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May 12, 2026

To whom it may concern:

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Notice Regarding the Opinion of the Board of Directors on Shareholder Proposals

On April 16, 2026, IINO Kaiun Kaisha, Ltd. (the “**Company**”) received written notice from a shareholder of the Company, LIM Japan Event Master Fund (the “**Proposing Shareholder**”), regarding shareholder proposals (the “**Shareholder Proposals**”) for the agenda of the Company’s 135th Annual General Meeting of Shareholders scheduled to be held on June 25, 2026. At the meeting of the Board of Directors held today, the Board of Directors unanimously resolved to oppose all of the Shareholder Proposals. Accordingly, the Company hereby announces as follows.

I. Contents and Reasons of the Shareholder Proposals

1. Agenda

- (1). Abolition of the Response Policies to Large-Scale Purchases of the Company’s Share Certificates, Etc. (Takeover Response Policies)
- (2). Partial Amendment to the Articles of Incorporation (Disclosure of Directors’ Remuneration on an Individual Basis)
- (3). Appropriation of Surplus
- (4). Acquisition of Treasury Shares

2. Outline of the Proposals and Reasons Therefor

As stated in the attached document, “Contents of the Shareholder Proposals.”

Please note that relevant portions of the written notice of the Shareholder Proposals submitted by the Proposing Shareholder are reproduced as originally submitted, except for formal adjustments.

II. Opinion of the Board of Directors on Shareholder Proposals

1. Abolition of the Response Policies to Large-Scale Purchases of the Company's Share Certificates, Etc. (Takeover Response Policies)

(1). Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this proposal.

(2). Reasons for Opposition

A) The Necessity of the Company's Policy Concerning Responses to Large-Scale Purchases of the Company's Shares, etc. (the "**Response Policies**")

The Company is not unconditionally opposed to large-scale purchases, as long as such Large-Scale Purchases lead to the medium and long term enhancement of the Company's corporate value and the common interests of its shareholders. However, there is a possibility that a Large-Scale Purchase could take place for the sole purpose of the purchaser's own short-term interests without understanding the business characteristics based on the Company's basic management policy and focusing only on certain businesses or assets. This type of Large-Scale Purchase may materially damage the Company's corporate value because it would obstruct the formulation and implementation of the Company's business strategy from a medium and long term perspective.

However, the Company believes that under the Japanese tender offer system, a Large-Scale Purchase could still take place without necessary information being disclosed to shareholders to decide whether to accept the proposal of the Large-Scale Purchase, or without the opportunity being secured for shareholders to thoroughly consider the proposal. In addition, the Company believes that, if a Large-Scale Purchaser emerges unexpectedly, it is essential that appropriate and sufficient information, including the following, is provided by both the Large-Scale Purchaser and the Company's Board of Directors in order to enable its shareholders to promptly and properly assess the potential impact of the Large-Scale Purchase on the Company's corporate value and common interests of its shareholders: (i) possible effect of the Large-Scale Purchase on the Company; and (ii) substance of the management policy and business plans contemplated by the Large-Scale Purchaser if it participates in the Company's business management. Accordingly, for the purpose of securing or enhancing the Company's corporate value and the common interests of shareholders, the Company introduced Response Policies with the approval of shareholders obtained at the Company's 134th Annual General Meeting of Shareholders held in June last year, and the Board of Directors believes that the necessity thereof has not changed at present.

B) Reasonableness and Fairness of Response Policies

Under Response Policies, before triggering countermeasures, the Board of Directors must either (i) convene a Shareholders Meeting to Confirm Shareholders' Intent and have the shareholders decide whether to trigger countermeasures, or (ii) consult with the highly independent Special Committee regarding whether to trigger countermeasures and decide whether to trigger countermeasures by respecting the Special Committee's recommendation to the maximum extent. In addition, regarding the types of Large-Scale Purchases in respect of which the Company can trigger countermeasures without convening a Shareholders Meeting to Confirm Shareholders' Intent in response to a Large-Scale Purchase conducted pursuant to the large-scale purchase rules stipulated in the Response Policies, these are limited to five types of abusive acquisitions in respect of which it is obvious, from an objective viewpoint, that they would materially damage the Company's corporate value and the common interests of its shareholders; namely, (i) the four types described in the Tokyo High Court's ruling on the so-called Nippon Broadcasting System case and (ii) coercive two-step acquisitions. Furthermore, Response Policies secure a structure for preventing delays in the relevant procedures due to arbitrary operation by the Board of Directors, by designating certain matters regarding the operation of Response Policies as mandatory consultation items for the Special Committee. In addition, one half of the Company's directors are independent outside directors, which secures fairness in the implementation of Response Policies, including the triggering of countermeasures by the Board of Directors.

