&I promotion efforts, and has abundant experience and knowledge, including currently serving as outside officer in other companies. Based on such extensive experience, she can provide useful and valuable opinions and suggestions from an objective standpoint independent from Directors who conduct business execution. The Company expects that she will also provide supervision and advice, etc. on Directors' business execution from a professional perspective regarding overall human capital management. Thus, the Company has judged that she is an appropriate person for Outside Director of the Company, and nominated her as a new candidate for Outside Director. If she is appointed, the Company also expects that she will examine the appointment and dismissal of officers, the officer compensation plan, etc., and will be involved in building a highly objective and transparent governance system as a member of the Nomination and Remuneration Committee.			

(Notes)

1. There are no special interests between each of the candidates for Director and the Company.
2. Ms. Mika Takaoka, Mr. Yosuke Mitsusada and Ms. Chieko Ouchi are candidates for Outside Director.
The Company has registered Ms. Mika Takaoka and Mr. Yosuke Mitsusada as Independent Directors as prescribed in the regulations of the Tokyo Stock Exchange.
Additionally, if Ms. Chieko Ouchi is elected as an Outside Director, the Company plans to register her as an Independent Director as prescribed in the regulations of the Tokyo Stock Exchange as well.
3. Liability limitation agreements with directors (excluding those who are executive directors)
The Company has entered into agreements with Ms. Mika Takaoka and Mr. Yosuke Mitsusada in accordance with Article 31 of the Company's Articles of Incorporation to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If their election is approved and resolved, the Company plans to retain the said liability limitation agreements. If the election of Ms. Chieko Ouchi is approved and resolved, the Company plans to enter into the same liability limitation agreement with her.
4. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract stipulated in Article 430-3, Paragraph 1 of the Companies Act covering all Directors as the insured to ensure that officers can fully perform their expected roles in the course of their duties and to allow the Company to obtain superior talent. The insurance premiums are fully borne by the Company. If this proposal is approved as originally proposed, each candidate will be the insured under the said insurance contract.
The Company has entered into a main contract and a different condition insurance, respectively, and damage caused as a result of the insured officers, etc., including Directors of the Company, assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered under the said insurance contracts. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered, and the Company takes measures to ensure the appropriateness of the execution of the insured's duties. Also, the said insurance contracts will be renewed with the same contents in September 2025, which is during the term of office of each candidate.
5. The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025, and the number of shares of the Company held by each candidate shows the number of shares prior to this stock split.

(Reference)

Policy and procedures for appointment of Directors

In order to execute appropriate supervision and decision-making, the Company makes efforts to ensure diversity in the Board of Directors, as well as to optimize the scale of the Board of Directors. The Board of Directors consists of Inside Directors, who possess abundant experience in business operations and expertise, and Independent Outside Directors, who supervise the management team, emphasizing the interests of shareholders while utilizing a high level of expertise, with comprehensive consideration to the balance of knowledge, experience, and capabilities. Moreover, the Company appoints several Independent Outside Directors who satisfy the standards for Independent Directors stipulated by Tokyo Stock Exchange, as well as the requirements in the criteria to determine the independence established by the Company. Based on the above policy, the Board of Directors determines candidates for Director. In addition, when determining the appointment of candidates for Director, the Board of Directors seeks to improve the objectivity and transparency of decision-making procedures by respecting the reports of the Nomination and Remuneration Committee, which conducts deliberations upon consultation made by the Board of Directors. The Nomination and Remuneration Committee is an arbitrary advisory organ to the Board of Directors in which the majority of its members is made up of Independent Outside Directors and the chairperson is an Independent Outside Director.

Additionally, to clarify responsibility for management in each fiscal year, the term of office for Directors is set at one year. We maintain managerial and organizational stability by reasonable measures, such as cutting one's fixed compensation by up to 20%, interviews by members of the Nomination and Remuneration Committee, and retirement thereof, against Inside Directors who fall behind the assessment of performance to a certain degree. (Details of the Company's officers compensation system are described in "3. Matters pertaining to Company Officers, (4) Amount of Compensation, etc. for Directors and Company Auditors for the Fiscal Year under Review" in the Business Report (in Japanese).)

The Company's Criteria to Determine the Independence of Outside Officers is posted on the following Company's website (in Japanese):

https://www.kyodoprinting.co.jp/ir_info/stockholder/pdf/criteria_for_judging_the_independence_of_outside_officers.pdf

(Reference)

The Company formulates the specialties and experience, etc. we expect from Directors and Company Auditors in light of our business strategies, to make appropriate arrangement of knowledge, experience, and capabilities for the Board of Directors as a whole.

A maximum of five skills, as shown by ●, are noted for each Officer.

If Proposal 2 is approved, the composition of the Officers, including Company Auditors, will be as follows.

* The table below is not a complete representation of all specialties and experience possessed by Officers.

Name		Member of the Nomination and Remuneration Committee	(1) Corporate management, business strategies	(2) Sales, marketing	(3) Production, technology, R&D
Reason for skill selection			Due to the necessity to possess the experience and knowledge required to lead Group direction and growth	In order to advance business to achieve Group growth and improved profitability	In order to focus on the creation of new business through manufacturing technology and R&D
Directors	Yoshiaki Fujimori	(Male)	○	●	●
	Teruomi Ohashi	(Male)	-	●	●
	Hidenori Watanabe	(Male)	-	●	
	Takaharu Takahashi	(Male)	-	●	●
	Mika Takaoka	(Female) [Outside] [Independent]	◎ (Chairperson)	●	●
	Yosuke Mitsusada	(Male) [Outside] [Independent]	-	●	
	Chieko Ouchi	(Female) [Outside] [Independent]	○	●	
Company Auditors	Hideo Akimoto	(Male)	-		
	Haruyuki Doi	(Male)	-		
	Masahiko Furutani	(Male) [Outside] [Independent]	-	●	
	Yumiko Nijjima	(Female) [Outside] [Independent]	-		

(4) IT, Digital transformation (DX)	(5) International business, overseas business management	(6) Legal affairs, risk management	(7) Monetary affairs, management accounting, finance	(8) Human capital management	(9) Sustainability, ESG
Due to the necessity for Group transformation and improved efficiency, as well as creating new businesses	With the Company targeting overseas business expansion, there is a focus on a response and management	As ensuring legal compliance and safe operations are a prerequisite for corporate management	Due to the Company seeking stable finances and efficient allocation of resources	Due to the importance of developing a human resources strategy supporting the Group's growth and competitiveness	As the consideration of sustainability and the environment, society, and governance is essential for improving the corporate value over the medium and long term
		●	●		●
●			●		●
		●	●	●	●
●					●
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		●	●	●	●
	●	●	●		
		●	●		●

Proposal 3: Amendments to Performance-linked Stock Compensation Plan

1. Background and rationale of the proposal

The Company received approval at the 138th Annual General Meeting of Shareholders held on June 28, 2018 for the introduction of a “Board Benefit Trust (BBT)” plan, with the aims of clarifying the link between the remuneration of Directors (excluding Outside Directors) and Executive Officers of the Company, and Directors with Executive Positions at certain subsidiaries of the Company (hereinafter, “Directors, etc.”) and the Company’s stock value, and raising the awareness of Directors, etc. to contribute to improving the medium- to long-term business performance and increasing corporate value by sharing not only the benefits of rising stock prices with shareholders but also the risk of downturns in stock prices.

The Company proposes partial amendments to the BBT plan and seeks shareholder approval of changes to a Board Benefit Trust-Restricted Stock (BBT-RS)” plan (hereinafter, the “System”), which will impose transfer restrictions on stock to be delivered to Directors, etc. until their retirement. In addition to the original purpose of introducing the BBT plan, it is intended to share a perspective closer to that of shareholders by providing Directors, etc. with the same rights as shareholders, including the right to exercise voting rights and the right to dividends.

The details of this proposal are judged to be appropriate given that an opinion has been obtained from the Company’s Nomination and Remuneration Committee that the details of the System are reasonable in light of the System’s purpose and incentivization to improve medium- to long-term business performance, as well as the fact that the System is in alignment with the matters concerning the policy on determining the details or the amount of remuneration for directors (stated below).

The Company asks that the particulars of the System, within the scope of 2. below, be delegated to the Board of Directors.

If Proposal 2 “Election of Seven (7) Directors” is approved as originally proposed, the number of Directors eligible for the System will be four (4), which excludes three (3) Outside Directors.

2. Specific calculation methods and details for remuneration amounts under the System

(1) Overview of the System

The System is a performance-linked stock compensation plan under which the Company’s stocks are acquired through a trust (hereinafter, the trust established under the BBT plan is referred to as the “Trust”) funded by money contributed by the Company, and the Company’s stocks and money equivalent to the market value of the Company’s stocks (hereinafter, the “Company’s stocks, etc.”) are delivered to Directors, etc. through the Trust in accordance with the Rules for Payment of Share-based Remuneration for Directors established by the Company and certain subsidiaries of the Company. In principle, Directors, etc. shall receive delivery of the Company’s stocks at a fixed time each year, and Directors, etc. shall receive delivery of the money equivalent to the market value of the Company’s stocks at the time of their retirement from the positions of Directors, etc. In line with the amendment to the System, a portion of the points already granted to Directors, etc. under the BBT plan shall be delivered as the Company’s stocks at a time to be separately determined by the Company following this General Meeting of Shareholders, subject to the approval of this proposal, and the remainder shall be delivered as money equivalent to the market value of the Company’s stocks at the time of retirement of said Directors, etc. In the event that Directors, etc. receive delivery of the Company’s stocks during their term of office, Directors, etc. shall enter into a transfer restriction agreement with the Company as set forth in 3. below, prior to the delivery of the Company’s stocks. As a result, the disposal by transfer, etc. of the Company’s stocks delivered to Directors, etc. during their term of office shall, in principle, be restricted until the time of retirement of the Directors, etc.

(2) Persons eligible under the System

Persons eligible under the System shall be Directors and Executive Officers of the Company, and Directors with Executive Positions at certain subsidiaries of the Company. However, Outside Directors and Company Auditors shall be outside the scope of eligibility.

(3) Calculation method and maximum number of shares of the Company’s stocks to be delivered to Directors, etc.

Each fiscal year, Directors, etc. are granted a number of points based on their position, degree of achievement of performance against the plan, and other factors, in accordance with the Rules for Payment of Share-based Remuneration for Directors.

The total number of points granted to Directors, etc. for every three fiscal years shall be a maximum of 162,000 points for Directors of the Company, 144,000 points for Executive Officers of the Company, and 36,000

points for Directors with Executive Positions at certain subsidiaries of the Company, for a total of 342,000 points. This was determined by conducting a review of the current payment levels of executive remuneration and performance indicators, and by comprehensively taking into consideration trends in the number of Directors, etc. and future prospects, and is deemed to be appropriate. The maximum number of points that can be granted to Directors, etc. and the points already granted to Directors, etc. under the BBT plan have been adjusted in accordance with the stock split conducted with an effective date of April 1, 2025.

The points granted to Directors, etc. shall be converted at a rate of one share of common stock of the Company per point when the Company's stocks, etc. are delivered as described in (6) below. However, in the event that a stock split, gratis allotment of stock, or reverse stock split, etc. is conducted with respect to the Company's stocks following the approval of this proposal, the maximum number of points and the number of points already granted or the conversion ratio shall be reasonably adjusted in accordance with the ratio, etc.

The number of points for Directors, etc. to be used as the basis for delivery of the Company's stocks, etc. as in (6) below, shall be determined based on the total number of points granted to Directors, etc. as of the beneficiary determination date (hereinafter, "Number of Confirmed Points").

(4) Acquisition method of the Company's stocks

The acquisition of the Company's stocks by the Trust shall be conducted through the stock market or by underwriting the disposal of the Company's treasury stock using the funds contributed pursuant to (5) below.

(5) Trust amount

The Company introduced the BBT plan for the period of three fiscal years from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021 (hereinafter, said three fiscal years and each three-year period commencing after the end of the previous three-year period are referred to as the "Applicable Period") and for each Applicable Period thereafter. Following the amendments to the System pursuant to the approval of this proposal, the Company's stocks and money that have been acquired by the Trust using funds contributed by the Company under the BBT plan and remaining within the Trust property shall be used as funds for delivery under the System.

In order to ensure the System functions as an appropriate incentive for improving the medium- to long-term corporate value of the Company, the Company has decided not to set a limit on the amount of money that the Company will contribute to the Trust, taking into consideration the impact of stock price fluctuations on the number of shares acquired by the Trust.

Following the approval of this proposal, until the termination of the System, the Company shall, in principle, reasonably estimate the number of shares necessary to make deliveries to Directors, etc. under the System for each Applicable Period, and make additional contributions to the Trust as deemed necessary in order for the Trust to acquire stock in advance. However, where such additional contributions are to be made, when there are any remaining shares of the Company's stocks (excluding the Company's stocks equivalent to the number of points granted to Directors, etc. for each Applicable Period up to the immediately preceding period for which delivery to Directors, etc. has not yet been completed) and money remaining in the Trust property (hereinafter, the "Residual Stocks, etc."), the Residual Stocks, etc. shall be used as funds for delivery under the System for each Applicable Period thereafter, and the amount of the additional contribution shall be calculated taking into account the Residual Stocks, etc. If the Company decides to make an additional contribution, this shall be disclosed in a timely and appropriate manner.

