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May 20, 2026

Company name: ARCS COMPANY,LIMITED
Name of representative: Kiyoshi Yokoyama, Chairman, CEO
(Securities code: 9948; TSE Prime
Market and SSE)
Inquiries: Koichi Furukawa, Vice Chairman, CFO
(Telephone: +81-11-530-1000)

**Notice Concerning Change in Candidate for Independent Committee Member under the
Policies to Respond to a Large-Scale Purchase of the Company's Shares
(Takeover Response Policies) and Partial Amendment to the Notice of Convocation of
the 65th Annual General Meeting of Shareholders**

Regarding the "Continuation of the Policies to Respond to a Large-Scale Purchase of the Company's Shares (Takeover Response Policies)" announced on April 13, 2026, and Proposal No. 4 to be submitted to the 65th Annual General Meeting of Shareholders to be held on May 26, 2026, Mr. Tatsuya Hori, a candidate for the Independent Committee, suddenly passed away on May 16, 2026.

Accordingly, at a meeting of the Board of Directors held today, it has resolved to select Mr. Junichi Morikawa as the new candidate for the Independent Committee. ARCS COMPANY,LIMITED ("ARCS") hereby announces the details as described below, and also attach the notice of partial amendment to the Notice of Convocation of the 65th Annual General Meeting of Shareholders.

1. A candidate for new Independent Committee member

Name Junichi Morikawa (Born in December 1947)

Career summary

Sep. 1980 Registered as a certified public accountant

Aug. 1991 Representative partner of Century Audit Corporation (current Ernst & Young ShinNihon LLC)

Jun. 2007 Chairman of the Hokkaido Chapter of The Japanese Institute of Certified Public Accountants

Jul. 2010 Director of Certified Public Accountant Morikawa Office (current post)

Jul. 2010 Auditor of The Japanese Institute of Certified Public Accountants

There is no special interest between the person concerned and ARCS.

2. Date of appointment : May 26, 2026

(Appendix)

Amendments to Proposal No. 4 " Continuation of the Policies to Respond to a Large-Scale Purchase of the Company's Shares (Takeover Response Policies) " in the Notice of Convocation of the 65th Annual General Meeting of Shareholders. (Amended parts are underlined.)

<Amendment Item>

Page 15. 1. Detail of this Plan subject to shareholders' approval (3) Establishment of the Independent Committee

【Before Amendment】

The Board of Directors of the Company shall make a final decision regarding whether such Large-Scale Purchase complied with the Large-Scale Purchase Rules, or whether the countermeasures should be taken on the grounds that such Large-Scale Purchase is considered to significantly undermine the corporate value of the Company and the common interests of shareholders even if such Large-Scale Purchase complied with the Large-Scale Purchase Rules. Meanwhile, in order to operate this Plan appropriately, prevent the Board of Directors from making arbitrary decisions and ensure objective and rational decision at the Board of Directors, the Independent Committee shall be established in accordance with the Independent Committee Regulations (Please refer to Appendix 2 for the outline of the Regulations.) in the same manner as prescribed under the Current Plan. The Independent Committee shall consist of three or more members. They shall be appointed from among persons who are either of outside Directors, outside Audit & Supervisory Board Members or outside experts (Note) and who are independent of business execution of the Company, in order to ensure a fair and neutral decision. Members of the Independent Committee shall be announced as soon as appointed by the Board of Directors of the Company. The Members of the Independent Committee are expected to include an outside Director Akio Koike, an outside Audit & Supervisory Board Member Satoru Takashima, and an external expert Tatsuya Hori. (For their biographies, please refer to Appendix 3.)

【After Amendment】

The Board of Directors of the Company shall make a final decision regarding whether such Large-Scale Purchase complied with the Large-Scale Purchase Rules, or whether the countermeasures should be taken on the grounds that such Large-Scale Purchase is considered to significantly undermine the corporate value of the Company and the common interests of shareholders even if such Large-Scale Purchase complied with the Large-Scale Purchase Rules. Meanwhile, in order to operate this Plan appropriately, prevent the Board of Directors from making arbitrary decisions and ensure objective and rational decision at the Board of Directors, the Independent Committee shall be established in accordance with the Independent Committee Regulations (Please refer to Appendix 2 for the outline of the Regulations.) in the same manner as prescribed under the Current Plan. The Independent Committee shall consist of three or more members. They shall be appointed from among persons who are either of outside Directors, outside Audit & Supervisory Board Members or outside experts (Note) and who are independent of business execution of the Company, in order to ensure a fair and neutral decision. Members of the Independent Committee shall be announced as soon as appointed by the Board of Directors of the Company.