As such, Response Policies are not intended, as alleged by the Proposing Shareholder, to grant the Board of Directors general authority to implement takeover defense measures. Rather, they are designed to prevent "management appropriation" or self-protection of the Company using mechanisms that prevent arbitrary triggering countermeasures by the Board of Directors, and constitute necessary and reasonable measures for the purpose of securing or enhancing the Company's corporate value and the common interests of its shareholders.

C) The Company's Response toward Management with an Awareness of the Cost of Capital and the Improvement of Capital Profitability

On May 8, 2026, the Company announced the "Medium-Term Management Plan 'Transformation for a Sustainable Future'" (covering the period from April 2026 to March 2031) (the "**Plan**"). Based on this Plan, the Company will pursue the realization of the IINO VISION, as well as its long-term vision for 2050 and medium-term vision for 2035, by doubling its investment amount compared with the previous medium-term management plan and shifting investment toward growth and new business areas as well as core businesses, while expanding its earnings base through the promotion of strategic investments.

In addition, as part of its financial capital strategy, the Company will adopt disciplined balance sheet management as its basic policy and will pursue both the proactive use of financial leverage, taking into account the value of owned real estate, and the maintenance of

financial soundness, while promoting shareholder returns and the reduction of strategic shareholdings.

Through the steady execution of the Plan described above, the Company aims to enhance its corporate value by achieving sustainable growth in core operating profit and improving capital efficiency, thereby further increasing its price-to-book ratio (PBR).

For the reasons stated above, the Board of Directors of the Company opposes this proposal.

2. Partial Amendment to the Articles of Incorporation (Disclosure of Directors' Remuneration on an Individual Basis)

(1). Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this proposal.

(2). Reasons for Opposition

The Company's basic policy regarding remuneration for officers, including directors, is to determine remuneration in a manner that sufficiently functions as an incentive to achieve sustainable enhancement of corporate value, aligns with shareholder interests, and contributes to enhancing corporate value.

Under this basic policy, remuneration for executive directors consists of four elements: (i) fixed remuneration (monthly remuneration), (ii) performance-linked remuneration (monthly remuneration), (iii) performance-linked remuneration (bonuses), and (iv) performance-linked remuneration (stock purchase compensation). Remuneration for outside directors consists solely of fixed compensation (monthly compensation), in light of their duties.

In addition, the Company has established a policy for determining the details of remuneration for individual directors (the "**Determination Policy**"), under which, in order to ensure that their remuneration will incentivize them to contribute to the enhancing the Company's medium- to long-term corporate value, as for performance-linked remuneration (bonuses) for executive directors (item (iii) above), using consolidated net income, being a direct source of funds for new capital investment and shareholder returns, as the primary performance indicator, and a non-financial safety-related indicator pursuant to which the amount of such remuneration is reduced in the event that a major incident attributable to human error occurs. In addition, positioning decarbonization strategy as one of its key strategies, the Company has introduced the CDP score as an environmental non-financial indicator for a portion of executive directors' monthly remuneration (item (ii) above).

The Determination Policy was drafted by the voluntary Nomination and Remuneration Committee, which is composed of a majority of independent outside directors and chaired by an independent outside director, and is resolved by the Board of Directors with respect for the committee's recommendations. The amounts of remuneration for individual directors are also determined by the Board of Directors after careful deliberation, consistent with the

Determination Policy, based on recommendations from the voluntary Nomination and Remuneration Committee.

Furthermore, in its annual securities reports, the Company lawfully and appropriately discloses aggregate remuneration by officer category, aggregate remuneration by type, and the number of eligible officers, in accordance with laws and regulations.

In contrast, this proposal seeks to newly stipulate in the Articles of Incorporation a requirement to disclose, on an individual basis, the amount, content, and method of determination of directors' remuneration. However, as described above, directors' remuneration at the Company is appropriately determined using a process that ensures objectivity, transparency, and fairness, based on the Determination Policy resolved through appropriate procedures, and that enables the sharing of shareholder value with shareholders and the pursuit of sustainable growth and enhancement of medium- to long-term corporate value. Accordingly, the Company believes that there is no need to set forth the proposed provision in the Articles of Incorporation.