(6) Specific calculation methods for delivery of the Company's stocks, etc. and the amount of remuneration, etc.

Directors, etc. can receive delivery of the Company's stocks from the Trust equivalent to the Number of Confirmed Points granted in (3) above at a certain time each year by completing the beneficiary confirmation procedures on the beneficiary confirmation date stipulated in the Rules for Payment of Share-based Remuneration for Directors. However, in the event that Directors, etc. meet the requirements separately stipulated in the Rules for Payment of Share-based Remuneration for Directors in addition to the beneficiary requirements, Directors, etc. will receive delivery of money equivalent to the amount of the Company's stocks converted to the market value at the time of retirement in lieu of delivery of the Company's stocks for a certain percentage of the number of points granted to Directors, etc. at the time of retirement. In order to make such monetary payments, the Trust may sell the Company's stocks.

In the event that Directors, etc. receive delivery of the Company's stocks during their term of office, Directors, etc. shall enter a transfer restriction agreement with the Company as described in 3. below, prior to the delivery of the Company's stocks. As a result, disposal by transfer of the Company's stocks for which Directors, etc. receive delivery during their term of office shall, in principle, be restricted until such time that the Directors, etc. resign.

In addition, in the event that Directors, etc. who have been granted points resign for reasons of certain misconduct during their term of office or commit inappropriate acts during their term of office that cause damage to the Company, said Directors, etc. may be unable to acquire all or part of the right to receive delivery, as determined by the Nomination and Remuneration Committee.

The amount of remuneration, etc. received by Directors, etc. shall be based on the total number of points granted to Directors, etc. multiplied by the book value per share of the Company's stocks held by the Trust at the time points are granted (however, in the event that a stock split, gratis allotment of stock, or reverse stock split, etc. is conducted with respect to the Company's stocks, reasonable adjustments shall be made to that ratio, etc.). In addition, in the event that money is delivered in an exceptional case as prescribed by the Rules for Payment of Share-based Remuneration for Directors and this is deemed appropriate, such amount shall be added to the amount.

(7) Voting rights pertaining to stock in the Trust

In order to ensure neutrality with respect to the management of the Company, voting rights related to the Company's stocks in the Trust account shall not be exercised uniformly, based on the instructions of the Trust administrator.

(8) Treatment of dividends

Dividends related to the Company's stocks in the Trust account shall be received by the Trust and allocated for the cost of acquiring the Company's stocks and for the trustee's trust fees, etc. for the Trust.

3. Overview of the transfer restriction agreement regarding the Company's stocks to be delivered to Directors, etc.

In the event that Directors, etc. receive delivery of the Company's stocks during their term of office, Directors, etc. shall enter into a transfer restriction agreement with the Company (hereinafter, the "Transfer Restriction Agreement"), an overview of which includes the following details, prior to the delivery of the Company's stocks (Directors, etc. shall receive delivery of the Company's stocks provided that they have entered into the Transfer Restriction Agreement). However, in the event that Directors, etc. have already retired at the time of delivery of the stocks, the Company's stocks may be delivered without said Directors, etc. entering into the Transfer Restriction Agreement.

i. Details of the transfer restrictions

Directors, etc. may not transfer, create a security interest in, or otherwise dispose of the Company's stocks for which they have received delivery from the date they receive delivery of the Company's stocks until the date they resign from their position as Directors, etc. (in the case of Directors, etc. who resign from their position during the period from the last day of the evaluation period stipulated in the Rules for Payment of Share-based Remuneration for Directors until the day prior to the date of the immediately following Ordinary General Meeting of Shareholders, the date of the immediately following Ordinary General Meeting of Shareholders).

ii. Acquisition by the Company without consideration

In the event of certain misconduct, etc., or in the event that the requirements for removing the transfer restrictions in iii. below have not been met, the Company shall acquire the Company's stocks without consideration.

iii. Removal of transfer restrictions

In the event that Directors, etc. resign from their position as Directors, etc. for a valid reason or due to their death, the transfer restrictions shall be removed at that time.

iv. Treatment in the event of organizational restructuring, etc.

In the event that matters relating to a merger agreement in which the Company becomes a defunct company or any other organizational restructuring, etc. are approved by the General Meeting of Shareholders of the Company during the transfer restriction period, the transfer restrictions shall be removed immediately prior to the business day preceding the effective date of the organizational restructuring, etc. by resolution of the Board of Directors of the Company.

Furthermore, the Company's stocks subject to transfer restrictions pursuant to the Transfer Restriction Agreement shall be managed in dedicated accounts opened by Directors, etc. subject to the transfer restrictions at securities companies designated by the Company during the Transfer Restriction Period so that they cannot be transferred, be subject to the creation of a security interest, or otherwise disposed of during the Transfer Restriction Period.

In addition to the above, the Transfer Restriction Agreement shall include the methods of expressing intent and providing notifications under the Transfer Restriction Agreement, the method for amending the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors.

(Reference)

Matters Concerning the Policy on Determining the Details or the Amount of Remuneration for Directors

(A) Basic Policy for Remuneration of Directors (partially amended on May 15, 2025)

The Company positions the remuneration system for directors as a key framework essential for optimal corporate governance and the sustainable growth of the entire Group. The following items have been established as the basic policy regarding director remuneration.

- (1) Strives to be a remuneration system effective as an incentive to enhance business performance and medium- to long-term corporate value.
- (2) Strives to be a remuneration level enabling the appointment of excellent human resources in order to achieve our management philosophy.
- (3) Remuneration that is focused on transparency and fairness, ensuring accountability to stakeholders.

Our policy for determining remuneration for directors (remuneration structure, percentage composition of remuneration types, method of determining remuneration amounts, etc.), including the above policy, is clearly stated in Director Remuneration System Regulations and was established upon approval by the Board of Directors on February 26, 2020 (partially amended on March 20, 2025).

The policy concerning the Company's remuneration system for directors, including new formulations of the Regulations and their amendments, shall be deliberated by the Nomination and Remuneration Committee in response to a request from the Board of Directors and the Board of Directors shall respect the recommendations of the Committee and make a decision, ensuring enhanced objectivity and transparency in the decision process. Furthermore, the Nomination and Remuneration Committee will periodically confirm compositions of performance-linked compensation and stock compensation so that director remuneration becomes an incentive for measures to improve medium- to long-term corporate value in addition to improving business performance sustainably each fiscal year, and conduct reviews as necessary. An overview of the Nomination and Remuneration Committee is as follows.

Overview of the Nomination and Remuneration Committee

Establishment	October 2018 (established as a voluntary advisory committee to the Board of Directors)
Matters for deliberation	<p>(Based on requests from the Board of Directors)</p> <ul style="list-style-type: none"> • Matters concerning the nomination of candidates for Directors, etc. • Matters concerning remuneration, etc. for Directors, etc. • Matters concerning the succession plan for representative directors • Matters concerning the basic policy and criteria for nominations and remuneration for Directors, etc. • In addition to the above, matters requested to the Nomination and Remuneration Committee by the Board of Directors <p>(Based on delegation from the Board of Directors)</p> <ul style="list-style-type: none"> • Decisions on remuneration for Directors, etc. based on the Director Remuneration System Regulations, established by the Board of Directors, and delegation from the Board of Directors
Members	<p>Chairperson: Mika Takaoka (Lead Independent Outside Director)</p> <p>Committee members: Chieko Ouchi (Independent Outside Director), Yoshiaki Fujimori (Representative Director and Chairman)</p> <p>(The committee shall comprise a majority of independent outside directors and be chaired by an independent outside director)</p> <p>* Planned appointment following approval at the 145th Annual General Meeting of Shareholders</p>

(B) Director Remuneration System (after amendment)

Remuneration for Directors excluding Outside Directors, comprises fixed compensation and performance-linked compensation. The performance-linked compensation includes performance-linked bonuses as short-term performance-linked compensation and performance-linked stock compensation as medium- to long-term performance-linked compensation (Board Benefit Trust-Restricted Stock). The overview of the specific remuneration systems following approval of this Proposal shall be as follows.

Type of compensation		Delivery (payment)	Overview of remuneration
Fixed compensation	Fixed compensation (includes a portion of compensation for purchasing the Company's shares according to executive position)	Cash (paid monthly)	Payment of a standard remuneration amount (single rate) based on executive positions for Directors, which removes the element of seniority from pay raises. Individual evaluations are conducted concerning personal performance and the business results of the division overseen by the Director. If the evaluation (conducted by the chairperson, etc. of the Nomination and Remuneration Committee) results falls under a set benchmark, remuneration is reduced by up to 20% in the next fiscal year, in addition to interviews held with Nomination and Remuneration Committee members and reasonable measures taken, including resignation.
	Performance-linked bonus	Cash (paid annually)	Bonus paid as incentive to enhance business results and corporate value linked to Group consolidated business results in a single year.
Performance-linked compensation	Performance-linked stock compensation (Board Benefit Trust-Restricted Stock)	Stocks, etc. (portion delivered during term of office subject to transfer restriction until retirement)	Delivery of stock compensation based on Board Benefit Trust-Restricted Stock linked to Group consolidated business results in a single fiscal year. Designed to further clarify the link between remuneration and the Company's business results and stock value as well as raising the awareness of Directors to contribute to improving the medium- to long-term business performance and increasing corporate value by sharing the same benefits and risk with shareholders.

Of note, remuneration for Outside Directors and Company Auditors comprises only fixed monthly remuneration (remuneration for Company Auditors is determined through discussions among Company Auditors based on position and scope of their role, etc.).

(C) Process of determining director remuneration

Based on a recognition that it is appropriate to make decision on remuneration from an independent standpoint in order to establish an objective, highly transparent remuneration decision-making process, the Board of Directors delegates decisions on specific director remuneration to the Nomination and Remuneration Committee. The scope of authority delegated to the Nomination and Remuneration Committee includes decision on the specific amounts of fixed and performance-linked compensation, and the timing of payment. Based on this authority, the Nomination and Remuneration Committee determines remuneration amounts based on individual evaluation determined in accordance with the Director Remuneration System Regulations, within the scope of the total remuneration amount approved by the general meeting of shareholders. Details of deliberations by the Nomination and Remuneration Committee are reported in a timely manner to the Board of Directors, with the Board of Directors confirming that this authority is being exercised properly, as appropriate.

Furthermore, the Board of Directors confirms that the above-mentioned process for determining remuneration is in alignment with Director Remuneration System Regulations and determines that it was in accordance with the Company's policy on determining remuneration for directors.

(D) Details of performance evaluation indicators used for performance-linked compensation and calculation methods (after amendment)

<Performance-linked bonus>

(i) Performance evaluation indicators

Indicator type	Reason for selection as indicator
Consolidated operating profit	In order to function as an incentive for enhancing the profitability and growth potential of the Group
Consolidated net sales	

(ii) Calculation method

In line with the achievement of the consolidated operating profit target, the base amount (base calculation amount) will be calculated from the amount in the bonus payment table established for each position by the Nomination and Remuneration Committee. The payment amount will be calculated by multiplying this base calculation amount by coefficients that take into consideration the absolute amount of consolidated operating profit and the year-on-year change in consolidated net sales and consolidated operating profit.

<<Calculation method>>

Base calculation amount (1) × Coefficient 1 (2) × Coefficient 2 (3) = Payment amount

- (1) 30% of the base calculation amount reflects the performance evaluation of the division overseen by the eligible director in the fiscal year under review and can fluctuate within the range of 0-100%.
- (2) Coefficient 1 is the coefficient in accordance with the absolute amount of consolidated operating profit and can fluctuate within the range of 80-175%.
- (3) Coefficient 2 is the coefficient that takes into consideration the year-on-year change in consolidated net sales and consolidated operating profit and can fluctuate within the range of 0-115%.

<Performance-linked stock compensation (Board Benefit Trust-Restricted Stock)>

(i) Performance evaluation indicators

Indicator type	Reason for selection as indicator
Consolidated operating profit	In order to function as an incentive for achieving management indicators, which are targets in the Medium-Term Management Plan, by having remuneration linked to indicators and focusing on shareholder interests
ROE	
Total shareholder return (TSR)	

(ii) Calculation method

The number of points granted are calculated by multiplying the points determined by position (position-based points) by coefficients calculated from the degree of achievement for performance evaluation indicators as well as absolute values. Of note, the points granted to Directors shall be converted at a rate of one share of common stock per point when the Company's stocks, etc. are delivered mainly due to retirement.

<<Calculation method>>

Position-based points × [Coefficient 1 (1) + Coefficient 2 (2) + Coefficient 3 (3)] = Granted points

- (1) Coefficient 1 is the coefficient in accordance with the degree of achievement of the consolidated operating profit target and can fluctuate within a range of 0-200%.
- (2) Coefficient 2 is the coefficient in accordance with the absolute value of ROE and can fluctuate within the range of 0-50%.
- (3) Coefficient 3 is the coefficient in accordance with the relative value of TSR for the Company and TSR for TOPIX constituents and can fluctuate within the range of 0-50%.