The Members of the Independent Committee are expected to include an outside Director Akio Koike, an outside Audit & Supervisory Board Member Satoru Takashima, and an external expert Junichi Morikawa. (For their biographies, please refer to Appendix 3.)

(Appendix)

Page 25. Career Summary of the Members of the Independent Committee (Appendix 3)

【Before Amendment】

The Independent Committee after the continuation of this Plan is scheduled to be served by the following three persons.

Tatsuya Hori

(Career summary) Born in November 1935

<u>Apr. 1958</u>	<u>Joined Hokkaido Government</u>
<u>Jun. 1993</u>	<u>Deputy Governor of Hokkaido Government</u>
<u>Apr. 1995</u>	<u>Governor of Hokkaido Government</u>
<u>Aug. 2004</u>	<u>Chairperson of the Board of Sapporo University</u>
<u>Dec. 2009</u>	<u>Director and Chairperson of Hokkaido (Marketing) Institute of Research Ltd.</u>
<u>Apr. 2010</u>	<u>Director of Historical Museum of Hokkaido</u>
<u>Jun. 2021</u>	<u>Honorary Chairman of Hokkaido Sport Association (current post)</u>

Satoru Takashima

(Career summary) Born in October 1951

Apr. 1979	Registered as an attorney-at-law
Apr. 1985	Established Takashima Satoru Law Office
May. 1993	Audit & Supervisory Board Member of the Company (current position)
Jan. 1996	Established Sapporo Chuo Law Office
Aug. 2006	Director of Takashima Sogo Law Office (current post)

Akio Koike

(Career summary) Born in July 1946

Jul. 1969	Joined Japanese National Railways
Apr. 1987	Joined Hokkaido Railway Company
Jun. 2000	Representative Director, Senior Managing Director, and General Manager of Development Division
Jun. 2003	Representative Director and President
Jun. 2007	Representative Director and Chairman
Nov. 2011	Representative Director and President
Jun. 2013	Representative Director and Chairman
Jun. 2015	Outside Director of Medical System Network Co., Ltd. (current position)
May 2024	Outside Director of the Company (current position)

There is no special interest between any of each Independent Committee member listed above and the Company.

The Company has notified the financial instruments exchange in Japan where the Company is listed of designation of Akio Koike, outside Director and Satoru Takashima, outside Audit & Supervisory Board Member, as independent officers.

(Appendix)

【After Amendment】

The Independent Committee after the continuation of this Plan is scheduled to be served by the following three persons.

Junichi Morikawa

(Career summary) Born in December 1947

Sep. 1980	Registered as a certified public accountant
Aug. 1991	Representative partner of Century Audit Corporation (current Ernst & Young ShinNihon LLC)
Jun. 2007	Chairman of the Hokkaido Chapter of The Japanese Institute of Certified Public Accountants
Jul. 2010	Director of Certified Public Accountant Morikawa Office (current post)
Jul. 2010	Auditor of The Japanese Institute of Certified Public Accountants

Satoru Takashima

(Career summary) Born in October 1951

Apr. 1979	Registered as an attorney-at-law
Apr. 1985	Established Takashima Satoru Law Office
May. 1993	Audit & Supervisory Board Member of the Company (current position)
Jan. 1996	Established Sapporo Chuo Law Office
Aug. 2006	Director of Takashima Sogo Law Office (current post)

Akio Koike

(Career summary) Born in July 1946

Jul. 1969	Joined Japanese National Railways
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Jun. 2000	Representative Director, Senior Managing Director, and General Manager of Development Division
Jun. 2003	Representative Director and President
Jun. 2007	Representative Director and Chairman
Nov. 2011	Representative Director and President
Jun. 2013	Representative Director and Chairman
Jun. 2015	Outside Director of Medical System Network Co., Ltd. (current position)
May. 2024	Outside Director of the Company (current position)

There is no special interest between any of each Independent Committee member listed above and the Company.

The Company has notified the financial instruments exchange in Japan where the Company is listed of designation of Akio Koike, outside Director and Satoru Takashima, outside Audit & Supervisory Board Member, as independent officers.