In addition, by steadily executing this Plan, the Company will enhance its corporate value through sustainable growth in core business profits and improvements in capital efficiency, and will work to improve its price-to-book ratio (PBR).

For the reasons stated above, the Board of Directors of the Company opposes this proposal.

Prior to the resolution of this opinion of the Board of Directors, the Board of Directors consulted the voluntary Nomination and Remuneration Committee regarding its opinion on this proposal, and the Board of Directors resolved this opinion based on the recommendations from the voluntary Nomination and Remuneration Committee.

3. Appropriation of Surplus

(1). Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this proposal.

(2). Reasons for Opposition

The Company considers returning profits to shareholders as an important management priority, and for the fiscal year ending March 2026, has adopted a dividend policy with a standard dividend payout ratio of 40% of full-year earnings, with the aim of enhancing shareholder value through new investments for sustainable corporate growth, strengthening the linkage between dividends and profit growth, implementing appropriate and transparent shareholder returns, and maintaining continuous dividends from a long-term perspective.

In addition, as announced in the Plan, the Company has positioned the strengthening of shareholder returns as one of its individual priority initiatives and has introduced a new dividend policy establishing a dividend floor of 30 yen per share, in addition to a payout ratio of 40%, in order to enhance predictability and stability of dividends. This dividend floor is supported by long-term stable profits generated from the Company's stable and mature real estate business.

The Company also positions the share buybacks, as a flexible capital management measure conducted with due regard to financial discipline.

The external environment surrounding the Company, including geopolitical risks, rising vessel prices, costs, and interest rates, and the lengthening period from vessel order to delivery, is significantly changing. Therefore, the Company believes it is appropriate to have the dividend policy described above, taking into consideration the importance of appropriately securing and flexibly utilizing internal reserves necessary to both proactively use financial leverage and maintain financial soundness, while strengthening the business foundation to respond to changes in the business environment and promoting new investments for sustainable growth.

In contrast, if surplus were appropriated at a dividend payout ratio of 100%, as proposed, the Company would be deprived of funds for growth investments, hindering the smooth execution of such investments, and ultimately impairing the Company's medium- to long-term growth and enhancement of corporate value, thereby harming the medium- to long-term interests of shareholders. Using profits and cash generated through growth investments as a source of funds, while taking into consideration future investment capacity and financial soundness, the Company will aim to achieve continuous enhancement of corporate value and shareholder returns characterized by stability, predictability, and flexibility.

In addition, for the purpose of improving capital profitability and achieving growth in the real estate business, the Company, including through collaboration with external partners, will gradually expand its capabilities in domestic and overseas real estate development and asset replacement, and will realize value enhancement and capital gains.

Furthermore, the Company positions the leasing of office buildings as a stable and mature business that generates long-term stable cash flows and serves as a revenue base supporting the Company's growth investments, and, by implementing rent revisions that reflect market conditions, maintaining high occupancy rates, optimizing operating costs, and reviewing appropriate operation and holding policies for each property based on their future potential and strategic rationality, will secure stable earnings and achieve improvements in capital efficiency.

For the reasons stated above, the Board of Directors of the Company opposes this proposal.

4. Acquisition of Treasury Shares

(1). Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this proposal.

(2). Reasons for Opposition

The Company considers returning profits to shareholders as an important management priority, and under the Plan, the Company has determined that cash generated through business strategies and proceeds from asset sales will be allocated among growth investments, maintenance of financial discipline, and shareholder returns. With respect to shareholder return policy, the

Company has newly announced that it positions the share buybacks as a flexible capital management measure conducted with due regard to capital efficiency and financial discipline. In contrast, this proposal requires the acquisition, within one year from the conclusion of the Annual General Meeting of Shareholders, of up to 4,000,000 shares, with a total acquisition price of JPY 7.3 billion. However, setting the timing and scale of share buybacks in advance without taking into account potential changes in the business environment arising from geopolitical risks, including those in the Middle East, would hinder the Company's ability to secure and flexibly utilize internal reserves necessary to strengthen its business foundation in response to changes in the business environment and to promote new investments for sustainable growth, and ultimately impairing the Company's medium- to long-term growth and enhancement of corporate value, thereby harming the medium- to long-term interests of shareholders. The Company believes that the effectiveness of shareholder returns through share buybacks is best achieved when such acquisitions are conducted flexibly by the Board of Directors at optimal times, taking into account prevailing share price levels, earnings conditions, and the business environment.