Proposal 4: **Renewal of the Policy on Defense against Large-scale Purchases of the Company's Shares**
(Policy for dealing with Acquisitions)

The Company has introduced defense measures against large-scale purchases of the Company's shares that are considered to be against achieving the enhancement of corporate value and the common interests of shareholders. These measures were approved by the 127th Annual General Meeting of Shareholders held on June 28, 2007. Based on Article 13 of the Company's Articles of Incorporation which was established based on approvals at the 142nd Annual General Meeting of Shareholders held on June 29, 2022, these measures were renewed upon the approval of shareholders at the said Annual General Meeting of Shareholders (the defense measures against large-scale purchases of the Company's shares (takeover defense measures) renewed at that time are referred to as the "Previous Plan" in this proposal).

The effect of the Previous Plan expires at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2025, which is the conclusion of this General Meeting of Shareholders.

The Company has examined the desirability of continuing the Previous Plan and the ideal method of doing so, taking into account the subsequent changes in social and economic conditions, trends and various discussion developments surrounding the policy for dealing with acquisitions, and the purpose of the Corporate Governance Code, from the perspective of enhancing the Company's corporate value and thus achieving the common interests of shareholders. Moreover, from the perspective of enhancing the Company's corporate value and thus achieving the common interests of shareholders, the Company has recognized the importance of efforts to increase the Company's PBR through improved profitability, and therefore set the target ROE in the Medium-Term Management Plan (FY2025-FY2027) at 8% or more, with a view to achieving management that is conscious of capital cost and share prices. At the same time, the Company has finalized a policy to strengthen shareholder returns in an effort to improve PBR (For details, please refer to the "FY2025-FY2027 Medium-Term Management Plan published on May 15, 2025). On the other hand, such efforts will take a certain amount of time.

As a result of these examinations, at the meeting of the Board of Directors held May 15, 2025, the Directors of the Company voted unanimously to renew the Previous Plan as described below, subject to the approval of shareholders at this General Meeting of Shareholders. (The Company's policy on defense against large-scale purchases of the Company's shares (Policy for dealing with Acquisitions) after the renewal is referred to as "the Plan" in this proposal).

Accordingly, the Company seeks the approval of the renewal of the Plan to delegate authority of determining matters concerning gratis allotment of new share acquisition rights to the Board of Directors in accordance with the Plan to appropriately reflect the will of shareholders and based on Article 13 of the Company's Articles of Incorporation.

Policy on Defense against Large-scale Purchases of the Company's Shares
(Policy for dealing with Acquisitions)

I. Basic Policy on the Nature of the Person(s) Controlling Decisions on the Company's Financial and Business Policies

The shares of the Company, which is listed company, may be traded freely by shareholders and investors. Even where a buy-up has been proposed due to a transfer of control over the Company, shareholders should be free to decide whether or not to eventually respond.

In recent years however, a trend has emerged in Japanese capital markets where certain actors effectively force through large-scale purchase proposals or similar actions, without the consent of the management of the target company. These large-scale purchases include many that do not contribute to the corporate value of the target company, or the common interests of its shareholders.

The Company considers that the person(s) controlling the Company's financial and business policies should be of a nature that fully understands the Company Management Philosophy and its various sources of corporate value, secures and enhances the Company's corporate value and the common interests of its shareholders over the medium and long term. Therefore, the Company regards any person who proposes inappropriate large-scale purchases that risk damaging the Company's corporate value and the common interests of its shareholders, or engages in similar actions, as unfit to control decisions on the Company's financial and business policies.

Moreover, where such a large-scale purchase is initiated, it is imperative that both the large-scale purchaser and the Company's Board of Directors provide the Company's shareholders with sufficient information and time upon which to make an appropriate judgement regarding whether or not the large-scale purchase should proceed. This information should include matters such as whether the share price indicated by the large-scale

purchaser is fair and proper, the impact of the large-scale purchase on the Group, the management policy of the large-scale purchaser upon participation in the Group's management, details of the business plan, and the opinion of the Company's Board of Directors on the large-scale purchase.

Regarding this point, although there is a mechanism for the provision of certain information by large-scale purchasers under the regulations on tender offers in the current Financial Instruments and Exchange Act, market-based large-scale purchases are not subject to the regulations on tender offers, and are therefore not subject to the mechanisms for information provision. Moreover, even large-scale purchases subject to the regulations on tender offers are only required to provide information on a limited range of matters in the tender offer statement or tender offer explanation, compared to the information required of large-scale purchasers under the Plan. In addition, while the Company's Board of Directors is allowed to present questions to the large-scale purchaser when it reports its opinion, it may not receive a sufficient response. Furthermore, depending on the tender offer period set by the large-scale purchaser, it is anticipated that there may not be sufficient time to consider the offer, that the Company's Board of Directors may not be able to prepare a sufficient alternative proposal, and that there may not be time to obtain opinions from objective standpoints by the Independent Committee. It is possible that shareholders may be forced to make a decision without sufficient information, or without securing sufficient time to consider whether or not to respond to the tender offer.

Upon consideration of these matters, the Company deems it necessary to implement the necessary appropriate measures, within the scope permitted by laws, regulations, and the Company's Articles of Incorporation, to secure the Company's corporate value and the common interests of its shareholders from inappropriate large-scale purchases or similar actions that risk damaging this value and interests.

II. Special Initiatives to Contribute to Realizing the Basic Policy

The Company has implemented the following special initiatives to contribute to realizing the basic policy in I. above, for the purpose of enabling shareholders and investors to continue investing in the Company long term, by achieving the enhancement of corporate value and the common interests of shareholders.

The Company considers these initiatives in line with the realization of the basic policy described in I above. Moreover, these initiatives do not damage the common interests of shareholders, and are not aimed at maintaining the status of the Company's officers.

1. Revision of the Philosophy System

In recent years, the environment surrounding the Company has continued to undergo rapid changes. Amidst changes in various conditions and the establishment of new rules, what our stakeholders expect of us has changed as well. In light of this current situation, we recognized the need to revisit the Company's and the Group's connection with society, our vision for the future, and our purpose. Accordingly, we have recently restructured our philosophy system, completely revising the Group's values and materiality items in detail.

The Group's new Management Philosophy is "Generating New Value Through Creativity and Passion, Creating a Future for All." This philosophy expresses our commitment to helping realize a shared future and enriched lives with all of our stakeholders by ensuring that every employee is strongly determined to achieve goals, continuously taking on challenges with flexible thinking and technology, and creating unprecedented value.

We revised the materiality items aimed at achieving our Management Philosophy, taking into account social issues and the business environment. As a result, we identified the following three materiality items: "Contribution to the Resolution of Social Issues through Innovation," "Human Capital Strategy as a Driver of Business Growth," and "Risk Management Integrated with Business Strategy." By strengthening sustainability management and the value we provide to society, we aim to achieve sustainable growth and enhanced corporate value.

2. Long Term Growth Strategy

The Group engages in "Information-related businesses" such as printing and publishing, general commercial printing of pamphlets, catalogues, etc., data printing, BPO, and IC cards, and "the Living and Industrial Materials businesses" handling packaging products such as tubes and paper containers, and functional products such as absorbent film.

In Information-related businesses, the traditional printing market, which accounts for the majority of our net sales and profits, has been shrinking in recent years due to the accelerating shift to digital. In the Living and Industrial Materials businesses, net sales and profits have grown, mainly in the manufacturing of packaging for food products daily necessities, etc. However, due to the declining birthrate and aging population, there are no prospects for continued high growth in the domestic market.

In response to these conditions, in addition to structural reforms of existing businesses, we will actively conduct growth investments such as business alliances and M&A, and transform our business portfolio by

accelerating selection and concentration. In Information-related businesses, we will shift our business focus from printing to information services (non-printed), while maintaining net sales volume, aiming to provide high-quality services centered on information processing. In the Living and Industrial Materials businesses, we will continue to focus on packaging products for food, daily necessities, etc., while strengthening expansion into domestic and overseas growth markets and business areas through the development of unique products utilizing material processing technology, our core technology. By steadily implementing measures aimed at improving the profitability of existing businesses and creating and expanding high-growth, high-profit businesses, we will target at least 12.0 billion yen in operating profits by fiscal 2034.

The Group plans to invest a total of 70.0 billion yen by fiscal 2034. We expect to invest about 43 billion yen in R&D, human resources, and growth investments including M&A, and about 27 billion yen in existing businesses such as facilities for productivity improvement and DX investments.

3. Medium-Term Management Plan

The newly formulated Medium-Term Management Plan that begins from fiscal 2025 (a three-year plan from fiscal 2025 to fiscal 2027) is positioned as the first step in the long term growth strategy. This phase will lay the groundwork for rapid progress by strengthening the foundations of existing businesses and steadily expanding growth businesses. In addition, we will also focus on financial strategies that support the business strategy, and non-financial strategies such as deepening sustainability management and strengthening human capital.

In existing businesses, we will improve efficiency by implementing bold DX investments and capital investments aimed at reducing the workforce and increasing productivity. For growth businesses, we will boldly promote reskilling and other investments in human resources that are essential to business portfolio transformation, research and development aimed at new business creation, and business expansion including collaboration.

Aiming for the business portfolio envisioned in the long term growth strategy, we will strive to ensure the achievement of the plan through the steady implementation of each of these measures, and engage in business activities aimed at and the further enhancement of corporate value and sustainable growth. As financial targets, we will aim to achieve operating profits of at least 4.5 billion yen and an ROE of at least 8% in fiscal 2027, the final year of the plan.

In Information-related businesses, we will improve profitability by developing and enhancing sales promotion for original content that utilize IP (intellectual property) such as manga and information service functions for BPO, developing this into a pillar of our business, while at the same time promoting production reforms.

In the Living and Industrial Materials businesses, we will improve profitability by increasing the sales volume of packaging for food products and daily necessities, including lid materials, laminated tubes, and functional packaging, as well as by investing in efficiency and implementing continuous price revisions. In addition, we will focus on developing “overseas packaging,” “functional materials,” and “industrial packaging materials,” which are expected to generate high growth and profit margins. We will actively invest in business diversification and technological development, and work to generate early revenue by developing high-value-added products and opening up new markets.

The Group believes that it is the steady implementation of various measures in each business that will contribute to enhancing corporate value and, by extension, the common interests of our shareholders. We will give our all to achieving the Medium-Term Management Plan, aiming to become a corporate group that is highly regarded and trusted by all shareholders and stakeholders.

4. Basic Policy on the Distribution of Profits to Shareholders

The Company strives to provide steady, continuous profit distribution to all shareholders while maintaining a sound financial base for sustainable corporate activities. Dividends were previously determined based on consolidated operating results, payout ratios, and perspectives such as dividends on equity (DOE). However, beginning in fiscal 2025, which is the first year of the new Medium-Term Management Plan, the guideline for dividends will be set at 3.5% DOE to prioritize further improving corporate value and achieving stable shareholder returns.

5. Initiatives to Strengthen Corporate Governance

The Company regards raising management efficiency, soundness, and transparency and strengthening corporate governance as important ways to sustainably enhance the Company’s corporate value and the common interests of its shareholders.

The Company’s officers comprise seven (7) Directors, including three (3) Outside Directors, and four (4) Company Auditors, including two (2) Outside Company Auditors. All five (5) Outside Directors and Outside Company Auditors have been registered as Independent Directors/Auditors with the Tokyo Stock Exchange.

Outside Directors and Outside Company Auditors are appointed who satisfy not only the independence standards set by the Tokyo Stock Exchange, but also the Company's own Criteria to Determine the Independence of Outside Officers, and who it is recognized have no risk of a conflict of interest with general shareholders.

The Company has established the Independent Officers Committee, composed of these Independent Outside Directors and Independent Outside Company Auditors to promote better exchange of information between Independent Officers, and strengthen their advisory function, centered on the Lead Independent Outside Director, who chairs the Independent Officers Committee. The Independent Officers Committee Regulations stipulate that the Lead Independent Outside Director may advise the Board of Directors or request an exchange of opinions, and the Company has established mechanisms to enable the Representative Director and Board of Directors to receive various advice concerning management and other issues, as necessary. The Standing Company Auditor attends meetings as an observer. The Company endeavors to further strengthen corporate governance through stronger coordination between Independent Outside Directors and Company Auditors. In addition, it holds biannual opinion exchange meetings between the President, Independent Officers, and the Standing Company Auditor, to further strengthen communication.

The Company has also established the Nomination and Remuneration Committee to secure mechanisms for appropriate involvement and advice by Independent Outside Directors. The Nomination and Remuneration Committee acts as an advisory organ of the Board of Directors. It is composed of a majority of Independent Outside Directors, and chaired by an Independent Outside Director. The Board of Directors refers important matters concerning the appointment and dismissal of senior management, etc. to the Committee for deliberation. The Board of Directors respects the Committee's report, thus improving the objectivity and transparency of decision-making. In addition, based on a recognition that it is appropriate to make decision on compensation from an independent standpoint in order to establish an objective, highly-transparent compensation decision-making process, the Board of Directors delegates decisions on specific compensation for individual Directors to the Nomination and Remuneration Committee. The scope of authority delegated to the Nomination and Remuneration Committee includes decision on the specific amounts of fixed and performance-linked compensation, and the timing of payment. Based on this authority, the Nomination and Remuneration Committee determines compensation amounts in accordance with the Officers Compensation System Regulations, within the scope of the total compensation amount approved by the General Meeting of Shareholders, based on individual evaluations, etc. The Board of Directors confirms that this authority is being exercised properly, as appropriate.

Regular meetings of the Board of Directors are held once a month, to make decisions on important issues and to oversee the execution of duties. The term of office of Directors is set at one year, to clarify management responsibility and establish appropriate opportunities for shareholder feedback. Materials used in meetings of the Board of Directors are distributed ahead of the day of the meeting, and prior explanations are provided to Outside Officers, as necessary, to ensure sufficient time for deliberation at the meetings. The Company has also established annual opportunities for self-evaluation and discussion by Directors and Company Auditors, regarding their vision for the Board of Directors, in order to continually improve the effectiveness of the Board of Directors.

Regarding the executive structure, the Company has introduced a system of Executive Officers based on a decision by the Board of Directors. The Executive Committee, composed mainly of Managing Executive Officers and above, meets weekly, to enhance the agility of deliberation for decision-making. In addition, the Strategy Committee has been established as a supplementary organ to the Executive Committee, to share information and discuss management issues and management strategy.

The Company has established various internal regulations and organizations with a thorough awareness of responding to business risk, including legal reform and changes in the business environment. The Corporate Enterprise Risk Management Secretariat leads the identification, analysis, and evaluation of risks, and works with specialized committees headed by the respective Executive Officer in charge, such as the "Internal Control Committee," "Corporate Ethics Committee," "Environment Committee," "Quality Assurance Committee," "Product Safety Committee," "Information Security Committee," and to carry out continuous activities addressing key company-wide issues.

As a company with a Board of Company Auditors, the Company has adopted an audit structure with four Company Auditors, including two Outside Company Auditors. In addition to holding regular monthly meetings of the Board of Company Auditors, Company Auditors audit the execution of duties by Directors and offer advice on management by attending meetings of the Board of Directors and other important meetings, and reviewing important documents. They also request reports on the execution of duties from Directors and employees, as necessary.

The Internal Audit Division, established as an independent division, carries out internal audits. The Internal Audit Division audits each department, including Group companies, in turn, on matters such as compliance with laws, regulations, and internal rules, and the proper execution of business operations. A follow-up audit is implemented between six months and one year later, to confirm post-audit improvements. The Internal Audit Division, the Board of Company Auditors, and the Accounting Auditor maintain coordination through the regular exchange of information and opinions.

With regard to the strengthening of the compliance system, we endeavor to operate a fair and transparent internal reporting system. In addition to establishing the Ethics Consultation Room as an internal hotline to enable the prompt discovery and correction of any actions that violate laws, regulations, or the Company's corporate ethics guidelines, we have established the Workplace Help line, an external consultation service that accepts anonymous consultations and reports on workplace trouble and issues. We have also established the "Company Auditors route," independent of management, as a dedicated hotline for reports concerning Directors. We are striving to further strengthen the compliance structure in sales divisions through initiatives such as "mandatory record-keeping for contact with industry peers" and "the introduction of an external system to constantly monitor emails." We endeavor to promote understanding of the Antimonopoly Act and other laws and regulations through the systematic and continuing implementation of compliance training for all officers and employees across the Group. Together with more rigorous management, including the establishment of the Cartel and Collusion Prevention Regulations, and thorough internal auditing, we endeavor to raise compliance awareness and strengthen the compliance structure across the entire Group.

This structure has been adopted to strengthen the audit function and ensure the soundness and transparency of management. The Company will strive to maintain the flexible operation of the Board of Directors, achieve more efficient and swift execution of duties, and further strengthen corporate governance.

III. Initiatives to Prevent Decisions on the Company's Financial and Business Policies Falling under the Control of Person(s) Deemed Inappropriate in Light of the Basic Policy

1. Achieving the Enhancement of Corporate Value and the Common Interests of Shareholders

- (1) The existence of large-scale purchases of shares that work against achieving the enhancement of corporate value and the common interests of shareholders

In this way, we intend to engage wholeheartedly in achieving the enhancement of corporate value and the common interests of shareholders. In recent years however, a trend has emerged in capital markets where certain actors effectively force through sudden large-scale purchases (as defined in 2. (3) 1) below; the same applies hereinafter), without allowing shareholders sufficient time for consideration, or following a process to engage in sufficient consultation or gain the consent of the management of the target company.

Of course, we do not regard large-scale purchases of shares as objectionable per se, even when they have not received the endorsement of the management of the target company, as long as they lead to efficient deployment of the target Company's assets and achieve the enhancement of corporate value and the common interests of shareholders.

However, it cannot be denied that, among large-scale purchases, there may be some so-called "abusive purchases" that clearly do significant damage to the target company's corporate value and the common interests of shareholders, with objectives such as artificially raising the share price and forcing those associated with the company to repurchase them at an inflated price, and without any real intention of participating in the company's management.

Moreover, we firmly believe that continuing our good relationships with our various stakeholders, primarily maintaining and developing the relationships of trust that we have built up with our customers over many years, is linked to the interests of shareholders through the medium and long term enhancement of corporate value. If large-scale purchasers of the Company's shares (as defined in 2. (3) 1) below; the same applies hereinafter) do not fully understand this, and do not secure and enhance these relationships over the medium and long term, then the Company's corporate value and the common interests of its shareholders will be damaged.

- (2) Necessity of the Plan

It is a principle that the Company's shares may be traded freely, and many investors trade them freely on the stock market. Therefore, we believe that the decision on whether or not to respond to large-scale purchases should be left to the judgement of our shareholders.

In the case of large-scale purchases such as those described in (1) above, we consider it imperative to provide shareholders with appropriate and sufficient information from both the large-scale purchaser and the Company's Board of Directors, and ensure that they have sufficient time for consideration, to enable

shareholders to make an appropriate judgement on whether the large-scale purchase contributes to the Company's corporate value and the common interests of shareholders, and decide whether or not to respond to the large-scale purchase proposal.

Moreover, information regarding the impact of the large-scale purchase on the Company, and details of the management policy and business plans of the large-scale purchaser upon participation in the Company's management, including the policy on relationships with the Company's customers, trading partners, employees, and other stakeholders, will also be important for shareholders when they consider whether to continue to hold the Company's shares. In addition, the disclosure of the opinion of the Company's Board of Directors on the large-scale purchase, and the presentation of an alternative proposal, if necessary, will enable shareholders to compare and contrast the two policies, opinions, etc., to make an appropriate judgement on whether to respond to the large-scale purchase proposal.

It was from this standpoint that the Company decided to renew the Previous Plan as the Plan, described below, with amendments including the addition of large-scale purchases subject to the Plan, the addition of an information provision period, and the addition of exceptions to the resolution requirements of Shareholder Will Confirmation Meetings. The Plan requires large-scale purchasers to comply with the Plan, and stipulates defense measures in the case that the large-scale purchaser does not comply with the Plan, or where it is judged that the large-scale purchase will significantly damage the Company's corporate value and the common interests of shareholders.

As of the present time, the Company has not received any proposals concerning a large-scale purchase.

2. Details of the Plan

(1) Overview of the Plan

The Plan requires large-scale purchasers to comply with the designated procedures when making a large-scale purchase. Where a large-scale purchase is proposed that fails to comply with the designated procedures, or even if it complies, where it is judged that the large-scale purchase will significantly damage the Company's corporate value and the common interests of shareholders, the Company shall, in principle, implement a gratis allotment of share acquisition rights to all shareholders on certain days stipulated by the Company's Board of Directors, via the method of Allotment of Share Options without Contribution (provided for in Article 277 of the Companies Act), as defense measures against the large-scale purchase.

The Company plans to attach conditions such as the following to the share acquisition rights so allotted (hereinafter, the "Share Acquisition Rights"): (i) an exercise condition that prohibits the exercise of the Share Acquisition Rights by the large-scale purchaser(s) or their associates; (ii) an acquisition clause that stipulates that the Company shall deliver shares of the Company to shareholders other than the large-scale purchaser(s) and their associates in return for the acquisition of the Share Acquisition Rights; and (iii) an acquisition clause (if decided by the Company's Board of Directors) that stipulates that the Company shall acquire the Share Acquisition Rights held by the large-scale purchaser(s) or their associates in return for other share acquisition rights with certain exercise conditions and acquisition conditions attached.

If the Company implements the gratis allotment of the Share Acquisition Rights, then these exercise conditions and acquisition clauses may substantially dilute the proportion of the Company's total voting rights held by the large-scale purchaser(s) and their associates.

(2) The procedure to renew the Plan

The Previous Plan was approved by the 142nd Annual General Meeting of Shareholders held on June 29, 2022, based on the provisions of Article 13 of the Company's Articles of Incorporation, the establishment of which was approved by the 127th Annual General Meeting of Shareholders held on June 28, 2007. The renewal of the Plan is also subject to approval by resolution of this General Meeting of Shareholders, based on the same Article, in order to appropriately reflect the will of the Company's shareholders.

(3) The procedure to trigger the Plan

1) Large-scale purchases subject to the Plan

When an action corresponding to or similar to one of the following (with the exception of those approved in advance by the Company's Board of Directors; such actions are hereinafter referred to as "large-scale purchases," and the person engaging in, or initiating, a large-scale purchase is referred to as a "large-scale purchaser") is taken or initiated, with the exception of those that are otherwise provided for by the Company's Board of Directors, the Company shall consider invoking defense measures based on the Plan.

- i. Purchases of share certificates, etc.^{*1} issued by the Company that will cause the holder^{*2} to have a holding ratio^{*3} of 20% or more
- ii. Purchases of share certificates, etc.^{*4} issued by the Company that will cause the party conducting the purchase^{*5} and its specially related parties^{*7} to have a total ownership ratio^{*6} of 20% or more
- iii. Actions that a specified holder of the Company carries out with another holder of the Company (including with multiple holders; the same shall apply in iii hereafter) regardless of whether they take any of the actions designated in i or ii above, which are reasonably judged to be (i) agreements or other actions which cause the said other holder to correspond to a joint holder^{*8} of the specified holder as a result of the said action, or (ii) any and all actions that establish a relationship between the said specified holder and the said other holder in which one party substantially controls the other party or in which they act jointly or in concert^{*9} (however, this is limited to cases in which the total holding ratio of the share certificates, etc. issued by the Company of the said specified holder and the said other holder is 20% or more)^{*10}

- 1 Share certificates, etc. designated under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified.
- 2 Holders designated under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those deemed holders based on Paragraph 3 of the said Article (including those deemed applicable by the Company's Board of Directors). The same shall apply hereinafter, unless otherwise specified.
- 3 The holding ratio of share certificates, etc. designated under Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified.
- 4 Share certificates, etc. designated under Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in ii below.
- 5 Purchases and other acquisitions for value, including acts similar to acquisitions for value designated under Article 6, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified.
- 6 The ownership ratio of share certificates, etc. designated under Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified.
- 7 Specially related parties designated under Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including those deemed applicable by the Company's Board of Directors). However, regarding parties indicated in Article 27-2, Paragraph 1, this excludes those prescribed in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers. The same shall apply hereinafter, unless otherwise specified.
- 8 Joint holders designated under Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed joint holders based on Paragraph 6 of the said Article (including those deemed applicable by the Company's Board of Directors). The same shall apply hereinafter, unless otherwise specified.
- 9 The judgement of whether a relationship has been established "between the said specified holder and the said other holder in which one party substantially controls the other party or in which they act jointly or in concert" shall be made based on new investment relationships, business alliances, transactional or contractual relationships, concurrent directors, funding relationships, credit provision relationships, status of purchase of the Company's share certificates, etc., status of exercising of voting rights pertaining to the Company's share certificates, etc., formation of substantial interests, etc. related to the Company's share certificates, etc. through derivatives, stock lending, etc., the direct or indirect impact of the said specified holder and the said other holder of the Company, or other direct and indirect facts suggesting communication of intent between the said the specified holder and the said other holder. With regard to judgements pertaining to partnerships and other funds, the substantial identity of the fund manager and other circumstances will be taken into consideration.
- 10 Whether an action provided for in item iii above has been taken shall be reasonably judged by the Company's Board of Directors based on the recommendation of the Independent Committee. The Company's Board of Directors may request that the holder provide necessary information to the extent required to make a judgement on whether the action corresponds to the requirements of item iii.

2) Disclosure of the Plan and the requests for the provision of information from the large-scale purchaser

The Plan shall be disclosed in accordance with the regulations of the Tokyo Stock Exchange, Inc., and also be made available for viewing on the Company's website (<https://www.kyodoprinting.co.jp/>).

Except where otherwise determined by the Company's Board of Directors, the large-scale purchaser shall be required to submit to the Company's Board of Directors a purchase proposal including information (hereinafter, the "Required Information"), in Japanese, designated under each item below, which is necessary for a consideration of the details of the large-scale purchase, and includes a declaration of intent to comply with the procedures stipulated under the Plan. Documents proving the existence of the large-scale purchaser shall be attached to the purchase proposal, including a certified copy of commercial registration, a copy of the articles of incorporation, and other documents.