Through flexible share buybacks in response to share price levels, earnings conditions, and the business environment, the Company will appropriately control its capital, and, using profits and cash generated through growth investments as a source of funds, while taking into consideration future investment capacity and financial soundness, will aim to achieve shareholder returns characterized by stability, predictability, and flexibility.

For the reasons stated above, the Board of Directors of the Company opposes this proposal.

End

(Appendix) Contents of Shareholder Proposals

※ Please note that relevant portions of the written notice of the Shareholder Proposals submitted by the Proposing Shareholder are reproduced as originally submitted, except for formal adjustments.

- I. Matters to be Resolved at the General Meeting of Shareholders (Proposed Agenda Items)
 - 1 Abolition of the Response Policies to Large-Scale Purchases of the Company's Share Certificates, Etc. (Takeover Response Policies)
 - 2 Partial Amendment to the Articles of Incorporation (Disclosure of Directors' Remuneration on an Individual Basis)
 - 3 Appropriation of Surplus
 - 4 Acquisition of Treasury Shares

II. Outline of the Proposals and Reasons Therefor

- 1 Abolition of the Response Policies to Large-Scale Purchases of the Company's Share Certificates, Etc. (Takeover Response Policies)

(1) Outline of the Proposal

To abolish the "Response Policies to Large-Scale Purchases of the Company's Share Certificates, Etc. (Takeover Response Policies)," which were partially revised and continued with approval at the Company's 134th Annual General Meeting of Shareholders held on June 26, 2025.

(2) Reasons for the Proposal

For an operating company such as the Company, the real estate business is a primary cause of a conglomerate discount. As a matter of fact, as of the end of March 2025, the Company holds investment properties (rental properties, etc.) amounting to JPY 208.8 billion (Annual Securities Report for the 134th fiscal year), which is almost equivalent to its recent market capitalization. Therefore, the Company's effective price-to-book ratio (PBR), reflecting unrealized gains on investment properties (after tax), remains at approximately 0.8 times.

On the other hand, the Company has introduced takeover defense measures that, unless introduced and operated with thorough protection of minority shareholders, enable "management appropriation" of the Company by the corporate managers and disregard the common interests of shareholders. The Company is listed on the Prime Market, the highest segment of the Tokyo Stock Exchange; however, an effective PBR persistently remained below 1.0, and if the Company maintains takeover defense measures while lacking sufficient guidelines to restore shareholder value, not only as a Prime Market listed company, but its very qualification as a listed company will be called into question.

For the Company to achieve an effective PBR above 1.0, it is a prerequisite that its return on equity (ROE) exceeds the cost of equity, which is expected by shareholders. Conversely, a PBR below 1.0 serves as evidence that minority shareholders are not being adequately protected, as a result of ROE falling below the cost of equity.

The low valuation of the Company's shares, namely an effective PBR below 1.0, is due to the Company

holding investment properties (rental properties, etc.) that produce a return of approximately 1.2% on an estimated investment yield basis (after depreciation and tax), which does not reach the cost of capital. Although the Company employs a certain degree of financial leverage, unlike real estate investment trusts (REITs), it does not enjoy preferential tax treatment; and for an operating company that is not a professional in real estate investment and management, it is virtually impossible, from a financial theory perspective, for the investment yield on investment properties (rental properties, etc.) to exceed the cost of capital of the real estate business and, consequently, the Company as a whole.

The Company has introduced takeover defense measures that are convenient for corporate managers to pursue self-protection even if the share price discount persists, thereby giving rise to corporate governance issues. In light of its attitude of leaving an effective PBR below 1.0 unaddressed over many years, it must be said that the Company disregards minority shareholders.

The “Guidelines for Corporate Takeovers” published by the Ministry of Economy, Trade and Industry on August 31, 2023 state, with respect to takeover defense measures, that “if a company is considering to adopt a response policy, it is first and foremost required to make reasonable efforts to enhance corporate value at a normal phase, and to take steps to ensure that such increase is reflected in market capitalization” (pp. 33–34 of the Guidelines for Corporate Takeovers); however, given the Company’s depressed share price, it cannot be said that the Company has achieved reasonable efforts to enhance corporate value and initiatives to have such efforts reflected in market capitalization.