Upon receipt of this purchase proposal, the Company's Board of Directors shall promptly provide it to the Independent Committee designated in 4) below. Where the information provided by the large-scale purchaser is reasonably determined by the Company's Board of Directors to be insufficient for the purposes of decision-making by shareholders and evaluation and consideration by the Board of Directors, in view of the details and nature of the large-scale purchase, the large-scale purchaser shall provide the additional information requested by the Company's Board of Directors, in Japanese. (However, the Company's Board of Directors shall not require more additional information than is needed for shareholders to make their decision and the Board of Directors to evaluate and consider the purchase proposal, based on factors such as the attributes of the large-scale purchaser, the details of the large-scale purchase proposed by the large-scale purchaser, and the content and nature of the Required Information.) The provision of additional information shall be requested no more than ten days after either the purchase proposal above was received, or subsequent additional information was received. However, with a view to accelerating the provision of information from the large-scale purchaser and preventing arbitrary operations such as endless requests for information by the Company's Board of Directors, the period for the Company's Board of Directors to request the provision of the Required Information from the large-scale purchaser and for the large-scale purchaser to respond (hereinafter referred to as the "information provision period") shall be set as 60 days starting the day after the Company requests the provision of the Required Information from the large-scale purchaser. Even if the Required Information is not sufficiently provided, upon termination of the information provision period, the Company shall terminate communication with the large-scale purchaser pertaining to the provision of information, and begin the Board of Directors Evaluation Period (as defined in 3) below) with the information provided through that point. However, the information provision period may be extended for no more than 30 days as needed, only in the event that the large-scale purchaser requests an extension based on reasonable cause.

- a. Details (including information, etc. on the actual name, capital structure, business, finances, and business experience, etc. in the same industry as the Company's businesses) of the large-scale purchaser and its group (including joint holders, specially related parties, and partners (in the case of funds) or other members)
- b. The number of the Company's share certificates, etc. currently held by the large-scale purchaser and its group, and transactions of the Company's share certificates, etc. by the large-scale purchaser during the 60 days prior to the submission of the purchase proposal
- c. Purpose of the large-scale purchase (the acquisition of the right of control or management participation, pure investment or strategic investment, the sale, transfer, etc. of the Company's share certificates, etc. to a third party after the large-scale purchase, or a material proposal (meaning a material proposal as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Scale Holdings in Share Certificates; if the large-scale purchase has another purpose, this should be indicated, together with a summary of the purpose; where there are multiple purposes, all should be included), method and details (including the class and number of the Company's share certificates, etc. it is planned to acquire in the large-scale purchase, the amount and type of consideration for the large-scale purchase, the timing of the large-scale purchase, etc., the scheme of any related transactions, the legality of the large-scale purchase and the probability of its implementation, etc.)

- d. An overview of the basis for calculation of the large-scale purchase price (facts and assumptions upon which the calculation is based, the calculation method, quantitative information used in the calculation, the value of synergies anticipated to arise from transactions related to the large-scale purchase, and the basis used to calculate this value, etc.)
- e. Evidence of funding for the large-scale purchase (including the specific names of funders (including effective funders), method of funding, and details of the associated transactions, etc.)
- f. Group management policy, management candidates (including information on candidates' experience, etc. in businesses similar to the businesses of the Company and the Group), business plans, finance plans, capital policy, dividend policy, and measures to utilize assets after the large-scale purchase (however, where the purchase proposal is for a 100% Japanese yen cash-based large-scale purchase with no remaining minority shareholders, only an outline of the information in this item is required)
- g. Policy on the treatment of employees, trading partners, customers, and other interested parties of the Group after the large-scale purchase
- h. Policy on the recovery of capital invested for the large-scale purchase
- i. Any connections with anti-social forces or terrorist organizations (whether these connections are direct or indirect) and the details of any such connections
- j. Any other information that the Company's Board of Directors has reasonably judged to be necessary

Should the Company's Board of Directors become aware of the emergence of a large-scale purchaser, or receive a purchase proposal or additional information, then it shall immediately disclose the relevant fact to shareholders and others. The content of information provided to the Company's Board of Directors by the large-scale purchaser shall be fully or partially disclosed to shareholders and others when the Board of Directors considers it necessary for shareholders to make their judgement.

3) Board of Directors consideration procedure

Where the Company's Board of Directors has judged that the Required Information included in the purchase proposal submitted by the large-scale purchaser meets the standard necessary for shareholders to make their decision on the purchase proposal, and for the Board of Directors to engage in evaluation and consideration of the proposal (including cases where the Company's Board of Directors has judged that it has received sufficient Required Information with the purchase proposal as a result of the submission of additional Required Information requested by the Company's Board of Directors due to insufficient information provided by the large-scale purchaser) it shall immediately notify the large-scale purchaser and Independent Committee of the fact, together with the start and end dates of the period of evaluation by the Board of Directors, and engage in the timely and appropriate disclosure of information to shareholders and others in accordance with laws, regulations, and the rules of the Tokyo Stock Exchange, Inc. Within 60 days following the dispatch of this notification to the large-scale purchaser, in cases where the large-scale purchase is a Japanese yen cash-based tender offer for all of the Company's share certificates, etc., or 90 days following the dispatch of this notification to the large-scale purchaser, in other cases (hereinafter, this period is referred to as the "Board of Directors Evaluation Period"), the Company's Board of Directors shall thoroughly evaluate and consider the Required Information provided, obtaining the advice of independent third parties (including investment banks, securities companies, financial advisors, attorneys, CPAs, and other specialists) as necessary, carefully compile the opinion of the Company's Board of Directors on the large-scale purchase, with maximum regard to the recommendations of the Independent Committee in 4) below, notify the large-scale purchaser of this opinion, and engage in the timely and appropriate disclosure of information to shareholders. Moreover, the Board of Directors shall negotiate with the large-scale purchaser regarding the terms or method of the large-scale purchase, as necessary, and may present the Company's shareholders with an alternative proposal.

However, in unavoidable circumstances, where the Board of Directors has been unable to resolve within the Board of Directors Evaluation Period on whether or not to invoke defense measures, such as where the Independent Committee has not issued recommendations within the Board of Directors Evaluation Period on whether or not to invoke defense measures, the Company's Board of Directors may, based on the recommendations of the Independent Committee, extend the Board of Directors Evaluation Period as much as necessary, up to a maximum of 30 days (beginning from the day after

the expiration of the original Board of Directors Evaluation Period). Where the Company's Board of Directors has resolved to extend the Board of Directors Evaluation Period, it shall notify the large-scale purchaser and Independent Committee of the exact duration of the extension and reasons why it is deemed necessary, and engage in the timely and appropriate disclosure of information to shareholders and others in accordance with laws, regulations, and the rules of the Tokyo Stock Exchange, Inc.

Where the Board of Directors has decided to hold a Shareholder Will Confirmation Meeting (defined in 5) below) due to the elapse of the Board of Directors Evaluation Period or as set forth in 6) iii. below, the large-scale purchaser may only commence the large-scale purchase after a resolution by the Company's Board of Directors in accordance with the decision of the Company's shareholders at the Shareholder Will Confirmation Meeting (the Board of Directors meeting at which this resolution is adopted shall be held on the same day as the Shareholder Will Confirmation Meeting, in principle). However, where the large-scale purchaser has received a non-trigger notification in 7) below, the large-scale purchaser may commence the large-scale purchase on the next business day following the receipt of this notice.

4) Establishment of the Independent Committee

The Company's Board of Directors shall make the final decision on whether all procedures have been followed in accordance with the rules established under the Plan, and, where these rules have not been complied with, whether to implement certain defense measures considered necessary and appropriate to protect or enhance the Company's corporate value and the common interests of its shareholders. The Company has established the Independent Committee as a body independent from the Board of Directors, in order to ensure that this decision is reasonable and fair.

The Independent Committee is composed of no less than three and no more than five members, elected by the Company's Board of Directors from Outside Directors, Outside Company Auditors, attorneys, tax accountants, CPAs, academics, persons familiar with the business of investment banks, and other persons from outside the Company who have experience as directors or executive officers of other companies, etc. It is planned to appoint five members of the Independent Board at the time of the Plan's renewal: Ms. Mika Takaoka, Mr. Yosuke Mitsusada, Ms. Chieko Ouchi, Mr. Masahiko Furutani, and Ms. Yumiko Nijima. The career summaries of the committee members are presented in Appendix 1 "Names and Career Summaries of the Independent Committee Members." An overview of the Independent Committee Regulations is presented in Appendix 2 "Overview of the Independent Committee Regulations." The Company shall disclose a summary of the judgement of the Independent Committee to shareholders and other in a timely and appropriate manner.

5) Procedures for triggering defense measures

The Company's Board of Directors shall follow the following procedures in judging whether or not to invoke defense measures, to ensure a reasonable and fair decision.

Before invoking defense measures, the Company's Board of Directors shall refer the question of whether defense measures should be invoked to the Independent Committee. The Independent Committee shall then obtain the advice of third parties in positions independent from the Company (including investment banks, securities companies, financial advisors, attorneys, CPAs, and other specialists) as necessary, at the Company's expense, before reporting recommendations to the Company's Board of Directors on whether the defense measures should be invoked. The Company's Board of Directors shall give maximum regard to the recommendations of the Independent Committee when deciding whether or not to invoke defense measures.

In addition, defense measures shall only be invoked by a unanimous resolution of the Company's Board of Directors, after obtaining the approval of all Company Auditors, including Outside Company Auditors. Should the Company's Board of Directors make this resolution, information shall be promptly disclosed to shareholders and others, including an outline of the resolution and other matters deemed appropriate by the Company's Board of Directors.

In addition to referring to the Independent Committee, as described above, the Company's Board of Directors shall determine whether defense measures should be invoked upon the evaluation and consideration of the specific details of the large-scale purchaser and the large-scale purchase, and their impact on the Company's corporate value and the common interests of shareholders, based on the Required Information submitted by the large-scale purchaser. In this process, the Company's Board of Directors shall obtain the advice of third parties in positions independent from the Company (including investment banks, securities companies, financial advisors, attorneys, CPAs, and other specialists) as necessary.

Moreover, as set forth in 6) iii. below, when determining whether to invoke defense measures against the large-scale purchase, the Company's Board of Directors may, even in the case of 6) ii. below, convoke a General Meeting of Shareholders to confirm the will of shareholders on whether to invoke defense measures (hereinafter referred to as a "Shareholder Will Confirmation Meeting"), in cases where it is deemed practically appropriate to directly confirm the will of shareholders.

6) Conditions for the triggering of defense measures

- i. Where the large-scale purchaser has implemented or initiated a large-scale purchase without following the procedures stipulated under the Plan

Where the large-scale purchaser has implemented or initiated a large-scale purchase without following the procedures stipulated under the Plan, the Company's Board of Directors shall deem the large-scale purchase to be significantly damaging to the Company's corporate value and the common interests of shareholders, regardless of the specific terms, method, etc., of the large-scale purchase. In this case, the Board of Directors, with maximum regard for the recommendations of the Independent Committee, shall implement the defense measures necessary and appropriate to protect or enhance the Company's corporate value and the common interests of shareholders.

- ii. Where the large-scale purchaser has implemented or initiated a large-scale purchase following the procedures stipulated under the Plan

Where the large-scale purchaser has implemented or initiated a large-scale purchase following the procedures stipulated under the Plan, the Company shall not, in principle, invoke defense measures against the large-scale purchaser, even if the Company's Board of Directors is opposed to the large-scale purchase, expresses an opinion against it, presents an alternative proposal, or engages in explanations to shareholders, etc. The decision on whether or not to accept the purchase proposal presented by the large-scale purchaser shall be made by the Company's shareholders, on consideration of the Required Information concerning the large-scale purchase, as well as the opinion of the Board of Directors, alternative proposals, etc.

However, even where the large-scale purchaser has implemented or initiated a large-scale purchase following the procedures stipulated under the Plan, the Company's Board of Directors, with maximum regard for the recommendations of the Independent Committee, may implement the defense measures necessary and appropriate to protect or enhance the Company's corporate value and the common interests of shareholders, regardless of the beginning or expiry of the Board of Directors Evaluation Period, in cases where, upon consideration of the details of the large-scale purchase and discussion, negotiation, etc. with the large-scale purchaser, the Board of Directors concludes that the large-scale purchase based on the large-scale purchase proposal will significantly damage the Company's corporate value and the common interests of shareholders. Specifically, the large-scale purchase shall be considered to significantly damage the Company's corporate value and the common interests of shareholders if it is judged to fall under any of the following types.

- a. Where it is a purchase aimed at forcing a buyback at inflated prices
- b. Where it is a purchase aimed at sacrificing the Company to realize profits for the large-scale purchaser, such as the acquisition of assets, technologies, information, etc. for an artificially low price
- c. Where it is a purchase that would clearly infringe on the Company's corporate value and the common interests of shareholders by appropriating the Company's assets to pledge or fund the payment of the purchaser's liabilities
- d. Where it is a purchase that would clearly infringe on the Company's corporate value and the common interests of shareholders in ways such as bringing about a disposal of the Company's high-value assets and the declaration of temporary high dividends from the profits of the disposal, or declaring temporary high dividends in order to taking advantage the resulting rapid rise in share price to profit from selling the Company's shares
- e. Where it is a purchase in which the terms of purchase of share certificates, etc. are substantially insufficient or inappropriate considering the Company's corporate value
- f. Where it is a purchase that threatens to have the effect of compelling shareholders to sell their share certificates, etc., such as a two-tiered buy-out by tender offer that sets unfavorable acquisition terms for the second stage or does not set clear terms for the second stage
- g. Where it is a purchase that will result in a substantially inferior medium and long term corporate value for the Company if the large-scale purchaser takes control, compared to the

corporate value should the large-scale purchaser not take control

- h. Where it is a purchase in which the large-scale purchaser is clearly unsuitable as a controlling shareholder of the Company from the perspectives of public order and morality
- i. In addition to each item above, where the purchase corresponds to the following:
 - (i) Where it can be objectively and reasonably inferred that the purchase will significantly damage the Company's corporate value and the common interests of shareholders
 - (ii) Where it is judged that failure to immediately invoke the defense measures against the purchase will unavoidably lead to significant damage to the Company's corporate value and the common interests of shareholders, or the risk of such damage

iii. Convocation of a Shareholder Will Confirmation Meeting

As stated in ii. above, where the large-scale purchaser has implemented or initiated a large-scale purchase following the procedures stipulated under the Plan, the Company's Board of Directors, with maximum regard for the recommendations of the Independent Committee, shall, in principle, resolve on whether defense measures should be invoked against the large-scale purchase. However, the Company's Board of Directors may, upon consideration of the details of the large-scale purchase and various other factors such as the time necessary for the convocation of a Shareholder Will Confirmation Meeting, convoke a Shareholder Will Confirmation Meeting to ascertain the opinion of shareholders on whether defense measures should be invoked, in cases where it is deemed practically appropriate to directly confirm the will of shareholders, in addition to reference to the Independent Committee, in view of the requirements of laws, regulations, and the duty of care borne by the Company's Directors, etc. In this case, a resolution on the invocation of defense measures shall be made based on the agreement of the majority of votes of shareholders (however, where the large-scale purchase is implemented through a coercive market buy-up, the Company's Board of Directors may, considering the nature of the large-scale purchase (coerciveness and legality of the purchase method, timeframe for confirming the will of shareholders, etc.) and with maximum regard for the recommendations of the Independent Committee, exclude the large-scale purchaser and its joint holders, specially related parties, etc.; the same applies hereinafter) present at the meeting (including shareholders who exercise their voting rights via the voting rights exercise form). The Company's Board of Directors shall, upon making the decision to convoke a Shareholder Will Confirmation Meeting, immediately disclose information to shareholders and others on this decision and the reasons for it, and convoke a Shareholder Will Confirmation Meeting as promptly as practicable.

The Company's Board of Directors shall abide by the decision of shareholders at the Shareholder Will Confirmation Meeting regarding whether to invoke the defense measures.

Where the Board of Directors has decided to hold a Shareholder Will Confirmation Meeting, the large-scale purchaser may not commence the large-scale purchase until a resolution is formed by the Company's Board of Directors in accordance with the decision of the Company's shareholders at the Shareholder Will Confirmation Meeting (the Board of Directors meeting at which this resolution is adopted shall be held on the same day as the Shareholder Will Confirmation Meeting, in principle).

7) Decision by the Company's Board of Directors on whether or not to invoke the defense measures

When deciding whether to invoke the defense measures, the Company's Board of Directors shall give maximum regard to the recommendations of the Independent Committee in the cases described in 6) i. and 6) ii. above, and shall abide by the decision of shareholders at the Shareholder Will Confirmation Meeting held to ascertain the opinion of shareholders, in addition to reference to the Independent Committee, in the case described in 6) iii. above.

If the Company's Board of Directors makes a decision on whether or not to invoke the defense measures, it shall immediately notify the large-scale purchaser of this decision (hereinafter, a notification of a decision not to invoke defense measures is referred to as a "non-trigger notification"), the decision of the aforementioned Shareholder Will Confirmation Meeting, and any other matters considered appropriate by the Board of Directors, and disclose information to shareholders and others. Where the Board of Directors has decided to hold a Shareholder Will Confirmation Meeting after the elapse of the Board of Directors Evaluation Period or as set forth in 6) iii. above, the large-scale purchaser may only commence the large-scale purchase after a resolution by the Company's Board of Directors in accordance with the decision of the Company's shareholders at the Shareholder Will Confirmation Meeting (the Board of Directors meeting at which this resolution is adopted shall be held on the same day as the Shareholder Will Confirmation Meeting, in principle). However, where

the large-scale purchaser has received a non-trigger notification from the Company's Board of Directors, the large-scale purchaser may commence the large-scale purchase on the next business day following the receipt of this notice.

8) Reconsideration by the Company's Board of Directors

Even after making a decision on whether to invoke defense measures, the Company's Board of Directors may again refer the question to the Independent Committee, re-deliberate on the matter and, with maximum regard for the recommendations of the Independent Committee, decide to invoke or cancel the defense measures, in cases where the facts that formed the basis for the decision have changed, such as where the large-scale purchaser has changed the terms of the large-scale purchase, or cancelled the large-scale purchase. Even in this case, the Company's Board of Directors may convoke a Shareholder Will Confirmation Meeting to confirm the will of shareholders on whether to invoke defense measures, in cases where it is deemed practically appropriate to directly confirm the will of shareholders.

Should the Company's Board of Directors make such a decision, it shall immediately notify the large-scale purchaser of this decision and any other matters considered appropriate by the Board of Directors, and disclose information to shareholders and others.

(4) Overview of the defense measures

Defense measures invoked by the Company's Board of Directors shall, in principle, comprise the gratis allotment of the Share Acquisition Rights in accordance with the "Terms of the Share Acquisition Rights" in Appendix 3.

The Share Acquisition Rights shall be allotted to shareholders (excluding the Company itself) registered or otherwise recorded in the final Shareholder Register as of a date (hereinafter the "Allotment Date") to be determined at the meeting of the Board of Directors that resolves on the gratis allotment of the Share Acquisition Rights, in the amount of one or more unit of the Share Acquisition Rights for each share held, in a proportion to be determined by the Company's Board of Directors.

The amount of assets (cash) to be contributed upon exercise of each unit of the Share Acquisition Rights (the exercise price) shall be one yen. A number of shares (or adjusted number of shares, in the case of adjustment) of the Company's common stock not greater than one, to be determined by the Company's Board of Directors, shall be delivered to a holder of the Share Acquisition Rights (hereinafter, a "Share Acquisition Rights Holder") in return for the exercise of each unit of the Share Acquisition Rights. Where, upon the exercise of the Share Acquisition Rights, a fractional number of shares is delivered to a Share Acquisition Rights Holder, the Company shall handle these fractional shares in accordance with the applicable laws and regulations. However, large-scale purchasers and their associates shall not be able to exercise the Share Acquisition Rights.

In addition to the exercise of the Share Acquisition Rights, the Company may, under certain conditions, acquire the Share Acquisition Rights from Share Acquisition Rights Holders, apart from large-scale purchasers and their associates, in return for shares of the Company's common stock, based on the acquisition clauses attached to the Share Acquisition Rights. Under certain conditions, the Company may acquire all of the Share Acquisition Rights for no consideration.

Moreover, the approval of the Company's Board of Directors is necessary for the acquisition of the Share Acquisition Rights by purchase or transfer.

Should the Company's Board of Directors invoke the defense measures, information on matters deemed appropriate by the Company's Board of Directors shall be disclosed to shareholders and others in a timely and appropriate manner.

(5) Term of validity, abolition and amendment of the Plan

The term of validity of the Plan shall be from time of the conclusion of this General Meeting of Shareholders to the time of the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2028, scheduled to be held in June 2028. Even during the term of validity of the Plan, where the Company's Board of Directors resolves to abolish the Plan, then it shall be abolished effective from that time.

Moreover, even during the term of validity of the Plan, the Company's Board of Directors may implement technical corrections or amendments to the Plan, based on the opinion of the Independent Committee, where necessary, and within the scope of authority delegated to it by resolution of this General Meeting of Shareholders.

The Plan is predicated upon laws and regulations enforced as of May 15, 2025. Where the new establishment, amendment, abolition, etc. of laws and regulations on or after that date renders it necessary to amend the provisions of the Plan, the wording of the Plan shall be interpreted as appropriate, in accordance with the purpose of the relevant laws and regulations, and in a way that does not contravene the basic views embodied in the Plan.

In the case of the abolition, correction, or amendment of the Plan, this abolition, correction, or amendment shall be promptly disclosed, together with other matters considered appropriate by the Company's Board of Directors.

Regarding the details of the Plan after the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2028, the Company plans to confirm the will of shareholders concerning whether the Plan should be continued, with the necessary revisions, whether a new plan should be introduced, etc.

3. Impact on Shareholders and Investors

(1) Impact on shareholders and investors upon renewal of the Plan

No defense measures will be implemented at the time of the renewal of the Plan, and the renewal will have no direct, concrete impact on the legal rights or economic interests of the shareholders and investors.

(2) Impact on shareholders and investors from the implementation of a gratis allotment of the Share Acquisition Rights

The Share Acquisition Rights will be allotted for no consideration to shareholders as of the Allotment Date otherwise specified by the Company's Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution, in the amount of one or more unit of the Share Acquisition Rights for each share held, in a proportion to be determined by the Company's Board of Directors. Assuming the Share Acquisition Rights are exercised, there will therefore be no diluting effect on the value of the portion of the entire Company held by each shareholder.

Should shareholders choose not to exercise the Share Acquisition Rights during the exercise period, the value of the portion of the entire Company that they hold will be diluted due to the exercise of the Share Acquisition Rights by other shareholders. However, the Company may, by decision of the Board of Directors, follow the procedure described in (4) 2) below to acquire the Share Acquisition Rights from shareholders not prohibited from exercising them in accordance with the acquisition clause attached to the Share Acquisition Rights, in exchange for shares of the Company's common stock. If the Company implements this acquisition procedure, shareholders not prohibited from exercising the Share Acquisition Rights, in accordance with the terms of the Share Acquisition Rights, will receive the Company's common shares without exercising the Share Acquisition Rights or paying in the exercise price.

The value of each share that they hold will therefore be diluted, but the value of the portion of the entire Company that they hold will not be diluted. Where, after the determination of shareholders eligible for the gratis allotment of the Share Acquisition Rights, the Company cancels the gratis allotment of the Share Acquisition Rights or re-acquires the allotted Share Acquisition Rights for no consideration, no dilution of value per share will occur, and it is therefore possible that any investors who have sold the Company's shares expecting to see a dilution of per share value may suffer substantial losses as a result of the change in the share price.

(3) Impact on shareholders and investors from the exercise or acquisition of the Share Acquisition Rights after a gratis allotment of the Share Acquisition Rights

Because the Company plans to attach discriminatory conditions to the exercise and acquisition of the Share Acquisition Rights, it is anticipated that dilution will occur to the legal rights and economic interests of large-scale purchasers and their associates. However, even in this case, no direct and concrete impact is anticipated on the legal rights and economic interests associated with shares of the Company held by shareholders and investors apart from large-scale purchasers and their associates. Nonetheless, it should be noted that, as the transfer of the Share Acquisition Rights themselves is restricted, there is a possibility that shareholders' recovery of the portion of their capital invested in the value of the Company's shares that is attributable to the Share Acquisition Rights may be restricted during the period from the Allotment Date to the time when the Company's shares are recorded in each shareholder's receiving account, in the event that shares of the Company's common stock are delivered to shareholders in return for the exercise or acquisition of the Share Acquisition Rights.

- (4) Procedures, etc. required of shareholders pursuant to a gratis allotment of the Share Acquisition Rights
- 1) Procedures for the exercise of the Share Acquisition Rights

The Company will send the exercise form for the Share Acquisition Rights and other documents needed for the exercise of the Share Acquisition Rights to shareholders registered or otherwise recorded in the final Shareholder Register as of the Allotment Date, in principle. (The exercise form for the Share Acquisition Rights will be in a format designated by the Company, and include necessary information such as the details and number of the Share Acquisition Rights to be exercised, the date of exercise, and the receiving account (not to be a special account) in which the Company's shares are to be recorded, as well as pledges such as a stated warranty that the shareholders themselves satisfy the Share Acquisition Rights exercise conditions, etc., a reimbursement clause, etc.) After the gratis allotment of the Share Acquisition Rights, shares of the Company's common stock will be delivered to shareholders who have submitted these required documents and paid-in one yen per unit of the Share Acquisition Rights to the designated payment handling institution during the exercise period of the Share Acquisition Rights. The number of shares (or the adjusted number of shares, in the case of adjustment) delivered will be determined by the Company's Board of Directors, and will not exceed one shares per unit of the Share Acquisition Rights. Shares of the Company's common stock delivered as the result of the exercise of the Share Acquisition Rights cannot be recorded in special accounts due to legal provisions on the transfer of bonds and shares, etc., and it should be noted that shareholders will need to open a securities account or similar account to receive the delivery of shares from the exercise of the Share Acquisition Rights.