In the “Summary of Discussions on Measures to Improve the Effectiveness of the Market Restructuring” published by the Tokyo Stock Exchange, Inc. on January 30, 2023, it is stated that “In Japan, there are many cases where management is unaware of the cost of capital and stock price. It is necessary to improve management’s awareness and literacy of these concepts and allow autonomy in corporate management functions,” and further that “First, TSE could encourage management to properly identify the company’s cost of capital and capital efficiency, evaluate those statuses and its stock price and market capitalization, and disclose policies and specific initiatives for improvement as necessary. This could be a catalyst for promoting dialogue with investors and improving management literacy.” On that basis, it states that “In particular, companies with a PBR consistently below 1x (i.e., not achieving capital efficiency in excess of their cost of capital, or achieving capital efficiency in excess of their cost of capital but future growth potential is not adequately expected by investors) should be required to disclose their policies and specific initiatives for improvement.”

In order for the Company’s management to develop, with a sense of urgency, measures to eliminate the stock price discount at an early stage, abolishing takeover defense measures will be the first step of “policies and specific initiatives for improvement.” Shareholders desire corporate managers that aim to enhance shareholder value; therefore, takeover defense measures should be abolished in order to discipline corporate managers.

2 Partial Amendment to the Articles of Incorporation (Disclosure of Directors’ Remuneration on an Individual Basis)

(1) Outline of the Proposal

To newly add the following article to the Company’s Articles of Incorporation. If, due to the approval of other agenda items at the Annual General Meeting of Shareholders (including agenda items proposed by the Company), formal adjustments (including, but not limited to, correction of discrepancies in article numbering) become necessary with respect to the provision set forth as this proposal, then the provision relating to this proposal shall be deemed replaced by the provision after making the necessary adjustments.

(Underlined portions indicate changes.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	(Remuneration, etc. of Directors) Article 27 (Omitted) <u>2. The amount, the contents and the method of determination of the remuneration of directors shall be disclosed each year on an individual basis in the business report and the annual securities report.</u>

(2) Reasons for the Proposal

The Company has introduced takeover defense measures that, if improperly introduced and operated, enable “management appropriation” of the Company by the corporate managers and function as a means to disregard the common interests of shareholders. Furthermore, the Company’s share price continues to have an effective PBR below 1.0, and if the Company maintains takeover defense measures while lacking sufficient guidelines for improving shareholder value, the very significance of being listed will be called into question. Because takeover defense measures are convenient for corporate managers to pursue self-protection even if business performance and share price are depressed and the effective PBR is below 1.0, many institutional investors oppose their introduction and continuation.

The “Guidelines for Corporate Takeovers” published by the Ministry of Economy, Trade and Industry on August 31, 2023 state, with respect to takeover defense measures, that “if a company is considering to adopt a response policy, it is first and foremost required to make reasonable efforts to enhance corporate value at a normal phase, and to take steps to ensure that such increase is reflected in market capitalization” (pp. 33–34 of the Guidelines for Corporate Takeovers); however, given the Company’s depressed share price, it cannot be said that the Company has achieved reasonable efforts to enhance corporate value and initiatives to have such efforts reflected in market capitalization.

In addition, although the Guidelines for Corporate Takeovers present “To design the response policy to always require a shareholders’ meeting when invoking countermeasures” as one example of possible features to align perspectives with institutional investors (p. 34 of the Guidelines for Corporate Takeovers), continuing the Company’s takeover defense measures, which in principle grant the Board of Directors the authority to trigger countermeasures, leaves no choice but to conclude that the primary purpose is corporate managers’ self-protection.

The Company has serious corporate governance issues in that it has introduced takeover defense measures, and the effective PBR below 1.0 has been prolonged; therefore, it is necessary to improve capital allocation measures. In contrast, individual remuneration of directors indicates how the Board of Directors evaluates the issues the Company faces and how it reflects this evaluation in the remuneration of individual directors, and

plays a role in clarifying the causes of corporate governance and capital allocation problems.

Given the Board of Directors' tolerance of the introduction of takeover defense measures and the prolonged effective PBR below 1.0, it cannot be expected that the Board of Directors will fulfill its role in improving the corporate governance issues the Company faces, nor that it will instill a sense of responsibility in management with respect to business performance. Therefore, in order to establish an environment in which shareholders can exercise more active checks, this proposal seeks to introduce a provision in the Articles of Incorporation obligating the Company to disclose individual directors' remuneration.