- 2) Procedures for the acquisition of the Share Acquisition Rights by the Company

Where the Company's Board of Directors has made a decision to acquire the Share Acquisition Rights, the Company will follow the legal procedures to acquire the Share Acquisition Rights. In the case that there are multiple acquisition clauses, the acquisition will be implemented after the Board of Directors resolves on each clause, and issues an official notice to the Share Acquisition Rights Holders. If the Company has determined to deliver shares of the Company's common stock in return for the acquisition of the Share Acquisition Rights, these will be delivered promptly. In this case, shareholders may be required to separately submit documents in the Company's designated format, including pledges such as a stated warranty that the shareholders themselves are not large-scale purchasers or associates thereof who are prohibited from exercising the Share Acquisition Rights in accordance with the terms of the Share Acquisition Rights, a reimbursement clause, etc.

Other information, such as the allotment method, exercise method, and the method used by the Company to acquire the Share Acquisition Rights, will be disclosed or conveyed to shareholders after a resolution is passed by the Company's Board of Directors to implement the gratis allotment of the Share Acquisition Rights, and shareholders will be requested to review this information.

IV. Rationale of the Plan (The Fact, and Reasons Why, the Plan is in Accordance with the Basic Policy, Will Not Damage the Common Interests of Shareholders, and Is Not Aimed at Maintaining the Status of the Company's Officers)

The Company's Board of Directors considers that the Plan is in accordance with the achievement of the basic policy presented in I. above, does not damage the common interests of shareholders, and are not aimed at maintaining the status of the Company's officers.

1. The Plan Fully Satisfies the Requirements of the Guidelines Regarding Policy for dealing with Acquisitions

The Plan fully satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry (METI) and the Ministry of Justice (MOJ) on May 27, 2005: protecting and enhancing corporate value and shareholders' common interests; prior disclosure and shareholders' will; and ensuring necessity and reasonableness of defensive measures. It is also in accordance with the purpose of the various regulations on the introduction of the policy for dealing with acquisitions established by the Tokyo Stock Exchange, Inc. It also reflects the discussion presented in "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008 by the Corporate Value Study Group, which was established by METI, and "Guidelines for Corporate Takeovers: Enhancing Corporate Value and Securing Shareholders' Interests" published by METI on August 31, 2023.

2. It is Renewed with the Aims of Securing and Enhancing Corporate Value and the Common Interests of Shareholders

As described in III. above, the Plan will be renewed with the aim of securing and enhancing the Company's corporate value and the common interests of shareholders in the event of a large-scale purchase of the Company's shares, by ensuring the provision of the information and time necessary for shareholders to judge whether or not to respond to the large-scale purchase proposal, and for the Company's Board of Directors to present an alternative proposal to shareholders, engage in negotiations with the large-scale purchaser, etc.

3. It Respects the Will of Shareholders

The Plan will be renewed conditional upon the approval of shareholders at this General Meeting of Shareholders, in order to ensure an opportunity for the will of shareholders to be appropriately reflected. As described in III. 2. (2) above, if the proposal is not approved, the plan will not be renewed. Moreover, even during the term of validity of the Plan, the Plan will be abolished, effective immediately, if the Board of Directors, which is composed of Directors elected by the Company's General Meeting of Shareholders, resolves to abolish it. In that sense, the will of shareholders will be reflected not only in the renewal, but also in the continuation, of the Plan.

The Plan is premised on the delegation of authority for decisions on whether or not to invoke the defense measures based on the Plan from shareholders to the Board of Directors. Specific conditions that will trigger these defense measures are established for each scenario, and indicated to shareholders. In addition, as described in III. 2. (3) 6) iii. above, when resolving on whether or not defense measures should be invoked, the Company's Board of Directors may, in cases where it is deemed practically appropriate to directly confirm the will of shareholders, convene a Shareholder Will Confirmation Meeting to ascertain the opinion of shareholders, in addition to reference to the Independent Committee. Therefore, the implementation of defense measures in accordance with the relevant conditions reflects the will of shareholders.

4. It Emphasizes the Judgment of Highly-independent External Advisors

As described in III. 2. (3) 4) above, with the renewal of the Plan, the Company has established the Independent Committee, as a body independent from the Board of Directors, to ensure that the judgement of the Board of Directors is reasonable and fair.

The Company's Board of Directors makes its decision with maximum regard for the recommendations of the Independent Committee, preventing the Board of Directors from arbitrarily invoking the defense measures based on the Plan. In addition, the Company will engage in timely and appropriate information disclosure to shareholders regarding the outline of the Independent Committee's judgement. In this way, the Company has established mechanisms to ensure that the operation of the Plan contributes to the Company corporate value and the common interests of shareholders.

5. It Establishes Reasonable and Objective Requirements

As described in III. 2. (3) above, the Plan is established so that it will not be triggered unless predesignated, reasonable, and objective requirements are satisfied, and the Company has ensured mechanisms to prevent the Board of Directors from arbitrarily invoking the defense measures.

6. The Advice of Third Parties in Independent Positions is Obtained

As described in III. 2. (3) 3) and 5) above, on the emergence of a large-scale purchaser, the Board of Directors and the Independent Committee may obtain the advice of third parties in positions independent from the Company (including investment banks, securities companies, financial advisors, attorneys, CPAs, and other specialists) as necessary, at the Company's expense. In this way, the Company ensures a mechanism to more firmly ensure the objectivity and fairness of the judgement of the Board of Directors and the Independent Committee.

7. It is Not a “Dead Hand” Takeover Defense Measure or a “Slow Hand” Takeover Defense Measure

As described in III. 2. (5) above, the Plan may be abolished at any time by resolution of the Board of Directors, which is composed of Directors elected by the Company’s General Meeting of Shareholders. The Plan is therefore not a so-called “dead hand” takeover defense measure under which the triggering of the plan cannot be prevented, even when a majority of the members of the Board of Directors are replaced.

Moreover, the term of office of the Company’s Directors is one year. The Company has not adopted a system of staggered tenures, and it is possible for all members of the Board of Directors to be replaced at once. The Plan is therefore not a so-called “slow hand” takeover defense measure under which the triggering of the plan can only be prevented after a considerable amount of time.

(Appendix 1)

Names and Career Summaries of the Independent Committee Members

At the time of the renewal of the Plan, the Independent Committee will be composed of the following five members.

Mika Takaoka

* Career summary as noted in Proposal 2 (candidate No. 5).

Yosuke Mitsusada

* Career summary as noted in Proposal 2 (candidate No. 6).

Chieko Ouchi

* Career summary as noted in Proposal 2 (candidate No. 7).

Masahiko Furutani

Career summary:	April 1980	Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)
	June 1998	Master of Business Administration, Massachusetts Institute of Technology
	April 2003	General Manager, Asian Operations Management Department, Mizuho Corporate Bank, Ltd.
	March 2006	General Manager, Corporate Finance Department, Mizuho Corporate Bank, Ltd.
	April 2007	Executive Officer and General Manager, Corporate Finance Department, Mizuho Corporate Bank, Ltd.
	April 2009	Managing Executive Officer, Mizuho Corporate Bank, Ltd.
	April 2011	Managing Director, Mizuho Corporate Bank, Ltd.
	April 2012	Senior Managing Executive Officer, Japan Branch, American Family Life Assurance Company of Columbus (currently Aflac Life Insurance Japan Ltd.)
	July 2013	Vice President, Japan Branch, American Family Life Assurance Company of Columbus (currently Aflac Life Insurance Japan Ltd.)
	June 2015	Vice President Executive Officer, Data Keeping Service Co., Ltd.
	January 2016	Representative Director and President, Data Keeping Service Co., Ltd.
	June 2019	Outside Company Auditor of the Company (current position)
	June 2022	Advisor, Data Keeping Service Co., Ltd.
	July 2022	Advisor, Seiwa Building Co., Ltd. (current position)

Yumiko Nijima

Career summary:	December 2009	Registered as an attorney
	January 2010	Joined Yamada Law & Patent Office (current position)
	April 2018	Outside Director (Audit and Supervisory Board Member), TANSEISHA Co., Ltd.
	June 2021	Outside Director (Audit Committee Member), Nomura Micro Science Co., Ltd. (current position)
	September 2021	Registered as a Certified Fraud Examiner
	June 2023	Outside Company Auditor of the Company (current position)

Overview of the Independent Committee Regulations

- Article 1. The Independent Committee shall be established pursuant to the introduction or renewal of the policy on defense against large-scale purchases of the Company's shares (policy for dealing with acquisitions; hereinafter referred to as the "Plan"). The purpose of the Independent Committee shall be to contribute to ensuring the fairness and neutrality of the Board of Directors judgement by presenting recommendations on whether or not to invoke defense measures based on the Plan, in response to inquiries from the Board of Directors.
- Article 2. No fewer than three (3) and no more than five (5) members of the Independent Committee shall be appointed from among candidates who satisfy the conditions below. In principle, each member of the Committee shall, at the time of appointment, conclude an agreement with the Company that includes a cause stating his or her duty of care towards the Company.
- 1) The person has never served as a Director (excluding Outside Director; the same applies hereinafter) or Company Auditor (excluding Outside Company Auditor; the same applies hereinafter) of the Company or a subsidiary or affiliate of the Company (hereinafter collectively referred to as "the Company, etc.")
 - 2) The person is not, nor has ever been, a member of the same family, within a certain scope, as a Director or Company Auditor, etc. of the Company, etc.
 - 3) The person has not served within the past three years as a Director or Company Auditor, etc. of a financial institution that has a current business relationship with the Company, etc.
 - 4) The person has not served within the past three years as a Director or Company Auditor, etc. of a trading partner that has a current business relationship with the Company, etc.
 - 5) The person is not a trading partner of the Company, etc. and has no special interests with the Company, etc.
 - 6) The person possesses a certain level of experience, specialization, or expertise concerning corporate management (the person is a successful corporate manager, a person familiar with investment banking operations, an attorney, CPA, researcher specializing in corporate law, etc., or equivalent)
2. Members of the Committee shall be appointed and dismissed by resolution of the Board of Directors. However, in the case of dismissal, the resolution must be passed by two-thirds of Directors present.
 3. Unless otherwise specified in the agreement described in the second sentence of paragraph 1, the term of office of members of the Committee shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within three years of their appointment. However, this shall not apply if the term of office is otherwise determined by a resolution of the Company's Board of Directors.
 4. The term of office of a member of the Committee appointed as an (i) additional or (ii) alternate member shall expire at (i) completion of the term of office of the other members or (ii) completion of the term of office of the resigning member, respectively.
- Article 3. The Independent Committee shall, in principle, deliberate and resolve on the matters stated in each item below, and report the details of, and reason for, the resolution to the Board of Directors. The Board of Directors must give maximum regard to the recommendations of the Independent Committee.
- 1) Whether or not the large-scale purchaser is complying with the procedures designated under the Plan
 - 2) Determination of whether or not the details of the purchase proposal significantly damage the Company's corporate value and the common interests of shareholders, and whether or not the defense measures should be invoked
 - 3) The cancellation of defense measures
 - 4) Matters other than those from 1) to 3) regarding which the Independent Committee is given authority under the Plan
 - 5) Matters regarding the Plan on which the Board of Directors has consulted the Independent Committee
 - 6) Matters in which the Board of Directors has otherwise designated that the Independent Committee should engage

- Article 4. In principle, a resolution of the Independent Committee shall be adopted by a majority vote at a meeting with full attendance. However, where a member of the Committee is incapacitated or where there is other special cause, a resolution shall be adopted by a majority vote at a meeting attended by all other members.
- Article 5. The Independent Committee may obtain the advice of third parties in positions independent from the Company (including investment banks, securities companies, financial advisors, attorneys, CPAs, and other specialists) as necessary, at the Company's expense.
- Article 6. A meeting of the Independent Committee may be convened by resolution of the Board of Directors.
- Article 7. The Board of Directors may, where deemed necessary for the purposes of deliberation by the Independent Committee, dispatch one (1) Director to attend meetings of the Independent Committee, and require the Independent Committee to provide it with opportunities to explain about necessary matters.
- Article 8. Upon the request of the Board of Directors, the Independent Committee must explain the reasons and basis for its recommendations.

Terms of the Share Acquisition Rights

1. Shareholders eligible for allotment

Share acquisition rights shall be allotted to shareholders (excluding the Company itself) registered or otherwise recorded in the final Shareholder Register as of a date (hereinafter the “Allotment Date”) to be determined at the meeting of the Board of Directors that resolves on the gratis allotment of the share acquisition rights described in these Terms (hereinafter, the “Share Acquisition Rights Gratis Allotment Resolution”), in the amount of one or more unit of the Share Acquisition Rights for each share held, in a proportion to be determined by the Company’s Board of Directors.

2. Total number of share acquisition rights to be issued

A number, no less than the final total number of the Company’s issues shares of common stock (excluding shares of the Company’s common stock held by the Company) as of the Allotment Date, to be determined by the Company’s Board of Directors.

3. Effective date of the gratis allotment of share acquisition rights

The date designated in the Share Acquisition Rights Gratis Allotment Resolution.

4. Class and number of shares subject to the share acquisition rights

1) Class of shares subject to the share acquisition rights

Shares of the Company’s common stock shall be subject to the share acquisition rights.

2) Number of shares subject to the share acquisition rights

The number of shares to be delivered for each unit of share acquisition rights (hereinafter, the “Number of Eligible Shares”) shall be determined by the Company’s Board of Directors, and shall be no greater than one.

However, where the Number of Eligible Shares is adjusted as in Paragraph 5, the total number of shares subject to the share acquisition rights shall be adjusted based on the adjusted Number of Eligible Shares.

5. Adjustments to the number of shares subject to the share acquisition rights

1) Should the Company implement a stock split, stock merger or consolidation, or a company split, etc. after the Allotment Date, the Number of Eligible Shares shall be adjusted appropriately in accordance with the relevant conditions.

2) When adjusting the Number of Eligible Shares, the Company shall notify each share acquisition rights holder prior to the adjustment, in writing or through the means of official notice set forth in the Articles of Incorporation, of the adjustment, the reason for it, the Number of Eligible Shares prior to the adjustment, the Number of Eligible Shares after the adjustment, the date of application of the adjustment, and other matters deemed necessary. However, where notification or public notice cannot be issued prior to the date of application of the adjustment, it shall be issued promptly after the date of application of the adjustment.

6. The paid-in amount of the share acquisition rights shall be zero (gratis).

7. Value of assets to be contributed upon exercise of each unit of the share acquisition rights

The value of assets (cash) to be contributed upon exercise of each unit of the share acquisition rights (hereinafter, the “exercise price”) shall be one (1) yen.

8. Exercise period of the share acquisition rights

The exercise period of the share acquisition rights shall begin from the date designated in the Share Acquisition Rights Gratis Allotment Resolution (hereinafter, the “beginning of the exercise period”) and last for the duration designated in the Share Acquisition Rights Gratis Allotment Resolution. However, where the Company acquires the share acquisition rights as in Paragraph 10, the share acquisition rights cannot be exercised from the date when the Company issues a notification or official notice of the acquisition, to the date of the acquisition. If the final day of the exercise period is not a bank business day, the final day shall be extended to the next bank business day.

9. Conditions placed on exercise of the share acquisition rights

- 1) Under the Terms, the following expressions shall have the meanings designated below, unless otherwise indicated.
 - a. A “specified shareholder” is a shareholder that, as a result of purchases of the Company’s share certificates, etc., or other acquisitions for consideration, or similar actions, holds 20% or more of either of the following (including those deemed applicable by the Company’s Board of Directors):
 - I. The sum of the holding ratio of share certificates, etc. of holders of share certificates, etc. issued by the Company
 - II. The sum of the ownership ratio of share certificates, etc. of the purchaser and its specially related parties of share certificates, etc. issued by the Company
 - b. “Share certificates, etc.” in a. I. refer to the share certificates, etc. designated under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified. “Share certificates, etc.” in a. II. refer to the share certificates, etc. designated under Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in a. II. below.
 - c. “Holders” refer to holders designated under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including those deemed holders based on Paragraph 3 of the said Article (including those deemed applicable by the Company’s Board of Directors).
 - d. “Purchases” refer to purchases and other acquisitions for value, including acts similar to acquisitions for value designated under Article 6, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act. The same shall apply hereinafter, unless otherwise specified.
 - e. The “ownership ratio of share certificates, etc.” refer to the ownership ratio of share certificates, etc. designated under Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act.
 - f. The “holding ratio of share certificates, etc.” refer to the holding ratio of share certificates, etc. designated under Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act.
 - g. “Ownership” refers to ownership as designated under Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.
 - h. “Specially related parties” refer to specially related parties designated under Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including those deemed applicable by the Company’s Board of Directors). However, regarding parties indicated in Article 27-2, Paragraph 1, this excludes those prescribed in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers. The same shall apply hereinafter, unless otherwise specified.
- 2) The persons designated below cannot exercise share acquisition rights.

Specified shareholders, their joint holders (as designated under Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those deemed joint holders based on Paragraph 6 of the said Article (including those deemed applicable by the Company’s Board of Directors)), their specially related parties and persons that effectively control their specially related parties, persons that effectively control or jointly control the above, or persons that act jointly or in concert with the above, as determined by the Company’s Board of Directors. (However, this is not applicable where the Board of Directors deems that the acquisition or holding of the Company’s share certificates, etc. by this person does not damage the Company’s corporate value or the common interests of shareholders.)
- 3) Even where a share acquisition rights holder, in accordance with the provisions of 2) above, is rendered unable to exercise the share acquisition rights, the Company shall bear no liability for damages, nor any other liability or responsibility, to the share acquisition rights holder.
- 4) The share acquisition rights held by each shareholder cannot be partially exercised.

10. The acquisition of the share acquisition rights by the Company

- 1) If the Board of Directors judges the acquisition of the share acquisition rights appropriate, the Company may acquire all of the share acquisition rights for no consideration, on a date designated by the Company’s Board of Directors falling at any time after the effective date of the gratis allotment of share acquisition rights (or another date designated by the Company’s Board of Directors) and before the beginning of the exercise period.
- 2) The Company may acquire the share acquisition rights of those able to exercise the share acquisition rights in accordance with Paragraph 9, exchanging a number of shares of the Company’s common stock equal to the Number of Eligible Shares for each unit of the share acquisition rights, prior to the expiry of the exercise period for the share acquisition rights in Paragraph 8, on a date designated by the Company’s Board of Directors.

- 3) In the Share Acquisition Rights Gratis Allotment Resolution, the Company's Board of Directors may decide to include an acquisition clause stating that the Company shall acquire the share acquisition rights held by persons that cannot exercise the share acquisition rights, as provided in item 2) of Paragraph 9, in exchange for other share acquisition rights with certain exercise conditions and acquisition clauses attached.
11. The exercise of voting rights at General Meetings of Shareholders by shareholders who have newly acquired shares of the Company through the exercise of the share acquisition rights or through the acquisition of the share acquisition rights by the Company
Shareholders who have newly acquired shares of the Company through the exercise of the share acquisition rights or through the acquisition of the share acquisition rights by the Company may exercise voting rights at General Meetings of Shareholders after the record date designated by the Company.
12. Restrictions on the transfer of the share acquisition rights
The approval of the Company's Board of Directors shall be required for the acquisition of the share acquisition rights by purchase or transfer.
13. Delivery of share acquisition rights in the case of merger, company split, share exchange or share transfer, and the conditions thereof
To be determined by the Company's Board of Directors in the Share Acquisition Rights Gratis Allotment Resolution.
14. The non-issuance of share acquisition rights certificates
The Company shall not issue share acquisition rights certificates.
15. Increase in share capital and legal capital surplus in the case of the issuance of new shares pursuant to the exercise of the share acquisition rights
The amount of the increase in share capital and legal capital surplus in the case of the issuance of new shares of the Company's common stock pursuant to the exercise of the share acquisition rights shall be the amount designated in the Share Acquisition Rights Gratis Allotment Resolution.
16. Share acquisition rights exercise requests and method of payment
When exercising the share acquisition rights, share acquisition rights holders must complete the exercise form (in a format designated by the Company, and including necessary information such as the details and number of the share acquisition rights to be exercised, the date of exercise, and the receiving account (not to be a special account) in which the Company's shares are to be recorded, as well as pledges such as a stated warranty that the shareholders themselves satisfy the Share Acquisition Rights exercise conditions, etc., a reimbursement clause, etc.) with the necessary information, sign and stamp the form, submit it, together with other documents required for the exercise of the share acquisition rights, to be designated separately, and other documents required from time to time under the Companies Act, the Financial Instruments and Exchange Act, and related laws and regulations (including regulations, etc. designated by the Japan Securities Dealers Association and financial instruments exchanges in Japan; hereinafter, these documents shall be collectively referred to as the "Attached Documents"), to the payment handling institution within the period designated in Paragraph 8, and pay to the payment handling institution an amount of cash equivalent to the total exercise price of the share acquisition rights being exercised.
17. Effect, etc. of exercise of the share acquisition rights
The exercise of the share acquisition rights will be effective at the time when the voting rights exercise form and Attached Documents described in Paragraph 16 arrive at the payment handling institution, and an amount of cash equivalent to the total exercise price of the share acquisition rights being exercised is received by the payment handling institution.
18. Legal and regulatory reform, etc.
Where the new establishment, amendment, or abolition of laws and regulations after the gratis allotment of share acquisition rights renders it necessary to amend the wording of these Terms, they shall be interpreted reasonably in view of the purpose and wording of the establishment, amendment, or abolition of the relevant laws and regulations.

(Reference)

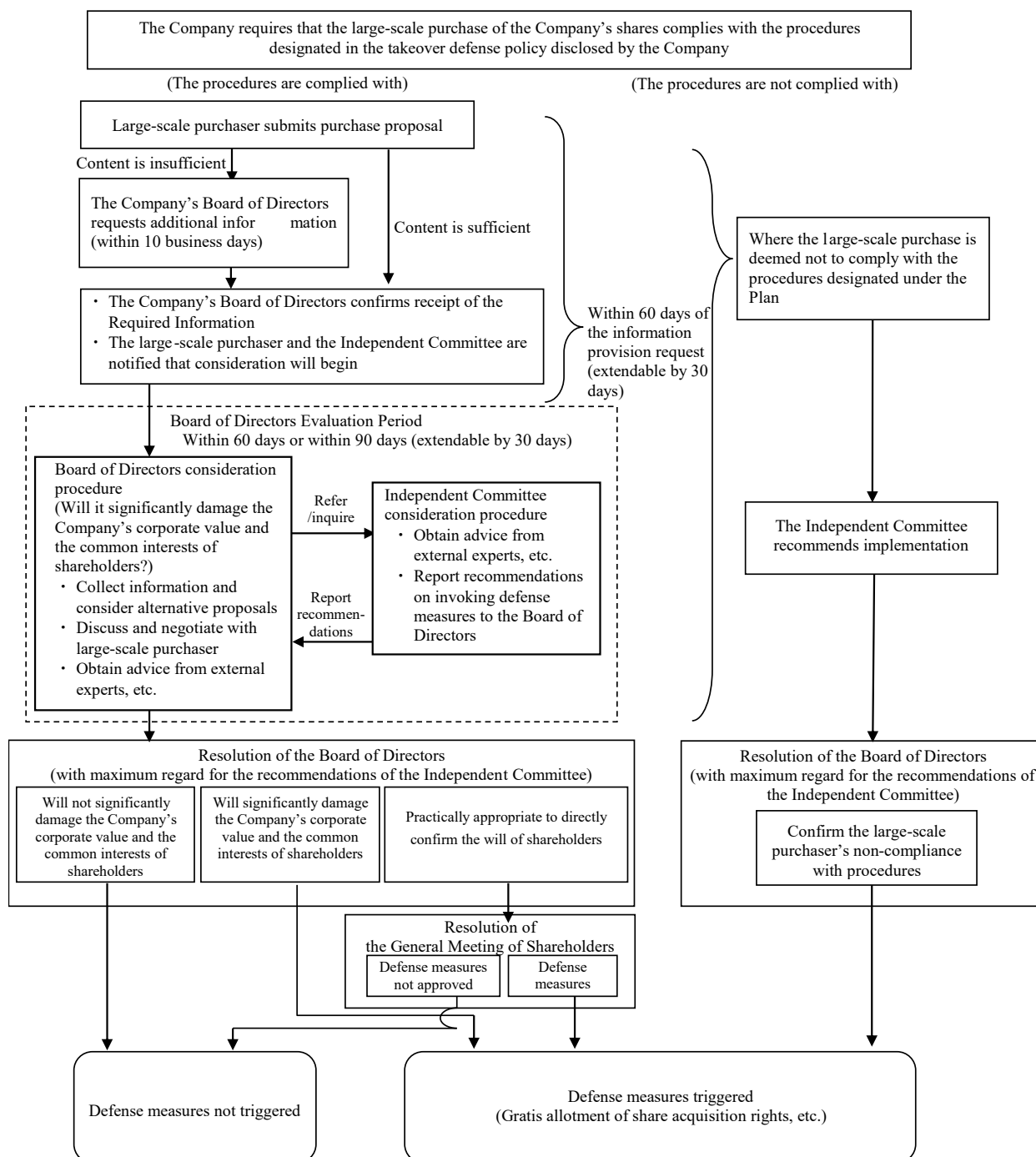
I. The Status of the Company's Shares (As of March 31, 2025)

1. Total number of authorized shares 36,080,000 shares
2. Total number of issued shares 7,293,587 shares (excluding 1,076,413 treasury shares)
3. Number of shareholders 5,588 persons
4. Major shareholders (Top 10)

Name	Investment in the Company	
	Number of shares held (thousands)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	681	9.35
The Master Trust Bank of Japan, Ltd. (Retirement benefit trust account; DIC Corporation account)	600	8.23
Tokyo Printing Ink Mfg. Co., Ltd.	583	8.00
Custody Bank of Japan, Ltd. (Trust account E)	255	3.50
artience Co., Ltd.	216	2.97
ASAHI MUTUAL LIFE INSURANCE CO	200	2.74
Custody Bank of Japan, Ltd. (Trust account)	191	2.62
Mizuho Bank, Ltd.	189	2.59
INTERACTIVE BROKERS LLC	170	2.34
Kyodo Printing Employees Stockholding Association	165	2.27

II. Flowchart at the Time of the Commencement of a Large-scale Purchase

Flowchart at the Time of the Commencement of a Large-scale Purchase of the Company's Shares
(Forewarning-type)



(Note) This flowchart shows an overview of procedures under the Plan. Please see the main text for details.