3 Appropriation of Surplus

(1) Outline of the Proposal

The appropriation of surplus shall be as follows.

If the Board of Directors proposes an agenda item regarding appropriation of surplus at the Annual General Meeting of Shareholders, this proposal shall be additionally proposed independently of such proposal.

A) Type of dividend assets

Cash

B) Dividend per share

The amount obtained by deducting the dividend amount per share of the Company's common stock proposed by the Board of Directors and approved at the Annual General Meeting of Shareholders from JPY 136 (JPY 136 if the Board of Directors does not propose an agenda item regarding appropriation of surplus at the Annual General Meeting of Shareholders).

C) Matters relating to allotment of dividend assets and the total amount thereof

For each share of the Company's common stock, the dividend per share set forth above (the total dividend amount shall be the amount calculated by multiplying the dividend per share by the total number of issued common shares of the Company (excluding treasury shares) as of March 31, 2026).

D) Effective date of the dividend of surplus

The date of the Annual General Meeting of Shareholders.

E) Commencement date of dividend payments

The day three weeks after counting from the next business day following the date of the Annual General Meeting of Shareholders.

(2) Reasons for the Proposal

The Company's share price has an effective PBR below 1.0. This is because capital efficiency deteriorated as the Company retained investment properties (rental properties, etc.) with low profitability on a market value basis on a large scale relative to its market capitalization. Therefore, in light of the risk that shareholder value will continue to be impaired, fundamental shareholder returns are required in order to put a brake on the vicious cycle in which the Company's capital efficiency continues to deteriorate. Accordingly, at least a 100% dividend payout ratio is necessary, and this proposal seeks to distribute to shareholders JPY 136, which is the forecast consolidated earnings per share for the fiscal year ending March 2026.

In the “Summary of Discussions on Measures to Improve the Effectiveness of the Market Restructuring” published by the Tokyo Stock Exchange on January 30, 2023, it is stated that “In Japan, there are many cases where management is unaware of the cost of capital and stock price. It is necessary to improve management's awareness and literacy of these concepts and allow autonomy in corporate management functions,” and further that “First, TSE could encourage management to properly identify the company's cost of capital and capital efficiency, evaluate those statuses and its stock price and market capitalization, and disclose policies and specific initiatives for improvement as necessary. This could be a catalyst for promoting dialogue with investors and improving management literacy..” On that basis, it states that “In particular, companies with a PBR consistently below 1x (i.e., not achieving capital efficiency in excess of their cost of capital, or achieving capital efficiency in excess of their cost of capital but future growth potential is not adequately expected by investors) should be required to disclose their policies and specific initiatives for improvement.”

In addition, in the “TSE's Future Actions in Response to the Summary of Discussions of the Follow-up Council” published by the Tokyo Stock Exchange on the same day, it is stated that “Require that management and the board of directors properly identify the company's cost of capital and capital efficiency, evaluate those statuses and its stock price and market capitalization, and disclose policies and specific initiatives for improvement and the progress thereof as necessary.”

Therefore, this proposal is consistent with the spirit of the series of requests made by the Tokyo Stock Exchange.

4 Acquisition of Treasury Shares

(1) Outline of the Proposal

Pursuant to Article 156, paragraph (1) of the Companies Act, within one year from the conclusion of the Annual General Meeting of Shareholders, the Company shall acquire its common stock by delivering cash, up to a maximum of 4,000,000 shares and a total acquisition price of up to JPY 7.3 billion (provided that if the total amount of the acquisition price permitted under the Companies Act (the “distributable amount” as stipulated in Article 461 of the Companies Act) is less than this amount, then the upper limit will be the maximum total acquisition price permitted under the Companies Act).

(2) Reasons for the Proposal

If the Company leaves in place investment properties (rental properties, etc.) that are disproportionately large relative to its market capitalization, it cannot correct inefficient capital allocation in which ROE falls below the cost of equity, and there is a high possibility that an effective PBR below 1.0 will be prolonged. Therefore, share repurchases are an effective means of protecting minority shareholders.

As of the end of March 2025, the Company has JPY 14.0 billion of strategic shareholdings (listed stocks) that do not contribute to its core business, and therefore has sufficient funds to acquire treasury shares. The proposed number of shares corresponds to 5% of the trading volume of the Company's shares over the past year, and is a reasonable level that the market can sufficiently absorb from the perspective of liquidity.

End